Fineland Living Services Group Limited
方圓生活服務集團有限公司

(formerly known as Fineland Real Estate Services Group Limited 方圓房地產服務集團有限公司)
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 9978)

Executive Directors
Mr. FONG Ming *(Chairman)*
Mr. SUN Ligong
Mr. HAN Shuguang
Ms. TSE Lai Wa

Independent Non-executive Directors
Mr. LEUNG Wai Hung
Mr. TIAN Qiusheng
Mr. DU Chenhua

Registered office in the Cayman Islands:
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Principal Place of Business in Hong Kong under Part 16 of the Companies Ordinance (Cap 622):
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95 Queensway
Admiralty
Hong Kong

10 September 2026

To the Shareholders

Dear Sir/Madam,

(1) CONNECTED TRANSACTION AND SPECIAL DEAL IN RELATION TO THE SUBSCRIPTION OF SHARES UNDER SPECIFIC MANDATE;
(2) ISSUANCE OF UNLISTED WARRANTS UNDER SPECIFIC MANDATE; AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the Announcement dated 28 July 2026 in relation to, amongst other, the (1) Acquisition; (2) Offer; (3) Share Subscription; and (4) Warrant Subscription.

Background

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

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

Over the past three financial years, the Company recorded declining revenue and accumulated net losses of approximately RMB207.9 million. Impairment losses on financial assets continued to be a major driver of the Company's losses, which was primarily attributable to the provision for impairment losses on trade receivables and amounts due from related parties (including former fellow subsidiaries/related companies) as a result of factors including the continued downward movement in the real estate industry and challenging economic conditions and recovery of trade receivables and amounts due from related parties continued to be slow. The declining financial performance of the Group resulted in the negative equity position (attributable to owners of the Company) amounting to approximately RMB20.5 million as at 31 December 2025.

During the same period, the Company faced mounting liquidity pressure and its net current liabilities reached approximately RMB61.4 million and the gearing ratio went up to 98% as at 31 December 2025. With a view to mitigating the liquidity pressure, the Company has been taking actions such as negotiating repayment of its liabilities and implementing policies to monitor cash flows through cutting costs and capital expenditure.

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

The Acquisition and the Offer

On 7 July 2026 (after trading hours), the Offeror entered into a Share Purchase Agreement with the Sellers for the conditional acquisition of a total of 200,044,000 Shares, representing approximately 50.01% of the total issued Shares at HK$0.14 per share, for a total consideration of HK$28,006,160.

As at the Latest Practicable Date, the Offeror and the Offeror Concert Parties are interested in a total of 13,600,000 Shares, representing 3.40% of the total issued Shares. Immediately after the Acquisition Completion, the Offeror will be interested in a total of 200,044,000 Shares, representing approximately 50.01% of the total issued Shares, while the Offeror and the Offeror Concert Parties will be interested in a total of 213,644,000 Shares, representing approximately 53.41% of the total issued Shares. Pursuant to Rule 26.1 of the Takeovers Code, upon Acquisition Completion, the Offeror will be required to make an unconditional mandatory cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and the Offeror Concert Parties).

Upon Acquisition Completion, Altus Investments Limited will make, for and on behalf of the Offeror, the Offer to acquire all the Offer Shares at HK$0.14 in cash for each Offer Share, being the same price paid under the Share Purchase Agreement and on terms to be set out in the Composite Document to be despatched in accordance with the Takeovers Code.

Public float and maintenance of listing status of the Company

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offer, and does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offer.

In the event that less than 25% of the issued share capital of the Company is held by the public upon the close of the Offer, the Company intends to apply to the Stock Exchange for a temporary waiver from strict compliance with Rule 13.32B of the Listing Rules pursuant to Rule 13.33 of the Listing Rules. The Company and the Offeror intend to take appropriate steps to restore the public float of the Company as soon as practicable following the close of the Offer. Such steps may include, among others, issuing the Subscription Shares in such adjusted amounts as may be agreed by the Company and the Share Subscribers pursuant to the Subscription Agreement, such that (i) the Subscription Shares will only be allotted to the Share Subscriber I to the extent such allotment will not increase the shareholding percentage of Share Subscriber I or reduce the public float percentage to the Company (in which case the adjusted number of Subscription Shares to be issued to the Share Subscriber I may or may not be zero); (ii) neither the Share Subscriber II nor the Share Subscriber III will become a substantial shareholder of the Company immediately after the Share Subscription Completion; and (iii) the public float of the Company will not fall below 25% immediately upon Share Subscription Completion. Save for the Share Subscription, no arrangements in relation to the public float of the Company had been confirmed or put in place as at the Latest Practicable Date.

The Share Subscription and the Warrant Subscription

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

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

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

Purpose of this circular

The purpose of this circular is to provide you with (i) details of the Share Subscription Agreement and the transactions contemplated thereunder (including without limitation, (a) the connected

transaction and Special Deal in relation to the Share Subscription; and (b) the Share Specific Mandate); (ii) details of the Warrant Subscription Agreement and the transactions contemplated thereunder (including without limitation, (a) the allotment and issue of the Warrant Shares upon exercise of the subscription rights attached to the Warrant; and (b) the Warrant Specific Mandate); (iii) the letter from the Independent Board Committee containing its recommendations to the Independent Shareholders on pages 52 to 53; (iv) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on pages 54 to 77; (v) the notice of convening the EGM; and (vi) other information as required under the Listing Rules and the Takeovers Code.

Gram Capital has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Share Subscription Agreement and the transactions contemplated thereunder, including the Special Deal.

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

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

The principal terms of the Share Subscription Agreement are as follows.

The Share Subscription Agreement

Date : 27 July 2026

Parties : (a) Issuer: the Company

(b) Subscriber: the Share Subscribers

(i) the Offeror (i.e. the Share Subscriber I) for up to 247,600,000 Subscription Shares, representing 61.90% of the total issued Shares as at the Latest Practicable Date

(ii) the Share Subscriber II for up to 76,200,000 Subscription Shares, representing 19.05% of the total issued Shares as at the Latest Practicable Date

(iii) the Share Subscriber III for up to 46,200,000 Subscription Shares, representing 11.55% of the total issued Shares as at the Latest Practicable Date

Subscription Shares

The maximum number of Subscription Shares (being 370,000,000 Shares) represents 92.50% of the total issued Shares as at the Latest Practicable Date and approximately 48.05% of the total issued Shares as enlarged by the allotment and issue of the maximum number of Subscription Shares (assuming there is no other change in the total issued Shares from the Latest Practicable Date to the Share Subscription Completion). The aggregate nominal value of the Subscription Shares (assuming maximum number of Subscription Shares issued) will be HK$3,700,000.

Assuming (i) the Offeror does not receive any valid acceptance under the Offer; (ii) there is no other change in the number of Shares held by the Offeror and the Offeror Concert Parties except as a result of the Acquisition; and (iii) there is no other change in the number of total issued Shares, the Offeror and the Offeror Concert Parties will be interested in a total of 583,644,000 Shares, representing approximately 75.80% of the total issued Shares immediately after the Share Subscription Completion (assuming maximum number of Subscription Shares issued). For completeness, based on information available to the Company, neither the Share Subscriber II nor the Share Subscriber III (together with its close associates) is expected to hold 10% or more of the total issued Shares immediately after the Share Subscription Completion (regardless of the final number of Subscription Shares issued). Accordingly, the shareholdings of the Share Subscriber II and the Share Subscriber III (together with its close associates) in the Company are expected to be counted towards "the public" (as defined in Rule 8.24 of the Listing Rules) upon the Share Subscription Completion.

The Share Subscription is not conditional upon the Company maintaining a public float of not less than 25% immediately following the close of the Offer. If the public float of the Company falls below 25% immediately following the close of the Offer, the Company intends to apply for a temporary waiver from strict compliance with Rule 13.32B of the Listing Rules pursuant to Rule 13.33 of the Listing Rules and the Share Subscription (by issuing the Subscription Shares in such adjusted amounts) is intended to be one of the means to restore the public float of the Company. In the event the allotment and issue of the maximum number of Subscription Shares to any Share Subscriber will cause the public float of the Company to fall below 25%, the Company and the Share Subscribers will negotiate in good faith appropriate downward adjustment(s) to determine the final number of Subscription Shares to be allotted and issued to the relevant Share Subscriber(s) such that the public float of the Company will not fall below 25% immediately after the Share Subscription Completion, provided the Offeror will hold no less than 55% of the total issued Shares as enlarged by the allotment and issue of the final number of Subscription Shares. The mechanism provides flexibility for the parties to adjust the Share Subscribers' shareholding immediately after the Share Subscription Completion as necessary to ensure compliance with the public float requirements under the Listing Rules. For the avoidance of doubt, there will be no adjustment to the final number of Subscription Shares if the allotment and issue of the maximum number of Subscription Shares will not cause the public float of the Company to fall below 25% immediately after the Share Subscription Completion. Save as disclosed above, there is no minimum subscription amount or minimum number of Subscription Shares required to be issued under the Share Subscription Agreement.

