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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, registered institution in securities, a bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in Guangdong – Hong Kong Greater Bay Area Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or 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(s) or transferee(s).

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The Consideration Shares may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) except pursuant to an exemption from the registration requirements of the Securities Act. There will be no public offer of securities in the United States.

YOUNGO 粵香港

GUANGDONG – HONG KONG GREATER BAY AREA HOLDINGS LIMITED

粵 港 灣 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1396)

(I) MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL IN THE TARGET COMPANY INVOLVING THE ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE

(II) APPLICATION FOR WHITEWASH WAIVER AND

(III) NOTICE OF EXTRAORDINARY GENERAL MEETING

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



Capitalised terms used in this cover page shall have the same meaning as those defined in this circular.

A letter from the Board is set out on pages 9 to 57 of this circular and a letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 58 to 59 of this circular. A letter from the Independent Financial Adviser containing its recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 60 to 101 of this circular. A notice of the EGM to be held at Level 32, Block A, Hong Long Century Plaza, Luohu District, Shenzhen, the PRC on Tuesday, 21 October 2025 at 10:30 a.m. is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use by the Shareholders at the EGM is enclosed with this circular.

Whether or not you intend to attend the EGM (or any adjournment thereof), you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and in such event the form of proxy shall be deemed to be revoked.

If the EGM fails to be held due to any severe weather conditions occurring on the date of the EGM, the EGM will be adjourned. The Company will make announcement on the respective websites of the Stock Exchange and the Company in this regard as and when appropriate.

30 September 2025

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DEFINITIONS

In this circular, unless the context otherwise requires, the following terms or expressions shall have the following meanings:

“Acquisition”	the acquisition by the Purchaser of the Sale Shares on the terms and subject to the conditions set out in the Sale and Purchase Agreement
“acting in concert”	has the meaning as defined in the Takeovers Code
“AI”	artificial intelligence
“AI Businesses”	the principally engaged businesses of the Target Group, being (i) the provision of artificial intelligence computing power technical services and the relevant operation and maintenance services; (ii) the construction and development of artificial intelligence data centre; (iii) the operation of the artificial intelligence data centre; (iv) research and development of artificial intelligence technology and the provision of comprehensive AI computing power scheduling platform; and (v) the provision of comprehensive and one-stop integrated artificial intelligence solutions for customers
“AIDC”	artificial intelligence data centre
“Announcement”	the announcement of the Company dated 29 July 2025 in relation to, amongst other things, the Acquisition
“associates”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Call Option”	such exclusive option to acquire (at any time, in one or more times), to the extent permitted under the applicable and relevant PRC laws and regulations, all or part of the equity interest and assets in PRC Project Company wholly-owned by the PRC Project Intermediary, as granted under the Irrevocable Exclusive Call Option Agreement
“China GBA Holdings”	China Guangdong – Hong Kong Greater Bay Area Holdings Limited, a controlling Shareholder (as defined in the Listing Rules)

DEFINITIONS

“Company”/“Purchaser”	Guangdong – Hong Kong Greater Bay Area Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability, and the shares of which are listed on the main board of the Stock Exchange (stock code: 1396)
“Completion”	the completion of the Acquisition in accordance with the terms and condition set out in the Sale and Purchase Agreement
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Consideration”	the consideration in the amount of HK\$976,500,000 for the Acquisition
“Consideration Share(s)”	310,000,000 Shares to be allotted and issued as the Consideration payable by the Purchaser
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Independent Shareholders to consider and, if thought fit, pass resolution(s) to approve, among other things, the Acquisition and the Sale and Purchase Agreement and the transactions contemplated thereunder, including the allotment and issuance of the Consideration Shares under the Specific Mandate, as well as the Whitewash Waiver
“EIH”	Equity Interests Holder, being the PRC Project Intermediary under the EIH Voting Right Delegation Agreement
“EIH Voting Right Delegation Agreement”	such agreement with its terms as summarized under the sub-paragraph “ EIH Voting Right Delegation Agreement ” of the section headed “ INFORMATION ON THE VIE AGREEMENTS ” in this circular
“Enlarged Group”	the Group as enlarged by the Acquisition
“Equity Pledge Agreement”	such agreement with its terms as summarized under the sub-paragraph “ Equity Pledge Agreement ” of the section headed “ INFORMATION ON THE VIE AGREEMENTS ” in this circular

DEFINITIONS

“Exclusive Business Collaboration Agreement”	such agreement with its terms as summarized under the sub-paragraph “ Exclusive Business Collaboration Agreement ” of the section headed “ INFORMATION ON THE VIE AGREEMENTS ” in this circular
“Executive”	the Executive Director of the Corporate Finance Division of the SFC from time to time or any delegate of such Executive Director
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“I&C Registration Date”	such registration date for the equity pledge under the Equity Pledge Agreement with the relevant Administration for Industry and Commerce
“Independent Board Committee”	the independent board committee comprising of all the independent non-executive Directors, being Mr. Guan Huanfei, Mr. Han Qinchun and Mr. Chen Yangsheng, established to advise the Independent Shareholders in respect of the Sale and Purchase Agreement and transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver
“Independent Financial Adviser” or “Rainbow Capital”	Rainbow Capital (HK) Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in relation to the Acquisition (including the grant of the Specific Mandate for the issuance of Consideration Shares) and the Whitewash Waiver and to make recommendations as to voting
“Independent Shareholders”	the Shareholders other than (i) China GBA Holdings and the parties acting in concert with it and (ii) any other Shareholder who is interested or involved in any of the Acquisition and/or the Whitewash Waiver

DEFINITIONS

“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons and is not acting in concert (as defined in the Takeovers Code) with any of the connected persons of the Company or any of their respective associates (as defined under the Listing Rules)
“Independent Valuer”	Moore Transaction Services Limited, an independent valuer engaged by the Company to carry out the Valuation
“Irrevocable Exclusive Call Option Agreement”	such agreement with its terms as summarized under the sub-paragraph “ Irrevocable Exclusive Call Option Agreement ” of the section headed “ INFORMATION ON THE VIE AGREEMENTS ” in this circular
“Issue Price”	HK\$3.15 per Share, being the issue price of each Consideration Share
“Last Trading Day”	11 July 2025, being the last full trading day immediately prior to the date of the Sale and Purchase Agreement
“Latest Practicable Date”	26 September 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 June 2026, being the long stop date contemplated under the Sale and Purchase for the fulfillment of the conditions precedent of the Acquisition
“MIIT”	Ministry of Industry and Information Technology (中華人民共和國工業和信息化部)
“MOFCOM”	Ministry of Commerce of the PRC (中華人民共和國商務部)
“NDRC”	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)

DEFINITIONS

“Power of Attorney”	such deed with its terms as summarized under the sub-paragraph “ Power of Attorney ” of the section headed “ INFORMATION ON THE VIE AGREEMENTS ” in this circular
“PRC”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“PRC Project Company”	Shenzhen Tiandun Data Technology Company Limited* (深圳天頓數據科技有限公司), a limited liability company established under the laws of the PRC, whose equity interest is indirectly and wholly-owned by the PRC Project Parent
“PRC Project Group”	collectively, the PRC Project Parent and its subsidiaries
“PRC Project Intermediary”	Shenzhen Tianwu Holdings Limited* (深圳天悟控股有限公司), a limited liability company established under the laws of the PRC, whose equity interest is directly and wholly-owned by the PRC Project Parent
“PRC Project Parent”	Beijing Tianqidun Data Technology Company Limited* (北京天奇頓數據科技有限公司), a limited liability company established under the laws of the PRC, whose equity interest is wholly-owned by the Registered Shareholders
“Registered Shareholders”	the registered shareholders of the PRC Project Parent, being: – Mr. Zhong Junhua (鍾軍華); – Mr. Luo Jieping (羅介平); – Mr. Huang Zhiwen (黃志文); – Mr. Chen Keya (陳科涯); – Mr. Cai Sanyan (蔡三艷); – Mr. Zhou Baikui (周柏魁); and – Mr. Chen Zhizhong (陳志中)

DEFINITIONS

“Relevant Period”	the period commencing from 29 January 2025, being six months prior to the date of the Announcement (29 July 2025), and up to and including the Latest Practicable Date
“Sale and Purchase Agreement”	the conditional sale and purchase agreement entered into by the Company, (as the Purchaser) and the Vendor, pursuant to which, the Purchaser has conditionally agreed to acquire and the Vendor have conditionally agreed to sell the Sale Shares, being the entire issued share capital of the Target Company, at the Consideration in the amount of HK\$976,500,000, with such Consideration be satisfied by the allotment and issuance of the Consideration Shares at the Issue Price
“Sale Shares”	10,000 shares in the Target Company (representing the entire issued share capital of the Target Company)
“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)”	the ordinary shares in the issued share capital of the Company, in the par value of HK\$0.10
“Shareholder(s)”	holder(s) of the Share(s)
“Specific Mandate”	the specific mandate to be sought from the Independent Shareholders at the EGM to grant to the Board the authority for the allotment and issuance of the Consideration Shares
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed thereto in the Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC
“Target Company”	Wisdom Knight Holdings Limited, an investment holding company established under the laws of British Virgin Islands with limited liability
“Target Group”	the Target Company and its subsidiaries

DEFINITIONS

“Target WFOE”	Shenzhen Shisong Holdings Limited* (深圳士頌控股有限公司), a wholly foreign-owned enterprise established under the laws of the PRC with limited liability, which (through the Target Company’s wholly-owned subsidiary established in Hong Kong) is indirectly and wholly-owned by the Target Company
“trading day”	means a day on which the Stock Exchange is open for the trading of securities
“USA”	United States of America
“Valuation”	the valuation of the market value of the entire issued share capital of the Target Group as at the Valuation Reference Date as appraised by the Independent Valuer by way of discounted cash flow method under the income approach
“Valuation Reference Date”	31 March 2025
“Valuation Report”	The valuation report dated 29 July 2025 prepared by the Independent Valuer regarding the Valuation
“VAT License”	such valued-added telecommunications license (internet data centre services, internet access services) required under the Telecommunications Regulations of the PRC* (《中華人民共和國電信條例》) for the provision of value-added telecommunication service
“Vendor”	Champion Road Group Limited, an investment holding company established under the laws of British Virgin Islands with limited liability
“VIE Agreements”	a series of agreements, including the Exclusive Business Collaboration Agreement, the Irrevocable Exclusive Call Option Agreement, the Equity Pledge Agreement, the Power of Attorney, the EIH Voting Right Delegation Agreement, which have been respectively executed and taken effect on 29 November 2024, 3 June 2025 and 30 June 2025 for the purpose of establishing and maintaining the VIE Arrangement
“VIE Arrangement”	the variable interest entity arrangement between the PRC Project Companies held by the PRC Project Intermediary and the Target WFOE

DEFINITIONS

“Whitewash Waiver”	a waiver from the Executive pursuant to Note 1 on Dispensations from Rule 26 of the Takeovers Code in respect of the obligations of China GBA Holdings and the Vendor to make a mandatory general offer for all the issued Shares and other securities of the Company not already owned or agreed to be acquired by China GBA Holdings and the Vendor and parties acting in concert with them as a result of the Completion
“WTO”	World Trade Organization
“%”	per cent

Unless the context requires otherwise, conversion of Renminbi into Hong Kong dollars is based on the approximate exchange rate of RMB1 to HK\$1.08. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in Hong Kong dollars or Renminbi have been, could have been or may be converted at such or any other rate or at all.

The English text of this circular, the notice of the EGM and accompanying form of proxy shall prevail over their respective Chinese text in case of inconsistency.



**GUANGDONG – HONG KONG GREATER BAY AREA
HOLDINGS LIMITED**

粵 港 灣 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1396)

Executive Directors:

Mr. Luo Jieping (*Chairman*)

Mr. He Fei (*CEO*)

Ms. Wei Haiyan

Registered Office:

PO Box 309, Ugland House

Grand Cayman KY1-1104

Cayman Islands

Independent non-executive Directors:

Mr. Guan Huanfei

Mr. Han Qinchun

Mr. Chen Yangsheng

Headquarters:

Level 32, Block A

Hong Long Century Plaza

Luohu District, Shenzhen, PRC

*Principal Place of Business
in Hong Kong:*

Unit 916, 9/F

China Merchants Tower

Shun Tak Centre

168–200 Connaught Road Central

Hong Kong

30 September 2025

To the Shareholders

Dear Sir/Madam,

**(I) MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF
THE ENTIRE ISSUED SHARE CAPITAL IN THE TARGET COMPANY
INVOLVING THE ISSUE OF CONSIDERATION SHARES
UNDER SPECIFIC MANDATE
(II) APPLICATION FOR WHITEWASH WAIVER
AND
(III) NOTICE OF EXTRAORDINARY GENERAL MEETING**

LETTER FROM THE BOARD

INTRODUCTION

Reference is made to the Announcement in relation to, amongst other things, the Acquisition.

The purposes of this circular are to provide you with information regarding, among other things, (i) further details of the Sale and Purchase Agreement and the transactions contemplated thereunder, including the Acquisition and the issue of the Consideration Shares under the Specific Mandate; (ii) details of the application for the Whitewash Waiver; (iii) the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder and the Whitewash Waiver; (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (v) financial information and other information of the Group; (vi) the accountant's report of the Target Group; (vii) unaudited pro forma financial information of the Enlarged Group; (viii) the Valuation Report; (ix) other information as required under the Listing Rules and the Takeovers Code; and (x) a notice of the EGM.

THE ACQUISITION

On 14 July 2025 (before trading hours of the Stock Exchange), the Company (as the Purchaser) entered into the Sale and Purchase Agreement with the Vendor, pursuant to which, the Purchaser has conditionally agreed to acquire and the Vendor have conditionally agreed to sell the Sale Shares (representing the entire issued share capital of the Target Company), at the Consideration in the amount of HK\$976,500,000.

The Consideration shall be satisfied by allotment and issuance of the Consideration Shares at the Issue Price under the Specific Mandate to be sought by the Company at the EGM.

The Sale and Purchase Agreement

The principal terms of the Sale and Purchase Agreement are set out as follows:

Date

14 July 2025 (before trading hours of the Stock Exchange)

Parties to the Sale and Purchase Agreement

- (a) The Company (as the Purchaser and the issuer of the Consideration Shares); and
- (b) The Vendor

LETTER FROM THE BOARD

Subject Matter of the Acquisition

Pursuant to the terms of the Sale and Purchase Agreement, the Company (as the Purchaser) has conditionally agreed to acquire, and the Vendor have conditionally agreed to sell the Sale Shares (representing the entire issued share capital of the Target Company), at the Consideration in the amount of HK\$976,500,000. The Consideration of the Acquisition shall be satisfied by the allotment and issue of the Consideration Shares at the Issue Price (i.e. HK\$3.15 per Share) under the Specific Mandate to be sought by the Company at the EGM.

Conditions Precedent of the Sale and Purchase Agreement

The Acquisition is conditional upon the following conditions being fulfilled (or waived, where applicable):

- (a) the Listing Committee shall have granted or agreed to grant the approval for the listing of and permission to deal in the Consideration Shares;
- (b) the Independent Shareholders shall have approved the Acquisition, the Sale and Purchase Agreement and all transactions contemplated thereunder (including the Specific Mandate and the corresponding issuance of the Consideration Shares) at the EGM by more than 50% of the votes cast by the Independent Shareholders in accordance with the Listing Rules and the Takeovers Code;
- (c) the Independent Shareholders having passed the necessary resolution approving the Whitewash Waiver at the EGM by at least 75% of the votes cast by the Independent Shareholders in accordance with the Takeovers Code;
- (d) the Executive having granted the Whitewash Waiver and the satisfaction of any condition attached to the Whitewash Waiver granted, and the Whitewash Waiver not being revoked;
- (e) the entire issued share capital of the Target Company as at the date of the Sale and Purchase Agreement remains the same up to the date of the Completion;
- (f) the Board approving the Acquisition, the entering into and the execution and performance of the Sale and Purchase Agreement;
- (g) the board of directors of the Vendor approving the Acquisition, the entering into and the execution and performance of the Sale and Purchase Agreement;
- (h) all other applicable laws, rules and regulations including but not limiting to the Listing Rules and/or the Takeovers Code for the Acquisition and the transactions contemplated under the Sale and Purchase Agreement shall have been complied with by the Company, the Vendor and the Purchaser;

LETTER FROM THE BOARD

- (i) the VIE Agreements and their relevant documents having been duly executed with a legal opinion having been issued by the legal adviser to the Company as to the PRC laws in the form and substance to the satisfaction of the Purchaser, on the matters relating to the VIE Agreements;
- (j) no event occurring which constitutes a material adverse change (as set out in the Sale and Purchase Agreement) has occurred on the financial position, business, prospect or results of operations of the Target Group as a whole prior to the date of Completion; and
- (k) the representations, warranties and undertakings made by the Vendor under the Sale and Purchase Agreement shall be true, accurate and not misleading in all material aspects as at the date of the Acquisition and up to the date of Completion.

As at the Latest Practicable Date, the respective representations, warranties and undertakings made by the Purchaser and the Vendors are true, accurate and not misleading with respect to the Acquisition and the transactions contemplated thereunder.

As at the Latest Practicable Date, Conditions Precedent contemplated under (f), (g) and (i) above are fulfilled.

The Vendor and the Purchaser may, in writing, waive in whole or in part any of the Conditions Precedent contemplated under (j) and (k) above. Other than the aforesaid, none of the conditions precedent may be waived. If any of the conditions is not fulfilled (or as the case may be, waived) on or before 30 June 2026 (i.e. the Long Stop Date), or such later date as the parties to the Sale and Purchase Agreement may agree in writing, the Sale and Purchase Agreement shall (unless otherwise agreed in writing by the parties to the Sale and Purchase Agreement) be terminated, and all rights, obligations and liabilities of the parties thereto shall cease and determine and neither party shall have any claim against the other, save for any antecedent breaches of the Sale and Purchase Agreement.

Consideration for the Acquisition

With respect to the Acquisition, the Consideration is in the amount of HK\$976,500,000. The Consideration of the Acquisition shall be satisfied by the allotment and issuance of the Consideration Shares at the Issue Price (i.e. HK\$3.15 per Share) under the Specific Mandate to be sought by the Company at the EGM.

The Consideration was determined after arm's length negotiations between the Company and the Vendor with reference to (i) the valuation of the market value of the entire issued share capital of the Target Group of HK\$978,000,000 as at the Valuation Reference Date as appraised by the Independent Valuer by way of discounted cash flow method under the income approach; (ii) the future prospects with respect to the businesses operated by the Target Group; (iii) the historical financial performance of the Target Group; and (iv) the reasons and benefits of the

LETTER FROM THE BOARD

Acquisition as stated under the paragraph headed “**REASONS FOR AND BENEFITS OF THE ACQUISITION**” in this circular.

Consideration Shares and the Issue Price

The Consideration Shares represent (i) approximately 38.08% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 27.58% of the issued share capital of the Company as enlarged by the allotment and issuance of the Consideration Shares (assuming that there will be no change in the issued share capital of the Company other than the allotment and issuance of Consideration Shares).

The Issue Price was arrived at after arm’s length negotiation between the Vendor and the Purchaser to the Sale and Purchase Agreement after taking into account the prevailing market price of the Shares, the financial performance of the Group and the general market sentiment. The Issue Price represents:

- (a) a premium of approximately 2,323% to the audited net asset value per Share as at 31 December 2024 of approximately HK\$0.13;
- (b) a premium of approximately 11.93% to the unaudited net asset value attributable to the Shareholders per Share as at 30 June 2025 of approximately HK\$2.81 based on (1) the Group’s unaudited net asset value of RMB3,054,883,000 attributable to the Shareholders as at 30 June 2025; (2) 1,190,278,327 Shares in issue assuming the Group’s mandatory convertible bonds have been converted into 376,175,227 Shares; and (3) the exchange rate of RMB0.91195 to HK\$1 quoted by the People’s Bank of China as at 30 June 2025;
- (c) a discount of approximately 1.25% to the reassessed net asset value attributable to the Shareholders per Share as at 30 June 2025 of approximately HK\$3.19, details of calculation of which is set out in the section headed “Property Interests and Reassessed Net Asset Value” in “Appendix I – Financial Information of the Group” in this circular;
- (d) a discount of 41.77% to the closing price of HK\$5.41 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (e) a discount of approximately 11.27% to the closing price of HK\$3.55 per Share as at the Latest Trading Day, being the trading date immediately prior to the date of the Sale and Purchase Agreement;
- (f) a discount of approximately 10.97% over the average of the closing price of HK\$3.54 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Sale and Purchase Agreement; and

LETTER FROM THE BOARD

- (g) a discount of approximately 13.67% over the average of the closing price of HK\$3.65 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the date of the Sale and Purchase Agreement.

The aggregate nominal value of share capital for the Consideration Shares is HK\$31,000,000.

The Consideration Shares will be allotted and issued under the Specific Mandate to be approved by the Independent Shareholders at the EGM. The Consideration Shares, when allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares in issue.

An application will be made by the Company to the Listing Committee for the approval for the listing of, and permission to deal in, the Consideration Shares.

Valuation of the Target Group

In the Valuation prepared by the Independent Valuer, the three generally recognised valuation approaches, namely the cost approach, the market approach and the income approach, were understood to have been considered to conduct the Valuation, in order to select the most appropriate approach(es).

(A) Analysis on the Approaches

The cost approach provides an indication of value based on the principle that the assets and liabilities as a whole represent the value of a company. It provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors are involved. The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.

The market approach is a valuation technique based on the principle of substitution. It provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available. Third-party transactions in the equity of an enterprise generally represent the best estimate of market value if they are done at arm's length. Under the market approach, there are two primary methods as follows:

- (i) The first one is often referred to as the Comparable Transactions Method, involves determining valuation multiples from sales of enterprises with similar financial and operating characteristics and applying those multiples to the subject enterprise; and
- (ii) The second one is often referred to as the Guideline Public Company Method, involves identifying and selecting publicly-traded enterprises with financial and operating characteristics similar to the enterprise being valued, which, once identified, valuation multiples can be derived, adjusted for comparability, and then applied to the

LETTER FROM THE BOARD

subject enterprise to estimate the value of its equity or enterprise value. In applying the Guideline Public Company Method, different value measures or market multiples of the comparable companies are calculated and analysed to induce a series of multiples that are considered representative of the industry average.

The income approach provides an indication of value by converting future cash flow or economic benefits to a present value. Under the income approach, the value of an asset/the business entity is determined by reference to the value of income, cash flow or cost savings generated by the asset/the business entity. A fundamental basis for the income approach is that investors expect to receive a return on their investments and that such a return should reflect the perceived level of risk in the investment.

In connection with the valuation methodology adopted, the valuation approach is determined based on professional judgment and technical expertise after detailed analysis on facts and circumstances. Key factors including, business nature and stage of development of the subject entity, the quantity and quality of the information provided to the Independent Valuer, supply of relevant market transactions, type and nature of the subject asset, etc. have been taken into account.

It is of the view that the cost approach has not been adopted because under such approach, the market value of equity interest is determined based on the replacement costs or reproduction costs of assets rather than the ability to generate streams of benefits in the future. Cost approach is best suited for tangible and commoditised assets such as land, buildings or plants, but not for intangible value drivers. However, the Target Group is principally engaged in AI Business with substantial growth potential. These future economic benefits cannot be captured by historical or replacement cost of the value of existing assets.

The market approach has not been adopted because there was neither any publicly available transaction of enterprises that were comparable in terms of the uniqueness of the Target Group's business model and its stage of development of AI Businesses observed, nor any closely comparable publicly traded entity with business development and operating characteristics similar to those of the Target Group suitable for the market approach could be identified as at the Valuation Reference Date.

As a result of the above and given the historical financial and operating data of the Target Group and the VIE Arrangement, it is agreed that the Target Group's intrinsic value can be better estimated based on forecasts of fundamental conditions in the future using the discounted cash flow analysis under the income approach, and the reliance on the discounted cash flow analysis under the income approach to derive the market value of the Target Group in the Valuation are in the interests of the Group and the Shareholders as a whole.

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(B) Adoption of Income Approach

The discounted cash flow analysis under the income approach involves forecasting the appropriate cash flow stream over an appropriate period and then discounting it back to a present value at an appropriate discount rate. This discount rate should consider the time value of money, inflation, and the risk inherent in ownership of the asset or interest being valued.

Performing a discounted cash flow analysis requires the preparation and analysis of a reliable forecast of the expected future financial performance of the subject entity. Forecasting cash flow to all investors requires the projection of revenues, operating expenses, taxes, working capital requirements, and capital expenditures for a future period.

Projected cash flow to all investors must then be discounted to a present value using a discount rate, which appropriately accounts for the market cost of capital as well as the risk and nature of the subject cash flows.

(C) Summary of Principal Assumptions

Since the discounted cash flow method of the income approach was adopted in the Valuation Report, the Valuation constitutes profit forecasts under Rule 14.61 of the Listing Rules and Rule 10 of the Takeovers Code. The principal assumptions made by the Independent Valuer on the Valuation are set out as follows:

- (1) There will be no major changes in the existing political, legal, fiscal and economic conditions in which the Target Group carries on its business;
- (2) There will be no major changes in the current taxation law in the country where the Target Group operates, that the rates of tax payable will remain unchanged and that all applicable laws and regulations will be complied with;
- (3) There will be no material changes in the industry in which the Target Group involves that would materially affect the revenues, profits, cash flows attributable to the Target Group;
- (4) The Target Group has obtained the necessary consent, licenses and approvals for the normal course of operations, including but not limited to the business licences and such consent and approval necessary for the VIE Arrangement, and the same have not been revoked. As at the Valuation Reference Date, it is confirmed by the Company and Tian Yuan Law Firm, the PRC legal advisors to the Company, that the Target Group has obtained the necessary consent, licenses and approvals for the normal course of operations, and the same have not been revoked;
- (5) Exchange rates and interest rates will not differ materially from those presently prevailing;

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- (6) The availability of finance at viable cost will not be a constraint on the forecasted growth of operations of the Target Group. In other words, it is assumed that obtaining necessary financing is readily available at a reasonable cost, and therefore, it will not be a limiting factor for the Target Group to execute its business plan. Based on the Management's representation, as at the Valuation Reference Date, RMB1,559 million debts of the Target Group have either secured or nearly closing;
- (7) The Target Group will successfully maintain its competitiveness and market share through optimizing the utilization of its resources and expanding its marketing network;
- (8) The Target Group can keep abreast of the latest development of the industry, such as trend of automation to reduce operating costs, such that its competitiveness and profitability can be sustained;
- (9) The Target Group will utilise and maintain its current operational, administrative and technical facilities to expand and increase its sales;
- (10) The Target Group will be able to secure funds to repay/renew its RMB1,559 million debts referred to in (6) above timely when they fall due;
- (11) The Target Group will retain and have competent management, key personnel, and technical staff to support its ongoing operations;
- (12) The Target Group will continue to operate as a going concern and the core operation of the Target Group will not differ materially from those of present or expected; and
- (13) The forecasting cash flow represents management's view of the range of economic conditions. The information and estimates provided and the representations made by management regarding the Target Group's financial and business affairs are reliable and without false representation.

(D) Implications under the Listing Rules and the Takeovers Code with respect to Profit Forecast

Prism Hong Kong Limited, being the reporting accountant of the Company, has reviewed and reported to the Directors in respect of the compilation of the discounted cash flows in connection with the valuation of the Independent Valuer. So far as the accounting policies and calculations are concerned, the profit forecast has been properly compiled in accordance with the assumptions adopted by the Board as set out in the Valuation Report.

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The Independent Financial Adviser confirmed that (1) the Valuation, which constitutes a profit forecast under (i) Rule 14.61 of the Listing Rules and (ii) Rules 10 and 11.1(a) of the Takeovers Code, has been made after due care and consideration by the Directors; and (2) the Independent Valuer is suitably qualified and experienced to undertake the Valuation pursuant to Rule 11.1(b) of the Takeovers Code.

The full text of the letter issued by the Prism Hong Kong Limited in relation to the calculations of the discounted cash flows is set out in Appendix VI to this circular for the purpose under Rule 14.60A(2) of the Listing Rules and Rules 10 and 11 of the Takeovers Code and the letter from the Independent Financial Adviser in compliance with Rule 14.60A(3) of the Listing Rules and Rules 10 and 11 of the Takeovers Code is set out in Appendix VII to this circular.

Completion

Completion for the Acquisition shall take place after all Conditions Precedent have been fulfilled (or waived, as the case may be), but no later than the Long Stop Date.

Immediately upon Completion, (i) the Target Company will become a direct wholly-owned subsidiary of the Company, accordingly the consolidated financial results, assets and liabilities of the Target Group will be consolidated into the financial statements of the Group; (ii) the Vendor will become a substantial shareholder of the Company; and (iii) the Company, by virtue of the VIE Agreements executed by, amongst others, the Target WFOE and the PRC Project Company can enjoy the economic benefits of the PRC Project Group.

Undertaking by the Vendor

Upon receipt of such Consideration Shares on Completion, the Vendor undertakes with the Company that, unless with the written consent of the Company, the Vendor will not dispose of, transfer, create encumbrances over, or enter into any agreement on the disposal of, transfer or creation of encumbrances over any of the Consideration Shares within two years subsequent to the Completion.

INFORMATION OF THE COMPANY (THE PURCHASER) AND THE GROUP

The Company is an investment holding company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange. The Group is principally engaged in the development, sales and operation of residential properties, commercial trade and logistics centres in the PRC.

Your attention is also drawn to Appendix I to this circular which contain further financial and general information of the Group.

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In deciding how to vote at the EGM, the Independent Shareholders should consider the disclaimer of opinion issued by the independent auditors of the Group on the consolidated financial statements of the Group for the years ended 31 December 2022, 2023 and 2024. Please refer to Appendix I to this circular for further details.

INFORMATION OF THE VENDOR

The Vendor under the Sale and Purchase Agreement is Champion Road Group Limited, an investment holding company established under the laws of British Virgin Islands with limited liability. The Vendor's ultimate beneficial owners are also the Registered Shareholders, and their respective shareholdings in the Vendor are as follows:

Name of Shareholders	Shareholding in the Vendor
Mr. Zhong Junhua (鍾軍華)	35.2%
Mr. Luo Jieping (羅介平)	18.0%
Mr. Huang Zhiwen (黃志文)	17.0%
Mr. Chen Keya (陳科涯)	10.4%
Mr. Cai Sanyan (蔡三艷)	10.4%
Mr. Zhou Baikui (周柏魁)	6.6%
Mr. Chen Zhizhong (陳志中)	2.4%

As at the Latest Practicable Date, given the reasons set out in the paragraph headed "Takeover Codes Implication" below, the Vendor is considered to be acting in concert with China GBA Holdings, a controlling Shareholder, and accordingly, the Vendor is not an Independent Third Party. Save and except for Mr. Luo Jieping, who is an executive Director, the other remaining shareholders of the Vendor are third parties independent of and not connected with the Company and its connected persons.

INFORMATION ON THE TARGET COMPANY AND THE TARGET GROUP

The Target Company, Wisdom Knight Holdings Limited, is an investment holding company established under the laws of British Virgin Islands with limited liability.

Information on the Target Group

The Target Group commenced its internet data center ("IDC") and internet access services ("ISP") businesses since 2016. Apart from the IDC and ISP businesses, the Target Group also commenced its AI Businesses since the second half of 2024. The Target Company directly and wholly-owns an investment holding company established under the laws of Hong Kong with limited liability as subsidiary which in turn holds the Target WFOE.

By virtue of the VIE Agreements, the operating subsidiaries in the PRC Project Group become controlled entities of the Target WFOE (and accordingly, that of the Target Company). The Registered Shareholders (i.e. the ultimate beneficial owners of the Vendor) together hold the

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entire equity interests in the PRC Project Parent (an investment holding company established under the laws of the PRC with limited liability), and through the PRC Project Intermediary (an investment holding company established under the laws of the PRC with limited liability), it holds the PRC Project Company, which in turn holds the operating subsidiaries in the PRC Project Group.

The key personnel operating the PRC Project Company and its Operating Subsidiaries is the founder of the Target Group, Mr. Zhong Junhua. Save for the operation of the PRC Project Company and its Operating Subsidiaries, the Group does not have the plan to transfer Mr. Zhong Junhua to the Group following the Completion.

As a whole, the Target Group is a full-ecosystem service provider for “Green Energy Artificial Intelligence Computing”, and is principally engaged in the AI Businesses in the PRC, comprising (i) the provision of AI computing power technical services and the relevant operation and maintenance services; (ii) the construction and development of the AIDC; (iii) the operation of the AIDC; (iv) research and development of AI technology and the provision of comprehensive AI computing power scheduling platform; and (v) the provision of comprehensive and one-stop integrated AI solutions for customers.

(i) Provision of AI computing power technical services and Relevant Operation and Maintenance Services

The three core elements of AI are computing power, algorithms, and data. The Target Group generates AI computing power by conducting a series of technical treatments on high-performance servers, such as reconfiguration, optimization, and networking. This provides AI computing power support for large-scale parallel computing in the AI field, specifically for the training and inference of large models.

In addition to the provision of AI computing power technical services, the Target Group also offers operation and maintenance services, ensuring that the AI computing infrastructure remains efficient, reliable, and up-to-date. This includes routine monitoring of server performance, troubleshooting issues, and implementing necessary upgrades or adjustments to maintain optimal operations. Together, these components create a comprehensive ecosystem that not only delivers high-quality AI computing power but also ensures seamless and continuous service for clients engaged in AI-driven initiatives.

(ii) Construction and Development of AIDC

An AIDC is a facility that houses the specific IT infrastructure needed to train, deploy and deliver AI applications and services. It has advanced compute, network and storage architectures and energy and cooling capabilities to handle AI workloads.

To compare with AIDCs, traditional IDCs feature cabinets with relatively lower power capacity (typically 4–6 KW per cabinet). These cabinets primarily house storage servers or general-purpose computing servers, which are mainly used for database management or providing general computing services. In contrast, AIDCs are specifically designed to deliver high-performance computing infrastructure for AI applications. AIDC cabinets support

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significantly higher power capacity (typically 10–100 kW per cabinet) and are equipped with high-performance servers. After undergoing technical reconfiguration, optimization and networking services, these high-performance servers can provide the computing power needed for the training and inference of large AI models.

The Target Group constructs and develops AIDC for both sales and rental purposes.

(iii) Operation of AIDC

The Target Group operates AIDC by leasing cabinets, managing and maintaining the infrastructure in AIDC to ensure system health, managing power and cooling resources, performing regular maintenance and check-ups, and ensuring security protocols are in place, etc.

(iv) Research and Development of AI Technology and Provision of Comprehensive AI Computing Power Scheduling Platform

Research and development of AI technology involves exploring innovative algorithms, data processing techniques and machine learning models to enhance AI capabilities. This work includes conducting experiments, analysing data, and refining models to improve performance and efficiency, as well as integrating AI solutions across various industries.

AI computing power scheduling platform enables unified management and efficient scheduling of diverse computing resources, creating a pooled resource system for large-scale heterogeneous computing power with full-network dispatch capabilities. Leveraging its competitive advantages in computing power supply, the platform reduces both the acquisition and operational costs of computing resources while supporting resource integration and operations management for computing power channel partners, thereby achieving mutually beneficial collaboration. The platform offers a suite of services, including computing power leasing, an all-in-one AI collaborative development platform, and a model/image repository community. These solutions solve critical industry challenges such as high barriers to computing power access, inconsistent multi-cloud environment experiences, and difficulties in ensuring data security, ultimately promoting the widespread adoption of high-quality computing resources.

(v) Provision of Comprehensive and One-stop Integrated AI Solutions for Customers

The Target Group provides customers with full-stack integrated AI solution services encompassing provision of AIDC cabinets, servers, technical networking, server operation and maintenance and intelligent applications.

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Set out below is the consolidated financial information of the Target Group for the three years ended 31 December 2024 and the three-month period ended 31 March 2025 respectively:

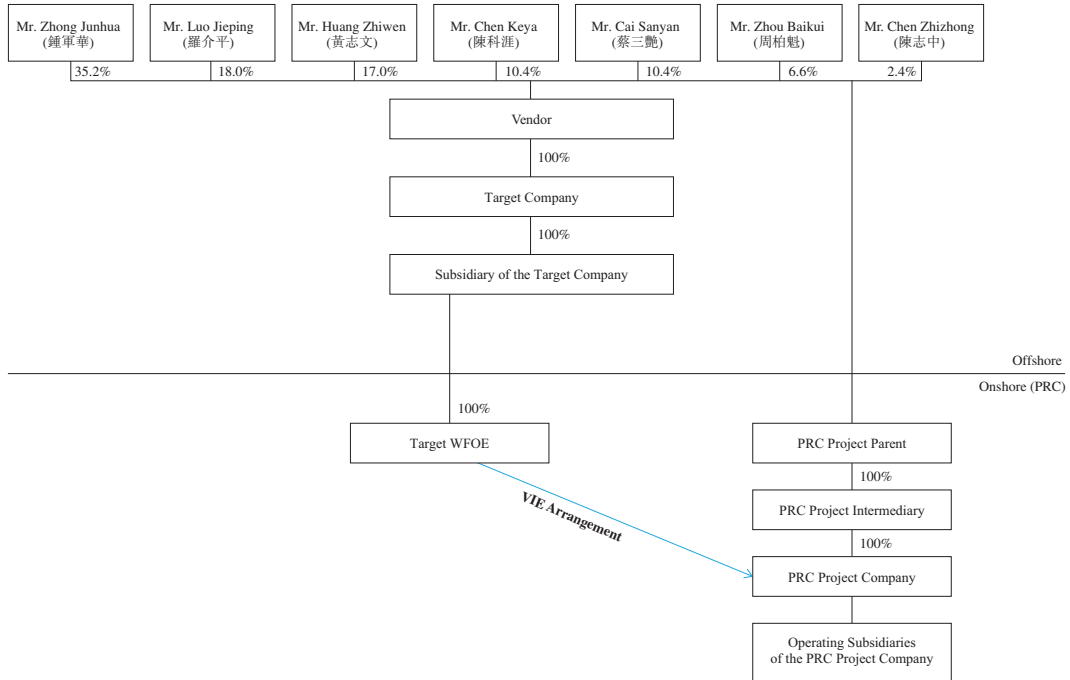
	For the three months ended 31 March 2025	For the year ended 31 December 2024	For the year ended 31 December 2023	For the year ended 31 December 2022
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
	(audited)	(audited)	(audited)	(audited)
Revenue	174,441	236,640	61,633	50,872
Profit/(loss)				
before tax	28,095	(1,262)	(57,545)	(78,164)
Profit/(loss)				
after tax	23,361	(894)	(56,695)	(78,026)

Note: The significant increase in profit of the Target Group, from net loss between the years ended 31 December 2022 to 2024, to net profit of the three months ended 31 March 2025 was primarily attributable to (i) the decrease in impairment losses on construction in process for the Target Group from RMB44.6 million in the year ended 31 December 2022 to RMB22.8 million in the year ended 31 December 2023 and RMB12.9 million in the year ended 31 December 2024; and (ii) the significant increase in revenue from the year ended 31 December 2022 to the year ended 31 December 2024, and as for three months ended 31 March 2025, the revenue recorded has already achieved RMB174.4 million (approximately 73.71% of that of the year ended 31 December 2024). For details, please refer to the section headed “Financial Review” in “Appendix III – Management Discussion and Analysis of the Target Group” in this circular.

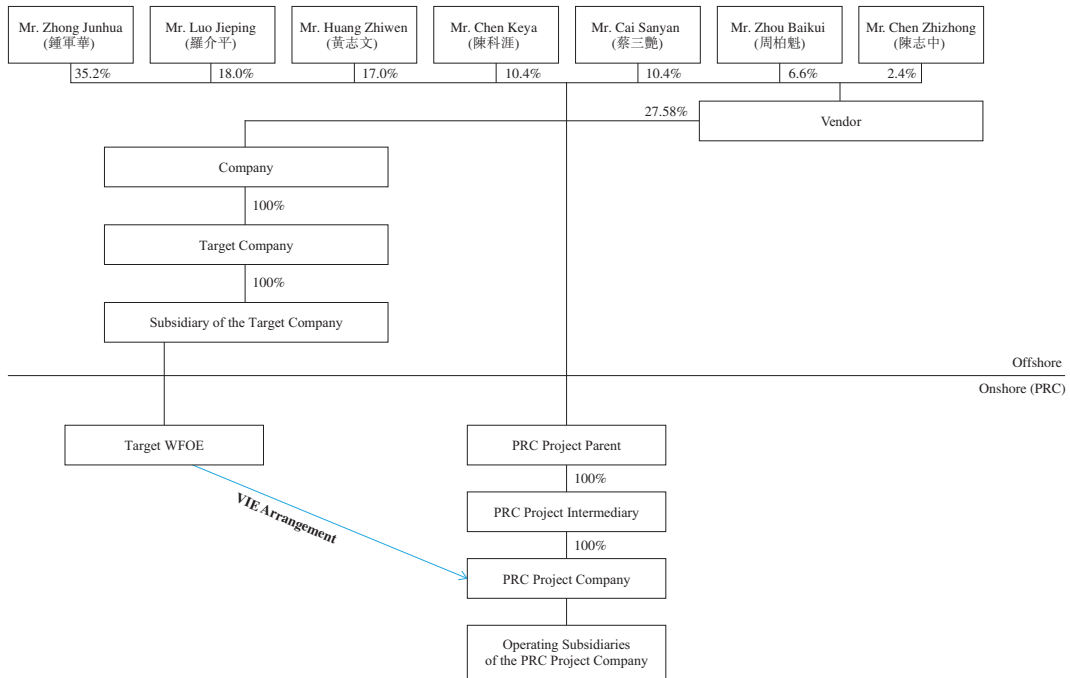
Based on the audited consolidated financial statements of the Target Group for the three months ended 31 March 2025, the audited consolidated net assets of the Target Group was approximately RMB178.2 million (equivalent to approximately HK\$192.5 million) as at 31 March 2025.

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Shareholding structure of the Target Group immediately prior to completion of the Acquisition



Shareholding structure of the Group and the Target Group immediately upon completion of the Acquisition



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REASON FOR ENTERING INTO THE VIE AGREEMENTS

Foreign investment activities in the PRC are mainly governed by the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2024)* (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “**2024 Negative List**”) and the Catalogue of Industries for Encouraging Foreign Investment (2022 Version)* (《鼓勵外商投資產業目錄(2022年版)》), which were promulgated and are amended from time to time jointly by the MOFCOM and the NDRC. The 2024 Negative List and the Encouraging Catalogue divide industries into “encouraged”, “restricted”, “prohibited” and “permitted” (the last category of which includes all industries not listed under the “encouraged”, “restricted” and “prohibited” categories).

Pursuant to the Telecommunications Regulations of the PRC (《中華人民共和國電信條例》) promulgated by the State Council of PRC on 25 September 2000 and last amended on 6 February 2016, and the Catalogue of Telecommunications Business (2015 Version) (《電信業務分類目錄(2015年版)》), the principally engaged businesses of the PRC Project Group involve IDC services and ISP services, which fall within the scope of “value-added telecommunication service”, the operations of such businesses require a value-added telecommunication business license for IDC and ISP businesses (which has been duly obtained). As advised by Tian Yuan Law Firm, the legal adviser to the Company as to the PRC laws, according to the 2024 Negative List, foreign investors are only allowed to invest into certain types of value-added telecommunications services that have been opened up to foreign investment pursuant to China’s commitments to the WTO. However, IDC and ISP businesses have not been included in the scope of China’s foregoing commitments to the WTO to date.

Pursuant to (i) the Mainland and Hong Kong Closer Economic Partnership Arrangement (《內地與香港關於建立更緊密經貿關係的安排》) and Mainland and Macao Closer Economic Partnership Arrangement (《內地與澳門關於建立更緊密經貿關係的安排》) as promulgated by the MOFCOM in 2003; (ii) the Agreement on Trade in Services under the Mainland and Hong Kong Closer Economic Partnership Arrangement (《〈內地與香港關於建立更緊密經貿關係的安排〉服務貿易協議》) and the Agreement on Trade in Services under the Mainland and Macao Closer Economic Partnership Arrangement (《〈內地與澳門關於建立更緊密經貿關係的安排〉服務貿易協議》) as promulgated by the MOFCOM in 2015 and amended in November, 2019; and (iii) the Circular of the MIIT on Issues concerning the Provision of Telecommunications Services by Hong Kong and Macao Service Providers in the Mainland (《工業和信息化部關於港澳服務提供者在內地開展電信業務有關問題的通告》) which was promulgated by the MIIT and took effect on 30 June 2016 (together with the foregoing arrangements, the “**CEPA Rules**”), Hong Kong and Macau service providers which satisfy the qualification requirements under the CEPA Rules are allowed to establish sino foreign equity joint ventures in Mainland China to operate IDC and ISP businesses and such qualified Hong Kong and Macau service providers (as foreign investors, “**Qualified CEPA Service Providers**”) may acquire up to 50% of the equity interests of such joint ventures.

The subsidiaries of the Target Company incorporated in Hong Kong do not meet all the requirements of Qualified CEPA Service Providers under the CEPA Rules and do not possess the actual experience needed for applying as Qualified CEPA Service Providers from the Hong Kong

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Trade and Industry Department, which is the pre-requisite for enjoying preferential treatment under CEPA Rules. The PRC Project Company is therefore not qualified under the CEPA Rules exemption for 50% equity interest in value-added telecommunication services. As aforementioned, since foreign investment in certain areas of the industry in which the PRC Project Group currently operates are subject to foreign investment prohibition under current PRC laws and regulations, the Target Company determined that it was not viable for the Target WFOE to hold the PRC Project Company directly or indirectly through equity ownership. Instead, the Target Company decided that, in line with the common practice in industries of the PRC subject to foreign investment prohibition, the Target Company would hold the interest and gain effective control over the PRC Project Company through the Target WFOE under the VIE Arrangements.

Pursuant to the Announcement of the MIIT on Launching the Pilot Program of Expanding the Opening-Up of Value-Added Telecommunications Services (《工業和信息化部關於開展增值電信業務擴大對外開放試點工作的通告》) (the “**Pilot Announcement**”) promulgated by the MIIT on 8 April 2024, the pilot program shall be launched first in the Beijing Comprehensive Demonstration Zone for Further Opening-up of the Service Sector, the Lin-Gang Special Area of China (Shanghai) Pilot Free Trade Zone and the Leading Area in Socialist Modernization, the Hainan Free Trade Port, and the Shenzhen Leading Demonstration Zone of Socialism with Chinese Characteristics (the “**Pilot Areas**”). In the Pilot Areas, restrictions on the percentage of shareholding of foreign investors shall be removed for IDC, CDN, ISP, online data processing and transaction processing, as well as information release platforms and delivery services (excluding internet news information, online publishing, internet audio-visual services, and internet cultural operations) in information services, information protection and processing service business (the “**Pilot Businesses**”). On 23 October 2024, the MIIT organized a symposium on the pilot program of expanding the opening-up of value added telecommunications services, and officially launched the pilot program of expanding the opening up of value-added telecommunications services in Beijing, Shanghai, Hainan and Shenzhen.

Pursuant to the Pilot Program for the Expansion of Opening-up in Value-added Telecommunications Business (《增值電信業務擴大對外開放試點方案》) (the “**Pilot Program**”) under the Pilot Announcement, (i) the registered location of the pilot business operator and the placement of service facilities (including leased and purchased facilities) must be within the same pilot area; (ii) the service scope of the ISP business is restricted to the pilot area, and the provision of internet access services to users must be through the internet access facilities of basic telecommunications enterprises.

Tian Yuan Law Firm, the legal adviser to the Company as to the PRC laws conducted a phone inquiry with the MIIT through its service hotline on 6 June 2025, and the relevant MIIT officials confirmed that (i) policies related to the Pilot Announcement are subject to the responses of the local communication administration; (ii) under the CEPA Rules, if the main foreign investor is from Hong Kong or Macau, and the enterprise intends to apply for services not yet committed to by the WTO under CEPA Rules, or to exceed the equity proportion stipulated by China’s commitments to the WTO, it is required to submit the Hong Kong and

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Macau Service Provider Certificate (《港澳服務提供者證明書》) as required. If the Hong Kong and Macau Service Provider Certificate cannot be provided, the relevant application will not be allowed.

The legal adviser to the Company as to the PRC laws also conducted an interview with Shenzhen Communications Administration (深圳市通信管理局) on 6 June 2025, during which the relevant officer of Shenzhen Communications Administration confirmed that (i) in the current practice of applying for the approval of a value-added telecommunication business license under the Pilot Program, where the foreign equity proportion restrictions have been lifted, it is strictly required that the registered location of the pilot business operator and the placement of service facilities (including leased and purchased facilities) must be within the same pilot area, and the ISP services are limited to the Pilot Areas. If an enterprise does not meet these conditions, it cannot apply for a value-added telecommunication business license under the Pilot Program; (ii) if the main foreign investor is from Hong Kong or Macau, and the enterprise intends to apply for services not yet committed to by the WTO under CEPA Rules or to exceed the equity proportion stipulated by the China's commitments to the WTO, the current review practice still requires the submission of the Hong Kong and Macau Service Provider Certificate; and (iii) the VIE agreements do not conflict with existing policies and regulations.

As advised by the legal adviser to the Company as to the PRC laws, the MIIT is the competent authority for deciding whether to issue IDC and ISP Value-Added Telecommunication Business Licenses to foreign-invested enterprises; and the Shenzhen Communication Administration is the competent authority for handling the matters raised in the above inquiries. Both the MIIT and the Shenzhen Communication Administration have the authority to make the above responses.

While some entities of the Target Group engaged in the Pilot Businesses (IDC and ISP businesses) are located in Shenzhen, one of the pilot areas, the data centres for their IDC business are not only in the registered locations but also in other areas. Given the current business operations of the Target Group, it is impracticable to ensure that the registered locations and the placement of service facilities (including leased and purchased facilities) stay within the same pilot area. In addition, the service scope of their ISP business covers many cities beyond the pilot areas. Therefore, no entity of the Target Group meets the Pilot Announcement's exemption for foreign equity ratio restrictions on IDC and ISP businesses.

In light of the above, the Target WFOE and the PRC Project Company have, amongst others, entered into the VIE Agreements in order to comply with the applicable and relevant PRC laws and regulations, and enable the financial results and the entire economic benefits derived from the operations of the PRC Project Group's businesses to flow into the Target WFOE and to enable the Target Company to have indirect control over the PRC Project Company.

Moreover, among the VIE Agreements, the Irrevocable Exclusive Call Option Agreement has been entered into, detailing the unwinding of the VIE Arrangement as soon as the relevant PRC laws and regulations allow without adoption of the VIE Arrangement. Under the

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Irrevocable Exclusive Call Option Agreement, the PRC Project Intermediary must transfer to the Target WFOE or its nominee the equity interest in the PRC Project Company for (a) nominal consideration; or (b) such consideration be determined by Target WFOE for purchasing the entire equity interest in the PRC Project Company by the Target WFOE, subject to the conditions of legality, permission and consent granted by the local regulations or government departments of the PRC.

The Directors have sought the advice from the legal adviser to the Company as to the PRC laws to confirm, among others, (i) the utilisation of the VIE Arrangement and the VIE Agreements does not constitute a breach of the applicable PRC laws and regulations and the articles of association of the Target WFOE; (ii) none of the agreements under the VIE Agreements would be deemed invalid or ineffective under the Civil Code of the PRC (《中華人民共和國民法典》) and are not deemed as “concealing illegal intentions with a lawful form” resulting in the invalidity of these agreements; and (iii) save for the clause providing that the arbitration tribunal may award injunctive relief or winding up orders and that the courts in Hong Kong, the Cayman Islands and the PRC may grant temporary injunctive relief or other temporary remedies, which may not be enforceable under PRC law, the VIE Agreements are enforceable under the laws of the PRC, so as to confirm that the VIE Agreements conferring significant control and economic benefits from the PRC Project Company to the Target Company would be enforceable under the relevant laws and regulations, and that the VIE Agreements will provide a mechanism that enables the Target WFOE to exercise effective control over the PRC Project Company.

As at the date of the Latest Practicable Date, the PRC Project Group has not encountered any interference or encumbrance from any governing bodies in operating its business. It is not aware of any interference or encumbrance by any governing bodies in operating the business of the PRC Project Group that may be encountered from the Acquisition or under the VIE Agreements.

INFORMATION OF THE VIE AGREEMENTS

The VIE Agreements comprises a series of agreements respectively executed and taken effect on 29 November 2024, 3 June 2025 and 30 June 2025, among other things, the Exclusive Business Collaboration Agreement, the Irrevocable Exclusive Call Option Agreement, the Equity Pledge Agreement, the EIH Voting Right Delegation Agreement and the Power of Attorney, for the purpose of establishing the VIE Arrangement between, amongst others, (a) the Target WFOE, on the one hand; and (b) the PRC Project Company, on the other hand.

A summary of the VIE Agreements is as follows:

(I) Exclusive Business Collaboration Agreement

- Parties:
- (i) The Target WFOE; and
 - (ii) The PRC Project Company

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Subject Matter – Details of
Strategic Collaboration:

The PRC Project Company agrees to engage the Target WFOE as its exclusive service provider to provide the PRC Project Company with comprehensive business support, technical services and consulting services relating to the business of the PRC Project Company, including but not limited to, technical services, technical consultation, business consultation, intellectual property licensing, equipment and leasing, marketing consultation, products research and development, system maintenance, and the provision of management consulting services related to the business operation of the PRC Project Company, and in the circumstances permitted by the applicable and relevant PRC laws and regulations, the provision at times of any other consultation and services related to the foregoing as requested by the PRC Project Company.

Unless with the prior written consent of the Target WFOE, the PRC Project Company shall not accept any consultation and/or services from any third party, and shall not cooperate with any third party. However, the Target WFOE may designate any third party to accept any consultation and/or services to the PRC Project Company.

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Fees:

In consideration of the services provided by the Target WFOE, the PRC Project Company shall pay the Target WFOE such service fees equivalent to 100% of the net income (i.e. the net profit after tax) of the PRC Project Company. Such service fee shall be payable annually.

The Target WFOE shall have the right to:

- (a) consent to any expense deductible from the service fees payable; and
- (b) adjust the aforementioned service fee at its sole discretion without the consent of the PRC Project Company in accordance with the following factors:
 - 1. the technical complexity of the provided services;
 - 2. the time consumed for the provided services on development of software and consultancy;
 - 3. the content and value for the provided services on development of software and consultancy; and
 - 4. market value of similar services.

Within ninety (90) days after the end of each financial year, the PRC Project Company shall (a) deliver its audited financial statements to the Target WFOE, and (b) pay an amount to the Target WFOE equivalent to the shortfall, if any, of the net income of the PRC Project Company for such financial year presented on the aforesaid audited financial statements as compared to the annual service fee payment made to the PRC Project Company to the Target WFOE in such financial year.

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Terms and Termination:

The Exclusive Business Collaboration Agreement shall become effective commencing from its execution date. The Exclusive Business Collaboration Agreement may be terminated under the following circumstances:

- (a) on the date that the PRC Project Company goes liquidated, terminated or dissolved according to relevant laws within the validity period of the Exclusive Business Collaboration Agreement;
- (b) on such date that all the shares and assets of the PRC Project Company have been transferred to the Target WFOE or its designated party in accordance with the Irrevocable Exclusive Call Option Agreement
- (c) on such date when it is legally permissible under the applicable and relevant PRC laws and regulations for the direct holding of the PRC Project Company and the Target WFOE is duly registered as the PRC Project Company's sole equity owner;
- (d) the Target WFOE terminates the Exclusive Business Collaboration Agreement by giving a prior written notice to the PRC Project Company 30 days in advance at any time during the valid period of the Exclusive Business Collaboration Agreement, on the date when the period of this written notice expires; and
- (e) in case of breach of the provision(s) under the Exclusive Business Collaboration Agreement by the PRC Project Company, including failure to perform its obligations, the Target WFOE has the sole right to terminate the Exclusive Business Collaboration Agreement.

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The PRC Project Company has no right to terminate the Exclusive Business Collaboration Agreement unilaterally.

(II) Irrevocable Exclusive Call Option Agreement

Parties:

- (i) The Target WFOE;
- (ii) The PRC Project Company; and
- (iii) The PRC Project Intermediary.

Subject Matter – Call Option:

The PRC Project Intermediary irrevocably and unconditionally grants to the Target WFOE or any person(s) designated by the Target WFOE, the Call Option, being such exclusive option to acquire (at any time, in one or more times), to the extent permitted under the applicable and relevant PRC laws and regulations, all or part of the equity interest and assets in PRC Project Company indirectly and wholly-owned by the PRC Project Intermediary. Other than the Target WFOE and such designated person(s) by the Target WFOE, no third party shall be entitled to the Call Option or any rights related to the shares in the PRC Project Company and the assets of the PRC Project Company.

Consideration:

The consideration for the exercise of the Call Option shall be in nominal amount, unless another price is required by the applicable and relevant PRC laws and regulations, in which case, the Call Option shall be exercised in the legally minimum amount as consideration.

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Restrictive Covenants:

The PRC Project Company and the PRC Project Intermediary shall covenant to the Target WFOE, amongst other things, that:

- (i) without the prior written consent of the Target WFOE, they shall not in any manner supplement or amend the articles of association of the PRC Project Company to the extent that it may cause any material changes to the assets, liabilities, operations, shareholders' interests or other legal interests of the PRC Project Company;
- (ii) without the prior written consent of the Target WFOE, they shall not declare or distribute dividends, or sell, transfer, mortgage, dispose of by way of gift or dispose of in any other manner assets and/or businesses (in the value of RMB500,000.00 or above) in the PRC Project Company or create any security interest encumbrances in such assets and/or businesses;
- (iii) without the prior written consent of the Target WFOE, the PRC Project Company shall not enter into any transaction which will cause the PRC Project Company to bear liability or indebtedness of any manner (except in the ordinary course of business), nor shall it lend, provide financial assistance in the form of security or guarantee, or permit encumbrance in any form to be registered upon its assets;
- (iv) without the prior written consent of the Target WFOE, the PRC Project Company shall not enter into any transaction (except in the ordinary course of business) that may cause any material changes to its assets, liabilities, operations, shareholders' interests or other legal interests; and

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- (v) without the prior written consent of the Target WFOE, the PRC Project Company shall not be permitted to conduct any acquisition, merger, amalgamation, or invest in any third party.

Term:

The Irrevocable Exclusive Call Option Agreement takes effect from the date of its execution and the exercise period of the Call Option under the Irrevocable Exclusive Call Option Agreement shall remain in effect indefinitely in accordance with the applicable and relevant PRC laws and regulations and/or until the Target WFOE having exercised such Call Option.

Notwithstanding the foregoing, the Target WFOE shall have the right to terminate the Irrevocable Exclusive Call Option Agreement and claim damages where the PRC Project Company or the PRC Project Intermediary has violated any term and condition under the Irrevocable Exclusive Call Option Agreement and failed to cure the breach within any reasonable time granted. Unless otherwise mandatorily provided by PRC Laws, the PRC Project Company and the PRC Project Intermediary have no right to terminate the Irrevocable Exclusive Call Option Agreement unilaterally.

(III) Equity Pledge Agreement

Parties:

- (i) The Target WFOE;
- (ii) The PRC Project Company; and
- (iii) The PRC Project Intermediary.

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Subject Matter – Terms of Pledge: The PRC Project Intermediary irrevocably and unconditionally causes the entire equity interest in the PRC Project Company to be pledged to the Target WFOE as collateral for (i) the performance of all the contractual obligations of the PRC Project Company and the PRC Project Intermediary under the VIE Agreements; and (ii) timely and full repayment of the secured indebtedness due by the PRC Project Company and the PRC Project Intermediary under the VIE Agreements. The PRC Project Company consents to such pledge stated above under the Equity Pledge Agreement.

The PRC Project Intermediary undertakes to the Target WFOE, among others, that except for the performance of the Irrevocable Exclusive Call Option Agreement, without the prior written consent of the Target WFOE, the PRC Project Intermediary shall not, or allow others to, transfer all or any part of the shares, create or allow any security interest or other encumbrance that may affect the rights and interests of the Target WFOE in the equity interest in the PRC Project Company.

Enforcement: The failure of performance of any contractual obligations of the PRC Project Intermediary and/or the PRC Project Company under the VIE Agreements will result in the right of the Target WFOE to enforce its rights under the Equity Pledge Agreement.

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Term: The Equity Pledge Agreement takes effect from the date of its execution and the equity pledge thereunder takes effect from the I&C Registration Date and the term shall end upon:

- (i) all contractual obligations pursuant to the VIE Agreements have been fulfilled and discharged;
- (ii) the exercise of the Call Option by the Target WFOE pursuant to the Irrevocable Exclusive Call Option Agreement;
- (iii) the Target WFOE exercising its sole discretion to demand the termination of the Equity Pledge Agreement; or
- (iv) it is terminated in accordance with the applicable and relevant PRC laws and regulations.

(IV) EIH Voting Right Delegation Agreement

Parties: (i) The Target WFOE;

(ii) The PRC Project Company; and

(iii) The PRC Project Intermediary.

Subject Matter – Delegation: The PRC Project Intermediary irrevocably agree to delegate the Target WFOE and/or its nominees (including the directors and their respective successors, and any liquidators replacing them, but excluding the PRC Project Intermediary and any person who has a conflict of interest with the Target WFOE) their voting rights as shareholders in the PRC Project Company, including without limitation:

- (i) as the agent of the PRC Project Intermediary, to convene and attend the shareholders' meetings of the PRC Project Company in accordance with its articles of association;

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- (ii) to exercise all voting rights on behalf of the PRC Project Intermediary on all matters and resolutions discussed or resolved, or to be discussed or resolved, in shareholders' meetings of the PRC Project Company;
- (iii) to make and sign, and submit to relevant governmental authorities (including registration authorities) shareholder's resolutions and minutes of shareholders' meetings of the PRC Project Company on behalf of the PRC Project Intermediary; and
- (iv) to exercise all shareholder's rights the PRC Project Intermediary are entitled to under the PRC laws and the articles of association of the PRC Project Company.

