
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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This Scheme Document appears for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Offeror or the Company nor is it a solicitation of any vote or approval in any jurisdiction. This Scheme Document is not for release, publication or distribution in or into any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction. Scheme Shareholders residing in jurisdictions other than Hong Kong should inform themselves about and observe all legal and regulatory requirements applicable to them. Overseas Scheme Shareholders are advised to read the section headed "Overseas Scheme Shareholders" in the Explanatory Memorandum in Part VI of this Scheme Document for further information.



PERFECT GROUP

保發集團

PERFECT GROUP INTERNATIONAL HOLDINGS LIMITED

保發集團國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3326)

Immaculate Diamonds Limited
(Incorporated in British Virgin Islands with limited liability)

(1) PROPOSAL FOR THE PRIVATISATION OF PERFECT GROUP INTERNATIONAL HOLDINGS LIMITED BY THE OFFEROR BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 86 OF THE COMPANIES ACT OF THE CAYMAN ISLANDS AND (2) PROPOSED WITHDRAWAL OF LISTING

Financial Adviser to the Offeror



中泰國際

ZHONGTAI INTERNATIONAL

Zhongtai International Capital Limited

Independent Financial Adviser to the Independent Board Committee



勝利資本

VS CAPITAL

VS Capital Limited

Unless the context otherwise requires, capitalised terms used hereunder have the same meanings as those defined in Part I of this Scheme Document.

A letter from the Board is set out in Part III of this Scheme Document. A letter from the Independent Board Committee containing its advice to the Disinterested Scheme Shareholders in respect of the Proposal and as to voting is set out in Part IV of this Scheme Document. A letter from the Independent Financial Adviser to the Independent Board Committee, containing its advice to the Independent Board Committee in respect of the Proposal and as to voting is set out in Part V of this Scheme Document. An Explanatory Memorandum regarding the Proposal is set out in Part VI of this Scheme Document.

Notices convening the Court Meeting and the EGM to be held at The Garden Rooms (Narcissus Room), 2/F., The Royal Garden, 69 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Monday, 13 October 2025, in the case of the Court Meeting at 9:30 a.m. and, in the case of the EGM at 10:30 a.m. (or as soon as practicable after the conclusion or adjournment of the Court Meeting) are set out in Appendix V and Appendix VI to this Scheme Document respectively. Whether or not you are able to attend the Court Meeting and/or the EGM, you are strongly urged to complete and sign the enclosed **pink** form of proxy in respect of the Court Meeting and the enclosed **white** form of proxy in respect of the EGM, in accordance with the instructions printed on them respectively, and to lodge them at the Hong Kong Branch Share Registrar, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible but in any event not later than the respective times and dates as stated in the section headed "ACTIONS TO BE TAKEN" of this Scheme Document. Alternatively, the **pink** form of proxy in respect of the Court Meeting may be handed to the chairman of the Court Meeting, who shall have absolute discretion as to whether or not to accept it, before the taking of poll if it is not so lodged. The **white** form of proxy in respect of the EGM will not be valid if it is not so lodged. Completion and return of a form of proxy for the Court Meeting and/or the EGM will not preclude you from attending and voting at the relevant meeting or any adjournment thereof should you so wish, and in such event, the relevant form of proxy will be revoked by operation of law.

This Scheme Document is issued jointly by the Offeror and the Company. In case of inconsistency, the English language text of this Scheme Document shall prevail over the Chinese language text for the purpose of interpretation.

18 September 2025

ACTIONS TO BE TAKEN

NOTICE TO OVERSEAS SCHEME SHAREHOLDERS

The making and implementation of the Proposal to the Scheme Shareholders who are not residents in Hong Kong may be affected by the applicable laws of the relevant jurisdictions. Any Scheme Shareholders who are not residents in Hong Kong should inform themselves about and observe any applicable legal and regulatory requirements in their own jurisdictions.

It is the responsibility of any overseas Scheme Shareholders wishing to take any actions in relation to the Proposal to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with the necessary formalities and the payment of any issue, transfer or other taxes due from the Scheme Shareholder in such jurisdiction. The Offeror and the Company expressly decline any liability for breach of any of these restrictions by any persons.

Any approval of the Proposal by the Scheme Shareholders will be deemed to constitute a representation and warranty from such persons to the Offeror, the Company and their respective advisers, including Zhongtai Capital and the Independent Financial Adviser, that those laws and regulatory requirements have been complied with. For the avoidance of doubt, neither HKSCC or HKSCC Nominees Limited will give, or be subject to, the above warranty and representation. If you are in doubt as to your position, you should consult your professional advisers.

Scheme Shareholders residing in jurisdictions other than Hong Kong should consult their own professional advisers if they are in any doubt as to the potential applicability of, or consequence under, any provision of law or regulation or judicial or regulatory decisions or interpretations in any jurisdictions, territory or locality therein or thereof and, in particular, whether there will be any restriction or prohibition on the acquisition, retention, disposal or otherwise with respect to the Shares, as the case may be.

Overseas Shareholders are advised to read the section headed “Overseas Scheme Shareholders” in the Explanatory Memorandum in Part VI of this Scheme Document for further information.

PAST PERFORMANCE AND FORWARD-LOOKING STATEMENTS

The performance and the results of operations of the Group contained in this Scheme Document are historical in nature and past performance is not a guarantee of the future results of the Group. This Scheme Document may contain forward-looking statements and opinions that involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions and you should not place undue reliance on such

ACTIONS TO BE TAKEN

forward-looking statements and opinions. Subject to the requirements of applicable laws, rules and regulations, including the Takeovers Code, none of the Offeror, the Company, Zhongtai Capital, the Independent Financial Adviser, any of their respective directors, officers, employees, agents, affiliates or advisers or any other persons involved in the Proposal assumes any obligation to correct or update the forward-looking statements or opinions contained in this Scheme Document.

ACTIONS TO BE TAKEN BY SHAREHOLDERS

For the purpose of determining the entitlement of the Scheme Shareholders to attend and vote at the Court Meeting and the entitlement of the Shareholders to attend and vote at the EGM, the Register will be closed from Wednesday, 8 October 2025 to Monday, 13 October 2025 (both days inclusive) and during such period, no transfer of Shares will be effected. In order to qualify to attend and vote at the Court Meeting and/or the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Hong Kong Branch Share Registrar, Union Registrars Limited, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong by not later than 4:00 p.m. on Monday, 6 October 2025.

A **pink** form of proxy for use in connection with the Court Meeting and a **white** form of proxy for use in connection with the EGM are enclosed with this Scheme Document.

Whether or not you are able to attend the Court Meeting and/or the EGM, you are strongly urged to complete and sign the enclosed pink form of proxy in respect of the Court Meeting and the enclosed white form of proxy in respect of the EGM in accordance with the instructions printed on them respectively, and to deposit them at the Hong Kong Branch Share Registrar, Union Registrars Limited, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong.

In order to be valid, the **pink** form of proxy for use in connection with the Court Meeting must be lodged not later than 9:30 a.m. on Saturday, 11 October 2025 (or not later than 48 hours before the time appointed for holding an adjourned Court Meeting). Alternatively, the **pink** form of proxy may be handed to the chairman of the Court Meeting, who shall have absolute discretion as to whether or not to accept it, before the taking of poll if it is not so lodged. The **white** form of proxy for use in connection with the EGM must be lodged not later than 10:30 a.m. on Saturday, 11 October 2025 (or not later than 48 hours before the time appointed for holding an adjourned EGM), failing which it will not be valid. The completion and return of the relevant forms of proxy will not preclude you from attending and voting in person at the relevant meeting or any adjournment thereof should you so wish and in such event, the relevant forms of proxy will be revoked by operation of law.

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

Voting at the Court Meeting and the EGM will be taken by poll.

Announcement of results of the Court Meeting and the EGM

Joint announcement(s) will be made by the Offeror and the Company in relation to the results of the Court Meeting and the EGM. If all of the requisite resolutions are passed at those meetings, further announcement(s) will be made in relation to, amongst other things, the results of the Court Hearing, the Effective Date and the date of withdrawal of the listing of the Shares on the Stock Exchange.