The Company considers that it is appropriate not to prescribe a fixed adjustment formula in respect of the Subscription Shares (whether on a pro rata basis or otherwise) in advance as the extent of any public float shortfall (if any) will only be known upon the close of the Offer. A fixed adjustment mechanism may not provide sufficient flexibility to address the actual public float position at that time. The Company and the Share Subscribers therefore agreed to retain flexibility to determine the most appropriate adjustment having regard to the prevailing circumstances, with a view to ensuring compliance with the minimum public float requirement while preserving, to the extent practicable, the intended fundraising size and shareholding structure contemplated at the time of signing of the Share Subscription Agreement. The current adjustment mechanism also gives the Company room to adjust the final number of Subscription Shares in an appropriate manner which could maximise proceeds to be raised by the Company under the Share Subscription. Please refer to the section headed "Reasons for and benefits of the Share Subscription and use of proceeds" for details of possible alternative

financing to the Group in the event the number of Subscription Shares to be allotted and issued to the Share Subscriber I is adjusted due to insufficient public float.

Ranking of Subscription Shares

The Subscription Shares will be allotted and issued pursuant to the Share Specific Mandate to be sought from the Independent Shareholders at the EGM. The Subscription Shares, when allotted and issued, shall rank *pari passu* in all respects among themselves and with the Shares in issue.

Share Subscription Price

The Share Subscription Price of HK$0.14 per Subscription Share, which is the same as the Offer Price, represents:

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

(b) a discount of approximately 39.13% to the closing price of HK$0.230 per Share as quoted on the Stock Exchange on the Last Trading Day;

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

(d) a discount of approximately 38.60% to the average closing price of approximately HK$0.228 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days immediately prior to and including the Last Trading Day;

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

(f) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 18.70% to the theoretical diluted price (as defined under Rule 7.27B of the Listing Rules) of approximately HK$0.187 per Share, taking into account the higher of the closing price on the Last Trading Day of HK$0.230 per Share and the average closing price for the five consecutive trading days immediately prior to the date of the Share Subscription Agreement of approximately HK$0.228 per Share.

The equity attributable to owners of the Company was approximately negative RMB11.8 million as at 30 June 2026.

The Share Subscription Price was determined after arm's length negotiations between the Company and the Share Subscribers with reference to (i) the historical market prices of the Shares, which provided a reference to the market valuation of the Company; (ii) the trading liquidity of the Shares, taking into account the historically low trading liquidity of the Shares (which is often associated with higher price volatility); (iii) the Company's funding needs, including its net current liabilities and negative equity attributable to owners of the Company, which required an immediate and reliable equity funding solution; and (iv) the reasons for and benefits of the Share Subscription as referred to in the section headed "Reasons for and Benefits of the Share Subscription and use of proceeds" below, including how fundraising through the Share Subscription avoids causing the Company additional interest burden and higher gearing associated with external debt financing. The Board also considered

that the Share Subscription Price reflected the Company's prevailing financial position and business risks in light of the challenging operating environment faced by the PRC property management industry.

Conditions precedent to the Share Subscription

Share Subscription Completion is conditional upon satisfaction or (if applicable) waiver of the following conditions:

(a) the approval of the grant of the Share Specific Mandate to the Directors for the issuance of up to 370,000,000 Subscription Shares by the Independent Shareholders in accordance with the requirements under the Listing Rules and the Takeovers Code (as applicable) at the EGM;

(b) with respect to the Special Deal,

  (i) the passing of an ordinary resolution by the Independent Shareholders at a general meeting of the Company to approve the Special Deal; and

  (ii) the Executive having granted consent under Rule 25 of the Takeovers Code in relation to the Special Deal, the conditions to such consent having been satisfied and such consent remaining in full force and effect;

(c) the close of the Offer having occurred in accordance with the Takeovers Code;

(d) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Subscription Shares and such approval not having been subsequently revoked or withdrawn;

(e) all necessary internal and external approvals (including any approval required by the PRC regulatory authorities in connection with the Share Subscription (if any)), authorisations, consents, filings and reports for the implementation or completion of the Share Subscription having been obtained or duly filed (as applicable) by the Company and such approvals and consents remaining in full force and effect;

(f) all necessary internal and external approvals (including any approval by the PRC regulatory authorities in connection with the Share Subscription (if any)), authorisations, consents, filings and reports for the implementation or completion of the Share Subscription having been obtained or duly filed (as applicable) by each Share Subscriber and such approvals and consents remaining in full force and effect;

(g) on the date of Share Subscription Completion:

  (i) the representations, warranties and undertakings of the Company set out in the Share Subscription Agreement being true, accurate and correct in all material respects and not misleading at, and as if made on, such date; and

  (ii) the Company having performed or satisfied all of its agreements, undertakings and obligations under the Share Subscription Agreement to be performed on or before such date in all material respects;

(h) on the date of Share Subscription Completion:

(i) the representations, warranties and undertakings of each Share Subscriber set out in the Share Subscription Agreement being true, accurate and correct in all material respects and not misleading at, and as if made on, such date; and

(ii) each Share Subscriber having performed or satisfied all of its agreements, undertakings and obligations under the Share Subscription Agreement to be performed on or before such date in all material respects.

The conditions set out in sub-paragraphs (a) to (d) may not be waived by the Company or the Share Subscribers. The conditions set out in sub-paragraphs (e) and (g) may be waived by the Share Subscribers (acting unanimously), whereas the conditions set out in sub-paragraphs (f) and (h) may be waived by the Company, in each case only to the extent that any such waiver would not render the Share Subscription, or the implementation thereof in accordance with its terms, illegal. As at the Latest Practicable Date, in respect of the conditions in sub-paragraphs (e) and (f), the Company and the Share Subscribers respectively are not aware of approvals, authorisations, consents, filings and reports for the implementation or completion of the Share Subscription.

As at the Latest Practicable Date, none of the conditions precedent have been fulfilled or waived.

If any of the above conditions precedent is not satisfied or waived (as applicable) on or before the Share Subscription Long Stop Date, either the Company or the Share Subscribers (acting unanimously) may terminate the Share Subscription Agreement or effect Share Subscription Completion as far as practicable.

Termination of the Share Subscription Agreement

If at any time prior to Share Subscription Completion:

(a) the Company is in material breach of its obligations under the Share Subscription Agreement;

(b) the Company is in breach of any representation, warranties or undertakings given by it in the Share Subscription Agreement in any material respect;

(c) the allotment of the maximum number of Subscription Shares to the Share Subscribers will cause the Company to be in breach of the public float requirement under the Listing Rules and the Company and the Share Subscribers fail to agree on adjustment(s) to the number of final Subscription Shares in accordance with the Share Subscription Agreement;

(d) there shall develop, occur, exist or come into effect a suspension of dealings in any of the Shares or listing of any of the Shares on the Stock Exchange (save for any temporary suspension in connection with the Share Purchase Agreement, the Offer or the Share Subscription Agreement);

(e) a statute, rule, regulation, order, decree, ruling or injunction has been enacted, entered, promulgated, endorsed, threatened or is pending by or before any governmental entity or regulatory authority which in any material respect restricts, prohibits or threatens to restrict or prohibit the consummation of any of the transactions contemplated by the Share Subscription Agreement;

(f) there is any change which gives rise to a condition, a development or a circumstance which, individually or in aggregate, would:

(i) have a material adverse effect on the condition (financial or otherwise), prospects, results of operations, general affairs or assets of the Company and members of the Group taken as a whole; or

(ii) have a material adverse effect on the ability of the Company to perform any of its obligations under the Share Subscription Agreement; or

(g) there shall have occurred any of the following:

(i) a suspension or material limitation in trading in securities generally on the Stock Exchange; or

(ii) a general moratorium on commercial banking activities in Hong Kong declared by the relevant authorities, or a material disruption in commercial banking or securities settlement or clearance services in Hong Kong,

the Share Subscribers shall be entitled (but not bound) by unanimous written notice to the Company to elect to treat such event, breach or failure as terminating the Share Subscription Agreement notwithstanding any other provisions of the Share Subscription Agreement.

The Company shall be entitled (but not bound) by written notice to the Share Subscribers to elect to treat an event, breach or failure as terminating the Share Subscription Agreement if at any time prior to Share Subscription Completion: (i) any Share Subscriber is in material breach of its obligations under the Share Subscription Agreement; (ii) any Share Subscriber is in breach of any representation, warranties or undertakings given by it in the Share Subscription Agreement in any material respect; or (iii) the allotment of the maximum number of Subscription Shares to the Share Subscribers will cause the Company to be in breach of the public float requirement under the Listing Rules and the Company and the Share Subscribers fail to agree on adjustment(s) to the number of final Subscription Shares in accordance with the Share Subscription Agreement.

Upon notice being given by the Share Subscribers or the Company for the termination of the Share Subscription Agreement, the Share Subscription Agreement shall terminate and no party to the Share Subscription Agreement shall be under any liability to any other in respect of the Share Subscription Agreement, except that termination does not affect any party's accrued rights and obligations at the date of termination.

Share Subscription Completion

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

Completion of the subscription of all Subscription Shares shall occur simultaneously.