Term:

The EIH Voting Right Delegation Agreement remains in effect until:

- (i) the Target WFOE acquires (or becomes entitled under PRC law to acquire) ownership in the entire equity interest or all assets of the PRC Project Company;
- (ii) the Target WFOE unilaterally terminates the EIH Voting Right Delegation Agreement; or
- (iii) the EIH Voting Right Delegation Agreement is statutorily terminated under the applicable and relevant PRC laws and regulations.

(V) Power of Attorney

Parties:

The PRC Project Intermediary (executed in favour of the Target WFOE).

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Subject Matter – Appointment:

The Power of Attorney would be executed by the PRC Project Intermediary to irrevocably appoint the Target WFOE as their exclusive attorney and authorised person to exercise all of its rights as an equity interest holder of the PRC Project Company, including without limitation:

- (i) as the agent of the PRC Project Intermediary, to convene and attend the shareholders' meetings of the PRC Project Company in accordance with its articles of association;
- (ii) to exercise all voting rights on behalf of the PRC Project Intermediary on all matters and resolutions discussed or resolved, or to be discussed or resolved, in shareholders' meetings of the PRC Project Company;
- (iii) to make and sign, and submit to relevant governmental authorities (including registration authorities) shareholder's resolutions and minutes of shareholders' meetings of the PRC Project Company on behalf of the PRC Project Intermediary; and
- (iv) to exercise all shareholder's rights the PRC Project Intermediary are entitled to under the PRC laws and the articles of association of the PRC Project Company.

Term:

The Power of Attorney is effective upon execution and remains in effect until the date of termination of the EIH Voting Right Delegation Agreement.

Protection of the Company's interests (through the Target WFOE) in the PRC Project Company

Each of the Irrevocable Exclusive Call Option Agreement, the Equity Pledge Agreement, the EIH Voting Right Delegation Agreement has included a provision that each agreement is binding on the successors and permitted assignees of the respective parties. In the event of death, bankruptcy, divorce, insolvency (including but not limited to being

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prosecuted), dissolution or deregistration of any party of the PRC Project Intermediary, the Target WFOE may exercise its option under the Irrevocable Exclusive Call Option Agreement, thus protecting the interest of the Group and allowing the Target WFOE to enforce its rights under the VIE Agreements against the successors and permitted assignees of the equity interest holders of the PRC Project Company.

In order to have effective control over and to safeguard the assets of the PRC Project Company, the Irrevocable Exclusive Call Option Agreement and Equity Pledge Agreement has provided that, without the prior written consent of the Target WFOE, the PRC Project Company shall not, in any form, dispose of significant assets (including but not limited to any significant customer resources, fixed assets, trademarks, technical knowhow or other intellectual property rights and/or other equity interests or similar interests held by the PRC Project Company), operating rights and/or dispose of all or part of its business (including sale, replacement, mortgage or disposal in any other ways), with respect to it and/or its subsidiaries (if any).

In both the Irrevocable Exclusive Call Option Agreement and Equity Pledge Agreement, there are provisions stating that, without the prior written consent of the Target WFOE, (i) the PRC Project Company shall not increase or decrease the registered capital or accept any investment or capital increase from any third parties to the PRC Project Company or change the form of the company or make any major adjustments regarding carrying out liquidation or dissolution; or the business scope, mode, profit model, marketing strategy, business policy or customer relationship; (ii) the PRC Project Company and/or its subsidiaries shall not enter into any partnership or joint venture or profit sharing arrangement with any third parties, or any other arrangements for the transfer of benefits or profit sharing in the form of royalties, service fees or consultancy fees; and (iii) the PRC Project Company shall not declare or distribute dividends or any other interests to its equity interest holders, including the after-tax profits that the PRC Project Company has not yet allocated before the commencement of the VIE Agreements.

Confer of control from the PRC Project Company to the Target WFOE

The VIE Agreements shall confer upon the Group sufficient control over the board and daily operations of the PRC Project Company. The appointment of directors of the PRC Project Company is subject to the Target WFOE being satisfied of the director's qualification and requires the explicit consent of the Target WFOE. If the Target WFOE is dissatisfied with the performance of the director(s) of the PRC Project Company and proposes to remove such director(s), the PRC Project Company shall remove such person(s) as director(s) upon the Target WFOE's proposal. Also, the PRC Project Company shall agree with the Target WFOE that the PRC Project Company will, and its shareholders will cause the PRC Project Company to, accept proposals put forward by the Target WFOE relating to the daily operations of the PRC Project Company and employment of staff, operate all business of the PRC Project Company in the ordinary course of business and refrain from any action or omission that may adversely affect the business of the PRC Project Company.

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Moreover, under the Exclusive Business Collaboration Agreement, the Target WFOE will formulate rules, regulations, internal control policies, risk control management systems, standards administration, accounting, budget, marketing, human resources and operating policies, as well as the practices which relevant to or affecting the business of the PRC Project Company, and assist the PRC Project Company in the effective implementation of relevant policies and practices.

Furthermore, for general housekeeping purpose, the Target WFOE will have the custody of the constitutional items of the PRC Project Company and all its subsidiaries, including the company chop and seal. At the request of the Target WFOE, the PRC Project Company will provide the Target WFOE with the relevant legal documents and other information on the PRC Project Company's business operation.

Last but not least, pursuant to the EIH Voting Right Delegation Agreement, the PRC Project Intermediary (as the sole equity interest owner of the PRC Project Company shall irrevocably grant to the Target WFOE all its voting rights in the PRC Project Company. Therefore, it is highly unlikely that there will be potential conflict of interests between the Group and the PRC Project Intermediary.

Considering that Mr. Luo Jieping, the chairman and executive Director, is one of the Registered Shareholders, Mr. Luo Jieping undertakes that, during the period that the VIE Arrangements remain effective, he shall not take or omit to take any action which may lead to a conflict of interest with the Group or the Target Group. For the avoidance of doubt, any actions in relation to the VIE Arrangements will be decided by officers or directors of the Group other than Mr. Luo Jieping.

Dispute Resolutions in connection with the PRC Project Company

The VIE Agreements are governed by and construed in accordance with the PRC laws. Each of the VIE Agreements contains a dispute resolution clause to the effect that, amongst others, any dispute arising from the VIE Agreements between the parties should first be resolved through negotiation. In the event that the dispute cannot be resolved within 30 days through negotiation, any party may submit the said dispute to Shenzhen Court of International Arbitration for arbitration in accordance with the then prevailing arbitration rules. The arbitration shall be conducted in Shenzhen and the language used in the arbitration shall be Chinese. The decision of the arbitration shall be final, conclusive and binding on the parties.

Moreover, the VIE Agreements provide that the arbitration tribunal may award remedies over the equity interests or assets of the PRC Project Company or injunctive relief (e.g. for the conduct of business or to compel the transfer of assets) or order the winding up of the PRC Project Company. The VIE Agreements also include a clause in relation to dispute resolution among the parties where, when awaiting the formation of the arbitration tribunal or otherwise under appropriate conditions, the parties thereto may seek temporary injunctive relief or other temporary remedies from the courts in Hong Kong, Cayman

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Islands, the PRC and the location where the principal assets of the Company and the PRC Project Company are located.

The VIE Arrangement is narrowly tailored to achieve the business purpose of the Target Group

The Target Group is principally engaged in AI Businesses, comprising (i) the provision of AI computing power technical services and the relevant operation and maintenance services; (ii) the construction and development of AIDC; (iii) the operation of AIDC; (iv) research and development of AI technology and the provision of comprehensive AI computing power scheduling platform; and (v) the provision of comprehensive and one-stop integrated AI solutions for its customers.

As advised by Tian Yuan Law Firm, the legal adviser to the Company as to the PRC laws, services (i) to (iii) above (collectively, the “**Restricted Business**”) is regarded as the “IDC business” within the scope of “value-added telecommunication service” under the Telecommunications Regulations of the PRC (中華人民共和國電信條例) and Telecommunication Business Catalog (電信業務分類目錄). The operation of such Restricted Business would require the VAT Licence which is subject to foreign ownership restrictions.

While services (iv) and (v) above (collectively, the “**Non-restricted Business**”) are regarded as “AI-related business” and such business is not subject to strict foreign investment restrictions itself, due to the fact that the AI-related business of Target Group has been highly integrated and correlated with and powered by the Restricted Business, such Non-restricted Business is inseparable and inherently interconnected with the Restricted Business for the reasons below:

- (1) The research and development of AI technology provided by Target Group requires the utilization of the internet environment and storage resources offered by the IDC. The AI computing power scheduling platform is based on the AI research results, integrating multiple data centers, and allocating computing power, storage, and other resources to users via the internet.
- (2) The one-stop integrated AI solutions business integrates multiple services such as provision of AIDC cabinets, servers, technical networking, server operation and maintenance and intelligent applications.

To conclude, the Non-restricted Business is based on the support provided by the Target Group’s data center infrastructure, which offers facilities and resources for the research and development, use, and integration of AI. Therefore, the Non-restricted Business is closely related to the Restricted Business. Separating the Restricted Business and the Non-restricted Business is neither feasible nor practical. If the Non-restricted Business is deliberately separated and operated by different entities, it will reduce the

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efficiency and economic benefits of these services, fundamentally undermine the operation and offering of the Non-restricted Business.

Moreover, the contribution of the Non-restricted Business to the revenue, profit or otherwise of the Target Group during the three years ended 31 December 2024 and the three months ended 31 March 2025 is immaterial. Please refer to Appendix II to this circular for accountant's report of the Target Group for the three years ended 31 December 2024 and the three months ended 31 March 2025.

Accordingly, the VIE Arrangement is “narrowly tailored” to achieve the business purpose of the Target Group.

RISK FACTORS AND LIMITATIONS RELATING TO THE VIE ARRANGEMENT AND THE VIE AGREEMENTS

If the PRC government concludes that the VIE Agreements for the Company and/or the PRC Project Company to operate certain businesses in the PRC do not comply with the applicable and relevant laws and regulations of the PRC, or if these laws or their interpretations change in the future, the Company and/or the PRC Project Company could be subject to the nullification of the VIE Agreement(s) and the relinquishment of the Company's interest in the PRC Project Company.

Effectiveness of Control over the PRC Project Company

The Group relies on the VIE Agreements to operate the business of the PRC Project Company. Such VIE Agreements may not be as effective in providing the Target WFOE with control over the PRC Project Company as direct ownership. If the Target WFOE has direct ownership of the PRC Project Company, it will be able to exercise its rights as a shareholder to effect changes in the board of directors of the PRC Project Company, which in turn could effect changes, subject to any applicable fiduciary obligations, at the management level, and make an impact on its business decision making. However, under the VIE Agreements, the Group relies on the performance by the PRC Project Intermediary and the PRC Project Company of their obligations under the VIE Agreements to exercise control over the PRC Project Company. If the PRC Project Company refuse to cooperate, the Company will face difficulties in effecting control over the PRC Project Company's operation of business through the VIE Arrangement, which may adversely affect the Company's business efficiency. Therefore, executing the VIE Agreements with the PRC Project Intermediary and/or the PRC Project Company may not be as effective in ensuring the Target WFOE's control over the PRC Project Company as direct ownership would be.

Limitations in exercising the option to acquire ownership in the PRC Project Company

In the case that the Target WFOE exercises its options to acquire all or part of the equity interest in the PRC Project Company under the Irrevocable Exclusive Call Option Agreement, the acquisition of the entire equity interests in the PRC Project Company may only be conducted

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to the extent as permitted by the applicable PRC laws and may be subject to necessary approvals and relevant procedures under applicable PRC laws. Further, a substantial amount of other costs (if any), expenses and time may be involved in transferring the ownership of the PRC Project Company, which may have a material adverse impact on the Target WFOE's businesses, prospects and results of operation. The Target WFOE may need to pay a substantial amount of enterprise income tax for the income from the ownership transfer according to the Irrevocable Exclusive Call Option Agreement.

Taxation Implications with respect to the VIE Agreements

The Group could face material adverse tax consequences if the PRC tax authorities determine that the arrangements under the VIE Agreements were not entered into based on arm's length negotiations. In that case, the PRC tax authorities may adjust the income and expenses of the Target WFOE and/or the PRC Project Company for tax purposes, which could result in higher tax liabilities on the Target WFOE and/or the PRC Project Company. The operating and financial results of the Group may be materially and adversely affected if the tax liabilities of the PRC Project Company or those of the Target WFOE increase significantly or if they are required to pay interest on late payments.

Insurance Coverage relating to the VIE Agreements and the transactions contemplated thereunder

The insurance of the Group does not cover the risks relating to the VIE Agreements and the transactions contemplated thereunder. If any risk arises from the VIE Agreements in the future, such as those affecting the enforceability of the VIE Agreements and the operation of the PRC Project Company, the financial results and financial position of the Group may be adversely affected. However, the Group will monitor the relevant legal and operational environment from time to time to comply with the applicable laws and regulations.

Economic risks of the PRC Project Company shared by the Target WFOE

As the primary beneficiary of the PRC Project Company, the Target WFOE will share both profit and loss of the PRC Project Company. Equally, the Target WFOE bears economic risks which may arise from difficulties in the operation of the PRC Project Company's business. The Target WFOE may have to provide financial support in the event of financial difficulty of the PRC Project Company. Under these circumstances, the Group's financial results and financial position may be adversely affected by the worsening financial performance of the PRC Project Company and the need to provide financial support to the PRC Project Company. However, upon Completion, the financial results of the PRC Project Company will be consolidated into the financial statements of the Group, it is likely that the Company's business and financial position will be affected if the PRC Project Company suffers losses or fails to obtain the requisite licences and approvals to continually operate its principally-engaged businesses in the PRC.

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Arrangements when potential conflicts of interest arise

The Target WFOE shall rely on the VIE Agreements to exercise control over and to draw the economic benefits from the PRC Project Company. The Target WFOE may not be able to provide sufficient incentives to the PRC Project Intermediary for the purpose of encouraging it/them to act in the best interests of the PRC Project Company, other than stipulating the relevant obligations in the VIE Agreements. The PRC Project Intermediary may breach the VIE Agreements in the event of conflicts of interest or deterioration of its/their relationship with the Target WFOE, the results of which may have a material adverse impact on the Target WFOE's business, prospects and results of operation. It is not assured that if conflicts arise, the PRC Project Intermediary will act in the best interests of the Target WFOE or that the conflicts will be resolved in favour of the Target WFOE. If the PRC Project Intermediary fail to perform its obligations under the respective VIE Agreements, the Target WFOE may have to rely on legal remedies under the PRC laws through legal proceedings, which may be expensive, time-consuming and disruptive to the Target WFOE's operations and will be subject to uncertainties as discussed above.

However, the legal adviser to the Company as to the PRC laws is of the view that pursuant to the PRC laws, the arbitration tribunal may have no power to grant the aforementioned remedies or injunctive relief or to order the winding up of the PRC Project Company. In addition, even though the VIE Agreements provide that overseas courts (e.g. courts in Hong Kong and Cayman Islands) shall have the power to grant certain relief or remedies, such relief or remedies may not be recognised or enforced under the PRC laws. As a result, in the event that the PRC Project Company or the PRC Project Intermediary breaches the terms of the VIE Agreements, the Company may not be able to obtain sufficient remedies in a timely manner, and its ability to exert effective control over the PRC Project Company could be materially and adversely affected.

In addition, Mr. Luo Jieping, the chairman and executive Director, is one of the Registered Shareholders. Mr. Luo may potentially have conflicts of interest with the Group and breach his contracts or undertakings with the Group if it would further his own interest or if he otherwise acts in bad faith. In the event that such conflict of interest cannot be resolved in the Group's favor, the Group would have to rely on legal proceedings which could result in disruption to its business and the Group is subject to any uncertainty as to the outcome of such legal proceedings.

Legal Uncertainties of the VIE Arrangement

Despite there is currently no indication that the VIE Agreements will be interfered or objected by any PRC regulatory authorities (or under any applicable and relevant law and regulation of the PRC), uncertainties still exist regarding the interpretation and application of the PRC laws and regulations especially in the segments of businesses conducted by the PRC Project Company (which are now categorised as "restricted"). For instance, the PRC regulatory authorities may issue further guidelines that impose stricter foreign ownership requirements in that area of business. Given the uncertain legal and business environment in the PRC, it is

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difficult to foresee whether the PRC regulatory authorities will take the same view regarding the VIE Agreements as the legal adviser to the Company as to the PRC laws in the future.

On 15 March 2019, the Standing Committee of National People's Congress promulgated the 2019 PRC Foreign Investment Law, which became effective on 1 January 2020. The 2019 PRC Foreign Investment Law replaces the trio of existing laws regulating foreign investment in China, namely, the Wholly Foreign-owned Enterprises Law, the Sino-foreign Equity Joint Ventures Law, and the Sino-foreign Cooperative Joint Ventures Law, together with their implementation rules and ancillary regulations, and embodies an expected PRC regulatory trend to rationalise its foreign investment regulatory regime in line with prevailing international practice and the legislative efforts to unify the corporate legal requirements for both foreign and domestic investments.

However, uncertainties still exist in relation to interpretation and implementation of the 2019 PRC Foreign Investment Law especially in regard to, including, among other things, the nature of VIE Arrangement. In case there would be material and adverse effect on the Target Group or the business of the PRC Project Company arising from the 2019 PRC Foreign Investment Law, the Company will timely announce (i) any updates or material changes to the 2019 PRC Foreign Investment Law; (ii) if any updates or material changes to the 2019 PRC Foreign Investment Law are implemented, a clear description and analysis of the law, specific measures taken by the Company and/or the PRC Project Group to be in compliance with the 2019 PRC Foreign Investment Law with the support of a PRC legal opinion; and (iii) any material impact of the 2019 PRC Foreign Investment Law on the Target Group's operations and financial position (if any). The VIE Arrangement has been adopted by many PRC-based companies to obtain necessary licenses and permits in the industries that are currently subject to ownership and/or foreign investment restrictions in the PRC. While neither the 2019 PRC Foreign Investment Law and its implementation regulations which took effect on 1 January 2020 has defined the VIE Arrangement as a form of foreign investment explicitly, it cannot be guaranteed that future laws and regulations will not provide for the VIE Arrangement as a form of foreign investment. Therefore, there can be no assurance that the Target Group's control over the PRC Project Company through the VIE Arrangement will not be deemed as a foreign investment under the PRC's laws governing foreign investment and/or ownership of businesses engaged in provision of the principally-engaged businesses conducted by the PRC Project Company in the future. In the event that any possible future laws, administrative regulations or provisions implementing more restrictions against the VIE Arrangement, the VIE Agreements may be deemed as invalid and illegal, and the Target Group may be required to unwind the VIE Arrangement and/or dispose of any affected business. Also, if future laws, administrative regulations or provisions mandate further actions to be taken with respect to the existing VIE Arrangement, the Target Group may face substantial uncertainties as to whether it can complete such actions in a timely manner, or at all.

The PRC government may determine that the VIE Agreements do not comply with the applicable PRC law, or if these regulations or their interpretations change in the future, the Target Group may be subject to penalties or be forced to relinquish its interests in those operations. There can be no assurance that the VIE Agreements will be deemed by the relevant

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PRC governmental or judicial authorities to be in compliance with the existing or future applicable PRC law, or the PRC relevant governmental or judicial authorities may in the future interpret the existing laws or regulations with the result that the VIE Agreements will be deemed to be in compliance of the PRC law.

ACCOUNTING TREATMENT OF THE VIE ARRANGEMENT AND THE BOARD'S VIEW

Based on the above, the Board is of the view that the VIE Agreements, when viewed in totality, are specifically tailor-made to achieve the business purposes of the PRC Project Company and to minimise the potential conflict with and are enforceable under the applicable and relevant PRC laws and regulations. The Board considers that the VIE Agreements are an effective mechanism which enables the Target WFOE to gain control over the PRC Project Company, and to be entitled to the economic interests and benefits of the PRC Project Company. The Irrevocable Exclusive Call Option Agreement also provides that the Target WFOE may unwind the VIE Agreements as soon as the applicable and relevant PRC laws and regulations permit the Target WFOE to register itself as the equity interest holder of the PRC Project Company.

The Board, based on the advice of the legal adviser to the Company as to the PRC laws, consider that the use of VIE Agreements is in compliance with the applicable and relevant laws and regulations of the PRC currently in effect and are legally binding and enforceable. As a result of the VIE Arrangement, the Group is able to exert effective control over the PRC Project Group as it has rights to exercise power over the PRC Project Company (as entitled by its equity holders), receive variable returns from its arrangements with the PRC Project Company, and has the ability to affect those returns through its power over the PRC Project Company upon the completion of the Acquisition. Consequently, the Group (as enlarged by the effective control over the PRC Project Company) will treat the Target Company, its subsidiaries, together with the PRC Project Company and/or any of its subsidiaries (if any) as controlled entities and consolidate the financial position and results of operations of these entities in the consolidated financial statements of the Group in accordance with HKFRS 10 – Consolidated Financial Statements upon the completion of the Acquisition. The Company has discussed with its auditors and confirmed the above assessment.

As at the Latest Practicable Date, the Directors are not aware of any factors that has led or would lead to any interference or encumbrance from any governing bodies in the Group's operating the business of the Target Group through the VIE Arrangement under the VIE Agreements.

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INTERNAL CONTROL MEASURES OVER THE VIE ARRANGEMENT

The VIE Agreements contain certain provisions in order to exercise effective control over and to safeguard the assets of the PRC Project Group, including without limitation the transfer restriction over the equity interests in the PRC Project Group subject to prior written consent of the Target WFOE and restriction over the declaration and distribution of dividend by the PRC Project Company. Besides, the Target WFOE is entitled to exercise the rights of the PRC Project Intermediary as shareholder of the PRC Project Company to nominate and appoint the PRC Project Company's directors and legal representative under the Power of Attorney. In addition to the abovementioned internal control measures as provided in the VIE Agreements, it is the intention of the Company, through the Target WFOE, to implement additional internal control measures against the PRC Project Group as appropriate, which may include but not limited to the following:

Management controls:

- (a) the Company will appoint two representatives comprising executive Directors and/or senior management of the Company ("**Company Representatives**") to enforce all the management controls of the PRC Project Group and are required to review the management review report which contains the financial information of the PRC Project Group submitted by the senior management of the PRC Project Group on a monthly basis;
- (b) the Company Representatives shall conduct site visits to the PRC Project Group and conduct interviews with the senior management of the PRC Project Group from time to time;
- (c) the chief executive officer of the PRC Project Group shall report to the Company Representatives the business operations of the PRC Project Group on a quarterly basis; and
- (d) all seals, chops, incorporation documents and other legal documents of the PRC Project Group shall, to the extent permitted by the PRC laws, be kept at the office of the Target WFOE.

Financial controls:

- (a) the financial controller of the PRC Project Group shall be nominated by the Company. The finance team of the Company shall collect monthly management accounts, bank statements and cash balances and major operational data of the PRC Project Group for review after the end of each month. The finance team shall seek explanation on any material fluctuations of the collected items from the senior management of the PRC Project Group. Upon discovery of any suspicious matters, the finance team must report to the Board;

LETTER FROM THE BOARD

- (b) the PRC Project Group shall submit copies of its latest bank statements for every bank accounts after the end of each month; and
- (c) the PRC Project Group shall assist and facilitate the Group or the Target WFOE to conduct all on-site internal audit on the PRC Project Group if so required by the Company.

Legal review:

The Company Representatives shall consult with the legal adviser to the Company as to the PRC laws from time to time to check if there are any legal developments in the PRC affecting the arrangements contemplated under the VIE Agreements, and should report to the Board immediately to enable the Board to determine if any amendment or modification is required to be made.

REASONS FOR AND BENEFITS OF THE ACQUISITION

Starting from the second half of 2021, the real estate sector in China has experienced significant downfall and with plummeting sales and difficulties in securing new fundings under the difficult market conditions, real estate developers have been confronted with unprecedented challenges with regard to liquidity and funding. Under these circumstances, the Group has responded in a proactive manner to improving its liquidity by continuously adopting measures, such as accelerating sales and cash collection, making progress with asset disposals and strictly controlling costs and expenses. Despite these efforts, the Group's liquidity is still confronted with continuous challenges in the short-to-medium term. Furthermore, the real estates market of the PRC continues to decline despite the frequent implementation of housing support policies since 2023. The continuous drop of property price and prolonged capital recovery cycle in the domestic market has also presented severe challenges to all aspects of the local real estate industry, leading to the poor financial position of the Group.

In order to ensure the operation and the long-term development of the Group, the Group have always maintained proactive communication with its creditors. As disclosed in the Company's announcement on 7 May 2025, 4 June 2025, 6 June 2025 and 10 June 2025, the Group has successfully completed the consent solicitation regarding the waiver on payment of outstanding amount of interests payable with respect to the US\$ denominated Senior Notes ("Notes") due 2029 and the issuance of the mandatory convertible bonds on 10 June 2025 for the redemption of the Notes, which will substantially wiped out its indebtedness contemplated under the Notes. As the mandatory convertible bonds will be settled by the mandatory conversion into new shares of the Company on its maturity, the issue of the mandatory convertible bonds will not increase the indebtedness of the Company. This will significantly reduce the Group's debt ratio, substantially optimise its balance sheet structure, effectively improve the cash flow situation, reduce indebtedness and accordingly enhance the financial position of the Group, thereby laying a solid foundation for the pursuit of the Group's transformation and sustainable growth. Assuming the issuance of mandatory convertible bonds due to the redemption of US\$ senior notes occurred on 31 December 2024, the Group's interest-bearing debt ratio as at 31 December 2024 would decrease significantly from 45.3% to

LETTER FROM THE BOARD

19.5%, and the non-current liabilities of the Group would decrease, while equity and net asset value of the Group would increase by approximately RMB3,253.9 million (equivalent to approximately HK\$3,514.2 million). Additionally, such issuance would also result in a significant increase in the Group's net profit in the first half of 2025 (actual adjustment in the amount of non-current liabilities, equity, net asset value and net profit to be recorded by the Group will be subject to the review by the auditor of the Company).

Apart from the measures above to enhance the Group's financial position, the Group is also actively introducing new productive forces business and promoting the diversification of the business matrix through the empowerment of innovative technologies, in order to strengthen its market competitiveness and creating greater value for its Shareholders.

The Target Group is a full-ecosystem service provider for "Green Energy Artificial Intelligence Computing" and is principally engaged in the AI Businesses, focusing on the development, construction, and operation of AIDC, providing AI computing power technical services and comprehensive AI solutions in the PRC. Supported by the backdrop of "AI+" as China's national development strategy, it can be anticipated that national policies will incline towards the favourable growth of AI and the demand for AI computing power in the AIDC market has surged explosively.

The Target Group's business aligns perfectly with the Chinese government's strategic emphasis on vigorously supporting the development of the AI industry, in view of the following highlighted factors: (i) the AI Businesses align with the most prevailing trend in terms of technological development; (ii) the AI Businesses are in line with national policy support in AI; (iii) the Target Group has secured, substantial and stable orders from high-quality customers with diversified background; (iv) the Target Group comprises team members of leading technical capabilities and rich practical experience; (v) future earnings and cash flow of the Target Group are stable; and (vi) the AI Businesses received enthusiastic attention from the capital market.

As the Latest Practicable Date, the Target Group has entered into long term AI computing power services contracts and AIDC operation services contracts with certain customers including big model companies, cloud vendors, telecommunication operators and other customers, which will generate stable and gradually increasing revenue stream. As the Latest Practicable Date, the Target Group has secured over 80 clients with a total contracted value exceeding RMB10 billion. These clients span multiple sectors including cloud computing, financial services, autonomous driving, internet services, healthcare, and large language models, demonstrating the Target Group's extensive market coverage and diversified client base.

Through the Acquisition, the Group will have the opportunity to actively participate in the AI industry and related areas, thereby achieving diversification of the Group's business. On the other hand, following the Acquisition, bolstered by capital market support, the Target Group's development to lead in the AIDC field will progress on a more rapid pace. Such development will reciprocally enhance the Group's revenue and competitive capabilities by giving the Group a refreshed strategic focus onto the thriving trend of AI business, implement its innovation-driven strategic layout, assist the development of cutting-edge AI technology, and accordingly, the competitive edge derived will create greater value for the Shareholders and will

LETTER FROM THE BOARD

form a strong complement companies engaging in AI businesses (including listed companies in Hong Kong). Mr. Luo Jieping, the chairman and executive Director of the Company, has focused on technology-related work since 2005 and has more than 20 years of experience in the operation and management of technology-related posts, including key roles in governmental bodies and state-owned enterprise. For instance, Mr. Luo previously led the construction of core systems for the tax informatization in Shenzhen, including the Electronic Tax Bureau, the Tax Collection and Service Platform and the Tax Big Data Decision-making Platform. He has also previously directed the Smart Finance System, which restructured digital finance processes and enhanced social governance capabilities within a digital government framework. Since May 2021, Mr. Luo has been responsible for building a digital government work platform and overseeing large-scale city-level projects that support various specialized tasks. His leadership in these initiatives underscores his expertise in operating the AI Businesses.

Last but not least, by satisfying the Consideration by allotment and issuance of the Consideration Shares, it would not cause immediate cash outflow pressure while the Group is seeking for potential investment opportunities and taking into account of the financial position of the Group, such settlement without obtaining additional bank borrowing and incurring additional finance costs permit the financial resources available to the Group to be utilised on the business development and general working capital of the Group, improving the gearing ratio of the Group, thereby improving its financial position.

The Vendor plans to continue benefiting from the development of the Target Group, driven by the Target Group's own growth and the anticipated synergies to be created from the Acquisition. Rather than realising its investments made in the Target Group, the Vendor aims for the Target Group to accelerate its growth as part of the Group. This strategy will not only stimulate the performance of the Group but also allow the Vendor to reap benefits from the Target Group's success. Based on the above reasons, the Vendor decided to dispose the Target Group to the Group and receive the Consideration in the form of the Shares and become a Shareholder.

Accordingly, the Directors (including the independent non-executive Directors after taking into account the advice of the Independent Financial Adviser and the members of the Independent Board Committee) consider that although the transactions contemplated under the Sale and Purchase Agreement, including the allotment and issuance of the Consideration Shares under the Specific Mandate, are not in the ordinary and usual course of business of the Group, the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms agreed upon after arm's length negotiations between the parties with reference to the prevailing market conditions and are fair and reasonable, and are in the interests of the Group and the Independent Shareholders as a whole.

Save and except for Mr. Luo Jieping who is interested in 18% of the issued share capital of the Vendor, none of the Directors has any material interest in the Acquisition and the Sale and Purchase Agreement and is required to abstain from voting on the board resolutions approving the Sale and Purchase Agreement and the transactions contemplated thereunder.

LETTER FROM THE BOARD

EFFECTS ON SHAREHOLDINGS STRUCTURE OF THE COMPANY

Assuming that there will be no change in the issued share capital of the Company other than the allotment and issuance of the Consideration Shares, the shareholding structure of the Company (i) as at the date of the Latest Practicable Date; and (ii) immediately upon Completion with the allotment and issuance of the Consideration Shares; and (iii) for illustration purpose only, immediately upon Completion and upon the exercise in full of all outstanding convertible bonds of the Company are set out below for illustrative purposes:

Shareholders	As at the Latest Practicable Date		Immediately upon Completion with the allotment and issuance of the Consideration Shares		For illustration purpose only, upon Completion and assuming that all the outstanding convertible bonds of the Company are exercised in full and Shares have been issued pursuant thereto immediately after Completion (Note 2)	
	Approximate		Approximate		Approximate	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
China GBA Holdings (Note 1)	414,665,566	50.94	414,665,566	36.89	414,665,566	27.64
Vendor	–	–	310,000,000	27.58	310,000,000	20.66
Other Public Shareholders	399,437,534	49.06	399,437,534	35.53	775,612,761	51.70
Total (Note 3)	<u>814,103,100</u>	<u>100.00</u>	<u>1,124,103,100</u>	<u>100.00</u>	<u>1,500,278,327</u>	<u>100.00</u>

Notes:

- China Guangdong – Hong Kong Greater Bay Area Holdings Limited (“**China GBA Holdings**”) is owned as to 84% by Ruixinhaide Holdings Limited (“**RXHD Holdings**”), RXHD Holdings is owned as to 100% by Solid Wealth Holdings Limited (“**Solid Wealth**”), and Solid Wealth is owned as to 90% by Rich Grain Investments Limited (“**Rich Grain**”), which is in turn wholly-owned by Ms. Zeng Yan. By virtue of Part XV of the SFO, Ms. Zeng Yan is deemed to be interested in the 414,665,566 Shares through China GBA Holdings, RXHD Holdings, Solid Wealth and Rich Grain, representing approximately 50.94% of the issued shares of the Company. Furthermore, the spouse of Ms. Zeng Yan (Mr. Luo Jieping, an executive Director) is also deemed to be interested in the Shares which Ms. Zeng Yan is interested in under Part XV of the SFO.
- As at the Latest Practicable Date, the Company had outstanding mandatory convertible bonds in the amount of USD265,251,763 issued on 10 June 2025 to certain bondholders who are Independent Third Parties who are not existing Shareholders. Upon the maturity of the mandatory convertible bonds on 9 June 2026, such mandatory convertible bonds will be mandatorily converted into 376,175,227 Shares to be allotted and issued to the bondholders.

LETTER FROM THE BOARD

3. Shareholders and public investors should note that the above shareholding percentages for shareholding have been rounded to two decimal places. Accordingly, the total percentage may not be equal to the apparent total percentage.

EFFECT OF THE ACQUISITION ON THE EARNINGS, ASSETS AND LIABILITIES OF THE COMPANY

Upon Completion, the Target Company will become a direct wholly-owned subsidiary of the Company and the financial results, assets and liabilities of the Target Group will be consolidated in the financial statements of the Group. The unaudited pro forma financial information of the Enlarged Group as set out in Appendix IV to this circular has been prepared to illustrate the financial effect of the Acquisition.

Effect on assets and liabilities

Based on the unaudited pro forma consolidated statement of financial position of the Enlarged Group as set out in Appendix IV to this circular, which is prepared as if the Acquisition had completed on 31 December 2024 to illustrate the effect of the Acquisition, it is expected that the total assets of the Group would increase from approximately RMB12.7 billion to approximately RMB15.6 billion and the total liabilities of the Group would increase from approximately RMB12.6 billion to approximately RMB14.6 billion. As the expected increase in total assets is higher than the expected increase in total liabilities, the net assets of the Group would increase from approximately RMB0.1 billion to approximately RMB1.0 billion.

Effect on earnings

Upon the completion of the Transaction, the Target Company will a direct wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the financial statements of the Group. It is expected that the Company will be able to record additional revenue stream from the Target Group upon completion of the Transaction.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition exceed 25% but less than 100%, the Acquisition pursuant to the Sale and Purchase Agreement constitutes a major transaction under Chapter 14 of the Listing Rules and is therefore subject to the notification, announcement, circular and shareholder's approval requirements under Chapter 14 of the Listing Rules.

The completion of the Acquisition will not result in a change in control of the Company and China GBA Holdings is expected to remain the controlling shareholder of the Company upon completion of the Acquisition.

LETTER FROM THE BOARD

TAKEOVERS CODE IMPLICATIONS

As at the Latest Practicable Date, China GBA Holdings directly holds in aggregate 414,665,566 Shares, representing approximately 50.94% of the total issued share capital of the Company. Upon Completion at which a total of 310,000,000 Consideration Shares will be issued to the Vendor and assuming that there is no other change to the issued share capital of the Company from the Latest Practicable Date and up to Completion, (i) the Vendor will hold 310,000,000 Shares, representing approximately 27.58% of the total number of the issued Shares as increased by the issuance of the Consideration Shares; and (ii) the shareholding percentage of China GBA Holdings in the Company will be diluted to approximately 36.89%. As a result, as each of the Vendor and China GBA Holdings will be owning more than 20% or more of the voting rights of the Company and is thus associated company (as defined in the Takeovers Code) of the Company and hence, under the definition of “acting in concert” under the Takeovers Code, the Vendor and China GBA Holdings would be presumed to be acting in concert with each other. In addition, since (i) Mr. Luo Jieping, an executive Director, is interested in 18% of the issued share capital of the Vendor and is a former director of the Vendor; and (ii) Ms. Zeng Yan, the spouse of Mr. Luo Jieping, is the ultimate beneficial owner of China GBA Holdings, the Vendor and China GBA Holdings are considered to be acting in concert with each other.

The allotment and issue of the Consideration Shares to the Vendor would result in a new acting in concert group being formed or the balance of the group being changed significantly, where China GBA Holdings and the Vendor will in aggregate hold 64.47% of the voting rights in the Company (assuming that there is no other change to the issued share capital of the Company from the Latest Practicable Date and up to Completion). Such increase of the Vendor’s and the China GBA Holdings’ collective holding of voting rights of the Company would therefore, in the absence of the Whitewash Waiver, trigger an obligation of the Vendor and China GBA Holdings to make a mandatory general offer for all the issued Shares not already owned by them and parties acting in concert with them under Rule 26 of the Takeovers Code.

An application has been made by the Vendor to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, will be subject to, among other things, the condition that the respective resolution(s) relating to the Whitewash Waiver on one hand, and the Acquisition on the other hand, being separately approved by at least 75% and more than 50%, respectively, of the votes cast by the Independent Shareholders at the EGM by way of poll. As at the Latest Practicable Date, the Executive has indicated that it is minded to grant the Whitewash Waiver. The Acquisition will not proceed if the Whitewash Waiver is not granted or approved.

If the Whitewash Waiver is approved by the Independent Shareholders, the voting rights of the Company held by the Vendor and China GBA Holdings upon the allotment and issue of the Consideration Shares will exceed 50% of the voting rights of the Company. China GBA Holdings and/or the Vendor and parties acting in concert with each of them may further increase their holdings of voting rights of the Company without incurring any further obligations under Rule 26 of the Takeovers Code to make a general offer. Nonetheless, any member of the Vendor together with China GBA Holdings and parties

LETTER FROM THE BOARD

acting in concert with each of them (1) who acquires, whether by a series of transactions over a period of time or not, 30% or more of the voting rights of the Company would still trigger an obligation to make a general offer under Rule 26 of the Takeovers Code; or (2) who holds not less than 30% but not more than 50% of the voting rights of the Company and that such member acquires additional voting rights and such acquisition has the effect of increasing that member's holding of voting rights of the Company by more than 2% from the lowest percentage holding of that member in the 12-month period ending on and inclusive of the date of the relevant acquisition would still trigger an obligation to make a general offer under Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the Company does not believe that the Acquisition gives rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). The Company notes that the Executive may not grant the Whitewash Waiver if the Transaction does not comply with other applicable rules and regulations.

Dealings and interest held in the Company's securities by the Vendor and parties acting in concert with it (for this purpose, excluding China GBA Holdings and parties acting in concert with it)

As at the Latest Practicable Date, the Vendor has confirmed that:

- (i) neither the Vendor nor parties acting in concert with it has received an irrevocable commitment from anyone to vote for the Acquisition and/or the Whitewash Waiver;
- (ii) save for the proposed allotment and issue of the Consideration Shares under the Acquisition, neither the Vendor nor parties acting in concert with it holds any convertible securities, warrants or options of the Company;
- (iii) neither the Vendor nor parties acting in concert with it has entered into outstanding derivative in respect of securities in the Company;
- (iv) there are no arrangements (whether by way of option, indemnity or otherwise) in relation to the Shares, shares of the Vendor and shares of China GBA Holdings members (which are corporations) and which might be material to the Acquisition and/or the Whitewash Waiver;
- (v) there are no agreements or arrangements to which the Vendor or any of the parties acting in concert with it is a party which relate to the circumstances in which any of them may or may not invoke or seek to invoke a pre-condition or a condition to the Acquisition and/or the Whitewash Waiver (save as the conditions precedent to the Sale and Purchase Agreement);

LETTER FROM THE BOARD

- (vi) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Vendor or parties acting in concert with it has borrowed or lent, save for any borrowed shares which have been either on-lent or sold; and
- (vii) neither the Vendor nor parties acting in concert with it has entered into any understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) with any Shareholder.

The Vendor has confirmed that it and parties acting in concert with it have not acquired or disposed of or entered into any agreement or arrangement to acquire or dispose of, voting rights in the Company in the Relevant Period.

Dealings and interest held in the Company's securities by China GBA Holdings and parties acting in concert with it (for this purpose, excluding the Vendor and parties acting in concert with it)

As at the Latest Practicable Date, China GBA Holdings has confirmed that:

- (i) neither China GBA Holdings nor parties acting in concert with it has received an irrevocable commitment from anyone to vote for the Acquisition and/or the Whitewash Waiver;
- (ii) neither China GBA Holdings nor parties acting in concert with it holds any convertible securities, warrants or options of the Company;
- (iii) neither China GBA Holdings nor parties acting in concert with it has entered into outstanding derivative in respect of securities in the Company;
- (iv) there are no arrangements (whether by way of option, indemnity or otherwise) in relation to the Shares, shares of China GBA Holdings members (which are corporations) and shares of the Vendor and which might be material to the Acquisition and/or the Whitewash Waiver;
- (v) there are no agreements or arrangements to which China GBA Holdings or any of the parties acting in concert with it is a party which relate to the circumstances in which any of them may or may not invoke or seek to invoke a pre-condition or a condition to the Acquisition and/or the Whitewash Waiver (save as the conditions precedent to the Sale and Purchase Agreement);
- (vi) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which China GBA Holdings or parties acting in concert with it has borrowed or lent, save for any borrowed shares which have been either on-lent or sold; and

LETTER FROM THE BOARD

- (vii) neither China GBA Holdings nor parties acting in concert with it has entered into any understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) with any Shareholder.

China GBA Holdings has confirmed that they or parties acting in concert with them have not acquired or disposed of or entered into any agreement or arrangement to acquire or dispose of, voting rights in the Company in the Relevant Period.

As at the date of this announcement, no member of the Group or associated companies of the Group has entered into any understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) with any Shareholder.

FURTHER INTENTION OF THE VENDOR AND CHINA GBA HOLDINGS REGARDING THE GROUP

Following the Completion, the Vendor and China GBA Holdings intend to continue the existing business of the Group. The Vendor and China GBA Holdings will provide (if so required) such resources within its means to support the development of the existing business of the Group. The Vendor and China GBA Holdings have no intention to introduce any change to the existing business of the Group including any redeployment of the fixed assets of the Group or terminate the continued employment of the employees of the Group.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to the Listing Rules and the Takeovers Code, the Independent Board Committee, comprising of all of the independent non-executive Directors, has been established to advise the Independent Shareholders regarding the Sale and Purchase Agreement and transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver. Rainbow Capital has been appointed by the Company as the Independent Financial Adviser with the approval of the Independent Board Committee to advise such committee and the Independent Shareholders in relation to the Acquisition (including the grant of the Specific Mandate for the issuance of Consideration Shares) and the Whitewash Waiver and to make recommendations as to voting.

EGM

The Company will convene the EGM at Level 32, Block A, Hong Long Century Plaza, Luohu District, Shenzhen, the PRC on Tuesday, 21 October 2025 at 10:30 a.m. to consider and, if thought fit, approve, among other things, the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder, as well as the Whitewash Waiver. A notice convening the EGM is set out on pages EGM-1 to EGM-3 of this circular.

LETTER FROM THE BOARD

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the resolutions set out in the notice of the EGM will be put to vote by way of poll at the EGM. An announcement on the poll vote results will be made by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for use at the EGM is enclosed and such form of proxy is also published at the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.youngogroup.com. Whether or not you propose to attend the EGM, you are requested to complete the form of proxy and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and in such event the form of proxy shall be deemed to be revoked.

The register of members of the Company will be closed from Thursday, 16 October 2025 to Tuesday, 21 October 2025 (both days inclusive) for determining the eligibility of the Shareholders to attend and vote at the EGM. In order to qualify for attendance and voting at the EGM, all completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 15 October 2025.

As China GBA Holdings are considered to be acting in concert with the Vendor upon Completion, China GBA Holdings is regarded as having a material interest in the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder, including the allotment and issuance of the Consideration Shares under the Specific Mandate and the Whitewash Waiver, and shall abstain from voting on the relevant resolution(s) to be proposed at the EGM. Save for China GBA Holdings who directly held 414,664,566 Shares representing approximately 50.94% of the existing issued share capital of the Company as at the Latest Practicable Date, no Shareholder has material interest in the Acquisition, the Sale and Purchase Agreement and the transactions contemplated hereunder, as well as the Whitewash Waiver, and accordingly, save for China GBA Holdings, none of the Shareholders are required to abstain from voting on the resolution to be proposed at the EGM.

LETTER FROM THE BOARD

RECOMMENDATIONS

Your attention is drawn to: (i) the letter from the Independent Board Committee set out on pages 58 to 59 of this circular, containing its recommendation to the Independent Shareholders in respect of the Acquisition (including the Sale and Purchase Agreement, the transactions contemplated thereunder and the Specific Mandate) and the Whitewash Waiver and (ii) the letter from the Independent Financial Adviser set out on pages 60 to 101 of this circular, containing its advice to the Independent Board Committees and the Independent Shareholders in respect of the Acquisition (including the Sale and Purchase Agreement, the transactions contemplated thereunder and the Specific Mandate) and the Whitewash Waiver.

The Directors (including the members of the Independent Board Committee) are of the view that the terms of the Acquisition, the Sale and Purchase Agreement and the transactions contemplated hereunder (including allotment and issuance of the Consideration Shares at the Issue Price under the Specific Mandate) and the Whitewash Waiver are fair and reasonable and are in the interests of the Company and the Independent Shareholders as a whole, and they recommend the Independent Shareholders to vote in favour of the resolutions at the EGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Shareholders and potential investors of the Company should note that Completion is subject to the satisfaction or waiver (if applicable) of certain Conditions Precedent and the Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

By order of the Board
Guangdong – Hong Kong Greater Bay Area Holdings Limited
LUO Jieping
Chairman and Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the full text of the letter from the Independent Board Committee to the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



GUANGDONG – HONG KONG GREATER BAY AREA HOLDINGS LIMITED

粵 港 灣 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1396)

30 September 2025

To the Independent Shareholders

Dear Sir or Madam,

**(I) MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF
THE ENTIRE ISSUED SHARE CAPITAL IN THE TARGET COMPANY
INVOLVING THE ISSUE OF CONSIDERATION SHARES
UNDER SPECIFIC MANDATE
AND
(II) APPLICATION FOR WHITEWASH WAIVER**

We refer to the circular dated 30 September 2025 issued by the Company (the “**Circular**”) of which this letter forms part. Capitalised terms defined in the Circular have the same meanings herein unless the context otherwise requires.

We have been appointed as the members of the Independent Board Committee under the Takeovers Code to advise the Independent Shareholders as to whether the Acquisition (including the Sale and Purchase Agreement, the transactions contemplated thereunder and the Specific Mandate) and the Whitewash Waiver are fair and reasonable so far as the Independent Shareholders are concerned and to advise the Independent Shareholders how to vote at the EGM.

Rainbow Capital (HK) Limited has been appointed to act as the Independent Financial Adviser with our approval to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisition (including the Sale and Purchase Agreement, the transactions contemplated thereunder and the Specific Mandate) and the Whitewash Waiver. The text of the letter of advice from the Independent Financial Adviser containing their recommendation and the principal factors they have taken into account in arriving at their recommendation is set out on pages 60 to 101 of the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Independent Shareholders are recommended to read the letter of advice from the Independent Financial Adviser, the letter from the Board contained in the Circular as well as the additional information set out in the appendices to the Circular. Having considered the Acquisition (including the Sale and Purchase Agreement, the transactions contemplated thereunder and the Specific Mandate) and the Whitewash Waiver and the advice from the Independent Financial Adviser, we consider that the Acquisition (including the Sale and Purchase Agreement, the transactions contemplated thereunder and the Specific Mandate) and the Whitewash Waiver are fair and reasonable and on normal commercial terms as far as the Independent Shareholders are concerned, and are in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions in respect of the Acquisition (including the Sale and Purchase Agreement, the transactions contemplated thereunder and the Specific Mandate) and the Whitewash Waiver to be proposed at the EGM.

Yours faithfully,
the Independent Board Committee

Mr. Guan Huanfei
Independent
Non-executive Director

Mr. Han Qinchun
Independent
Non-executive Director

Mr. Chen Yangsheng
Independent
Non-executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter of advice from Rainbow Capital to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition (including the grant of the Specific Mandate for the issuance of Consideration Shares) and the Whitewash Waiver which has been prepared for the purpose of inclusion in this circular.

Rainbow Capital (HK) Limited

30 September 2025

To: the Independent Board Committee and the Independent Shareholders

Dear Sirs,

**(I) MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF
THE ENTIRE ISSUED SHARE CAPITAL IN THE TARGET COMPANY
INVOLVING THE ISSUE OF CONSIDERATION SHARES
UNDER SPECIFIC MANDATE
AND
(II) APPLICATION FOR WHITEWASH WAIVER**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisition (including the grant of the Specific Mandate for the issuance of Consideration Shares) and the Whitewash Waiver, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company to the Shareholders dated 30 September 2025 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

On 14 July 2025 (before trading hours of the Stock Exchange), the Company (as the Purchaser) entered into the Sale and Purchase Agreement with the Vendor, pursuant to which, the Purchaser has conditionally agreed to acquire and the Vendor have conditionally agreed to sell the Sale Shares (representing the entire issued share capital of the Target Company), at the Consideration in the amount of HK\$976,500,000. The Consideration of the Acquisition shall be satisfied by the allotment and issuance of the Consideration Shares at the Issue Price (i.e. HK\$3.15 per Share) under the Specific Mandate to be sought by the Company at the EGM.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition exceed 25% but less than 100%, the Acquisition pursuant to the Sale and Purchase Agreement constitutes a major transaction under Chapter 14 of the Listing Rules and is therefore subject to the notification, announcement, circular and shareholder’s approval requirements under Chapter 14 of the Listing Rules.

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As at the Latest Practicable Date, China GBA Holdings directly holds in aggregate 414,665,566 Shares, representing approximately 50.94% of the total issued share capital of the Company. Upon Completion at which a total of 310,000,000 Consideration Shares will be issued to the Vendor and assuming that there is no other change to the issued share capital of the Company from the Latest Practicable Date and up to Completion, (i) the Vendor will hold 310,000,000 Shares, representing approximately 27.58% of the total number of the issued Shares as increased by the issuance of the Consideration Shares; and (ii) the shareholding percentage of China GBA Holdings in the Company will be diluted to approximately 36.89%. As a result, as each of the Vendor and China GBA Holdings will be owning more than 20% or more of the voting rights of the Company and is thus associated company (as defined in the Takeovers Code) of the Company and hence, under the definition of “acting in concert” under the Takeovers Code, the Vendor and China GBA Holdings would be presumed to be acting in concert with each other. In addition, since (i) Mr. Luo Jieping, an executive Director, is interested in 18% of the issued share capital of the Vendor and is a former director of the Vendor; and (ii) Ms. Zeng Yan, the spouse of Mr. Luo Jieping, is the ultimate beneficial owner of China GBA Holdings, the Vendor and China GBA Holdings are considered to be acting in concert with each other.

The allotment and issue of the Consideration Shares to the Vendor would result in a new acting in concert group being formed or the balance of the acting in concert group being changed significantly, where China GBA Holdings and the Vendor, being the acting in concert group, will in aggregate hold 64.47% of the voting rights in the Company (assuming that there is no other change to the issued share capital of the Company from the Latest Practicable Date and up to Completion). Such new acting in concert group being formed or the balance of the acting in concert group being changed significantly would therefore, in the absence of the Whitewash Waiver, trigger an obligation of the Vendor and China GBA Holdings to make a mandatory general offer for all the issued Shares not already owned by them and parties acting in concert with them under Rule 26 of the Takeovers Code. The Vendor has made an application to the Executive for the Whitewash Waiver.

Independent Board Committee

Pursuant to the Listing Rules and the Takeovers Code, the Independent Board Committee, comprising of all of the independent non-executive Directors, has been established to advise the Independent Shareholders regarding the Sale and Purchase Agreement and transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver.

We, Rainbow Capital, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard and such appointment has been approved by the Independent Board Committee in accordance with Rule 2.1 of the Takeovers Code.

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We are not associated or connected financially or otherwise with the Company, the Vendor, their respective substantial shareholders and professional advisers, or any party acting, or presumed to be acting, in concert with any of them. In the last two years, there was no engagement or connection between the Group or the Vendor on one hand and us on the other hand. Apart from normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser, no other arrangement exists whereby we will receive any fees or benefits from the Company, the Vendor, their respective substantial shareholders and other professional advisers, or any party acting, or presumed to be acting, in concert with any of them. As such, we are qualified to give independent advice to the Independent Board Committee in respect of the Acquisition (including the grant of the Specific Mandate for the issuance of Consideration Shares) and the Whitewash Waiver pursuant to Rule 2.6 of the Takeovers Code.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have considered, among other things, (i) the information and facts contained or referred to in this Circular; (ii) the information and opinions provided by the Directors and the management of the Group; and (iii) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in this Circular were true, accurate and complete in all material respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in this Circular are true in all material respects at the time they were made and continue to be true in all material respects as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the management of the Group and those as set out or referred to in this Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of such information and representations provided to us by the Directors and the management of the Group. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in this Circular and that all information or representations provided to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all material respects at the time they were made and continued to be so until the Latest Practicable Date.

Shareholders will be informed by the Group and us as soon as possible if there is any material change to the information disclosed in this Circular during the period from the Latest Practicable Date up to the date of the EGM, in which case we will consider whether it is necessary to revise our opinion and inform the Independent Board Committee and the Independent Shareholders accordingly.

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We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in this Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company, the Vendor or any of their respective subsidiaries and associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation in respect of the Acquisition (including the grant of the Specific Mandate for the issuance of Consideration Shares) and the Whitewash Waiver, we have taken into account the following principal factors and reasons:

1. Background of the Group

The Group is principally engaged in the development, sales and operation of residential properties, commercial trade centres and logistics centres in the PRC. In 2024, the Group ceased engaging in the trading of non-ferrous metals and chemical products (the “**Trading Business**”).

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(i) Financial performance

Set out below is a summary of (a) the audited financial information of the Group for the years ended 31 December 2022, 2023 and 2024 (“FY2021”, “FY2022” and “FY2023”, respectively) as extracted from the annual reports of the Company for FY2023 and FY2024 (the “2023 Annual Report” and the “2024 Annual Report”, respectively); and (b) the unaudited financial information of the Group for the six months ended 2024 and 2025 (“6M2024” and “6M2025”, respectively) as extracted from the interim results announcement of the Company for 6M2025:

	FY2022	FY2023	FY2024	6M2024	6M2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)	(audited)	(unaudited)	(unaudited)
Revenue	3,168,080	3,530,521	2,602,700	861,703	228,252
– Property development and related services	1,121,492	1,670,669	2,602,700	861,703	228,252
– Trading Business	2,046,588	1,859,852	–	–	–
Cost of sales	(3,214,054)	(3,509,365)	(3,225,405)	(1,225,972)	(499,082)
Gross (loss)/profit	(45,974)	21,156	(622,705)	(364,269)	(270,830)
Other net (loss)/gain	(56,202)	208,923	(248,031)	1,759	1,412,451
Selling and distribution costs	(180,597)	(115,769)	(66,157)	(38,484)	(3,311)
Administrative expenses	(282,901)	(161,935)	(79,065)	(44,465)	(34,891)
Impairment loss on financial assets measured at amortised cost	(138,804)	(292,436)	(417,159)	(477,461)	(16,447)
Impairment loss on assets of disposal group classified as held for sale	(112,478)	–	–	–	–
Impairment loss on interests in joint ventures	(88,759)	–	–	–	–
Fair value loss on investment properties	(677,364)	(419,200)	(72,558)	(41,785)	(19,100)
Fair value (loss)/gain on other investment	(273)	8,247	(5,512)	–	–
Share of loss of an associate	(525)	(1,832)	(274)	(274)	–
Finance incomes	67,511	19,328	4,501	3,728	48
Finance costs	(400,252)	(293,190)	(68,035)	(65,985)	(23,050)
(Loss)/Profit before taxation	(1,916,618)	(1,026,708)	(1,574,995)	(1,027,236)	1,044,870
(Loss)/Profit for the year attributable to the Shareholders	(1,571,832)	(1,214,747)	(1,834,586)	(1,028,298)	968,509

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6M2025 compared to 6M2024

The Group's revenue decreased by approximately 73.5% from approximately RMB861.7 million for 6M2024 to approximately RMB228.3 million for 6M2025, which was mainly due to the decrease in number of properties delivered by the Group during the period.

The Group's gross loss decreased by approximately 25.7% from approximately RMB364.3 million for 6M2024 to approximately RMB270.8 million for 6M2025, which was mainly due to the decrease in sales of properties at gross loss, offset by the increase in gross loss margin from approximately 42.3% for 6M2024 to approximately 118.7% for 6M2025. Such increase in gross loss margin was attributed to the unfavorable operating environment in the PRC's real estate industry and the decrease in the average selling price of the Group's properties.

The Group recorded profit for the year attributable to the Shareholders of approximately RMB968.5 million for 6M2025, compared to loss for the year attributable to the Shareholders of approximately RMB1,028.3 million for 6M2024. Such turnaround was mainly due to (a) the other gain arising from the redemption of the outstanding senior notes due 2029 issued by the Company on 10 June 2025; and (b) the decrease in impairment loss on financial assets measured at amortised cost (i.e. trade and other receivables) from approximately RMB477.5 million for 6M2024 to approximately RMB16.4 million for 6M2025.

FY2024 compared to FY2023

The Group's revenue decreased by approximately 26.3% from approximately RMB3,530.5 million for FY2023 to approximately RMB2,602.7 million for FY2024, which was mainly due to the change in the operating model of the Group's Trading Business in FY2024. In order to mitigate trading risks, the Group shifted from acting as the principal to operating as a trading agent. As a result, the revenue generated from the Trading Business is no longer recognised on a gross basis but is instead recognised on a net basis for FY2024. Under the net basis, the Group received commissions from customers, but did not recognise any revenue from the Trading Business for FY2024 due to the high costs.

The Group's gross profit decreased by approximately RMB643.9 million or 3,043.4% from approximately RMB21.2 million for FY2023 to a gross loss of approximately RMB622.7 million for FY2024, which was mainly due to an unfavorable operating environment in the PRC's real estate industry and the decrease in the average selling price of the Group's properties.

The Group's loss attributable to the Shareholders increased by approximately 51.0% from approximately RMB1,214.7 million for FY2023 to approximately RMB1,834.6 million for FY2024. Such increase was mainly due to (a) the turnaround

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from a gross profit for FY2023 to a gross loss for FY2024; and (b) the increase in other loss which was primarily attributable to the net loss on disposal of investment properties of approximately RMB63.7 million, the decrease in net gain on disposal of subsidiaries of approximately RMB173.3 million and the penalty for overdue land-transferring fees of approximately RMB177.8 million, which was imposed due to failure to pay the government land-transferring fees by the stipulated deadline for the purchase of land. As advised by the management of the Group, such land has been sold to an independent property developer who would settle the relevant land-transferring fees.

FY2023 compared to FY2022

The Group's revenue increased by approximately 11.4% from approximately RMB3,168.1 million for FY2022 to approximately RMB3,530.5 million for FY2023, which was mainly due to the increase in revenue generated from property development and related services.

The Group's gross profit increased by approximately RMB67.1 million or 146.0% to approximately RMB21.2 million for FY2023 from a gross loss of approximately RMB46.0 million for FY2022, which was mainly due to the delivery of properties in the Greater Bay Area in 2023 which had a higher gross profit than the Group's properties in other districts.

The Group's loss attributable to the Shareholders decreased by approximately 22.7% from approximately RMB1,571.8 million for FY2022 to approximately RMB1,214.7 million for FY2023. Such decrease was mainly due to (a) the increase in other net gain of approximately RMB265.1 million which was primarily attributable to the increase in net gain on disposal of subsidiaries of approximately RMB152.9 million; and (b) the decrease in fair value loss on investment properties of approximately RMB258.2 million.

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(ii) Financial position

Set out below is a summary of the consolidated statements of financial position of the Group as at 31 December 2022, 2023 and 2024 as extracted from the 2023 Annual Report and the 2024 Annual Report:

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	RMB'000
	(audited)	(audited)	(audited)	(unaudited)
Non-current assets				
Property, plant and equipment	189,203	5,927	2,267	2,395
Investment properties	1,901,500	1,660,100	1,307,232	944,700
Intangible assets	12,581	9,697	6,506	2,127
Goodwill	2,252	–	–	–
Interests in a joint venture	136,897	–	–	–
Interests in an associate	6,041	4,682	4,702	–
Deferred tax assets	460,193	354,667	315,375	161,507
Current assets				
Inventories and other contract costs	14,445,046	11,694,419	8,146,891	3,540,115
Other investment	–	150,888	146,721	144,189
Other financial assets	2,009	–	–	–
Trade and other receivables	3,006,108	3,468,927	2,028,481	689,127
Prepaid tax	322,752	278,237	336,732	248,185
Pledged and restricted cash	1,864,240	568,400	193,548	72,127
Cash and cash equivalents	76,113	25,956	13,057	54,924
Assets of disposal group classified as held for sale	282,466	–	156,356	–
Total assets	22,707,401	18,221,900	12,657,868	5,859,696

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	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
	(audited)	(audited)	(audited)	(unaudited)
Current liabilities				
Trade and other payables	4,437,238	3,894,300	2,928,501	1,000,078
Contract liabilities	4,684,621	4,360,714	3,042,758	927,029
Bank loans and other borrowings	592,345	1,760,095	890,076	158,423
Senior notes	2,609,780	111,914	113,584	113,113
Lease liabilities	3,736	529	477	306
Current tax liabilities	691,910	799,562	431,064	272,239
Deferred income	201,918	182,135	175,113	134,511
Financial guarantee contract	–	7,833	4,020	1,505
Other current liabilities	1,022,614	329,039	–	–
Other financial liabilities	–	158,859	–	–
Liabilities of disposal group classified as held for sale	67,466	–	217,582	–
Non-current liabilities				
Bank loans and other borrowings	4,317,352	1,235,423	1,470,508	153,230
Senior notes	–	3,109,999	3,253,866	–
Lease liabilities	626	204	–	–
Deferred tax liabilities	123,070	26,861	30,112	44,379
Other financial liabilities	440,120	–	–	–
Total liabilities	19,192,796	15,977,467	12,557,661	2,804,813
Net assets	3,514,605	2,244,433	100,207	3,054,883
Equity attributable to the Shareholders	3,421,543	2,238,655	389,126	3,054,883

As at 30 June 2025, the Group had total assets of approximately RMB5,859.7 million, which mainly consisted of (a) inventories and other contract costs of approximately RMB3,540.1 million; (b) trade and other receivables of approximately RMB689.1 million; and (c) investment properties of approximately RMB944.7 million. The Group's total assets as at 30 June 2025 decreased by approximately RMB6,798.2 million or 53.7% from approximately RMB12,657.9 million as at 31 December 2024. This decrease was mainly due to the Group's completion of the disposals of Zhuo Ying Limited and Faith Channel Limited with considerations of HK\$130.0 million and HK\$50.0 million, respectively, in

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6M2025. As at 31 December 2024, Zhuo Ying Limited and Faith Channel Limited had total assets of approximately RMB4,262.7 million and RMB1,315.7 million, respectively.