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

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

Shareholders and potential investors of the Company are advised to read this Scheme Document carefully, in particular, (i) the letter from the Independent Board Committee in Part IV of this Scheme Document; and (ii) the letter from the Independent Financial Adviser in Part V of this Scheme Document, before voting at the Court Meeting and/or the EGM.

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

The Company will not recognise any person as holding any Shares on trust.

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered under the name of HKSCC Nominees Limited, you should, unless you are admitted to participate in CCASS as an Investor Participant:

- (a) contact your broker, custodian, nominee or other relevant person who is, or has in turn deposited such Shares with, a CCASS Participant regarding voting instructions to be given to such persons if he/she/it wishes to vote in respect of the Scheme; or

ACTIONS TO BE TAKEN

- (b) arrange for some or all of your Shares to be withdrawn from CCASS and transferred them into your own name by lodging all the transfer documents with relevant share certificates on or before 4:00 p.m. on Monday, 6 October 2025 with the Hong Kong Branch Share Registrar, Union Registrars Limited, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong, and become a Registered Owner as of the Meeting Record Date and thereby have the right to attend and vote (in person or by proxy) at the Court Meeting and/or the EGM. For withdrawal of Shares from CCASS and registration thereof, you will be required to pay to CCASS a withdrawal fee per board lot withdrawn, a registration fee for each share certificate issued, stamp duty on each transfer instrument and, if your Shares are held through a financial intermediary, any other relevant fees charged by your financial intermediary. You should contact your broker, custodian, nominee or other relevant person in advance of the latest time for lodging transfers of the Shares into your name so as to qualify to attend and vote at the Court Meeting and the EGM, in order to provide such broker, custodian, nominee or other relevant person with sufficient time to withdraw the Shares from CCASS and register them in your name.

The procedures for voting by the Investor Participants and other CCASS Participants with respect to Shares registered under the name of HKSCC Nominees Limited shall be in accordance with the “Operating Guide for Investor Participants”, the “General Rules of HKSCC” and the “HKSCC Operational Procedures” in effect from time to time.

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

The Company will not recognise any person as holding any Shares on trust.

If you are a Beneficial Owner whose Shares are registered in the name of a nominee, trustee, depositary or any other authorised custodian or third party (other than HKSCC Nominees Limited), you should contact such Registered Owner to give instructions to and/or to make arrangements with such Registered Owner as to the manner in which the Shares beneficially owned by you should be voted at the Court Meeting and/or the EGM.

If you are a Beneficial Owner who wishes to attend and vote at the Court Meeting and/or the EGM personally, you should:

- (a) contact the Registered Owner directly to make the appropriate arrangements with the Registered Owner to enable you to attend and vote at the Court Meeting and/or the EGM and, for such purpose, the Registered Owner may appoint you as its proxy; or

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- (b) arrange for some or all Shares registered in the name of the Registered Owner to be transferred into your own name by lodging all the transfer documents with relevant share certificates on or before 4:00 p.m. on Monday, 6 October 2025 with the Hong Kong Branch Share Registrar, Union Registrars Limited, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong, and become a Registered Owner as of the Meeting Record Date and thereby have the right to attend and vote (in person or by proxy) at the Court Meeting and/or the EGM.

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

EXERCISE YOUR RIGHT TO VOTE

If you are a Shareholder or a Beneficial Owner whose Shares are held by a Registered Owner, you are strongly encouraged to exercise your right to vote or to give instructions to the relevant Registered Owner to vote in person or by proxy at the Court Meeting and/or the EGM. If you keep any Shares in a share lending programme, you are encouraged to recall any outstanding Shares on loan to avoid market participants using borrowed stock to vote.

If you are a Beneficial Owner whose Shares are deposited in CCASS, you are strongly encouraged to provide your broker, custodian, nominee or other relevant person without delay with instructions or make arrangements with HKSCC Nominees Limited in relation to the manner in which those Shares should be voted at the Court Meeting and/or at the EGM, and/or withdraw some or all of your Shares from CCASS and become a Registered Owner of such Shares and exercise your right to vote (in person or by proxy) at the Court Meeting and/or the EGM.

If you are a Registered Owner holding Shares on behalf of Beneficial Owners, you should inform the relevant Beneficial Owner(s) about the importance of exercising their right to vote and that Beneficial Owners should consider transferring some or all of their Shares into their own names if they wish to vote individually.

ACTIONS TO BE TAKEN

If you are in any doubt as to the action to be taken, you are encouraged to consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

PETITION HEARING AT THE GRAND COURT

Any Scheme Shareholders who voted at the Court Meeting (including any beneficial owners who gave any voting instructions to a custodian or clearing house who subsequently voted at the Court Meeting) should note that they are entitled to attend or appear by counsel, and be heard at the Court Hearing in the Cayman Islands which is expected to be on 24 October 2025 at 2:30 p.m. (Cayman Islands time), at which the Company will seek, amongst other things, the sanction of the Scheme.

NOTICE TO US INVESTORS

The Proposal is being made to cancel the securities of a Cayman Islands exempted company by means of a scheme of arrangement provided for under the laws of Cayman Islands and is subject to Hong Kong disclosure requirements which are different from those of the US. The financial information included in the relevant documentation, including this Scheme Document, has been prepared in accordance with the accounting standards applicable in Hong Kong and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US.

A transaction effected by means of a scheme of arrangement is not subject to the tender offer or proxy solicitation rules under the US Securities Exchange Act of 1934, as amended. Accordingly, the Proposal is subject to the disclosure requirements and practices applicable in the Cayman Islands and Hong Kong to schemes of arrangement which differ from the disclosure and procedural requirements applicable under the US federal securities laws. In addition, US holders of Scheme Shares should be aware that this Scheme Document has been prepared in accordance with Hong Kong format and style, which differs from US format and style.

The receipt of cash pursuant to the Proposal by a US holder of Scheme Shares as consideration for the cancellation of his/her/its Scheme Shares pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each holder of Scheme Shares is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of the Proposal applicable to him/her/it.

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It may be difficult for US holders of Scheme Shares to enforce their rights and claims arising out of the US federal securities laws, since the Offeror and the Company are located in a country other than the US, and some or all of their officers and directors may be residents of a country other than the US. US holders of Scheme Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

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

“acting in concert”	has the meaning given to it in the Takeovers Code, and “persons acting in concert” shall be construed accordingly
“Adjusted NAV”	adjusted unaudited consolidated net asset value of the Group as set out in the section headed “Property Interests and Adjusted Net Asset Value” in Appendix I of this Scheme Document
“Announcement”	the announcement dated 9 June 2025 jointly issued by the Offeror and the Company in relation to the Proposal
“Applicable Laws”	with respect to any person, any laws, rules, regulations, guidelines, directives, treaties, judgements, decrees, orders or notices of any Authority that is applicable to such person
“Approvals”	licenses, approvals, permits, consents, permissions, clearances and registrations
“associate”	has the meaning given to it in the Takeovers Code
“Authority”	any relevant government, administrative or regulatory body, or court, tribunal, arbitrator or governmental agency or authority or department (including any relevant securities exchange) and whether supranational, national, regional or local
“Beneficial Owner(s)”	any beneficial owner(s) of the Shares whose Shares are registered in the name of a Registered Owner(s) other than himself or herself
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for transaction for business

“Cachet Asset Management”	Cachet Asset Management Limited, a company incorporated in Hong Kong with limited liability, all the shares in issue are ultimately and beneficially owned by Ms. Chow
“Cancellation Price”	the cancellation price of HK\$0.25 per Scheme Share
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Participant(s)”	person(s) admitted to participate in CCASS as a direct clearing participant, general clearing participant, a custodian participant or an Investor Participant who may be an individual or joint individuals or a corporation
“Classic Amber”	Classic Amber Holdings Limited, a company incorporated in British Virgin Islands with limited liability, the entire issued share capital of which is ultimately and beneficially owned by Mr. Jacky Luo
“Classic Emerald”	Classic Emerald Holdings Limited, a company incorporated in British Virgin Islands with limited liability, the entire issued share capital of which is ultimately and beneficially owned by Mr. Chung Chi Keung
“Classic Sapphire”	Classic Sapphire Holdings Limited, a company incorporated in British Virgin Islands with limited liability, the issued shares of which are ultimately and beneficially owned as to 50% by Mr. Kan and as to 50% by Mr. Chan Wing Sum
“Companies Act”	the Companies Act (2025 Revision) of the Cayman Islands, as consolidated and revised from time to time
“Company”	Perfect Group International Holdings Limited (保發集團國際控股有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3326)