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

The gross proceeds from the Share Subscription will be HK$51,800,000 (assuming maximum number of Subscription Shares issued). Assuming full subscription, the net proceeds (after deducting

relevant costs and expenses) from the Share Subscription will be approximately HK$49,500,000 and the net Share Subscription Price will be approximately HK$0.13 per Share. As disclosed in this circular, the Company faces mounting liquidity pressure and its current liabilities exceeded its current assets by approximately RMB61.4 million and the gearing ratio went up to 98% as at 31 December 2025. As at 30 June 2026, the Company had bank balances and cash on hand of approximately RMB64.3 million. The Company intends to retain a portion of its cash to support its daily business operations including procurement of supplies and administrative expenses (including but not limited to the settlement of employee benefit expenses amounting to approximately RMB62.9 million as at 30 June 2026). In order to maintain a minimum level of operational liquidity for the Group to continue as a going concern, the Company considers that it would not be in the best interest of the Shareholders to utilise all the bank balances and cash on hand for the repayment of the Group's outstanding liabilities. Accordingly, the Company intends to apply the net proceeds from the Share Subscription primarily towards the repayment of the Group's outstanding liabilities (owed to third parties which are not Shareholders) and to supplement the Group's general liquidity, with a view to improving its gearing ratio and overall financial position, including:

(i) approximately 50% for settlement of trade and other related payables, mainly comprising amounts due to service providers engaged by the Group in the provision of security, cleaning, gardening and maintenance services, etc. As at 30 June 2026, the Company had trade and other related payables of approximately RMB70.2 million that were due and outstanding, of which approximately RMB51.4 million had been outstanding for less than one year and approximately RMB18.8 million had been outstanding for more than one year. The Company has engaged in active negotiations with the suppliers for deferred payment arrangements, which allows greater flexibility on repayment timeline notwithstanding some of the payables have already been overdue. In deploying the allocated proceeds towards repayment of outstanding payables, the Company will generally prioritise the settlement of those outstanding payables which have been outstanding for more than one year as the deferred repayment deadline for such payables tends to be more imminent given the time elapsed from the original due date. The Company currently expects to utilise such proceeds, together with cash generated from the Group's day-to-day operations, towards repayment of payables progressively within two years following the Share Subscription Completion, so that the Company could monitor and balance between liability repayment and maintaining a sustainable level of working capital for operations of the Group;

(ii) approximately 20% for repayments of deposits and property management fees received in the ordinary course of business that may become refundable under certain circumstances, mainly including renovation deposits from property owners or tenants upon the completion of the renovation works and performance deposits from suppliers upon the confirmation of the compliance with the applicable requirements, as well as property management fees received in advance that may become refundable upon the early termination or adjustment of the property management arrangement. Based on the Company's historical level of repayments of such deposits and fees, the Company currently expects to utilise such proceeds within two years following the Share Subscription Completion; and

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

In the event the number of Subscription Shares to be allotted and issued to the Share Subscriber I is adjusted due to insufficient public float, the Share Subscriber I will discuss with the Company alternative way(s) to provide financing to the Group (including but not limited to unsecured shareholder's loan(s)) for an amount up to the product of (i) the Share Subscription Price and (ii) the difference between 247,600,000 (being the maximum number of Subscription Shares for the Share Subscriber I) and the actual number of Subscription Shares allotted and issued to the Share Subscriber I. In the event that such alternative financing is not obtained from the Share Subscriber I, the Group will apply the reduced net proceeds to the above purposes on a pro-rata basis. For completeness, in the unlikely event no Subscription Shares are issued to the Share Subscriber I at all, the Share Subscriber I will still discuss with the Company alternative way(s) to provide financing to the Group after the Acquisition Completion. Since shareholder's loan from the Share Subscriber I will result in an increase in the gearing ratio of the Company and may or may not give rise to additional interest burden, shareholder's loan is only proposed as an alternative financing arrangement in case the number of Subscription Shares issued to the Share Subscriber I has to be reduced due to public float reasons.

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

In relation to equity financing alternatives, the Board considered, among other things, the historically low trading liquidity of the Shares, the net losses recorded by the Company in recent financial years, and the Company's net current liabilities and negative equity attributable to owners of the Company as at 31 December 2025. In light of the foregoing, the Board considered that it would be difficult to secure an underwriter on acceptable terms. Without underwriting support, the outcome of a rights issue, open offer or placing of new Shares would be highly uncertain and there is no certainty on the amount of proceeds the Company could raise from such exercise.

In relation to external debt financing, the Board considered that financial institutions have generally adopted a cautious approach towards lending to businesses operating in sectors related to the PRC property market, including the property management sector in which the Company operates. In addition, any bank financing would typically require adequate cash flow support and collateral, which the Group may not be able to provide on terms acceptable to the banks. Even if such financing could be obtained, the Board considered that it was unlikely to be available on favourable terms or within a timeframe that could adequately address the Company's immediate funding needs. Furthermore, additional debt financing would increase the Group's finance costs and gearing ratio.

In the light of the above, the Directors (including members of the Independent Board Committee after considering the advice of the Independent Financial Adviser but excluding Mr. Fong, Ms. Tse and Mr. Han, who abstained from voting due to their material interests in the Subscription Agreements) consider that the terms and conditions of the Share Subscription Agreement (including the Share

Subscription Price) are fair and reasonable, on normal commercial terms, and in the interests of the Company and the Shareholders (including the Independent Shareholders) as a whole.

Fund-raising activities of the Company during the past twelve months

The Company had not conducted any fund-raising activities involving the issuance of equity securities in the 12 months immediately preceding the Latest Practicable Date.

Application for listing

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

Information on the Share Subscribers

The Share Subscriber I (i.e. the Offeror) is Yoncan Co., Ltd., a company incorporated in the British Virgin Islands with limited liability, whose principal business is investment holding. As at the Latest Practicable Date, the Share Subscriber I is wholly and beneficially owned by Mr. Gong, who is also the sole director of the Share Subscriber I.

Mr. Gong is currently the Chairman of Jiangsu Ruihong Network Technology Co., Ltd.* (江蘇睿鴻網路技術股份有限公司), the shares of which were previously quoted on the National Equities Exchange and Quotations (NEEQ) of the PRC (ticker: 873920). Jiangsu Ruihong Network Technology Co., Ltd., through its subsidiaries, is principally engaged in developing ''cloud + network convergence'' service solutions, including content delivery network (CDN), cloud distribution, multi-cloud management, cloud security and cloud migration services, which are applied across industries such as fintech, e-commerce and intelligent manufacturing. In addition, the company also integrates artificial intelligence into its cloud platforms to enable enterprise clients to build or adopt artificial intelligence assistance running on local servers for enhanced data protection. Mr. Gong does not have any prior experience in the provision of professional property management services. As disclosed in the annual report of the Company for the year ended 31 December 2025, the Company is actively introducing new technologies and innovative solutions to enhance service efficiency, thereby creating greater value for its customers. The Acquisition, the Offer and the Share Subscription present the Group with an opportunity to enhance its smart service solutions by leveraging on Mr. Gong's background and expertise. For instance, various cloud solutions could be applied to enhance the property management services of the Group to facilitate access control, surveillance systems, smart meters/sensors, etc. across properties managed by the Group. In addition, the content delivery network (CDN) and cloud solutions could also be applied to strengthen the community value-added services offered by the Group such as community retail and community media, improving the experience of residents or occupants of properties managed by the Group. Technology in cloud security and multi-cloud management areas could also be applied to strengthen the data protection as property management companies such as the Group typically accumulate personal data (resident identities, payment records, access logs, etc.) in daily operations.

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

The Share Subscriber III is Beaming Light Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, whose principal business is investment holding. As at the Latest Practicable Date, the Share Subscriber III directly held a total of 10,272,000 Shares, representing approximately 2.57% of the issued share capital of the Company, and is directly and wholly owned by Mr. Chen Xi as the beneficial owner, who directly held a total of 1,324,000 Shares, representing approximately 0.33% of the issued share capital of the Company. Mr. Chen Xi is the vice president of Fineland Group, with responsibility for financial management matters. He is an employee of a member of the Fineland Group and also a director of certain members of the Fineland Group (not being members of the Mansion Green Holding Companies). The Fineland Group comprises Fineland Group Holdings and its subsidiaries and associates (for the avoidance of doubt, excluding the Group) and Fineland Group Holdings is indirectly and wholly owned by Mr. Fong as the ultimate beneficial owner.

The Share Subscriber II and the Share Subscriber III and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons. Other than each being an Offeror Concert Party, each of the Share Subscribers is independent of one another.

Listing Rules implications

Each of the Sellers is a connected person of the Company which is either controlled by or acting in concert with certain Directors, and the Acquisition Completion is conditional upon, among other things, the Share Subscription having been approved by the Independent Shareholders at the EGM. On the other hand, the Share Subscription is a transaction between the Company and, among others, the Offeror (i.e. the Share Subscriber I), with respect to which the Offeror has reached an understanding with the Sellers under the Share Purchase Agreement. Accordingly, the Offeror is deemed to be a connected person of the Company pursuant to Rule 14A.20 of the Listing Rules and the Share Subscription is a connected transaction of the Company which is subject to announcement, reporting and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As (i) Mr. Fong and Ms. Tse are the ultimate beneficial owners of Mansion Green and Aspiring Vision, respectively; and (ii) Mr. Han is a director of each of the Mansion Green Holding Companies (other than Fineland Group Holdings) and accordingly presumed to be acting in concert with Mansion Green by virtue of class (2) of the definition of acting in concert, each of them abstained from voting on the Board resolutions in relation to the Share Subscription. For voting arrangements of the Shareholders, please refer to the section headed "Voting Arrangement – Voting on the Share Subscription and the Special Deal" below.