As at 30 June 2025, the Group had total liabilities of approximately RMB2,804.8 million, which mainly consisted of (a) trade and other payables of approximately RMB1,000.1 million; (b) contract liabilities of approximately RMB927.0 million; (c) bank loans and other borrowings of approximately RMB311.7 million; and (d) senior notes of approximately RMB113.1 million, being the Group's outstanding senior notes due in October 2023. The Group's total liabilities as at 30 June 2025 decreased by approximately RMB9,752.8 million or 77.7% from approximately RMB12,557.7 million as at 31 December 2024. This decrease was mainly due to (a) the disposals of Zhuo Ying Limited and Faith Channel Limited, which had total liabilities of approximately RMB4,435.1 million and RMB1,270.2 million, respectively, as at 31 December 2024; and (b) the redemption of the Company's outstanding senior notes due 2029 with a principal amount of US\$439,097,982 on 10 June 2025 (the "**Redemption**").

The Group's gearing ratio, calculated as the sum of bank loans and other borrowings, senior notes and other financial liabilities, which represented amounts due to non-controlling interests, divided by total assets, decreased from approximately 45.3% as at 31 December 2024 to approximately 7.2% as at 30 June 2025. Such decrease was mainly due to the Redemption.

(iii) Overall comment

Although the Group's revenue from its property development business increased in FY2024, it recorded a gross loss due to falling property prices resulting from the decline in the PRC's real estate market as discussed in the section headed "3. Industry overview" below. The Company has recorded net losses for the past four years. The Group ceased engaging in the Trading Business in 2024.

As disclosed in the Company's announcement dated 7 May 2025, the Company received the consents from the holders of 98.33% in aggregate principal amount of the outstanding senior notes due 2029 issued by the Company (the "**Notes**") to effect the proposed waiver and amendments to the Notes. On 6 June 2025, the Company issued a notice of redemption to the holders of the Notes, pursuant to which all outstanding Notes were redeemed in full on 10 June 2025 at a redemption price equal to 55% of the outstanding principal amount of the Notes, resulting a decrease in the Group's gearing ratio. The redemption price was paid by the Company to the holders of the Notes in kind with the mandatory convertible bonds (the "**MCB**") in an aggregate principal amount of US\$241,503,890 on 10 June 2025. Paid-in-kind consent fee by means of additional issuance of the MCB (in the principal amount equivalent to 10% of the redemption price in respect of the Notes) has also been delivered to relevant eligible holders of the Notes.

While the Group's financial position significantly improved following the Redemption, the Group still has a weak financial performance. The Group's revenue decreased by

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approximately 73.5% from approximately RMB861.7 million for 6M2024 to approximately RMB228.3 million for 6M2025 with the Group still recording a gross loss in 6M2025. Eliminating the other gain of approximately RMB1,412.5 million for 6M2025, the Group recorded net loss of approximately RMB460.8 million for 6M2025. Redemption can only reduce the Group financial costs but does not generate sustainable profits for the Group. There is no indication that the Group's existing property development business will improve in the near future, especially under the unfavorable operating environment in the PRC's real estate industry.

Pursuant to Note 3 to Rule 2 of the Takeovers Code, we would like to draw the Independent Shareholder's attention to the material uncertainties relating to going concern as set out in Appendix I to the Circular. The Independent Shareholders are advised to take into account the material uncertainties relating to going concern and consider carefully the terms of the Acquisition. Given that (a) all outstanding Notes were redeemed in full on 10 June 2025; and (b) the Consideration shall be satisfied by allotment and issuance of the Consideration Shares which would not cause any cash outflow, we consider that the material uncertainties relating to going concern would not have any material implication on the Acquisition and the Company.

2. Background of the Vendor and the Target Group

The Vendor is an investment holding company established under the laws of British Virgin Islands with limited liability. The Vendor's ultimate beneficial owners are also the Registered Shareholders. As at the Latest Practicable Date, the Vendor is an Independent Third Party and save and except for Mr. Luo Jieping, who is an executive Director, the other remaining shareholders of the Vendor are third parties independent of and not connected with the Company and its connected persons.

The Target Group is a full-ecosystem service provider for "Green Energy Artificial Intelligence Computing", and is principally engaged in the AI Businesses in the PRC, comprising (i) the provision of AI computing power technical services and the relevant operation and maintenance services; (ii) the construction and development of the AIDC; (iii) the operation of the AIDC; (iv) research and development of AI technology and the provision of comprehensive AI computing power scheduling platform; and (v) the provision of comprehensive and one-stop integrated AI solutions for customers.

The Target Group recorded a net profit of approximately RMB23.4 million for the three months ended 31 March 2025 and had net assets attributable to the shareholders of approximately RMB176.0 million as at 31 March 2025. For details of the audited financial information of the Target Group for the three years ended 31 December 2024 and the three months ended 31 March 2025 (the "**Historical Period**"), please refer to Appendix II to the Circular.

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3. Industry overview

(i) Real estate industry

For FY2024, approximately 87.4%, 11.6%, 0.7% and 0.3% of the Group's total revenue were derived from (i) sales of residential properties; (ii) sales of commercial properties; (iii) rental income; and (iv) provision of property management services, respectively, in the PRC. The table below sets out the PRC's (a) the growth in investment in real estate development; (b) the growth in sales of newly built buildings for residential and commercial use; and (c) the growth in floor area of newly built buildings for residential and commercial use sold for the years or period indicated:

Year on year/period to period growth/ (contraction) rate	2020	2021	2022	2023	2024	The first half of 2025
– Investment in real estate development	7.0%	4.4%	(10.0%)	(9.6%)	(10.6%)	(11.2%)
– Sales of newly built buildings	8.7%	4.8%	(26.7%)	(6.5%)	(17.1%)	(5.5%)
– Floor area of newly built buildings sold	2.6%	1.9%	(24.3%)	(8.5%)	(12.9%)	(3.5%)

Source: National Bureau of Statistics of China

In the first half of 2025, the investment in real estate development, sales of newly built buildings and floor area of newly built building sold decreased by approximately 11.2%, 5.5% and 3.5%, respectively, which continued the contracting trend since 2022. In August 2020, the PRC government imposed the three red lines guidance (the “**Three Red Lines Guidance**”) on real estate developers by assessing their financial situation against three ratios, namely liability-to-asset ratio, net gearing ratio and cash-to-short-term debt ratio. Most property developers had to deleverage so as to comply with the requirements under the Three Red Lines Guidance, which has adversely affected their liquidity and therefore the investment in real estate development.

Affected by the slowdown in economic growth, the willingness of residents to purchase residential properties and enterprises to purchase commercial properties had declined as well, resulting in a decrease in the sales amount and selling price of buildings sold. Therefore, we consider that the outlook of the Group's existing property development business is uncertain.

(ii) AI industry

According to a report named “The cost of compute: A \$7 trillion race to scale data centres” published on 28 April 2025 (<https://www.mckinsey.com/industries/technology-media-and-telecommunications/our-insights/the-cost-of-compute-a-7-trillion-dollar-race-to-scale-data-centers>) by McKinsey & Company (“**McKinsey**”), a global strategy and management consulting firm that is well recognised by the market in the field of technology, media and telecommunications and serves top global telecom operators, consumer technology and media companies, IT services providers and software and hardware players according to McKinsey’s website, AI is fueling high demand for compute power, spurring companies to invest billions of dollars in infrastructure. Amid the AI boom, compute power is emerging as critical resources. In data centres across the globe, millions of servers run all day to process the foundation models and machine learning applications that underpin AI. The hardware, processors, memory, storage, and energy needed to operate these data centres are collectively known as compute power.

McKinsey’s research shows that global data centre capacity demand is estimated to grow from 82 gigawatts in 2025 to 219 gigawatts in 2030, representing a compound annual growth rate of approximately 21.7%, which is mainly driven by the AI workloads. McKinsey estimated that by 2030, data centres require US\$6.7 trillion in capital expenditures worldwide to keep pace with the demand for compute power.

As at the Latest Practicable Date, the Target Group has entered into long term AI computing power services contracts and AI data centre (AIDC) operation services contracts with certain customers including big model companies, cloud vendors, telecommunication operators and other customers. Given the rapid growth of the AI industry and the increasing market demand for computing power, we consider that the Target Group has a more positive business outlook compared to the Group’s existing property development business.

4. Reasons for and benefits of the Acquisition and the Specific Mandate

As stated in the Letter from the Board, the Group is actively introducing new productive forces business and promoting the diversification of the business matrix through the empowerment of innovative technologies, in order to strengthen its market competitiveness and creating greater value for its Shareholders.

Through the Acquisition, the Group will have the opportunity to actively participate in the AI industry and related areas, thereby achieving diversification of the Group’s business. The Acquisition is a further solid step for the Group to broaden its revenue source and improve its long-term development following the completion of the debt restructuring. On the other hand, following the Acquisition, bolstered by capital market support, the Target Group’s development to lead in the AIDC field will progress on a more rapid pace.

Satisfying the Consideration by allotment and issuance of the Consideration Shares would not cause immediate cash outflow pressure on the Group’s financial position. The Group only

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had cash and cash equivalents of approximately RMB13.1 million as at 31 December 2024, and given its loss-making position, the Group is also unable to afford the interest on borrowings to satisfy the Consideration.

Taking into account (i) the Group's poor financial performance and financial position as discussed in the section headed "1. Background of the Group"; and (ii) the uncertain prospects of the PRC real estate industry and the positive prospects of the AI industry as discussed in the section headed "3. Industry overview", we concur with the Directors that although the Acquisition is not in the ordinary and usual course of business of the Group, the Acquisition (including the grant of the Specific Mandate for the issuance of Consideration Shares) is in the interests of the Group and the Shareholders as a whole.

5. Assessment of the Consideration

The Consideration of HK\$976,500,000 was determined after arm's length negotiations between the Company and the Vendor taking into account the valuation of the market value of the entire issued share capital of the Target Group of HK\$978,000,000 as at the Valuation Reference Date as appraised by the Independent Valuer by way of discounted cash flow method under the income approach.

In assessing the fairness and reasonableness of the Valuation, we have taken into the following factors:

(i) Qualification and scope of work of the Independent Valuer

We have reviewed and discussed with the Independent Valuer and obtained supporting documents for the Independent Valuer's qualification and experience. We noted that (a) the Independent Valuer is the transaction services arm of Moore Hong Kong, which was established in 1975 and provides a full scope of services including audit, assurance, accounting, business outsourcing, tax and other advisory work; and (b) Mr. Kenneth Ma, the responsible person of the Valuation, is a registered valuer member of the Royal Institute of Chartered Surveyors and has over 10 years' experience in business valuations in Hong Kong and PRC, including AI related business valuation experience. We have also enquired with the Independent Valuer as to their independence and were given to understand that the Independent Valuer is independent of the Group and the Vendor.

We have also reviewed the terms of engagement of the Independent Valuer, in particular to their scope of work. We noted that their scope of work is appropriate to form the opinion required to be given and there are no limitations on the scope of work which might adversely impact on the degree of assurance given by the Independent Valuer in the Valuation Report.

Based on the above, we are satisfied with the terms of engagement of the Independent Valuer as well as their qualification and experience for performing the Valuation, and we

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are of the view that the scope of work of the Independent Valuer is appropriate. We therefore consider it appropriate to rely on their work and opinion.

(ii) *Valuation methodologies*

We have reviewed and discussed the valuation methodologies, bases and assumptions with the Independent Valuer. We understood that the Independent Valuer has carried out physical inspections to the business locations of the Target Group and made relevant enquiries for the purpose of the Valuation.

As stated in the Valuation Report, the Independent Valuer has considered three generally accepted approaches, namely market approach, cost approach and income approach and adopted the income approach in the Valuation due to the following consideration:

- (a) the market approach was not adopted as it may not adequately capture the specific characteristics and value drivers of the Target Group's business. Different companies have different stages of development and strategic planning in terms of technological innovation, market expansion and customer resources, resulting in significant differences in their future earnings expectations and risk levels. In the course of the Valuation, neither any publicly available transaction of enterprises that were comparable in terms of the uniqueness of the Target Group's business model and its stage of development of AI businesses observed, nor any closely comparable publicly traded entity with business development and operating characteristics similar to those of the Target Group suitable for the market approach could be identified as at the Valuation Reference Date;
- (b) the cost approach was not adopted in valuing the Target Company as it does not consider the future economic benefits generated from the operation of the Target Group's business. The cost approach is inadequate in reflecting the value of its equity interests deriving from its ongoing business and any potential growing prospect; and
- (c) the income approach was adopted in valuing the Target Company based on historical financial and operating data, forecasts of future financial projections with relatively clear cost components and matching relationship with its business revenues.

As disclosed in Appendix II to the Circular, the Target Group's revenue increased significantly during the Historical Period and the Target Group started to make a profit in 2025. Taking into account that (a) the income approach best reflects the Target Group's future growth prospects; and (b) the Target Group is still in the early stage of business development which makes it not comparable with the Guideline Companies (as defined below) in terms of revenue size, asset size and stage of development, we concur with the Independent Valuer that it is fair and reasonable to adopt the income approach for the Valuation.

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(iii) *Application of the income approach*

Under the income approach, the discounted cash flow method was adopted by the Independent Valuer. The table below sets out the estimated cash flows for the nine months ending 31 December 2025 and the six years ending 31 December 2031 (the “**Forecast Period**”):

	9M2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Revenue	1,737,419	4,276,352	4,209,016	3,530,255	2,905,018	3,031,490	3,153,171
% Change	–	123.67%	(1.57%)	(16.13%)	(17.71%)	4.35%	4.01%
		(Note 1)					
Cost of sales	1,429,490	3,371,814	3,295,311	2,826,030	2,371,028	2,047,197	1,729,747
% of revenue	82.28%	78.85%	78.29%	80.05%	81.62%	67.53%	54.86%
VAT and other tax	(157,666)	(19,909)	(978)	15,572	15,488	(45,035)	(7,186)
Gross profit	465,596	924,447	914,683	688,653	518,502	1,029,328	1,430,610
Gross profit margin	26.80%	21.62%	21.73%	19.51%	17.85%	33.95%	45.37%
Selling, general & administrative expenses	221,849	340,521	368,175	374,919	375,601	404,734	569,260
% of revenue	12.77%	7.96%	8.75%	10.62%	12.93%	13.35%	18.05%
– Depreciation & amortization	161,817	254,746	277,170	283,963	284,152	248,674	343,872
% of revenue	9.31%	5.96%	6.59%	8.04%	9.78%	8.20%	10.91%
– Selling expense	17,374	42,764	42,090	35,303	29,050	90,945	157,659
% of revenue	1.00%	1.00%	1.00%	1.00%	1.00%	3.00%	5.00%
– General administrative expense	42,658	43,011	48,915	55,653	62,399	65,116	67,729
% of revenue	2.46%	1.01%	1.16%	1.58%	2.15%	2.15%	2.15%
Finance costs	43,195	64,524	53,347	43,221	18,375	9,013	8,440
Pre-tax profit	200,552	519,402	493,161	270,513	124,526	615,581	852,910
Corporate tax	30,083	77,910	73,974	40,577	18,679	92,337	127,937
Net profit	170,469	441,492	419,187	229,936	105,847	523,244	724,974
Add: Depreciation and amortisation	161,817	254,746	277,170	283,963	284,152	248,674	343,872
Less: Capital expenditure	1,300,388	264,738	112,922	932	1,061	825,720	777,613
Less: Change in net working capital	166,915	(108,118)	274,350	(60,764)	(53,511)	55,854	54,376
Free cash flow to firm (FCFF)	(1,135,017)	539,618	309,084	573,731	442,450	(109,657)	236,857
Add: Net borrowings	1,272,351	(526,211)	(341,829)	(339,702)	(236,031)	(89,397)	(41,064)
Free cash flow to equity (FCFE)	137,334	13,407	(32,745)	234,028	206,418	(199,054)	195,793

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Note:

- (1) Calculated based on the actual audited revenue for the three months ended 31 March 2025, the estimated revenue for the nine months ending 31 December 2025 and the estimated revenue for the year ending 31 December 2026.

(a) Revenue

The Target Group's revenue is mainly generated from (1) the provision of AI computing power technical services for training and inference; and (2) the construction, development and operation of the AIDC.

We have discussed the basis and assumptions for arriving at the estimated revenue during the Forecast Period with the management of the Company and the Independent Valuer. We were given to understand (1) revenue was mainly estimated based on the existing long-term AI computing power services contracts and AIDC operation services contracts entered into between the Target Group and certain customers; (2) a tower of the Target Group's Tonghu AIDC is still under construction which is expected to be completed before January 2026; and (3) a capacity utilisation rate of 65% was adopted to estimate revenue to be generated from new customers after the existing contracts mature.

In assessing the Target Group's estimated revenue, we have performed the following works:

- (1) obtained and reviewed the financial projection for the Forecast Period prepared by the management of the Target Group (the "**Projection**"), and we noted that the significant increase in estimated revenue in 2026 is mainly due to the new computing power capacity to be put into use in the Tonghu AIDC;
- (2) obtained and reviewed the Target Group's existing material service contracts related to the provision of AI computing power technical services, which are expected to generate approximately RMB13.1 billion in revenue during the Forecast Period. We noted that such service contracts contain breach of contract clauses stipulating that the service period cannot be suspended and that the breaching party must pay the counterparty 20% or 100% of the value of the unperformed services. We also checked the background of such customers and noted that they are leading cloud services companies in the PRC. Therefore, we consider the credit risk of the Target Group's existing service contracts to be low;
- (3) obtained and reviewed the resumes and employee agreements of the Target Group's technical heads. Although the Target Group has a short operating history in the AI business, we consider that it has hired experienced professionals to manage the AI business; and

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- (4) reviewed a search report published in January 2025 (<https://www.caict.ac.cn/kxyj/qwfb/bps/202501/P020250117503621662777.pdf>) by China Academy of Information and Communication Technology, a scientific research institute under the Ministry of Industry and Information Technology of the PRC, and we noted that the average capacity utilisation rate of data centres in the PRC was approximately 63% as at 30 June 2024, which is generally in line with the capacity utilisation rate of 65% adopted for the Projection.

Based on the above review, we consider that the Target Group's estimated revenue during the Forecast Period is fair and reasonable.

(b) Gross profit

As stated in the Valuation Report, the Target Group provides the AI computing power technical services under three different modes: the direct investment mode, the operating lease mode, and the financing lease mode. Under the direct investment mode, the Target Group purchases and holds the computing servers and supporting facilities. Under the financing lease mode, the Target Group leases the computing servers and supporting facilities from the suppliers and purchases them at a residual value when the financing lease agreement expires.

The Target Group's gross profit margin is expected to decrease from approximately 26.8% for the nine months ending 31 December 2025 to approximately 21.6% for the year ending 31 December 2026. Based on our review of the Projection, such decrease is mainly due to the decrease in refundable VAT and other tax. The Target Group is expected to incur significant capital expenditure on purchasing computing servers and supporting facilities in 2025, resulting in input VAT far exceeding output VAT. In this regard, we have obtained and reviewed the purchase contracts entered into between the Target Group and the device suppliers.

The Target Group's gross profit margin is expected to increase from approximately 17.9% for the year ending 31 December 2029 to approximately 34.0% for the year ending 31 December 2030, and further to approximately 45.4% for the year ending 31 December 2031, which is mainly due to the expiration of the existing finance lease agreements. The Target Group will no longer incur relevant finance lease interest which is recognised as cost of sales. In this regard, we have obtained and reviewed the financing lease agreements entered into between the Target Group, the financial institutions and the device suppliers.

In assessing whether the Target Group's gross profit margin for the year ending 31 December 2031 is reasonable, we have reviewed the annual reports of the Guideline Companies (as defined in subsection headed "(f) Discount rate" below) for FY2024, and noted that only Range Intelligent Computing Technology Group Co., Ltd. (300442.CH) disclosed its AIDC business's gross profit margin of approximately

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51.8% for FY2024, which we consider to be comparable with the Target Group's estimated gross profit margin for the year ending 31 December 2031. The other Guideline Companies only disclosed the gross profit margin of their IDC business, which ranged from 21.5% to 34.4% for FY2024, without separating out their AIDC business. Due to fierce market competition of IDC market, the gross profit margin of the traditional IDC business is lower than that of the AIDC business. Therefore, we consider the gross profit margins of the Guideline Companies, excluding Range Intelligent Computing Technology Group Co., Ltd, to be not comparable to the Target Group's gross profit margin.

Based on the above review, we consider that the Target Group's estimated gross profit during the Forecast Period is fair and reasonable.

(c) Selling expenses, general administrative expenses and finance cost

The Target Group's selling expenses are expected to remain stable at approximately 1.0% of the total revenue for the five years ending 31 December 2029, which is in line with the proportion of the Target Group's selling expenses to its total revenue for FY2024. As most of the Target Group's existing service contracts will expire between 2029 and 2031, this proportion is expected to rise to approximately 3.0% for the year ending 31 December 2030, and to approximately 5.0% for the year ending 31 December 2031.

The Target Group's general administrative expenses are expected to remain stable at between approximately 1.0% and 2.46% of the total revenue during the Forecast Period. The expected increase in general administrative expenses is mainly due to an increase in the average salary, which is necessary to retain professionals and maintain a stable operations team.

The Target Group's finance costs are estimated based on its existing borrowings and new borrowings to be obtained during the Forecast Period. As stated in the section headed "5.6 Financing Plan" in the Valuation Report, the Target Group planned to raise financing of RMB1,559 million at reasonable interest costs during the Forecast period, approximately 75% of which had been obtained by the Target Group as at the date of the Valuation Report with the remainder being actively negotiated with banks. In this regard, we have obtained and reviewed all borrowing agreements entered into between the Target Group and relevant banks and financial institutions as at the Latest Practicable Date.

Based on the above review, we consider that the Target Group's estimated selling expenses, general administrative expenses and finance cost during the Forecast Period are fair and reasonable.

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(d) Corporate tax

The Target Group's revenue is subjected to the PRC statutory tax rates. Given the Target Group is classified as High and New Technology Enterprise (HNTE), it enjoys a preferential corporate income tax rate of 15%, which was adopted for the Projection during the Forecast Period. The statutory tax rate of 25% was adopted for the terminal value.

(e) Capital expenditure

The Target Group's capital expenditure is primarily spent on purchasing or upgrading computing servers and supporting facilities. Based on our review of the Projection, the Target Group's capital expenditure in 2026 will primarily be for purchasing supporting facilities for the newly commissioned AIDC in Tonghu. In 2027, the Target Group's capital expenditure will primarily be for repurchasing computing servers and supporting facilities upon the expiration of finance lease agreements. Since there will be no new capacity commissioning or finance lease expirations in 2028 and 2029, the Target Group's capital expenditure will be significantly reduced.

Considering rapid advances in technology and AI, from 2030 onwards, the Target Group is estimated to update its computing servers and supporting facilities at annual rates of 12.5% and 7.0%, respectively, which were determined based on the useful life of the respective fixed assets. Such update plan is expected to lead to a substantial increase in capital expenditure in 2030 and 2031 as compared to 2029.

Taking into account the need for the Target Group to explore new clients after the existing service contracts expire, as well as the emerging AI industry as discussed in the section headed "3. Industry Overview" above, we consider the estimated capital expenditure to be fair and reasonable.

(f) Discount rate

The Independent Valuer has considered the following in determining the discount rate:

- (1) the risk-free rate of 1.86%, being the 10-year PRC government bond yield as at the Valuation Reference Date;
- (2) the market risk premium of 6.84%, being the expected equity risk premium of the U.S. of 5.0% with reference to "Kroll Lowers its Recommended U.S. Equity Risk Premium to 5.0%" issued by Kroll in June 2024 and adjusted by additional PRC country risk premium of 1.84%. Based on our review of

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the valuation reports published by companies listed on the Stock Exchange, we consider that the equity risk premium suggested by Kroll is widely adopted in the valuation industry;

- (3) the relevered beta coefficient of 1.405 is determined with reference to (i) the median unlevered beta coefficient of 1.195 of six guideline companies (the “**Guideline Companies**”), including Range Intelligent Computing Technology Group Co., Ltd. (300442.CH), Beijing Sinnet Technology Co., Ltd. (300383.CH), Guangdong Aofei Data Technology Co., Ltd. (300738.CH), Shanghai AtHub Co., Ltd. (603881.CH), GDS Holdings Limited (9698.HK) and Kingsoft Cloud Holdings Limited (3896.HK); (ii) the median of the weight of debt of approximately 18.94% of the Guideline Companies; and (iii) corporate tax rate of 25%. As the Independent Valuer identified only a small number of guideline companies listed on the Stock Exchange, the scope was expanded to include companies listed on the Shanghai and Shenzhen stock exchanges. We have searched Bloomberg for companies listed in Hong Kong and the PRC that derive more than 50% of their revenue from the provision of computing power and data centre services in the PRC, and we consider the Guideline Companies represents an exhaustive list and are fair and reasonable;
- (4) the size premium of 4.47% with reference to 2024 CRSP Deciles Size Study issued by Kroll, which reflects the additional required return attributed to the smaller size of the company;
- (5) the company-specific risk premium of 2.00% based on the Independent Valuer’s judgement on additional risk associated with the operation of the Target Group, including the limited operation history in AI business which started since the second half of 2024 and the uncertainty of renewal contracts after current service contracts expired in 3 to 5 years; and
- (6) the cost of equity of 18.00% based on Capital Asset Pricing Model and the parameters discussed above, which was adopted as the discount rate. Since the above parameters are derived from widely used references in the valuation industry and the Guideline Companies are exhaustive and reasonable, we consider the discount rate of 18.00% to be fair reasonable.

(g) Forecast period and terminal value

Given that (1) the Target Group’s existing service contracts will mature in 3 to 5 years with the latest one expiring by 2030; and (2) the Target Group expects to enter into new service contracts with customers by 2031 with an expected capacity utilisation rate of 65% as discussed above, we concur with the Independent Valuer that

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it is fair and reasonable to adopt a Forecast Period of 7 years, after which the Target Group is expected to generate stable revenue and enter into a stable development phase.

In determining the terminal value for the expected economic values of the Target Group beyond the Forecast Period, the Independent Valuer has adopted a terminal growth rate of 2% with reference to the long-term inflation rate of the PRC sourced from International Monetary Fund (IMF).

(h) Discount for lack of marketability (“DLOM”)

The Stout Restricted Stock Study was published by Business Valuation Resources, LLC in early 2025. 779 relevant private placement transactions of unregistered common stock issued by publicly traded companies from July 1980 through the first quarter of 2024 have been examined in the Stout Restricted Stock Study. According to public information, we understand that Business Valuation Resources, LLC. (<https://www.bvresources.com/>) is a publisher of auditable market data, news, research and expert opinion as well as a provider of valuation-related training programs with over 25 years of establishment and the Stout Restricted Stock Study is a widely used reference for the DLOM.

The Independent Valuer adopted the median discount rate of 15.60% calculated from the 779 transactions from the Stout Restricted Stock Study as the DLOM for the Valuation, which we consider to be fair and reasonable.

(iv) Premium over the net assets value

The Consideration represents a premium of approximately 411.8% over the Target Group’s audited net assets attributable to the shareholders of approximately RMB176.0 million (equivalent to approximately HK\$190.8 million) as at 31 March 2025.

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We have searched acquisitions of companies engaged in the AIDC industry in the PRC that were announced during the period from 2 July 2024 to the Latest Practicable Date, for which financial information of the target company is available. The table below sets out an exhaustive list of the acquisitions based on the aforesaid selection criteria:

Date of announcement	Description	Premium represented by the consideration over the target company's net assets value
11 September 2025	Guangdong HEC Technology Holding Co Ltd (600673.CH) announced to acquire the China business of Chindata Group Holdings Ltd, a leading carrier-neutral hyperscale data center solution provider, from Bain Capital LP.	194.6%
4 September 2025	LuoMan Co., Ltd. (605289.CH) announced to acquire 39.2308% of the equity in Shanghai WuTong High-Tech Co., Ltd., which mainly engages in AIDC computing server and cluster comprehensive solution services.	1,687.4%

We noted that a high premium, represented by the consideration over the target company's net assets value, is not uncommon in the acquisition of companies engaged in the AIDC industry in the PRC. Taking into account that (i) the Target Group has entered into long-term service contracts with leading cloud service providers, ensuring stable cash inflow for the next five years; (ii) the rapid development of the AI industry has driven increased demand for computing power; (iii) the Target Group is in the early stage of its business and possesses greater growth potential than established companies; and (iv) the Target Group's net assets value as at 31 March 2025 does not reflect the future economic benefits and growth potential of the Target Group's operations, we consider that the premium represented by the Consideration over the Target Group's audited net assets attributable to the shareholders as at 31 March 2025 is reasonable.

(v) Conclusion

Taking the above factors into account, we consider that the Projection is appropriate and that the Valuation was carried out fairly and reasonably by the Independent Valuer using the income approach.

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Given that the Consideration represents a slight discount of approximately 0.15% to the valuation of the market value of the entire issued share capital of the Target Group, we consider the Consideration to be fair and reasonable.

6. Valuation on property interests of the Group and the Reassessed NAV

(i) *Valuation on property interests of the Group*

The property valuation report (the “**Property Valuation Report**”) prepared by the Independent Valuer relating to the valuation of all property interests (the “**Property Interests**”) held by the Group as at 30 June 2025 is set out in Appendix IX to the Circular. According to the Property Valuation Report, the total market value of the Property Interests in existing state attributable to the Group as at 30 June 2025 was approximately RMB5.1 billion (the “**Property Valuation**”).

We have reviewed the Independent Valuer’s qualification and experience in conducting property valuation. We noted that (a) the Independent Valuer has experience in provision of property valuation services to listed companies including Chinese Estates Holdings Limited (127.HK), Bar Pacific Group Holdings Limited (8432.HK), etc.; and (b) Mr. Kenneth Ma, the responsible person of the Property Valuation, is a registered valuer member of the Royal Institute of Chartered Surveyors and has over 5 years’ experience in property valuation. We have also enquired with the Independent Valuer as to their independence and were given to understand that the Independent Valuer is independent of the Group and the Vendor. Based on the above, we are of the view that the Independent Valuer is qualified to perform the Property Valuation.

We have reviewed the terms, including the scope of work, of engagement between the Company and the Independent Valuer, which we consider to be appropriate. We noted that the Independent Valuer carried out site inspections of the Property Interests in August 2025.

We have reviewed the Property Valuation Report and discussed with the Independent Valuer methodologies of and bases and assumptions adopted for the Property Valuation and adjustments made to arrive at the Property Valuation.

The Property Valuation has been undertaken on the basis of market value, which 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.

The Property Valuation has been made on the assumption that the Property Interests are sold in the market in its existing state without the benefit of deferred terms contract, leaseback, joint venture, management agreement or any other similar arrangement which would serve to affect the value of the Property Interests. In addition, no account has been

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taken of any option or right of pre-emption concerning or affecting the sale of the Property Interests and no forced sale situation in any manner is assumed in the Property Valuation.

Based on our review of other property valuation reports published by the companies listed on the Stock Exchange, we considered that similar bases and assumptions were commonly adopted in property valuations on the market and that these bases and assumptions were fair and reasonable.

When valuing the investment properties under lease, the Independent Valuer has adopted income approach by taking into account the current passing rents of the constituent units of the properties being held under existing tenancies and the reversionary potential of the tenancies if they have been or would be let to tenants. Given that those investment properties are held by the Group to earn rentals and the cash flow could be reasonably estimated based on the existing lease agreements, we consider that the use of income approach is fair and reasonable.

When valuing other land and properties which have completed construction, the Independent Valuer has adopted the market approach, which is universally considered as the most accepted valuation approach for valuing most forms of property. We have obtained and reviewed all comparable transactions identified by the Independent Valuer. Given that there are sufficient comparable transactions and information available for analysis, we consider that the use of market approach is fair and reasonable.

When valuing those construction-in-progress properties, the Independent Valuer has considered (a) comparable transactions of the properties as if they were completed; (b) the development costs incurred and the costs that will be incurred to complete the proposed development; and (c) the present value of the market value of the properties when completed based on the latest development proposal. Based on our review of other property valuation reports published by the companies listed on the Stock Exchange, we considered the approach adopted by the Independent Valuer to value the construction-in-progress properties is in line with the market practice and is fair and reasonable.

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(ii) *Reassessed NAV*

In evaluating the Issue Price, we have taken into account the Group's reassessed net asset value attributable to the Shareholders (the "**Reassessed NAV**"), which is calculated based on the Group's unaudited net asset value attributable to the Shareholders as at 30 June 2025 and adjusted with reference to the Property Valuation. Details of the adjustments are set out in the table below:

	<i>RMB'000</i>
Unaudited net asset value of the Group attributable to the Shareholders as at 30 June 2025	3,054,883
Add: net revaluation surplus arising from the valuation of the property interests attributable to the Group as at 30 June 2025 (<i>Note 1</i>)	608,190
Subtract: net deferred tax on revaluation surplus attributable to the Group (<i>Note 2</i>)	(204,854)
Reassessed NAV	3,458,219
Reassessed NAV per Share (RMB) (<i>Note 3</i>)	2.91
Reassessed NAV per Share (HK\$) (<i>Note 4</i>)	3.19

Notes:

- Represents the net revaluation surplus arising from the difference between the market value of the property interests held by the Group in existing state attributable to the Group as at 30 June 2025, as appraised by the Independent Valuer, and their corresponding book values attributable to the Group as at 30 June 2025.
- Based on the PRC and Thailand corporate income tax rates of 25% and 20%, respectively.
- Based on 1,190,278,327 Shares in issue assuming the Group's MCB have been converted into 376,175,227 Shares given that the MCB is accounted as equities and will be mandatorily converted upon the maturity on 9 June 2026.
- Based on the exchange rate of HK\$1:RMB0.91195 quoted by the People's Bank of China as at 30 June 2025.

7. Assessment of the Issue Price

(i) *Issue Price comparison*

Comparison with market price

The Issue Price of HK\$3.15 per Share represents:

- a discount of 41.77% to the closing price of HK\$5.41 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

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- (b) a discount of approximately 11.27% to the closing price of HK\$3.55 per Share on the Last Trading Date;
- (c) a discount of approximately 10.97% to the average of the closing price of HK\$3.54 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Date;
- (d) a discount of approximately 13.67% to the average of the closing price of HK\$3.65 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Date;
- (e) a discount of approximately 12.94% to the average of the closing price of HK\$3.62 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Date;
- (f) a premium of approximately 8.71% over the average of the closing price of HK\$2.90 per Share as quoted on the Stock Exchange for the last 60 consecutive trading days up to and including the Last Trading Date;
- (g) a premium of approximately 45.74% over the average of the closing price of HK\$2.16 per Share as quoted on the Stock Exchange for the last 90 consecutive trading days up to and including the Last Trading Date;
- (h) a premium of approximately 510.28% to the audited net asset value attributable to the Shareholders per Share as at 31 December 2024 of approximately HK\$0.52 based on the exchange rate of RMB0.92604 to HK\$1 quoted by the People's Bank of China as at 31 December 2024;
- (i) a premium of approximately 11.93% to the unaudited net asset value attributable to the Shareholders per Share as at 30 June 2025 of approximately HK\$2.81 based on (1) the Group's unaudited net asset value of RMB3,054,883,000 attributable to the Shareholders as at 30 June 2025; (2) 1,190,278,327 Shares in issue assuming the Group's MCB has been converted into 376,175,227 Shares; and (3) the exchange rate of RMB0.91195 to HK\$1 quoted by the People's Bank of China as at 30 June 2025; and
- (j) a discount of approximately 1.13% to the Reassessed NAV per Share of approximately HK\$3.19.

The Issue Price represents discounts of approximately 41.17%, 41.19%, 39.77%, 30.67% and 19.32% over the average Share price for the last 5, 10, 30, 60 and 90 consecutive trading days up to and including the Latest Practicable Date, respectively.

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The Issue Price was primarily determined after arm's length negotiations between the Company and the Vendor with reference to (a) the valuation of the market value of the entire issued share capital of the Target Group of HK\$978,000,000 as at the Valuation Reference Date; (b) the future prospects with respect to the businesses operated by the Target Group; (c) the historical financial performance of the Target Group; and (d) the reasons and benefits of the Acquisition as stated in the Letter from the Board.

Comparison with MCB Conversion Price

As disclosed in the Company's circular dated 15 May 2025, the MCB has an initial conversion price (the "**MCB Conversion Price**") of HK\$5.50 per Share, to which the Issue Price represents a discount of approximately 42.7%. The MCB Conversion Price was determined after arms' length negotiations between the Company and the majority consenting holders of the Notes after taking into account, among other things, the Share price performance and the assessment of acceptability of the holders of the Notes towards the restructuring of the Notes by issuance of the MCB, with a view of achieving a sustainable capital structure and ensuring continuity in decision-making and strategic direction with a relatively stable shareholder structure to facilitate effective business operations.

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We have searched debt restructurings of property developers listed on the Stock Exchange that (a) involved the issuance of mandatory convertible bond; and (b) were approved by debtors during the period from 2 July 2024 to the Latest Practicable Date. The table below sets out an exhaustive list of the debt restructurings based on the aforesaid selection criteria:

Company name (stock code)	Date of issuance of mandatory convertible bond	Conversion price (HK\$)	Share price as at the Latest Practicable Date (HK\$)	Closing price on the date of announcement of the proposed issuance of mandatory convertible bond (HK\$)	Premium represented by the conversion price over the closing price on the date of announcement of the proposed issuance of mandatory convertible bond
Sino-Ocean Group Holding Limited (3377. HK)	27 March 2025	Class A: 1.55 Class B: 5.74 Class C: 17.26 Class D: 11.36	0.159	0.325	Class A: 376.9% Class B: 1,666.2% Class C: 5,210.8% Class D: 3,395.4%
Shimao Group Holdings Limited (813.HK)	21 July 2025	6.0	0.385	1.19	404.2%
Kaisa Group Holdings Ltd. (1638.HK)	15 September 2025	Tranche A to C: 4.75 Tranche D to H: 4.05	0.181	0.184	Tranche A to C: 2,481.5% Tranche D to H: 2,101.1%
Times China Holdings Limited (1233.HK)	The creditors' scheme effective date has occurred on 30 July 2025 (<i>Note</i>)	I: 6.00 II: 10.00	0.145	0.192	I: 3,025.0% II: 5,108.3%
The Company	10 June 2025	5.50	5.41	2.89	90.3%

Note: The shareholders and the scheme creditors have approved the issuance of the mandatory convertible bonds. The mandatory convertible bonds have not been issued as at the Latest Practicable Date.

As shown in the table above, except for the Company, the share prices of property developers as at the Latest Practicable Date were significantly below the conversion price of the mandatory convertible bonds and had decreased compared to the closing prices on the date of announcement regarding the proposed issuance of

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mandatory convertible bonds. We consider this is mainly due to that (a) the conversion price was determined after arms' length negotiations between the company and the creditors after taking into account, among other things, the assessment of acceptability of each party towards the terms of the mandatory convertible bonds, with a view to achieving a sustainable capital structure and ensuring continuity in decision-making and strategic direction with a relatively stable shareholder structure to facilitate effective business operations. A low conversion price may significantly dilute the control of controlling shareholders; and (b) the sluggish real estate market in the PRC has resulted in a year-on-year decline in revenue for each of the aforementioned property developers in the first half of 2025, which adversely affected their share prices. Therefore, the conversion price of these property developers' mandatory convertible bonds does not reflect the fair value of their shares under the current market conditions.

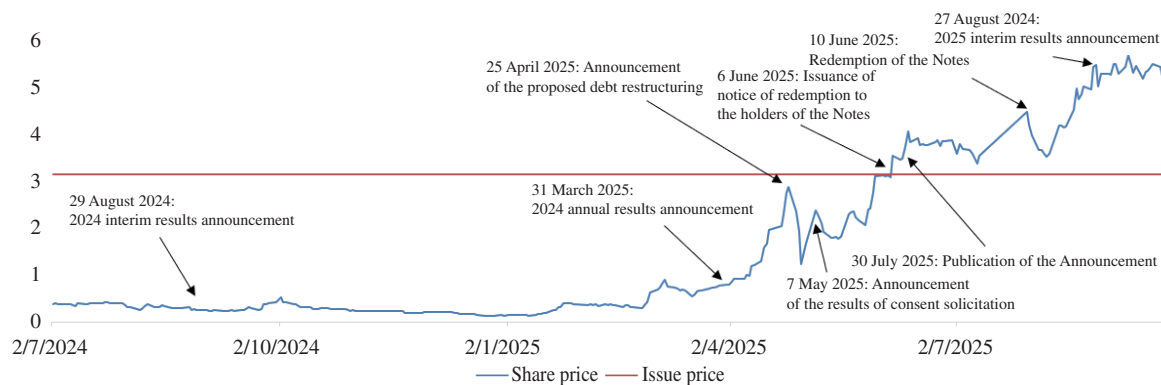
As stated in the Company's circular dated 15 May 2025, the Company assessed the MCB Conversion Price against the closing price of the Shares of HK\$2.89 on the date of announcement of the proposed issuance of MCB. The Company was of the view that the MCB Conversion Price is value accretive for the Shareholders and is fair and reasonable and in the interests of the Company and the Shareholders as a whole. We consider that the high MCB Conversion Price was the result of the Company's efforts to secure the best terms which are beneficial to the Company and the Shareholders. With the Notes due in 2029 and the MCB set to convert in 2026, the creditors would be able to recover cash flow in advance. Consequently, the creditors agreed to concessions on the MCB Conversion Price.

Given that (a) the MCB Conversion Price represents a premium of approximately 72.4% over the Reassessed NAV per Share; (b) there is no obvious connection between the conversion price of the above property developers' mandatory convertible bonds and their share prices; and (c) the Issue Price was derived from a more balanced negotiation between the Company and the Vendor which is different with the situation under which the MCB Conversion Price was determined, we consider the MCB Conversion Price does not provide a good reference for the fair value of the Shares.

(ii) Trading performance of the Shares

Set out below is a chart showing the movement of the closing prices of the Shares as quoted on the Stock Exchange from 2 July 2024 to the Latest Practicable Date (the "**Review Period**"). We consider the Review Period, which covers approximately one year preceding the Last Trading Day (i.e. 11 July 2025) and the period following the publication of the Announcement up to the Latest Practicable Date, is adequate to reflect the general market sentiment and illustrates the general trend and level of movement of the daily closing price of the Shares.

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Source: the website of the Stock Exchange

As shown above, the closing prices of the Shares were below the Issue Price between 2 July 2024 and 5 June 2025. During the period from 2 July 2024 and 27 February 2025, the closing price of the Shares fluctuated between HK\$0.137 per Share and HK\$0.52 per Share. After that, the closing price of the Shares surged to HK\$2.89 per Share on 25 April 2025. We have reviewed the Company's announcements prior to 25 April 2025 and noted that the Company did not announce any material progress on its potential debt restructuring plan since the Company issued consent solicitation statement to the holders of the Notes on 11 September 2024. We have made enquiries with the management of the Company and concur that the Company and we are not aware of any information that caused the surge in the Share price between 28 February 2025 and 25 April 2025.

Following the announcement of the proposed debt restructuring on 25 April 2025, the Share price dropped to HK\$1.24 per Share on 30 April 2025, which we consider to be mainly due to the uncertainty of the restructuring plan. After the announcement of the results of consent solicitation on 7 May 2025 and the redemption of the Notes on 10 June 2025, the Share price reached the highest of HK\$4.06 per Share on 12 June 2025 prior to the Last Trading Day. Although the Redemption improved the Group's financial position and increased the Group's net asset value attributable to the Shareholders per share from HK\$0.52 as at 31 December 2024 to HK\$2.81 as at June 30, 2025, as discussed in the section headed "1(iii). Background of the Group – Overall comments", the Redemption can only reduce the Group's financial costs but does not generate sustainable profits for the Group. As such, we consider that the rise in the Share price subsequent to the announcement of the proposed debt restructuring in April 2025 and prior to the announcement of the Acquisition did not correlate to the actual financial impact of the Redemption, but was mainly due to the market speculation on the Group's business development and financial performance following the Redemption.

The Share price closed at HK\$3.55 per Share on the Last Trading Day, to which the Issue Price represents a discount of approximately 11.27%. Following the publication of the Announcement on 30 July 2025, the Share price surged to HK\$4.49 per Share on 30 July 2025, but dropped to HK\$3.67 per Share on 5 August 2025. As at the Latest Practicable Date, the Share price closed at HK\$5.41 per Share, to which the Issue Price represents a discount of approximately 41.77%. Given that (a) the Target Group had recorded net profit

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for the three months ended 31 March 2025 and is expected to record net profit during the Forecast Period, while the Group still recorded net loss for 6M2025 excluding other gains. The Target Group has entered into long-term service contracts with leading cloud service providers; (b) as discussed in the section headed “3. Industry overview”, the Target Group’s AIDC industry has better prospects than the Group’s existing real estate industry; and (c) the operating performance and prospects of the Group’s property development business did not change since the Announcement, we consider the potential for the Group to develop new businesses through the Acquisition is the primary factor influencing the Share price from the publication of the Announcement up to the Latest Practicable Date.

(iii) Comparable companies

We have, based on our search on Bloomberg and the website of the Stock Exchange, identified an exhaustive list of companies (the “**Comparable Companies**”) which (a) are principally engaged in property development business in the PRC, which accounts for over 50% of their revenue; (b) have their shares listed on Main Board of the Stock Exchange; and (c) have a market capitalisation between HK\$3.5 billion and HK\$5.5 billion as at the Latest Practicable Date, which we consider to be comparable to that of the Company of approximately HK\$4.4 billion as at the Latest Practicable Date. Based on the aforesaid criteria, we did not identify any Comparable Company. As such, we have expanded the market capitalisation range to between HK\$2.5 billion to HK\$6.5 billion and we identified an exhaustive list of five Comparable Companies, which we consider to be sufficient for our analysis.

Price-to-earnings, price-to-book (“**P/B**”) and price-to-sale ratios are the three most commonly used benchmarks in valuing a company. Given (a) the Group was loss-making for FY2024; (b) the Group had significant property interests as a property development company; and (c) the Group’s revenue fluctuated in the past three years, we consider that P/B is more appropriate for valuing the Group as compared to price-to-earnings and price-to-sale ratios.

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The following table set out the details of the Comparable Companies:

Company name (stock code)	Principal activities	Market capitalisation as at the Latest Practicable Date (HK\$ billion)	P/B as at the Latest Practicable Date
Poly Property Group Co., Limited (119.HK)	Property development, property investment and management and hotel operations in the PRC.	6.4	0.2
Logan Group Company Limited (3380.HK)	Property development and property operation in the PRC.	6.4	0.4
Tomson Group Limited (258.HK)	Property development and trading, property investment and leisure business in the PRC.	6.3	0.5
Gemdale Properties and Investment Corporation Limited (535.HK)	Property development, property investment and property management in the PRC.	3.1	0.2
Guangzhou R&F Properties Co., Ltd. (2777.HK)	Property development, property investment, and hotel operations in the PRC.	2.5	0.2
	The Company	4.4	Based on the Reassessed NAV per Share: 1.0 Based on the unaudited net asset value attributable to the Shareholders per Share as at 30 June 2025: 1.1 (Note)

Source: website of the Stock Exchange

Note: The implied P/B of the Company calculated based on the Issue Price and the Reassessed NAV per Share or the unaudited net asset value attributable to the Shareholders per Share as at 30 June 2025.

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As shown above, the P/B of the Comparable Companies ranged from approximately 0.2 time to 0.5 time as at the Latest Practicable Date. The P/B of the Company, implied by the Issue Price and the Reassessed NAV per Share, is approximately 1.0 time and is higher than those of the Comparable Companies. As such, we consider the Issue Price to be fair and reasonable so far as the Independent Shareholders are concerned.

(iv) Discounts to the Share price during the period from 6 June 2025 to the Latest Practicable Date

Based on (a) the Share price of HK\$5.41 per Share as at the Latest Practicable Date; and (b) the Reassessed NAV per Share of approximately HK\$3.19, the Company had a P/B ratio of approximately 1.7 times as at the Latest Practicable Date, which is significantly higher than those of the Comparable Companies. Although the Company's Share price has remained above the Issue Price since 6 June 2025 and before the announcement of the Acquisition, we consider that the Share price as at the Latest Practicable Date may not be sustained above the Issue Price if the Acquisition is not completed and the Group's business mix remains unchanged taking into account the following:

- (a) the Company's P/B during the period from 6 June 2025 to the Latest Practicable Date was higher than those of the Comparable Companies, which indicates its high valuation compared to the Comparable Companies. Assuming the Acquisition is not approved and the Company's P/B falls within the range of Comparable Companies (i.e. approximately 0.2 time to 0.5 time as at the Latest Practicable Date), the fair value range of the Share price, calculated as the Reassessed NAV per Share of HK\$3.19 (which has taken into account the Redemption's effect on the Group's financial position as at 30 June 2025) multiplied by the Comparable Companies' P/B, is approximately HK\$0.638 to HK\$1.595, which is significantly below the Issue Price;
- (b) although the Share price remained above the Issue Price since 6 June 2025 and before the announcement of the Acquisition, we consider it was mainly due to market speculation on the Group's business development and financial performance following the Redemption. While the Group's financial position significantly improved following the Redemption, the Group still has a weak financial performance. The Group's revenue decreased by approximately 73.5% from approximately RMB861.7 million for 6M2024 to approximately RMB228.3 million for 6M2025 with the Group still recording a gross loss in 6M2025. Eliminating the other gain of approximately RMB1,412.5 million for 6M2025, the Group recorded net loss of approximately RMB460.8 million for 6M2025. Redemption can only reduce the Group financial costs but does not generate sustainable profits for the Group. There is no indication that the Group's existing property development business will improve in the near future, especially under the unfavorable operating environment in the PRC's real estate industry. Therefore, we consider that once the investors become aware that the Group's business development and financial performance have not improved as

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anticipated following the Redemption, it will not be able to justify the higher valuation of the Shares compared to the Comparable Companies prior to the announcement of the Acquisition; and

- (c) should the Acquisition fail to proceed, the Company's underlying fundamentals would remain unchanged and negative. We believe that the Share price will ultimately reflect the fundamentals of the Company, such as the prospect of its principal business. Given the uncertain prospect of the real estate industry in the PRC, should the Acquisition fail to proceed, there is no fundamentals to support the Company's high valuation.

Taking into account that the fair value range of the Share price is significantly below the Issue Price and that the Share price as at the Latest Practicable Date may not be sustained above the Issue Price if the Acquisition is not approved, we consider the Issue Price is fair and reasonable although it represents discounts to the Share price during the period from 6 June 2025 to the Latest Practicable Date.

(v) Comparable transactions

We have further reviewed recent market practices involving the issue of consideration shares under specific mandate for acquisition which (a) were announced by the companies listed on the Main Board of the Stock Exchange during the Review Period; (b) involved a whitewash waiver application; (c) were approved by the shareholders as at the Latest Practicable Date; and (d) did not involve the issuance of A shares as the issue price of A shares is subject to the regulations under the Measures for the Administration of the Major Asset Restructuring of Listed Companies (2023 Revision) (《上市公司重大資產重組管理辦法(2023年修訂)》). We consider to not include transaction for the purpose of (a) rights issue or open offer; and (b) loan capitalisation or restructuring since the basis in determining the issue price in such transactions may subject to other factors and/or conditions which are not applicable to the Acquisition. Given that the whitewash waiver requires at least 75% of the votes cast by the independent shareholders at the general meeting for approval while the issuance of consideration shares under specific mandate only requires more than 50% of the votes for approval, the higher voting approval threshold as imposed on the whitewash waiver transaction, which is the same as our case, serves as a useful reference for us to assess the general perception of independent shareholders on the transaction, including but not limited to the determination of the issue price and the fairness and reasonableness therein. Accordingly, we consider the involvement of a whitewash waiver application to be relevant to our comparable analysis.

Based on the aforesaid criteria, we did not identify any comparable transaction.

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8. Potential dilution effect on the shareholding interests of the Independent Shareholders

The shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately upon Completion with the allotment and issuance of the Consideration Shares are set out below:

	As at the Latest Practicable Date		Immediately upon the Completion	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
China GBA Holdings	414,665,566	50.94	414,665,566	36.89
Vendor	–	–	310,000,000	27.58
Other public Shareholders	399,437,534	49.06	399,437,534	35.53
Total	814,103,100	100.00	1,124,103,100	100.00

As shown in the above table, we noted that the shareholding in the Company held by the existing minority Shareholders would be diluted from approximately 49.06% as at the Latest Practicable Date to approximately 35.53% immediately upon the Completion.

Nonetheless, having considered that (i) the reasons for and benefit of the Acquisition and the Specific Mandate as discussed in the section headed “4. Reasons for and benefits of the Acquisition and the Specific Mandate”; and (ii) the Consideration and the Issue Price are fair and reasonable so far as the Independent Shareholders are concerned, we are of the view that the potential dilution effect on the shareholding interests of the existing minority Shareholders to be acceptable.

9. Financial effect of the Acquisition

Upon completion of the Acquisition, the Target Company will become a wholly-owned subsidiary of the Company. The consolidated financial results, assets and liabilities of the Target Group will be consolidated into the Group’s financial statements.

The Reassessed NAV per Share is calculated based on (i) the Group’s unaudited net asset value attributable to the Shareholders as at 30 June 2025; (ii) 1,190,278,327 Shares in issue assuming the Group’s MCB have been converted into 376,175,227 Shares; and (iii) adjustments with reference to the Property Valuation. The Reassessed NAV per Share has taken into account the Redemption’s effect on the Group’s financial position as at 30 June 2025, and thus the change in the unaudited pro forma Reassessed NAV per Share is an up-to-date reflection of the financial impact of the Acquisition. Assuming the Acquisition has been completed, the Group’s Reassessed NAV per Share would remain stable at approximately RMB2.91. This is due to that the Issue Price represents a slight discount of approximately 1.13% to the Reassessed NAV per Share and would not cause significant dilution.

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Before the Acquisition	Effect of the Acquisition	Upon completion of the Acquisition
Reassessed NAV as at 30 June 2025 (A) (RMB) 3,458,219,000	Adjustments as if the Acquisition has been completed (B) (RMB) 901,143,000	The Enlarged Group's net assets value attributable to the Shareholders (C=A+B) (RMB) 4,359,362,000
Shares in issue the MCB has been fully converted (D) 1,190,278,327	Issuance of the Consideration Shares (E) 310,000,000	Shares in issue upon Completion (F=D+E) 1,500,278,327
Reassessed NAV per Share (G=A/D) (RMB) 2.91		Net assets value per Share (H=C/F) (RMB) 2.91

Since the financial results of the Target Group for 6M2025 are not disclosed, the Group's unaudited pro forma net profit per Share for 6M2025, or net loss per Share for 6M2025 after excluding the one-off gain arising from the Redemption, is not available. We have calculated the unaudited pro forma net loss per Share for FY2024 to illustrate the impact of the Acquisition on the Group's earnings. The Group recorded a net loss attributable to the Shareholders per Share for FY2024 of approximately RMB2.25, which would decrease to approximately RMB1.62 as if the Acquisition has been completed, as detailed in the calculation below. Given that the Group recorded a material one-off gain arising from the Redemption which turned the Group from loss-making to profitable for 6M2025, the decrease in the Group's pro forma net loss attributable to the Shareholders per Share for FY2024 is not an up-to-date reflection of the financial impact of the Acquisition.

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Before the Acquisition	Effect of the Acquisition	Upon completion of the Acquisition
The Group's net loss attributable to the Shareholders for FY2024 (A) (RMB) 1,834,586,000	The Target Group's net profit attributable to its shareholders for FY2024 (B) (RMB) (10,104,000)	The Enlarged Group's net loss attributable to the Shareholders (C=A+B) (RMB) 1,824,482,000
Shares in issue as at 31 December 2024 (D) 814,103,100	Issuance of the Consideration Shares (E) 310,000,000	Shares in issue upon Completion (F=D+E) 1,124,103,100
Net loss per Share for FY2024 (G=A/D) (RMB) 2.25		Net loss per Share (H=C/F) (RMB) 1.62

After excluding the other gain of approximately RMB1,412.5 million for 6M2025, the Group recorded net loss of approximately RMB460.8 million for 6M2025. In contrast, the Target Group was profitable for FY2024 and three months ended 31 March 2025, and is expected to continue generating profit based on the Projection. Given that the Acquisition will mitigate the Group's net loss per Share, we consider that the Acquisition is in the interests of the Company and the Independent Shareholders as a whole and the Issue Price is fair and reasonable.

10. The Whitewash Waiver

As at the Latest Practicable Date, China GBA Holdings directly holds in aggregate 414,665,566 Shares, representing approximately 50.94% of the total issued share capital of the Company. Upon Completion at which a total of 310,000,000 Consideration Shares will be issued to the Vendor and assuming that there is no other change to the issued share capital of the Company from the Latest Practicable Date and up to Completion, (i) the Vendor will hold 310,000,000 Shares, representing approximately 27.58% of the total number of the issued Shares as increased by the issuance of the Consideration Shares; and (ii) the shareholding percentage of China GBA Holdings in the Company will be diluted to approximately 36.89%. As a result, as each of the Vendor and China GBA Holdings will be owning more than 20% or more of the voting rights of the Company and is thus associated company (as defined in the Takeovers Code) of the Company and hence, under the definition of "acting in concert" under the Takeovers Code, the Vendor and China GBA Holdings would be presumed to be acting in concert with each other. In addition, since (i) Mr. Luo Jieping, an executive Director, is interested in 18% of the issued share capital of the Vendor and is a former director of the Vendor; and (ii) Ms. Zeng Yan,

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the spouse of Mr. Luo Jieping, is the ultimate beneficial owner of China GBA Holdings, the Vendor and China GBA Holdings are considered to be acting in concert with each other.

The allotment and issue of the Consideration Shares to the Vendor would result in a new acting in concert group being formed or the balance of the acting in concert group being changed significantly, where China GBA Holdings and the Vendor, being the acting in concert group, will in aggregate hold 64.47% of the voting rights in the Company (assuming that there is no other change to the issued share capital of the Company from the Latest Practicable Date and up to Completion). Such new acting in concert group being formed or the balance of the acting in concert group being changed significantly would therefore, in the absence of the Whitewash Waiver, trigger an obligation of the Vendor and China GBA Holdings to make a mandatory general offer for all the issued Shares not already owned by them and parties acting in concert with them under Rule 26 of the Takeovers Code.

An application has been made by the Vendor to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, will be subject to, among other things, the condition that the respective resolution(s) relating to the Whitewash Waiver on one hand, and the Acquisition on the other hand, being separately approved by at least 75% and more than 50%, respectively, of the votes cast by the Independent Shareholders at the EGM by way of poll. As at the Latest Practicable Date, the Executive has indicated that it is minded to grant the Whitewash Waiver. The Acquisition will not proceed if the Whitewash Waiver is not granted or approved.