“Condition(s)”	the condition(s) to the Proposal as set out in the section headed “Conditions of the Proposal and the Scheme” of this Scheme Document
“controlling shareholder(s)”	has the meaning given to it in the Listing Rules
“Court Hearing”	the hearing of the petition by the Grand Court for the sanction of the Scheme and confirming the Reduction
“Court Meeting”	a meeting of the Scheme Shareholders to be convened at the direction of the Grand Court to be held at The Garden Rooms (Narcissus Room), 2/F., The Royal Garden, 69 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Monday, 13 October 2025 at 9:30 a.m., notice of which is set out in Appendix V to this Scheme Document, at which the Scheme (with or without modification) will be voted upon, or any adjournment thereof
“Director(s)”	the director(s) of the Company
“Disinterested Scheme Shareholders”	all Shareholders, other than the Offeror, Mr. Kan and the Offeror Concert Parties
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Act
“EGM”	an extraordinary general meeting of the Company to be held at The Garden Rooms (Narcissus Room), 2/F., The Royal Garden, 69 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Monday, 13 October 2025 at 10:30 a.m. (or as soon as practicable after the conclusion or adjournment of the Court Meeting), notice of which is set out in Appendix VI to this Scheme Document, for the purpose of approving all necessary resolutions for the implementation of the Proposal, or any adjournment thereof
“Energy Business”	sales of electricity generated from the photovoltaic power generation system and provision of energy storage service

“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any delegate of the Executive Director
“Explanatory Memorandum”	the explanatory memorandum in relation to the Scheme set out in Part VI of this Scheme Document
“Grand Court”	the Grand Court of the Cayman Islands
“Grand Court Rules”	the rules of the Grand Court (2023 Revision) as consolidated and revised from time to time
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Branch Share Registrar”	Union Registrars Limited, the Company’s Hong Kong branch share registrar and transfer office
“Independent Board Committee”	the independent board committee of the Company comprising the following independent non-executive Directors: Dr. Ng Wang Pun, Dennis, Ms. Ng Sin Kiu, Mr. Wong Wai Keung Frederick established by the Board to make a recommendation to the Disinterested Scheme Shareholders in respect of the Proposal and the Scheme
“Independent Financial Adviser” or “VS Capital”	VS Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, and the independent financial adviser to the Independent Board Committee in relation to the Proposal and the Scheme

“Investor Participant”	person(s) admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“Irrevocable Undertakings”	the deeds of irrevocable undertakings given by the IU Shareholders, each received by the Offeror on 3 June 2025 respectively
“IU Shareholders”	collectively, Classic Amber, Richemont Asset Management and Cachet Asset Management
“IU Shares”	the Shares held by the IU Shareholders which are subject to the Irrevocable Undertakings
“Jewellery Business”	designing, manufacturing and sales of high-end fine jewellery business of the Company
“King Jewel”	King Jewel Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is ultimately and beneficially owned by Mr. Kan
“Last Trading Day”	30 May 2025, being the last day on which Shares were traded on the Stock Exchange prior to the publication of the Announcement
“Latest Practicable Date”	15 September 2025, being the latest practicable date prior to the printing of this Scheme Document for the purpose of ascertaining certain information contained in this Scheme Document
“Listing”	the listing of the Shares on the Stock Exchange on 4 January 2016
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Long Stop Date”	31 March 2026 (or any later date as the Offeror and the Company may determine and, to the extent applicable, as the Grand Court on the application of the Company may direct, and in all cases, as the Executive may consent)
“Meeting Record Date”	13 October 2025, or such other date as shall have been announced to the Shareholders, being the record date for the purpose of determining the entitlement of the Scheme Shareholders to attend and vote at the Court Meeting and the entitlement of the Shareholders to attend and vote at the EGM
“Mr. Kan”	Mr. Kan Kin Kwong, the chairman of the Board and an executive Director of the Company, and together with the Offeror, King Jewel and Classic Sapphire are the controlling shareholders of the Company
“Ms. Chow”	Ms. Chow Chin Yui Angela, the sole shareholder of Richemont Asset Management and Cachet Asset Management
“Offer Period”	has the meaning given to it in the Takeovers Code, being the period commencing on the date of the Announcement (9 June 2025) until the latest of (i) the Effective Date; (ii) the date when the Scheme lapses; (iii) the time when the Offeror announces that the Scheme will not proceed; and (iv) the date when an announcement is made of the withdrawal of the Scheme
“Offeror”	Immaculate Diamonds Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is owned by Mr. Kan. The Offeror, together with Mr. Kan, King Jewel and Classic Sapphire are the controlling shareholders of the Company

“Offeror Concert Parties”	parties acting in concert or presumed to be acting in concert with the Offeror and/or Mr. Kan under the definition of “acting in concert” under the Takeovers Code, including but not limited to King Jewel, Classic Sapphire, Classic Emerald, Ms. Chow, Cachet Asset Management, Richemont Asset Management and Zhongtai Capital
“Offeror Group”	the Offeror, King Jewel and Mr. Kan
“Perfect Group Jewellery Industry Park”	the Group’s integrated and comprehensive industry park located at No. 1 Jade Road, Yang’e Village Committee, Lunjiao Subdistrict, Shunde District, Foshan City, Guangdong Province, the PRC
“PRC”	the People’s Republic of China, but for the purpose of this Scheme Document, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Property”	Various buildings located at the Perfect Group Jewellery Industry Park, No.1 Jade Road, Yang’e Village Committee, Lunjiao Subdistrict, Shunde District, Foshan City, Guangdong Province, the PRC
“Property Business”	investment in and the development and sales of properties for the Perfect Group Jewellery Industry Park located in Foshan, Guangdong Province of the PRC
“Proposal”	the proposal for the privatisation of the Company by the Offeror by way of the Scheme and the maintenance of the issued share capital of the Company at the amount immediately prior to the cancellation of the Scheme Shares, and the withdrawal of the listing of the Shares from the Stock Exchange, on the terms and subject to the conditions as described in this Scheme Document
“Reduction”	the reduction of the issued share capital of the Company by the cancellation and extinguishment of the Scheme Shares

“Register”	the principal or branch register of members of the Company (as the case may be) in respect of the Shares
“Registered Owner”	any person(s) (including without limitation a nominee, trustee, depository or any other authorised custodian or third party) whose name is entered in the Register as the holder of the Share(s)
“Relevant Period”	the period commencing on 9 December 2024, being the date falling six months preceding the commencement date of the Offer Period and ending on and including the Latest Practicable Date
“Richemont Asset Management”	Richemont Asset Management Limited, a company incorporated in British Virgin Islands with limited liability, all the shares in issue are ultimately and beneficially owned by Ms. Chow
“Scheme”	the scheme of arrangement to be proposed under section 86 of the Companies Act for the implementation of the Proposal
“Scheme Document”	this composite scheme document, which shall contain, among other things, details of the Proposal and the Scheme, the proxy forms and notices of the Court Meeting and the EGM as may be amended or supplemented from time to time, despatched by the Offeror and the Company to all Scheme Shareholders on the date of despatch as required by the Takeovers Code
“Scheme Record Date”	28 October 2025 (or such other date as may be announced to the Shareholders), being the record date for determining entitlements of the Scheme Shareholders under the Scheme
“Scheme Shareholders”	the registered holders of the Scheme Shares as at the Scheme Record Date

“Scheme Shares”	Shares in issue on the Scheme Record Date, which for the avoidance of doubt, shall exclude Shares held directly or indirectly by the Offeror Group
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) having a par value of HK\$0.003333333333 each in the issued share capital of the Company
“Shareholder(s)”	registered holder(s) of the Shares
“Stamp Duty Ordinance”	the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“US” or “United States”	United States of America
“Zhongtai Capital”	Zhongtai International Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, and the financial adviser to the Offeror in relation to the Proposal
“%”	per cent

All references in this Scheme Document to times and dates are references to Hong Kong times and dates, except as otherwise specified and other than references to the expected date of the Court Hearing and the Effective Date, which are the relevant dates in the Cayman Islands. For reference only, Cayman Islands time is 13 hours behind Hong Kong time as at the date of this Scheme Document.