Takeovers Code implications of the Special Deal

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

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

ISSUANCE OF UNLISTED WARRANTS UNDER SPECIFIC MANDATE

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

The principal terms of the Warrant Subscription Agreement are as follows.

The Warrant Subscription Agreement

Date : 27 July 2026

Parties : (a) Issuer: the Company

(b) Subscriber: the Warrant Subscriber

The Warrant Subscriber and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons, and are also independent of the Share Subscribers.

Warrants and Warrant Shares

Pursuant to the Warrant Subscription Agreement, the Warrant Subscriber has conditionally agreed to subscribe for 77,000,000 Warrants, which are exercisable up to 77,000,000 Warrant Shares (representing 9.09% of the total issued Shares as enlarged by the allotment and issue of the Subscription Shares (assuming maximum number of Subscription Shares issued) and the issue of all Warrant Shares) at the Exercise Price (subject to adjustment), at the option of the Warrant Subscriber at any time during the Exercise Period. No cash consideration is payable for the issuance of the Warrants.

The Warrants will be issued in registered form and constituted by way of deed poll to be executed by the Company. The Warrants will rank *pari passu* in all respects among themselves.

Exercise Price

The Exercise Price of HK$0.50 per Warrant Share represents:

(a) a discount of approximately 75.43% to the closing price of HK$2.035 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

(b) a premium of approximately 117.39% over the closing price of HK$0.230 per Share as quoted on the Stock Exchange on the Last Trading Day;

(c) a premium of approximately 119.30% over the average closing price of approximately HK$0.228 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to and including the Last Trading Day;

(d) a premium of approximately 119.30% over the average closing price of approximately HK$0.228 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days immediately prior to and including the Last Trading Day; and

(e) a premium of approximately 142.72% over the average closing price of approximately HK$0.206 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days immediately prior to and including the Last Trading Day.

The equity attributable to owners of the Company was approximately negative RMB11.8 million as at 30 June 2026.

The Exercise Price has been determined based on arm's length negotiations between the Company and the Warrant Subscriber with reference to (i) the current market sentiment with regard to the property management industry, having regard to the challenging conditions in the PRC property market and their adverse impact on the property management sector, which in turn aggravates the difficulty faced by players in the industry (such as the Company) in raising funds or accessing capital; (ii) liquidity flow in the capital market, taking into account the historically low trading liquidity of the Shares (which is often associated with higher price volatility) and noting that the future trading performance of the Shares will inevitably be subject to market conditions and uncertainty; (iii) the prevailing market price of the Shares before entering into the Warrant Subscription Agreement, noting that the Exercise Price is at a significant premium to (A) the closing price of the Shares as at the Last Trading Day, (B) the closing price of the Shares during the two-year period immediately prior to the date of the Warrant Subscription Agreement, which reference period was adopted to provide a broader and more representative view of the historical trading performance of the Shares, and (C) the Share Subscription Price (such price reflecting the valuation of the Company which was determined after arm's length negotiations between the Company and the Share Subscribers), which would incentivise the Warrant Subscriber to provide strategic support as the Company may require from time to time; and (iv) the nature and terms of the Warrants, including the Exercise Rights, the Exercise Period and the fact that no immediate cash proceeds will be received by the Company upon the grant of the Warrants.

In determining the Exercise Price, the Board considered that, unlike the Share Subscription Price which was intended to facilitate an immediate equity fundraising to address the Company's urgent funding needs, the Exercise Price relates to a future subscription right which is exercisable at the election of the Warrant Subscriber during the Exercise Period. The Board therefore considered it appropriate for the Exercise Price to be set at a substantial premium to both the then prevailing market price of the Shares and the Share Subscription Price. The Board also considered that the premium represented by the Exercise Price would preserve the potential upside for the Company and the Shareholders while providing the Company with the potential to raise additional equity funds if the Warrants are exercised in the future.

In addition, the Board considered that the Exercise Price aligns the interests of the Warrant Subscriber with the development of the Company and incentivises the Warrant Subscriber, in its capacity as a consultant and facilitator, to continue providing strategic support and assistance to the Company. The Directors (excluding Mr. Fong, Ms. Tse and Mr. Han, who abstained from voting in the interest of good corporate governance practices) therefore consider the Exercise Price to be fair and reasonable based on the then market conditions and is in the interests of the Company and the Shareholders as a whole.

Conditions precedent of the Warrant Subscription

Warrant Subscription Completion is conditional upon satisfaction or (if applicable) waiver of the following conditions:

(a) the approval of the Warrant Subscription Agreement and transactions contemplated thereunder at the EGM;

(b) the Stock Exchange having approved the Warrants prior to the issue or grant and the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Warrant Shares and such approval(s) not having been subsequently revoked or withdrawn and remaining valid and effective, and evidence of such approval(s) having been provided to the Warrant Subscriber;

(c) all necessary internal and external approvals (including those required by the PRC regulatory authorities in connection with the Warrant Subscription (if any)), authorisations, consents, filings and reports for the implementation or completion of the Warrant Subscription having been obtained or duly filed (as applicable) by the Company and such approvals and consents remaining in full force and effect;

(d) all necessary internal and external approvals (including those required by the PRC regulatory authorities in connection with the Warrant Subscription (if any)), authorisations, consents, filings and reports for the implementation or completion of the Warrant Subscription having been obtained or duly filed (as applicable) by the Warrant Subscriber and such approvals and consents remaining in full force and effect;

(e) on the date of the Warrant Subscription Completion,

(i) the representations, warranties and undertakings of the Company set out in the Warrant Subscription Agreement being true, accurate and correct in all material respects and not misleading at, and as if made on, such date; and

(ii) the Company having performed or satisfied all of its agreements, undertakings and obligations under the Warrant Subscription Agreement to be performed on or before such date in all material respects;

(f) on the date of the Warrant Subscription Completion,

(i) the representations, warranties and undertakings of the Warrant Subscriber set out in the Warrant Subscription Agreement being true, accurate and correct in all material respects and not misleading at, and as if made on, such date; and

(ii) the Warrant Subscriber having performed or satisfied all of its agreements, undertakings and obligations under the Warrant Subscription Agreement to be performed on or before such date in all material respects; and

(g) Share Subscription Completion having taken place.

The Warrant Subscriber may waive compliance with the whole or any part of the conditions set out in sub-paragraphs (c) and (e). The Company may waive compliance with the whole or any part of the conditions set out in sub-paragraphs (d) and (f). Neither the Company nor the Warrant Subscriber may waive compliance with the conditions set out in sub-paragraphs (a), (b) and (g). As at the Latest Practicable Date, in respect of the conditions in sub-paragraphs (c) and (d), the Company is not aware of approvals, authorisations, consents, filings and reports for the implementation or completion of the Warrant Subscription.

As at the Latest Practicable Date, none of the conditions precedent have been fulfilled or waived.

If any of the above conditions precedent is not satisfied or waived (as applicable) on or before the Warrant Subscription Long Stop Date, either the Company or the Warrant Subscriber may terminate the Warrant Subscription Agreement.

Termination of the Warrant Subscription Agreement

If at any time prior to the Warrant Subscription Completion:

(a) the Company is in material breach of its obligations under the Warrant Subscription Agreement;

(b) the Company is in breach of any representation, warranties or undertakings given by it in the Warrant Subscription Agreement in any material respect;

(c) there shall develop, occur, exist or come into effect a suspension of dealings in any of the Shares or listing of any of the Shares on the Stock Exchange (save for any temporary suspension in connection with the Share Purchase Agreement, the Offer or the Share Subscription Agreement);

(d) a statute, rule, regulation, order, decree, ruling or injunction has been enacted, entered, promulgated, endorsed, threatened or is pending by or before any governmental entity or regulatory authority which in any material respect restricts, prohibits or threatens to restrict or prohibit the consummation of any of the transactions contemplated by the Warrant Subscription Agreement;

(e) there is any change which gives rise to a condition, a development or a circumstance which, individually or in aggregate, would:

  (i) have a material adverse effect on the condition (financial or otherwise), prospects, results of operations, general affairs or assets of the Company and members of the Group taken as a whole; or

  (ii) adversely affect the ability of the Company to perform any of its obligations under the Warrant Subscription Agreement; or

(f) there shall have occurred any of the following:

  (i) a suspension or material limitation in trading in securities generally on the Stock Exchange; or

  (ii) a general moratorium on commercial banking activities in Hong Kong declared by the relevant authorities, or a material disruption in commercial banking or securities settlement or clearance services in Hong Kong,

then the Warrant Subscriber shall be entitled (but not bound) by written notice to the Company to elect to treat such event, breach or failure as terminating the Warrant Subscription Agreement notwithstanding any other provisions of the Warrant Subscription Agreement.