Taking into account the principal factors and reasons summarised in section headed “Opinion and Recommendation” below, we consider that the Acquisition (including the grant of the Specific Mandate for the issuance of Consideration Shares) is in the interests of the Company and the Independent Shareholders as a whole. As such, we are of the view that the approval of the Whitewash Waiver, which is a prerequisite for the implementation of the Acquisition is fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

OPINION AND RECOMMENDATION

In arriving at our opinion and recommendation, we have considered the principal factors and reasons as discussed above and in particular the following:

- the Company has recorded net losses for the past four years. As such, we consider that the Group is not able to raise fund effectively through debt financing;
- the positive outlook for the AI industry in which the Target Group is engaged;

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- the Valuation and the Consideration are fair and reasonable after considering the following:
 - we are satisfied that the Independent Valuer is suitably qualified and experienced with sufficient current knowledge, skills and understanding necessary to undertake the Valuation and that reliance could fairly be placed on the Independent Valuer's work;
 - the Projection is appropriate and that the Valuation was carried out fairly and reasonably by the Independent Valuer using income approach;
 - taking into account that (i) the Target Group has entered into long-term service contracts with leading cloud service providers, ensuring stable cash flow for the next five years; (ii) the rapid development of the AI industry has driven increased demand for computing power; (iii) the Target Group is in the early stage of its business and possesses greater growth potential than established companies; and (iv) the Target Group's net assets value as at 31 March 2025 does not reflect the future economic benefits and growth potential of the Target Group's operations, we consider that the premium represented by the Consideration over the Target Group's audited net assets attributable to the shareholders as at 31 March 2025 is reasonable;
 - the Consideration represents a slight discount of approximately 0.15% to the valuation of the market value of the entire issued share capital of the Target Group;
- the Issue Price is fair and reasonable after considering the following:
 - the Issue Price represents a slight discount of approximately 1.13% to the Reassessed NAV per Share. Nevertheless, the P/B of the Company, as implied by the Issue Price and the Reassessed NAV per Share, is higher than those of the Comparable Companies;
 - based on our unaudited pro forma calculation, (i) assuming the MCB has been fully converted and the Acquisition has been completed, the Group's Reassessed NAV per Share would remain stable at approximately RMB2.91; and (ii) the Group's net loss attributable to the Shareholders per Share for FY2024 of approximately RMB2.25 would decrease to approximately RMB1.62 as if the Acquisition has been completed. The Acquisition will mitigate the Group's net loss per Share. The Group recorded a material one-off gain arising from the Redemption which turned the Group from loss-making to profitable for 6M2025 hence the decrease in the Group's pro forma net loss attributable to the Shareholders per Share for FY2024 is not an up-to-date reflection of the financial impact of the Acquisition;

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- the closing prices of the Shares were above the Issue Price from 6 June 2025 to the Latest Practicable Date. The Issue Price represents discounts of approximately 10.97%, 13.67% and 12.94% to the average Share price for the last 5, 10 and 30 consecutive trading days up to and including the Last Trading Date, respectively. The Issue Price represents discounts of approximately 41.17%, 41.19%, 30.67%, 30.67% and 19.32% to the average Share price for the last 5, 10, 30, 60 and 90 consecutive trading days up to and including the Latest Practicable Date, respectively. We consider that the Share price as at the Latest Practicable Date may not be sustained above the Issue Price if the Acquisition is not completed and the Group's business mix remains unchanged after considering the following:
- the Company's P/B during the period from 6 June 2025 to the Latest Practicable Date was higher than those of the Comparable Companies, which indicates its high valuation compared to the Comparable Companies. Assuming the Acquisition is not approved and the Company's P/B falls within the range of Comparable Companies (i.e. approximately 0.2 time to 0.5 time as at the Latest Practicable Date), the fair value range of the Share price, calculated as the Reassessed NAV per Share of HK\$3.19 (which has taken into account the Redemption's effect on the Group's financial position as at 30 June 2025) multiplied by the Comparable Companies' P/B, is approximately HK\$0.638 to HK\$1.595, which is below the Issue Price;
- although the Share price remained above the Issue Price since 6 June 2025 and before the announcement of the Acquisition, we consider it was mainly due to market speculation on the Group's business development and financial performance following the Redemption. While the Group's financial position significantly improved following the Redemption, the Group still has a weak financial performance. The Group's revenue decreased by approximately 73.5% from approximately RMB861.7 million for 6M2024 to approximately RMB228.3 million for 6M2025 with the Group still recording a gross loss in 6M2025. Eliminating the other gain of approximately RMB1,412.5 million for 6M2025, the Group recorded net loss of approximately RMB460.8 million for 6M2025. Redemption can only reduce the Group financial costs but does not generate sustainable profits for the Group. There is no indication that the Group's existing property development business will improve in the near future, especially under the unfavorable operating environment in the PRC's real estate industry. Therefore, we consider that once the investors become aware that the Group's business development and financial performance have not improved as anticipated following the Redemption, it will not be able to justify the higher valuation of the Shares compared to the Comparable Companies prior to the announcement of the Acquisition;

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- should the Acquisition fail to proceed, the Company's underlying fundamentals would remain unchanged and negative. We believe that the Share price will ultimately reflect the fundamentals of the Company, such as the prospect of its principal business. Given the uncertain prospect of the real estate industry in the PRC, should the Acquisition fail to proceed, there is no fundamentals to support the Company's high valuation.

The Independent Shareholders should note that the fairness and reasonableness of the Issue Price is only one of the factors which we will take into consideration when forming our opinion on the Acquisition. We come up our fairness and reasonableness opinion on the Acquisition from an overall perspective after taking into account of a variety of factors, including, among others, the reasons and benefits of the Acquisition, the prospect of the Target Group and the financial impact of the Acquisition.

Based on the above, we consider that the Acquisition is on normal commercial terms, and the Acquisition (including the grant of the Specific Mandate for the issuance of Consideration Shares) and the Whitewash Waiver are fair and reasonable so far as the Independent Shareholders are concerned. We also consider that the Acquisition (including the grant of the Specific Mandate for the issuance of Consideration Shares) and the Whitewash Waiver, while not in the ordinary and usual course of business of the Group, are nevertheless in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Acquisition (including the grant of the Specific Mandate for the issuance of Consideration Shares) and the Whitewash Waiver.

Yours faithfully,
For and on behalf of
Rainbow Capital (HK) Limited
Danny Leung
Managing Director

Mr. Danny Leung is a licensed person and a responsible officer of Rainbow Capital (HK) Limited registered with the Securities and Futures Commission to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO. He has over 10 years of experience in the corporate finance industry.

FINANCIAL INFORMATION OF THE GROUP

The Company is required to set out in this circular the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement for the last three financial years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025 with respect to the profits and losses, financial record and position, set out as a comparative table and the latest published balance sheet together with significant accounting policies and any points from the notes to the relevant accounts which are of major relevance to an appreciation of the above financial information.

The consolidated financial statements for each of the three years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025 of the Company together with relevant notes thereto and significant accounting policies, as well as details on historical material uncertainties related to going concern, are disclosed in the following documents which have been published on both the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.youngogroup.com>). Please refer to the hyperlinks as stated below and are incorporated by reference into this circular:

- pages 68 to 236 of the annual report of the Company for the year ended 31 December 2022 published on 28 April 2023

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0428/2023042802765.pdf>

- pages 116 to 278 of the annual report of the Company for the year ended 31 December 2023 published on 19 April 2024

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0419/2024041902264.pdf>

- pages 120 to 280 of the annual report of the Company for the year ended 31 December 2024 published on 17 April 2025

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0417/2025041700433.pdf>

- pages 2 to 15 of the interim results announcement of the Company for the six months ended 30 June 2025 published on 27 August 2025

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0827/2025082701927.pdf>

SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The following is a summary of the audited consolidated financial statements of the Group for each of the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025 as extracted from the relevant annual reports and interim results of the Company:

	For the year ended 31 December			For the six months ended 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	3,168,080	3,530,521	2,602,700	228,252
Profit/(loss) before taxation	(1,916,618)	(1,026,708)	(1,574,995)	1,044,870
Income tax expense	187,591	(178,907)	(466,316)	(93,192)
Profit/(loss) attributable to:				
Equity shareholders of the Company	(1,571,832)	(1,214,747)	(1,834,586)	968,509
Non-controlling interests	(157,195)	9,132	(206,725)	(16,831)
Profit/(loss) for the year/period	<u>(1,729,027)</u>	<u>(1,205,615)</u>	<u>(2,041,311)</u>	<u>951,678</u>
Profit/(loss) per share				
Basic and diluted (<i>RMB cents</i>)	(346.4)	(267.7)	(331.9)	119.0
Comprehensive income/(loss) attributable to:				
Equity shareholders of the Company	(1,691,305)	(1,175,998)	(1,864,113)	946,967
Non-controlling interests	(161,814)	7,037	(206,725)	(16,831)
Dividends	Nil	Nil	Nil	Nil
Dividends per share	Nil	Nil	Nil	Nil

Historical Material Uncertainty Related to Going Concern

For the six months ended 30 June 2025

As disclosed in the interim results announcement of the Company for the six months ended 30 June 2025, Note 2 to the interim condensed consolidated financial statements of the Company for the six months ended 30 June 2025 states that the Group's current portion of bank loans and other borrowings amounted to RMB158,423,000 and senior notes due in 2023 ("**October 2023 Senior Notes**") amounted to RMB113,113,000, while its cash and cash equivalents amounted to RMB54,924,000 only. Moreover, certain holders of October 2023 Senior Notes were, for their own reason, not able to tender for exchange and accept

the exchange offer launched by the Company on 17 April 2023 (the “**Exchange Offer**”) and the Group failed to repay the principal and interest on October 2023 Senior Notes of approximately USD15,801,000 and USD6,565,000 (equivalent to RMB113,113,000 and RMB46,996,000), respectively, as such holders of October 2023 Senior Notes cannot be reached by the Company. As at 30 June 2025 and up to 27 August 2025, the Group failed to reach such holders of October 2023 Senior Notes to negotiate for settlement or repayment, and no redemption notice received in respect of the October 2023 Senior Notes. Such non-payment of the principal and interest on October 2023 Senior Notes may cause an event of default, and may lead to demand for immediate repayment. Besides, subsequent to 30 June 2025, the bank borrowings of approximately RMB158 million will be due within 12 months. Further, in view of the condition of the property market as at 27 August 2025, coupled with the limited source of financing from the capital market, the Group may take longer time than expected to realise cash from the sale of its inventories and have/or the cash from external financing to meet its loan repayment obligations. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group’s ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

For the year ended 31 December 2024

The auditor of the Company for the year ended 31 December 2024 was Prism Hong Kong Limited. As disclosed in the auditor’s report in respect of the Group’s audited consolidated financial statements for the year ended 31 December 2024, the Group had incurred a loss of RMB2,041,311,000 for the year ended 31 December 2024 and, as of 31 December 2024, the Group had net current assets of RMB3,218,611,000, and the Group’s current portion of bank loans and other borrowings amounted to RMB890,076,000 and senior notes due in 2023 (“**October 2023 Senior Notes**”) amounted to RMB113,584,000, while its cash and cash equivalents amounted to RMB13,057,000 only. Moreover, certain holders of October 2023 Senior Notes were, for their own reason, not able to tender for exchange and accept the exchange offer launched by the Company on 17 April 2023 (the “**Exchange Offer**”) and the Group failed to repay the principal and interest on October 2023 Senior Notes of approximately US\$15,801,000 and US\$5,471,000 (equivalent to RMB113,584,000 and RMB39,328,000), respectively, as such holders of October 2023 Senior Notes cannot be reached by the Company. As at 31 December 2024 and up to the date of the auditor’s report, the Group failed to reach such holders of October 2023 Senior Notes to negotiate for settlement or repayment, and no redemption notice received in respect of the October 2023 Senior Notes. Such non-payment of the principal and interest on October 2023 Senior Notes may cause an event of default, and may lead to demand for immediate repayment. Besides, subsequent to the end of the reporting period, the bank borrowings of approximately RMB788 million will be due within 12 months. Further, in view of the condition of the property market as at the date of the auditor’s report, coupled with the limited source of financing from the capital market, the Group may take longer time than expected to realise cash from the sale of its inventories and have/or the cash from external financing to meet its loan repayment obligations. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group’s

ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

For the year ended 31 December 2023

The auditor of the Company for the year ended 31 December 2023 was Elite Partners CPA Limited. As disclosed in the auditor's report in respect of the Group's audited consolidated financial statements for the year ended 31 December 2023, the Group had incurred a loss of RMB1,205,615,000 for the year ended 31 December 2023 and, as of 31 December 2023, the Group had net current assets of RMB4,581,847,000, and the Group's current portion of bank loans and other borrowings amounted to RMB1,760,095,000 and the October 2023 Senior Notes amounted to RMB111,914,000 while its cash and cash equivalents and bank balance of advanced proceed received from property purchasers amounted to RMB25,956,000 and RMB314,547,000, respectively. Moreover, in the opinion of the directors of the Company, certain holders of October 2023 Senior Notes were, for their own reason, not able to tender for Exchange Offer and the Group failed to repay the principal and interest on October 2023 Senior Notes of approximately US\$15,801,000 and US\$3,283,000 (equivalent to RMB111,914,000 and RMB23,253,000), respectively, as such holders of October 2023 Senior Notes cannot be reached. As at 31 December 2023 and up to the date of the auditor's report, the Group is not able to reach such holders of October 2023 Senior Notes to negotiate for settlement or repayment, and no redemption notice received in respect of the October 2023 Senior Notes. Such non-payment of the principal and interest on October 2023 Senior Notes may cause an event of default, and may lead to demand for immediate repayment. In addition, as at 31 December 2023, two loan payables to third party of an aggregated amount of RMB63,000,000 were overdue ("**Overdue Payables**"), and the overdue of these loan payables entitled the lenders a right to demand immediate repayment. Besides, subsequent to the end of the reporting period, the Group has applied or started substantial negotiation with banks on extension or renewal of the remaining bank borrowings of approximately RMB1,647.5 million, which originally due within 12 months from end of the reporting period. Further, in view of the condition of the property market as at the date of the auditor's report, coupled with the limited source of financing from the capital market, the Group may take longer time than expected to realise cash from the sale of its inventories and/or have the cash from external financing to meet its loan repayment obligations. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

For the year ended 31 December 2022

The auditor of the Company for the year ended 31 December 2022 was Reanda Lau & Au Yeung (HK) CPA Limited. As disclosed in the auditor's report in respect of the Group's audited consolidated financial statements for the year ended 31 December 2022, the Group had incurred a loss of RMB1,729,027,000 for the year ended 31 December 2022 and, as of 31 December 2022, the Group had net current assets of RMB5,687,106,000, and the Group's current portion of bank loans and other borrowings amounted to RMB592,345,000

and October 2023 Senior Notes amounted to RMB2,609,780,000 while its cash and cash equivalents amounted to RMB76,113,000. Further, as at 31 December 2022, the Group failed to pay the interest on senior notes of approximately US\$29,093,000 (equivalent to RMB196,592,000) due and payable pursuant to the relevant indentures. Subsequent to 31 December 2022, the Group failed to pay the interest on senior notes due and payable pursuant to the relevant indentures. Such non-payment of the interest on senior notes has caused an event of default pursuant to the terms and conditions of the relevant indentures, and may lead to demand for acceleration of repayment. Moreover, as at 31 December 2022, the Group was unable to repay certain amount due to third parties of RMB66,000,000 according to their scheduled repayment dates. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

Save as disclosed above, the auditor's reports in respect of the Group's audited consolidated financial statements for the three years ended 31 December 2022, 31 December 2023 and 31 December 2024 respectively did not contain other modified opinion, emphasis of matter or material uncertainty related to going concern.

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

As disclosed in the announcement of the Company dated 4 December 2023, Reanda Lau & Au Yeung (HK) CPA Limited resigned as the auditor of the Company as the Group and the auditor could not reach a consensus on the audit fee. Following the resignation of Reanda Lau & Au Yeung (HK) CPA Limited, the Company appointed Elite Partners CPA Limited as auditor of the Company on 13 December 2023. As disclosed in the announcement of the Company dated 21 November 2024, Elite Partners CPA Limited resigned as the auditor of the Company after taking into account a number of factors, including the availability of its internal resources. Following the resignation of Elite Partners CPA Limited, the Company appointed Prism Hong Kong Limited as auditor of the Company on 22 November 2024. As disclosed in the relevant announcements of the Company, there was no disagreement between the Company and the resigning auditors.

PROPERTY INTERESTS AND REASSESSED NET ASSET VALUE

The Company has engaged the Independent Valuer as the independent property valuer to prepare a report in connection with its opinion of the value of the properties held by the Group as at 30 June 2025, a copy of which is set out in Appendix IX to this circular (the "**Property Valuation Report**"). The property valuation has been undertaken on the basis of market value, which 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. According to the Property Valuation Report, the total market value of the property

interests in existing state attributable to the Group as at 30 June 2025 was approximately RMB5.1 billion (the “**Property Valuation**”).

For further details, please refer to the Property Valuation Report set out in Appendix IX to this circular.

The reassessed net asset value attributable to the Shareholders (the “**Reassessed NAV**”) is approximately HK\$3.19 per Share, which is calculated based on the Group’s unaudited net asset value attributable to the Shareholders as at 30 June 2025 and adjusted with reference to the Property Valuation. Details of the adjustments are set out in the table below:

	<i>RMB’000</i>
Unaudited net asset value of the Group attributable to the Shareholders as at 30 June 2025	3,054,883
Add: net revaluation surplus arising from the valuation of the property interests attributable to the Group as at 30 June 2025 (<i>Note 1</i>)	608,190
Subtract: net deferred tax on revaluation surplus attributable to the Group (<i>Note 2</i>)	(204,854)
Reassessed NAV	3,458,219
Reassessed NAV per Share (<i>RMB</i>) (<i>Note 3</i>)	2.91
Reassessed NAV per Share (<i>HK\$</i>) (<i>Note 4</i>)	3.19

Notes:

1. Represents the net revaluation surplus arising from the difference between the market value of the property interests held by the Group in existing state attributable to the Group as at 30 June 2025, as appraised by the Independent Valuer, and their corresponding book values attributable to the Group as at 30 June 2025.
2. Based on the PRC and Thailand corporate income tax rates of 25% and 20%, respectively.
3. Based on 1,190,278,327 Shares in issue assuming the Group’s mandatory convertible bonds have been converted into 376,175,227 Shares given that the mandatory convertible bonds is accounted as equities and will be mandatorily converted upon the maturity on 9 June 2026.
4. Based on the exchange rate of HK\$1:RMB0.91195 quoted by the People’s Bank of China as at 30 June 2025.

STATEMENT OF INDEBTEDNESS

As at the close of business on 31 August 2025, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had the following indebtedness:

- (i) Secured and guaranteed bank loans and other borrowings of approximately RMB306.6 million; and
- (ii) Unsecured and guaranteed US\$ senior notes (i.e. the October 2023 Senior Notes) of approximately RMB113.1 million. The October 2023 Senior Notes carry interest of approximately RMB49.2 million as at 31 August 2025.

As at 31 August 2025, the Group had contingent liabilities relating to guarantees in respect of mortgage facilities provided by domestic banks to its customers amounting to approximately RMB693.5 million.

It should be noted that the mandatory convertible bonds issued on 10 June 2025 are interest free and do not require repayment. It is therefore recognised in reserves and classified as equity and not liabilities in terms of accounting treatment.

Save and except for the above and apart from intra-group liabilities and normal trade payables in the ordinary course of business, at the close of business as at 31 August 2025, the Group did not have any debt securities issued and outstanding, or otherwise created but unissued, or loan capital, or other borrowings or term loans or similar indebtedness including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, or hire purchase commitments, or mortgages and charges, or contingent liabilities, and there were no other material guarantees.

WORKING CAPITAL STATEMENT

The Directors are of the opinion that, in the absence of unforeseeable circumstances and after taking into account the Enlarged Group's internal resources, available credit facilities and the effects of the Completion, the Enlarged Group has sufficient working capital for its requirements for at least twelve months from the date of this circular. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

MATERIAL CHANGE

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

- (i) as disclosed in the announcement of the Company dated 28 January 2025, the Company (as vendor) and Guotai Cinda Investment Management Ltd. (as purchaser) entered into the share transfer agreement on 28 January 2025, pursuant to which the purchaser agreed to acquire the entire issued share capital in Zhuo Ying Limited, the target company, and the equity interests in the subsidiaries owned by the target company at the consideration of HK\$130.0 million. Completion of the disposal took place on 5 June 2025;
- (ii) as disclosed in the announcement of the Company dated 25 April 2025, Precise First Limited (as vendor), a direct wholly-owned subsidiary of the Company, and Perfect Current Investment Limited (as purchaser) entered into the sale and purchase agreement on 25 April 2025, pursuant to which the purchaser agreed to acquire the entire issued share capital in Faith Channel Limited, the target company, and the equity interests in the subsidiaries owned by the target company at the consideration of HK\$50.0 million. Completion of the disposal took place on 23 May 2025; and
- (iii) as disclosed in the announcement of the Company dated 10 June 2025, after issuance of the redemption notice on 6 June 2025, the trust deed governing the mandatory convertible bonds (the “**MCB Trust Deed**”) has been entered into by and among the Company and GLAS Trustees Limited, as trustee for the mandatory convertible bonds, and the mandatory convertible bonds in the aggregate principal amount of US\$265,251,764 have been issued under the MCB Trust Deed on 10 June 2025. The mandatory convertible bonds as the redemption price have been delivered to the holders of the US\$ denominated Senior Notes due 2029 (ISIN: XS2609459123, Common Code: 260945912) (the “**Notes**”) issued by the Company, and accordingly, the Notes have been fully redeemed. As disclosed in the Company’s interim results announcement for the six months ended 30 June 2025, the Group’s other gain increased from approximately RMB1.8 million for the six months ended 30 June 2024 to approximately RMB1,412.5 million for the six months ended 30 June 2025, which was mainly due to the other gain arising from the redemption of the Notes.

FINANCIAL AND TRADING PROSPECTS OF THE ENLARGED GROUP

Although local governments of many cities provide supporting policies on the demand side to boost buying sentiment and gradually loosen the supply side restrictions, the management believes it takes time to restore the confidence of creditors and home buyers. In the short term, the pressure of deleveraging inventories still exists and the suppressed buying sentiments will take time to recover. Delivery of properties on time is the priority target of the Group at this stage. The Group will work relentlessly to achieve “three guarantees” (“guarantee delivery of properties”, “guarantee sales” and “guarantee repayment”) and strive for long-term “survival”.

The Group will continue to implement a strict construction progress supervision system and utilise the precious financial resources for construction amount payment to ensure that the sold property projects are delivered on schedule.

Although the current sales environment is still weak, the Group will continue to enhance the operational efficiency of high-quality asset, and adopt all marketing strategies required to promote sales, increase its efforts on sales, and accelerate the Group’s collection of its sales receivables.

The Group’s future plan on its property development projects are set out below:

As at the Latest Practicable Date, the Company held (i) six completed projects located in Mianyang, Jining, Lanzhou, Heze, Liuzhou and Wuzhou respectively, with an aggregate saleable area of approximately 0.4 million sq.m.; (ii) five projects under construction located in Jining, Mianyang, Lanzhou, Wuzhou and Heze, which are expected to be completed by 2026, with an aggregate area of approximately 0.4 million sq.m.. In respect of the existing completed property projects and existing under construction properties, the Group will actively adopt various marketing strategies to intensify the sales of properties and efficiently handle the completion and filing procedures to ensure smooth and high-quality deliver to customers. The completed projects are expected to be delivered to customers at the end of 2025 and in the first half of 2026, and have recognised revenue since 2020. The under-construction projects are expected to be delivered to customers in 2026 and are expected to recognise revenue since the end of 2025. In respect of the undeveloped land located in the Western and Northwestern part of PRC (e.g. Lanzhou, Jiamusi, Wuzhou, Liuzhou, Mianyang and Heze) with an aggregate site area of approximately 1.4 million sq.m., the Group will continue to make long term plans for the development of these valuable resources after careful consideration of the market conditions, industry policies and prudent research, including but not limited to using the undeveloped land for the construction and development of AIDC.

As at the Latest Practicable Date, the Company is in negotiation with certain potential customers on the planning and design schemes of the usage of the undeveloped land in accordance with the potential customers’ customised requirements. Based on the communication by Company with the potential customers, the potential customers’ preliminary intention of usage of the undeveloped land includes data centres, commercial properties, logistic warehouses and storage.

The Group will also continue to monitor the market needs and purchase new land for development of new projects in a timely manner according to market conditions and industry policies in order to maximise the return to the Group and the Shareholders.

On the other hand, as stated under the paragraph headed “**REASONS FOR AND BENEFITS OF THE ACQUISITION**” in this circular, the Group will actively participate in the AI industry and related areas through the Acquisition, thereby achieving diversification of the Group’s businesses by means embracing the thriving trend of innovation on AI, so as to enhance the Enlarged Group’s operation and development and create greater value for its Shareholders.

Since the 18th National Congress of the Communist Party of China, the CPC Central Committee has attached great importance to the development of next-generation AI in China. General Secretary of the Communist Party of China, Mr. Xi Jinping pointed out that “AI is a strategic technology leading the prevailing scientific and technological revolution and industrial transformation, and acceleration of the development of next-generation AI is a strategic issue crucial for China to seize opportunities in these scientific, technological, and industrial transformations”.

In 2024, the government work report first proposed “AI+” as a new development strategy, launching “AI+” initiatives to build internationally competitive digital industrial clusters. In 2024, with the accelerated implementation of applications such as generative AI and large models, the demand for computing power in the AIDC market has surged explosively. According to data from Koz Consulting, in 2024, the scale of intelligent computing power in China reached 1,450 EFLOPS (i.e. exa-floating-point operations per second), a year-on-year increase of 66.7%. It is expected that the demand for intelligent computing will maintain rapid growth over the next three years, with a compound annual growth rate of 41.2%.

By 2025, the aforesaid report further emphasized advancing the “AI+” action plan to better integrate digital technologies with manufacturing and market advantages, support the widespread application of large models, and vigorously develop next-generation intelligent terminals such as smart connected new energy vehicles, AI-enabled smartphones and computers, intelligent robots, as well as smart manufacturing equipment.

The Target Group’s business aligns perfectly with the Chinese government’s strategic emphasis on vigorously supporting the development of the AI industry, in view of the following highlighted factors: (i) the AI Businesses align with the most prevailing trend in terms of technological development; (ii) the AI Businesses are in line with national policy support in AI; (iii) the Target Group has secured, substantial and stable orders from high-quality customers with diversified background; (iv) the Target Group comprises team members of leading technical capabilities and rich practical experience; (v) future earnings and cash flow of the Target Group are stable; and (vi) the AI Businesses received enthusiastic attention from the capital market.

As at the Latest Practicable Date, the Target Group has entered into long term AI computing power services contracts and AIDC operation services contracts with certain customers including big model companies, cloud vendors, telecommunication operators and

other customers, which will generate stable and gradually increasing revenue stream. As the Latest Practicable Date, the Target Group has secured over 80 clients with a total contracted value exceeding RMB10 billion. These clients span multiple sectors including cloud computing, financial services, autonomous driving, internet services, healthcare, and large language models, demonstrating the Target Group's extensive market coverage and diversified client base.

The Group will actively introduce new productive forces, embrace AI and warmly respond to the national development strategy of leading technological and industrial transformation through AI, thereby promoting its market competitiveness.

Through the Acquisition, the Group will have the opportunity to actively participate in the AI industry and related areas, thereby achieving diversification of the Group's business. On the other hand, following the Acquisition, bolstered by capital market support, the Target Group's development to lead in the AIDC field will progress on a more rapid pace. Such development will reciprocally enhance the Group's revenue and competitive capabilities by giving the Group a refreshed strategic focus onto the thriving trend of AI, implement its innovation-driven strategic layout, assist the development of cutting-edge AI technology, and accordingly, the competitive edge derived will create greater value for the Shareholders and complement companies engaging in AI businesses (including listed companies in Hong Kong). Mr. Luo Jieping, the chairman and executive Director of the Company, has focused on technology-related work since 2005 and has more than 20 years of experience in the operation and management of technology-related posts, including key roles in governmental bodies and state-owned enterprise. For instance, Mr. Luo previously led the construction of core systems for the tax informatization in Shenzhen, including the Electronic Tax Bureau, the Tax Collection and Service Platform and the Tax Big Data Decision-making Platform. He has also previously directed the Smart Finance System, which restructured digital finance processes and enhanced social governance capabilities within a digital government framework. Since May 2021, Mr. Luo has been responsible for building a digital government work platform and overseeing large-scale city-level projects that support various specialized tasks. His leadership in these initiatives underscores his expertise in operating the AI Businesses.

Set out below is the text of a report received from the independent reporting accountants of the Company, Prism Hong Kong Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.



TO THE DIRECTORS OF GUANGDONG-HONG KONG GREATER BAY AREA HOLDINGS LIMITED

Introduction

We report on the historical financial information of Wisdom Knight Holdings Limited (the “**Target Company**”) and its subsidiaries (together, the “**Target Group**”) set out on pages II-5 to II-56, which comprises the consolidated statement of financial position of the Target Group as at 31 December 2022, 31 December 2023, 31 December 2024 and 31 March 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for each of the year/period ended 31 December 2022, 31 December 2023, 31 December 2024 and 31 March 2025 (the “**Track Record Periods**”), and material accounting policy information and other explanatory information (together, the “**Historical Financial Information**”). The Historical Financial Information set out on pages II-5 to II-13 forms an integral part of this report, which has been prepared for inclusion in the circular of Guangdong-Hong Kong Greater Bay Area Holdings Limited (the “**Company**”) dated 30 September 2025 (the “**Circular**”) in connection with the proposed acquisition of entire equity interests in the Target Group.

Directors’ responsibility for Historical Financial Information

The directors of the Company (the “**Directors**”) are responsible for the preparation of Historical Financial information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2(b) to the Historical Financial Information, and for such internal control as the Directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

The consolidated financial statements of the Target Group for the Track Record Periods (“**Underlying Financial Statements**”), on which the Historical Financial Information is based, were prepared by the Directors. The Directors are responsible for the preparation and fair presentation of the Underlying Financial Statements that gives a true and fair view in accordance with the International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (“**IASB**”), and for such internal control as the Directors determine is necessary to enable the preparation of the Underlying Financial Statements that are free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the HKICPA. This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2(b) to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants' report, a true and fair view of the Target Group's financial position as at 31 December 2022, 31 December 2023, 31 December 2024 and 31 March 2025 and the Target Group's financial performance and cash flows for the Track Record Periods in accordance with the basis of preparation and presentation set out in Note 2(b) to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Target Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period ended 31 March 2024 and other explanatory information (the "**Stub Period Comparative Financial Information**"). The Directors are responsible for the preparation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in Note 2(b) to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with International Standard on Review Engagements 2410,

Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the International Auditing and Assurance Standards Board (“IAASB”). A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountant’s report, is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2(b) to the Historical Financial Information.

Report on Matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements have been made.

Prism Hong Kong Limited

Certified Public Accountants

Lee Kwok Lun

Practising Certificate Number: P06294

Hong Kong

30 September 2025

HISTORICAL FINANCIAL INFORMATION

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Target Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Prism Hong Kong Limited in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the “**Underlying Financial Statements**”).

The Historical Financial Information is presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (’000) except when otherwise indicated.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Three months ended		Year ended 31 December		
		31 March		2024	2023	2022
		2025	2024	2024	2023	2022
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	4	174,441	6,355	236,640	61,633	50,872
Cost of sales		(123,468)	(6,609)	(183,559)	(58,483)	(44,083)
Gross profit/(loss)		50,973	(254)	53,081	3,150	6,789
Other net gain/(loss)	5	9	97	2,031	468	(107)
Selling and distribution costs		(623)	(789)	(2,429)	(3,159)	(3,350)
Administrative expenses and other expenses		(7,532)	(3,787)	(25,512)	(24,835)	(28,589)
(Impairment loss)/reversal of impairment loss on financial assets measured at amortised cost	6(c)	(701)	27	(1,226)	(4,091)	(4,242)
Impairment loss on construction in progress	6(c)	(3,175)	(3,267)	(12,933)	(22,843)	(44,627)
Profit/(loss) from operation		38,951	(7,973)	13,012	(51,310)	(74,126)
Share of profits/(losses) of associates	11	–	29	39	(62)	(20)
Finance income	6(a)	9	38	75	128	501
Finance costs	6(a)	(10,865)	(903)	(14,388)	(6,301)	(4,519)
Profit/(loss) before taxation	6	28,095	(8,809)	(1,262)	(57,545)	(78,164)
Income tax (expense)/credit	7	(4,734)	96	368	850	138
Profit/(loss) for the period/year		<u>23,361</u>	<u>(8,713)</u>	<u>(894)</u>	<u>(56,695)</u>	<u>(78,026)</u>
Attributable to:						
Equity shareholders of the Company		27,383	(6,833)	10,104	(59,675)	(47,019)
Non-controlling interests		(4,022)	(1,880)	(10,998)	2,980	(31,007)
Profit/(loss) and total comprehensive income/(loss) for the period/year		<u>23,361</u>	<u>(8,713)</u>	<u>(894)</u>	<u>(56,695)</u>	<u>(78,026)</u>

APPENDIX II ACCOUNTANTS' REPORT OF THE TARGET GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 March 2025	As at 31 December 2024	2023	2022
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT ASSETS					
Property, plant and equipment	9	1,364,057	748,437	242,124	233,982
Intangible assets	10	934	122	187	177
Interests in associates	11	–	–	415	477
Deferred tax assets	12	2,180	1,785	1,417	564
		<u>1,367,171</u>	<u>750,344</u>	<u>244,143</u>	<u>235,200</u>
TOTAL NON-CURRENT ASSETS					
		<u>1,367,171</u>	<u>750,344</u>	<u>244,143</u>	<u>235,200</u>
CURRENT ASSETS					
Inventories	14	34,283	14,939	15,049	18,459
Trade and other receivables	15	615,002	417,427	195,376	146,842
Cash and cash equivalents	16	77,213	48,633	39,255	49,585
		<u>726,498</u>	<u>480,999</u>	<u>249,680</u>	<u>214,886</u>
TOTAL CURRENT ASSETS					
		<u>726,498</u>	<u>480,999</u>	<u>249,680</u>	<u>214,886</u>
CURRENT LIABILITIES					
Trade and other payables	17	431,966	223,188	114,881	83,734
Contract liabilities	18	100,403	113,711	34,409	1,648
Bank loans and other borrowings	19	176,800	115,800	80,000	87,000
Lease liabilities	20	165,033	83,144	8,584	4,168
Current tax liabilities		128	545	1,554	4,977
		<u>874,330</u>	<u>536,388</u>	<u>239,428</u>	<u>181,527</u>
TOTAL CURRENT LIABILITIES					
		<u>874,330</u>	<u>536,388</u>	<u>239,428</u>	<u>181,527</u>
NET CURRENT (LIABILITIES)/ASSETS					
		<u>(147,832)</u>	<u>(55,389)</u>	<u>10,252</u>	<u>33,359</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>1,219,339</u>	<u>694,955</u>	<u>254,395</u>	<u>268,559</u>

		As at 31 March 2025	As at 31 December		
		2024	2023	2022	
	Notes	RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT LIABILITIES					
Bank loans and other borrowings	19	177,200	15,200	–	–
Long term payables		92,453	91,639	–	–
Lease liabilities	20	768,313	524,677	206,582	217,602
Deferred tax liabilities	12	3,223	–	–	–
TOTAL NON-CURRENT LIABILITIES		1,041,189	631,516	206,582	217,602
NET ASSETS		178,150	63,439	47,813	50,957
Capital and reserves					
Reserves	22	176,046	58,913	38,809	66,225
Total equity attributable to equity shareholders of the Company					
		176,046	58,913	38,809	66,225
Non-controlling interests		2,104	4,526	9,004	(15,268)
TOTAL EQUITY		178,150	63,439	47,813	50,957

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Notes	Attributable to equity shareholders of the Company						Non-controlling interests	Total equity
	Share capital	Share premium	PRC statutory reserve	Capital reserve	Retained profits	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2025	–	–	14,386	102,399	(57,872)	58,913	4,526	63,439
Changes in equity for 2025								
Loss for the period	–	–	–	–	27,383	27,383	(4,022)	23,361
Total comprehensive income	–	–	–	–	27,383	27,383	(4,022)	23,361
Capital contributions from shareholders	22(c)(ii)	–	–	89,750	–	89,750	1,600	91,350
Appropriation to PRC statutory reserve	22(c)(i)	–	–	3,373	–	–	–	–
Balance at 31 March 2025	–	–	17,759	192,149	(33,862)	176,046	2,104	178,150

		Attributable to equity shareholders of the Company							
		Share capital	Share premium	PRC statutory reserve	Capital reserve	Retained profits	Total	Non-controlling interests	Total equity
<i>Notes</i>		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Balance at									
1 January 2024		–	–	9,328	63,399	(33,918)	38,809	9,004	47,813
Changes in equity for 2024									
Loss for the year		–	–	–	–	10,104	10,104	(10,998)	(894)
Total comprehensive income		–	–	–	–	10,104	10,104	(10,998)	(894)
Retained profits transfer to capital reserve		–	–	–	29,000	(29,000)	–	–	–
Capital contributions from shareholders	22(c)(ii)	–	–	–	10,000	–	10,000	6,520	16,520
Appropriation to PRC statutory reserve	22(c)(i)	–	–	5,058	–	(5,058)	–	–	–
Balance at									
31 December 2024		–	–	14,386	102,399	(57,872)	58,913	4,526	63,439

		Attributable to equity shareholders of the Company							
		Share capital	Share premium	PRC statutory reserve	Capital reserve	Retained profits	Total	Non-controlling interests	Total equity
<i>Notes</i>		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Balance at									
1 January 2023		–	–	–	31,140	35,085	66,225	(15,268)	50,957
Changes in equity for 2023									
Loss for the year		–	–	–	–	(59,675)	(59,675)	2,980	(56,695)
Total comprehensive income		–	–	–	–	(59,675)	(59,675)	2,980	(56,695)
Capital contributions from shareholders	22(c)(ii)	–	–	–	32,259	–	32,259	21,292	53,551
Appropriation to PRC statutory reserve	22(c)(i)	–	–	9,328	–	(9,328)	–	–	–
Balance at									
31 December 2023		–	–	9,328	63,399	(33,918)	38,809	9,004	47,813

		Attributable to equity shareholders of the Company					Non-	
		Share	Share	PRC	Capital	Retained	controlling	
		capital	premium	statutory	reserve	profits	interests	Total equity
<i>Notes</i>		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Balance at								
1 January 2022		-	-	-	-	102,289	15,739	118,028
Changes in equity								
for 2022								
Loss for the year		-	-	-	-	(47,019)	(31,007)	(78,026)
Total comprehensive								
income		-	-	-	-	(47,019)	(31,007)	(78,026)
Dividend	22(b)	-	-	-	-	(20,185)	-	(20,185)
Acquisition of								
subsidiaries	22(c)(ii)	-	-	-	31,140	-	-	31,140
Balance at								
31 December 2022		-	-	-	31,140	35,085	(15,268)	50,957

APPENDIX II ACCOUNTANTS' REPORT OF THE TARGET GROUP

CONSOLIDATED STATEMENT OF CASH FLOWS

		Three months ended		Year ended 31 December		
		31 March		2024	2023	2022
	Notes	2025	2024	2024	2023	2022
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
OPERATING ACTIVITIES						
Cash used in operating activities	16(b)	(133,809)	(25,214)	(1,041)	(32,195)	(51,357)
PRC tax paid		(2,323)	(909)	(1,009)	(3,426)	(3,585)
Net cash used in operating activities		<u>(136,132)</u>	<u>(26,123)</u>	<u>(2,050)</u>	<u>(35,621)</u>	<u>(54,942)</u>
INVESTING ACTIVITIES						
Interest received		9	38	75	128	501
Payment for purchase of property, plant and equipment		(98,920)	(6,650)	(29,422)	(6,986)	(4,335)
Proceeds from disposal of property, plant and equipment		–	770	1,252	98	344
Payment for purchase of intangible assets		(830)	–	–	(80)	(76)
Proceeds from deregistration of an associate		–	–	510	–	–
Net cash used in investing activities		<u>(99,741)</u>	<u>(5,842)</u>	<u>(27,585)</u>	<u>(6,840)</u>	<u>(3,566)</u>
FINANCING ACTIVITIES						
Capital contributions from shareholders		91,350	800	16,520	53,551	–
Dividend paid		–	–	–	–	(20,185)
Proceeds from new bank loans and other borrowings		289,200	81,000	221,000	133,000	137,000
Repayment of bank loans and other borrowings		(66,200)	(46,000)	(170,000)	(140,000)	(94,913)
Interest and other borrowing costs paid		(1,944)	(877)	(5,552)	(6,196)	(4,423)
Capital element of lease rentals paid		(39,032)	(1,743)	(14,119)	(8,119)	(9,701)
Interest element of lease rentals paid		(8,921)	(26)	(8,836)	(105)	(96)
Net cash generated from financing activities		<u>264,453</u>	<u>33,154</u>	<u>39,013</u>	<u>32,131</u>	<u>7,682</u>

	<i>Notes</i>	Three months ended		Year ended 31 December		
		31 March				
		2025	2024	2024	2023	2022
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net increase/(decrease) in cash and cash equivalents		28,580	1,189	9,378	(10,330)	(50,826)
Cash and cash equivalents at 1 January	16(a)	<u>48,633</u>	<u>39,255</u>	<u>39,255</u>	<u>49,585</u>	<u>100,411</u>
Cash and cash equivalents at 31 December	16(a)	<u><u>77,213</u></u>	<u><u>40,444</u></u>	<u><u>48,633</u></u>	<u><u>39,255</u></u>	<u><u>49,585</u></u>

1. CORPORATE INFORMATION

Wisdom Knight Holding Limited's (the "**Company**") registered office address is OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands ("**BVI**"). The principal place of business of the Company is located at 17th Floor, Building A, Hetao Science and Technology Innovation Center, Futian District, Shenzhen, China.

The immediate holding company of the Company is Champion Road Group Limited, a company incorporated in the BVI. The beneficial owners of the Company are Junhua Zhong, Jieping Luo, Zhiwen Huang, Keya Chen, Sanyan Cai, Baikui Zhou, Zhizhong Chen.

The Company acts as an investment holding company. The principal activities of its subsidiaries are set out in note 13.

2. MATERIAL ACCOUNTING POLICIES**(a) Statement of compliance**

The Historical Financial Information has been prepared in accordance with all applicable International Financial Reporting Standards ("**IFRSs**"), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations issued by the International Accounting Standards Board ("**IASB**"), and the disclosure requirements of the Hong Kong Companies Ordinance. The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Significant accounting policies adopted by the Company and its subsidiaries (collectively, the "**Group**") are disclosed below.

(b) Basis of preparation of the Historical Financial Information*Going concern consideration*

As of 31 March 2025, the Group had net current liabilities of RMB147,832,000, current portion of bank loans and other borrowings amounted to RMB176,800,000, and its cash and cash equivalents amounted to RMB77,213,000. The directors of the Company have assessed the Group's cash flow projections, which cover a period of twelve months from the date of this report and are of the opinion that the Group will have sufficient working capital to meet its liabilities and obligations as and when they fall due and to sustain its operations for the next twelve months from the date of this report. As a result, the directors consider that the Group will continue as a going concern. The Group has prepared the historical financial information on a going concern basis.

Basis of consolidation

The Historical Financial Information comprise the Company and the subsidiaries. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

The Historical Financial Information is presented in Renminbi ("**RMB**") rounded to the nearest thousand. The measurement basis used in the preparation of the Historical Financial Information is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- other financial liabilities (see note 2(s)(ii));

The preparation of Historical Financial Information in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on

historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRSs that have significant effect on the Historical Financial Information and major sources of estimation uncertainty are discussed in note 3.

(c) Merger accounting for business combination involving entities under common control

According to the Accounting Guideline 5 “Merger Accounting for Common Control Combinations” (“AG5”) issued by the IASB, the Historical Financial Information includes the financial statements items of the combining entities or businesses in which the common control combination occurs as if the combination had occurred from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling party’s perspective. No amount is recognised as consideration for goodwill or excess of acquirer’s interest in the net fair value of acquiree’s identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party’s interest.

The consolidated statement of profit or loss and other comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the Historical Financial Information of the combining entities or businesses in which the common control combination occurs are presented using the principles as if the entities or businesses had been combined at the previous balance sheet date.

Pursuant to the reorganisation, the Company became the holding company of the companies now comprising the Group on 31 December 2024. The companies now comprising the Group have been under the common control of and beneficially owned by the same controlling shareholders throughout the financial year/period ended 31 December 2022, 31 December 2023, 31 December 2024 and 31 March 2025 (the “**Track Record Period**”) or since their respective dates of incorporation up to 31 March 2025 where this is a shorter period. As there was no change in the controlling shareholders before and after the reorganisation, the Group comprising the Company and its subsidiaries resulting from the reorganisation is regarded as a continuing entity. Accordingly, the Historical Financial Information of the Group has been prepared on the basis as if the Company had always been the holding company of the companies now comprising the Group throughout the Track Record Period, using the principles of merger accounting in accordance with AG 5 as above.

The consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the Track Record Period include the results, changes in equity and cash flows of the companies now comprising the Group as if the current group structure had been in existence throughout the Track Record Period or since their respective date of incorporation up to 31 March 2025 where this is a shorter period. The consolidated statement of financial position of the Group as at 31 December 2022, 31 December 2023, 31 December 2024 and 31 March 2025 have been prepared to present the assets and liabilities of the companies now comprising the Group as if the current group structure had been in existence as at those dates.

(d) IFRSs issued but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ²
IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i> ²
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ¹
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i> ¹
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ¹

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual periods beginning on or after 1 January 2027

³ Effective for annual periods beginning on or after a date to be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Historical Financial Information.

(e) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the Historical Financial Information from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the Historical Financial Information. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year/period between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 2(n) or (o) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate (see note 2(f)).

In the Company's statement of financial position, investment in a subsidiary is stated at cost less impairment losses, unless the investment is classified as held for sale.

(f) Associates

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the Historical Financial Information under the equity method, unless it is classified as held for sale. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the associate that forms part of the Group's equity investment. Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment. Any acquisition date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year/period are recognised in the consolidated statement of profit or loss and other comprehensive income, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of comprehensive income.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate (after applying the ECL model to such other long-term interests where applicable).

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

In all other cases, when the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

(g) Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprise its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Construction in progress is transferred to property, plant and equipment when it is ready for its intended use. No depreciation is provided against construction in progress.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in the consolidated statement of profit or loss and other comprehensive income on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

	Years	Estimated residual value as a percentage of costs
Right-of-use assets	3–16	0%
Furniture, fixtures and office equipment	3–8	0%, 5%
Motor vehicles	3–5	0%
Machinery and equipment	3–10	0%, 5%
Leasehold improvements	3–20	0%

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(h) Intangible assets

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated/contracted useful lives are as follows:

Software and franchises granted	5–8 years
Development cost	8 years

Both the period and method of amortisation are reviewed annually.

(i) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Group are primarily laptops and office furniture. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for the following types of right-of-use asset:

- right-of-use assets that meet the definition of investment property are carried at fair value; and
- right-of-use assets related to interests in leasehold land where the interest in the land is held as inventory are carried at the lower of cost and net realisable value.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("**lease modification**") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are rent concessions that occurred as a direct consequence of the COVID-19 pandemic and which satisfied the conditions set out in paragraph 46B of IFRS 16 Leases. In such cases, the group has taken advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognised the change in consideration as negative variable lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised.

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in note 2(i)(i), then the Group classifies the sub-lease as an operating lease.

(j) Credit losses and impairment of assets

(i) Credit losses from financial instruments and lease receivables

The Group recognises a loss allowance for expected credit losses (ECLs) on the following items:

- financial assets measured at amortised cost (including restricted and pledged cash, cash and cash equivalents, trade and other receivables, including loans to the third parties, which are held for the collection of contractual cash flows which represent solely payments of principal and interest); and
- lease receivables.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate; and
- lease receivables: discount rate used in the measurement of the lease receivable.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to lifetime ECLs.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument (including a loan commitment) has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt investments that are measured at FVOCI (recycling), for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

Basis of calculation of interest income

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;

- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset and lease receivable is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) *Impairment of other non-current assets*

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment, including right-of-use assets;
- intangible assets;
- interests in associates;
- goodwill; and
- investments in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

– *Calculation of recoverable amount*

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit). A portion of the carrying amount of a corporate asset (for example, head office building) is allocated to an individual cash-generating unit if the allocation can be done on a reasonable and consistent basis, or to the smallest group of cash-generating units if otherwise.

– *Recognition of impairment losses*

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year/period in which the reversals are recognised.

(k) Inventories

Inventories, representing finished goods for resale, are stated at the lower of costs and net realisable value. Cost is calculated using first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(l) Contracts liabilities

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

(m) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost using the effective interest method less allowance for credit losses.

Insurance reimbursement is recognised and measured in accordance with note 2(s)(i).

(n) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs.

(o) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL in accordance with the policy set out in note 2(j)(i).

(q) Employee benefits***(i) Short term employee benefits and contributions to defined contribution retirement plans***

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year/period in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Obligation for contributions to defined contribution retirement plans pursuant to the relevant labour rules and regulations in the People's Republic of China (the "PRC") are recognised as an expense in profit or loss as incurred.

(r) Income tax

Income tax for the year/period comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year/period, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either: or
- the same taxable entity; or
- different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(s) Provisions and contingent liabilities

(i) Provisions and contingent liabilities

Provisions are recognised when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(ii) Contingent liabilities assumed in business combination

Contingent liabilities assumed in a business combination which are present obligations at the date of acquisition are initially recognised at fair value, provided the fair value can be reliably measured. After their initial recognition at fair value, such contingent liabilities are recognised at the higher of the amount initially recognised and the amount that would be determined in accordance with note 2(s)(i).

(t) Revenue and other income

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance;

- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to a contract are accounted for a presented on a net basis.

(u) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(v) Segment reporting

Operating segments, and the amounts of each segment item reported in the Historical Financial Information, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3. ACCOUNTING JUDGEMENT AND ESTIMATES

Sources of estimation uncertainty

Notes 2(b) and 23 contain information about the assumptions and their risk factors relating to assessing whether the Group will have sufficient financial resources to continue as a going concern, valuation of investment property, impairment of interests in an associate and fair value of financial instruments. Other key sources of estimation uncertainty are as follows:

(i) Impairment for trade and other receivables

The Group expected credit losses (ECL) for trade and other receivables resulting from the inability of the customers to make the required payments. The Group bases the estimates on the aging of the trade and other receivable balance, customer creditworthiness, and historical write-off experience. If the financial condition of the customers were to deteriorate, actual provisions would be higher than estimated.

(ii) Recognition of deferred tax assets

Deferred tax assets are recognised and measured based on the expected manner of realisation or settlement of the carrying amount of the assets, using tax rates enacted or substantively enacted at the end of the reporting period. In determining the carrying amounts of deferred tax assets, expected taxable profits are estimated which involves a number of assumptions relating to the operating environment of the Group and require a significant level of judgment exercised by the directors. Any change in such assumptions and judgment would affect the carrying amounts of deferred tax assets to be recognised and hence the net profit in future years.

4. REVENUE AND SEGMENT REPORTING

The Group is a full-ecosystem service provider for “Green Energy Artificial Intelligence Computing” and is principally engaged in the AI Businesses, primarily focusing on the development, construction, and operation of data centre, providing computing power technical services and comprehensive AI solutions in the PRC.

Revenue represents income from data centre construction income, data centre operation income, computing power technical services and others, net of sales related taxes and is after deduction of any trade discounts.

(a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	Three months ended		For year ended 31 December		
	31 March				
	2025	2024	2024	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
– Computing power technical services	160,554	2,243	94,716	18,564	9,465
– Operation of data centre	6,309	1,681	21,402	–	–
– Construction of data centre	160	2,431	116,203	43,069	41,050
– Others (Note)	7,418	–	4,319	–	357
	<u>174,441</u>	<u>6,355</u>	<u>236,640</u>	<u>61,633</u>	<u>50,872</u>

Note: Others mainly represent income arising from the trading of telecommunication products and the provision of system integration services.

Revenue from external customers contributing over 10% to the total revenue of the Group for the year ended 31 December 2022, 31 December 2023, 31 December 2024 and for the three months ended 31 March 2024 and 31 March 2025 is as follows:

	Three months ended		For year ended 31 December		
	31 March				
	2025	2024	2024	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Customer A	131,279	–	–	–	–

	Three months ended		For year ended 31 December		
	31 March				
	2025	2024	2024	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Disaggregation by timing of revenue recognition:					
At a point in time	7,418	–	4,320	–	356
Over time	167,023	6,355	232,320	61,633	50,516
	174,441	6,355	236,640	61,633	50,872

(b) Segment reporting

The Group does not distinguish revenue, costs and expenses between segments in its internal reporting, and reports costs and expenses by nature as a whole. The Group has only one reportable segment. The Group does not distinguish between markets or segments for the purpose of internal reports. As all of the Group's non-current assets are located in mainland China and all of the Group's revenue are derived from mainland China, no geographical information is presented.

5. OTHER NET GAIN/(LOSS)

	Three months ended		For year ended 31 December		
	31 March				
	2025	2024	2024	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Government grants (Note)	9	83	339	333	422
Net gain on disposal of property, plant and equipment	–	14	1,014	24	43
Gain/(loss) from disposal of associates	–	–	56	–	(900)
Others	–	–	622	111	328
	9	97	2,031	468	(107)

Note: Government grants have been received from the PRC local government authorities in relation to industry subsidies.

6. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after crediting/(charging):

(a) Finance income and finance costs

	Three months ended		For year ended 31 December		
	31 March		2024	2023	2022
	2025	2024	2024	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Finance income					
Bank interest income	9	38	75	128	501
Finance costs					
Interest on bank loans and other borrowings	(1,944)	(877)	(5,552)	(6,196)	(4,423)
Interest on lease liabilities	(8,921)	(26)	(8,836)	(105)	(96)
	(10,865)	(903)	(14,388)	(6,301)	(4,519)
	(10,856)	(865)	(14,313)	(6,173)	(4,018)

(b) Staff costs

	Three months ended		For year ended 31 December		
	31 March		2024	2023	2022
	2025	2024	2024	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Salaries, wages and other benefits	4,883	3,026	13,059	14,583	16,116
Contributions to defined contribution retirement plans	188	104	521	404	465
	5,071	3,130	13,580	14,987	16,581

(c) Other items

	Three months ended		For year ended 31 December		
	31 March				
	2025	2024	2024	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Depreciation and amortisation					
– plant and equipment (note 9)	6,267	460	3,896	1,944	1,652
– right-of-use assets (note 9)	19,020	3,697	20,086	14,899	14,030
– intangible assets (note 10)	18	16	65	70	49
	<u>25,305</u>	<u>4,173</u>	<u>24,047</u>	<u>16,913</u>	<u>15,731</u>
Impairment losses recognised/(reversed)					
– trade and other receivables	701	(27)	1,226	4,091	4,242
– construction in progress	3,175	3,267	12,933	22,843	44,627
	<u>3,876</u>	<u>3,240</u>	<u>14,159</u>	<u>26,934</u>	<u>48,869</u>
Cost of inventories sold	<u>82</u>	<u>2,180</u>	<u>72,395</u>	<u>32,986</u>	<u>31,628</u>

7. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(a) Taxation in the consolidated statement of profit or loss and other comprehensive income represents

	Three months ended		For year ended 31 December		
	31 March				
	2025	2024	2024	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Current tax:					
– PRC Corporate Income Tax (“CIT”)	1,906	1	–	3	–
Deferred tax:					
Origination/(reversal) of temporary differences	2,828	(97)	(368)	(853)	(138)
	<u>4,734</u>	<u>(96)</u>	<u>(368)</u>	<u>(850)</u>	<u>(138)</u>

Notes:

- (i) Pursuant to the rules and regulations of the BVI, the Group is not subject to any income tax in this jurisdiction.
- (ii) No provision for Hong Kong Profits Tax was made as the Group did not earn any income subject to Hong Kong Profits Tax for the year/period.
- (iii) PRC CIT

The Group's PRC subsidiaries are subject to statutory tax rate of 25% on their assessable profits.

According to the PRC CIT Law and its relevant regulations, entities that are qualified as High and New Technology Enterprise under the tax law are entitled to a preferential income tax rate of 15%. Guangdong Qichuang Network Technology Co., Ltd. ("**Qichuang**") obtained the status of High and New Technology Enterprise ("**HNTE status**") on 1 December 2020 and 28 December 2023 with an effective period of consecutive three years. Therefore, Qichuang is entitled to a preferential income tax rate of 15% for the calendar years of 2022, 2023, 2024 and 2025.

Qixin Technology (Guangdong) Co., Ltd. ("**Qixin**") obtained the HNTE status on 19 December 2022 with an effective period of consecutive three years. Therefore, Qixin is entitled to a preferential income tax rate of 15% for the calendar years of 2023, 2024 and 2025.

Baoteng (Huizhou) Data Technology Co., Ltd. ("**Baoteng (Huizhou)**") obtained the HNTE status on 28 December 2024 with an effective period of consecutive three years. Therefore, Baoteng (Huizhou) is entitled to a preferential income tax rate of 15% for the calendar year of 2025.

Shenzhen Tiandun Data Technology Co., Ltd (the "**Tiandun**") is entitled to tax concessions which is the preferential tax rate of 15% applicable to those entities located in Hetao Shenzhen-Hong Kong Science and Technology Innovation Cooperation Area of the Mainland China upon fulfillment of certain requirements of the local government.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in respective jurisdictions in which the Group operates. In accordance with the relevant PRC rules and regulations, the PRC CIT rate applicable to the Group's subsidiaries in the PRC is principally 25% during the period/year ended 31 March 2025 and 31 December 2024, 31 December 2023 and 31 December 2022. Six of the subsidiaries were subject to EIT at a rate of 2.5% for the first RMB1 million of profits and 10% for above RMB1 million but below RMB3 million, as they were classified as small and low profit enterprises during those period/years.

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(b) Reconciliation between income tax and accounting profit/(loss) at applicable tax rates

	Three months ended		For year ended 31 December		
	31 March				
	2025	2024	2024	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Profit/(loss) before taxation	28,095	(8,809)	(1,262)	(57,545)	(78,164)
Notional tax on profit/(loss) before taxation, calculated at the rates applicable to profits in the countries concerned	7,024	(2,202)	(316)	(14,386)	(19,541)
PRC CIT concessionaries	(2,120)	(2)	–	(10)	–
Tax effect of non-deductible expenses	15	7	59	131	349
Tax effect of unused tax losses not recognized	516	2,101	6,739	13,415	19,054
Utilisation of previously unrecognised tax losses	(701)	–	(6,850)	–	–
Total income tax	4,734	(96)	(368)	(850)	(138)

8. DIRECTORS' EMOLUMENTS

Directors' emoluments of the Company for the period/year ended 31 December 2022, 31 December 2023, 31 December 2024 and 31 March 2025 are as follows:

For the period ended 31 March 2025

	Directors' fee	Salaries allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors:					
Junhua Zhong	–	64	–	3	67
Keya Chen	–	90	–	2	92
Sanyan Cai	–	63	–	–	63
Total	–	217	–	5	222

For the year ended 31 December 2024

	Directors' fee <i>RMB'000</i>	Salaries allowances and benefits in kind <i>RMB'000</i>	Discretionary bonuses <i>RMB'000</i>	Retirement scheme contributions <i>RMB'000</i>	Total <i>RMB'000</i>
Executive directors:					
Junhua Zhong	–	216	–	6	222
Keya Chen	–	240	–	6	246
Sanyan Cai	–	153	–	5	158
Total	–	609	–	17	626

For the year ended 31 December 2023

	Directors' fee <i>RMB'000</i>	Salaries allowances and benefits in kind <i>RMB'000</i>	Discretionary bonuses <i>RMB'000</i>	Retirement scheme contributions <i>RMB'000</i>	Total <i>RMB'000</i>
Executive directors:					
Junhua Zhong	–	216	–	8	224
Keya Chen	–	240	–	7	247
Sanyan Cai	–	154	–	4	158
Total	–	610	–	19	629

For the year ended 31 December 2022

	Directors' fee <i>RMB'000</i>	Salaries allowances and benefits in kind <i>RMB'000</i>	Discretionary bonuses <i>RMB'000</i>	Retirement scheme contributions <i>RMB'000</i>	Total <i>RMB'000</i>
Executive directors:					
Junhua Zhong	–	396	33	7	436
Keya Chen	–	333	26	6	365
Sanyan Cai	–	305	26	1	332
Total	–	1,034	85	14	1,133

9. PROPERTY, PLANT AND EQUIPMENT

	Right-of-use assets RMB'000	Leasehold improvements RMB'000	Furniture, fixtures and office equipment RMB'000	Motor vehicles RMB'000	Machinery and equipment RMB'000	Construction in progress RMB'000	Total RMB'000
Cost:							
At 1 January 2022	210,628	1,342	589	1,162	144	42,428	256,293
Additions	13,750	581	300	811	–	33,354	48,796
Transfer from construction in progress	–	–	–	–	8,545	(8,545)	–
Disposals	–	–	–	(467)	–	–	(467)
At 31 December 2022 and 1 January 2023	224,378	1,923	889	1,506	8,689	67,237	304,622
Additions	1,854	–	132	–	71	46,184	48,241
Disposals	(650)	–	(205)	(182)	(5)	–	(1,042)
At 31 December 2023 and 1 January 2024	225,582	1,923	816	1,324	8,755	113,421	351,821
Additions	406,774	4,045	77	3	132,567	–	543,466
Transfer from construction in progress	–	30,050	–	–	–	(30,050)	–
Disposals	–	–	–	(497)	(11)	–	(508)
At 31 December 2024 and 1 January 2025	632,356	36,018	893	830	141,311	83,371	894,779
Additions	364,557	4,946	26	–	270,270	4,283	644,082
At 31 March 2025	996,913	40,964	919	830	411,581	87,654	1,538,861
Accumulated depreciation:							
At 1 January 2022	(9,943)	–	(189)	(297)	(68)	–	(10,497)
Charge for the year	(14,030)	(360)	(189)	(361)	(742)	–	(15,682)
Written back on disposals	–	–	–	166	–	–	166
At 31 December 2022 and 1 January 2023	(23,973)	(360)	(378)	(492)	(810)	–	(26,013)
Charge for the year	(14,899)	(481)	(214)	(359)	(890)	–	(16,843)
Written back on disposals	311	–	159	155	4	–	629
At 31 December 2023 and 1 January 2024	(38,561)	(841)	(433)	(696)	(1,696)	–	(42,227)
Charge for the year	(20,086)	(1,381)	(169)	(220)	(2,126)	–	(23,982)
Written back on disposals	–	–	–	259	11	–	270
At 31 December 2024 and 1 January 2025	(58,647)	(2,222)	(602)	(657)	(3,811)	–	(65,939)
Charge for the period	(19,020)	(739)	(38)	(34)	(5,456)	–	(25,287)
At 31 March 2025	(77,667)	(2,961)	(640)	(691)	(9,267)	–	(91,226)

	Right-of-use assets <i>RMB'000</i>	Leasehold improvements <i>RMB'000</i>	Furniture, fixtures and office equipment <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Machinery and equipment <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
Accumulated impairment loss:							
At 1 January 2022	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	(44,627)	(44,627)
At 31 December 2022 and 1 January 2023	-	-	-	-	-	(44,627)	(44,627)
Charge for the year	-	-	-	-	-	(22,843)	(22,843)
At 31 December 2023 and 1 January 2024	-	-	-	-	-	(67,470)	(67,470)
Charge for the year	-	-	-	-	-	(12,933)	(12,933)
At 31 December 2024 and 1 January 2025	-	-	-	-	-	(80,403)	(80,403)
Charge for the period	-	-	-	-	-	(3,175)	(3,175)
At 31 March 2025	-	-	-	-	-	(83,578)	(83,578)
Net book value:							
At 31 March 2025	919,246	38,003	279	139	402,314	4,076	1,364,057
At 31 December 2024	573,709	33,796	291	173	137,500	2,968	748,437
At 31 December 2023	187,021	1,082	383	628	7,059	45,951	242,124
At 31 December 2022	200,405	1,563	511	1,014	7,879	22,610	233,982

10. INTANGIBLE ASSETS

	Software and franchises granted <i>RMB'000</i>	Development cost <i>RMB'000</i>	Total <i>RMB'000</i>
Cost:			
At 1 January 2022	199	—	199
Addition	<u>76</u>	<u>—</u>	<u>76</u>
At 31 December 2022 and 1 January 2023	275	—	275
Addition	<u>80</u>	<u>—</u>	<u>80</u>
At 31 December 2023 and 1 January 2024	355	—	355
Addition	<u>—</u>	<u>—</u>	<u>—</u>
At 31 December 2024 and 1 January 2025	355	—	355
Addition	<u>189</u>	<u>641</u>	<u>830</u>
At 31 March 2025	<u>544</u>	<u>641</u>	<u>1,185</u>
Accumulated amortisation:			
At 1 January 2022	(49)	—	(49)
Charge for the year	<u>(49)</u>	<u>—</u>	<u>(49)</u>
At 31 December 2022 and 1 January 2023	(98)	—	(98)
Charge for the year	<u>(70)</u>	<u>—</u>	<u>(70)</u>
At 31 December 2023 and 1 January 2024	(168)	—	(168)
Charge for the year	<u>(65)</u>	<u>—</u>	<u>(65)</u>
At 31 December 2024 and 1 March 2025	(233)	—	(233)
Charge for the period	<u>(18)</u>	<u>—</u>	<u>(18)</u>
At 31 March 2025	<u>(251)</u>	<u>—</u>	<u>(251)</u>
Net book value:			
At 31 March 2025	<u>293</u>	<u>641</u>	<u>934</u>
At 31 December 2024	<u>122</u>	<u>—</u>	<u>122</u>
At 31 December 2023	<u>187</u>	<u>—</u>	<u>187</u>
At 31 December 2022	<u>177</u>	<u>—</u>	<u>177</u>

11. INTERESTS IN ASSOCIATES

The following list contains the particulars of associates, which are unlisted corporate entities whose quoted market price are not available:

Name of associates	Place of incorporation and business	Particulars of issued and paid up capital	Group's effective interest	Percentage of		Principal activities
				Held by the Company	Held by subsidiaries	
Guangdong Yingyang Intelligent Technology Co., Ltd.*	Dong guan	2023: RMB510,000 2022: RMB510,000	2023: 51% 2022: 51%	2023: 0% 2022: 0%	2023: 51% 2022: 51%	Computer System Integration Service
Guangdong Kehua Intelligent Industrial Investment Co., Ltd.*	Dong guan	2022: RMB900,000	2022: 49%	2022: 0%	2022: 49%	Big data analytics and cloud computing

* Guangdong Yingyang Intelligent Technology Co., Ltd. and Guangdong Kehua Intelligent Industrial Investment Co., Ltd. have been deregistered on 22 July 2024 and 6 February 2023, respectively.