The following timetable takes into account the procedures of the Grand Court for the Scheme. The expected timetable is indicative only and is subject to change. Further announcement(s) will be made if there is any change to the following expected timetable.

Hong Kong date and time
(unless otherwise specified)

Date of despatch of this Scheme Document Thursday, 18 September 2025

Latest time for lodging transfers of Shares documents to
qualify for entitlement to attend and vote
at the Court Meeting and the EGM. 4:00 p.m. on
Monday, 6 October 2025

Closure of the Register for determining
entitlement to attend and vote at
the Court Meeting and the EGM (*Note 1*). from Wednesday, 8 October 2025 to
Monday, 13 October 2025
(both days inclusive)

Latest time for lodging **pink** form of proxy in respect of
the Court Meeting (*Note 2*). 9:30 a.m. on
Saturday, 11 October 2025

Latest time for lodging **white** form of proxy in respect of
the EGM (*Note 2*). 10:30 a.m. on
Saturday, 11 October 2025

Meeting Record Date Monday, 13 October 2025

Court Meeting (*Notes 2 and 3*). 9:30 a.m. on
Monday, 13 October 2025

EGM (*Notes 2 and 3*). 10:30 a.m. on
Monday, 13 October 2025
(or as soon as practicable after the conclusion or
adjournment of the Court Meeting)

PART II

EXPECTED TIMETABLE

Announcement of the results of the Court Meeting and the EGM	not later than 7:00 p.m. on Monday, 13 October 2025
Expected last day for trading in the Shares on the Stock Exchange	Friday, 17 October 2025
Latest time for lodging transfers of Shares to qualify for entitlements under the Scheme	4:00 p.m. on Thursday, 23 October 2025
Closure of the Register for determining entitlement under the Scheme (<i>Note 4</i>)	from Friday, 24 October 2025 onwards
Court Hearing.	Friday, 24 October 2025 (Cayman Islands time)
Announcement of (1) the results of the Court Hearing; (2) the expected Effective Date; and (3) the expected date of the withdrawal of the listing of the Shares on the Stock Exchange	at or before 8:30 a.m. on Monday, 27 October 2025
Scheme Record Date	Tuesday, 28 October 2025
Effective Date (<i>Note 5</i>)	Tuesday, 28 October 2025 (Cayman Islands time)
Announcement of (1) the Effective Date; and (2) the withdrawal of the listing of the Shares on the Stock Exchange.	at or before 8:30 a.m. on Thursday, 30 October 2025
Withdrawal of listing of the Shares on The Stock Exchange becomes effective (<i>Note 5</i>).	4:00 p.m. on Friday, 31 October 2025

Latest date to despatch cheques for payment of
the Cancellation Price to the Scheme Shareholders
(Note 6 and 7)..... on or before
Friday, 7 November 2025

Notes:

1. The Register will be closed during such period for the purpose of determining the entitlement of the Scheme Shareholders to attend and vote at the Court Meeting and of the Shareholders to attend and vote at the EGM. For the avoidance of doubt, this period of closure is not for determining entitlements under the Scheme.
2. The **pink** form of proxy in respect of the Court Meeting and the **white** form of proxy in respect of the EGM must be completed and signed in accordance with the instructions respectively printed thereon. The **pink** form of proxy in respect of the Court Meeting must be lodged with the Hong Kong Branch Share Registrar, Union Registrars Limited, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong by the times and dates stated above (or not later than 48 hours before the time appointed for holding an adjourned Court Meeting). Alternatively, the **pink** form of proxy in respect of the Court Meeting may be handed to the chairman of the Court Meeting, who shall have absolute discretion as to whether or not to accept it, before the taking of poll if it is not so lodged. The **white** form of proxy in respect of the EGM must be lodged with the Hong Kong Branch Share Registrar, Union Registrars Limited, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong, by the times and dates stated above (or not later than 48 hours before the time appointed for holding an adjourned EGM), failing which, it will not be valid. Completion and return of a form of proxy for the Court Meeting and/or the EGM will not preclude a Scheme Shareholder or a Shareholder (as the case may be) from attending and voting in person at the relevant meeting if he/she/it so wishes. In such event, the relevant form of proxy will be revoked by operation of law.
3. If a tropical cyclone warning signal No. 8 or above is or is expected to be hoisted or “extreme conditions” announced by the Government of Hong Kong or a black rainstorm warning signal is or is expected to be in force at any time after 6:30 a.m. on the date of the Court Meeting and the EGM, the Court Meeting and the EGM will be adjourned. The Company will post an announcement on the respective websites of the Stock Exchange and the Company to notify the members of the date, time and venue of the adjourned meetings.
4. The Register will be closed during such period for the purpose of determining the entitlements of the Scheme Shareholders under the Scheme.
5. The Scheme will become effective upon all the Conditions set out in the paragraph headed “Conditions of the Proposal and the Scheme” under the section headed “Terms of the Proposal” in the Explanatory Memorandum in Part VI of this Scheme Document having been fulfilled or waived (as applicable). The withdrawal of listing of Shares will take place as soon as practicable after the Effective Date. Shareholders will be advised by an announcement of the exact date upon which the Scheme becomes effective and the exact date of withdrawal of the listing of the Shares on the Stock Exchange. All of the Conditions will have to be fulfilled or waived (as applicable) on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse.

6. Cheques for entitlements of the Scheme Shareholders will be despatched by ordinary post in postage pre-paid envelopes addressed to them at their respective addresses as appearing in the Register as at the Scheme Record Date or, in the case of joint holders, at the address appearing in the Register as at the Scheme Record Date of the joint holder whose name then stands first in the Register in respect of the relevant joint holding as soon as possible but in any event no later than seven (7) Business Days after the Effective Date. Cheques shall be posted at the risk of the addressees and none of the Offeror, the Company, Zhongtai Capital, the Independent Financial Adviser, the Hong Kong Branch Share Registrar or any of their respective directors, officers, employees, agents, affiliates or advisers or any other persons involved in the Proposal shall be responsible for any loss or delay in despatch.
7. If there is a “black” rainstorm warning or a tropical cyclone warning signal No. 8 or above or extreme conditions announced by the Government of Hong Kong:
 - (a) in force in Hong Kong at 12:00 noon but no longer in force after 12:00 noon on the latest date for despatching cheques by ordinary post in the amounts due under the Proposal, such date will remain on the same Business Day; or
 - (b) in force in Hong Kong at 12:00 noon and/or thereafter on the latest date for despatching cheques by ordinary post in the amounts due under the Proposal, such date will be rescheduled to the following Business Day which will not have any of such warnings or conditions in force in Hong Kong at 12:00 noon and/or thereafter or such other day as the Executive may approve in accordance with the Takeovers Code.



PERFECT GROUP

保發集團

PERFECT GROUP INTERNATIONAL HOLDINGS LIMITED

保發集團國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3326)

Executive Directors:

Mr. Kan Kin Kwong (*Chairman*)

Ms. Shek Mei Chun

Mr. Chung Chi Keung

Registered office:

Cricket Square, Hutchins Drive

P.O. Box 2681, Grand Cayman KY1-1111

Cayman Islands

Independent non-executive Directors:

Dr. Ng Wang Pun Dennis

Ms. Ng Sin Kiu

Mr. Wong Wai Keung Frederick

Principal place of business in Hong Kong:

26/F, YHC Tower

No. 1 Sheung Yuet Road

Kowloon Bay

Hong Kong

18 September 2025

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSAL FOR THE PRIVATISATION OF
PERFECT GROUP INTERNATIONAL HOLDINGS LIMITED
BY THE OFFEROR
BY WAY OF A SCHEME OF ARRANGEMENT UNDER
SECTION 86 OF THE COMPANIES ACT OF THE CAYMAN ISLANDS
AND
(2) PROPOSED WITHDRAWAL OF LISTING**

INTRODUCTION

Reference is made to the Announcement.