The Company shall be entitled (but not bound) by written notice to the Warrant Subscriber to elect to treat an event, breach or failure as terminating the Warrant Subscription Agreement if at any time prior to Warrant Subscription Completion (i) the Warrant Subscriber is in material breach of its obligations under the Warrant Subscription Agreement; or (ii) the Warrant Subscriber is in breach of

any representation, warranties or undertakings given by it in the Warrant Subscription Agreement in any material respect.

Upon notice being given by the Warrant Subscriber or the Company for the termination of the Warrant Subscription Agreement, the Warrant Subscription Agreement shall terminate and be of no further effect and no party to the Warrant Subscription Agreement shall be under any liability to any other in respect of the Warrant Subscription Agreement, except that termination does not affect any party's accrued rights and obligations at the date of termination.

Warrant Subscription Completion

Subject to the satisfaction or waiver of the conditions under the Warrant Subscription Agreement, Warrant Subscription Completion shall take place on the date which is five Business Days (or such other date as agreed to in writing between the Company and the Warrant Subscriber) upon the satisfaction or waiver (as the case may be) of the conditions under the Warrant Subscription Agreement (other than the conditions set out in sub-paragraphs (e) and (f) the satisfaction or waiver of which shall take place on the date of Warrant Subscription Completion), provided that any such waiver would not render the Warrant Subscription, or the implementation thereof in accordance with its terms, illegal, upon which the Company shall issue the Warrants to the Warrant Subscriber.

Exercise Rights

Subject to and upon compliance with the conditions of the Warrants, the Exercise Rights attached to the Warrants may be exercised, at the option of the holder of the Warrant, at any time during the Exercise Period. Any Warrants which have not been validly exercised on or before the expiry of the Exercise Period will lapse and cease to be valid for any purpose. The Company is not obliged to issue Shares in satisfaction of the Exercise Right if to do so would cause the public float of the Company to fall short of 25%.

Each Warrant carries the right to subscribe for one Warrant Share at a price per Share equal to the Exercise Price.

The 77,000,000 Warrant Shares represent 19.25% of the total issued Shares as at the Latest Practicable Date and approximately 9.09% of the total issued Shares as enlarged by the allotment and issue of the Subscription Shares (assuming maximum number of Subscription Shares issued) and the issue of all Warrant Shares upon full exercise of the Warrants (assuming there will be no other change in the number of total issued Shares from the date of the Warrant Subscription Agreement to the date of full exercise of the Exercise Rights). The aggregate nominal value of the 77,000,000 Warrant Shares will be HK$770,000.

The number of Warrant Shares is determined after having considered, among other things, (i) the expected shareholding structure of the Company immediately after the Share Subscription Completion (assuming maximum number of Subscription Shares issued), under which the Warrant Shares would provide the Warrant Subscriber with a meaningful economic interest in the Company and allow the Company to onboard the Warrant Subscriber as a strategic investor, which would in turn enhance the shareholder profile of the Company; (ii) the public float requirement under the Listing Rules and the understanding that the Warrant Subscriber does not seek to exercise the Exercise Rights to the extent it would become a connected person of the Company; (iii) the objective of maximising equity fundraising proceeds upon full exercise of the Exercise Rights, noting that the grant of Warrants itself neither causes any immediate dilution nor creates any interest payment obligation or additional

gearing; and (iv) requirements applicable to warrants under Chapter 15 of the Listing Rules, including Rule 15.02(1) of the Listing Rules, under which the Warrant Shares to be issued upon exercise of the Warrants, when aggregated with all other equity securities remaining to be issued upon exercise of any other subscription rights, must not exceed 20% of the total number of issued Shares at the time the Warrants are issued.

Ranking of Warrant Shares

The Warrant Shares will be allotted and issued pursuant to the Warrant Specific Mandate to be sought from the Shareholders at the EGM. The Warrant Shares, when allotted and issued, shall rank *pari passu* in all respects among themselves and with the Shares in issue and in particular will have the right to receive all dividends or other distributions thereafter declared, paid or made on such Shares with reference to the relevant date on which the holder of the Warrant Shares is registered as such in the register of members of the Company.

Transferability

Subject to the terms and conditions of the Warrants, the Warrants or interests in such Warrants are transferable, in whole or in part. There are no restrictions on transferees and there is no minimum holding period before any transfer of Warrants.

The Company will comply with the applicable requirements of Chapter 14A of the Listing Rules to the extent future issuances of Warrant Shares constitute connected transactions of the Company.

Adjustments to the Exercise Price

Upon the occurrence of any of the following events described below, the Exercise Price will be adjusted as follows:

(a) *Consolidation, subdivision, redesignation or reclassification of Shares*: If and whenever there shall be an alteration to the nominal value of the Shares resulting in a reduction or increase in the number of Shares outstanding following any consolidation, subdivision, redesignation or reclassification of the Shares by operation of law or otherwise which, the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

where:

A is the nominal amount of one Share immediately after such alteration; and

B is the nominal amount of one Share immediately before such alteration.

Such adjustment shall become effective on the date such consolidation, subdivision, redesignation or reclassification takes effect or if a record date is fixed therefor, immediately after such record date.

(b) *Capitalisation of profits or reserves*:

(i) If and whenever the Company shall issue any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account) including Shares paid up out of distributable profits or

reserves and/or share premium account (except for any scrip dividend) and which would not have constituted a capital distribution, the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such issue by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate nominal amount of the issued Shares immediately before such issue; and

B is the aggregate nominal amount of the issued Shares immediately after such issue.

Such adjustment shall become effective on the date of issue of such Shares or if a record date is fixed therefor, immediately after such record date.

(ii) In the case of a scrip dividend where the aggregate value of the Shares comprising such scrip dividend as determined by reference to the Current Market Price per Share on the date of announcement of the terms of such Scrip Dividend multiplied by the number of Shares that may be issued exceeds the Fair Market Value of the relevant cash dividend on such date of announcement, the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before the issue of such scrip dividend by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the aggregate nominal amount of issued Shares immediately before such issue;

B is the aggregate nominal amount of Shares as is equal to such Fair Market Value of the relevant cash dividend divided by such Current Market Price on the date of announcement of the terms of such scrip dividend; and

C is the aggregate nominal amount of Shares comprising such scrip dividend.

or by making such other adjustment as such independent financial adviser shall certify to the Warrantholders is fair and reasonable.

Such adjustment shall become effective on the date of issue of such Shares issued by way of scrip dividend (or, if none, the date of payment of the relevant cash dividend) or if a record date is fixed therefor, immediately after such record date.

(c) *Capital distributions*: If and whenever the Issuer shall pay or make any capital distribution to the Shareholders, the Exercise Price shall be adjusted by multiplying the

Exercise Price in force immediately before such capital distribution by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price per Share on the date on which the capital distribution is first publicly announced; and

B is the Fair Market Value of the portion of the capital distribution attributable to one Share.

Such adjustment shall become effective on the date that such capital distribution is actually made or paid or if a record date is fixed therefor, immediately after such record date.

In making any calculation pursuant to this sub-paragraph (c), such adjustments (if any) shall be made as an independent financial adviser may consider appropriate to reflect (a) any consolidation or subdivision of the Shares, (b) issues of Shares by way of capitalisation of profits or reserves, or any like or similar event, (c) the modification of any rights to dividends of Shares or (d) any change in the fiscal year of the Company.

(d) *Rights issues of Shares or options over Shares at a price of less than 95% of the then current market price per Share*: If and whenever the Company shall issue Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants, equity-linked instruments or other rights to subscribe for or purchase or otherwise acquire any Shares, in each case at a consideration per Share the Fair Market Value (on the date of the first public announcement of the terms of the issue or grant) of which is less than 95 per cent. of the Current Market Price per Share on the date of the first public announcement of the terms of the issue or grant, the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the aggregate number of Shares in issue immediately before such announcement;

B is the number of Shares which the aggregate consideration receivable for the Shares issued by way of rights or for the options or warrants, equity-linked instruments or other rights issued or granted by way of rights and for the total number of Shares comprised therein would subscribe for, purchase or otherwise acquire at such Current Market Price per Share; and

C is the aggregate number of Shares issued or, as the case may be, comprised in the issue or grant.

Such adjustment shall become effective on the date of issue of such Shares or issue or grant of such options, warrants, equity-linked instruments or other rights (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants, as the case may be.

(e) *Rights issues of other securities*: If and whenever the Company shall issue any securities (other than Shares or options, warrants, equity-linked instruments or other rights to subscribe for, purchase or otherwise acquire Shares) to all or substantially all Shareholders as a class by way of rights or grant to all or substantially all Shareholders as a class by way of rights, options, warrants, equity-linked instruments or other rights to subscribe for, purchase or otherwise acquire any securities (other than Shares or options, warrants, equity-linked instruments or other rights to subscribe for, purchase or otherwise acquire Shares), the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such issue or grant by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price per Share on the date on which such issue or grant is publicly announced; and

B is the Fair Market Value per Share on the date of such announcement of the portion of the securities, rights, options, warrants, equity-linked instruments or other rights (as the case may be) attributable to one Share.

Such adjustment shall become effective on the date of issue of the securities or grant of such rights, options or warrants (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants, as the case may be.