The associate were accounted for using the equity method in the Historical Financial Information.

Information of the associates those are not individually material:

	As at 31 March 2025 RMB'000	As at 31 December 2024 RMB'000	2023 RMB'000	2022 RMB'000
Carrying amount of the associates in the consolidated statement of financial position	—	—	415	477
Aggregate amounts of the Group's share of an associates' profit/(loss) for the period/year	—	39	(62)	(20)
Total comprehensive income/(loss)	—	39	(62)	(20)

12. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement position of financial position represents

	As at 31 March 2025 RMB'000	As at 31 December 2024 RMB'000	2023 RMB'000	2022 RMB'000
Current tax liabilities: PRC CIT	128	545	1,554	4,977

(b) Deferred tax assets and liabilities recognised

(i) Movement of each component of deferred tax assets and liabilities

The components of deferred tax (liabilities)/assets recognised in the consolidated statement of financial position and the movements during the period/year are as follows:

Deferred tax arising from	Credit loss allowance RMB'000	Right-of-use assets RMB'000	Lease liabilities RMB'000	Total RMB'000
1 January 2022	–	(5,093)	5,519	426
Credited to the consolidated statement of profit or loss and other comprehensive income (note 7(a))	28	7	103	138
At 31 December 2022 and 1 January 2023	28	(5,086)	5,622	564
Credited/(charged) to the consolidated statement of profit or loss and other comprehensive income (note 7(a))	(20)	(4,298)	5,171	853
At 31 December 2023 and 1 January 2024	8	(9,384)	10,793	1,417
Credited/(charged) to the consolidated statement of profit or loss and other comprehensive income (note 7(a))	141	(46,906)	47,133	368
At 31 December 2024 and 1 January 2025	149	(56,290)	57,926	1,785
Credited/(charged) to the consolidated statement of profit or loss and other comprehensive income (note 7(a))	97	(48,576)	45,651	(2,828)
As at 31 March 2025	246	(104,866)	103,577	(1,043)

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(ii) Reconciliation to the consolidated statement of financial position

	As at 31 March 2025 RMB'000	As at 31 December 2024 RMB'000	2023 RMB'000	2022 RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	2,180	1,785	1,417	564
Net deferred tax liabilities recognised in the consolidated statement of financial position	(3,223)	—	—	—
	<u>(1,043)</u>	<u>1,785</u>	<u>1,417</u>	<u>564</u>

(c) Deferred tax assets not recognised

In accordance with the accounting policy set out in note 2(r), the Group has not recognised deferred tax assets in respect of cumulative tax losses of certain subsidiaries of RMB119,861,000 as at 31 March 2025 (2024: RMB114,325,000, 2023: RMB140,977,000, 2022: RMB83,284,000). The Group consider it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entities.

13. INVESTMENTS IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries as at 31 December 2022, 31 December 2023, 31 December 2024 and 31 March 2025 which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

Name of company	Place of incorporation and business	Particulars of issued capital	As at 31 March 2025			As at 31 December 2024				Principal activities
			Group's effective interest	Held by the Company	Held by subsidiaries	Particulars of issued capital	Group's effective interest	Held by the Company	Held by subsidiaries	
Tiandun* 天頓*	Shenzhen	RMB100,000,000	100%	—	100%	RMB100,000,000	100%	—	100%	Cloud Computing and Data Services
Shenzhen Yiming Data Technology Co., Ltd.* 深圳市億銘數據科技有限 公司*	Shenzhen	RMB10,000,000	100%	—	100%	RMB10,000,000	100%	—	100%	Cloud Computing and Data Services
Qixin* 奇信*	Huizhou	RMB10,000,000	100%	—	100%	RMB10,000,000	100%	—	100%	Cloud Computing and Data Services
Qichuang* 奇創*	Dongguan	RMB51,000,000	100%	—	100%	RMB51,000,000	100%	—	100%	Cloud Computing and Data Services

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ACCOUNTANTS' REPORT OF THE TARGET GROUP

Name of company	Place of incorporation and business	Particulars of issued capital	As at 31 March 2025			As at 31 December 2024				Principal activities
			Group's effective interest	Held by the Company	Held by subsidiaries	Particulars of issued capital	Group's effective interest	Held by the Company	Held by subsidiaries	
Guangdong Lichuang Energy Co., Ltd.* 廣東力創能源有限公司*	Huizhou	RMB10,000,000	100%	–	100%	RMB10,000,000	100%	–	100%	Cloud Computing and Data Services
Shenzhen Qiyun Data Technology Co., Ltd.* 深圳市奇雲數據科技有限公司*	Shenzhen	RMB10,000,000	55%	–	55%	RMB10,000,000	55%	–	55%	Cloud Computing and Data Services
Shenzhen Zhiyun Interconnect Big Data Technology Co., Ltd.* 深圳市智運互聯大數據有限公司*	Shenzhen	RMB79,000,000	55%	–	100%	RMB79,000,000	55%	–	100%	Telecommunications and value-added services
Shenzhen Huateng Wisdom Technology Co., Ltd.* 深圳市華騰智慧科技有限公司*	Shenzhen	RMB100,000,000	75%	–	75%	RMB100,000,000	75%	–	75%	Telecommunications and value-added services
Shenzhen Baoteng Data Technology Co., Ltd.* 深圳市寶騰數據科技有限公司*	Shenzhen	RMB100,000,000	45%	–	60%	RMB100,000,000	45%	–	60%	Telecommunications and value-added services
Baoteng (Huizhou)* 寶騰(惠州)*	Huizhou	RMB100,000,000	45%	–	100%	RMB100,000,000	45%	–	100%	Telecommunications and value-added services
Shenzhen Jingwei Intelligent Computing Technology Co., Ltd.* 深圳市經緯智算科技有限公司*	Shenzhen	RMB10,000,000	100%	–	100%	RMB10,000,000	100%	–	100%	Cloud Computing and Data Services

* These entities are all PRC limited liability companies. The English translation of the company names is for reference only. The official names of these companies are in Mainland China.

14. INVENTORIES

	As at 31 March 2025 RMB'000	As at 31 December		
		2024 RMB'000	2023 RMB'000	2022 RMB'000
Construction of data centre	34,283	14,939	15,049	18,459

15. TRADE AND OTHER RECEIVABLES

	As at 31 March 2025 RMB'000	2024 RMB'000	As at 31 December 2023 RMB'000	2022 RMB'000
Trade receivables (a)	301,369	94,121	28,914	34,195
Less: loss allowance	(1,305)	(646)	(43)	(175)
	<u>300,064</u>	<u>93,475</u>	<u>28,871</u>	<u>34,020</u>
Other debtors, net of loss allowance				
– Amounts due from related parties	57	20,611	10,365	26,227
– Amounts due from third parties	84,018	154,115	92,842	57,045
	<u>84,075</u>	<u>174,726</u>	<u>103,207</u>	<u>83,272</u>
Prepaid sales related tax and other taxes	48,262	10,790	21,577	3,742
Deposits and prepayments	182,601	138,436	41,721	25,808
	<u>615,002</u>	<u>417,427</u>	<u>195,376</u>	<u>146,842</u>

(a) Ageing analysis

As at the end of the reporting period, the ageing analysis of trade receivables (net of loss allowance) based on the date the relevant trade receivables recognised, is as follows:

	As at 31 March 2025 RMB'000	2024 RMB'000	As at 31 December 2023 RMB'000	2022 RMB'000
Within 3 month	297,297	91,084	28,194	34,020
3 to 12 months	574	267	677	–
Over 12 months	2,193	2,124	–	–
Total	<u>300,064</u>	<u>93,475</u>	<u>28,871</u>	<u>34,020</u>

Note: The details on the Group's credit policy are set out in note 23(a).

Trade receivables are primarily related to proceeds from the provision of AI computing power technical services and relevant equipment amounts.

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16. CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents comprise:

	As at 31 March 2025 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i>	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Cash at bank and on hand	77,213	48,633	39,255	49,585

(b) Reconciliation of loss before taxation to cash used in operations:

		As at 31 March 2025 <i>RMB'000</i>	2024 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i>	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
	<i>Note</i>					
Profit/(loss) before taxation		28,095	(8,809)	(1,262)	(57,545)	(78,164)
Adjustments for:						
Finance income	6(a)	(9)	(38)	(75)	(128)	(501)
Finance costs	6(a)	10,865	903	14,388	6,301	4,519
Impairment loss/(reversal of impairment loss) on trade and other receivables	6(c)	701	(27)	1,226	4,091	4,242
Impairment loss on construction in progress	6(c)	3,175	3,267	12,933	22,843	44,627
Depreciation and amortisation	6(c)	25,305	4,173	24,047	16,913	15,731
Share of losses/(profits) of associates	11	–	(29)	(39)	62	20
(Gain)/loss on disposal of associates	5	–	–	(56)	–	900
Net gain on disposal of property, plant and equipment	5	–	(14)	(1,014)	(24)	(43)
Changes in working capital:						
(Increase)/decrease in inventories		(19,344)	(1,240)	110	3,410	(13,159)
(Increase)/decrease in trade and other receivables		(198,276)	14,656	(223,277)	(52,625)	2,292
Increase/(decrease) in trade and other payables		28,987	(44,541)	92,676	(8,254)	(33,357)
(Decrease)/increase in contract liabilities		(13,308)	6,485	79,302	32,761	1,536
Cash used in operating activities		(133,809)	(25,214)	(1,041)	(32,195)	(51,357)

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	Bank loans and other borrowings <i>RMB'000</i> <i>(note 19)</i>	Lease liabilities <i>RMB'000</i> <i>(note 20)</i>	Total <i>RMB'000</i>
At 1 January 2022	44,913	217,721	262,634
Total changes from financing cash flows	37,664	(9,797)	27,867
Other changes:			
Interest expense (<i>note 6(a)</i>)	4,423	96	4,519
Other non-cash transactions (<i>note</i>)	–	13,750	13,750
At 31 December 2022 and at 1 January 2023	87,000	221,770	308,770
Total changes from financing cash flows	(13,196)	(8,224)	(21,420)
Other changes:			
Interest expense (<i>note 6(a)</i>)	6,196	105	6,301
Other non-cash transactions (<i>note</i>)	–	1,515	1,515
At 31 December 2023 and at 1 January 2024	80,000	215,166	295,166
Total changes from financing cash flows	45,448	(22,955)	22,493
Other changes:			
Interest expense (<i>note 6(a)</i>)	5,552	8,836	14,388
Other non-cash transactions (<i>note</i>)	–	406,774	406,774
At 31 December 2024 and at 1 January 2025	131,000	607,821	738,821
Total changes from financing cash flows	221,056	(47,953)	173,103
Other changes:			
Interest expense (<i>note 6(a)</i>)	1,944	8,921	10,865
Other non-cash transactions (<i>note</i>)	–	364,557	364,557
At 31 March 2025	354,000	933,346	1,287,346

Note: Other non-cash transactions were generated from right-of-use assets increasing.

(d) Total cash outflow for leases

Amounts included in the cash flow statement for leases comprise the following:

	As at 31 March 2025 RMB'000	2024 RMB'000	As at 31 December 2023 RMB'000	2022 RMB'000
Within operating cash flows	–	–	2,753	3,566
Within financing cash flows	47,953	22,955	8,224	9,797
	<u>47,953</u>	<u>22,955</u>	<u>10,977</u>	<u>13,363</u>

These amounts relate to the following:

	As at 31 March 2025 RMB'000	2024 RMB'000	As at 31 December 2023 RMB'000	2022 RMB'000
Lease rentals paid	<u>47,953</u>	<u>22,955</u>	<u>10,977</u>	<u>13,363</u>

17. TRADE AND OTHER PAYABLES

	As at 31 March 2025 RMB'000	2024 RMB'000	As at 31 December 2023 RMB'000	2022 RMB'000
Trade payables (a)	<u>332,648</u>	<u>128,612</u>	<u>79,610</u>	<u>60,452</u>
Other payables and accruals				
– Amounts due to related parties	–	20,505	7,319	1,022
– Amounts due to third parties	98,293	72,722	27,657	22,119
– Other tax payables	<u>1,025</u>	<u>1,349</u>	<u>295</u>	<u>141</u>
	<u>99,318</u>	<u>94,576</u>	<u>35,271</u>	<u>23,282</u>
	<u>431,966</u>	<u>223,188</u>	<u>114,881</u>	<u>83,734</u>

- (a) As at the end of the reporting period, the ageing analysis of trade creditor based on invoice date, is as follows:

	As at 31 March 2025 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i>	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Within 3 months	258,180	107,079	62,710	51,861
After 3 months but within 1 year	63,831	5,310	11,984	4,018
More than 1 year	10,637	16,223	4,916	4,573
	<u>332,648</u>	<u>128,612</u>	<u>79,610</u>	<u>60,452</u>

Trade payables mainly represent amounts due to suppliers. Payment to suppliers is in installments according to progress and agreed milestones.

18. CONTRACT LIABILITIES

	As at 31 March 2025 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i>	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Advances received for sales of telecommunication products	<u>100,403</u>	<u>113,711</u>	<u>34,409</u>	<u>1,648</u>

19. BANK LOANS AND OTHER BORROWINGS

At 31 March 2025, the Group's bank loans and other borrowings are repayable as follows:

	As at 31 March 2025 RMB'000	As at 31 December 2024 RMB'000	2023 RMB'000	2022 RMB'000
Bank loans				
Current				
– bank loans and other borrowings	110,000	111,000	80,000	87,000
– current portion of non-current bank loans and other borrowings	66,800	4,800	–	–
	<u>176,800</u>	<u>115,800</u>	<u>80,000</u>	<u>87,000</u>
Non-current				
– repayable after 1 year but within 2 years	72,000	15,200	–	–
– repayable after 2 years but within 5 years	105,200	–	–	–
	<u>177,200</u>	<u>15,200</u>	<u>–</u>	<u>–</u>
	<u>354,000</u>	<u>131,000</u>	<u>80,000</u>	<u>87,000</u>

The loans and borrowings were secured as follows:

	As at 31 March 2025 RMB'000	As at 31 December 2024 RMB'000	2023 RMB'000	2022 RMB'000
Secured and guaranteed	<u>354,000</u>	<u>131,000</u>	<u>80,000</u>	<u>87,000</u>

(a) Bank loans guaranteed by related parties

As at 31 March 2025, bank loans of RMB162,800,000 (2024: RMB75,000,000, 2023: Nil, 2022: Nil) were jointly guaranteed by Junhua Zhong, Zheng Ouyang, Hai Zhou, Zhizhong Chen, Zhiwen Huang, Keliang Chen, Tiandun, Shenzhen Huateng Wisdom Technology Co., Ltd. and Guangdong Lelian Network Technology Co., Ltd.

As at 31 March 2025, bank loans of RMB20,000,000 (2024: RMB20,000,000, 2023: 30,000,000, 2022: 20,000,000) were jointly guaranteed by Junhua Zhong, Zhizhong Chen, Guangdong Qihua Technology Center (Limited Partnership), Guangdong Qiyu Technology Co., Ltd. and Guangdong Qihong Technology Co., Ltd.

As at 31 March 2025, bank loans of RMB10,000,000 (2024: RMB10,000,000, 2023: Nil, 2022: Nil) were jointly guaranteed by Junhua Zhong and Qichuang.

As at 31 March 2025, bank loans of RMB6,000,000 (2024: RMB6,000,000, 2023: Nil, 2022: Nil) were jointly guaranteed by Junhua Zhong, Zhizhong Chen and Qichuang.

As at 31 March 2025, bank loans of RMB20,000,000 (2024: RMB20,000,000, 2023: Nil, 2022: Nil) were jointly guaranteed by Junhua Zhong and Zheng Ouyang.

As at 31 March 2025, bank loans of Nil (2024: Nil, 2023: 47,000,000, 2022: 64,000,000) were jointly guaranteed by Junhua Zhong and Zheng Ouyang, Hai Zhou, Zhizhong Chen, Chunqing Zhong, Dongguan Honghua Industrial Investment Co., Ltd., Keliang Chen, Guangdong Qihua Technology Center (Limited Partnership), Guangdong Qiyu Technology Co., Ltd., Guangdong Qihong Technology Co., Ltd.

As at 31 March 2025, bank loans of RMB135,200,000 (2024: Nil, 2023: Nil, 2022: Nil) were jointly guaranteed by Junhua Zhong and Zheng Ouyang and Qichuang.

- (b) Bank loans and other borrowings bear interest at a weighted average rate of 3.17% per annum for the period/year ended 31 March 2025 (2024: 3.14% per annum, 2023: 3.81% per annum, 2022: 4.15% per annum), and are secured by the following assets:

	As at 31 March 2025 RMB'000	As at 31 December 2024 RMB'000	2023 RMB'000	2022 RMB'000
Property, plant and equipment	100,971	—	—	—
Trade receivables	103,955	18,062	—	—
	<u>204,926</u>	<u>18,062</u>	<u>—</u>	<u>—</u>

20. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the current and previous reporting periods:

	As at 31 March 2025		2024		As at 31 December 2023		2022	
	Present value of the minimum lease payments RMB'000	Total minimum lease payments RMB'000	Present value of the minimum lease payments RMB'000	Total minimum lease payments RMB'000	Present value of the minimum lease payments RMB'000	Total minimum lease payments RMB'000	Present value of the minimum lease payments RMB'000	Total minimum lease payments RMB'000
Within 1 year	165,033	200,630	83,144	109,237	8,584	18,344	4,168	14,222
After 1 year but within 2 years	191,019	219,778	95,742	118,549	8,660	18,037	8,089	17,807
After 2 years but within 5 years	343,671	388,710	219,742	263,603	34,018	59,329	29,096	55,866
After 5 years	233,623	264,190	209,193	242,382	163,904	199,615	180,417	224,021
	<u>933,346</u>	<u>1,073,308</u>	<u>607,821</u>	<u>733,771</u>	<u>215,166</u>	<u>295,325</u>	<u>221,770</u>	<u>311,916</u>
Less: total future interest expenses		<u>(139,962)</u>		<u>(125,950)</u>		<u>(80,159)</u>		<u>(90,146)</u>
Present value of lease liabilities		<u>933,346</u>		<u>607,821</u>		<u>215,166</u>		<u>221,770</u>

21. EMPLOYEE RETIREMENT BENEFITS**Defined contribution retirement plans**

As stipulated by the regulations of the PRC, the Group participates in various defined contribution retirement plans organised by municipal and provincial governments for its employees. The Group is required to make contributions to the retirement plans at 16% of the salaries, bonuses and certain allowances of the employees. A member of the plan is entitled to a pension equal to a fixed proportion of the salary prevailing at the member's retirement date. The Group has no other material obligation for the payment of pension benefits associated with these plans beyond the annual contributions described above.

For the period/year ended 31 March 2025, 31 December 2024, 31 December 2023 and 31 December 2022, there is no forfeited contribution which may be used by the Group to reduce the existing level of contribution.

22. CAPITAL, RESERVES AND DIVIDENDS**(a) Movements in components of equity**

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity.

(b) Dividends

For the year ended 31 December 2024, final dividend of Nil in respect of the financial year was approved and paid (2023: nil, 2022: RMB20,185,000). The Company did not propose the payment of any final dividend subsequent to year end.

(c) Reserves**(i) PRC statutory reserve**

Pursuant to the Articles of Association of the Group's PRC subsidiaries and relevant statutory regulations, appropriations to the statutory reserve fund were made at 10% of profit after tax determined in accordance with accounting rules and regulations of the PRC until the reserve balance reaches 50% of the registered capital. This reserve fund can be utilised in setting off accumulated losses or increasing capital of the PRC subsidiaries provided that the balance after such conversion is not less than 25% of their registered capital, and is non-distributable other than in liquidation.

(ii) Capital reserve

Capital reserve is resulted from transactions with owners in their capacity as the equity owners. The balance comprises capital reserve surplus/deficit arising from the difference between the disposal/acquisition consideration and its net assets value at the respective date of disposal/acquisition, and the capital reserve transferring from the equity settled share-based payment reserve.

For the integration of internal resources, the Group acquired 100% equity of Shenzhen Huateng Wisdom Technology Co., Ltd, Shenzhen Qiyun Data Technology Co., Ltd. and Qichuang from the Group's ultimate controllers ("**Transferor**"). The Transferor exempted the Group from the obligation to pay the transfer consideration so that there is no cash payment involved. All parties involved in this equity transfer have signed relevant agreements in accordance with the law, and the relevant equity transfer registration procedures were completed in December 2024.

(iii) Reserve-transaction with non-controlling interests

The balance represents difference between the net identifiable assets and the consideration paid for acquisition of non-controlling interests.

23. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate, currency risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its equity investments in other entities.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below:

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to cash and cash equivalents and pledged and restricted cash, trade and other receivables and other financial assets. The Group maintains a defined credit policy and the exposures to these credit risks are monitored on an ongoing basis. The Group's cash and cash equivalents and pledged and restricted cash are mainly deposited in financial institutions such as commercial banks which maintain sound reputation and financial situation. The credit risk is considered low.

Trade receivables and other receivables and other financial assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers.

In respect of loans to third parties and other debtors, regular review and follow-up actions are carried out on long-aged other receivables and any default incurred, which enable management to assess their recoverability and to minimise exposure to credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position.

The Group measures loss allowances for trade and other receivables and loans to the third parties included in other non-current assets at an amount equal to lifetime ECLs, which is calculated using a provision matrix.

The following table provides information about the Group's exposure to credit risk and ECLs for trade and other receivables and loans to the third parties:

	As at 31 March 2025		
	Expected loss rate	Gross carrying amount	Loss allowance
		<i>RMB'000</i>	<i>RMB'000</i>
Current (not past due) or past due within 90 days for			
– trade receivables	0.32%	298,245	(948)
– other receivables	0.21%	22,266	(47)
More than 90 days past due			
– trade receivables	11.43%	3,124	(357)
– other receivables	12.59%	70,764	(8,908)
	<u>2.60%</u>	<u>394,399</u>	<u>(10,260)</u>

As at 31 December 2024			
	Expected loss rate	Gross carrying amount <i>RMB'000</i>	Loss allowance <i>RMB'000</i>
Current (not past due) or past due within 90 days for			
– trade receivables	0.36%	91,415	(331)
– other receivables	0.01%	77,625	(8)
More than 90 days past due			
– trade receivables	11.64%	2,706	(315)
– other receivables	8.40%	106,014	(8,905)
	<u>3.44%</u>	<u>277,760</u>	<u>(9,559)</u>
As at 31 December 2023			
	Expected loss rate	Gross carrying amount <i>RMB'000</i>	Loss allowance <i>RMB'000</i>
Current (not past due) or past due within 90 days for			
– trade receivables	0.07%	28,215	(21)
– other receivables	4.82%	87,387	(4,211)
More than 90 days past due			
– trade receivables	3.15%	699	(22)
– other receivables	16.92%	24,110	(4,079)
	<u>5.93%</u>	<u>140,411</u>	<u>(8,333)</u>
As at 31 December 2022			
	Expected loss rate	Gross carrying amount <i>RMB'000</i>	Loss allowance <i>RMB'000</i>
Current (not past due) or past due within 90 days for			
– trade receivables	0.51%	34,195	(175)
– other receivables	7.36%	54,321	(4,000)
More than 90 days past due			
– other receivables	0.20%	33,018	(67)
	<u>3.49%</u>	<u>121,534</u>	<u>(4,242)</u>

Except for the specified expected loss, other expected loss rates are based on historical experience and adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movement in the loss allowance account in respect of trade and other receivables and finance lease receivables during the period/year is as follows:

	As at 31 March 2025 RMB'000	As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000	2022 RMB'000
Balance at the beginning of the period/year	9,559	8,333	4,242	–
Reversal during the period/year	(181)	–	(171)	–
Impairment losses recognised during the period/year	882	1,226	4,262	4,242
Balance at the end of the period/year	10,260	9,559	8,333	4,242

(b) Liquidity risk

The Group management reviews the liquidity position of the Group on an ongoing basis, including review of the expected cash inflows and outflows and maturity of loans and borrowings in order to monitor the Group's liquidity requirements in the short and longer terms. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash in the short and longer term. The directors have taken into account the forecasts of operating performance, as well as the ability of the Group to obtain and renew bank loans and the financial support from shareholders in assessing the sufficiency of liquidity requirements in the foreseeable future.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities. The contractual maturities are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

	Contractual undiscounted cash outflow					
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000	Carrying amount RMB'000
31 March 2025						
Bank loans and other borrowings	176,800	81,797	108,990	–	367,587	354,000
Lease liabilities	200,630	219,778	388,710	264,190	1,073,308	933,346
Trade and other payables	431,966	–	–	–	431,966	431,966
	809,396	301,575	497,700	264,190	1,872,861	1,719,312

	Contractual undiscounted cash outflow					Carrying amount <i>RMB'000</i>
	Within 1	More than	More than	More than	Total	
	year or on	1 year but	2 years but			
	demand	less than	less than			
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	
31 December 2024						
Bank loans and other						
borrowings	115,800	16,158	–	–	131,958	131,000
Lease liabilities	109,237	118,549	263,603	242,382	733,771	607,821
Trade and other						
payables	223,188	–	–	–	223,188	223,188
	448,225	134,707	263,603	242,382	1,088,917	962,009

	Contractual undiscounted cash outflow					
	Within 1	More than	More than			
	year or on	1 year but	2 years but	More than		Carrying
	demand	less than	less than	5 years	Total	amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2023						
Bank loans and other borrowings	80,000	–	–	–	80,000	80,000
Lease liabilities	18,344	18,037	59,329	199,615	295,325	215,166
Trade and other payables	114,881	–	–	–	114,881	114,881
	213,225	18,037	59,329	199,615	490,206	410,047

	Contractual undiscounted cash outflow					Carrying amount <i>RMB'000</i>
	Within 1 year or on demand <i>RMB'000</i>	More than 1 year but less than 2 years <i>RMB'000</i>	More than 2 years but less than 5 years <i>RMB'000</i>	More than 5 years <i>RMB'000</i>	Total <i>RMB'000</i>	
31 December 2022						
Bank loans and other borrowings	87,000	–	–	–	87,000	87,000
Lease liabilities	14,222	17,807	55,866	224,021	311,916	221,770
Trade and other payables	83,734	–	–	–	83,734	83,734
	184,956	17,807	55,866	224,021	482,650	392,504

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from cash and cash equivalents, pledged and restricted cash and borrowings issued at variable rates.

The Group does not anticipate significant impact on cash and cash equivalents and the pledged deposits because the interest rates of bank deposits are not expected to change significantly. The Group does not carry out any hedging activities to manage its interest rate exposure.

(i) *Interest rate profile*

	As at 31 March 2025		As at 31 December 2024		As at 31 December 2023		As at 31 December 2022	
	Effective interest rate		Effective interest rate		Effective interest rate		Effective interest rate	
	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000
Fixed rate liabilities:								
Lease liabilities	4.28%	933,346	4.39%	607,821	4.49%	215,166	4.56%	221,770
Bank loans and other borrowings	3.17%	354,000	3.14%	131,000	3.81%	80,000	4.15%	87,000
	<u>3.97%</u>	<u>1,287,346</u>	<u>4.17%</u>	<u>738,821</u>	<u>4.31%</u>	<u>295,166</u>	<u>4.45%</u>	<u>308,770</u>

24. COMMITMENTS

Capital commitments outstanding at the end of the period/year which contracted but not provided for in the Historical Financial Information were as follows:

	As at 31 March 2025 RMB'000	As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000	2022 RMB'000
Construction and development contracts	<u>70,859</u>	<u>34,641</u>	<u>11,989</u>	<u>5,094</u>

25. MATERIAL RELATED PARTY TRANSACTIONS

(a) Name and relationship with related parties

Name of party	Relationship with the Group
Guangdong Qiyu Technology Co., Ltd.	Company controlled by the same ultimate controlling shareholders
Guangdong Qihong Technology Co., Ltd.	Company controlled by the same ultimate controlling shareholders
Guangdong Qihua Technology Center (Limited Partnership)	Company controlled by the same ultimate controlling shareholders
Dongguan Shangma Technology Co., Ltd.	Company controlled by the same ultimate controlling shareholders
Zhizhong Chen	One of the ultimate controlling shareholders
Junhua Zhong	One of the ultimate controlling shareholders
Baikui Zhou	One of the ultimate controlling shareholders

(b) Significant related party transactions

In addition to the related party information disclosed elsewhere in the consolidated financial statements, the Group entered into the following related party transactions during the year/period ended 31 December 2022, 31 December 2023, 31 December 2024 and 31 March 2025.

	Three months ended		For year ended 31 December		
	31 March		2024		
	2025	2024	2024	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Receiving/(repayment) from/to related parties					
Guangdong Qiyu Technology Co., Ltd.	19,390	–	(9,030)	5,200	(5,300)
Guangdong Qihong Technology Co., Ltd.	(10,505)	50	4,135	9,800	(3,420)
Guangdong Qihua Technology Center (Limited Partnership)	1,220	–	(1,215)	(1)	(2)
Dongguan Shangma Technology Co., Ltd.	(200)	–	200	–	–
Zhizhong Chen	(9,800)	–	8,851	(73)	5,272
Junhua Zhong	(57)	–	–	–	–
Baikui Zhou	–	–	–	7,233	(7,230)
	<u>48</u>	<u>50</u>	<u>2,941</u>	<u>22,159</u>	<u>(10,680)</u>

(c) Balance with related parties

	As at 31 March 2025 RMB'000	As at 31 December 2024 RMB'000	2023 RMB'000	2022 RMB'000
Amounts due from:				
Non-trade related:				
Guangdong Qiyu Technology Co., Ltd.	–	19,390	10,360	15,560
Guangdong Qihong Technology Co., Ltd.	–	–	–	3,430
Guangdong Qihua Technology Center (Limited Partnership)	–	1,221	5	4
Junhua Zhong	57	–	–	–
Baikui Zhou	–	–	–	7,233
	<u>57</u>	<u>20,611</u>	<u>10,365</u>	<u>26,227</u>
Amounts due to:				
Non-trade related:				
Guangdong Qihong Technology Co., Ltd.	–	10,505	6,370	–
Dongguan Shangma Technology Co., Ltd.	–	200	–	–
Zhizhong Chen	–	9,800	949	1,022
	<u>–</u>	<u>20,505</u>	<u>7,319</u>	<u>1,022</u>

26. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	As at 31 March 2025 RMB'000	As at 31 December 2024 RMB'000	2023 RMB'000	2022 RMB'000
Non-current assets				
Interests in subsidiaries	<u>178,150</u>	<u>63,439</u>	<u>47,813</u>	<u>50,957</u>
	<u>178,150</u>	<u>63,439</u>	<u>47,813</u>	<u>50,957</u>
Total assets less current liabilities	<u>178,150</u>	<u>63,439</u>	<u>47,813</u>	<u>50,957</u>
NET ASSETS	<u>178,150</u>	<u>63,439</u>	<u>47,813</u>	<u>50,957</u>
Capital and reserves				
Reserves	<u>178,150</u>	<u>63,439</u>	<u>47,813</u>	<u>50,957</u>
TOTAL EQUITY	<u>178,150</u>	<u>63,439</u>	<u>47,813</u>	<u>50,957</u>

27. EVENT AFTER THE RELEVANT PERIODS

There is no material event after 31 March 2025.

28. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Group in respect of any period subsequent to 31 March 2025.

Set forth below is the management discussion and analysis of the Target Group for the three financial years ended 31 December 2022 (“FY2022”), 2023 (“FY2023”) and 2024 (“FY2024”) and the three months ended 31 March 2025 (“3M2025”) (collectively, the “Reporting Period”) based on the financial information on the Target Group set out in Appendix II to this circular.

BUSINESS OVERVIEW

The Target Group is a full-ecosystem service provider for “Green Energy Artificial Intelligence Computing” and is principally engaged in the AI Businesses, primarily focusing on the development, construction, and operation of AIDC, providing AI computing power technical services and comprehensive AI solutions in the PRC.

Immediately prior to Completion, the Target Company was wholly-owned by the Vendor. Upon Completion, the Target Company shall become a direct wholly-owned subsidiary of the Company.

FINANCIAL REVIEW

Revenue

For FY2022, FY2023, FY2024, and 3M2025, the revenue generated by the Target Group amounted to approximately RMB50.9 million, RMB61.6 million, RMB236.6 million and RMB174.4 million respectively.

The revenue in FY2023 increased slightly as compared to that in FY2022. In FY2024, there was a significant increase of approximately RMB175.0 million as compared to that in FY2023 (amounting to approximately 284% increase in revenue), which was mainly due to: (i) an increase of approximately RMB73.1 million in data centre construction income in FY2024; (ii) an increase of approximately RMB21.4 million in data centre operation income; and (iii) an increase of approximately RMB76.2 million in AI computing power technical services income in FY2024, driven by the surge in AI computing power demand in 2024.

As for 3M2025, the revenue recorded has already achieved RMB174.4 million (which was approximately 73.71% of that of FY2024), and that was attributable to such benefit the strong growth in AI computing power technical services income owing to the continuous surge in AI computing power demand.

Impairment Loss on Construction in Progress (“CIP”)

The Target Group recognized impairment losses on CIP of approximately RMB44.6 million in FY2022, RMB22.8 million in FY2023, and RMB12.9 million in FY2024, respectively. The impairment losses were primarily attributable to the Target Group lease of a factory in FY2022 to convert into a data centre and subsequently installing mechanical and electrical equipment.

However, due to the impact of the pandemic, the data centre operated poorly, leading to the termination of the said lease in 2025 and then the corresponding impairment provisions.

Finance Costs

The finance costs of the Target Group for FY2022, FY2023, and FY2024 was approximately RMB4.5 million, RMB6.3 million, and RMB14.4 million, respectively. The finance costs in FY2024 increased by approximately RMB8.1 million as compared to that of FY2023 was primarily due to the increase in financing of the Target Group in FY2024.

The finance cost of 3M2025 was approximately RMB10.9 million, an increase of approximately RMB10.0 million as compared to the same period in FY2024, which was mainly due to the increase in financing of the Target Group during 3M2025.

Profit or loss for the year/period

The Target Group recorded:

- (a) a gross profit of approximately RMB6.8 million and a net loss after tax of approximately RMB78.0 million in FY2022;
- (b) a gross profit of approximately RMB3.2 million and a net loss after tax of approximately RMB56.7 million in FY2023;
- (c) a gross profit of approximately RMB53.1 million and a net loss after tax of approximately RMB0.9 million in FY2024; and
- (d) a gross profit of approximately RMB51.0 million and a net profit after tax of approximately RMB23.4 million in 3M2025.

With respect to the net loss after tax in FY2022, FY2023, and FY2024, they were primarily attributable to the impairment losses on CIP (as described in the sub-heading “**Impairment Loss on Construction in Progress**” above) for the Target Group as recorded in the corresponding financial year.

Such significant increase in gross profit in FY2024, amounting to approximately 1,559.38% increase when compared to that recorded in FY2023, was mainly derived from the correspondingly significant increase in revenue (as described in the sub-heading “**Revenue**” above), which in turn comprised (i) the gross profit of approximately RMB43.8 million generated by the data centre construction business; and (ii) the gross profit of approximately RMB9.3 million from the AI computing power technical services.

With respect to 3M2025, which achieved (a) gross profit of approximately RMB51.0 million; and (b) a turn from net loss before tax to net profit after tax in the amount of

approximately RMB23.4 million, was mainly attributable to the recognition of AI computing power technical services income of approximately RMB160.0 million in 3M2025, in turn bringing gross profit in the amount of approximately RMB46.2 million.

Liquidity, Financial Resources and Capital Structure

The Target Group's financial resources for maintaining operations primarily includes cash flow generated from business operations, cash from bank loans and other borrowings, and financing leasing. With the surge of revenue and the corresponding increase in gross profit derived from the escalating demand in AI computing power, the Target Group will gradually increase its operations financing from its internal resources.

As at 31 December 2022, 2023 and 2024 and 31 March 2025, the net asset value of the Target Group was approximately RMB51.0 million, RMB47.8 million, RMB63.4 million and RMB178.2 million, respectively.

As at 31 December 2022, 2023 and 2024 and 31 March 2025, the cash and cash equivalents of the Target Group were approximately RMB49.6 million, RMB39.3 million, RMB48.6 million and RMB77.2 million, respectively. The cash and cash equivalents of the Target Group is denominated in RMB.

As at 31 December 2022, 2023 and 2024 and 31 March 2025, the bank borrowings of the Target Group were approximately RMB87.0 million, RMB80.0 million, RMB131.0 million and RMB354.0 million, respectively. All these bank borrowings were secured or guaranteed and denominated in RMB.

As at 31 December 2022, 2023 and 2024 and 31 March 2025, the leased liabilities of the Target Group were approximately RMB221.8 million, RMB215.2 million, RMB607.8 million and RMB933.3 million, respectively. All these leased liabilities were secured or guaranteed and denominated in RMB.

Gearing Ratio

As at 31 December 2022, 2023 and 2024 and 31 March 2025, gearing ratio of the Target Group was 68.6%, 59.8%, 60.0% and 61.5%, respectively. Such gearing ratio is calculated as total interest-bearing liabilities divided by total assets.

Contingent Liabilities

As at 31 December 2022, 2023 and 2024 and 31 March 2025, the Target Group did not have any contingent liabilities.

Account Receivables

As at the Latest Practicable Date, trade and other receivables of RMB279 million of the Target Group remained outstanding and are expected to be settled within 2025 (“**Outstanding Receivables**”). As at the Latest Practicable Date, the Company does not discover any material overdue of the Outstanding Receivables. As such, the Directors considers that the credit risk of the Outstanding Receivables is low.

Currency and Foreign Exchange Exposure

The Target Group is not exposed to foreign exchange risk as all of its current business operations are located in PRC and all of its transactions are denominated in RMB, which is the functional currency of the Target Group.

As at the Latest Practicable Date, the Target Group had no foreign exchange hedging policy. The management of the Target Group shall continue to monitor the foreign currency exchange risks of the Target Group and consider taking prudent measures when necessary.

Significant Investments – Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

Save as disclosed in this circular, during the Reporting Period, the Target Group did not have other significant investments nor had it conducted any material acquisition or disposal of subsidiaries, associates and joint ventures.

Employees and Remuneration Policy

As at 31 December 2022, 2023 and 2024 and 31 March 2025, the Target Group employed a total of 82, 77, 109 and 113 employees, respectively.

The total staff cost of the Target Group for FY2022, FY2023, FY2024 and 3M2025 were approximately RMB16.6 million, RMB15.0 million, RMB13.6 million and RMB5.1 million, respectively. The Target Group has set up remuneration policies in line with market practices, and provides remuneration and benefits to its employees based on its needs and those of the subsidiaries, as well as the responsibilities and performance of the employees.

In accordance with the PRC laws and regulations, the Target Group participates in each employee social security scheme managed by local governments for its employees, including, among others, housing provident fund, pension, medical insurance, maternity insurance, work-related injury insurance and unemployment insurance.

Charge on Assets

For FY2022, FY2023, FY2024 and 3M2025, save from those in respect of the VIE Agreements, the Target Group had no other charges.

Future Plans and Prospects

As indicated in this circular, the Acquisition is intended to be conducted as proactive steps to diversify its business operations in order to maximise Shareholders' returns.

Supported by the backdrop of “AI+” as China’s new development strategy, it can be anticipated that national policies will incline towards the favourable growth of AI and the demand for AI computing power in the AIDC market has surged explosively. The Target Group’ business aligns perfectly with the Chinese government’s strategic emphasis on vigorously supporting the development of the AI industry.

From the above and the outstanding financial performance of the Target Group in terms of operations in recent financial years, it can be reasonably anticipated that the Acquisition allows more resources being integrated into the Group, and accordingly, the Enlarged Group is able to step towards the optimization of its business.

As at the Latest Practicable Date, the Target Group does not plan to make material investments or capital assets.

ADDITIONAL INFORMATION OF THE TARGET GROUP

Summary of Financial Information of the Target Group

	For the year ended 31 December			For the three months ended 30 March
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	50,872	61,633	236,640	174,441
Profit/(loss) before taxation	(78,164)	(57,545)	(1,262)	28,095
Income tax (expense)/credit	138	850	368	(4,734)
Profit/(loss) attributable to:				
Equity shareholders of the Company	(47,019)	(59,675)	10,104	27,383
Non-controlling interests	(31,007)	2,980	(10,998)	(4,022)
Profit/(loss) for the year/period	<u>(78,026)</u>	<u>(56,695)</u>	<u>(894)</u>	<u>23,361</u>
Profit/(loss) per share				
Basic and diluted (<i>RMB cents</i>)	N/A ^(Note)	N/A ^(Note)	N/A ^(Note)	N/A ^(Note)
Comprehensive profit/(loss) attributable to:				
Equity shareholders of the Company	(47,019)	(59,675)	10,104	27,383
Non-controlling interests	(31,007)	2,980	(10,998)	(4,022)
Dividends	20,185	Nil	Nil	Nil
Dividends per share	N/A ^(Note)	N/A ^(Note)	N/A ^(Note)	N/A ^(Note)

Note: Not applicable as the Target Company does not have share capital.

Material Change

The Directors confirm that, save and except for the following information, there had been no material change in the financial or trading position or outlook of the Target Group since 31 March 2025, being the date to which the latest published audited consolidated financial statements of the Target Company were made up, up to and including the Latest Practicable Date.

- (i) As stated in the Letter from the Board, as the Latest Practicable Date, the Target Group has entered into long term AI computing power services contracts and AIDC operation services contracts with certain customers. The Target Group's business requires significant capital expenditures and resource commitments prior to recognising revenue for the services.
- (ii) As stated in the section headed "5.6 Financing Plan" in the Valuation Report, the Target Group planned to raise financing of RMB1,559 million at reasonable interest costs during the forecast period, approximately 75% of which had been obtained by the Target Group as at the date of the Valuation Report with the remainder being actively negotiated with banks.

Indebtedness Statement

As at the close of business on 31 August 2025, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Target Group had the following indebtedness:

- (i) secured and guaranteed bank loans and other borrowings of approximately RMB1,073.0 million; and
- (ii) secured and guaranteed leased liabilities of approximately RMB2,675.0 million.

Save and except for the above and apart from intra-group liabilities and normal trade payables in the ordinary course of business, at the close of business as at 31 August 2025, the Target Group did not have any debt securities issued and outstanding, or otherwise created but unissued, or loan capital, or other borrowings or term loans or similar indebtedness including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, or hire purchase commitments, or mortgages and charges, or contingent liabilities, and there were no other material guarantees.

Litigation

As at the Latest Practicable Date, no member of the Target Group was engaged in any litigation or arbitration of material importance and there was no litigation or claims of material importance known to the Directors to be pending or threatened by or against any member of the Target Group.

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

The following is an illustrative unaudited pro forma financial information of Guangdong – Hong Kong Greater Bay Area Holdings Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) and Wisdom Knight Holdings Limited and its subsidiaries (together, the “**Target Group**”, the Group and the Target Group hereinafter collectively referred to as the “**Enlarged Group**”) (the “**Unaudited Pro Forma Financial Information**”), including the unaudited pro forma consolidated statement of financial position as at 31 March 2025 of the Enlarged Group, for the purpose of illustrating the effect of the proposed acquisition of the Target Group (the “**Proposed Acquisition**”), as if the Proposed Acquisition had been completed on 31 March 2025 for the unaudited pro forma consolidated statement of financial position.

The Unaudited Pro Forma Financial Information has been prepared by the directors of the Company (the “**Directors**”) based on the consolidated statement of financial position of the Group as at 31 December 2024, as set out in the published annual report of the Group for the year ended 31 December 2024, the historical financial information of the Target Group as at 31 March 2025 which has been extracted from the Accountants’ Report as set out in Appendix II of this circular, and the pro forma adjustments prepared to reflect the effects of the Proposed Acquisition as described in the accompanying notes. These pro forma adjustments are (i) directly attributable to the Proposed Acquisition and not relating to other future events or decisions and (ii) factually supportable.

The Unaudited Pro Forma Financial Information has been prepared by the Directors in accordance with paragraph 4.29 of the Listing Rules for illustrative purpose only and is based on certain assumptions, estimates, uncertainties and other currently available information. Because of its hypothetical nature, the Unaudited Pro Forma Financial Information may not give a true picture of the financial position of the Enlarged Group had the Proposed Acquisition been completed as at 31 March 2025, where applicable, or at any future dates.

The Unaudited Pro Forma Financial Information of the Enlarged Group should be read in conjunction with other financial information included elsewhere in this circular.

APPENDIX IV**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE ENLARGED GROUP****Unaudited Pro Forma Consolidated Statement of Financial Position***(Expressed in RMB)*

	The Group as at 31 December 2024 RMB'000 (Note 1)	Target Group as at 31 March 2025 RMB'000 (Note 2)	Pro forma adjustments		Enlarged Group RMB'000
			RMB'000 (Note 3)	RMB'000 (Note 4)	
NON-CURRENT ASSETS					
Property, plant and equipment	2,267	1,364,057	–	–	1,366,324
Investment properties	1,307,232	–	–	–	1,307,232
Intangible assets	6,506	934	763,044	–	770,484
Interests in an associate	4,702	–	–	–	4,702
Goodwill	–	–	76,510	–	76,510
Deferred tax assets	315,375	2,180	–	–	317,555
TOTAL NON-CURRENT ASSETS	1,636,082	1,367,171	839,554	–	3,842,807
CURRENT ASSETS					
Inventories and other contract costs	8,146,891	34,283	–	–	8,181,174
Other investment	146,721	–	–	–	146,721
Trade and other receivables	2,028,481	615,002	–	–	2,643,483
Prepaid tax	336,732	–	–	–	336,732
Pledged and restricted cash	193,548	–	–	–	193,548
Cash and bank equivalents	13,057	77,213	–	–	90,270
Assets of disposal group classified as held for sale	156,356	–	–	–	156,356
TOTAL CURRENT ASSETS	11,021,786	726,498	–	–	11,748,284

APPENDIX IV
**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE ENLARGED GROUP**

	The Group as at 31 December 2024 RMB'000 (Note 1)	Target Group as at 31 March 2025 RMB'000 (Note 2)	Pro forma adjustments		Enlarged Group RMB'000
			RMB'000 (Note 3)	RMB'000 (Note 4)	
CURRENT LIABILITIES					
Trade and other payables	2,928,501	431,966	–	2,100	3,362,567
Contract liabilities	3,042,758	100,403	–	–	3,143,161
Bank loans and other borrowings	890,076	176,800	–	–	1,066,876
Senior notes	113,584	–	–	–	113,584
Lease liabilities	477	165,033	–	–	165,510
Current tax liabilities	431,064	128	–	–	431,192
Deferred income	175,113	–	–	–	175,113
Financial guarantee contract	4,020	–	–	–	4,020
	<u>217,582</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>217,582</u>
Liabilities of disposal group classified as held for sale					
	<u>217,582</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>217,582</u>
TOTAL CURRENT LIABILITIES	<u>7,803,175</u>	<u>874,330</u>	<u>–</u>	<u>2,100</u>	<u>8,679,605</u>
NET CURRENT ASSETS	<u>3,218,611</u>	<u>(147,832)</u>	<u>–</u>	<u>(2,100)</u>	<u>3,068,679</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>4,854,693</u>	<u>1,219,339</u>	<u>839,554</u>	<u>(2,100)</u>	<u>6,911,486</u>

APPENDIX IV
**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE ENLARGED GROUP**

	The Group as at 31 December 2024 RMB'000 (Note 1)	Target Group as at 31 March 2025 RMB'000 (Note 2)	Pro forma adjustments RMB'000 (Note 3) (Note 4)		Enlarged Group RMB'000
NON-CURRENT LIABILITIES					
Bank loans and other borrowings	1,470,508	177,200	–	–	1,647,708
Senior notes	3,253,866	–	–	–	3,253,866
Lease liabilities	–	768,313	–	–	768,313
Deferred tax liabilities	30,112	3,223	114,457	–	147,792
Long term payables	–	92,453	–	–	92,453
TOTAL NON-CURRENT LIABILITIES	4,754,486	1,041,189	114,457	–	5,910,132
NET ASSETS	100,207	178,150	725,097	(2,100)	1,001,354
Capital and reserves					
Share capital	69,581	–	28,608	–	98,189
Reserves	319,545	176,046	696,489	(2,100)	1,189,980
Total equity attributable to equity shareholders of the Company	389,126	176,046	725,097	(2,100)	1,288,169
Non-controlling interests	(288,919)	2,104	–	–	(286,815)
TOTAL EQUITY	100,207	178,150	725,097	(2,100)	1,001,354

NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The exchange rate set out below have been used in the preparation of the adjustment unless specified in the notes.

HK\$1 = RMB0.92283

1. The amounts are extracted from the audited consolidated financial statements of the Group as set out in the published annual report of the Group for the year ended 31 December 2024.
2. The amounts are extracted from the accountants' report of the Target Group as set out in Appendix II to this circular.
3. Pursuant to the Sale & Purchase Agreement, the total consideration of HK\$976,500,000 (approximately RMB901,143,000) will be satisfied by the allotment and issuance of the Consideration Shares at the Issue Price (i.e. issue 310,000,000 shares, HK\$3.15 per share) under the Specific Mandate to be sought by the Company at the Extraordinary General Meeting.

Upon the completion of the Proposed Acquisition, the Target Group will become a directly held wholly-owned subsidiaries of the Group. The identifiable assets and liabilities of the Target Group will be accounted for by the Group at their fair values in accordance with Hong Kong Financial Reporting Standard 3 (Revised) "Business Combination".

For the purpose of the Unaudited Pro Forma Financial Information, the Directors have estimated the fair values of assets including intangible assets owned by the Target Group with reference to the valuation report dated 13 July 2025 prepared by Moore Transaction Services Limited, an independent valuer. The fair value change on the assets apportion to the Target Group acquired through the Proposed Acquisition was approximately RMB763,044,000. The excess of fair value allocated to assets upon consolidation is then amortized over the remaining useful life of the assets.

As a result, the identifiable assets and liabilities of the Target Group will be consolidated into the consolidated statement of financial position of the Enlarged Group. Goodwill arising on the date of the Proposed Acquisition is calculated as follows:

	31 March 2025
	<i>RMB'000</i>
Consideration:	
Share capital	28,608
Share premium	872,535
Total Consideration	901,143
Less:	
Net assets of the Target Group as at 31 March 2025	176,046
Fair value adjustment on intangible assets of the Target Group acquired through the Proposed Acquisition	763,044
Deferred tax liabilities at 15% relating to the fair value adjustment	(114,457)
	824,633
Goodwill arising on the date of the Proposed Acquisition	76,510

The amounts of goodwill and fair values of the identifiable assets and liabilities of the Target Group are subject to change upon the completion of the valuation of the fair values of the identifiable assets and liabilities of the Target Group on the date of completion of the Proposed Acquisition. Consequently, the resulting goodwill, the actual allocation of the purchase price at the date of completion will likely result in different amounts than those stated in the Unaudited Pro Forma Financial Information.

In the preparation of this Unaudited Pro Forma Financial Information of the Enlarged Group, the Directors had performed an impairment assessment of the goodwill and intangible assets in accordance with Hong Kong Accounting Standard 36 “Impairment of Assets”. Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss will be recognised. An impairment loss recognised for goodwill will not be reversed in a subsequent period.

Based on the latest information available to us when preparing the Unaudited Pro Forma Financial Information, no impairment of goodwill has been recognised by the Group. This impairment was determined based on the recoverable amount of the Target Group, determined based on the value in use of the Target Group. The Group adopts the same accounting policy for the impairment of goodwill for the goodwill arising from the Proposed Acquisition.

4. It represents the estimated legal and professional fees and other direct expenses in relation to the Proposed Acquisition of approximately RMB2,100,000.
5. Other than the above adjustments, no other adjustment had been made to the Unaudited Pro Forma Financial Information to reflect any trading results or other transactions that the Enlarged Group and the Target Group entered subsequent to 31 March 2025. The above adjustments are not expected to have a continuing effect on the unaudited pro forma financial information of the Enlarged Group.

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****To the directors of Guangdong – Hong Kong Greater Bay Area Holdings Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Guangdong - Hong Kong Greater Bay Area Holdings Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 31 March 2025 and related notes as set out on pages IV-1 to IV-6 of the circular in connection with the proposed acquisition of the entire equity interest in Wisdom Knight Holdings Limited (the “**Proposed Acquisition**”) issued by the Company dated 30 September 2025 (the “**Circular**”). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on page IV-1 of Appendix IV the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the Proposed Acquisition on the Group’s financial position as at 31 March 2025 as if the Proposed Acquisition had taken place at 31 March 2025. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s consolidated financial statements for the year ended 31 December 2024, on which an audit report has been published.

Directors’ Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (“**HKSQM**”) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on the unadjusted financial information of the Group as if the event or transaction had occurred at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 March 2025 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and

- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Prism Hong Kong Limited
Certified Public Accountants

Lee Kwok Lun
Practising Certificate Number: P06294

Hong Kong
30 September 2025

The following is the text of a report prepared for the purpose of incorporation in this circular received from Moore Transaction Services Limited, an independent valuer, in connection with its valuation as at 31 March 2025 of the market value of the 100% equity interest in Wisdom Knight Holdings Limited (BVI). In compliance with the requirement under Rule 11.4 of the Takeovers Code, Moore Transaction Services Limited has made the statement that there is no material difference in the Valuation between the Valuation Reference Date and the Latest Practicable Date.

**Moore Transaction Services Limited**

1013, North Tower, World Finance Centre
Harbour City, 19 Canton Road
Tsim Sha Tsui, Kowloon, Hong Kong

30 September 2025

The Directors

Guangdong – Hong Kong Greater Bay Area Holdings Limited

Unit 916, 9/F, China Merchants Tower
Shun Tak Centre, 168–200 Connaught Road Central
Hong Kong

Dear Sirs,

Re: Valuation of the Market Value of 100% Equity Interest in Wisdom Knight Holdings Limited (BVI)

1. EXECUTIVE SUMMARY**1.1. Introduction**

We have been engaged by Management to provide our opinion on the market value of the 100% equity interest in Wisdom Knight Holdings Limited (BVI) as at 31 March 2025 for the Company's acquisition and public disclosure purposes.

In compliance with the requirement under Rule 11.4 of the Takeovers Code, we confirmed that there is no material difference in the Valuation between the Valuation Reference Date and the date of this report.

1.2. Scope of Valuation

Our scope of services covers the Valuation of the market value of the 100% equity interest in the Target Company as at the Valuation Date.

Our scope of services covers the Valuation and our valuation work was high-level and desktop-based and primarily based on the information provided by Management and/or Target Management which is assumed to be true, faithful and complete.

1.3. Purpose of Valuation

The purpose of our Valuation is for your acquisition and public disclosure purpose only. The Valuation and this report are not prepared for the use of any other purposes such as but not limited to accounting reference purpose.

The intended use of the Valuation is to serve a part of the information the Company considered in assessing its own decision regarding the transaction and the corresponding transaction price as the basis for compliance of the Listing Rules. The ultimate transaction, if it happens, and the corresponding acquisition prices would be the result of negotiations between the transacting parties. The responsibility for determining the transaction price of the equity interest of the Target Company rests solely with the Company. The results of our analysis should not be construed to be a fairness opinion, a solvency opinion, or an investment recommendation. Third parties should conduct their own investigation and independent assessment of the financial projections and underlying assumptions.

1.4. Date of Valuation

The Valuation Date is 31 March 2025.

1.5. Scope of Work

As part of our tasks of completing the Valuation, we have carried out the followings:

- Perform physical inspections to the business locations of the Target Group and/or any other related entities, if any;
- Discussion with Management and/or Target Management in relation to the historical, current and future development, operations and other relevant information of the Target Group;
- Review of relevant information and other relevant data concerning the Target Group provided to us by Management and/or Target Management;
- Performing market research and relevant statistical figures from public sources in relation to the valuation of the Target Company; and
- Preparation of a valuation model to derive the market value of the entire issued share capital of the Target Company and this Valuation Report.

On the other hand, our scope of work does not cover the followings:

- Performance of any structural survey or provision of any opinions concerning any structural defects of any of the properties of the Target Group;
- Comment on the definition, including the scope of the assets and liabilities, of the Target Group which are defined by the Target Company and its accountant. The accounting treatments and relevant accounting policies have been reviewed by qualified audit expert;
- Comment on the accounting treatment of any assets/liabilities being valued/reviewed, wherever and whenever relevant. The accounting treatments and relevant accounting policies have been reviewed by qualified audit expert;
- Valuation of any specific intangible assets such as agreements, licenses, know-how, distribution channel, customer relationship, contracts, patents, etc.;
- Assessments of and comment on the operational, legal, regulatory, country and other risks that are associated with the existing and future operations of the Target Group;
- Performance of any identifications or valuations on any off-balance sheets assets/liabilities of the Target Group nor factor them in the Valuation. The accounting treatments and relevant accounting policies have been reviewed by qualified audit expert;
- Performance of any legal, commercial, financial/audit, tax, operational due diligence work or other types of due diligence work which should be carried out by the relevant experts to be appointed by the Company, if necessary;
- Provision or review of, without limitation, professional advices other than valuation advices, such as advices on legal, regulatory, accounting or taxation matters;
- Valuation of any specific assets/liabilities or classes of assets/liabilities of the Target Group, including but not limited to properties, plant & equipment, receivables & account payables, intangible assets such as contracts or patents, etc.

2. BACKGROUND

2.1. Background of the Company

The Company was incorporated in the Cayman Islands as an exempted company with limited liability. The Company is listing on the Main Board of the Hong Kong Stock Exchange (stock code: 1396) since 31 October 2013.

The Company is principally engaged in the development of urban renewal projects in the Greater Bay Area in the PRC.

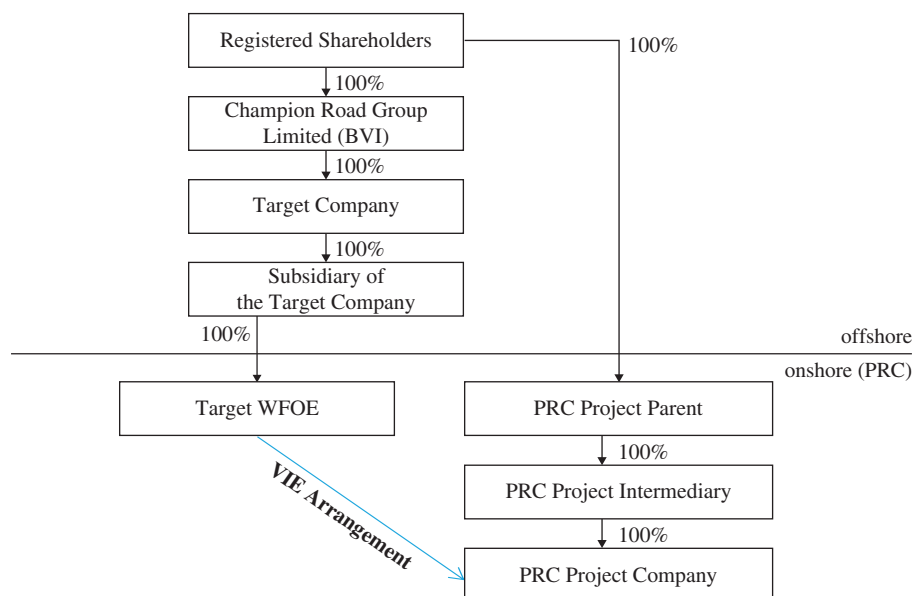
2.2. Background of the Target Group

The Target Company is an investment holding company incorporated under the laws of British Virgin Islands on 8 August 2024 with limited liability. The Target Company directly and wholly-owns an investment holding company established under the laws of Hong Kong with limited liability as subsidiary which in turn it holds the Target WFOE.