On 30 May 2025, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the proposed privatisation of the Company by way of the Scheme. The Scheme will involve the cancellation and extinguishment of the Scheme Shares and, in consideration, the payment to the Scheme Shareholders of the Cancellation Price in cash for each Scheme Share cancelled and the withdrawal of listing of the Shares on the Stock Exchange.

TERMS OF THE PROPOSAL**The Scheme**

Subject to the satisfaction or waiver (where applicable) of the Conditions and the Scheme becoming effective, all Scheme Shares will be cancelled and the Scheme Shareholders will be entitled to receive from the Offeror:

For every Scheme Share cancelled HK\$0.25 in cash

If the Proposal is approved and implemented, under the Scheme, all Scheme Shares will be cancelled on the Effective Date. Contemporaneously with the cancellation and extinguishment of the Scheme Shares, the share capital of the Company will be maintained at the amount immediately prior to the cancellation and extinguishment of the Scheme Shares by the issuance at par to the Offeror, credited as fully paid, of the aggregate number of new Shares as is equal to the number of Scheme Shares cancelled. The reserve created in the Company's books of account as a result of the cancellation and extinguishment of the Scheme Shares will be applied in paying up in full at par the new Shares so issued to the Offeror.

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and extinguished (with the equivalent number of new Shares being simultaneously issued and credited as fully paid to the Offeror) and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will make an application for the listing of the Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15 of the Listing Rules, with effect from the Effective Date.

In compliance with Rule 20.1(a) of the Takeovers Code, after the Scheme has become effective, the Cancellation Price for the cancellation of the Scheme Shares will be paid to the relevant Scheme Shareholders whose names appear in the Register on the Scheme Record Date as soon as practicable, but in any event no later than seven (7) Business Days after the Effective Date.

Comparison of value

The Cancellation Price of HK\$0.25 represents:

- (a) a premium of approximately 5.04% over the closing price of HK\$0.238 per share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a premium of approximately 61.29% over the closing price of HK\$0.155 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a premium of approximately 61.29% over the average closing price of approximately HK\$0.155 per Share as quoted on the Stock Exchange for the five trading days up to and including the Last Trading Day;
- (d) a premium of approximately 62.34% over the average closing price of approximately HK\$0.154 per Share as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;
- (e) a premium of approximately 58.23% over the average closing price of approximately HK\$0.158 per Share as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- (f) a discount of approximately 45.30% to the audited consolidated net asset value per Share of approximately HK\$0.457 as at 31 December 2024, based on (i) the audited net asset value attributable to owners of the Company of approximately HK\$609,939,000 as at 31 December 2024 and (ii) 1,335,078,000 Shares in issue as at the Latest Practicable Date;
- (g) a discount of approximately 45.57% to the unaudited consolidated net asset value per Share of approximately HK\$0.46 as at 30 June 2025, based on (i) the unaudited net asset value attributable to owners of the Company of approximately HK\$613,165,000 as at 30 June 2025; and (ii) 1,335,078,000 Shares in issue as at the Latest Practicable Date; and

- (h) a discount of approximately 50.70% to the Adjusted NAV attributable to the Shareholders per Share of approximately HK\$0.51. The Adjusted NAV is calculated by taking into account the effect of revaluation surplus arising from the valuation of the Property interest attributable to the Group as of 30 June 2025. For details of Adjusted NAV please refer to Property Interests and Adjusted Net Asset Value section in Appendix I — Financial Information of the Group to this Scheme Document.

Highest and lowest prices

During the six-month period ended on and including the Last Trading Day and up to the Latest Practicable Date, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.245 on 17 June 2025, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.152 on 7 May 2025 and 14 May 2025.

Basis for determining the Cancellation Price

The Cancellation Price has been determined after taking into account the outlook of the Company, the historical trading prices and liquidity of the Shares on the Stock Exchange in the past year.

The principal businesses of the Company are (a) Jewellery Business; (b) Property Business; and (c) Energy Business. The Jewellery Business has been hit by the weakened global macroeconomic environment and heightened geopolitical tensions. The Group has already downsized its operation in the PRC as the market showed no sign of significant recovery in 2024. The global market of the Jewellery Business has also been facing challenges, particularly the US market. The continuing geopolitical tensions between China and the US, coupled with the high tariff on exports imposed by the US administration, have created a highly uncertain and challenging market environment for the Jewellery Business. Regarding the Property Business, the Group has commenced the delivery of the completed units to its buyers since the second half of 2018 and the vast majority of the revenue from the possible sale of properties has already been recognised by the Group. In light of the weak market sentiment of the PRC property market, the Group does not have any new property development project on hand nor any plan to commence or acquire any new project. As such, no significant increase in revenue is expected from the Property Business, and the Property Business will primarily rely on revenue generated from the sale of remaining units and car parks held by the Group and income from property management business in the coming few years. In addition, the Energy Business has only a relatively short period of operation with a relatively small scale compared to the Group's other business segments and due to the keen market competition in the PRC, it is expected that the pace of growth of the Energy Business will be restricted. Based on the above, it is unrealistic to expect the Group to attain steady growth in terms of revenue. In fact, the Group recorded a significant decline in net profit

and a reduction of dividend payout by 50% to HK\$0.01 per Share in FY2024. The Offeror is of the view that privatisation and delisting of the Shares from the Stock Exchange allows the Company to focus on formulating and implementing long-term strategy to cope with this turbulent time.

The Proposal provides Scheme Shareholders with an opportunity to realise their investments in the Company for cash at an attractive premium to the prevailing trading prices of the Shares. As set out in the section headed “TERMS OF THE PROPOSAL” in Part III — Letter from the Board of this Scheme Document, the Cancellation Price represents a premium of approximately 61.29%, 62.34% and 58.23% over the average closing price of approximately HK\$0.155, HK\$0.154 and HK\$0.158 per Share for the 5, 10 and 30 trading days, respectively, up to and including the Last Trading Day. Moreover, the Cancellation Price represents an approximate premium of approximately 64.47% over the lowest closing price of HK\$0.152 per Share in the past six months; and a premium of approximate 2.04% to the highest closing price of HK\$0.245 per Share in the past six months.

The trading liquidity of the Shares has been low. The average daily trading volume of the Shares for the approximate one-month period, three-month period and six-month period up to and including the Last Trading Day were approximately 25,800 Shares, 49,950 Shares and 55,688 Shares per trading day, representing only approximately 0.0019%, 0.0037% and 0.0042%, respectively, of the 1,335,078,000 Shares in issue as at the Latest Practicable Date, and approximately 0.0086%, 0.0167% and 0.0186%, respectively of the 299,250,218 Shares held by Disinterested Scheme Shareholders as at the Latest Practicable Date. The low trading liquidity of the Shares could make it difficult for the Scheme Shareholders to execute substantial on-market disposals without adversely affecting the price of the Shares, or to dispose of a large number of Shares if an event that has an adverse impact on the Share price occurs. The low liquidity in the trading of the Shares has also affected the Company’s ability to raise funds from the equity market, which makes the Company’s current listing platform no longer an effective fund-raising platform for the Company’s business and future growth.

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

Dividend payment by the Company

On 24 March 2025, the Board proposed the payment of a final dividend of HK\$0.01 per Share for the year ended 31 December 2024. The last annual general meeting of the Company was held on 2 June 2025, at which, the resolution was passed for the approval of the payment of dividend for the year ended 31 December 2024. The final dividend of the Company for the year ended 31 December 2024 was paid on 7 July 2025.

As at the Latest Practicable Date, the Company does not intend to declare and/or pay any dividend before the Effective Date or the date on which the Scheme is not approved, or the Proposal otherwise lapses or is withdrawn (as the case may be).

Save for the final dividend of the Company of HK\$0.01 per Share for the year ended 31 December 2024, which will not be deducted from the Cancellation Price, if, after the Latest Practicable Date, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Cancellation Price by all or any part of the amount or value of such dividend, distribution and/or other return of capital, as the case may be, after consultation with the Executive, in which case any reference in this Scheme Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced.