(f) *Issues at a price of less than 95% of the then Current Market Price per Share*: If and whenever the Company shall issue (otherwise than as mentioned in sub-paragraph (d) above) any Shares (other than Shares issued on exercise of the relevant Warrants or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares) or shall issue or grant (otherwise than as mentioned in sub-paragraph (d) above) any options, warrants, equity-linked instruments or other rights to subscribe for, purchase or otherwise acquire Shares, in each case at a consideration per Share the Fair Market Value (on the date of the first public announcement of the terms of the issue or grant) of which is less than 95 per cent. of the Current Market Price per Share on the date of the first public announcement of the terms of such issue or grant, the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{C}$$

where:

A is the aggregate number of Shares in issue immediately before the issue of such additional Shares or the grant of such options, warrants, equity-linked instruments or other rights to subscribe for or purchase or otherwise acquire any Shares;

B is the number of Shares which the aggregate consideration receivable for the issue of the maximum number of Shares to be issued or the exercise of such options, warrants, equity-linked instruments or other rights would purchase at such Current Market Price per Share; and

C is the aggregate number of Shares in issue immediately after the issue of such additional Shares.

References to additional Shares in the above formula shall, in the case of an issue or grant by the Company of options, warrants, equity-linked instruments or other rights to subscribe for, purchase or otherwise acquire Shares, mean such Shares to be issued assuming that such options, warrants, equity-linked instruments or other rights are exercised in full at the initial exercise price on the date of issue or grant of such options, warrants, equity-linked instruments or other rights.

Such adjustment shall become effective on the date of issue of such additional Shares or, as the case may be, the issue or grant of such options, warrants, equity-linked instruments or other rights.

(g) *Other issues at a price of less than 95% of the then current market price per Share*: Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within this sub-paragraph (g), if and whenever the Company or any of its subsidiaries (otherwise than as mentioned in sub-paragraphs (d), (e) or (f)) or (at the direction or request of or pursuant to any arrangements with the Company or any of its subsidiaries) any other company, person or entity, shall issue any securities (other than the Warrants) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Company upon conversion, exchange or subscription at a consideration per Share the Fair Market Value (on the date of the first public announcement of the terms of the issue or grant) of which is less than 95 per cent. of the Current Market Price per Share on the date of the first public announcement of the terms of issue of such securities, the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the aggregate number of Shares in issue immediately before such issue;

B is the number of Shares which the aggregate consideration receivable by the Company for the Shares to be issued on conversion or exchange or on

exercise of the right of subscription attached to such securities would purchase at such Current Market Price per Share; and

C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate on the issue date of such securities.

Such adjustment shall become effective on the date of issue of such securities.

(h) *Modification of rights of exercise*: If and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in sub-paragraph (g) (other than in accordance with the terms of such securities) so that the Fair Market Value (on the date of the first public announcement of the proposals of such modification) of the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is reduced and is less than 95 per cent. of the Current Market Price per Share on the date of the first public announcement of the proposals for such modification, the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such modification by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the aggregate number of Shares in issue immediately before such modification;

B is the maximum number of Shares which the aggregate consideration receivable by the Company for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to the securities so modified would purchase at such Current Market Price per Share or, if lower, the existing conversion, exchange or subscription price of such securities; and

C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate but giving credit in such manner as an independent financial adviser considers appropriate (if at all) for any previous adjustment under this sub-paragraph (h) or sub-paragraph (g).

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such securities.

(i) *Other offers to Shareholders*: If and whenever the Company or any of its subsidiaries or (at the direction or request of or pursuant to any arrangements with the Company or any of its subsidiaries) any other company, person or entity issues, sells or distributes any securities in connection with an offer pursuant to which the Shareholders generally are entitled to participate in arrangements whereby such securities may be acquired by

them (except where the Exercise Price falls to be adjusted under sub-paragraph (d), sub-paragraph (e), sub-paragraph (f) or sub-paragraph (g)), the Exercise Price shall be adjusted by multiplying the Exercise Price in force immediately before such issue, sale or distribution by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price per Share on the date on which such issue, sale or distribution is first publicly announced; and

B is the Fair Market Value of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue, sale or distribution of the securities or, if a record date is fixed therefor, immediately after such record date or if later, the first date upon which the Fair Market Value of the relevant securities is capable of being determined as provided herein.

(j) *Other events*: If the Company determines that an adjustment should be made to the Exercise Price as a result of one or more events or circumstances not referred to in sub-paragraphs stated above, the Company shall, at its own expense, consult an independent financial adviser to determine as soon as practicable what adjustment (if any) to the Exercise Price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the Exercise Price, and the date on which such adjustment should take effect and upon such determination by the independent financial adviser such adjustment (if any) shall be made and shall take effect in accordance with such determination, provided that where the events or circumstances giving rise to any adjustment pursuant to any of the above conditions have already resulted or will result in an adjustment to the Exercise Price or where the events or circumstances giving rise to any adjustment arise by virtue of events or circumstances which have already given rise or will give rise to an adjustment to the Exercise Price, such modification (if any) shall be made to the operation of the provisions of the above sub-paragraphs as may be advised by the independent financial adviser to be in its opinion appropriate to give the intended result. Notwithstanding the foregoing, the per Share value of any such modification shall not exceed the per Share value of the dilution in the Shareholders' interest in the Company's equity caused by such events or circumstances.

Where any doubt arises as to whether an adjustment to the Exercise Price should be made or as to how such adjustment should be made, or where the Company is unable to perform any calculation or determination on a purely formulaic basis or for any other reason, following consultation with the Company, the written opinion of an independent financial adviser, shall be conclusive and binding on the Company and the Warrantholders, save in the case of manifest error. In addition, where more than one event giving rise, or potentially giving rise, to an adjustment occurs within a short period of time, the operation of the adjustment provisions may be modified in accordance with the advice of an independent financial adviser to achieve the intended result.

For the avoidance of doubt, the issuance of Warrants is conditional upon, among other things, the Share Subscription Completion having taken place and accordingly the Share Subscription will not result in any adjustment to the Exercise Price.

Voting and other rights for the holders of the Warrants

The holders of the Warrants will not have any right to vote or to receive dividends or to consent or to receive notice as Shareholders in respect of any meeting of Shareholders (or any rights whatsoever as Shareholders).

Rights of the holders of the Warrants on the liquidation of the Company

If the Company is wound up at any time during the Exercise Period, all Exercise Rights which have not been exercised prior to the commencement of the winding-up will lapse.

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

The Warrant Subscriber is Mattar Hill Development X Limited, a company incorporated in the British Virgin Islands with limited liability which is principally engaged in investment holding. The Warrant Subscriber is wholly owned by a fund managed under PAG. As at the Latest Practicable Date, neither the Warrant Subscriber nor members of the PAG group hold any Shares.

PAG is a leading Asia-Pacific-focused alternative investment firm with three core businesses: Real Assets, Credit & Markets and Private Equity. As at the Latest Practicable Date, PAG manages over US$55 billion in assets on behalf of more than 300 global institutional investors and the firm has over 800 staff across 15 key offices globally.

The Warrant Subscriber has played a role as a consultant and facilitator in negotiations which have culminated in the Share Subscription, including but not limited to introducing the Share Subscriber I and the Share Subscriber II as potential investors who were interested in injecting capital into the Company, and facilitating communication amongst the Company, the Share Subscribers and their respective advisers which will lay the cornerstone for the future development of the Group. The Share Subscription, coupled with the Acquisition, is key to replenishing the financial resources of the Company in order to alleviate its mounting liquidity pressure and making available new resources (including but not limited to the background and expertise of Mr. Gong) to facilitate the revival of the operational and financial performance of the Group. Without the facilitation of the Warrant Subscriber, the Company would not have been able to conclude the proposed capital injection by the Share Subscribers, where the Share Subscription (coupled with the Acquisition) creates an opportunity for the Company for reviving the operational and financial performance of the Group. As mentioned above, the Board had considered fund-raising alternatives such as rights issues, open offers and placing of new Shares to independent third parties and external debt financing but was of the view that the Company would not be able to secure external equity or debt financing on favourable terms in a timely fashion, and that any additional external debt financing arrangement would create additional interest burden and increase the gearing ratio of the Group. With the assistance of the Warrant Subscriber, the Company and the Share Subscribers were able to reach an agreement on the Share Subscription despite the challenging industry outlook and liquidity issues which the Group has been facing, offering the Company an immediate and reliable equity funding solution which would alleviate its liquidity pressure and gradually improve its operational and financial performance.

Considering the financial position of the Company and the proposed use of proceeds raised from the Share Subscription, the Board considers that it would not be in the interests of the Company and the Shareholders if the financial resources of the Company and/or proceeds from the Share Subscription is paid to the Warrant Subscriber as consultancy fee settled in cash, since such cash payment would reduce the already limited liquid financial resources available to the Company. As opposed to a one-off payment of a fixed amount of consultancy fees settled in cash, the Warrant Subscription allows the Warrant Subscriber to share in the future upside potential in respect of the Shares, which would better align the interest of the Warrant Subscriber with that of the Shareholders and incentivise the Warrant Subscriber to provide strategic support to the Company as the Company may require from time to time. In addition, as the 77,000,000 Warrant Shares would represent approximately 9.09% of the total issued Shares as enlarged by the allotment and issue of the Subscription Shares (assuming maximum number of Subscription Shares issued) and the issue of all Warrant Shares, the Warrant Subscription also represents an opportunity for the Company to onboard the Warrant Subscriber as a potential strategic investor, which may enhance the shareholder profile of the Company.