The operating entities in the PRC Project Group become controlled entities of the Target WFOE through arrangement of the VIE Agreements. The Registered Shareholders (i.e. the ultimate beneficial owners of the Target Group) together hold the entire equity interests in the PRC Project Parent, and through the PRC Project Intermediary, it holds the PRC Project Company, which in turn holds the operating subsidiaries in the PRC Project Group.

The Target Group is principally engaged in AI Businesses, comprising (i) the provision of AI computing power technical services and the relevant operation and maintenance services; (ii) the construction and development of AIDC; (iii) the operation of AIDC; (iv) research and development of AI technology and the provision of comprehensive AI computing power scheduling platform; and (v) the provision of comprehensive and one-stop integrated AI solutions for its customers. Per Management, it is confirmed that all necessary permits, business certificates, licenses and legal approvals have been obtained.

The organization structure of the Target Group as of the Valuation Date is presented as below:



Source: Target Management

2.3. Historical Financial Review

The Target Group's consolidated historical key income statement and balance sheet items as of the Valuation Date are shown in the following table:

Financials (RMB'000)	FY22A	FY23A	FY24A	1Q24U	1Q25A
Revenue	50,872	61,633	236,640	6,355	174,441
Gross Profit/(Loss)	6,789	3,150	53,081	(254)	50,973
Net Profit/(Loss)	(78,026)	(56,695)	(894)	(8,713)	23,361
Total Asset	450,086	493,823	1,231,343	480,202	2,093,669
Equity	50,957	47,813	63,439	39,900	178,150

Source: Target Management

The audited financial statements as of 31 March 2025 are the latest available financial information provided to us.

For FY22A, FY23A, FY24A, and 1Q25A, the revenue generated by the Target Group amounted to approximately RMB50.9M, RMB61.6M, RMB236.6M and RMB174.4M, respectively.

The revenue in FY23A increased slightly as compared to that in FY22A. In FY24A, there was a significant increase of approximately RMB175.0M as compared to that in

FY23A (amounting to approximately 284% increase in revenue), which was mainly due to: (i) an increase of approximately RMB73.1M in data centre construction income; (ii) an increase of approximately RMB21.4M in data centre operation income; and (iii) an increase of approximately RMB76.2M in AI computing power technical services income, driven by the surge in AI computing power demand in FY24A.

As for 1Q25A, the revenue recorded has already achieved RMB174.4M (which was approximately 73.71% of that of FY2024), and that was attributable to the strong growth in AI computing power technical services income owing to the continuous surge in AI computing power demand. The LTM revenue of the Target Group reached RMB404.7M as of 31 March 2025.

The Target Group successfully turned its after-tax performance from a loss position to a profit-earning status during 1Q25A, indicating that the Target Group's execution of its AIDC business model improved the operational efficiency and profitability.

The total assets of the Target Group increased dramatically from RMB493.8M as of 31 December 2023 to RMB1,231.3M as of 31 December 2024, and further to RMB2,093.7M as of 31 March 2025. The equity of the Target Group also increased accordingly. This significant increase was due to the AIDC business was highly demand for fixed assets such as servers and equipment, which drove substantial investment in infrastructure. According to the latest financial statement, the largest portion of the total asset was the property, plant and equipment, amounted to 65% of the total asset.

2.4. Major Risk Factors

As discussed with the Management, the Target Group faces several risk factors, which include but not limited to the following:

- **Regulatory Risk:** Stringent regulatory requirements or restrictions on data centre development may adversely affect the results of operations. Non-compliance can lead to fines, legal action, and reputational damage;
- **Market Risk:** With the rapid development of the data centre market, more and more companies are entering the field and the market is becoming increasingly competitive. The Target Group may face challenges such as squeezed market share, loss of customers and price wars;
- **Financing Risk:** The data centre business requires significant capital expenditures and resource commitments prior to recognizing revenue for the services. Thus, the business of the Target Group is capital-intensive, and it may expect good capacity to generate capital in a short term to meet the anticipated capital requirements.

- Operation Risk: The Target Group faces operational risks such as employee fraud, data breaches, increasing power costs, limited availability of power resources and natural disasters; and
- Network Security Risk: The Target Group's business involves storing and processing large amounts of sensitive data, making it an easy target for cyber-attacks. Once hacked, it may lead to data leakage, service disruption and even legal proceedings.

According to Management, they are aware of the risk factors abovementioned and will take appropriate actions such as regularly conducting market analysis to keep abreast of market trends and technological development; conducting competitive analysis and carrying out effective and consistent compliance management, and closely monitoring the macroeconomic environment to attempt to mitigate these and other possible risks.

These risk factors have been taken into account in estimating the company-specific risk premium as set out in section 4.5.6. "Parameters of Discount Rate".

3. INDUSTRY OVERVIEW

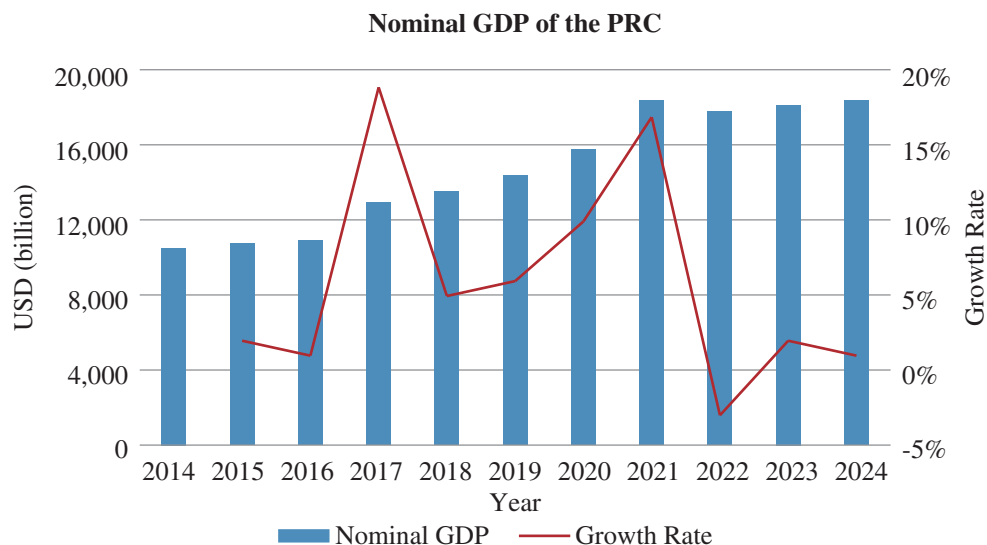
3.1. PRC Economy

Since the economic reform of incorporating capitalism within a command economy in the late 20th century, PRC experienced rapid economic growth and is currently the world's second-largest economy.

According to publicly available data, PRC's Nominal GDP increased from USD10,574B in 2014 to USD18,483B in 2024, representing a CAGR of approximately 5.7% in the last decade. Meanwhile, PRC's Nominal GDP per capita also grew steadily from USD7,682 in 2014 to USD13,124 in 2024, representing a CAGR of approximately 5.5%.

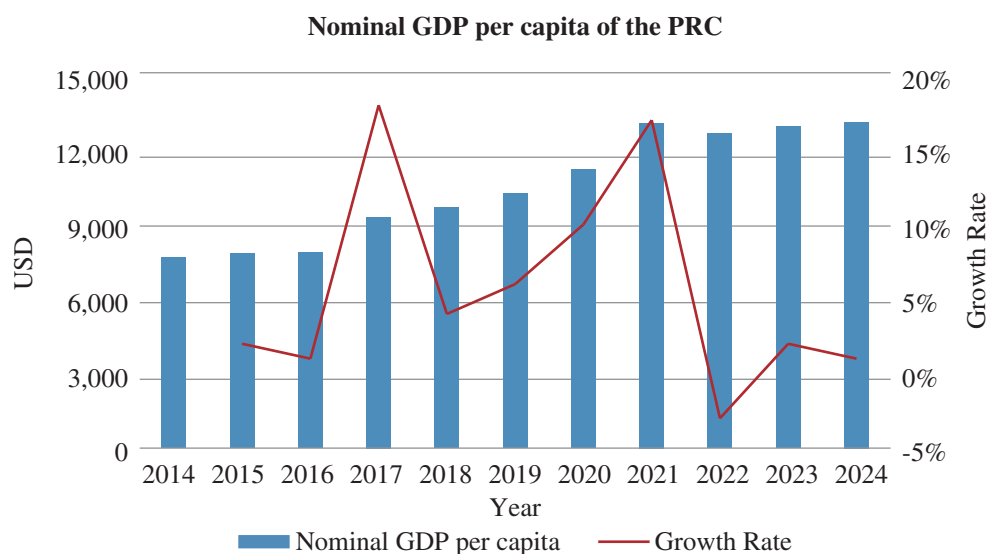
The historical trends of the Nominal GDP and Nominal GDP per capita are shown below:

Chart 3.1.a: Nominal GDP of the PRC



Source: S&P Capital IQ, Moore's analysis

Chart 3.1.b: Nominal GDP per capita of PRC



Source: S&P Capital IQ, Moore's analysis

PRC economy faced continued challenges in 2024 amid persistent structural adjustments and external uncertainties. Escalating geopolitical tensions with the U.S. and slower-than-expected global demand further strained trade-dependent sectors, while domestic deflationary pressures and a prolonged property market downturn weighed on

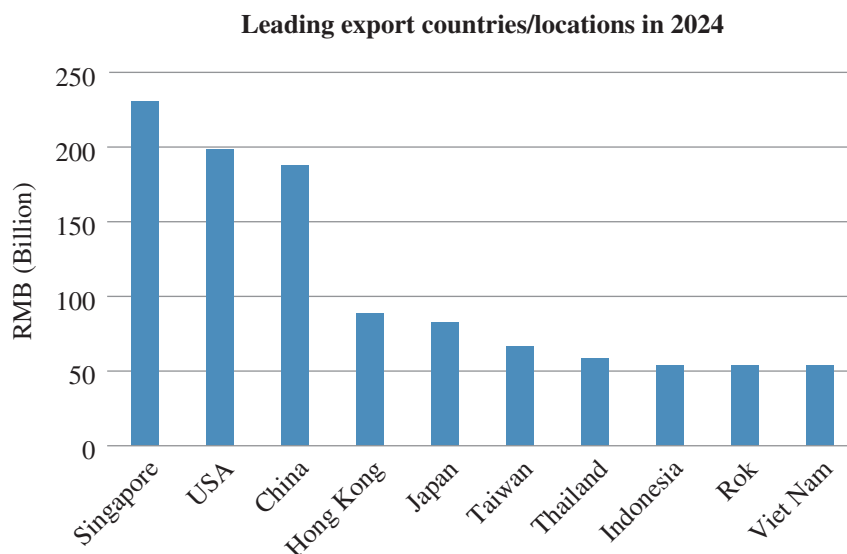
domestic consumption. Nevertheless, the economy stabilized modestly through targeted fiscal stimulus and accelerated industrial upgrading in high-tech manufacturing and green energy sectors.

Economic growth in 2024 is projected at 4.6%, supported by state-led investments in advanced technologies, renewable energy infrastructure, and strategic stockpiling of critical resources. Consumer activity remained cautious, however, with retail sales growth hovering near 3.5%, reflecting lingering confidence gaps and youth unemployment concerns. Despite incremental recovery, vulnerabilities such as debt-laden local governments, export dependency on volatile markets, and an aging demographic profile continued to cloud medium-term prospects.

Ever since the PRC government allowed foreign direct investments within its border, many foreign firms have entered the PRC market. About foreign direct investment (FDI) trends, from 2014 to 2018, annual net FDI inflows averaged approximately USD128B. According to the Peterson Institute, post 2019 U.S. and PRC trade tensions intensified volatility, with net inflows dropping sharply to USD18.1B in 2022 and further to USD15.5B in 2023. Equity investments (e.g., profit reinvestments) surged to USD38.7B in 2023, reflecting long-term foreign investor commitment. Geopolitical risks in 2024 continue to cloud FDI recovery prospects.

In recent years, the impact of the demographic shift of the PRC is becoming more and more evident. The labor force in PRC indicated a general decreasing trend in recent years. As National Bureau of Statistics, working-age population peaked at 988M in 2015 but declined by 0.3% annually due to aging. From 2020 to 2023, pandemic disruptions accelerated labor force contraction, reducing it by 21.21M over three years. Mentioned by Statista, by 2024, the workforce is to fall to 966M, this decline has lowered potential GDP growth to 4%–5%, forcing industries to automate and transition to service sectors.

In terms of international trade and tariff impacts, according to Statista, the PRC remained the world's largest goods exporter from 2014 to 2024, with 2024 exports reaching USD3.58T and imports USD2.59T. Despite U.S. tariffs imposed in 2018, China's exports to the U.S. still accounted for 10.7% of total exports in 2024. In 2024, “decoupling” risks persist, but trade with Belt and Road Initiative partners and ASEAN nations rose to 37%, partially offsetting reliance on Western markets.

Chart 3.1.c: Leading export countries/locations in 2024

Source: Statista

On the other hand, as Ministry of Finance of the PRC, to counter slowdowns, annual infrastructure investment averaged over RMB1.2T in 2024. Post 2020, focus shifted to “new infrastructure” (e.g., 5G, new energy), with transportation spending hitting RMB3.9T in 2024, up 7.2% year-on-year. The 2024 fiscal deficit target is set at 3.0%, prioritizing tech innovation and green transition. Going forward, the PRC government remains confident that the local economy is resilient and will recover steadily.

3.2. Internet Data Centre Industry of the PRC

Compute centres are mainly composed of heating, cooling, water, and electricity infrastructure and IT software and hardware equipment and possess compute, carrying capacity, and storage capacity. According to the “Action Plan for the High-Quality Development of Computing Power Infrastructure” (算力基礎設施高質量發展行動計劃) published by Chinese Ministry of Industry and Information Technology (MIIT) and five other departments on the website of the Central People’s Government of the PRC in October 2023, compute centre types include general purpose data centres, intelligent computing centres (also refers to the AIDC), and supercomputing centres.

Compute is the ability of a data centre server to process data and output the result. It is a comprehensive indicator to measure the computing capabilities of a data centre, including general purpose computing power, intelligent computing power and supercomputing power. Its common unit of measurement is the number of floating-point operations performed per second (FLOPS; 1 EFLOPS = 10^{18} FLOPS; 1 ZFLOPS = 10^{21} FLOPS). The larger the value, the greater the comprehensive compute provided.

In the past, outsourced data centre facilities were primarily used by enterprises as an alternative to on-premises capacity or for IT system redundancy. In the booming digital economy, computing power, as the core productive force, is playing an increasingly crucial role.

Computing power refers to data processing capability, the core of which relies on various types of chips such as central processing units (CPUs), graphics processing units (GPUs), and specialised integrated circuits (ASICs). Chips are carried in all kinds of computers, servers, high-performance computing clusters, and all kinds of smart terminals, and process and handle massive digital applications and data through cloud computing and edge computing technologies.

Internet data centre offers several advantages, include but not limit to the following:

- **Cost Savings:** Internet data centre helps companies to reduce capital expenditures on infrastructure and focus on core business activities, benefiting from economies of scale.
- **Scalability and Flexibility:** Internet data centre providers can expand capacity as needed, catering to a variety of customer requirements for space, power, networking, and cloud configurations.
- **Reliability and Efficiency:** Equipped with high-density and advanced power management, internet data centre ensures high availability and operational efficiency, reducing carbon emissions.

Major clients of internet data centre industry typically fall into categories such as cloud service providers, internet companies, financial institutions, and other large enterprises and public services. The primary selling points to these customers are availability, reliability, and efficiency.

To cater to diverse customer segments, data centre service providers often utilize two distinct business models: wholesale and retail. Generally, cloud service providers and large internet companies need extensive space per facility and a degree of customization to accommodate their proprietary server and rack designs. In the wholesale model, providers commit a substantial part or the whole of a data centre to these customers, often securing these agreements while the centres are still being built. These contracts can extend for five to ten years with a low turnover rate.

Conversely, financial institutions, large enterprises, and public service clients, who usually require fewer cabinets and no customization, can be served under the retail model. This model involves multiple customers sharing the same facility. Retail contracts are generally shorter in duration but come with higher pricing per cabinet.

The entry barriers of internet data centre industry are high. These barriers include:

- **Limited Suitable Locations:** The scarcity of appropriate sites for building data centres due to land acquisition, power supply, and regulatory challenges.
- **Network Effect Platform:** The advantage that leading players have by offering interconnected data centres that provide various benefits and create a network effect.
- **Development and Operational Expertise:** The specialized knowledge required to develop and operate data centres, including land sourcing, regulatory compliance, and technical infrastructure setup.
- **Operating Track Record:** The importance of a proven history of reliable operations and security for data centre providers.
- **Customer Relationships:** The sticky nature of customer relationships due to the high cost of relocation and the preference for staying with the same provider.
- **Financial Strength:** The significant capital investment needed to develop and maintain high-performance data centres.

These factors make it difficult for new competitors to enter the market, thus defining the competitive landscape of the data centre industry.

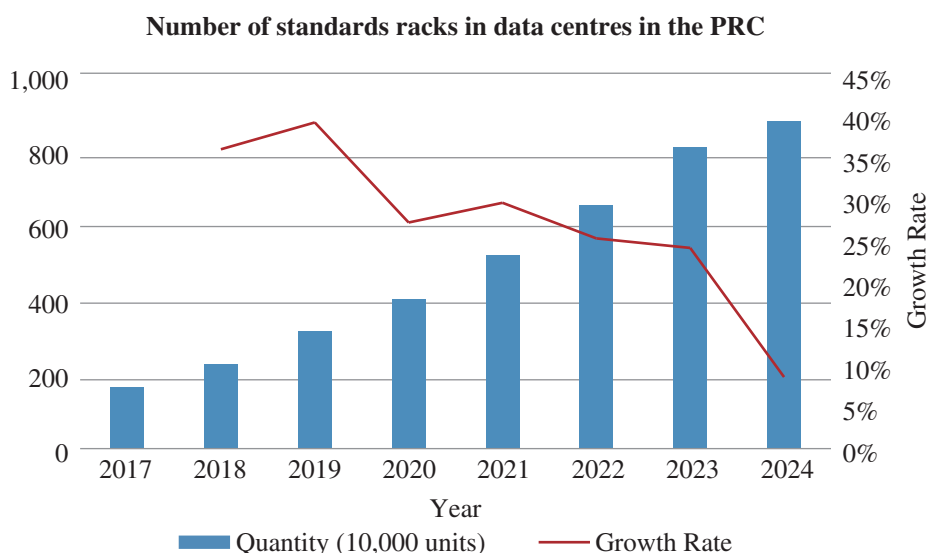
According to iResearch, the primary PRC data centre markets are located in key economic centres, including areas around Shanghai, Beijing, Shenzhen, Guangzhou, Hong Kong, etc., which are referred to as tier 1 markets. Due to limited land availability and restrictions on power supply permissions in tier 1 markets, data centre operators have been developing facilities on the outer edge of these areas to fulfil customer requirements for larger-scale IT deployments and allow for future expansion while maintaining acceptable network latency levels. According to Insight and Info, an independent market research provider, in 2022, the proportion of data centres in the eastern developed provinces, i.e. the tier 1 market, was 68%, while the proportions in the central, western, and north-eastern regions were 15%, 12%, and 6%, respectively. From 2020 to 2023, the newly added racks were also mainly concentrated in the areas surrounding tier 1 cities. The proportion of newly added cabinets in the regions surrounding Beijing, Shanghai, and Guangzhou accounted for as high as 68%.

Beyond tier 1 markets, data centre providers are expanding into other regions using different models, such as build-to-suit, to cater to customers' needs for storing less critical data and applications in larger volumes and at lower costs.

According to the Ministry of Industry and Information Technology, in 2024, the number of standard racks in the PRC exceeded 8.8M, representing a 16.5% increase from 2023, effectively supporting computing power resource allocation and data circulation with a total computing power of 280 EFLOPS. By March 2025, the number of standard rack surpassed 9M. Amid the booming demand for artificial intelligence, general purpose

computing centres are trending towards being upgraded to intelligent computing centres. Below chart shows the historical number of standard racks in data centres in the PRC.

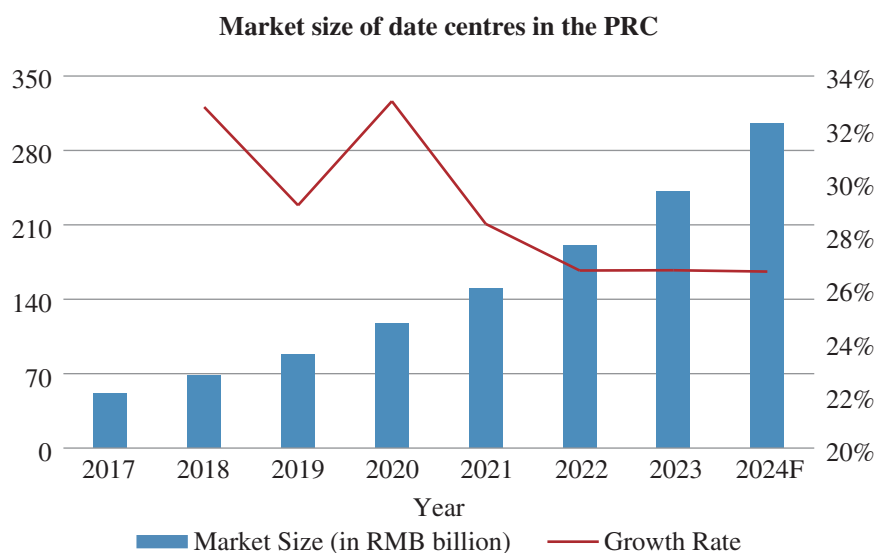
Chart 3.2.a: Number of standard racks in data centres in the PRC



Source: China Academy of Information and Communications Technology (CAICT, a scientific research Institute directly under the Ministry of Industry and Information Technology of the PRC)

Since 2017, the market size of the data centre industry in the PRC has achieved double-digit growth. In 2023, the market size reached approximately RMB240.7B, with a year-on-year growth of 26.68%. It is projected to reach RMB304.8B in 2024. Below chart exhibits the market size of data centres in the PRC.

Chart 3.2.b: Market size of data centres in the PRC



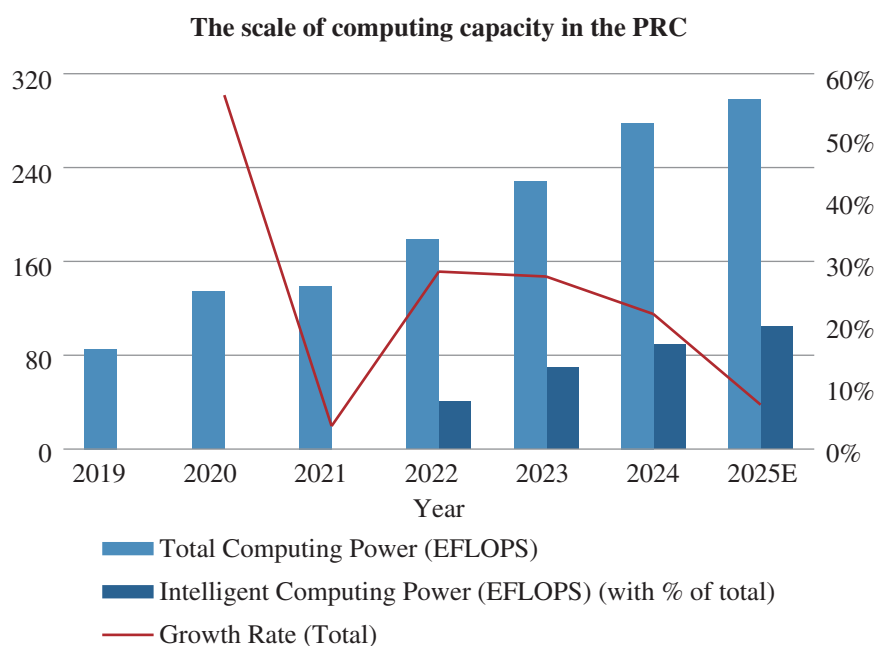
Source: CAICT

The growth is driven by factors: such as strong policy support from the national “New Infrastructure” strategy and the “Digital China” initiative has provided a powerful impetus for the industry; increasing demand for digital transformation across regions and industries has continuously driven up the market demand for data centres; technological advancements have led to the development of high-density and high-power data centres.

AIDC, as the “super engine” of the computing power era, has become a key driving force for the development of artificial intelligence and the digital transformation of various industries. With the further development of AI-related technologies, the investment and construction of intelligent computing industries in various regions of the PRC, and the release of computing power of large models on end sides, it is expected that by 2028, the market size of intelligent computing power in the PRC will approach RMB2,500B.

According to the “Action Plan for the High-Quality Development of Computing Power Infrastructure”, the target total computing scale from 2023 to 2025 were set to 220, 260 and 300 EFLOPS each year, with intelligent compute proportion of 25%, 30% and 35%, respectively. Below table shows the actual and forecast scale of computing power in the PRC. It shows that the actual total computing power scale and the actual intelligent computing power proportion both surpassed the target set by MIIT. The action plan also proposed quantitative targets such as the establishment of 50 individual intelligent computing centres by 2025.

Chart 3.2.c: The scale of computing power in the PRC



Source: Qianzhan Industrial Research Institute

Traditional data centres rely on manual management, while AIDCs use AI for intelligent resource scheduling, fault prediction, and energy optimization. This boosts data centre efficiency and cuts operational costs. AIDCs also offer flexibility in scaling computing resources to meet business demands, providing elastic computing services.

While artificial intelligence generated content (AIGC) has been dominating media and market attention, the “next big thing” has been developing rapidly in the background in the PRC, in the form of super-scale AI infrastructure. It involves, among other things, a national computing power network; data centre clusters from Guangdong to Inner Mongolia and from Gansu in the West to Anhui in the East; centres for the development/training of large language models; and abundant green energy integrated with massive energy storage facilities. What is rapidly emerging is a gigantic national network connecting smart grids, intelligent network routing and energy storage.

Computing power centre industry in the PRC is in a comprehensive construction phase, but faces challenges like uneven design and construction quality, low energy efficiency, and insufficient security. A multi-dimensional evaluation standard system is needed. From the eight major computing power hubs of the “East Data West Computation” project to the ten national data centre clusters and various computing centres nationwide, China is building an efficient, green, and collaborative computing power network. These centres meet domestic data processing demands and support AI, scientific research, and industrial simulation. With technological progress and policy support, computing power centres will play a bigger role in economic and social development in the PRC.

4. BASIS AND METHODOLOGY

4.1. Basis of Valuation

In valuing the Target Company, we have prepared our Valuation on the basis of “market value” as defined in International Valuation Standards 2025, i.e. *“the estimated amount for which an asset should exchange on the date of valuation 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”*.

4.2. Valuation Standards

Our Valuation has been prepared in accordance with the International Valuation Standards issued by the International Valuation Standards Council.

4.3. Sources of Information

The primary sources of information that we have relied on in the preparation of this report, include:

- Consolidated audited financial statements for FY22A – FY24A of the Target Group;
- Audited financial statements of 1Q25A of the Target Group;
- Financial projections from April 2025 – FY31P (i.e. the Forecast Period) of the Target Group as prepared by the Target Management;
- Discussions with Management and the Target Management regarding the background and other relevant information of the Target Group; and
- S&P Capital IQ and other public available sources of market data.

We have not attempted to verify any of the information provided to us or contained in this report. We also have no reasons to believe that any material fact has been withheld from us. Moreover, we do not warrant our investigations have revealed all of the matters which an audit or more extensive examination might disclose.

We hereby reserve our rights to revise this Valuation Report, if required and appropriate, should there be any updated information or otherwise made available to us that we consider to be relevant to the Valuation.

4.4. Limiting Conditions and Assumptions

Our Valuation has been primarily based on the financial information of the Target Group and other information provided by Management and a number of limiting conditions and assumptions, as set out in section 8.1. Limiting Conditions and 8.2. Assumptions. In the event any of the information, figures or accounts we have relied upon have been misstated or actual events do not accord with one or more of the assumptions, the resulting valuation of the Target Group may vary substantially from the figures as set out in this report.

You are recommended not to rely on the Valuation unless you have read carefully and fully understood the limiting conditions and assumptions.

4.5. Valuation Approach

4.5.1. Generally Accepted Approaches

We have considered three generally accepted approaches, including the Income Approach, the Market Approach and the Cost Approach in the Valuation:

- **Income Approach:** The Income Approach measures the value of an asset by the present value of its future economic benefits. These benefits can include earnings, cost savings, tax deductions and proceeds from its disposition.
- **Market Approach:** The Market Approach is a valuation technique based on the principle of substitution. For the valuation of a company, public companies in the same general industry as the subject company are selected to provide valuation guidelines, i.e. valuation multiples for such guideline companies then are determined and analysed. On the other hand, valuation multiples implied from merger and acquisition transactions of private companies may also be considered.
- **Cost Approach:** The Cost Approach, also known as the Asset-based Approach, provides an indication of value based on the principle that the assets and liabilities as a whole represent the value of a company. The assumption is that when each of the elements of working capital, tangible and intangible assets, is individually valued, their sum represents the value of a company and equals the value of its invested capital.

Please note that these three valuation approaches are fundamentally different and may generate substantially different valuation results.

4.5.2. Selected Approach

Among the abovementioned valuation approaches, the selection of a valuation approach is based on, among other criteria, the quantity and quality of the information provided, access to available data, supply of relevant market transactions, type and nature of the subject asset, purpose and objective of the valuation and professional judgment and technical expertise.

The Cost Approach was not adopted in valuing the Target Company as it does not consider the future economic benefits generated from the operation of the Target Group's business. The Cost Approach is inadequate in reflecting the value of its equity interests deriving from its ongoing business and any potential growing prospect.

The Market Approach was not adopted as it may not adequately capture the specific characteristics and value drivers of the Target Group's business. Different companies have different stages of development and strategic planning in terms of

technological innovation, market expansion and customer resources, resulting in significant differences in their future earnings expectations and risk levels. In the course of the Valuation, neither any publicly available transaction of enterprises that were comparable in terms of the uniqueness of the Target Group's business model and its stage of development of AI Businesses observed, nor any closely comparable publicly traded entity with business development and operating characteristics similar to those of the Target Group suitable for the market approach could be identified as at the Valuation Date.

As a result of the above, the Income Approach was adopted in valuing the Target Company based on historical financial and operating data, forecasts of future financial projections with relatively clear cost components and matching relationship with its business revenues. It is agreed that the Target Company's market value can be better estimated based on forecasts of fundamental conditions in the future using the discounted cash flow analysis under the income approach, and the reliance on the discounted cash flow analysis to derive the market value of the Target Company in the Valuation are in the interests of the shareholders and the stakeholders as a whole.

4.5.3. Valuation Methodology

Under the Income Approach, the Discounted Cash Flow ("DCF") method is adopted.

The DCF method begins with an estimation of the annual cash flows, which a market participant would expect the asset to generate over a discrete projection period.

The expected FCFE for each year is determined as follows:

$$FCFE = NI + NCE - NCI - Inv_{FA} - Inv_{NWC} + Net\ Borrowing$$

Where:

FCFE = free cash flow to equity

NI = net income after tax

NCE = non-cash expenses

NCI = non-cash incomes

Inv_{FA} = investment in capital expenditure

Inv_{NWC} = investment in net working capital

The estimated cash flows for each of the years in the discrete projection period are then converted to their present value equivalent using a rate of return appropriate for the risk of achieving the asset's projected cash flows.

The present values of the estimated cash flows are then added to the present value equivalent of the residual value of the asset (if any) at the end of the discrete projection period to arrive at an estimate of the value of the specific asset. The present value of the expected free cash flow is calculated as:

$$PVFCFE = \frac{FCFE}{(1+r)^1} + \frac{FCFE}{(1+r)^2} + \cdots + \frac{FCFE}{(1+r)^n}$$

Where:

PVFCFE = present value of free cash flows to equity

FCFE = free cash flow to equity

r = discount rate

n = number of year of the projection

4.5.4. Guideline Companies

In applying the DCF method, the estimated FCFE for each of the years in the discrete projection period are then converted to their present value equivalent using a rate of return appropriate for the risk of achieving the asset's projected cash flows, or the discount rate.

The appropriate discount rate for the Target Group was determined with reference to the business nature and financial information of publicly listed companies that are considered to be comparable to the Target Group ("Guideline Companies").

In short, we follow the below principles when searching for Guideline Companies of the Target Group:

- The Guideline Companies engage in the computing centre construction and operation per our understanding based on their company descriptions provided by S&P Capital IQ. Such business activities are the principal or one of the principal business activities of these companies;
- The principal business of Guideline Companies is domiciled in the PRC or Hong Kong;

- The Guideline Companies are listed in Shanghai Stock Exchange (SSE), Shenzhen Stock Exchange (SZSE) or Hong Kong Exchanges and Clearing Limited (HKEX); and
- The Guideline Companies' shares were actively traded in the market and have sufficient relevant financial information which are publicly available.

Details of the exhaustive list of Guideline Companies based on the above criteria are summarized in section 8.3. Guideline Companies.

4.5.5. Discount Rate

In order to estimate the market value of the Target Group and perform an overall reasonability assessment, it is required to determine the appropriate discount rate for the Target Group. We have adopted the cost of equity as the discount rate applicable to the FCFE.

The cost of equity was determined using the Capital Asset Pricing Model ("CAPM"). CAPM calculates a required return based on risk measurement. It describes the relationship between the risk of a particular asset, its market price and the expected return to the investor, that investors required additional return to compensate for additional risks associated.

In the valuation, CAPM was modified to reflect the size premium and company-specific risk premium associated with the Target Group. The cost of equity under the modified CAPM was computed using the formula below:

$$R_e = R_f + \beta \times MRP + RP_s + RP_U$$

Where:

R_e = cost of equity

R_f = risk-free rate

β = beta coefficient

MRP = market risk premium

RP_s = size premium

RP_u = company-specific risk premium

The beta coefficient (β) measures the risk of an asset relative to the overall market and reflects the sensitivity of an asset's value to economic variables or risks that affect the values of all risky assets.

In the Valuation, the beta coefficient of the Target Group was determined based on the median of the unlevered adjusted betas of the Guideline Companies, with adjustment for corporate tax rates and leverage compositions.

The adjusted betas of the Guideline Companies were derived from the corresponding raw betas, modified by the assumption that a security's beta moves toward the market average over time with the following generally accepted formula:

$$\text{Adjusted Beta} = \frac{1}{3} + \frac{2}{3} \times \text{Raw Beta}$$

The unlevered beta was calculated to consider the differences in corporate tax rates and leverage compositions of the Target and the Guideline Companies by using the following formula:

$$\text{Unlevered Beta} = \frac{\text{Levered Beta}}{[1 + (1 - T_c)] \times \frac{D}{E}}$$

Where:

E = value of the firm's equity

D = value of the firm's debt

T_c = corporate tax rate

The unlevered betas were calculated according to the share price movement of the Guideline Companies and reflected the average risks associated with the Guideline Companies' business and their risk-free cash. Therefore, the betas of the Guideline Companies' business were calculated based on the unlevered betas with cash adjustments in the formula as below:

$$\text{Business Beta} = \frac{\text{Unlevered Beta}}{(1 - \frac{\text{Cash}}{E + D})}$$

Where:

E = value of the firm's equity

D = value of the firm's debt

Cash = cash and cash equivalents of the firm

4.5.6. Parameters of Discount Rate

The main components adopted in the calculation of cost of equity are elaborated as follows:

Parameters	Figure	Source
Risk-free rate	1.86%	The 10-year PRC Government bond yield as at the Valuation Date extracted from S&P Capital IQ.
Market risk premium (U.S)	6.84%	The expected equity risk premium, 5.0%, of the U.S. in “Kroll Lowers its Recommended U.S. Equity Risk Premium to 5.0%” issued by Kroll in June 2024. It was then adjusted by additional PRC country risk premium of 1.84%, based on average result of Relative Equity Market Approach comparing market returns between the PRC and the U.S., i.e. 2.73% and Country Bond Approach with reference to the research issued in January 2025 by Dr. Aswath Damodaran, a Professor of Finance at Stern School of Business at New York University, i.e. 0.94%.
Weight of debt	18.94%	The median of the weight of debt in the capital structure of the Guideline Companies.
Weight of equity	81.06%	One minus the weight of debt.
Relevered Beta	1.405	Derived by re-levering the median of the 3-year daily unlevered beta of the Guideline Companies after cash adjustment.
Size premium	4.47%	Reference to 2024 CRSP Deciles Size Study issued by Kroll, which reflects the additional required return attributed to the smaller size of the company that is not captured by the CAPM.

Parameters	Figure	Source
Company Specific Risk Premium	2.00%	Based on our judgement on our perceived additional risk associated with the operation of the Target Group, including the limited operation history in AI business which started since the second half of 2024 and the uncertainty of renewal contracts after current contracts expired in 3–5 years.
Cost of Equity (rounded)	18.00%	The cost of equity was calculated based on the CAPM method and parameters discussed above.

Source: Moore's analysis, market data

4.5.7. Terminal Value

Under the DCF method, a 7-year forecast period is adopted. Given that the current sales contracts signed by the Target Group are for durations of 3–5 years, as contract terms over 5 years would be impractical under normal business negotiation, the Target Management expected that it will take additional time to achieve a stable development stage. Consequently, the Cash Flow Projection covers a 7-year financial projection is adopted. For the forecast period over 5 years, as a fact that there is not any signed contract covering, the Cash Flow Projection is provided by the Management after comprehensive analysis and consideration of various factors, including the existing sales contract records, market research on operation parameters such as utilization rate, industry development and the business plan, together of which forming the projection basis.

In the Valuation, we have adopted the Gordon Growth Model approach in determining the terminal value for the expected economic values of the Target Group beyond the Forecast Period with a terminal growth rate of 2%, with reference to the long-term inflation rate of the PRC sourced from IMF.

4.5.8. DL0M

The discount for lack of marketability is a downward adjustment to the value of an investment to reflect its reduced level of marketability. The concept of marketability deals with the liquidity of an ownership interest, that is, how quickly and easily it can be converted into cash if the owner chooses to sell.

DL0M reflects that there is no ready market for shares in a closely held company. Ownership interests in closely held companies are typically not readily marketable compared to similar interests in publicly listed companies. Therefore, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly listed company.

The value of non-marketable interest can be calculated from marketable interest using the following formula:

$$\text{Value of Non-Marketable Interest} = \text{Value of Marketable Interest} \times (1 - \text{DLOM})$$

According to the Stout Restricted Stock Study published by Business Valuation Resources, LLC in early 2025, DLOM is estimated as the percentage difference between the private placement price per share and the market trading price per share. 779 relevant private placement transactions of unregistered common stock issued by publicly traded companies from July 1980 through the first quarter of 2024 have been examined in the Stout Restricted Stock Study. Premium in the market for restricted stock, which is considered as the result of an investment opportunity not available to other investors or an unidentifiable relationship with the seller has been excluded. We adopted the median discount rate of 15.60% calculated from the 779 transactions from the Stout Restricted Stock Study as DLOM for the valuation.

5. CASH FLOW PROJECTION

Target Management have provided the Cash Flow Projection based on their understanding of the expected operations of the Target Group. The major projection assumptions are listed below:

In RMB'000	Mar-Dec						
	FY25P	FY26P	FY27P	FY28P	FY29P	FY30P	FY31P
Revenue	1,737,419	4,276,352	4,209,016	3,530,255	2,905,018	3,031,490	3,153,171
COGS	1,429,490	3,371,814	3,295,311	2,826,030	2,371,028	2,047,197	1,729,747
VAT and other tax	(157,666)	(19,909)	(978)	15,572	15,488	(45,035)	(7,186)
Gross Profit	465,596	924,447	914,683	688,653	518,502	1,029,328	1,430,610
SG&A	221,849	340,521	368,175	374,919	375,601	404,734	569,260
Finance Cost	43,195	64,524	53,347	43,221	18,375	9,013	8,440
Pre-Tax Profit	200,552	519,402	493,161	270,513	124,526	615,581	852,910
Corporate Tax	30,083	77,910	73,974	40,577	18,679	92,337	127,937
Net Profit	170,469	441,492	419,187	229,936	105,847	523,244	724,974
Add: D&A	161,817	254,746	277,170	283,963	284,152	248,674	343,872
Less: CAPEX	1,300,388	264,738	112,922	932	1,061	825,720	777,613
Less: ΔNWC	166,915	(108,118)	274,350	(60,764)	(53,511)	55,854	54,376
FCF	(1,135,017)	539,618	309,084	573,731	442,450	(109,657)	236,857
Net Borrowings	1,272,351	(526,211)	(341,829)	(339,702)	(236,031)	(89,397)	(41,064)
FCFE	137,334	13,407	(32,745)	234,028	206,418	(199,054)	195,793

Source: Target Management, Moore's analysis

5.1. Revenue and Cost of Goods Sold

The total revenue of the Target Group was principally generated from (i) AI computing power technical services for training; (ii) AI computing power technical services for inference; (iii) the construction and development of the AIDC; and (iv) the operation of the AIDC.

The Target Group is operating two AIDCs, located in Longgang District of Shenzhen and Tonghu District of Huizhou. The Longgang AIDC currently has over 700 racks that are already under lease, which are primarily occupied by computing power for inference. Target Management estimated that there would be an additional of over 250 racks available for lease in the future. The Tonghu AIDC has two towers, which are currently under construction, and will mainly provide computing power for training upon completion. The construction of two towers are expected to be completed before July 2025 and before January 2026. The total capacity of Tonghu AIDC is over 4,000 cabinets.

Except for being equipped with graphics processing units (GPUs), Central Processing Unit (CPU) to handle AI training and inference tasks, the Target Group's AIDC can also support large-scale data storage and processing, feature high-speed network infrastructure, utilize advanced cooling and power systems, ensure data security and regulatory compliance.

According to the Target Management, the provision of AI computing power technical services are operating under three different modes: the direct investment mode, the operating lease mode, and the financing lease mode.

Under the direct investment mode, the Target Group purchases and holds the necessary servers and supporting facilities. After professional technical deployment and network configuration, it leases the AI computing power directly to end customers for service fees. In this model, the Target Group requires managing capital expenditures including maintenance and upgrade costs. Under the operating lease mode, the Target Group leases the necessary servers and supporting facilities from upstream suppliers and then subleases them to its customers for service fees, during this process, professional technical deployment and network configuration will also be implied when necessary. Under the financing lease mode, the Target Group leases the necessary servers and supporting facilities from upstream suppliers during the contract period and repurchases them at the end of the term at a residual value specified in the contract. Upon the end of the lease term, the Target Group takes ownership of these machines and equipment. Upon that, the business mode will switch from lease mode to direct investment mode, and overall direct investment mode will be the majority business mode of the Target Group.

According to the Target Management, the Target Group has entered into long-term AI computing power services contracts and AIDC operation services contracts with certain customers including big model companies, cloud vendors, telecommunication operators and

other customers with an aggregate contract amount of over RMB10B under normal performance and will generate stable revenue stream.

In FY25P, as the Tonghu AIDC are under construction, only half of the capacity is forecasted to be occupied, while the rest of capacity would be ready for lease in FY26P. Thus, the sales are projected to increase during FY26P. After FY26P, around 90% of the revenue are forecasted from the AI computing power technical services for training and around 5% are projected from AI computing power technical services for inference. After FY30P, most of the existing contracts matured, a long-term inflation rate of 2% for the PRC and the utilization rate of 65% have been adopted in the forecast.

The gross profits of the Target Group during the Forecast Period are between 18%–34% before FY30P, and increased to 45% in FY31P due to the expectation, as mentioned above, that the business operation will switch from lease mode to direct investment mode, and overall direct investment mode will be the majority business mode of the Target Group. As a result, more revenue will be generated from direct investment mode, which will generate higher gross margin.

5.2. Selling, General & Administrative Expenses

Selling, General & Administrative Expenses (SG&A) include all the expected expenses to support the operation of the Target Group which mainly consists of marketing expenses, management expenses, depreciation and staff-related expenses.

Overall, total SG&A is assumed to be from 8% to 18% of revenue during the Forecast Period. The increase of the SG&A as proportion of revenue is mainly due to the increase of marketing expense for pitching for new customers after the existing contracts ended and the related expense in relation to the upgrade and maintenance capital expenditure on servers and other supporting facilities.

5.3. CAPEX and Depreciation

The major type of fixed assets on the management account of Target Group as of the 31 March 2025 is the computing cluster devices for the operation of AIDC.

The major capital expenditure, mainly sourced from internal resources, will be spending for the purchase or upgrade of serves devices and other supporting facilities. After the expiry of the current lease agreements after 3–5 years, some of the servers will be re-purchased at a deep discounted price, while update of those servers will involve material capital expenditure due to rapid advances in technology and AI. The annual capital expenditure is projected with reference to the original investment cost and depreciation as well as the expected replenishment plan. The cash flow generated from the business will be used, as well as refinancing if necessary.

Depreciation is projected using the straight-line method with five or eight years of useful life for different fixed assets assumed by Target Management.

5.4. Corporate Income Tax Rate

As the Target Group's revenue is expected to be generated in the PRC which is subjected to the PRC statutory tax rates. The Target Group is classified as High and New Technology Enterprise (HNTE), and therefore enjoys a preferential corporate income tax rate of 15%, as appose to the 25% statutory corporate income tax rate. In the Valuation, Target Management assumed a 15% corporate income tax rate during the Forecast Period. Beyond the Forecast Period, the statutory tax rate of 25% was adopted.

5.5. Working Capital

The estimated working capital has been made with reference to Target Management's best understanding of the business and the historical turnover days of the Guideline Companies. The detailed assumptions are listed below:

- 60 days' sales outstanding;
- 0 days' inventory outstanding; and
- 90 days' payable outstanding.

Apart from the abovementioned, the other required working capital consists of prepayments, salary payables and tax payables. The net amount of the other required working capital is assumed 16% of the COGS based on Target Management's best understanding and the latest historical rate of the Target Group since its commencement of AI Businesses in the second half of 2024.

5.6. Financing Plan

To meet the significant capital expenditure requirements for the operation of the AI Business, the Target Group planned to raise financing of RMB1,559M during the Forecast Period. As a fact for reference, approximately 75% of the above financing plan has been signed and started to disburse as at the date of this report, and the remaining is under active communication with banks, demonstrating its strong financing capacity in capital market.

6. OPINION OF VALUE

Based on our analysis above, our opinion on the market value of the 100% equity interest in Wisdom Knight Holdings Limited (BVI), i.e. the Target Company, as at 31 March 2025, i.e. the Valuation Date, was reasonably stated as HKD978,000,000 (**HONG KONG DOLLARS NINE HUNDRED AND SEVENTY-EIGHT MILLION ONLY**).

REMARKS

Neither the whole nor any part of this report or any reference thereto may be included in any document, circular or statement nor published in any way without our written approval of the form and context in which it will appear.

Finally, and in accordance with our standard practice, we must state that this report is for the use only of the party to whom it is addressed and for the purpose stated herein. No responsibility is accepted to any third party for the whole or any part of its contents.

We hereby certify that we neither have any present nor any prospective interest in the Company, the Target Group and its subsidiaries and associated companies, or the value reported herein.

The exchange rate of 1.0836 (HKD/RMB) as of the Valuation Date adopted in our Valuation was sourced from the State Administration of Foreign Exchange of the PRC.

Yours faithfully,
For and on behalf of
Moore Transaction Services Limited
Kenneth Ma
Managing Director
CFA, MRICS, Registered RICS Valuer

Note: Mr. Kenneth Ma is a Registered Valuer member of the Royal Institute of Chartered Surveyors who has over 5 years' experience in valuations of real estate properties and over 10 years' experience in business valuations in Hong Kong and PRC.

7. GLOSSARY OF TERMS

Term	Meaning
1QXXA	Audited financial statements for the quarter-ended 31 March 20XX
1QXXU	Unaudited financial statements for the quarter-ended 31 March 20XX
AI	Artificial intelligence
AI Businesses	Refers to the principally engaged businesses of the Target Group, being (i) the provision of AI computing power technical services and the relevant operation and maintenance services; (ii) the construction and development of AIDC; (iii) the operation of AIDC; (iv) research and development of AI technology and the provision of comprehensive AI computing power scheduling platform; and (v) the provision of comprehensive and one-stop integrated AI solutions for its customers
AIDC	Artificial intelligence data centre
B, bil	Billion
BVI	The British Virgin Islands
CAGR	Compound annual growth rate
Cash Flow Projection	Cash flow projection of the Valuation from April 2025 to FY31P prepared by Management/ Target Management. For details, please refer to section 5. Cash Flow Projection
Company, you, yours	Guangdong – Hong Kong Greater Bay Area Holdings Limited, a company listed on the Main Board of the Hong Kong Exchange with stock code: 1396.HK
DLOM	Discounts for lack of marketability
EFLOPS	Refer to tens of billions of floating-point operations per second
Forecast Period	April 2025 – FY31P

Term	Meaning
FYXXA	Audited financial statements for the year-ended 31 December 20XX
FYXXP	Projected financial statements for the year-ended 31 December 20XX
FYXXU	Unaudited financial statements for the year-ended 31 December 20XX
GDP	Gross Domestic Product
Guideline Companies	Publicly listed companies that are considered by us to be comparable to the Target Group for valuation purposes. For details, please refer to section 8.3. Guideline Companies
HKD	Hong Kong Dollar, the official currency of Hong Kong
IMF	International Monetary Fund
K, '000	Thousand
LTM	Latest twelve month
M, mil	Million
Management	Management of the Company and/or their representatives
Moore, we, our, us	Moore Transaction Services Limited
PRC	People's Republic of China
PRC Project Company	Shenzhen Tiandun Data Technology Company Limited* (深圳天頓數據科技有限公司), a limited liability company established under the laws of the PRC, whose equity interest is indirectly and wholly-owned by the PRC Project Parent
PRC Project Group	the PRC Project Parent and its subsidiaries

* For translation reference only

Term	Meaning
PRC Project Intermediary	Shenzhen Tianwu Holdings Limited* (深圳天悟控股有限公司), a limited liability company established under the laws of the PRC, whose equity interest is directly and wholly-owned by the PRC Project Parent
PRC Project Parent	Beijing Tianqidun Data Technology Company Limited* (北京天奇頓數據科技有限公司), a limited liability company established under the laws of the PRC
Registered Shareholders	The registered shareholders of the PRC Project Parent
RMB	Renminbi, the official currency of the PRC
S&P Capital IQ	A financial data platform that provides detailed research and analysis of the stock market
T	Trillion
Target Company	Wisdom Knight Holdings Limited, a private company incorporated in the BVI with limited liability, together with its subsidiaries and/or associates
Target Group	Target Company and its subsidiaries and/or associates
Target Management	Management of the Target Group and/or their representatives
Target Parent	Champion Road Group Limited (BVI), the parent company of the Target Group
Target WFOE	Shenzhen Shisong Holdings Limited* (深圳士頌控股有限公司), a wholly foreign-owned enterprise established under the laws of the PRC with limited liability, which (through the Target Company's wholly-owned subsidiary established in Hong Kong) is indirectly and wholly-owned by the Target Company
Valuation	A high-level and desktop-based valuation of the market value of 100% equity interest of the Target Company as at the Valuation Date as presented in this Valuation Report
Valuation Date/Valuation Reference Date	31 March 2025

* For translation reference only

Term	Meaning
Valuation Report	This valuation report
VIE Arrangement	the variable interest entity arrangement between the PRC Project Company held by the PRC Project Intermediary and the Target WFOE

8. APPENDICES

8.1. Limiting Conditions

The limiting conditions pertaining to the valuation conclusions stated in this Valuation Report are summarized below:

- All data and statements of facts set forth in this report, upon which the data, opinions, analysis, estimates and conclusions expressed are based, are true and correct. Information, estimates and opinions furnished to us and contained in this Valuation Report or utilized in the formation of the value conclusions were obtained from sources considered reliable and believed to be true and correct.

We have also considered published market data and other public information, where appropriate. Such information was obtained from public available sources such as publicly available industry reports and websites.

However, we did not independently verify the abovementioned information and no representation, liability or warranty for the accuracy of such items is assumed by or imposed on us, and we reserve the right to alter the Valuation, if any inaccurate information may have been provided to us.

- We have relied on information and estimates provided by Target Management to a considerable extent in arriving at our opinion of value. This includes but not limited to the business affairs as well as the outlook for the business.

We have not conducted any further investigations concerning whether all data have been provided to us for our assessment and we have no reason to believe that any material data have been withheld from us.

With respect to cash flow projections regarding the Target Company provided to us, it has been represented by the Target Management and was assumed for the purposes of this opinion that such analyses and forecasts were reasonably prepared based on assumptions reflecting the best currently available estimates and judgments of the Target Management as to the expected future results of operations and financial conditions of the Target Company to which such analyses or forecasts relate. We can give no assurances, however, that such

financial analyses and forecasts can be realized or that actual results will not vary materially from those projected.

The procedures and enquiries undertaken by us in preparing this report do not include any verification work of the information provided by Management, the Target Group and their associates, nor do they constitute an examination made in accordance with generally accepted auditing standards. As such, we do not express an opinion or offer any forms of assurance regarding the accuracy, reasonableness, completeness or reliability of these information we are based.

- The Valuation was prepared solely for the purpose, function and party identified in this report. This report may not be reproduced, in whole or in part, and the findings of this Valuation Report may not be utilized by any third party for any purpose, with our express written consent. We will not accept any responsibility or liability to any third party to whom in respect of, or arising out of, the contents of this report may be shown.

Neither all nor any part of the contents of this Valuation Report shall be disseminated or referred to the public through advertising, public relations, news or sales media, or any other public means of communication or referenced in any publication, including any private or public offerings, without the prior written consent and approval of and review by us.

- Good and marketable title to the business interests and assets being appraised is assumed. We are not qualified to render an “opinion of title”, and no responsibility is assumed or accepted for matters of a legal nature affecting the business being appraised. We render no opinion as to ownership of the business or condition of its title.
- The Valuation reflects facts, conditions and expectations existing at the Valuation Date. We take no responsibilities for any events, conditions or circumstances affecting our opinion of value that take place subsequent to the Valuation Date.
- The results of our work are dependent on the information of the Target Group. However, because events and circumstances frequently do not occur as expected, there will usually be differences between predicted and actual results, and those differences may be material. We take no responsibilities for the achievement of predicted results.
- The Valuation is heavily dependent on the terminal value. In the event actual events do not accord with one or more of the assumptions and the forecasting cash flow, the results of the Valuation may vary substantially from the figures as set out in the Valuation Report.

- Our conclusion of the value was derived from generally accepted valuation procedures and practices that rely substantially on the use of various assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained.
- For the information provided and the consolidation adjustments performed by Management, we did not perform any legal, commercial, financial/audit, tax, operational due diligence work or other types of due diligence work. Such areas are not included in our scope of work, and should be carried out by the relevant experts to be appointed by the Company, if necessary.
- By its very nature, valuation work cannot be regarded as an exact science and the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgment. Hence, there is no single indisputable range and generally we cannot provide absolute assurance on a valuation.
- The title of this report shall not pass to the Company until all professional fees have been paid in full.

8.2. Assumptions

In conducting our valuation work, the following assumptions have been adopted in order to sufficiently support our conclusion of value, including:

- The businesses of the Target Group are operated by various subsidiaries and/or related companies of the Company. The Valuation has been performed based on the audited financial statements, assuming there is a single fictitious entity running the relevant businesses and possessing the relevant assets and liabilities.
- The principal businesses of the Target Group will not change significantly in the foreseeable future.
- There will be no major change in the political, legal, fiscal, technological, economic and market conditions in the localities in which the Target Group operates or intends to operate, which would adversely affect the revenues attributable to and profitability of Target Group.
- There will be no major change in the current taxation laws in the localities in which the Target Group operates or intends to operate and that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with.

- There will be no material change in the relevant market return, market risk, interest rates and exchange rates that would impact the Target Group's business operation.
- The market data, industrial information and statistical figures obtained from publicly available sources are true and accurate.
- The Target Group has obtained all necessary permits, business certificates, licenses and legal approvals to operate the business and all relevant permits in the localities in which the Target Group operates or intends to operate, including but not limited to the business licences and such consent and approval necessary for the VIE Arrangement, would be officially obtained and renewable upon expiry.
- Exchange rates and interest rates will not differ materially from those presently prevailing.
- The availability of finance at viable cost will not be a constraint on the forecasted growth of operations of the Target Group. In other words, it is assumed that obtaining necessary financing is readily available at a reasonable cost, and therefore, it will not be a limiting factor for the Target Group to execute its business plan. Based on the Management's representation, as at the Valuation Reference Date, RMB1,559 million debts at reasonable interest costs have either secured or nearly closing.
- The Target Group will successfully maintain its competitiveness and market share through optimizing the utilization of its resources and expanding its marketing network.
- The Target Group can keep abreast of the latest development of the industry, such as trend of automation to reduce operating costs, such that its competitiveness and profitability can be sustained.
- The Target Group will utilise and maintain its current operational, administrative and technical facilities to expand and increase its sales.
- The Target Group will be able to secure funds to repay/renew its debts timely when they fall due.
- The Target Group will retain and have competent management, key personnel, and technical staff to support its ongoing operations.
- The Target Group will continue to operate as a going concern and the core operation of the Target Group will not differ materially from those of present or expected.

- The forecasting cash flow represents Target Management's view of the range of economic conditions. The information and estimates provided and the representations made by Target Management regarding the Target Group's financial and business affairs are reliable and without false representation.
- The Target Group has acquired, or will acquire, adequate financial capital for the investments in projected capital expenditure and working capital from time to time, and any scheduled interest or repayment of loan and payable will be paid on time.
- Management has sufficient knowledge and experience in respect of the operation of the Target Group, and the turnover of any director, management or key person will not affect the operation of the Target Group.
- Management of the Target Group has adopted reasonable and appropriate contingency measures against any human disruption such as fraud, corruption and strike, and the occurrence of any human disruption will not affect the operation of the Target Group.
- Management of the Target Group has adopted reasonable and appropriate contingency measures against any natural disaster such as fire, flood and hurricane, and the occurrence of any natural disaster will not affect the operation of the Target Group.
- The intellectual property of the Target Group will not be infringed upon in a manner which would materially affect the economic benefits attributable to the Target Group.
- The Valuation is heavily dependent on the financial information of the Target Group provided by Management to us. In any occasions that the values were misstated, the adjustments on the income statements and/or balance sheets were unfairly and/or unreasonable performed by Management and/or its auditor or any off balance sheet assets or liabilities items of the Target Group were neglected, the value stated here may vary materially from what stated in this report.
- We assume you will appoint relevant experts to perform appropriate legal, commercial, financial/audit, tax, operational due diligence work or other types of due diligence work, which is outside our scope of work.

8.3. Guideline Companies

Guideline Companies	Company Description
SZSE:300442	Range Intelligent Computing Technology Group Company Limited provides server hosting services to internet companies and large cloud vendors in the PRC. It also engages in the provision of operation, maintenance, security management and other value-added services, as well as intelligent computing services for terminal large-model customers.
SZSE:300383	Beijing Sinnet Technology Company Limited, together with its subsidiaries, provides internet data centre (IDC), cloud computing, and internet access services in the PRC and Hong Kong.
SZSE:300738	Guangdong Aofei Data Technology Company Limited provides internet cloud computing and big data basic services in China. It offers server hosting and Border Gateway Protocol (BGP) interconnection services. It also provides solutions for finance, internet, and gaming businesses.
SHSE:603881	Shanghai @hub Company Limited provides internet infrastructure services in the PRC and internationally. It offers data centre services, including data centre distribution, planning, design, construction, and operation and maintenance.
SEHK:9698	GDS Holdings Limited, together with its subsidiaries, develops and operates data centres in the PRC. It offers colocation services comprising critical facilities space, customer-available power, racks, and cooling; managed hosting services; managed cloud services; and consulting services.
SEHK:3896	Kingsoft Cloud Holdings Limited provides cloud services to businesses and organizations primarily in the PRC. It's product portfolio includes cloud products and operates data centres. It offers research and development services, as well as enterprise digital solutions and related services.

Set out below are additional explanations regarding the Valuation Report provided by the Company for the purpose of incorporation in this circular and does not form part of the Valuation Report.

CASH FLOW PROJECTION (See Pages V-24 to 27)

- Set out below is a breakdown of the revenue for each of the five AI Businesses of the Target Group:

Revenue (in RMB million)	FY25P	FY26P	FY27P	FY28P	FY29P	FY30P	FY31P
(i) AICPTS	1,372	4,009	4,017	3,339	2,713	2,856	2,991
(ii) Construction of AIDC	304	76	–	–	–	–	–
(iii) Operation of AIDC	47	192	192	192	192	175	163
(iv) R&D	Part of long-term strategic plans without solid contracts to support, therefore not considered in the Valuation.						
(v) One-stop AI solution							

Above table shows a breakdown of the revenue for each AI Business, where:

AICPTS = artificial intelligence computing power technical services

AIDC = artificial intelligence data centre

The increase in revenue during FY26P and FY27P is mainly due to the realization of those signed contracts of AICPTS for AI training.

The decrease during FY28P and FY29P is due to the discounted service price as stated in the contract.

Long-term inflation rate of 2% for the PRC is sourced from IMF and the utilization rate of 65% is sourced from public market research have been adopted in the forecast.

Based on Valuer's calculations, an increase of 1% and a decrease of 1% of terminal year growth rate will cause an increase of 3% and a decrease of 3% of the valuation result respectively. An increase of 0.5% and a decrease of 0.5% of discount rate will cause a decrease of 3% and an increase of 3% of the valuation result respectively.

- The gross profits of the Target Group during the Forecast Period are between 18%–34% before FY30P, and increased to 45% in FY31P. After FY30P, the Target Group will purchase back some of the servers at a deep-discount price according to the contracts. Upon that, more business operation will switch from lease mode to direct investment mode, i.e. the operation cost for self-owned server is lower comparing to leased servers, for lease payment including price premium to the lessor.