Conditions of the Proposal and the Scheme

The Proposal and the Scheme will only become effective and binding on the Company and all of the Scheme Shareholders if the following Conditions are fulfilled or waived (as applicable):

- (a) the approval of the Scheme (by way of poll) by the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders entitled to vote at Court Meeting, present and voting either in person or by proxy at the Court Meeting;
- (b) the approval of the Scheme (by way of poll) at the Court Meeting by the Disinterested Scheme Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by the Disinterested Scheme Shareholders that are cast either in person or by proxy at the Court Meeting and the number of votes cast by Disinterested Scheme Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by the Disinterested Scheme Shareholders;

- (c) the passing of (i) a special resolution by a majority of at least 75% of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve and give effect to any reduction of the issued share capital of the Company as a result of cancelling and extinguishing the Scheme Shares and (ii) an ordinary resolution by a simple majority of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve the issue to the Offeror of such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished as a result of the Scheme and the application of the credit arising in the Company's books of accounts as a result of the cancellation and extinguishment of the Scheme Shares in paying up in full at par value the new Shares issued to the Offeror;
- (d) the sanction of the Scheme (with or without modification) by the Grand Court and if necessary its confirmation of any reduction of the issued share capital of the Company as a result of the cancellation and extinguishment of the Scheme Shares, and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of (and if necessary, minutes approved by) the Grand Court for registration;
- (e) all Approvals which are (i) required in connection with the Proposal by (1) the Applicable Laws or (2) any licenses, permits or contractual obligations of the Company; and (ii) material in the context of the Group (taken as a whole), having been obtained (or, as the case may be, completed) and remaining in full force and effect without modification up to and as at the Effective Date;
- (f) no Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order), in each case, which would make the Proposal or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal);
- (g) all the Applicable Laws having been complied with and no legal or regulatory requirement having been imposed by any Authority which is not expressly provided for, or is in addition to the requirements expressly provided for, in the Applicable Laws in connection with the Proposal which are material in the context of the Group (taken as a whole), in each case up to and as at the Effective Date; and
- (h) since the date of the Announcement, there having been no adverse change to the business, financial or trading position of the Group taken as a whole, to an extent that is material in the context of the Proposal or the Scheme.

The Conditions set out in paragraphs (a) to (d) and (e)(i)(1) above cannot be waived. The Offeror reserves the right to waive all or any of the Conditions in paragraphs (e) to (h) (other than (e)(i)(1)) in whole or in part. The Company does not have the right to waive any of the Conditions. All of the above Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Executive may consent and the Grand Court may direct), failing which the Scheme will not become effective and the Proposal will lapse.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Proposal or the Scheme if the circumstances which give rise to the right to invoke such Condition are of material significance to the Offeror in the context of the Proposal or the Scheme.

In respect of Condition (e)(i)(2), the Company and/or the Offeror is not aware of any such approvals other than those stipulated in a loan facility agreement entered into by the Company with a licensed bank in Hong Kong as at the date of the Announcement. After discussion with the bank, such loan facility agreement was cancelled on 14 August 2025, and the Company and/or the Offeror is not aware of any other such approvals as at the Latest Practicable Date.

As at the Latest Practicable Date and based on the information available to the Offeror and the Company, other than the Approvals listed in the Conditions in paragraphs (a) to (d) (inclusive), and the approval by the Stock Exchange for the withdrawal of listing of the Shares on the Stock Exchange, the Offeror and the Company are not aware of any other Approvals which are required as set out in the Condition in paragraph (e) above, and the Offeror and the Company are also not aware of any other circumstances which may result in any of the Conditions in paragraphs (e) to (h) (inclusive) not being satisfied. In particular, as at the Latest Practicable Date, the Company is not aware of any Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry as set out in the Condition in paragraph (f).

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

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

TOTAL CONSIDERATION AND FINANCIAL RESOURCES

As at the Latest Practicable Date, there are 1,335,078,000 Shares in issue, and there are 519,585,000 Scheme Shares (representing approximately 38.92% of the issued Shares) in issue. There are no other outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carry a right to subscribe for or which are convertible into Shares.

On the basis of the Cancellation Price of HK\$0.25 per Scheme Share and 519,585,000 Scheme Shares being in issue as at the Latest Practicable Date and assuming that there is no other change in the shareholding of the Company before the Scheme Record Date, the Scheme Shares are in aggregate valued at HK\$129,896,250, which represents the amount of cash required for the Scheme.

The Offeror's payment obligations to the Scheme Shareholders in respect of the Cancellation Price in cash pursuant to and in accordance with the Scheme shall be fulfilled by the Offeror. The Offeror intends to finance the cash required for the cancellation and extinguishment of the Scheme Shares with the Offeror's internal cash resources.

Zhongtai Capital has been appointed as financial adviser to the Offeror in respect of the Proposal and is satisfied that sufficient financial resources are available to the Offeror for discharging its obligations in respect of the cash consideration payable under the Proposal in accordance with its terms.

IRREVOCABLE UNDERTAKINGS

On 3 June 2025, the Offeror received the respective Irrevocable Undertakings from each of the IU Shareholders (comprising Classic Amber, Richemont Asset Management and Cachet Asset Management), pursuant to which each of the IU Shareholders has undertaken to, among other things, (i) for Classic Amber, (a) to vote in favour at the Court Meeting and (b) exercise (or procure the exercise of) all voting rights attached to the IU Shares held or owned by it at the EGM in favour of all the resolutions to approve the Proposal and any matters in connection with the Proposal, (ii) for each of Richemont Asset Management and Cachet Asset Management, (a) abstain from voting at the Court Meeting and (b) exercise (or procure the exercise of) all voting rights attached to the IU Shares held or owned by it at the EGM in favour of all the resolutions to approve the Proposal and any matters in connection with the Proposal (where applicable). Each of the IU Shareholders also undertook that it will not, on or before the Effective Date, and other than in connection with the Scheme, sell, transfer, charge, encumber, create or grant any option, right, warrant or lien over or otherwise dispose of, or enter into any swap or other arrangement that transfers to another, in whole or in part, any of the legal, beneficial or economic consequences of

ownership of, or grant any proxy or enter into any voting agreement or similar arrangement with respect to the voting of, or permit any such action to occur in respect of, all or any of the IU Shares or any interest therein.

All the issued shares of Cachet Asset Management are ultimately and beneficially owned by Ms. Chow who is also the sole shareholder of Richemont Asset Management. Cachet Asset Management is the investment advisor of Mr. Kan, therefore, Ms. Chow, Cachet Asset Management and Richemont Asset Management are deemed to be the Offeror Concert Parties pursuant to Class (5) of the definition of “acting in concert” under the Takeovers Code. In accordance with the requirements of the relevant laws and regulations (including the Takeovers Code), each of Cachet Asset Management and Richemont Asset Management will abstain from voting on the Scheme at the Court Meeting. As at the Latest Practicable Date, Richemont Asset Management and Cachet Asset Management hold an aggregate of 89,339,782 Shares representing approximately 6.69% of the total Shares in issue, which will form part of the Scheme Shares and will be cancelled and extinguished upon the Scheme becoming effective.

The Irrevocable Undertakings, being binding irrevocable undertakings, will terminate and the above obligations of the IU Shareholders under the Irrevocable Undertakings will cease to be binding if the Scheme does not become effective, lapses or is withdrawn in accordance with its terms.

As at the Latest Practicable Date, information on the IU Shareholders is set out as follows:

Classic Amber

Classic Amber is a company incorporated in the British Virgin Islands with limited liability, and Mr. Jacky Luo is the ultimate and sole beneficial shareholder of it. As at the Latest Practicable Date, Classic Amber is interested in an aggregate of 101,232,000 Shares, representing approximately 7.58% of the issued share capital of the Company, all of such 101,232,000 Shares held by Classic Amber are subject to the Irrevocable Undertaking of Classic Amber. Save for the Irrevocable Undertaking from Classic Amber, there is no agreement, arrangement or understanding between Classic Amber and Mr. Jacky Luo on one part and the Offeror and Mr. Kan on the other part with respect to the Company. Classic Amber and Mr. Jacky Luo on one part and the Offeror and Mr. Kan on the other part are not acting in concert and do not fall under any of the classes of presumptions of acting in concert under the Takeovers Code.