In addition, the Warrant Subscription would allow the Company to raise additional funds to improve its financial position and broaden its shareholder base, noting that the Warrant Subscription does not have any immediate dilution effect on the shareholding of the existing Shareholders and the Warrants are not interest-bearing (contrasted with external debt financing). The Company confirms that, as at the Latest Practicable Date, save for the grant of the Warrants, it has not paid and will not pay any additional fee, compensation or other remuneration to the Warrant Subscriber in connection with its contribution and involvement as a consultant and facilitator in negotiations which have culminated in the Share Subscription.

Assuming the Exercise Rights are exercised in full at the initial Exercise Price, the Company will raise gross proceeds of approximately HK$38,500,000 and the net proceeds (after deducting relevant costs and expenses) of approximately HK$36,800,000 and the net Exercise Price will be approximately HK$0.48 per Warrant Share. Such net proceeds will be primarily used to repay the Group's outstanding liabilities (owed to third parties which are not Shareholders) and supplement the Group's general liquidity, with a view to improving its gearing ratio and overall financial position, including:

(i) approximately 70% for settlement of trade and other related payables, mainly comprising amounts due to service providers engaged by the Group in the provision of security, cleaning, gardening and maintenance services, etc.; and

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

In the event that the Exercise Rights are not fully exercised at the initial Exercise Price, the Group will utilise the proceeds for the above purposes on a pro-rata basis. For completeness, in the event the Exercise Rights are not exercised in full or at all, to the extent there is any shortfall from the amount allocated to the settlement of trade and other related payables, the Company intends to meet its payment obligations through a combination of (i) cash generated from its existing business operations and internal resources; (ii) continued implementation of liquidity management measures, including close monitoring of cash flows, cost-control measures and management of capital expenditure; and (iii) other alternative fund raising means as and if they become available.

Application for listing

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

No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges.

Listing Rules implications

Pursuant to Rule 13.36(7) of the Listing Rules, the Company may not issue warrants to subscribe for (i) any new Shares or (ii) any securities convertible into new Shares, for cash consideration pursuant to a general mandate given under Rule 13.36(2)(b) of the Listing Rules. Accordingly, the issue of the Warrants and the Warrant Shares (to be issued upon exercise of the Warrants) are subject to the approval of the Shareholders and will be allotted and issued pursuant to the Warrant Specific Mandate to be sought at the EGM.

Pursuant to Rule 15.02(1) of the Listing Rules, the Warrant Shares to be issued upon exercise of the Warrants must not, when aggregated with all other equity securities which remain to be issued on exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed 20% of the total number of issued shares of the Company at the time the Warrants are issued. Options granted under employee or executive share schemes which comply with Chapter 17 of the Listing Rules are excluded for the purpose of such limit. As at the Latest Practicable Date, the Company has no outstanding securities with subscription rights.

Although the Warrant Subscription Completion is conditional upon, among other things, the Share Subscription Completion having taken place, the Share Subscription is not in turn conditional upon approval of the Warrant Subscription at the EGM. It follows the Acquisition Completion and the Share Subscription Completion will occur upon satisfaction or waiver of the respective conditions precedent under the Share Purchase Agreement and the Share Subscription Agreement, regardless of whether the Warrant Subscription proceeds or not. Given the Warrant Subscription Completion has no bearing on the Acquisition Completion and/or the Share Subscription Completion, no Shareholder is considered to be materially interested in the Warrant Subscription and accordingly no Shareholder is required to abstain from voting on the resolution(s) on the Warrant Subscription Agreement and transactions contemplated thereunder at the EGM.

In the spirit of good corporate governance practice, each of Mr. Fong, Ms. Tse and Mr. Han abstained from voting on the Board resolutions in relation to the Warrant Subscription. For voting arrangements of the Shareholders, please refer to the section headed "Voting Arrangement – Voting on the Warrant Subscription" below.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the Company has 400,000,000 Shares in issue.

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after the Acquisition Completion but before the Offer; (iii) immediately after the close of the Offer and the Share Subscription Completion (assuming maximum number of Subscription Shares issued), assuming the Offeror not having received any valid acceptance under the Offer; and (iv) immediately after exercise of the Warrants (in full), assuming the Offeror not having received any valid acceptance under the Offer and maximum number of Subscription Shares issued, in each case further

assuming there is no other change in the number of total issued Shares from the Latest Practicable Date to the occurrence of the relevant event.

	(i) As at the Latest Practicable Date		**(ii) Immediately after the Acquisition Completion but before the Offer**		**(iii) Immediately after the Share Subscription Completion (assuming maximum number of Subscription Shares issued), assuming the Offeror not having received any valid acceptance under the Offer**		**(iv) Immediately after exercise of the Warrants (in full), assuming the Offeror not having received any valid acceptance under the Offer and maximum number of Subscription Shares issued**	
	Shares	*%*	*Shares*	*%*	*Shares*	*%*	*Shares*	*%*
Offeror and Offeror Concert Parties								
The Offeror	-	-	200,044,000	50.01	447,644,000	58.14	447,644,000	52.85
Share Subscriber II	-	-	-	-	76,200,000	9.90	76,200,000	9.00
Mr. Chen Xi (including Shares held directly by Mr. Chen Xi and indirectly through Share Subscriber III)	11,596,000	2.90	11,596,000	2.90	57,796,000	7.51	57,796,000	6.82
Ms. Xie Dan (held through Tiffany Orient Holdings Limited) [1]	2,004,000	0.50	2,004,000	0.50	2,004,000	0.26	2,004,000	0.24
Subtotal of *Offeror and Offeror Concert Parties* [9]	13,600,000	3.40	213,644,000	53.41	583,644,000	75.80	583,644,000	68.91
Sellers and parties acting in concert with them								
Mr. Fong (held through Mansion Green) [2, 3, 6]	97,200,000	24.30	-	-	-	-	-	-

Ms. Tse (held through Aspiring Vision) [2, 4, 6]	64,800,000	16.20	12,952,000	3.24	12,952,000	1.68	12,952,000	1.53
Huiyu Investment [5, 6]	60,000,000	15.00	9,004,000	2.25	9,004,000	1.17	9,004,000	1.06
Mr. Huang and Ms. Zheng Hui [5, 6]	64,000	0.02	64,000	0.02	64,000	0.01	64,000	0.01
Ms. Zheng Hui	3,884,000	0.97	3,884,000	0.97	3,884,000	0.50	3,884,000	0.46
Subtotal of Sellers and parties acting in concert with them	225,948,000	56.49	25,904,000	6.48	25,904,000	3.36	25,904,000	3.06
Mr. Han (held through the IU Shareholder) [2, 7]	4,500,000	1.13	4,500,000	1.13	4,500,000	0.58	4,500,000	0.53
Other Offer Shareholders	155,952,000	38.99	155,952,000	38.99	155,952,000	20.25	155,952,000	18.41
The Warrant Subscriber [8]	-	-	-	-	-	-	77,000,000	9.09
Total	400,000,000	100.00	400,000,000	100.00	770,000,000	100.00	847,000,000	100.00
Public Shareholders (for public float consideration only)								
Other Offer Shareholders	155,952,000	38.99	155,952,000	38.99	155,952,000	20.25	155,952,000	18.41
Share Subscriber II	-	-	-	-	76,200,000	9.90	76,200,000	9.00
Mr. Chen Xi (including Shares held directly by Mr. Chen Xi and indirectly	11,596,000	2.90	11,596,000	2.90	57,796,000	7.51	57,796,000	6.82

through Share Subscriber III)								
Ms. Xie Dan (held through Tiffany Orient Holdings Limited) [1]	2,004,000	0.50	2,004,000	0.50	2,004,000	0.26	2,004,000	0.24
Huiyu Investment [5, 6]	-	-	9,004,000	2.25	9,004,000	1.17	9,004,000	1.06
Mr. Huang and Ms. Zheng Hui [5, 6]	-	-	64,000	0.02	64,000	0.01	64,000	0.01
Ms. Zheng Hui	-	-	3,884,000	0.97	3,884,000	0.50	3,884,000	0.46
The Warrant Subscriber	-	-	-	-	-	-	77,000,000	9.09
Subtotal of Public Shareholders (for public float consideration only)	169,552,000	42.39	182,504,000	45.63	304,904,000	39.60	381,904,000	45.09

Notes:

1. 2,004,000 Shares are held by Tiffany Orient Holdings Limited, which is directly and wholly owned by Ms. Xie Dan as the ultimate beneficial owner, the spouse of Mr. Chen Xi, the sole shareholder of the Share Subscriber III.
2. Each of Mr. Fong, Ms. Tse and Mr. Han is a Director.
3. 97,200,000 Shares are held by Mansion Green, which is indirectly and wholly owned by Mr. Fong as the ultimate beneficial owner through the Mansion Green Holding Companies.
4. 64,800,000 Shares are held by Aspiring Vision, which is directly and wholly owned by Ms. Tse as the beneficial owner.
5. 60,000,000 Shares are held by Huiyu Investment, which is directly and wholly owned by Mr. Huang as the beneficial owner. Mr. Huang and Ms. Zheng Hui jointly hold an additional 64,000 Shares.
6. On 24 January 2024, Mr. Fong, Ms. Tse and Mr. Huang entered into the Deed of Concert Parties. The Deed of Concert Parties is intended to apply to Shares held by Mr. Fong, Ms. Tse and Mr. Huang and their spouses, whether directly or indirectly. Based on information available to the Company, the parties to the deed of concert parties intend to terminate the deed after the Acquisition Completion. Following such termination, the Shares directly and indirectly held by Mr. Huang and his spouse, Ms. Zheng Hui, will be counted towards the public float.
7. 4,500,000 Shares are held by the IU Shareholder, which is directly and wholly owned by Mr. Han as the beneficial owner. The IU Shareholder has given an irrevocable undertaking (the "**Irrevocable Undertaking**") in favour of the Offeror, pursuant to which the IU Shareholder has undertaken not to (a)

accept the Offer in respect of the IU Shares and any other Shares of which it may become the registered holder or beneficial owner or in which it may become so interested after the date of the Irrevocable Undertaking; and (b) sell, transfer or otherwise dispose of any interest in any of the relevant Shares. The Irrevocable Undertaking shall terminate if the Offer lapses or is withdrawn.

8. The Warrant Subscriber is not expected to become a connected person of the Company upon completion of the Warrant Subscription.

9. For completeness, based on information available to the Company, neither the Share Subscriber II nor the Share Subscriber III is expected to hold 10% or more of the total issued Shares immediately after the Share Subscription Completion (regardless of the final number of Subscription Shares issued) and none of them is expected to be excluded from "the public" (as defined in Rule 8.24 of the Listing Rules) upon the Share Subscription Completion

10. All percentages in the above table are approximations and subject to rounding.

ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.8 of the Takeovers Code and the Listing Rules respectively, the Independent Board Committee comprising Mr. Tian Qiusheng, Mr. Leung Wai Hung and Mr. Du Chenhua (comprising all independent non-executive Directors) has been formed to (i) make a recommendation to the Offer Shareholders as to whether the Offer is fair and reasonable and as to the acceptance of the Offer; and (ii) advise the Independent Shareholders on the Share Subscription and the Special Deal.

Gram Capital, the Independent Financial Adviser, has been appointed by the Company for the purposes of advising the Independent Board Committee and the Independent Shareholders in relation to, among other things, (i) the Offer; and (ii) the Share Subscription and the Special Deal. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee.

CLOSURE OF REGISTER OF MEMBERS AND RECORD DATE

In order to ascertain the Shareholders' entitlement to attend and vote at the EGM, the register of members of the Company will be closed from 25 September 2026 to 30 September 2026 (both days inclusive), during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the EGM, all transfers of Shares, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–16, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on 24 September 2026. The record date for attending and voting at the EGM is 30 September 2026.

EGM AND PROXY ARRANGEMENT

The notice convening the EGM to be held at 10:00 a.m. on 30 September 2026 at 11th Floor, No. 28 Tiyu East Road, Tianhe District, Guangzhou, the PRC is set out on pages EGM-1 to EGM-4 of this circular. At the EGM, ordinary resolutions will be proposed to the Shareholders to consider and if appropriate, to approve, among others, (i) the Share Subscription Agreement and transactions contemplated thereunder (including without limitation, (a) the connected transaction and Special Deal in relation to the Share Subscription; and (b) the Share Specific Mandate); and (ii) the Warrant Subscription Agreement and transactions contemplated thereunder (including without limitation, (a)

the allotment and issue of the Warrant Shares upon exercise of the subscription rights attached to the Warrant; and (b) the Warrant Specific Mandate).

A form of proxy for use in connection with the EGM is enclosed herewith. Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the EGM (i.e. not later than 10:00 a.m. on 28 September) 2026) or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM (or any adjourned meeting thereof) should you so wish.

VOTING ARRANGEMENT

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting of the Company 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 to be considered and, if thought fit, approved at the EGM will be voted by way of a poll by the Shareholders. An announcement on the poll results will be made by the Company after the EGM, in the manner prescribed under Rule 13.39(5) of the Listing Rules, on the results of the EGM.

As at the Latest Practicable Date, save for the Deed of Concert Parties, none of the Shareholders has entered into or is bound upon any voting trust or other agreement or arrangement or understanding;

(i) save as disclosed in this circular, none of the Shareholders is subject to any obligation or entitlement causing he/she/it has or may have, temporarily or permanently, passed control over the exercise of the voting right in respect of his/her/its Shares to a third party, either generally or on a case-by-case basis; and

(ii) there was no discrepancy between the beneficial shareholding interest of the Shareholders and the number of Shares in respect of which he/she/it will control or will be entitled to exercise control over the voting right at the EGM.

Voting on the Share Subscription and the Special Deal

The Share Subscription and the Special Deal will need to be approved by the Independent Shareholders. As at the Latest Practicable Date, the following Shareholders will be required to abstain from voting on the resolution(s) on the Share Subscription Agreement and transactions contemplated thereunder (including without limitation, (a) the connected transaction and Special Deal in relation to the Share Subscription; and (b) the Share Specific Mandate) at the EGM:

(a) each of the Sellers, their respective ultimate beneficial owners and associates (i.e. Ms. Zheng Hui), which are interested in a total of 225,948,000 Shares (representing approximately 56.49% of the total issued Shares);

(b) the Offeror and the Offeror Concert Parties, including but not limited to the Share Subscriber III and its associate (i.e. Tiffany Orient Holdings Limited, a company directly and wholly owned by Ms. Xie Dan, the spouse of Mr. Chen Xi), which are interested in a total of

13,600,000 Shares (representing 3.40% of the total issued Shares as at the Latest Practicable Date); and

(c) any other Shareholder who is involved in and/or interested in the Share Purchase Agreement and/or the Share Subscription (including the Special Deal) and/or the Warrant Subscription or otherwise deemed to be acting in concert with any such aforesaid Shareholder(s), including but not limited to the IU Shareholder, a Shareholder presumed to be acting in concert with Mansion Green by virtue of class (2) of the definition of acting in concert, which is interested in a total of 4,500,000 Shares (representing approximately 1.13% of the total issued Shares).

Save as disclosed above, as at the Latest Practicable Date, no Shareholder is required to abstain from voting on the resolution(s) on the Share Subscription Agreement and transactions contemplated thereunder (including without limitation, (a) the connected transaction and Special Deal in relation to the Share Subscription; and (b) the Share Specific Mandate) at the EGM.

Voting on the Warrant Subscription

The Warrant Subscription will need to be approved by the Shareholders. As at the Latest Practicable Date, no Shareholder is required to abstain from voting on the resolution(s) on the Warrant Subscription Agreement and transactions contemplated thereunder (including without limitation, (a) the allotment and issue of the Warrant Shares upon exercise of the subscription rights attached to the Warrant; and (b) the Warrant Specific Mandate) at the EGM. Nonetheless, in the spirit of good corporate governance practice, it is intended the Shareholders who are required to abstain from voting on the Share Subscription as disclosed above will also abstain from voting on the resolution(s) on the Warrant Subscription Agreement and transactions contemplated thereunder (including without limitation, (a) the allotment and issue of the Warrant Shares upon exercise of the subscription rights attached to the Warrant; and (b) the Warrant Specific Mandate) at the EGM.

RECOMMENDATION FROM THE BOARD

The Directors (including the members of the Independent Board Committee whose opinion is set forth in the "Letter from the Independent Board Committee" in this circular after considering the advice of the Independent Financial Adviser, excluding Mr. Fong, Ms. Tse and Mr. Han, who abstained from voting due to their indirect interests in the Share Subscription and, in respect of the Warrant Subscription, in the interest of good corporate governance practices) are of the view that the Share Subscription and Warrant Subscription and the transactions contemplated thereunder (including without limitation, (a) the connected transaction; (b) the Special Deal; (c) the grant of the Share Specific Mandate; and (d) the grant of the Warrant Specific Mandate) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders (including the Independent Shareholders) as a whole.

Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolutions approving the Share Subscription and Warrant Subscription and the transactions contemplated thereunder (including without limitation, (a) the connected transaction; (b) the Special Deal; (c) the grant of the Share Specific Mandate; and (d) the grant of the Warrant Specific Mandate) at the EGM.

ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee as set out on pages 52 to 53 of this circular which contains its recommendation to the Independent Shareholders as to voting

at the EGM and the letter from the Gram Capital as set out on pages 54 to 77 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Share Subscription and Warrant Subscription and the transactions contemplated thereunder.

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

The Share Subscription and Warrant Subscription are subject to the satisfaction of the conditions precedent and therefore may or may not take place. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares, and should consult their stockbroker, bank manager, solicitor or other professional adviser if they are in any doubt about their position or as to actions they should take.

Yours faithfully,
By order of the Board
Fineland Living Services Group Limited

Mr. SUN Ligong
Executive Director