3. The increased CAPEX in FY30P and FY31P is for purchasing equipment for the AICPTS. During FY28P and FY29P, the business will be at stable level, thus no additional CAPEX is expected. After FY30P, additional CAPEX is assumed to be used for upgrading equipment, which is projected with reference to the original investment cost and depreciation as well as expected replenishment plan.

Set out below is the text of a report received from the independent reporting accountants of the Company, Prism Hong Kong Limited, which has been prepared for the purpose of incorporation in this circular.



30 September 2025

The Board of Directors
Guangdong – Hong Kong Greater Bay Area Holdings Limited
Unit 916, 9/F China Merchants Tower
Shun Tak Centre
168–200 Connaught Road Central
Hong Kong

Dear Sirs,

INDEPENDENT ASSURANCE REPORT

We have examined the calculations of the underlying discounted future cash flows (the “**Underlying Forecast**”) to the business valuation (the “**Valuation**”) dated 30 September 2025 prepared by Moore Transaction Services Limited (the “**Valuer**”) in respect of the valuation on Wisdom Knight Holdings Limited (the “**Target Company**”) in connection with the proposed acquisition of 100% equity interest in the Target Company by Guangdong – Hong Kong Greater Bay Area Holdings Limited (the “**Company**”) as of 31 March 2025.

Directors’ Responsibilities

The directors of the Company and the Target Company (the “**Directors**”) are solely responsible for the preparation of the Underlying Forecast including the bases and assumptions, for the purpose of business valuation of the Target Company based on discounted cash flow method. The Underlying Forecast has been prepared using a set of bases and assumptions (the “**Assumptions**”) that include hypothetical assumptions about future events and management’s actions that are not necessarily expected to occur. Even if the events anticipated occur, actual results are still likely to be different from the Underlying Forecast and the variation may be material. The Directors are responsible for the reasonableness and validity of the Assumptions.

Our Independence and Quality Management

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants, (“**HKICPA**”) which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Management (“**HKSQM**”) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant’s Responsibilities

Our responsibility is to express an opinion, based on our work on the Underlying Forecast and to report our opinion solely to you, as a body, solely for the purpose of reporting under Rule 14.62 of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Rule 10 and 11.1 of the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”), and for no other purpose. We accept no responsibility to any other person in respect of, arising out of or in connection with our work.

We conducted our engagement in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) (“**HKSAE 3000 (Revised)**”) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the HKICPA. We examined the arithmetical accuracy of the Underlying Forecast. We have planned and performed our work to obtain reasonable assurance for giving our opinion below.

We have planned and performed such procedures as we considered necessary to assist the Directors solely in evaluating whether the Underlying Forecast, so far as the accounting policies and calculations are concerned, has been properly compiled in accordance with the Assumptions made by the Directors. Our work does not constitute any valuation of the Target Company.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, so far as the accounting policies and calculations are concerned, the Underlying Forecast has been properly compiled in accordance with the Assumptions adopted by the Directors as set out in the Valuation.

Yours faithfully,

Prism Hong Kong Limited

Certified Public Accountants

Lee Kwok Lun

Practising Certificate Number: P06294

Hong Kong

As the Valuation Report is based on discounted cash flow method, it is deemed to be a profit forecast under the Listing Rules and Rules 10 and 11.1(a) of the Takeovers Code. The following is the full text of a letter from the Independent Financial Adviser in relation to the Valuation Report, for the purpose of, among other things, incorporation into this circular.



RAINBOW CAPITAL (HK) LIMITED
溢博資本有限公司

30 September 2025

The Board of Directors

Guangdong – Hong Kong Greater Bay Area Holdings Limited

Unit 916, 9/F China Merchants Tower

Shun Tak Centre

168–200 Connaught Road Central

Hong Kong

Dear Sirs,

We refer to the valuation report (the “**Valuation Report**”) prepared by Moore Transaction Services Limited (the “**Valuer**”) in respect of the valuation of the entire issued share capital of Wisdom Knight Holdings Limited (the “**Target Company**”) as at 31 March 2025 (the “**Valuation**”).

We noted that the Valuation has been developed by way of discounted cash flow method under the income approach which is regarded as a profit forecast (the “**Forecast**”) under (i) Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and (ii) Rules 10 and 11.1(a) of the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”). This letter is issued in compliance with the requirement under (i) Rule 14.60A(3) of the Listing Rules and Rule 10.3 of the Takeovers Code; and (ii) Rule 11.1(b) of the Takeovers Code.

Details of the Valuation are set out in the circular of the Company dated 30 September 2025, of which this letter forms part.

For the purpose of providing this letter, we have conducted the following due diligence:

- (i) reviewed the Valuation and the underlying Forecast, for which you as the directors of the Company (the “**Directors**”) are solely responsible;

- (ii) reviewed and discussed with the management of the Company, the management of the Target Group and the Valuer and obtained supporting documents in respect of the valuation methodologies and the bases and assumptions upon which the Forecast and the Valuation have been made;
- (iii) considered the letter addressed solely to and for the sole benefit of the Directors from Prism Hong Kong Limited dated 30 September 2025 regarding the calculations upon which the Forecast have been made;
- (iv) reviewed and discussed with the Valuer and obtained supporting documents for the Valuer's qualification and experience. We noted that (i) the Valuer is the transaction services arm of Moore Hong Kong, which was established in 1975 and provides a full scope of services including audit, assurance, accounting, business outsourcing, tax and other advisory work; and (ii) Mr. Kenneth Ma, the responsible person of the Valuation, is a registered valuer member of the Royal Institute of Chartered Surveyors and has over 10 years' experience in business valuations in Hong Kong and the PRC, including AI related business valuation experience; and
- (v) reviewed the terms of engagement of the Valuer, in particular to their scope of work. We noted that their scope of work is appropriate to form the opinion required to be given and there are no limitations on the scope of work which might adversely impact on the degree of assurance given by the Valuer in the Valuation Report.

The Forecast has been prepared using a set of assumptions. As stated in the section headed "5.6 Financing Plan" in the Valuation Report, the Target Group planned to raise financing of RMB1,559 million at reasonable interest costs during the forecast period, approximately 75% of which had been obtained by the Target Group as at the date of the Valuation Report with the remainder being actively negotiated with banks. In this regard, we have obtained and reviewed all borrowing agreements entered into between the Target Group and relevant banks and financial institutions as at the date of this letter. We concur with the Independent Valuer that the Target Group had strong financing capacity to meet its capital expenditure requirements during the forecast period.

On the basis of the foregoing, we are satisfied that the Forecast and the Valuation, for which you as the Directors and the Valuer are solely responsible, have been made by you after due care and consideration and that the bases and assumptions therein have been made with due care and objectivity and on a reasonable basis. We are also satisfied that the Valuer is suitably qualified and experienced with sufficient current knowledge, skills and understanding necessary to undertake the Valuation and that reliance could fairly be placed on the Valuer's work.

The work undertaken by us in giving the above opinion has been undertaken for the purpose of reporting solely to you under (i) Rule 14.60A(3) of the Listing Rules and (ii) Rules 10.3 and 11.1(b) of the Takeovers Code and for no other purpose. This letter may not be used or disclosed, referred or communicated (in whole or in part) to any party for any other purpose whatsoever, except with our prior written approval. We accept no responsibility to any other person in respect of, arising out of or in connection with our work.

Yours faithfully,
For and on behalf of
Rainbow Capital (HK) Limited
Danny Leung
Managing Director

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular (other than that relating to China GBA Holdings, the Vendor and the respective parties acting in concert with any of them) is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

This circular includes particulars given in compliance with the Takeovers Code for the purpose of giving information with regard to the Group. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this circular (other than that relating to China GBA Holdings, the Vendor and the respective parties acting in concert with any of them) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this circular (other than those expressed by the directors of China GBA Holdings and the directors of the Vendor) have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement in this circular misleading.

The directors of the Vendor, namely Mr. Zhong Junhua, Mr. Chen Keya and Mr. Cai Sanyan, jointly and severally accept full responsibility for the accuracy of the information contained in this circular (other than that relating to the Group and China GBA Holdings and parties acting in concert with any of them) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this circular (other than those expressed by the Directors and the directors of China GBA Holdings) have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement in this circular misleading.

The directors of China GBA Holdings, namely Ms. Wei Haiyan and Ms. Zeng Yan jointly and severally accept full responsibility for the accuracy of the information contained in this circular (other than that relating to the Group and the Vendor and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this circular (other than those expressed by the Directors and the directors of the Vendor) have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement in this circular misleading.

2. MARKET PRICE

The table below sets out the closing prices of the Shares on the Stock Exchange (i) at the end of each of calendar months during the Relevant Period; (ii) on the Last Trading Day; and (iii) on the Latest Practicable Date.

Date	Closing price per Share (HK\$)
28 January 2025	0.385
28 February 2025	0.630
31 March 2025	0.790
30 April 2025	1.240
30 May 2025	3.110
30 June 2025	3.870
11 July 2025 (Last Trading Date)	3.550
31 July 2025	4.210
29 August 2025	5.300
Latest Practicable Date	5.410

During the Relevant Period, the lowest and highest closing prices per H Share recorded on the Stock Exchange were HK\$0.25 on 20 January 2025 and HK\$5.69 on 9 September 2025, respectively.

3. SHARE CAPITAL

(a) Authorised and issued share capital

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; and (ii) immediately following Completion were/will be as follows:

(i) As at the Latest Practicable Date

<i>Authorised</i>	<i>HK\$</i>
<u>5,000,000,000</u> Shares of HK\$0.1 each	<u>500,000,000</u>
<i>Issued and fully paid or credited as fully paid:</i>	<i>HK\$</i>
<u>814,103,100</u> Shares of HK\$0.1 each	<u>81,410,310</u>

(ii) Immediately following the Completion

<i>Authorised</i>		<i>HK\$</i>
<u>5,000,000,000</u>	Shares of HK\$0.1 each	<u>500,000,000</u>
<i>Issued and fully paid or credited as fully paid:</i>		<i>HK\$</i>
814,103,100	Shares as at the Latest Practicable Date	81,410,310
310,000,000	Consideration Shares to be allotted and issued under the Sale and Purchase Agreement	31,000,000
<u>1,124,103,100</u>	Shares of HK\$0.1 each	<u>112,410,310</u>

All the issued Shares rank equally with each other in all respects including the rights in respect of capital, dividend and voting.

The Shares are listed and traded on the Main Board of the Stock Exchange. No Shares are listed on or dealt in, nor is any listing of or permission to deal in the Shares being, or proposed to be, sought on any other stock exchange.

There had been no alteration to the authorised share capital and the issued share capital of the Company since 31 December 2024, being the date on which the latest audited financial statements of the Company were made up, and up to the Latest Practicable Date.

(b) Convertible Bonds

As at the Latest Practicable Date, the Company had outstanding mandatory convertible bonds in the amount of USD265,251,763 which was issued by the Company on 10 June 2025 (“**MCB**”) to certain bondholders who are Independent Third Parties and are not existing Shareholders. The MCB will be mature on 9 June 2026, on which the MCB will be mandatorily converted into 376,175,227 Shares.

Other than the above outstanding convertible bonds and the proposed allotment and issue of the Consideration Shares under the Acquisition, there were not any outstanding options, derivatives, warrants, or any conversion rights affecting the Shares issued by the Company as at the Latest Practicable Date and the Company has not entered into any agreement for the issue of such options, derivatives, warrants, or securities convertible or exchangeable into Shares, and the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the Latest Practicable Date.

4. DISCLOSURE OF INTERESTS

(a) Interests and short positions of the Directors and the chief executive of the Company in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or as recorded in the register maintained by the Company under section 352 of the SFO, or as notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in the Listing Rules, or are required to be disclosed pursuant to the Takeovers Code, were as follows:

(i) Long positions in Shares and underlying Shares of the Company as at the Latest Practicable Date

Name of Directors	Class of Shares/ underlying Shares	Capacity/ Nature of interest	Number of Shares held	Number of underlying Shares	Approximate percentage of the Company's total issued share capital	
					Total	(Note 1)
Mr. Luo Jieping (an executive Director)	Ordinary Shares	Spousal interests (Note 2)	414,665,566	–	414,665,566	50.94

Notes:

- (1) The percentage of shareholding was calculated on the basis of the Company's issued share capital of 814,103,100 Shares as at the Latest Practicable Date.
- (2) China GBA Holdings is owned as to 84% by RXHD Holdings, RXHD Holdings is owned as to 100% by Solid Wealth, and Solid Wealth is owned as to 90% by Rich Grain, which is in turn wholly-owned by Ms. Zeng Yan. By virtue of Part XV of the SFO, Ms. Zeng Yan is deemed to be interested in the 414,665,566 Shares through the aforementioned holding companies, representing approximately 50.94% of the issued shares of the Company. Furthermore, the spouse of Ms. Zeng Yan, Mr. Luo Jieping (an executive director of the Company) is deemed to be interested in the Shares which Ms. Zeng Yan is interested in under Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying shares or debentures of the Company or its

associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code; or (d) are required to be disclosed pursuant to the Takeovers Code.

(b) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial Shareholders

So far as is known to the Directors and the chief executive, as at the Latest Practicable Date, the following person (not being Director or chief executive of the Company) had, or was deemed to have, interests or short positions in the shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

(i) Long positions in Shares and underlying Shares of the Company as at the Latest Practicable Date

Name of Shareholders	Capacity/Nature of interest	Number of Shares held	Number of underlying Shares	Total	Approximate percentage of the Company's total issued share capital (Note 1)
China GBA Holdings	Beneficial owner	414,665,566 (Note 2)	N/A	414,665,566	50.94
RXHD Holdings	Interest in controlled corporation	414,665,566	N/A	414,665,566	50.94
Solid Wealth	Interest in controlled corporation	414,665,566	N/A	414,665,566	50.94
Rich Grain	Interest in controlled corporation	414,665,566	N/A	414,665,566	50.94

Name of Shareholders	Capacity/Nature of interest	Number of Shares held	Number of underlying Shares	Total	Approximate percentage of the Company's total issued share capital (Note 1)
Ms. Zeng Yan	Interest in controlled corporation	414,665,566	N/A	414,665,566	50.94

Notes:

- (1) The percentage of shareholding was calculated on the basis of the Company's issued share capital of 814,103,100 Shares as at the Latest Practicable Date.
- (2) China GBA Holdings is owned as to 84% by RXHD Holdings, RXHD Holdings is owned as to 100% by Solid Wealth, and Solid Wealth is owned as to 90% by Rich Grain, which is in turn wholly-owned by Ms. Zeng Yan. By virtue of Part XV of the SFO, Ms. Zeng Yan is deemed to be interested in the 414,665,566 Shares through China GBA Holdings, RXHD Holdings, Solid Wealth and Rich Grain, representing approximately 50.94% of the issued shares of the Company. Furthermore, the spouse of Ms. Zeng Yan, Mr. Luo Jieping (an executive director of the Company) is deemed to be interested in the Shares which Ms. Zeng Yan is interested in under Part XV of the SFO.
- (3) Save that Ms. Wei Haiyan, an executive Director, is also a director of China GBA Holdings and RXHD Holdings, none of the Directors and the chief executive of the Company is a director or employee of a company which has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code.

5. DIRECTORS' COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors, controlling shareholder of the Company nor their respective close associates (as defined in the Listing Rules) had any interest in a business, which competes or may compete, either directly or indirectly, with the business of

the Group or any other conflict of interest which any such person has or may have with the Group which would be required to be disclosed pursuant to the Listing Rules.

6. DIRECTORS' INTERESTS IN ASSETS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired, disposed of by or leased, or which were proposed to be acquired, disposed of by or leased to any member of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up.

7. DIRECTORS' INTERESTS IN CONTRACT OR ARRANGEMENT OF SIGNIFICANCE

As at the Latest Practicable Date, save for the Sale and Purchase Agreement in which Mr. Luo Jieping is interested, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date and which is significant in relation to the businesses of any member of the Group.

As at the Latest Practicable Date,

- (a) other than the Sale and Purchase Agreement, there was no agreement, arrangement or understanding (including any compensation agreement) existing between the (i) the Vendor or any party acting in concert with it; or (ii) China GBA Holdings or any person acting in concert with it, and any Director, recent Directors, Shareholders or recent Shareholders having any connection with or dependence upon the Acquisition including the grant of the Specific Mandate and/or the Whitewash Waiver;
- (b) no benefit had been given or will be given to any Director as compensation for loss of office or otherwise in connection with the Acquisition including the grant of the Specific Mandate and/or the Whitewash Waiver;
- (c) there was no agreement, arrangement or understanding between any Director and any other person which is conditional on or dependent upon the outcome of, or otherwise connected with, the Acquisition including the grant of the Specific Mandate and/or Whitewash Waiver; and
- (d) (i) other than the Sale and Purchase Agreement, there was no material contract entered into by the Vendor or any party acting in concert with it in which any Director had a material personal interest; and (ii) there was no material contract entered into by the China GBA Holdings or any party acting in concert with each of them in which any Director had a material personal interest.

8. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and there was no litigation or claims of material importance known to the Directors to be pending or threatened by or against any member of the Group.

9. DIRECTORS' SERVICE CONTRACTS

- (a) Mr. Luo Jieping, an executive Director and the chairman of the Board, has entered into a service agreement with the Company for a term of three years commencing from 20 July 2023 and expiring on 19 July 2026 (“**Mr. Luo Service Agreement**”). Pursuant to the Mr. Luo Service Agreement, Mr. Luo is entitled to receive a total remuneration package of RMB1,880,000 per annum (inclusive of director's fee of RMB100,000 per annum) together with discretionary bonus, allowances and other incentives (if any). As agreed between Mr. Luo and the Company, the remuneration package had been adjusted to RMB1,504,000 per annum (inclusive of director's fee of RMB100,000 per annum) since 1 January 2025.
- (b) Mr. He Fei, an executive Director, has entered into a service agreement with the Company for a term of three years commencing from 27 June 2022 and expiring on 26 June 2025 (“**Mr. He Previous Service Agreement**”). Pursuant to the Mr. He Previous Service Agreement, Mr. He was entitled to receive a total remuneration package of RMB2,600,000 per annum (inclusive of director's fee of RMB300,000 per annum), together with discretionary bonus, allowances and other incentives (if any). As agreed between Mr. He and the Company, the remuneration package had been adjusted to RMB1,820,000 per annum (inclusive of director's fee of RMB300,000 per annum) from 1 December 2022 to 31 December 2024, and to RMB1,456,000 per annum (inclusive of director's fee of RMB300,000 per annum) since 1 January 2025.

Following the expiry of the Mr. He Previous Service Agreement, Mr. He has entered into a new service agreement with the Company for a term of one year commencing from 27 June 2025 and expiring on 26 June 2026. Mr. He is entitled to receive a total remuneration package of RMB1,000,000 per annum (inclusive of director's fee of RMB100,000 per annum), together with discretionary bonus, allowances and other incentives (if any).

- (c) Ms. Wei Haiyan, an executive Director, has entered into a service agreement with the Company for a term of three years commencing from 27 June 2022 and expiring on 26 June 2025 (“**Ms. Wei Previous Service Agreement**”). Pursuant to the Ms. Wei Previous Service Agreement, Ms. Wei was entitled to receive a total remuneration package of RMB1,000,000 per annum (inclusive of director's fee of RMB100,000 per annum), together with discretionary bonus, allowances and other incentives (if any). As agreed between Ms. Wei and the Company, the remuneration packaged had been

adjusted to RMB800,000 per annum (inclusive of director's fee of RMB100,000 per annum) from 1 December 2022 to 31 December 2024, and to RMB720,000 per annum (inclusive of director's fee of RMB100,000 per annum) since 1 January 2025.

Following the expiry of the Ms. Wei Previous Service Agreement, Ms. Wei has entered into a new service agreement with the Company for a term of one year commencing from 27 June 2025 and expiring on 26 June 2026. Ms. Wei is entitled to receive a total remuneration package of RMB720,000 per annum (inclusive of director's fee of RMB100,000 per annum), together with discretionary bonus, allowances and other incentives (if any).

- (d) Mr. Guan Huanfei, an independent non-executive Director, has entered into a service agreement with the Company for a term of three years commencing from 27 June 2022 and expiring on 26 June 2025 ("**Mr. Guan Previous Service Agreement**"). Pursuant to the Mr. Guan Previous Service Agreement, Mr. Guan was entitled to receive director's fee of HK\$300,000 per annum. As agreed between Mr. Guan and the Company, such director's had been adjusted to HK\$150,000 per annum from 1 March 2023 to 31 March 2024, and to HK\$180,000 per annum since 1 April 2024.

Following the expiry of the Mr. Guan Previous Service Agreement, Mr. Guan has entered into a new service agreement with the Company for a term of one year commencing from 27 June 2025 and expiring on 26 June 2026. Mr. Guan is entitled to receive director's fee of HK\$180,000 per annum.

- (e) Mr. Han Qinchun, an independent non-executive Director, has entered into a service agreement with the Company for a term of three years commencing from 27 June 2022 and expiring on 26 June 2025 ("**Mr. Han Previous Service Agreement**"). Pursuant to the Mr. Han Previous Service Agreement, Mr. Han was entitled to receive director's fee of HK\$300,000 per annum. As agreed between Mr. Han and the Company, such director's had been adjusted to HK\$150,000 per annum from 1 March 2023 to 31 March 2024, and to HK\$180,000 per annum since 1 April 2024.

Following the expiry of the Mr. Han Previous Service Agreement, Mr. Han has entered into a new service agreement with the Company for a term of one year commencing from 27 June 2025 and expiring on 26 June 2026. Mr. Han is entitled to receive director's fee of HK\$180,000 per annum.

- (f) Mr. Chen Yangsheng, an independent non-executive Director, has entered into a service agreement with the Company for a term of three years commencing from 5 July 2023 and expiring on 4 July 2026 ("**Mr. Chen Service Agreement**"). Pursuant to Mr. Chen Service Agreement, Mr. Chen was entitled to receive director's fee of HK\$150,000 per annum. As agreed between Mr. Chen and the Company, such director's fee had been adjusted to HK\$180,000 per annum since 1 April 2024.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had entered into any existing or proposed service contract with the Company, or any of its subsidiaries or associated companies which:

- (i) (including both continuous and fixed term contracts) had been entered into or amended within 6 months before the date of the Announcement;
- (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.

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

10. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) had been entered into by the members of the Group within two years preceding the date of the Announcement and up to and including the Latest Practicable Date and are, or may be, material:

- (a) the share transfer agreement dated 15 November 2023 entered into between Shenzhen Hydoo Investment Management Company Limited, an indirect wholly-owned subsidiary of the Company as vendor, Shenzhen Hong Zhan Investment Company Limited as purchaser, pursuant to which, the purchaser acquired the entire equity interest in Shenzhen Jingzhen Industrial Company Limited at the consideration of RMB52.0 million (equivalent to approximately HK\$55.6 million) (details are set out in the Company's announcement dated 15 November 2023 and its circular dated 30 November 2023);
- (b) eight subscription agreements dated 13 May 2024 (and eight supplemental subscription agreements dated 14 May 2024) entered into between the Company as issuer and eight subscribers, pursuant to which, the subscribers subscribed an aggregate of 89,000,000 subscription shares at the subscription price of HK\$0.1 per subscription share (details are set out in the Company's announcements dated 13 May 2024, 14 May 2024 and 28 May 2024);
- (c) the share transfer agreement dated 4 December 2024 entered into between the Company as vendor, Elegance Rich Global Limited as purchaser, pursuant to which, the purchaser acquired the entire issued share capital in Sail Day Limited, the target company and the equity interests in the subsidiaries owned by the target company at the consideration of HK\$36.0 million (details are set out in the Company's announcements dated 4 December 2024 and 10 December 2024);

- (d) the share transfer agreement dated 28 January 2025 entered into between the Company as vendor, Guotai Cinda Investment Management Ltd. as purchaser, pursuant to which, the purchaser acquired the entire issued share capital in Zhuo Ying Limited, the target company and the equity interests in the subsidiaries owned by the target company at the consideration of HK\$130.0 million (details are set out in the Company's announcements dated 28 January 2025, 21 February 2025, 5 March 2025 and 17 March 2025, and the Company's circular dated 19 March 2025);
- (e) the share transfer agreement dated 25 April 2025 entered into between Precise First Limited, a direct wholly-owned subsidiary of the Company as vendor, Perfect Current Investment Limited as purchaser, pursuant to which, the purchaser acquired the entire issued share capital in Faith Channel Limited, the target company and the equity interests in the subsidiaries owned by the target company at the consideration of HK\$50.0 million (details are set out in the Company's announcement dated 25 April 2025); and
- (f) the Sale and Purchase Agreement.

11. EXPERT AND CONSENT

The following is the qualification of the expert who has provided its advice, which is contained in this circular:

Name	Qualification
Prism Hong Kong Limited	Certified Public Accountants Registered Public Interest Entity Auditor
Rainbow Capital (HK) Limited	Licensed corporation to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) of the regulated activities under the SFO
Moore Transaction Services Limited	Independent valuer

As at the Latest Practicable Date, each of the experts mentioned above has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letters, reports and/or opinions and the references to its names (including its qualifications) included herein in the form and context in which it is included.

As at the Latest Practicable Date, each of the experts is an independent third party of the Group.

As at the Latest Practicable Date, none of the experts nor their respective subsidiaries mentioned above held any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, none of the experts nor their respective subsidiaries mentioned above had, or had have, any direct or indirect interest in any material assets which have been acquired since 31 December 2024 (being the date to which the latest published audited consolidated accounts of the Company were made up), or disposed of by, or leased to any member of the Group, or are proposed to be acquired, or disposed of by, or leased to any member of the Group.

The Valuation Reference Date is 31 March 2025. The Valuer confirmed that there is no material difference in the Valuation between the Valuation Reference Date and the Latest Practicable Date.

12. ADDITIONAL DISCLOSURE UNDER TAKEOVERS CODE

- (a) As at the Latest Practicable Date, save for the Sale and Purchase Agreement entered into by the Vendor, neither the Vendor nor any parties acting in concert with it held any securities, options, warrants, convertible securities and derivatives of the Company or had dealt for value in the securities, options, warrants, convertible securities and derivatives of the Company during the Relevant Period.
- (b) As at the Latest Practicable Date, save for the interests disclosed in the section headed “4. Disclosure of Interest” in this appendix, neither China GBA Holdings nor any parties acting in concert with any of it held any securities, options, warrants, convertible securities and derivatives of the Company or had dealt for value in the securities, options, warrants, convertible securities and derivatives of the Company during the Relevant Period.
- (c) No Shares acquired by the Vendor in pursuance of the allotment and issue of the Consideration Shares will be transferred, charged or pledged to any other persons.
- (d) As at the Latest Practicable Date, no person had irrevocably committed themselves to vote for or against the resolutions to be proposed at the EGM to approve the Acquisition including the grant of the Specific Mandate and the Whitewash Waiver. As at the Latest Practicable Date, all Directors who, directly or indirectly, holding any voting rights in the Company are required to abstain from voting at the EGM in respect of the resolutions relating to the Acquisition including the grant of the Specific Mandate and the Whitewash Waiver.

- (e) As at the Latest Practicable Date, no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code existed between (i) the Vendor or any party acting in concert with it, and any other person; or (ii) China GBA Holdings or any party acting in concert with any of it, and any other person.
- (f) As at the Latest Practicable Date, there were no agreements or arrangements to which (i) the Vendor or any party acting in concert with it; or (ii) China GBA Holdings or any party acting in concert with any of it, is a party which relate to the circumstances in which any of them may or may not invoke or seek to invoke a pre-condition or a condition to the Acquisition or the Whitewash Waiver.
- (g) As at the Latest Practicable Date, (i) the Company did not have any interest in the securities, options, warrants, convertible securities and derivatives of the Vendor and had no dealings in the securities, options, warrants, convertible securities and derivatives of the Vendor during the Relevant Period; and (ii) the Company did not have any interest in the securities, options, warrants, convertible securities and derivatives of China GBA Holdings and had no dealings in the securities, options, warrants, convertible securities and derivatives of China GBA Holdings during the Relevant Period.
- (h) As at the Latest Practicable Date, (i) save that Mr. Luo Jieping is interested in 18% of the issued share capital of the Vendor, none of the Directors had any interest in the securities, options, warrants, convertible securities and derivatives of the Vendor; and (ii) save for the interests disclosed in the section headed “4. Disclosure of Interest” in this appendix, none of the Directors had any interest in the securities, options, warrants, convertible securities and derivatives of China GBA Holdings.
- (i) save that Mr. Luo Jieping has disposed 200 issued shares of the Vendor, representing 2% of the interest in the Vendor, at the total consideration of HKD10,000,000 (i.e. price per share of HKD50,000) on 6 May 2025, none of the Directors had dealt for value in the securities, options, warrants, convertible securities and derivatives of the Company or the Vendor or China GBA Holdings during the Relevant Period.
- (j) As at the Latest Practicable Date, none of the subsidiaries of the Company, the pension fund of the Company or of its subsidiaries, a 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 (but excluding exempt principal traders and exempt fund managers) owned or controlled any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, or had dealt for value in any such securities of the Company during the Relevant Period.

- (k) There was no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code between any person and 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, and no such person had owned, controlled or dealt for value in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Relevant Period.
- (l) As at the Latest Practicable Date, no securities, options, warrants, convertible securities and derivatives of the Company were managed on a discretionary basis by any fund managers connected with the Company, nor did any such fund managers deal in any securities, options, warrants, convertible securities and derivatives of the Company during the Relevant Period.
- (m) As at the Latest Practicable Date, save for the interests disclosed in the sections “4. Disclosure of Interest” in this appendix, none of the Directors held Shares of the Company.
- (n) As at the Latest Practicable Date and during the Relevant Period, no securities, options, warrants, convertible securities and derivatives of the Company had been borrowed or lent by any of the Directors or by the Company or by the Vendor or any party acting in concert with it or by China GBA Holdings or any party acting in concert with each of them.

13. DOCUMENTS ON DISPLAY

Copies of the following documents will be available on the website of the SFC (www.sfc.hk), the Stock Exchange (<http://www.hkexnews.hk>) and on the website of the Company (<http://www.youngogroup.com>) from the date of this circular to the date of the EGM:

- (a) the memorandum and articles of association of the Company;
- (b) the memorandum and articles of association of the Vendor;
- (c) the memorandum and articles of association of China GBA Holdings;
- (d) the annual reports of the Company for the financial years ended 31 December 2022, 31 December 2023 and 31 December 2024;
- (e) the letter from the Board, the text of which is set out the section headed “Letter from the Board” of this circular;

- (f) the letter of recommendation from the Independent Board Committee to the Independent Shareholders, the text of which is set out in the section headed “Letter from the Independent Board Committee” of this circular;
- (g) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders, the text of which is set out in the section headed “Letter from the Independent Financial Adviser” of this circular;
- (h) the service agreements entered into between the Company with the Directors referred to in the paragraph headed “9. Directors’ Service Contracts” in this appendix;
- (i) the material contracts referred to in the paragraph headed “10. Material contracts” in this appendix;
- (j) the accountants’ report of the Target Group, the text of which is set out in Appendix II to this circular;
- (k) the report on the pro forma financial information of the Enlarged Group, the text of which is set out in Appendix IV to this circular;
- (l) the valuation report of the Target Group dated 29 July 2025 prepared by the Independent Valuer, the text of which is set out in the Announcement;
- (m) the valuation report of the Target Group dated 30 September 2025 prepared by the Independent Valuer, the text of which is set out in Appendix V to this circular;
- (n) the letter from Reporting Accountants dated 29 July 2025 on the calculation of discounted cash flows used in connection with the Valuation Report, the text of which is set out in the Announcement;
- (o) the letter from Reporting Accountants dated 30 September 2025 on the calculation of discounted cash flows used in connection with the Valuation Report, the text of which is set out in Appendix VI to this circular;
- (p) the letter dated 29 July 2025 issued by the Independent Financial Adviser on the Valuation Report, the text of which is set out in the Announcement;
- (q) the letter dated 30 September 2025 issued by the Independent Financial Adviser on the Valuation Report, the text of which is set out in Appendix VII to this circular;
- (r) the property valuation report dated 30 September 2025 prepared by the Independent Valuer, the text of which is set out in Appendix IX to this circular;

- (s) the legal opinion issued by Tian Yuan Law Firm, the PRC legal advisor to the Company, in connection with the VIE Arrangement and the VIE Agreements;
- (t) the written consents referred to in the paragraph headed “9. Experts and consents” in this appendix;
- (u) the Sale and Purchase Agreement; and
- (v) this circular.

14. MISCELLANEOUS

- (a) The registered office of the Company is PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands.
- (b) The principal place of business of the Company in Hong Kong is Unit 916, 9/F, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong.
- (c) Ms. Liang Lina is the company secretary of the Company (“**Ms. Liang**”). Ms. Liang has extensive experience in auditing, financial management, offshore financing, investor relations, and corporate governance. Ms. Liang holds a bachelor degree in Accounting from the Central University of Finance and Economics, and a master degree in Finance from Peking University. Ms. Liang is currently a member of each of the Chinese Institute of Certified Public Accountants, the Hong Kong Institute of Certified Public Accountants, and the American Institute of Certified Public Accountants.
- (d) The principal share registrar of the Company is Maples Fund Services (Cayman) Limited, P.O. Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands.
- (e) The Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.
- (f) The registered office of the Vendor is at OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands, and its correspondence address in Hong Kong is located at Room 1A, 14/F., Chun Wo Commercial Centre, 23–29 Wing Wo Street, Central, Hong Kong. The Vendor is owned as to 35.2% by Mr. Zhong Junhua, 18.0% by Mr. Luo Jieping, 17.0% by Mr. Huang Zhiwen, 10.4% by Mr. Chen Keya, 10.4% by Mr. Cai Sanyan, 6.6% by Mr. Zhou Baikui and 2.4% by Mr. Chen Zhizhong. The directors of the Vendor are Mr. Zhong Junhua, Mr. Chen Keya and Mr. Cai Sanyan. None of the directors of the Vendor was interested (within the meaning of Part XV of the SFO) in any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares.

- (g) The registered office of China GBA Holdings is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands, and its correspondence address in Hong Kong is located at Unit 916, 9/F, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong. China GBA Holdings is owned as to 84% by Ruixinhaide Holdings Limited (“**RXHD Holdings**”), RXHD Holdings is owned as to 100% by Solid Wealth Holdings Limited (“**Solid Wealth**”), and Solid Wealth is owned as to 90% by Rich Grain Investments Limited (“**Rich Grain**”), which is in turn wholly-owned by Ms. Zeng Yan. The directors of the China GBA Holdings are Ms. Wei Haiyan and Ms. Zeng Yan. Save for Ms. Zeng Yan’s interest in the Shares of the Company disclosed in the section headed “4. Disclosure of Interest” in this appendix, none of the directors of the China GBA Holdings was interested (within the meaning of Part XV of the SFO) in any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares.
- (h) The Independent Financial Adviser is Rainbow Capital (HK) Limited. The registered office of the Independent Financial Adviser is at Office No. 710, 7/F, Wing On House, 71 Des Voeux Road Central, Central, Hong Kong.
- (i) The Independent Valuer is Moore Transaction Services Limited. The registered office of the Independent Valuer is at 1013, North Tower, World Finance Centre, Harbour City, 19 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.
- (j) The reporting accountant of the Company is Prism Hong Kong Limited. The registered office of Prism Hong Kong Limited is at Units 1903A–1905, 19/F, 8 Observatory Road, Tsim Sha Tsui, Hong Kong.
- (k) In case of inconsistency, the English text of this circular shall prevail over the Chinese text.

The following is the text of a report prepared for the purpose of incorporation in this circular received from Moore Transaction Services Limited, an independent valuer, in connection with its valuation as at 30 June 2025 of the market value of the Target Properties located in the PRC and Thailand.

**Moore Transaction Services Limited**

1013, North Tower, World Finance Centre
Harbour City, 19 Canton Road
Tsim Sha Tsui, Kowloon, Hong Kong

30 September 2025

The Directors

Guangdong – Hong Kong Greater Bay Area Holdings Limited

Unit 916, 9/F, China Merchants Tower
Shun Tak Centre, 168–200 Connaught Road Central
Hong Kong

Dear Sirs,

Re: Market value of properties located in the People’s Republic of China and Thailand (the “Target Properties”)

INSTRUCTIONS

We refer to the instruction from Guangdong – Hong Kong Greater Bay Area Holdings Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) to value all property interest, i.e. the Target Properties in the People’s Republic of China (“**PRC**”) and Thailand held by the Group as at the Valuation Date. We confirm that we have carried out inspection of the Target Properties, made relevant enquiries and obtained such further information as we consider necessary for providing you with our opinion of the market value of the Target Properties as at 30 June 2025 (the “**Valuation Date**”) for public disclosure purposes. The Target Properties are listed as below:

Group I – Investment Properties held by the Group (the “Investment Properties”)

1. Portion of Jewel Market and Convention Center of Wuzhou Trade Center, No. 1 Shundi Avenue, Changzhou District, Wuzhou, Guangxi Zhuang Autonomous Region, the PRC;
2. Portion of Small Commodity Market of Zone B of Jining Trade Center, East State Road 105, North Juyu Road, Jining, Shandong Province, the PRC;

3. Zone D of Jining Trade Center, Intersection of State Road 105 and Taibai Road, Jining, Shandong Province, the PRC; and
4. Red Star Macalline Global, Household Shopping Mall in Heze Trade Center, East of National Highway 220, West of Kunming Road, North of Binhe Road, Mudan District, Heze, Shandong Province, the PRC.

Group II – Lands held by the Group (the “Lands”)

5. Plot 2 (plot 8) West of Rulong Tunnel, Wuzhou, Guangxi Zhuang Autonomous Region, the PRC;
6. Land in Wanfu Community, Mudan District, Heze, Shandong Province, the PRC (held by Heze Yide Trade and Logistics City Company Limited);
7. Land in Wanfu Community, Mudan District, Heze, Shandong Province, the PRC (held by Heze Yide City Industrial Company Limited);
8. Land in Heping Town, Yuzhong County, Lanzhou, Gansu Province, the PRC;
9. Land at East of Fushan Street, North of Youyi Road, Jiamusi, Heilongjiang Province, the PRC;
10. Land at No. 1 Liujiang Avenue, Labao Town, Liujiang District, Liuzhou, Guangxi Zhuang Autonomous Region, the PRC;
11. Land in Shitang Subdistrict, Fucheng District, Mianyang, Sichuan Province, the PRC; and
12. 3 parcels of land located in Bang Bo District, Samut Prakarn, Thailand.

Group III – Properties held for sales in inventory of the Group (the “Inventory”)

13. Jining Yide City Project, the commercial and residential portions at Jining Yide City, Rencheng District, Jining, Shandong Province, the PRC;
14. Mianyang Yide City Project, the commercial and residential portion at Mianyang Yide City, No. 66, Yuzhong Road, Fucheng District, Mianyang, Sichuan Province, the PRC;
15. Wuzhou Yide City Project, the commercial and residential portions at Wuzhou Yide City, No. 1 Shundi Avenue, Changzhou District, Wuzhou, Guangxi Zhuang Autonomous Region, the PRC;

16. Heze Yide City Project, the commercial and residential portions at Heze Yide City, National Highway 220 and Kunming Road, Mudan District, Heze, Shandong Province, the PRC;
17. Lanzhou Yide City Project, the commercial and residential portions at Lanzhou Yide City, Heping Town, Yuzhong County, Lanzhou, Gansu Province, the PRC;
18. Liuzhou Yide City Project, the commercial and residential portions at Liuzhou Yide City, No. 1 Liujiang Avenue, Liujiang District, Liuzhou, Guangxi Zhuang Autonomous Region, the PRC; and
19. Jiamusi Yide City Project, the commercial portions at Jiamusi Yide City Project, East of Fushan Street, North of Youyi Road, Jiamusi, Heilongjiang Province, the PRC.

BASIS OF VALUATION

Our valuation is our opinion of market value of the Target Properties which 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”. Market value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer.

This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement(s), special consideration or concession granted by anyone associated with the sale, or any element of special value(s). The market value of a property is also estimated without regard to cost(s) of sale and purchase, and without offset for any associated tax(es).

Market value is also understood as the estimated exchange price of an asset without regard to the seller’s costs of sale or the buyer’s costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.

VALUATION STANDARDS

Our valuation has been prepared in accordance with “The RICS Valuation, Global Standards” (the “**Red Book**”, effective from 31 January 2025) published by the Royal Institution of Chartered Surveyors (“**RICS**”), the HKIS Valuation Standards 2024 published by The Hong Kong Institute of Surveyors effective from 31 December 2024 and the International Valuation Standards (“**IVS**”) published by the International Valuation Standards Council (effective from 31 January 2025). In valuing the Target Properties, we have complied with all 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 (“**HKEx**”) and the requirements set out in the Rule 11 of the Codes on Takeovers and Mergers and Share Buy-backs published by the Securities and Futures Commission.

VALUATION METHODOLOGY

In valuing the Land and the properties which have completed construction, we have adopted the Market Approach assuming sale in its existing state with the benefit of vacant possession and by making reference to its historical sales records or comparable sales evidence as available in the relevant market. Appropriate adjustments have been made to account for the differences between the Target Properties and the comparables in terms of location, accessibility, size and other relevant factors. Where appropriate, we have also adopted Income Approach by taking into account the current passing rents of the constituent units of the Target Properties being held under existing tenancies and the reversionary potential of the tenancies if they have been or would be let to tenants.

For those construction-in-progress properties, we have valued the properties in accordance with the latest development proposal provided to us and have assumed that the properties will be developed in accordance with such proposal. We have firstly assessed the market value as if completed (the gross development value) of the property. The gross development value represents our opinion of the market value of the proposed development at the property assuming it were fully completed at the Valuation Date. In arriving at our valuation of the properties, we have also taken into consideration the development cost incurred and the costs that will be incurred to complete the proposed development. In assessing the gross development value, we have adopted the direct comparison method by making reference to historical sales records or comparable transactions as available in the relevant markets.

POTENTIAL TAX LIABILITIES

As advised by the Group, the potential tax liabilities which may arise from the sale of property interests include:

- (a) Property interests held by the Group in the PRC:
 - (i) Value added tax on the consideration at a rate of 9% (plus surcharges);
 - (ii) Corporate income tax on the profit from the sale of property at a rate of 25%; and
 - (iii) Land value appreciation tax on the appreciated portion of land value at progressive tax rates as follows:

Appreciated portion of land value	Progressive tax rate
Not more than 50%	30%
More than 50% but not more than 100%	40%
More than 100% but not more than 200%	50%
More than 200%	60%

(b) Property interests held by the Group in Thailand:

- (i) Specific Business Tax of 3.3% of the appraised value or the sale price, whichever is higher;
- (ii) Withholding Tax of 1% of the sale price or appraised value, whichever is higher; and
- (iii) Corporate income tax on the profit from the sale of property at a rate of 20%.

For the property interests of Target Properties No. 1–11 held by the Group, they are currently held by the Group and with no intention of disposal. Hence, the likelihood of any potential tax liabilities of these property interests being crystallised is remote. For the property interests of No. 12–19 held by the Group, they are currently held by the Group for sale. Hence, the potential tax liabilities of these property interests are likely to be crystallised.

TITLE INVESTIGATION

We have been provided with copies of extracts of title documents relating to the Target Properties, however, we are not able to conduct land searches on the Target Properties and we have not inspected the original documents to verify ownership or to verify any amendments which may not appear on the copies handed to us. We have relied to a considerable extent on information provided by the Group.

We have relied on the advices given by the PRC and Thailand legal advisers of the Company, Guang Dong Tiansuo Law Firm and DTL Law Office, regarding the titles of the property interests in the PRC and Thailand respectively. We do not accept liability for any interpretation that we have placed on such information, which is more properly placed within the sphere of the legal advisers.

All legal documents disclosed in this letter, the valuation summary and the valuation certificates are for reference only. No responsibility is assumed for any legal matters concerning the legal titles to the property interests set out in this letter, the valuation summary and the valuation certificates.

SOURCES OF INFORMATION

We have relied to a considerable extent on the information provided by the Group and have accepted advice on such matters as tenure, particulars of occupancy, net internal areas, interest attributable to the Group and all relevant materials regarding the Target Properties.

We have also been advised by the Group that no material factors or information have been omitted or withheld from information supplied and consider that we have been provided with sufficient information to reach an informed view. We believe that the assumptions used in preparing our valuation are reasonable and have had no reason to doubt the truth and accuracy of information provided to us by the Group which is material to the valuation.

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the Target Properties are sold in the market in its existing state without the benefit of deferred terms contract, leaseback, joint venture, management agreement or any other similar arrangement which would serve to affect the value of the Target Properties.

In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the Target Properties and no forced sale situation in any manner is assumed in our valuation.

VALUATION CONSIDERATIONS

Inspection of the Target Properties was conducted by our staffs, namely Joe Chan, Calvin Wong, Stella Zhang and Alistair Zhu, under the supervision of Mr. Kenneth Ma Chi Kin, Managing Director of our firm in August 2025. We have inspected the exterior and wherever possible, the interior of the Target Properties. However, we have not inspected those parts of the Target Properties which were covered, unexposed or inaccessible and such parts have been assumed to be in reasonable condition.

No structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the Target Properties are free of rot, infestation or any other structural defects. No tests were carried out on any of the services.

In the course of our valuation, we have relied to a considerable extent on the information given by the Group and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenures, particulars of occupancy, floor areas, identification of the Target Properties and other relevant information.

We have not carried out detailed on-site measurements to verify the correctness of the floor area in respect of the Target Properties but have assumed that the floor area shown on the documents handed to us are correct. Dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided to us by the Group and are therefore only approximations.

We have no reason to doubt the truth and accuracy of the information provided to us by the Group and we have relied on your confirmation that no material facts have been omitted from the information provided. We consider that we have been provided with sufficient information for us to reach an informed view.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Target Properties or for any expenses or taxation, which may be incurred in effecting a sale.

Unless otherwise stated, it is assumed that the Target Properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

CURRENCY

Unless otherwise stated, all money amounts stated herein are in Renminbi (“**RMB**”) or Thai Baht (“**THB**”) and no allowances have been made for any exchange transfers.

The exchange rate adopted in our valuation is approximately HKD = THB4.1373 and HKD = RMB0.9126 which were approximately the prevailing exchange rates as at the Valuation Date, sourced from S&P Capital IQ.

CONFIRMATION OF INDEPENDENCE

We hereby certify that we neither have any present nor any prospective interest in the Group or the appraised Target Properties or the value reported. We confirm that we do not have any material connection or involvement giving rise to a conflict of interest and are providing an objective and unbiased valuation.

Our summary of value and the valuation certificate are attached herewith.

Yours faithfully,
For and on behalf of
Moore Transaction Services Limited
Kenneth Ma
MRICS, Registered Valuer
Managing Director

For and on behalf of
Moore Transaction Services Limited
Ken. Ching
Bsc, MHKIS
Consultant

Mr. Kenneth Ma is a member of the Royal Institution of Chartered Surveyors who has over 5 years’ experience in valuations of properties in Hong Kong, the People’s Republic of China, Thailand and the United Kingdom.

Mr. Ken. Ching is a member of the Hong Kong Institute of Surveyors who has over 5 years’ experience in valuations of properties in Hong Kong, the People’s Republic of China, Thailand and the United Kingdom.

SUMMARY OF VALUE

Group I – the Investment Properties held by the Group

No.	Property	Market value in existing state as at 30 June 2025	Interest attributable to the Group	Market value in existing state as at 30 June 2025 attributable to the Group
1.	Portion of Jewel Market and Convention Center of Wuzhou Trade Center, No. 1 Shundi Avenue, Changzhou District, Wuzhou, Guangxi Zhuang Autonomous Region, the PRC	RMB107,000,000 (equivalent to HKD117,000,000)	100%	RMB107,000,000 (equivalent to HKD117,000,000)
2.	Portion of Small Commodity Market of Zone B of Jining Trade Center, East State Road 105, North Juyu Road, Jining, Shandong Province, the PRC	RMB244,000,000 (equivalent to HKD268,000,000)	100%	RMB244,000,000 (equivalent to HKD268,000,000)
3.	Zone D of Jining Trade Center, Intersection of State Road 105 and Taibai Road, Jining, Shandong Province, the PRC	RMB270,000,000 (equivalent to HKD296,000,000)	100%	RMB270,000,000 (equivalent to HKD296,000,000)
4.	Red Star Macalline Global, Household Shopping Mall in Heze Trade Center, East of National Highway 220, West of Kunming Road, North of Binhe Road, Mudan District, Heze, Shandong Province, the PRC	RMB324,000,000 (equivalent to HKD354,000,000)	100%	RMB324,000,000 (equivalent to HKD354,000,000)
Total:		HKD1,035,000,000		HKD1,035,000,000

Group II – the Lands held by the Group

No.	Property	Market value in existing state as at 30 June 2025	Interest attributable to the Group	Market value in existing state as at 30 June 2025 attributable to the Group
5.	Plot 2 (plot 8) West of Rulong Tunnel, Wuzhou, Guangxi Zhuang Autonomous Region, the PRC	RMB38,000,000 (equivalent to HKD42,000,000)	100%	RMB38,000,000 (equivalent to HKD42,000,000)
6.	Land in Wanfu Community, Mudan District, Heze, Shandong Province, the PRC (held by Heze Yide Trade and Logistics City Company Limited)	RMB48,000,000 (equivalent to HKD52,000,000)	100%	RMB48,000,000 (equivalent to HKD52,000,000)
7.	Land in Wanfu Community, Mudan District, Heze, Shandong Province, the PRC (held by Heze Yide City Industrial Company Limited)	RMB83,000,000 (equivalent to HKD91,000,000)	100%	RMB83,000,000 (equivalent to HKD91,000,000)
8.	Land in Heping Town, Yuzhong County, Lanzhou, Gansu Province, the PRC	RMB1,163,000,000 (equivalent to HKD1,274,000,000)	100%	RMB1,163,000,000 (equivalent to HKD1,274,000,000)
9.	Land at East of Fushan Street, North of Youyi Road, Jiamusi, Heilongjiang Province, the PRC	RMB117,000,000 (equivalent to HKD128,000,000)	100%	RMB117,000,000 (equivalent to HKD128,000,000)
10.	Land at No. 1 Liujiang Avenue, Labao Town, Liujiang District, Liuzhou, Guangxi Zhuang Autonomous Region, the PRC	RMB56,000,000 (equivalent to HKD62,000,000)	100%	RMB56,000,000 (equivalent to HKD62,000,000)

No.	Property	Market value in existing state as at 30 June 2025	Interest attributable to the Group	Market value in existing state as at
				30 June 2025 attributable to the Group
11.	Land in Shitang Subdistrict, Fucheng District, Mianyang, Sichuan Province, the PRC	RMB271,000,000 (equivalent to HKD297,000,000)	100%	RMB271,000,000 (equivalent to HKD297,000,000)
12.	3 parcels of land located in Bang Bo District, Samut Prakarn, Thailand	THB680,000,000 (equivalent to HKD164,000,000)	36.43%	THB248,000,000 (equivalent to HKD60,000,000)
Total:		<u>HKD2,110,000,000</u>		<u>HKD2,006,000,000</u>

Group III – the Inventory held by the Group

No.	Property	Market value in existing state as at 30 June 2025	Interest attributable to the Group	Market value in existing state as at 30 June 2025 attributable to the Group
13.	Jining Yide City Project, the commercial and residential portions at Jining Yide City, Rencheng District, Jining, Shandong Province, the PRC	RMB402,000,000 (equivalent to HKD440,000,000)	100%	RMB402,000,000 (equivalent to HKD440,000,000)
14.	Mianyang Yide City Project, the commercial and residential portion at Mianyang Yide City, No. 66, Yuzhong Road, Fucheng District, Mianyang, Sichuan Province, the PRC	RMB226,000,000 (equivalent to HKD248,000,000)	100%	RMB226,000,000 (equivalent to HKD248,000,000)
15.	Wuzhou Yide City Project, the commercial and residential portions at Wuzhou Yide City, No. 1 Shundi Avenue, Changzhou District, Wuzhou, Guangxi Zhuang Autonomous Region, the PRC	RMB920,000,000 (equivalent to HKD1,008,000,000)	100%	RMB920,000,000 (equivalent to HKD1,008,000,000)
16.	Heze Yide City Project, the commercial and residential portions at Heze Yide City, National Highway 220 and Kunming Road, Mudan District, Heze, Shandong Province, the PRC	RMB60,000,000 (equivalent to HKD66,000,000)	100%	RMB60,000,000 (equivalent to HKD66,000,000)

No.	Property	Market value in existing state as at 30 June 2025	Interest attributable to the Group	Market value in existing state as at 30 June 2025 attributable to the Group
17.	Lanzhou Yide City Project, the commercial and residential portions at Lanzhou Yide City, Heping Town, Yuzhong County, Lanzhou, Gansu Province, the PRC	RMB626,000,000 (equivalent to HKD685,000,000)	100%	RMB626,000,000 (equivalent to HKD685,000,000)
18.	Liuzhou Yide City Project, the commercial and residential portions at Liuzhou Yide City, No. 1 Liujiang Avenue, Labao Town, Liujiang District, Liuzhou, Guangxi Zhuang Autonomous Region, the PRC	RMB96,000,000 (equivalent to HKD106,000,000)	100%	RMB96,000,000 (equivalent to HKD106,000,000)
19.	Jiamusi Yide City Project, the commercial portions at Jiamusi Yide City Project, East of Fushan Street, North of Youyi Road, Jiamusi, Heilongjiang Province, the PRC	RMB29,000,000 (equivalent to HKD32,000,000)	100%	RMB29,000,000 (equivalent to HKD32,000,000)
Total:		HKD2,585,000,000		HKD2,585,000,000

VALUATION CERTIFICATE

Group I – Investment Properties

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2025
1	Portion of Jewel Market and Convention Center of Wuzhou Trade Center (or Wuzhou Yide City), No. 1 Shundi Avenue, Changzhou District, Wuzhou, Guangxi Zhuang Autonomous Region, the PRC	Jewel Market and Convention Center at Zone A1–2 of Wuzhou Yide City was built in 2014 and comprises portions of the commercial and office units of a three-storey shopping mall. According to the information provided by the Group, the total gross floor area of this investment property is approximately 18,250.10 square meters. The land use rights of the property have been transferred to Wuzhou Yide with the land use rights expiring on 5 March 2053. The property will be used for wholesale and retail, accommodation and catering and other purposes.	The property was held for lease and operation by Wuzhou Yide as at the Valuation Date.	RMB107,000,000 (equivalent to HKD117,000,000) 100% interest attributable to the Group: RMB107,000,000 (equivalent to HKD117,000,000)

Notes:

- Pursuant to a State-owned Land Use Rights Certificate of Wu Guo Yong (2013) No. 011414 (《國有土地使用證》– 梧國用(2013)第011414號), the land use rights for a site area of approximately 104,077.94 square meters (including the land use rights for the property) have been granted to Wuzhou Yide Commercial and Logistics City Development Company Limited (“**Wuzhou Yide**”). The land use rights are set to expire on 5 March 2053 for wholesale and retail use, accommodation and catering and other land uses.
- According to two Real Estate Property Certificates Gui (2018) Wuzhou City Real Estate Property Certificates No. 0011578 and 0011586 (《不動產權證書》– 桂(2018)梧州市不動產權第0011578及0011586號), the total construction area of approximately 28,489.78 square meters are owned by Wuzhou Yide.
- As advised by the Group, Wuzhou Yide is an indirectly wholly owned subsidiary of the Company.
- According to the information provided by the Group, the total leasable area of the property as at the Valuation Date was approximately 18,250.10 square meters.
- As of the Valuation Date, the property was partially leased to various third parties for commercial purposes under various lease agreements. The lease termination dates ranged from 29 February 2028 to 31 May 2031. The total monthly rent for the property as of the Valuation Date was approximately RMB156,000, excluding commissions, property management fees, utilities, and other expenses.

6. We have been provided with a PRC legal opinion dated 10 September 2025 regarding the property by Guang Dong Tiansuo Law Firm, which contains the following:
- a. The land premium for the land use rights of the property have been fully settled;
 - b. The owner of the property holds valid land use rights and building ownership. The property can be freely transferred, leased, mortgaged, or disposed of in any other legal manner without the need to pay land premium or any other onerous fees (excluding relevant transaction taxes and fees);
 - c. The lease agreements signed between the property owner and the relevant tenants are legal, valid, and binding on both parties; and
 - d. The state-owned land use rights and building ownership rights of the property are not subject to a mortgage, pledge, seizure, lien or other restriction of rights.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2025
2	Portion of Small Commodity Market of Zone B of Jining Trade Center (or Jining Yide City), East State Road 105, North Juyu Road, Jining, Shandong Province, the PRC	Small Commodity Market at Zone B of Jining Yide City is a five-storey shopping mall built in 2015. According to the information provided by the Group, the total gross floor area of this investment property is approximately 50,481 square meters. The land use rights of the property have been granted to Jining Yide for commercial service purpose, and the land use rights expire on 26 March 2052.	The property was vacant as at the Valuation Date.	RMB244,000,000 (equivalent to HKD268,000,000) 100% interest attributable to the Group: RMB244,000,000 (equivalent to HKD268,000,000)

Notes:

1. Pursuant to a State-owned Land Use Rights Certificate, Jining Guoyong (2012) No. 0802120019 (《國有土地使用證》– 濟寧國用(2012)第0802120019號), the land use rights of a piece of land with a site area of approximately 171,562 square meters (including the land use rights of the property) have been transferred to Jining Xinhaode Logistics City Development Company Limited (former name of Jining Yide Logistics City Development Company Limited, “Jining Yide”), with the land use rights expiring on 26 March 2052, for commercial service purposes.
2. According to four Real Estate Property Certificates, namely Lu (2021) Jining City Real Estate Property Certificates No. 0056494, 0057502, 0057505 and 0057509 (《不動產權證書》– 魯(2021)濟寧市不動產權第0056494、0057502、0057505及0057509號), the Small Commodity Market at Zone B of Jining Yide City with a total gross floor area of approximately 62,037.16 square meters is owned by Jining Yide.
3. As advised by the Group, Jining Yide is an indirectly wholly owned subsidiary of the Company.
4. According to the information provided by the Group, the total leasable area of the property on the valuation base date is approximately 50,481 square meters.
5. We have been provided with a PRC legal opinion dated 10 September 2025 regarding the property by Guang Dong Tiansuo Law Firm, which contains the following:
 - a. The land premium for the land use rights of the property have been fully settled;
 - b. The owner of the property legally owns the land use rights and housing ownership of the property. The property can be freely transferred, leased, mortgaged or disposed of in other legal ways on the market without paying land transfer fees or any other onerous fees or charges (except for relevant transaction taxes and fees); and
 - c. A state-owned land use rights and real estate property rights with total gross floor area of 50,481 (pro rata) square meters within the investment property have been pledged to Agricultural Bank of China Limited (中國農業銀行股份有限公司).

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2025
3	Zone D of Jining Trade Center (or Jining Hydoo City), Intersection of State Road 105 and Taibai Road, Jining, Shandong Province, the PRC	Zone D of Jining Hydoo City is a four-story (including one underground floor) shopping mall built in 2020. According to the information provided by the Group, the total gross floor area of this investment property is approximately 64,851.84 square meters. The land use rights of the property have been granted to Jining Yide for commercial service purpose, expiring on 25 November 2050.	The property was held for lease and operation by Jining Yide as at the Valuation Date.	RMB270,000,000 (equivalent to HKD296,000,000) 100% interest attributable to the Group: RMB270,000,000 (equivalent to HKD296,000,000)

Notes:

- Pursuant to a State-owned Land Use Rights Certificate, Jining Guoyong (2010) No. 0802100078-2 (《國有土地使用證》– 濟寧國用(2010)第0802100078-2號), the land use rights of a piece of land with a site area of approximately 44,542 square meters (including the land use rights of the property) have been transferred to Jining Yide, with the land use rights expiring on 25 November 2050, for commercial service purposes.
- According to four Real Estate Property Certificates (Lu (2021) Jining City Real Estate Property Certificates No. 0034111 to 0034114) (《不動產權證書》– 魯(2021)濟寧市不動產權第0034111至0034114號), the Zone D of Jining Hydoo City with a total gross floor area of approximately 52,337.01 square meters is owned by Jining Yide. In addition, there is a basement portion of the property with a gross floor area of approximately 12,514.83 square meters.
- As advised by the Group, Jining Yide is an indirectly wholly owned subsidiary of the Company.
- According to the information provided by the Group, the total leasable area of the property was 64,851.84 square meters as at the Valuation Date.
- As of the Valuation Date, the property was leased for commercial use under a lease agreement. The lease term was from 23 January 2025 to 22 July 2045. As of the Valuation Date, the property was still in the rent-free period, which ended on 23 July 2025. The starting monthly rent was approximately RMB157,000, excluding commission rent, property management fees, utilities, and other expenses.
- We have been provided with a PRC legal opinion dated 10 September 2025 regarding the property by Guang Dong Tiansuo Law Firm, which contains the following:
 - The land premium for the land use rights of the property have been fully settled;
 - The owner of the property holds valid land use rights and building ownership. The property can be freely transferred, leased, mortgaged, or disposed of in any other legal manner without the need to pay land premium or any other onerous fees (excluding relevant transaction taxes and fees);

- c. The lease agreements signed between the property owner and the relevant tenants are legal, valid, and binding on both parties; and
- d. The state-owned land use rights and real estate property rights of the investment property are not subject to a mortgage, pledge, seizure, lien or other restriction of rights, except that: (i) a total of gross floor area of 24,574.55 square meters within the investment property have been pledged to Agricultural Bank of China Limited (中國農業銀行股份有限公司); and (ii) a total of gross floor area of 27,762.46 square meters within the investment property have been pledged to China Zheshang Bank Company Limited (浙商銀行股份有限公司).