Richemont Asset Management

Richemont Asset Management is a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is ultimately and beneficially owned by Ms. Chow. As at the Latest Practicable Date, Richemont Asset Management is interested in an aggregate of 87,426,997 Shares, representing approximately 6.55% of the issued share capital of the Company, all of such 87,426,997 Shares held by Richemont Asset Management are subject to the Irrevocable Undertaking of Richemont Asset Management.

Cachet Asset Management

Cachet Asset Management is a company incorporated in Hong Kong with limited liability, all the issued shares of which are ultimately and beneficially owned by Ms. Chow. As at the Latest Practicable Date, Cachet Asset Management is interested in an aggregate of 1,912,785 Shares, representing approximately 0.14% of the issued share capital of the Company, all of such 1,912,785 Shares held by Cachet Asset Management are subject to the Irrevocable Undertaking of Cachet Asset Management.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date:

- (a) the issued share capital of the Company comprises 1,335,078,000 Shares;
- (b) the Offeror beneficially owns, controls or has direction over 729,000,000 Shares, representing approximately 54.60% of the issued Shares;
- (c) the Offeror Concert Parties beneficially own, control or have direction over 306,827,782 Shares, representing approximately 22.98% of the issued Shares;
- (d) the Offeror, Mr. Kan and their respective concert parties hold an aggregate of 1,035,827,782 Shares, representing approximately 77.59% of the issued Shares;
- (e) the Disinterested Scheme Shareholders legally or beneficially own, control or have direction over a total of 299,250,218 Shares, representing approximately 22.41% of the issued Shares;
- (f) the Scheme Shareholders legally or beneficially own, control or have direction over a total of 519,585,000 Shares, representing approximately 38.92% of the issued Shares;

- (g) Zhongtai Capital is the financial adviser to the Offeror in connection with the Proposal. Accordingly, Zhongtai Capital is presumed to be acting in concert with the Offeror in relation to the Company in accordance with Class (5) of the definition of “acting in concert” under the Takeovers Code. As at the Latest Practicable Date, Zhongtai Capital does not hold any Shares;
- (h) there are no other outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carry a right to subscribe for or which are convertible into Shares;
- (i) there are no convertible securities, warrants or options in respect of the Shares held, controlled or directed by the Offeror and the Offeror Concert Parties;
- (j) neither the Offeror nor any of the Offeror Concert Parties have entered into any outstanding derivative in respect of the securities in the Company; and
- (k) neither the Offeror nor any of the Offeror Concert Parties have borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

All Scheme Shares will be cancelled and extinguished in consideration for the Cancellation Price in cash upon the Scheme becoming effective.

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

Shareholders	As at the Latest Practicable Date		Immediately upon completion of the Proposal	
	<i>Number of Shares</i>	<i>Approximate % of total Shares</i>	<i>Number of Shares</i>	<i>Approximate % of total Shares</i>
Offeror (<i>Note 1 and 5</i>)				
— Offeror	729,000,000	54.60	1,248,585,000	93.53
Offeror Concert Parties				
— King Jewel (<i>Notes 2 and 5</i>)	57,339,000	4.29	57,339,000	4.29
— Mr. Kan (<i>Note 5</i>)	29,154,000	2.18	29,154,000	2.18
— Classic Sapphire (<i>Note 3</i>)	100,620,000	7.54	—	—
— Richemont Asset Management (<i>Note 4</i>)	87,426,997	6.55	—	—
— Cachet Asset Management (<i>Note 4</i>)	1,912,785	0.14	—	—
— Classic Emerald (<i>Note 6</i>)	30,375,000	2.28	—	—
Sub-total of Offeror and Offeror Concert Parties	1,035,827,782	77.59	1,335,078,000	100.00
Independent non-executive Director				
Dr. Ng Wang Pun Dennis (<i>Note 7</i>)	738,000	0.06	—	—
Other Shareholders	197,280,218	14.78	—	—
Classic Amber (<i>Note 8</i>)	101,232,000	7.58	—	—
Total number of Disinterested Scheme Shares (<i>Note 9</i>)	299,250,218	22.41	—	—
Total Shares	1,335,078,000	100.00	1,335,078,000	100.00
Public Float of the Company (<i>Note 10</i>)	387,852,000	29.05	—	—
Total number of Scheme Shares (<i>Note 11</i>)	519,585,000	38.92	—	—

Notes:

1. The entire issued share capital of the Offeror is ultimately and beneficially owned by Mr. Kan who is deemed to be interested in the Shares held by the Offeror by virtue of the SFO.
2. The entire issued share capital of King Jewel is ultimately and beneficially owned by Mr. Kan who is deemed to be interested in the Shares held by King Jewel by virtue of the SFO.
3. The issued share capital of Classic Sapphire is ultimately and beneficially owned as to 50% by Mr. Kan and 50% by Mr. Chan Wing Sum. Mr. Kan is deemed to be interested in the Shares held by Classic Sapphire by virtue of the SFO. As at the Latest Practicable Date, the 100,620,000 Shares held by Classic Sapphire will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective.
4. All the shares in issue of Richemont Asset Management and Cachet Asset Management are ultimately and beneficially owned by Ms. Chow. Cachet Asset Management is the investment advisor of Mr. Kan, therefore, Ms. Chow, Cachet Asset Management and Richemont Asset Management are deemed to be the Offeror Concert Parties pursuant to Class (5) of the definition of “acting in concert” under the Takeovers Code. As at the Latest Practicable Date, Richemont Asset Management and Cachet Asset Management hold an aggregate of 89,339,782 Shares, which will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective.
5. The Shares held by the Offeror Group as at the Latest Practicable Date will not form part of the Scheme Shares and will not be cancelled or extinguished upon completion of the Proposal.
6. Mr. Chung Chi Keung is the sole shareholder of Classic Emerald which is the holder of these Shares. Mr. Chung Chi Keung is deemed to be interested in these Shares by virtue of the SFO. As at the Latest Practicable Date, Mr. Chung Chi Keung is an executive Director. Mr. Chung is presumed to be acting in concert with Mr. Kan under class (6) of the definition of “acting in concert” under the Takeovers Code. As at the Latest Practicable Date, Classic Emerald holds 30,375,000 Shares, which will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective.
7. Dr. Ng Wang Pun Dennis is interested in these Shares in his personal capacity. As at the Latest Practicable Date, Dr. Ng Wang Pun Dennis is an independent non-executive Director. As there is no agreement, arrangement or understanding between Dr. Ng Wang Pun Dennis on the one hand, and the Offeror on the other, Dr. Ng Wang Pun Dennis is not regarded as acting in concert with the Offeror and the Shares held by him will form part of the Scheme Shares held by the Disinterested Scheme Shareholders.
8. Classic Amber is a company incorporated in the British Virgin Islands with limited liability, and Mr. Jacky Luo is the ultimate and sole beneficial shareholder of it. As at the Latest Practicable Date, Classic Amber and/or Mr. Jacky Luo are not acting in concert with the Offeror and the Shares held by Classic Amber will form part of the Scheme Shares held by the Disinterested Scheme Shareholders.
9. Disinterested Scheme Shares are Shares held by Dr. Ng Wang Pun Dennis, Classic Amber and Other Shareholders.
10. Public float of the Company does not include Shares held by the Offeror, Mr. Kan, King Jewel, Classic Sapphire, Classic Emerald and Dr. Ng Wang Pun Dennis.
11. All Shares, other than those Shares held by the Offeror Group, will form part of the Scheme Shares.
12. The aggregate of the percentage figures in the table above may not add up to the relevant sub-total or total percentage figures shown due to rounding of the percentage figures to two decimal places.

INFORMATION ON THE GROUP

Your attention is drawn to the section headed “Information on the Group” in the Explanatory Memorandum in Part VI of this Scheme Document.