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2025
4	Red Star Macalline Global, Household Shopping Mall of Heze Trade Center (Heze Yide City), East of National Highway 220, West of Kunming Road, North of Binhe Road, Mudan District, Heze, Shandong Province, the PRC	Red Star Macalline Global Household Shopping Mall of Heze Yide City is a five-story commercial property built in 2018. According to the information provided by the Group, the total gross floor area of this investment property is approximately 54,213.20 square meters. The land use rights of the property have been granted to Heze Yide Development for commercial and financial purposes expiring on 19 April 2053.	The property was held and leased by Heze Yide Development as of the Valuation Date.	RMB324,000,000 (equivalent to HKD354,000,000) 100% interest attributable to the Group: RMB324,000,000 (equivalent to HKD354,000,000)

Notes:

1. According to a State-owned Land Use Rights Certificate, He Guoyong (2013) No. 15208 (《國有土地使用證》 – 荷國用(2013)第15208號), the land use rights of a plot of land with an area of approximately 66,153.45 square meters (including the land use rights of the property) have been transferred to Heze Yide Commercial and Logistics City Company Limited (“**Heze Yide Development**”). The land use rights expire on 19 April 2053 and are used for commercial and financial purposes.
2. According to a Real Estate Property Certificate (Lu (2020) Heze City Real Estate Property Certificate No. 0037286) (《不動產權證書》 – 魯(2020)荷澤市不動產權第0037286), several commercial units with a total gross floor area of approximately 54,213.20 square meters are owned by Heze Yide Development.
3. As advised by the Group, Heze Yide Development is an indirectly wholly owned subsidiary of the Company.
4. According to the information provided by the Group, the total leasable area of the property as at the Valuation Date is approximately 54,213.20 square meters.
5. As of the Valuation Date, the property was leased to various parties for commercial purposes under various lease agreements. The lease termination dates ranged from 31 March 2026 to 30 November 2026. The total monthly rent for the property as of the Valuation Date was approximately RMB198,000, excluding commission rent, property management fees, utilities, and other expenses.
6. We have been provided with a PRC legal opinion dated 10 September 2025 regarding the property by Guang Dong Tiansuo Law Firm, which contains the following:
 - a. The land premium for the land use rights of the property have been fully settled;
 - b. The owner of the property holds valid land use rights and building ownership. The property can be freely transferred, leased, mortgaged, or disposed of in any other legal manner without the need to pay land premium or any other onerous fees (excluding relevant transaction taxes and fees);

- c. The lease agreements signed between the property owner and the relevant tenants are legal, valid, and binding on both parties; and
- d. The state-owned land use rights and real estate property rights of the investment property are not subject to a mortgage, pledge, seizure, lien or other restriction of rights.

Group II – Target Properties of Land

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2025
5	Plot 2 (plot 8) West of Rulong Tunnel, Wuzhou, Guangxi Zhuang Autonomous Region, the PRC	According to the information provided by the Group, the property consists of a piece of land with a total area of 32,688.69 square meters. The land use rights of the property will expire on 5 March 2053, and it will be used for wholesale and retail, accommodation and catering, and other commercial and service purposes.	The property was occupied with temporary structures as at the date of inspection.	RMB38,000,000 (equivalent to HKD42,000,000) 100% interest attributable to the Group: RMB38,000,000 (equivalent to HKD42,000,000)

Notes:

1. According to the Assignments of the State-owned Land Use Right (Contract No.: Wu Tu Chu Zi [2012] No. 037 and Wu Shi Chu Zi [2012] No. 038) (梧土出字 [2012] 037號及梧土出字[2012] 038號) signed between Wuzhou Land Resources Bureau and Wuzhou Yide on 18 December 2012, the land area of the property is 119,408.13 and 480,234.33 square meters respectively, and is used for wholesale and retail, accommodation and catering, and other commercial and service purposes.
2. According to a State-owned Land Use Rights Certificate of Wu Guoyong (2013) No. 011411 (《國有土地使用證》 – 梧國用(2013)第011411號), the land area is 32,688.69 square meters and the land use rights have been transferred to Wuzhou Yide. The land use rights expire on 5 March 2053 and are used for wholesale and retail, accommodation and catering, and other commercial and service purposes.
3. As advised by the Group, Wuzhou Yide is an indirectly wholly owned subsidiary of the Company.
4. Based on information provided by the Group, the requisite government approvals, including but not limited to Land Use Planning Permit, Construction Project Planning Permit and Construction Project Work Commencement Permit, have not been obtained. The property was not currently being developed and have no immediate development potential.
5. We have been provided with a PRC legal opinion dated 10 September 2025 regarding the property by Guang Dong Tiansuo Law Firm, which contains the following:
 - a. The land premium for the land use rights of the property have been fully settled;
 - b. The owner of the property legally owns the land use rights and housing ownership of the property. The property can be freely transferred, leased, mortgaged or disposed of in other legal ways on the market without paying land transfer fees or any other heavy fees or charges (except for relevant transaction taxes and fees); and
 - c. The state-owned land use rights with area of 32,688.69 square meters within the land area have been pledged to Guilin Bank Company Limited (桂林銀行股份有限公司).

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2025
6	Partial Land in Wanfu Community, Mudan District, Heze, Shandong Province, the PRC (held by Heze Yide Development)	According to the information provided by the Group, the property consists of a piece of land with a total area of 22,085 square meters.	The property was occupied with temporary structures as at the date of inspection.	RMB48,000,000 (equivalent to HKD52,000,000) 100% interest attributable to the Group:
		The land use rights of the property will expire on 19 April 2053, and it is used for wholesale and retail purposes.		RMB48,000,000 (equivalent to HKD52,000,000)

Notes:

1. According to a State-owned Construction Land Use Rights Assignment Contracts (Contracts No.: Heze-01-2013 Gua-0006) (荷澤-01-2013 掛-0006) signed on 7 April 2013 between Heze Land Resources Bureau and Heze Yide Development, the land area of the property is 175,072.03 square meters and is used for wholesale and retail purposes.
2. According to a State-owned Land Use Rights Certificate of He Guo Yong (2013) No. 15210 (《國有土地使用證》– 荷國用(2013)第15210號), the land area is 175,072.03 square meters, and the land use rights have been transferred to Heze Yide Development. The land use rights expire on 19 April 2053 and are used for wholesale and retail purposes. Amongst the total land area of the State-owned Land Use Rights Certificate of He Guo Yong (2013) No. 15210, approximately 22,085 square meters is not developed yet.
3. As advised by the Group, Heze Yide Development is an indirectly wholly owned subsidiary of the Company.
4. Based on information provided by the Group, the requisite government approvals, including but not limited to Land Use Planning Permit, Construction Project Planning Permit and Construction Project Work Commencement Permit, have not been obtained. The property was not being developed and have no immediate development potential.
5. We have been provided with a PRC legal opinion dated 10 September 2025 regarding the property by Guang Dong Tiansuo Law Firm, which contains the following:
 - a. The land premium for the land use rights of the property have been fully settled;
 - b. The owner of the property legally owns the land use rights and housing ownership of the property. The property can be freely transferred, leased, mortgaged or disposed of in other legal ways on the market without paying land transfer fees or any other heavy fees or charges (except for relevant transaction taxes and fees); and
 - c. The state-owned land use rights are not subject to a mortgage, pledge, seizure, lien or other restriction of rights, except that a total of area of 3,571.61 square meters within the land area have been pledged to Heze Rural Commercial Bank Company Limited (荷澤農村商業銀行股份有限公司).

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2025
7	Partial Land in Wanfu Community, Mudan District, Heze, Shandong Province, the PRC (held by Heze Yide City Industrial Company Limited)	According to the information provided by the Group, the property consists of a piece of land with a total area of 22,208.52 square meters The land use rights of the property will expire on 21 May 2055, and it is used for commercial and service purposes.	The property is currently vacant as at the date of inspection.	RMB83,000,000 (equivalent to HKD91,000,000 100% interest attributable to the Group: RMB83,000,000 (equivalent to HKD91,000,000)

Notes:

1. According to the Assignment of the State-owned Land Use Right (Contract No.: Heze-01-2015 Gua-0005) (荷澤-01-2015 掛-0005) signed on 22 April 2015 between Heze Land Resources Bureau and Heze Yide City Industrial Company Limited (“**Heze Yide Industrial**”), the land area of the property is 194,959 square meters and is used for other commercial and service purposes.
2. According to two State-owned Land Use Rights Certificates of He Guo Yong (2015) No. 15671 and 15672 (荷國用(2015)第15671及15672號), the land area is 62,436 and 132,523 square meters and the land use rights have been transferred to Heze Yide Industrial. The land use rights expire on 21 May 2055 and are used for commercial and service purposes. Amongst the total land area of the State-owned Land Use Rights Certificates of He Guo Yong (2015) No. 15671, approximately 22,208.52 square meters is not developed yet.
3. As advised by the Group, Heze Yide Industrial is an indirectly wholly owned subsidiary of the Company.
4. Based on information provided by the Group, the requisite government approvals, including but not limited to Land Use Planning Permit, Construction Project Planning Permit and Construction Project Work Commencement Permit, have not been obtained. The property was not being developed and have no immediate development potential.
5. We have been provided with a PRC legal opinion dated 10 September 2025 regarding the property by Guang Dong Tiansuo Law Firm, which contains the following:
 - a. The land premium for the land use rights of the property have been fully settled;
 - b. The owner of the property legally owns the land use rights and housing ownership of the property. The property can be freely transferred, leased, mortgaged or disposed of in other legal ways on the market without paying land transfer fees or any other heavy fees or charges (except for relevant transaction taxes and fees); and
 - c. The state-owned land use rights with area of 22,208.52 square meters within the land area have been pledged to Heze Rural Commercial Bank Company Limited (荷澤農村商業銀行股份有限公司).

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2025
8	Land in Heping Town, Yuzhong County, Lanzhou, Gansu Province, the PRC	According to the information provided by the Gorup, the property consists of several plots of land with a total area of 756,621.83 square meters. The final expiration date of the land use rights of the property is 15 July 2055, and it will be used for other commercial and service purposes.	The property was occupied with temporary structures as at the date of inspection.	RMB1,163,000,000 (equivalent to HKD1,274,000,000) 100% interest attributable to the Group: RMB1,163,000,000 (equivalent to HKD1,274,000,000)

Notes:

- According to several Assignments of the State-owned Land Use Right signed between Lanzhou Land Resources Bureau and Lanzhou Yide Commercial City Company Limited (“**Lanzhou Yide**”), the land is used for other commercial and service purposes.

No.	Contract No.	Land No.	Area (sq.m.)	Engagement Date
1	Gan Rang A Yu (2015) No.15	2014-HP-13-06	50,060.90	16 July 2015
2	Gan Rang A Yu (2015) No.14	2014-HP-13-05	50,000.10	16 July 2015
3	Gan Rang A Yu (2015) No.13	2014-HP-13-04	51,053.90	16 July 2015
4	Gan Rang A Yu (2015) No.16	2014-HP-13-07	21,231.70	16 July 2015
5	Gan Rang A Yu (2015) No.12	2014-HP-13-03	61,151.90	16 July 2015
6	Gan Rang A Yu (2015) No.11	2014-HP-13-02	63,178.80	16 July 2015
7	Gan Rang A Yu (2015) No.10	2014-HP-13-01	68,344.10	16 July 2015
8	Gan Rang A Yu (2014) No.1	2013-HP-40-01	53,284.90	10 January 2014
9	Gan Rang A Yu (2014) No.2	2013-HP-40-02	80,240.20	10 January 2014
10	Gan Rang A Yu (2014) No.21	2014-HP-08-01	64,461.30	7 July 2014
11	Gan Rang A Yu (2014) No.22	2014-HP-08-02	110,541.00	7 July 2014
12	Gan Rang A Yu (2014) No.23	2014-HP-08-03	125,607.90	7 July 2014
13	Gan Rang A Yu (2013) No.45	2013-HP-33-38	318,379.70	2013

2. According to several Real Estate Property Certificates, the total land area is 756,621.83 square meters. The land use rights have been transferred to Lanzhou Yide for other commercial and service purposes. The details are as follows:

No.	Certificates No.	Area (sq.m.)	Expiry Date
1	Gan (2015) Yuzhong County Real Estate Property Certificates No. 000017	51,053.87	15 July 2055
2	Gan (2015) Yuzhong County Real Estate Property Certificates No. 000018	50,000.06	15 July 2055
3	Gan (2015) Yuzhong County Real Estate Property Certificates No. 000019	50,060.86	15 July 2055
4	Gan (2015) Yuzhong County Real Estate Property Certificates No. 000020	61,151.92	15 July 2055
5	Gan (2015) Yuzhong County Real Estate Property Certificates No. 000021	68,344.14	15 July 2055
6	Gan (2015) Yuzhong County Real Estate Property Certificates No. 000022	21,231.66	15 July 2055
7	Gan (2015) Yuzhong County Real Estate Property Certificates No. 000023	63,178.77	15 July 2055
8	Gan (2016) Yuzhong County Real Estate Property Certificates No. 000021	55,829.49	3 July 2054
9	Gan (2016) Yuzhong County Real Estate Property Certificates No. 000018	7,969.91	3 July 2054
10	Gan (2018) Yu Real Estate Property No. 0028343	38,328.40	3 July 2054
11	Gan (2018) Yu Real Estate Property No. 0030736	17,229.28	3 July 2054
12	Gan (2018) Yu Real Estate Property No. 0030737	34,512.01	3 July 2054
13	Gan (2018) Yu Real Estate Property No. 0030738	42,812.90	14 October 2053
14	Gan (2018) Yu Real Estate Property No. 0030739	14,956.51	3 July 2054
15	Gan (2018) Yu Real Estate Property No. 0030740	12,720.04	3 July 2054
16	Gan (2018) Yu Real Estate Property No. 0030742	18,437.96	14 October 2053
17	Gan (2018) Yu Real Estate Property No. 00028342	32,783.60	3 July 2054
18	Gan (2019) Yu Real Estate Property No. 0001383	23,752.04	3 July 2054
19	Gan (2024) Yuzhong County Real Estate Property Certificates No. 0013691	92,268.43	3 July 2054

Amongst the total land area of the State-owned Land Use Rights and Real Estate Property Certificates, approximately 756,621.83 square meters are not developed yet.

3. As advised by the Group, Lanzhou Yide is an indirectly wholly owned subsidiary of the Company.
4. Based on information provided by the Group, the requisite government approvals, including but not limited to Land Use Planning Permit, Construction Project Planning Permit and Construction Project Work Commencement Permit, have not been obtained. The property was not being developed and have no immediate development potential.

5. We have been provided with a PRC legal opinion dated 10 September 2025 regarding the property by Guang Dong Tiansuo Law Firm, which contains the following:
- a. The land premium for the land use rights of the property have been fully settled;
 - b. The owner of the property legally owns the land use rights and housing ownership of the property. The property can be freely transferred, leased, mortgaged or disposed of in other legal ways on the market without paying land transfer fees or any other heavy fees or charges (except for relevant transaction taxes and fees); and
 - c. The state-owned land use rights are not subject to a mortgage, pledge, seizure, lien or other restriction of rights, except that: (i) a total of area of 365,021.28 square meters within the land area have been pledged to Agricultural Bank of China Limited (中國農業銀行股份有限公司), and (ii) a total of area of 275,147.75 square meters within the land area have been pledged to Bank of Lanzhou Company Limited (蘭州銀行股份有限公司).

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at
				30 June 2025
9	Land at East of Fushan Street, North of Youyi Road, Jiamusi, Heilongjiang Province, the PRC	According to the information provided by the Group, the property consists of ten plots of land with a total area of 479,421.33 square meters. The land of the property is used for commercial and service purposes, and the land use right expires on 29 September 2055.	The property is currently vacant as at the date of inspection.	RMB117,000,000 (equivalent to HKD128,000,000) 100% interest attributable to the Group: RMB117,000,000 (equivalent to HKD128,000,000)

Notes:

- According to several Assignments of the State-owned Land Use Right signed between the Jiamusi Land Resources Bureau and Jiamusi Yide Commercial Logistics City Company Limited (“**Jiamusi Yide**”), the land will be used for other commercial and service purposes.

No.	Contract No.	Land No.	Area (sq.m.)	Engagement Date
1	2015019	01-01-A	65,446	15 June 2015
2	2015035	01-01-A2	3,535	15 June 2015
3	2015018	01-01-C	27,970	15 June 2015
4	2015037	01-01-B	90,827	20 September 2015
5	2015020	01-01-D	34,440	15 June 2015
6	2015038	01-02-A	90,470	20 September 2015
7	2015021	01-02-C1	32,601	15 June 2015
8	2015036	01-02-C2	1,743	20 September 2015
9	2015039	01-02-B	106,935	20 September 2015
10	2015040	01-02-D	30,741	20 September 2015

- According to several State-owned Land Use Rights Certificates, the total land area is 484,708 square meters. The land use rights have been transferred to Jiamusi Yide for commercial and service purposes. The land use rights expire on 29 September 2055. Details are as follows:

No.	Certificates No.	Area (sq.m.)	Expiry Date
1	Jia Guo Yong (2015) No. 201500880	68,981	29 September 2055
2	Jia Guo Yong (2015) No. 201500881	27,970	29 September 2055
3	Jia Guo Yong (2015) No. 201500882	90,827	29 September 2055
4	Jia Guo Yong (2015) No. 201500883	34,440	29 September 2055
5	Jia Guo Yong (2015) No. 201500884	90,470	29 September 2055
6	Jia Guo Yong (2015) No. 201500885	34,344	29 September 2055
7	Jia Guo Yong (2015) No. 201500886	106,935	29 September 2055
8	Jia Guo Yong (2015) No. 201500887	30,741	29 September 2055

Amongst the total land area of the State-owned Land Use Rights and Real Estate Property Certificates, approximately 479,421.33 square meters are not developed yet.

- As advised by the Group, Jiamusi Yide is an indirectly wholly owned subsidiary of the Company.

4. Based on information provided by the Group, the requisite government approvals, including but not limited to Land Use Planning Permit, Construction Project Planning Permit and Construction Project Work Commencement Permit, have not been obtained. The property was not being developed and have no immediate development potential.
5. We have been provided with a PRC legal opinion dated 10 September 2025 regarding the property by Guang Dong Tiansuo Law Firm, which contains the following:
 - a. The land premium for the land use rights of the property have been fully settled;
 - b. The owner of the property legally owns the land use rights and housing ownership of the property. The property can be freely transferred, leased, mortgaged or disposed of in other legal ways on the market without paying land transfer fees or any other heavy fees or charges (except for relevant transaction taxes and fees); and
 - c. The state-owned land use rights are not subject to a mortgage, pledge, seizure, lien or other restriction of rights.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2025
10	Land at No. 1 Liujiang Avenue, Labao Town, Liujiang District, Liuzhou, Guangxi Zhuang Autonomous Region, the PRC	According to the information provided by the Group, the property consists of a piece of land with a total area of 27,737.34 square meters. The land use rights of this property expire on 29 June 2056, and are used for wholesale and retail, business finance, other commercial services, accommodation and catering.	The property is currently vacant. As of the inspection date, no construction work was underway on the site.	RMB56,000,000 (equivalent to HKD62,000,000) 100% interest attributable to the Group: RMB56,000,000 (equivalent to HKD62,000,000)

Notes:

1. Pursuant to the Assignments of the State-owned Land Use Right (Contract No.: Liu Tu Chu Zi [2015] No. 07 and 09) (柳土出字 [2015] 07及09號) entered into between the Liuzhou Land Resources Bureau and Liuzhou Yide Commercial and Logistics City Company Limited (“**LiuZhou Yide**”), the Property has a total land area of 104,018.21 square meters and is intended for wholesale and retail use.
2. According to the Real Estate Property Certificate of Gui (2017) Liujiang District Real Estate Property Certificates No. 0002162 (《不動產權證書》 – 桂(2017)柳江區不動產權第0002162號), and the land area is 27,737.34 square meters. The land use rights have been transferred to Liuzhou Yide for wholesale and retail, business finance, other commercial services, and accommodation and catering. The land use rights expire on 29 June 2056.
3. As advised by the Group, Liuzhou Yide is an indirectly wholly owned subsidiary of the Company.
4. Based on information provided by the Group, the requisite government approvals, including but not limited to Land Use Planning Permit, Construction Project Planning Permit and Construction Project Work Commencement Permit, have not been obtained. The property was not being developed and have no immediate development potential.
5. We have been provided with a PRC legal opinion dated 10 September 2025 regarding the property by Guang Dong Tiansuo Law Firm, which contains the following:
 - a. The land premium for the land use rights of the property have been fully settled;
 - b. The owner of the property legally owns the land use rights and housing ownership of the property. The property can be freely transferred, leased, mortgaged or disposed of in other legal ways on the market without paying land transfer fees or any other heavy fees or charges (except for relevant transaction taxes and fees); and
 - c. The state-owned land use rights with area of 27,737.34 square meters within the land area have been pledged to Guangxi Small & Medium Enterprises Financing Guarantee Company Limited (廣西中小企業融資擔保有限公司).

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2025
11	Land in Shitang Subdistrict, Fucheng District, Mianyang, Sichuan Province, the PRC	According to the information provided by the Group, the property consists of two plots of land with a total area of 41,033.75 square meters. The property can be used as urban residential land. The land use right expires on 11 March 2095.	At the date of inspection, site formation and related construction work has been commenced on the site.	RMB271,000,000 (equivalent to HKD297,000,000) 100% interest attributable to the Group: RMB271,000,000 (equivalent to HKD297,000,000)

Notes:

1. According to the Assignment of the State-owned Land Use Right (Contract No. 510600-2024-0018) signed on 13 October 2024 between the Mianyang Land Resources Bureau and Mianyang Gangwan Zhongli Real Estate Development Company Limited (“**Mianyang Gangwan Zhongli**”), the property has a land area of 41,033.75 square meters and is used for Class II urban residential land.
2. According to the Real Estate Property Certificate of Chuan (2025) Mianyang City Real Estate Property Certificate No. 0037278 (川(2025)綿陽市不動產權第0037278號), the land area is 41,033.75 square meters. The land use rights have been transferred to Mianyang Gangwan Zhongli for urban residential land use. The land use rights expire on 11 March 2095.
3. As advised by the Group, Mianyang Gangwan Zhongli is an indirectly wholly owned subsidiary of the Company.
4. According to Management of the Group, the property will be developed as a residential project with a total GFA of 88,742.02 square meters. The Group expected that the construction works will be commenced in second half of 2025 and will be completed in second half of 2026.
5. The Group obtained the Planning Permit for Construction Use of Land (Di Zi No. 5107032024YG0074486) on 23 December 2024, the Planning Permit for Construction Works (Jian Zi No. 5107032025GG0089511) on 6 August 2025 and Permit for Commencement of Construction Works (No. 510700202508140101) on 14 August 2025.
6. The gross development value of the property, assuming that it has been completed and it can be freely transferred, as at the Valuation Date was circa RMB526,000,000. According to information provided, the expected construction cost of the property as at the Valuation Date were circa RMB258,000,000.
7. We have been provided with a PRC legal opinion dated 10 September 2025 regarding the property by Guang Dong Tiansuo Law Firm, which contains the following:
 - a. The land premium for the land use rights of the property have been fully settled;
 - b. The owner of the property legally owns the land use rights and housing ownership of the property. The property can be freely transferred, leased, mortgaged or disposed of in other legal ways on the market without paying land transfer fees or any other heavy fees or charges (except for relevant transaction taxes and fees); and
 - c. The state-owned land use rights are not subject to a mortgage, pledge, seizure, lien or other restriction of rights.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2025
12	3 parcels of land located in Bang Bo District, Samut Prakarn, Thailand.	The Property comprises 3 parcels of freehold land with a combined area of approximately 126-2-33.3 rai or 202,533.2 sq.m..	As advised, the Property was vacant land as at Valuation Date.	BHT680,000,000 (equivalent to HKD164,000,000)
	Parcel 1 Located on private subroad, about 560m. southeast off Kiat Phipat Thani road (Sor.Por.2014), about 1.7 km. south off Bang Na – Trat road (Hw.34) at Km. Sta. 29+500 (Outbound)	Parcel 1 Consisting of 7 title deeds with total land area of 122-0-42 rai or 195,216.8 sq.m., irregular in shape with a road frontage about 12 m. on private road, a maximum depth of about 473 m. from the eastern side to western side.		36.43% interest attributable to the Group: BHT248,000,000 (equivalent to HKD60,000,000)
	Parcel 2 Located on Kiat Phipat Thani road (Sor.Por.2014), about 800 m. southwest off Bang Na – Trat road (Hw.34) at Km. Sta. 29+500 (Outbound)	Parcel 2 Consisting of 1 title deed with a land area of 3-0-50 rai or 5,000 sq.m., irregular in shape with a road frontage about 160 m. on Kiat Phipat Thani road (Sor.Por.2014), a maximum depth of about 35m. from the eastern side to western side. Most of the land plots are unfilled, approximately 1 m. below the fronting road level.		
	Parcel 3 Located on Kiat PhipatThani road (Sor.Por.2014), about 1.1 km. southwest off Bang Na – Trat road (Hw.34) at Km. Sta. 29+500 (Outbound)	Parcel 3 Consisting of 1 title deed with land area of 1-1-41.3 rai or 2,165.2 sq.m., triangle in shape with a road frontage about 130 m. on Kiat PhipatThani road (Sor.Por.2014), a maximum depth of about 40 m. from the eastern side to western side. Most of the land plots are filled, at the same level as the fronting road.		

Notes:

1. The registered owner of the Property is Hydoo Best Group Company Limited (“**Hydoo Best**”). The Place registered is Bang Bo subdistrict, Bang Bo district, Samut Prakan province. As advised by the Group, the Group held 36.43% interest in Hydoo Best as of the Valuation Date and the rest 63.57% interest of Hydoo Best are held by independent third party of the Group.

According to the Group, based on the final judgement rendered by the Supreme Court on Thailand in December 2023, the other partner of Hydoo Best should buy back certain shares in Hydoo Best hold by the Group. The repurchase obligation was still not fulfilled as of the Valuation Date. Management of the Group considered that the Group have lost the common control in Hydoo Best. There is no material impact on our valuation.

2. The private road (Part of Title Deed no. 243, 2183, 2184 and 2185) with a 12 metres wide laterite paved traffic surface and connects to Parcell land of the property but has no servitude to the said Parcell land. The ownership of the said private road was held by TC Asset and Development Company Limited (an independent third party of the Group). As instructed, in our valuation, we have assumed the owner/occupier of Parcell land can use the said private road freely as an access for Parcell land and we have not taken into account the cost or fee, if any, in using the said private road. *(Remarks: Title deed no. 243, 2183, 2184, 2185 were consolidated as Title Deed no. 49420 and transferred ownership to Hydoo Best Group Co., Ltd. as per registered list dated on August 17, 2015. Currently, this registered list was repealed pursuant to the Civil Court of Southern Bangkok's final judgment of Undecided Case no. Por.2099/2559 and Decided Case no. Por.1582/2560 dated on August 15, 2017.)*
3. The property falls within Samut Prakan Town Plan B.E. 255 which has been updated on 10 August 2018. The Property is located in an area designated as Medium Density Residential Area Block Yor.5-3 of which land utilizations shall be primarily for residential uses as detached house, twin house, row houses, shophouses and residential buildings other than high-rise or large buildings and government institutions.
4. At the time of our inspection, we noted that some wire fence was erected above. As instructed, we have valued the site on existing state of vacant land and without any occupation by trespasser basis.
5. Based on the information provided by the Group, there is not any development plan for the property as at the Valuation Date. The property was not being developed and have no immediate development potential.
6. We have been provided with a Thailand legal opinion dated 10 September 2025 regarding the property by DTL Law Office, which contains the following:
 - (a) The land premium for the land use rights of the property have been fully settled;
 - (b) The owner of the property legally owns the land use rights and housing ownership of the property. The property can be freely transferred, leased, mortgaged or disposed of in other legal ways on the market without paying land transfer fees or any other heavy fees or charges (except for relevant transaction taxes and fees);
 - (c) The land use rights are not subject to a mortgage, pledge, seizure, lien or other restriction of rights; and

- (d) Based on title search at the Samut Prakan Provincial Land Office – Bang Phli Branch, the title deeds can be technically described as follows:

Cadastral Map: 5136 II 0202, 0002

Title Particulars:–

Parcel 1: Land on private subroad

No.	Title Deed No.	Lot No.	Survey No.	Registered Land Area		
				(rai)	(ngan)	(sw)
1	1694	387	443	65	0	28.0
2	1695	26	444	11	0	77.0
3	3917	386	803	4	2	60.0
4	29055	138	10780	10	0	00.0
5	40772	479	15269	11	0	77.0
6	40773	480	15270	10	0	00.0
7	40774	481	15271	10	0	00.0
Land Area				122	0	42.0

Parcel 2: Land on Kiat Phipat Thani road

No.	Title Deed No.	Lot No.	Survey No.	Registered Land Area		
				(rai)	(ngan)	(sw)
1	33578	351	2285	3	0	50.0
Land Area				3	0	50.0

Parcel 3: Land on Kiat Phipat Thani road

No.	Title Deed No.	Lot No.	Survey No.	Registered Land Area		
				(rai)	(ngan)	(sw)
1	45366	492	2836	1	1	41.3
Land Area				1	1	41.3
Grand Total				126	2	33.3

Grand Total Land Area: 126-2-33.3 rai or 202,533.2 sq.m.

Group III – Inventory held by the Group

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2025
13	Jining Yide City Project, the commercial and residential portions at Jining Yide City, Rencheng District, Jining, Shandong Province, the PRC	According to the information provided by the Group, the property is mixed commercial and residential development erected on a site with a site area of approximately 295,870 square meters.	The property is either pre-sold or held for sale. For details, please see note 6 below.	RMB402,000,000 (equivalent to HKD440,000,000) 100% interest attributable to the Group: RMB402,000,000 (equivalent to HKD440,000,000)
		The total gross floor area of the property held by the Group is approximately 164,895.94 square meters.		
		The land use rights of the property have been granted for urban residential uses for a term of 70 years expiring on 20 March 2083 and for commercial uses for a term of 40 years expiring on or before 20 March 2053.		

Notes:

- Pursuant to three Assignments of the State-owned Land Use Right entered into between the Jining Land Resources Bureau and Jining Yide, the property has a total land area of 295,870 square meters and is intended for wholesale and retail, urban residential or commercial service purposes.

No.	Contract No.	Land No.	Area (sq.m.)	Term (years)
1	Jining-01-2013-0019	Ji Guo Tu-2013-0019	98,350	40/70
2	Jining-01-2010-0231	Ji Guo Tu-2010-0231	44,542	40
3	Jining-01-2012-0073	Ji Guo Tu-2012-0073	152,978	40

- Pursuant to four State-owned Land Use Rights Certificates, the land use rights of the property with a site area of 295,870 square meters have been granted to Jining Yide for wholesale and retail, or commercial service purposes for a term of 40 years and for urban residential for a term of 70 years.

No.	Certificates No.	Area (sq.m.)	Expiry Date
1	Jining Guo Yong (2013) No. 0802130027-1-A	11,802	20 March 2053
2	Jining Guo Yong (2013) No. 0802130027-2-A	86,548	20 March 2083
3	Jining Guo Yong (2010) No. 0802100078-2	44,542	25 November 2050
4	Jining Guo Yong (2010) No. 0802130006-A	152,978	25 November 2052

- As advised by the Group, Jining Yide is an indirectly wholly owned subsidiary of the Company.

4. According to the information provided by the Group, the property consists of a total gross floor area of approximately 164,895.94 square meters, among which approximately 70,644.27 square meters are residential area or car parks and 94,251.67 square meters are other commercial area.
5. The property has a gross floor area of 51,077.28 square meters and 94,251.67 square meters for residential and commercial uses respectively are at a status of construction-in-progress and are planned to be completed in first half of 2026 with an outstanding construction cost of around RMB71 million. Remaining gross floor area of approximately 19,566.99 square meters have been completed construction.
6. The respective market value in existing state of the property is as below:

Property	Gross Floor Area (sq.m.)	Market value in existing state as at 30 June 2025	Expected completion of sale
Pre-sold	89,383.82	RMB331,000,000	2H2025–2026
Unsold as held for sale	75,512.12	RMB71,000,000	2026
Total	164,895.94	RMB402,000,000	

7. We have been provided with a PRC legal opinion dated 10 September 2025 regarding the property by Guang Dong Tiansuo Law Firm, which contains the following:
 - a. The land premium for the land use rights of the property have been fully settled;
 - b. The property is in possession of a proper legal title to the property and is entitled to let the property with its residual term of land use rights at no extra land premium or other onerous payment payable to the government;
 - c. The existing use of the property is in compliance with the local planning regulations and has been approved by the relevant government authorities, and the Group has obtained the required Construction Land Use Planning Permits, Construction Project Planning Permits, Construction Project Work Commencement Permits, as well as Commodity Housing Pre-sale Permits and Construction Work Completion Certified Reports for completed properties;
 - d. The Real Estate Property Certificates for all constructed properties had been issued to the Group;
 - e. Jining Yide can occupy, use, let, transfer, mortgage or by other lawful; and
 - f. The state-owned land use rights and building ownership rights of the property are not subject to a mortgage, pledge, seizure, lien or other restriction of rights.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2025
14	Mianyang Yide City Project, the commercial and residential portion at Mianyang Yide City, No. 66, Yuzhong Road, Fucheng District, Mianyang, Sichuan Province, the PRC	According to the information provided by the Group, the property is mixed commercial and residential development erected on a site with a site area of approximately 400,147.55 square meters. The total gross floor area of the property held by the Group is approximately 85,454.72 square meters. The land use rights of the property have been granted for wholesale, market and commercial purposes for a term of 40 years expiring on and before 6 December 2053.	The property is either pre-sold or held for sale. For details, please see note 6 below.	RMB226,000,000 (equivalent to HKD248,000,000) 100% interest attributable to the Group: RMB226,000,000 (equivalent to HKD248,000,000)

Notes:

- Pursuant to seven Assignments of the State-owned Land Use Right entered into between the Mianyang Land Resources Bureau and Mianyang Yide, the property has a total land area of 586,157.68 square meters and is intended for wholesale, market and commercial purposes.

No.	Contract No.	Land No.	Area (sq.m.)	Term (years)
1	510600-2013-0170	2013-G-0170	109,805.16	40
2	510600-2013-0171	2013-G-0171	30,782.93	40
3	510600-2013-0168	2013-G-0168	42,212.29	40
4	510600-2013-0169	2013-G-0169	58,866.80	40
5	510600-2013-0138	2013-P-0138	21,066.52	40
6	510600-2013-0172	2013-G-0172	42,015.66	40
7	Mianyang Rang [2011] No. 00076	N/A	281,408.32	40

2. Pursuant to six State-owned Land Use Rights Certificates, the land use rights of the property with a site area of 400,147.55 square meters have been granted to Mianyang Yide for wholesale, market and commercial purposes for a term of 40 years.

No.	Certificates No.	Area (sq.m.)	Expiry Date
1	Mianyang Guo Yong (2013) No. 30859	109,805.16	6 December 2053
2	Mianyang Guo Yong (2013) No. 30399	30,782.93	5 December 2053
3	Mianyang Guo Yong (2014) No. 02268	42,212.29	5 December 2053
4	Mianyang Guo Yong (2014) No. 06057	58,866.80	6 December 2053
5	Chuan (2017) Mianyang City Real Estate Property Certificate No. 0007799	157,287.75	3 November 2053
6	Mianyang Guo Yong (2013) No. 01087	1,192.62	21 September 2051

3. As advised by the Group, Mianyang Yide is an indirectly wholly owned subsidiary of the Company.
4. According to the information provided by the Group, the property consists of a total gross floor area of approximately 85,454.72 square meters, among which approximately 20,250.19 square meters are residential area or carparks and 65,204.53 square meters are commercial area or carparks.
5. The property has a gross floor area of 8,257 square meters for commercial uses are at a status of construction-in-progress and are planned to be completed in the first half of 2026 with an outstanding construction cost of RMB0.1 million. Remaining gross floor area of approximately 77,197.72 square meters has been completed construction.
6. The respective market value in existing state of the property is as below:

Property	Gross Floor Area (sq.m.)	Market value in existing state as at 30 June 2025	Expected completion of sale
Pre-sold	4,699.08	RMB16,000,000	2H2025–2026
Unsold as held for sale	80,755.64	RMB210,000,000	2026
Total	85,454.72	RMB226,000,000	

7. We have been provided with a PRC legal opinion dated 10 September 2025 regarding the property by Guang Dong Tiansuo Law Firm, which contains the following:
- The land premium for the land use rights of the property have been fully settled;
 - The property is in possession of a proper legal title to the property and is entitled to let the property with its residual term of land use rights at no extra land premium or other onerous payment payable to the government;
 - The existing use of the property is in compliance with the local planning regulations and has been approved by the relevant government authorities, and the Group has obtained the required Construction Land Use Planning Permits, Construction Project Planning Permits, Construction Project Work Commencement Permits, as well as Commodity Housing Pre-sale Permits and Construction Work Completion Certified Reports for completed properties;
 - The Real Estate Property Certificates for all constructed properties had been issued to the Group;

- e. Mianyang Yide can occupy, use, let, transfer, mortgage or by other lawful; and
- f. The state-owned land use rights and building ownership rights of the property are not subject to a mortgage, pledge, seizure, lien or other restriction of rights, except that a total of gross floor area of 16,607.57 square meters within the property have been pledged to Mian Yang Rural Commercial Bank Company Limited (綿陽農村商業銀行股份有限公司).

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2025
15	Wuzhou Yide City Project, the commercial and residential portions at Wuzhou Yide City, No. 1 Shundi Avenue, Changzhou District, Wuzhou, Guangxi Zhuang Autonomous Region, the PRC	According to the information provided by the Group, the property is mixed commercial and residential development erected on a site with a site area of approximately 462,921.13 square meters. The total gross floor area of the property is approximately 289,360.83 square meters. The land use rights of the property have been granted for wholesale and retail, hotel and restaurant and other commercial and service uses for a term of 40 years expiring on 5 March 2053.	The property is either pre-sold or held for sale. For details, please see note 6 below.	RMB920,000,000 (equivalent to HKD1,008,000,000) 100% interest attributable to the Group: RMB920,000,000 (equivalent to HKD1,008,000,000)

Notes:

- Pursuant to two Assignments of the State-owned Land Use Right entered into between the Wuzhou Land Resources Bureau and Wuzhou Yide, the property has a total land area of 599,642.46 square meters and is intended for wholesale and retail, hotel and restaurant and other commercial and service purposes.

No.	Contract No.	Land No.	Area (sq.m.)	Term (years)
1	Wu Tu Chu Zi [2012] No. 037	Wu Pai Gua [2012] No. 28	119,408.13	40
2	Wu Tu Chu Zi [2012] No. 038	Wu Pai Gua [2012] No. 29	480,234.33	40

- Pursuant to six State-owned Land Use Rights Certificates, the land use rights of the property with a site area of 462,921.13 square meters have been granted to Wuzhou Yide for wholesale and retail, hotel and restaurant and other commercial and service purposes for a term of 40 years.

No.	Certificates No.	Area (sq.m.)	Expiry Date
1	Wu Guo Yong (2013) No. 011416	17,341.90	5 March 2053
2	Wu Guo Yong (2013) No. 011414	104,077.94	5 March 2053
3	Wu Guo Yong (2013) No. 011415	55,642.50	5 March 2053
4	Wu Guo Yong (2013) No. 011418	103,525.89	5 March 2053
5	Wu Guo Yong (2013) No. 011412	91,154.18	5 March 2053
6	Wu Guo Yong (2013) No. 011419	91,178.72	5 March 2053

- As advised by the Group, Wuzhou Yide is an indirectly wholly owned subsidiary of the Company.

4. According to the information provided by the Group, the property consists of a total gross floor area of approximately 289,360.83 square meters, among which approximately 146,149.00 square meters are residential area or car parks and 143,211.83 square meters are commercial area or car parks.
5. The property has a gross floor area of 144,852.56 square meters and 75,905.79 square meters for residential and commercial uses respectively are at a status of construction-in-progress and are planned to be completed before first half of 2026 with an outstanding construction cost of RMB40 million. Remaining gross floor area of approximately 68,602.48 square meters has been completed construction.
6. The respective market value in existing state of the property is as below:

Status	Gross Floor Area (sq.m.)	Market value in existing state as at 30 June 2025	Expected completion of sale
Pre-sold	88,390.49	RMB313,000,000	2H2025–2026
Unsold as held for sale	200,970.34	RMB607,000,000	2026
Total	289,360.83	RMB920,000,000	

7. We have been provided with a PRC legal opinion dated 10 September 2025 regarding the property by Guang Dong Tiansuo Law Firm, which contains the following:
 - a. The land premium for the land use rights of the property have been fully settled;
 - b. The property is in possession of a proper legal title to the property and is entitled to let the property with its residual term of land use rights at no extra land premium or other onerous payment payable to the government;
 - c. The existing use of the property is in compliance with the local planning regulations and has been approved by the relevant government authorities, and the Group has obtained the required Construction Land Use Planning Permits, Construction Project Planning Permits, Construction Project Work Commencement Permits, as well as Commodity Housing Pre-sale Permits and Construction Work Completion Certified Reports for completed properties;
 - d. The Real Estate Property Certificates for all constructed properties had been issued to the Group;
 - e. Wuzhou Yide can occupy, use, let, transfer, mortgage or by other lawful; and
 - f. The state-owned land use rights and building ownership rights of the property are not subject to a mortgage, pledge, seizure, lien or other restriction of rights, except that a total of gross floor area of 176,056.57 square meters within the property have been pledged to Guilin Bank Company Limited (桂林银行股份有限公司).

No.	Property	Description and tenure	Particulars of occupancy	Market value in
				existing state as at 30 June 2025
16	Heze Yide City Project, the commercial and residential portions at Heze Yide City, National Highway 220 and Kunming Road, Mudan District, Heze, Shandong Province, the PRC	According to the information provided by the Group, the property is mixed commercial and residential development erected on a site with a site area of approximately 587,238.61 square meters. The total gross floor area of the property held by the Group is approximately 14,547.20 square meters. The land use rights of the property have been granted for commercial uses for a term of 40 years expiring on or before 21 May 2055.	The property is either pre-sold or held for sale. For details, please see note 5 below.	RMB60,000,000 (equivalent to HKD66,000,000) 100% interest attributable to the Group: RMB60,000,000 (equivalent to HKD66,000,000)

Notes:

- Pursuant to four Assignments of the State-owned Land Use Right entered into between the Heze Land Resources Bureau and Heze Yide Development, the property has a total land area of 587,238.61 square meters and is intended for wholesale and retail, commercial and financial and commercial service purposes.

No.	Contract No.	Land No.	Area (sq.m.)	Term (years)
1	Heze-01-2013 Gua-0004	2013-1	66,153.45	40
2	Heze-01-2013 Gua-0005	2013-2	151,054.13	40
3	Heze-01-2013 Gua-0006	2013-3	175,072.03	40
4	Heze-01-2015 Gua-0005	2014-21	194,959	40

- Pursuant to five State-owned Land Use Rights Certificates, the land use rights of the property with a site area of 587,238.61 square meters have been granted to Heze Yide Development for wholesale and retail, commercial and financial and commercial service purposes for a term of 40 years.

No.	Certificates No.	Area (sq.m.)	Expiry Date
1	He Guo Yong (2013) No.15208	66,153.45	19 April 2053
2	He Guo Yong (2013) No.15209	151,054.13	19 April 2053
3	He Guo Yong (2013) No.15210	175,072.03	19 April 2053
4	He Guo Yong (2015) No.15671	62,436.00	21 May 2055
5	He Guo Yong (2015) No.15672	132,523.00	21 May 2055

- As advised by the Group, Heze Yide Development is an indirectly wholly owned subsidiary of the Company.
- According to the information provided by the Group, the property consists of a total gross floor area of approximately 14,547.20 square meters, all are commercial area which has been completed construction.

5. The respective market value in existing state of the property is as below:

Property	Gross Floor Area (sq.m.)	Market value in existing state as at 30 June 2025	Expected completion of sale
Pre-sold	12,482.07	RMB51,000,000	2H2025–2026
Unsold as held for sale	2,065.13	RMB9,000,000	2026
Total	14,547.20	RMB60,000,000	

6. We have been provided with a PRC legal opinion dated 10 September 2025 regarding the property by Guang Dong Tiansuo Law Firm, which contains the following:
- The land premium for the land use rights of the property have been fully settled;
 - The property is in possession of a proper legal title to the property and is entitled to let the property with its residual term of land use rights at no extra land premium or other onerous payment payable to the government;
 - The existing use of the property is in compliance with the local planning regulations and has been approved by the relevant government authorities, and the Group has obtained the required Construction Land Use Planning Permits, Construction Project Planning Permits, Construction Project Work Commencement Permits, Commodity Housing Pre-sale Permits and Construction Work Completion Certified Reports for the property;
 - The Real Estate Property Certificates for the property had been issued to the Group;
 - Hezi Yide Development can occupy, use, let, transfer, mortgage or by other lawful; and
 - The state-owned land use rights and building ownership rights of the property are not subject to a mortgage, pledge, seizure, lien or other restriction of rights, except that a total of gross floor area of 5,841.50 square meters within the property have been pledged to Heze Rural Commercial Bank Company Limited (荷澤農村商業銀行股份有限公司).

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2025
17	Lanzhou Yide City Project, the commercial and residential portions at Lanzhou Yide City, Heping Town, Yuzhong County, Lanzhou, Gansu Province, the PRC	According to the information provided by the Group, the property is mixed commercial and residential development erected on a site with a site area of approximately 762,798.53 square meters. The total gross floor area of the property held by the Group is approximately 207,830.10 square meters. The land use rights of the property have been granted for commercial uses for a term of 40 years expiring on and before 29 August 2057.	The property is either pre-sold or held for sale. For details, please see note 6 below.	RMB626,000,000 (equivalent to HKD685,000,000) 100% interest attributable to the Group: RMB626,000,000 (equivalent to HKD685,000,000)

Notes:

- Pursuant to several Assignments of the State-owned Land Use Right entered into between the Lanzhou Land Resources Bureau and Lanzhou Yide, the property has a total land area of 919,161.14 square meters and is intended for wholesale and retail, and other commercial service purposes.

No.	Contract No.	Land No.	Area (sq.m.)	Term (years)
1	Gan Rang A Yu (2013) No. 45	2013-HP-33-38	318,379.70	40
2	Gan Rang A Yu (2014) No. 2	2013-HP-40-02	80,240.20	40
3	Gan Rang A Yu (2014) No. 3	2013-HP-40-03	119,390.20	40
4	Gan Rang A Yu (2014) No. 18	2014-HP-07-01	62,416.00	40
5	Gan Rang A Yu (2014) No. 19	2014-HP-07-02	43,841.50	40
6	Gan Rang A Yu (2014) No. 20	2014-HP-07-03	29,778.60	40
7	Gan Rang A Yu (2014) No. 22	2013-HP-08-02	110,541.00	40
8	Gan Rang A Yu (2017) No. 47	2016-HP-06-01	45,227.38	40
9	Gan Rang A Yu (2017) No. 48	2016-HP-06-02	60,779.28	40
10	Gan Rang A Yu (2017) No. 49	2016-HP-06-03	48,567.28	40

2. Pursuant to several Real Estate Property Certificates, the land use rights of the property with a site area of 762,798.53 square meters have been granted to Lanzhou Yide for wholesale and retail, and other commercial service for a term of 40 years.

No.	Certificates No.	Area (sq.m.)	Expiry Date
1	Gan (2016) Yuzhong County Real Estate Property Certificate No. 000942	69,327.63	14 October 2053
2	Gan (2016) Yuzhong County Real Estate Property Certificate No. 000943	63,744.92	14 October 2053
3	Gan (2016) Yuzhong County Real Estate Property Certificate No. 000944	62,649.26	14 October 2053
4	Gan (2016) Yuzhong County Real Estate Property Certificate No. 000945	28,550.54	14 October 2053
5	Gan (2016) Yuzhong County Real Estate Property Certificate No. 000946	32,856.48	14 October 2053
6	Gan (2016) Yuzhong County Real Estate Property Certificate No. 0023167	16,608.88	14 October 2053
7	Gan (2023) Yuzhong County Real Estate Property Certificate No. 0023168	16,247.60	14 October 2053
8	Gan (2016) Yuzhong County Real Estate Property Certificate No. 001272	34,644.62	3 July 2054
9	Gan (2016) Yuzhong County Real Estate Property Certificate No. 001273	29,778.74	3 July 2054
10	Gan (2016) Yuzhong County Real Estate Property Certificate No. 001274	63,723.40	9 January 2054
11	Gan (2016) Yu Real Estate Property Certificate No. 003255	64,863.59	9 January 2054
12	Gan (2016) Yuzhong County Real Estate Property Certificate No. 0028341	62,416.00	9 January 2054
13	Gan (2018) Yu Real Estate Property Certificate No. 0044117	31,853.55	9 January 2054
14	Gan (2018) Yu Real Estate Property Certificate No. 0044122	30,959.38	9 January 2054
15	Gan (2018) Yu Real Estate Property Certificate No. 0005610	45,227.38	29 August 2057
16	Gan (2018) Yu Real Estate Property Certificate No. 0007079	48,567.28	29 August 2057
17	Gan (2018) Yu Real Estate Property Certificate No. 0007080	60,779.28	29 August 2057

3. As advised by the Group, Lanzhou Yide is an indirectly wholly owned subsidiary of the Company.
4. According to the information provided by the Group, the property consists of a total gross floor area of approximately 207,830.10 square meters, all are for commercial use.
5. The property has a gross floor area of 108,552.56 square meters at a status of construction-in-progress and without any outstanding construction cost. Remaining gross floor area of approximately 99,277.54 square meters has been completed construction.

6. The respective market value in existing state of the property is as below:

Status	Gross Floor Area (sq.m.)	Market value in existing state as at 30 June 2025	Expected completion of sale
Pre-sold	83,385.93	RMB247,000,000	2H2025–2026
Unsold as held for sale	124,444.17	RMB379,000,000	2026
Total	207,830.10	RMB626,000,000	

7. We have been provided with a PRC legal opinion dated 10 September 2025 regarding the property by Guang Dong Tiansuo Law Firm, which contains the following:

- a. The land premium for the land use rights of the property have been fully settled;
- b. The property is in possession of a proper legal title to the property and is entitled to let the property with its residual term of land use rights at no extra land premium or other onerous payment payable to the government;
- c. The existing use of the property is in compliance with the local planning regulations and has been approved by the relevant government authorities, and the Group has obtained the required Construction Land Use Planning Permits, Construction Project Planning Permits, Construction Project Work Commencement Permits, as well as Commodity Housing Pre-sale Permits and Construction Work Completion Certified Reports for completed properties;
- d. The Real Estate Property Certificates for all constructed properties had been issued to the Group;
- e. Lanzhou Yide can occupy, use, let, transfer, mortgage or by other lawful; and
- f. The state-owned land use rights and building ownership rights of the property are not subject to a mortgage, pledge, seizure, lien or other restriction of rights, except that a total of gross floor area of 3,655.33 square meters within the property have been pledged to Bank of Lanzhou Company Limited (蘭州銀行股份有限公司).

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2025
18	Liuzhou Yide City Project, the commercial and residential portions at Liuzhou Yide City, No. 1 Liujiang Avenue, Labao Town, Liujiang District, Liuzhou, Guangxi Zhuang Autonomous Region, the PRC	According to the information provided by the Group, the property is mixed commercial and residential development erected on a site with a site area of approximately 35,050.26 square meters. The total gross floor area of the property is approximately 25,354.94 square meters. The land use rights of the property have been granted for wholesale and retail, commercial and financial, other commercial and service, hotel and restaurant uses for a term of 40 years expiring on 29 June 2056.	The property is pre-sold. For details, please see note 5 below.	RMB96,000,000 (equivalent to HKD106,000,000) 100% interest attributable to the Group; RMB96,000,000 (equivalent to HKD106,000,000)

Notes:

- Pursuant to three Assignments of the State-owned Land Use Right entered into between the Liuzhou Land Resources Bureau and Liuzhou Yide, the property has a total land area of 244,136.71 square meters and is intended for wholesale and retail or hotel purposes.

No.	Contract No.	Land No.	Area (sq.m.)	Term (years)
1	Jiang Tu Chu Zi [2015] No.07	G-2015-9	66,802.00	40
2	Jiang Tu Chu Zi [2015] No.08	G-2015-10	155,558.33	40
3	Jiang Tu Chu Zi [2020] No.102	P2020(53)	21,776.38	40

- Pursuant to four Real Estate Property Certificates, the land use rights of the property with a site area of 35,050.26 square meters have been granted to Liuzhou Yide for wholesale and retail, commercial and financial, other commercial and service, hotel and restaurant purposes for a term of 40 years.

No.	Certificates No.	Area (sq.m.)	Expiry Date
1	Gui (2017) Jiangliu District Real Estate Property Certificates No. 0002167	5,311.92	29 June 2056
2	Gui (2017) Jiangliu District Real Estate Property Certificates No. 0002161	2,863.08	29 June 2056
3	Gui (2017) Jiangliu District Real Estate Property Certificates No. 0002166	7,083.20	29 June 2056
4	Gui (2021) Liuzhou City Real Estate Property Certificates No. 0053758	19,792.06	29 June 2056

- As advised by the Group, Liuzhou Yide is an indirectly wholly owned subsidiary of the Company.

4. According to the information provided by the Group, the property consists of a total gross floor area of approximately 25,354.94 square meters, among which approximately 12,663.84 square meters are residential area and 12,691.10 square meters are commercial area, respectively. All area has been completed construction.
5. The respective market value in existing state of the Property is as below:

Property	Gross Floor Area (sq.m.)	Market value in existing state as at 30 June 2025	Expected completion of sale
Pre-sold	25,354.94	RMB96,000,000	2H2025–2026
Total	25,354.94	RMB96,000,000	

6. We have been provided with a PRC legal opinion dated 10 September 2025 regarding the property by Guang Dong Tiansuo Law Firm, which contains the following:
- The land premium for the land use rights of the property have been fully settled;
 - The property is in possession of a proper legal title to the property and is entitled to let the property with its residual term of land use rights at no extra land premium or other onerous payment payable to the government;
 - The existing use of the property is in compliance with the local planning regulations and has been approved by the relevant government authorities, and the Group has obtained the required Construction Land Use Planning Permits, Construction Project Planning Permits, Construction Project Work Commencement Permits, Commodity Housing Pre-sale Permits and Construction Work Completion Certified Reports for the property;
 - The Real Estate Property Certificates for the property had been issued to the Group;
 - Liuzhou Yide can occupy, use, let, transfer, mortgage or by other lawful; and
 - The state-owned land use rights and building ownership rights of the property are not subject to a mortgage, pledge, seizure, lien or other restriction of rights, except that a total of gross floor area of 7,599.04 square meters within the property have been pledged to Bank of Liuzhou Company Limited (柳州銀行股份有限公司).

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2025
19	Jiamusi Yide City Project, the commercial portions at Jiamusi Yide City Project, East of Fushan Street, North of Youyi Road, Jiamusi, Heilongjiang Province, the PRC	According to the information provided by the Group, the property is mixed commercial development erected on a site with a site area of approximately 5,286.67 square meters. The total gross floor area of the property is approximately 6,344 square meters. The land use rights of the property have been granted for commercial and service uses for a term of 40 years expiring on 29 September 2055.	The property is held for sale. For details, please see note 5 below.	RMB29,000,000 (equivalent to HKD32,000,000) 100% interest attributable to the Group: RMB29,000,000 (equivalent to HKD32,000,000)

Notes:

1. According to two Assignments of the State-owned Land Use Right signed between the Jiamusi Land Resources Bureau and Jiamusi Yide, the property has a total land area of 34,344 square meters and is intended for commercial and service purposes.

No.	Contract No.	Land No.	Area (sq.m.)	Term (years)
1	2015021	01-02-C1	32,601	40
2	2015036	01-02-C2	1,743	40

2. Pursuant to a Real Estate Property Certificates, Jia Guo Yong (2015) No. 201500885 (佳國用(2015)第20150885號), the land use rights of the property with a site area of 34,344 square meters have been granted to Jiamusi Yide for commercial and service purposes for a term of 40 years and expire on 29 September 2055.
3. As advised by the Group, Jiamusi Yide is an indirectly wholly owned subsidiary of the Company.
4. According to the information provided by the Group, the property consists of a total gross floor area of approximately 6,344 square meters, all are commercial areas under construction.

5. The respective market value in existing state of the Property is as below:

Property	Gross Floor Area (sq.m.)	Market value in existing state as at 30 June 2025	Expected completion of sale
Unsold as held for sale	6,344	RMB29,000,000	2026
Total	6,344	RMB29,000,000	

6. We have been provided with a PRC legal opinion dated 10 September 2025 regarding the property by Guang Dong Tiansuo Law Firm, which contains the following:
- The land premium for the land use rights of the property have been fully settled;
 - The property is in possession of a proper legal title to the property and is entitled to let the property with its residual term of land use rights at no extra land premium or other onerous payment payable to the government;
 - The existing use of the property is in compliance with the local planning regulations and has been approved by the relevant government authorities, and the Group has obtained the required Construction Land Use Planning Permits, Construction Project Planning Permits, Construction Project Work Commencement Permits for property under construction;
 - Jiamusi Yide can occupy, use, let, transfer, mortgage or by other lawful; and
 - The state-owned land use rights and building ownership rights of the property are not subject to a mortgage, pledge, seizure, lien or other restriction of rights.



**GUANGDONG – HONG KONG GREATER BAY AREA
HOLDINGS LIMITED**

粵 港 灣 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1396)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Guangdong – Hong Kong Greater Bay Area Holdings Limited (the “**Company**”) will be held at Level 32, Block A, Hong Long Century Plaza, Luohu District, Shenzhen, the PRC on Tuesday, 21 October 2025 at 10:30 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution as the ordinary resolution of the Company (unless otherwise indicated, capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 30 September 2025 (the “**Circular**”)):

ORDINARY RESOLUTION

1. “**THAT:**

- (a) the Sale and Purchase Agreement (as defined in the circular dated 30 September 2025 despatched to the shareholders of the Company (the “**Circular**”), a copy of which has been produced to the EGM marked “A” and signed by the chairman of the EGM for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited having granted approval for the listing of, and permission to deal in the Consideration Shares (as defined in the Circular), the grant of a specific mandate (the “**Specific Mandate**”) which shall entitle the directors of the Company (the “**Directors**”) to exercise all the powers of the Company to allot and issue the Consideration Shares (as defined in the Circular) to the Vendor (as defined in the Circular) (or as it may direct) pursuant to the terms and conditions of the Sale and Purchase Agreement be and is hereby approved, provided that the Specific Mandate shall be in addition to, and shall not prejudice nor revoke any general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors by the shareholders of the Company prior to the passing of this resolution; and

NOTICE OF THE EGM

- (c) the Directors be and are hereby authorised to, on behalf of the Company, do all such acts and things, sign and execute (whether under common seal of the Company or otherwise) such documents or agreements or deeds and take all such steps and actions as they may in their absolute discretion consider necessary, appropriate, desirable or expedient for the purposes of giving effect to or in connection with the Sale and Purchase Agreement and the transactions contemplated thereunder and agree to such variation, amendment or waiver as are, in the opinion of the Directors, in the interest of the Company and its shareholders as a whole.”

SPECIAL RESOLUTION

2. “**THAT** subject to and conditional upon (i) the passing of resolution numbered 1 in the this notice; and (ii) the grant of the waiver by the Executive Director of Corporate Finance Division of the Securities and Futures Commission or any delegate of the Executive Director of any obligation on the part of the Vendor to make a mandatory general offer to the holders of securities of the Company to acquire securities of the Company other than those already owned or agreed to be subscribed by the Vendor and the parties acting in concert with it which would otherwise arise under Rule 26.1 of the Takeovers Code (as defined in the Circular) (the “**Whitewash Waiver**”) as a result of the allotment and issue of the Consideration Shares and the satisfaction of any conditions that may be imposed thereon:
- (a) To approve the grant of waiver of the obligation of the Vendor to make a general offer for all the Shares and other securities of the Company (other than those Shares and other securities owned or agreed to be acquired by the Vendor and parties acting in concert with it) as a result of the Completion in accordance with the Whitewash Waiver granted or to be granted by the Executive pursuant to Note 1 on dispensations to Rule 26 of the Takeovers Code; and
- (b) To authorize any one or more Directors to, do all such acts and things and execute all relevant documents under seal where applicable as he/she may consider necessary, expedient or desirable in connection with, to give effect to, or to consummate any matter relating to or in connection with the Whitewash Waiver and/or the transactions contemplated thereunder.”

By order of the Board

Guangdong – Hong Kong Greater Bay Area Holdings Limited

LUO Jieping

Chairman and Executive Director

Hong Kong, 30 September 2025

NOTICE OF THE EGM

Registered office:

PO Box 309, Ugland House
Grand Cayman KY1-1104
Cayman Islands

Principal Place of Business in Hong Kong:

Unit 916, 9/F
China Merchants Tower
Shun Tak Centre
168–200 Connaught Road Central
Hong Kong

Notes:

1. A form of proxy for use at the EGM or any adjournment thereof is enclosed. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
2. A member entitled to attend and vote at the EGM is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the annual general meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
3. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the EGM or any adjournment thereof, should he so wish.
4. For the purpose of determining the Shareholders who are entitled to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, 16 October 2025 to Tuesday, 21 October 2025 (both days inclusive) for determining the eligibility of the Shareholders to attend and vote at the EGM. In order to qualify for attendance and voting at the EGM, all completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 15 October 2025.
5. In the case of joint holders of shares, any one of such holders may vote at the EGM, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holder are present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
6. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.
7. Pursuant to Rule 13.39(4) of the Listing Rules, all resolution at the EGM will be conducted by way of a poll.
8. If the EGM fails to be held due to any severe weather conditions occurring on the date of the EGM, the EGM will be adjourned. The Company will make announcement on the respective websites of the Stock Exchange and the Company in this regard as and when appropriate.

As at the date of this notice, the executive Directors of the Company are Mr. Luo Jieping, Mr. He Fei and Ms. Wei Haiyan; and the independent non-executive Directors of the Company are Mr. Guan Huanfei, Mr. Han Qinchun and Mr. Chen Yangsheng.