INFORMATION ON THE OFFEROR AND THE OFFEROR CONCERT PARTIES

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

INFORMATION ON CLASSIC SAPPHIRE AND CLASSIC EMERALD

As at the Latest Practicable Date, information on Classic Sapphire and Classic Emerald (both a concert party of the Offeror and Mr. Kan) is set out as follows:

Classic Sapphire

Classic Sapphire is a company incorporated in the British Virgin Islands with limited liability, the issued shares of which are ultimately and beneficially owned as to 50% by Mr. Kan and 50% by Mr. Chan Wing Sum. As at the Latest Practicable Date, Classic Sapphire is interested in 100,620,000 Shares, representing approximately 7.54% of the issued share capital of the Company.

Classic Emerald

Classic Emerald is a company incorporated in the British Virgin Islands with limited liability, the issued shares of which are ultimately and beneficially owned as to 100% by Mr. Chung Chi Keung. As at the Latest Practicable Date, Classic Emerald is interested in 30,375,000 Shares, representing approximately 2.28% of the issued share capital of the Company.

INTENTION OF THE OFFEROR WITH REGARD TO THE GROUP

Your attention is drawn to the section headed “Intention of the Offeror with regard to the Group” in the Explanatory Memorandum in Part VI of this Scheme Document.

The Board welcomes the intention of the Offeror in respect of the Company and its employees and will cooperate with and provide full support to the Offeror to facilitate the continued smooth business operations and management of the Group.

FINANCIAL ADVISER TO THE OFFEROR, INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Your attention is drawn to the section headed “Financial Adviser to the Offeror, Independent Board Committee and Independent Financial Adviser” in the Explanatory Memorandum in Part VI of this Scheme Document.

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

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

The Independent Board Committee, having been so advised, considers that the terms of the Proposal are fair and reasonable so far as the Disinterested Scheme Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Disinterested Scheme Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the EGM to approve and implement the Proposal and the Scheme.

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

REASONS FOR AND BENEFITS OF THE PROPOSAL

Your attention is drawn to the section headed “Reasons for and benefits of the Proposal” in the Explanatory Memorandum in Part VI of this Scheme Document.

WITHDRAWAL OF LISTING OF THE SHARES

Your attention is drawn to the section headed “Withdrawal of listing of the Shares” in the Explanatory Memorandum in Part VI of this Scheme Document.

IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

Your attention is drawn to the section headed “If the Scheme is not approved or the Proposal Lapses” in the Explanatory Memorandum in Part VI of this Scheme Document.

OVERSEAS SCHEME SHAREHOLDERS

Your attention is drawn to the section headed “Overseas Scheme Shareholders” in the Explanatory Memorandum in Part VI of this Scheme Document.

TAXATION ADVICE

Your attention is drawn to the section headed “Taxation advice” in the Explanatory Memorandum in Part VI of this Scheme Document.

ACTIONS TO BE TAKEN

Your attention is drawn to the section headed “Actions to be taken” on pages i to vii of this Scheme Document.

COURT MEETING AND EGM

Notices convening the Court Meeting and the EGM to be held at The Garden Rooms (Narcissus Room), 2/F., The Royal Garden, 69 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Monday, 13 October 2025, in the case of the Court Meeting at 9:30 a.m. and, in the case of the EGM at 10:30 a.m. (or as soon as practicable after the conclusion or adjournment of the Court Meeting), are set out in Appendix V and Appendix VI to this Scheme Document respectively.

The Grand Court has directed the Court Meeting to be convened and held for the purpose of considering and, if thought fit, approving (with or without modifications) the Scheme. The Scheme is subject to the approval by the Scheme Shareholders at the Court Meeting in the manner referred to in Conditions (a) and (b) in the paragraph headed “Conditions of the Proposal and the Scheme” under the section headed “Terms of the Proposal” in the Explanatory Memorandum in Part VI of this Scheme Document.

As soon as practicable after the conclusion or adjournment of the Court Meeting, the EGM will be held for the purpose of considering and, if thought fit, approving all resolutions necessary for the implementation of the Proposal in the manner referred to in Condition (c) in the paragraph headed “Conditions of the Proposal and the Scheme” under the section headed “Terms of the Proposal” in the Explanatory Memorandum in Part VI of this Scheme Document. An announcement will be jointly made by the Offeror and the Company in relation to the results of the Court Meeting and the EGM. Such announcement will contain the information as required by Rule 19.1 of the Takeovers Code.

VOTING AT THE COURT MEETING AND THE EGM

Shares held by the Offeror Group will not form part of the Scheme Shares and will not be cancelled under the Proposal. Shares held by Classic Sapphire, Richemont Asset Management, Cachet Asset Management and Classic Emerald will form part of the Scheme Shares but they will not vote on the Scheme at the Court Meeting.

Save for the relevant Offeror Concert Parties who/which are Scheme Shareholders and have undertaken to abstain from voting in the Court Meeting, all Scheme Shareholders as at the Meeting Record Date will be entitled to attend and vote at the Court Meeting to approve the Scheme, provided that only the votes of the Disinterested Scheme Shareholders will be taken into account in determining whether Condition (b) under the section headed “Conditions of the Proposal and the Scheme” above and Rule 2.10 of the Takeovers Code are satisfied.

As at the Latest Practicable Date, the Offeror holds 729,000,000 Shares in the Company and the Offeror Concert Parties hold an aggregate of 306,827,782 Shares, totalling 1,035,827,782 Shares in aggregate, representing approximately 77.59% of the total number of Shares in issue. As the Offeror and the Offeror Concert Parties are not Disinterested Scheme Shareholders, each of the Offeror and the Offeror Concert Parties will not vote on the Scheme at the Court Meeting.

As at the Latest Practicable Date, Dr. Ng Wang Pun Dennis, being a Director, intends to accept and vote in favour of the Proposal and the Scheme in respect of his own beneficial interest in the Shares at the Court Meeting.

All Shareholders as at the Meeting Record Date will be entitled to vote on (i) the special resolution to be proposed at the EGM to approve and give effect to the Reduction; and (ii) the ordinary resolution to maintain the issued share capital of the Company to the amount prior to the cancellation and extinguishment of the Scheme Shares by issuing to the Offeror such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished as a result of the Scheme and the application of the credit arising in the Company’s books of accounts as a result of the cancellation and extinguishment of the Scheme Shares in paying up in full at par value the new Shares issued to the Offeror.

Mr. Kan, Mr. Chung Chi Keung and Dr. Ng Wang Pun Dennis, being Directors of the Company, have indicated that, if the Scheme is approved at the Court Meeting, they will vote in favour of (i) the special resolution to be proposed at the EGM to approve and give effect to the Reduction; and (ii) the ordinary resolution to maintain the issued share capital of the Company to the amount prior to the cancellation and extinguishment of the Scheme Shares by issuing to the Offeror such number of new Shares as is equal to the number of Scheme Shares cancelled and

extinguished as a result of the Scheme and the application of the credit arising in the Company's books of accounts as a result of the cancellation and extinguishment of the Scheme Shares in paying up in full at par value the new Shares issued to the Offeror.

RECOMMENDATIONS

With reference to Rule 2.1 of the Takeovers Code, the Board defers to the Independent Board Committee with respect to the making of a recommendation to the Disinterested Scheme Shareholders (i) as to whether the Proposal is, or is not, fair and reasonable and (ii) as to voting at the Court Meeting and the EGM.

Your attention is drawn to (i) the letter from the Independent Board Committee in Part IV of this Scheme Document; and (ii) the letter from the Independent Financial Adviser in Part V of this Scheme Document which sets out the factors and reasons taken into account by the Independent Financial Adviser in arriving at its advice to the Independent Board Committee.

FURTHER INFORMATION

You are urged to read the whole of this Scheme Document, in particular:

- (a) the letter from the Independent Board Committee in Part IV of this Scheme Document;
- (b) the letter from the Independent Financial Adviser in Part V of this Scheme Document;
- (c) the Explanatory Memorandum in Part VI of this Scheme Document;
- (d) the appendices to this Scheme Document, including the Scheme set out in Appendix IV to this Scheme Document; and
- (e) the notice of Court Meeting and the notice of EGM set out in Appendix V and Appendix VI to this Scheme Document, respectively.

In addition, a **pink** form of proxy for the Court Meeting and a **white** form of proxy for the EGM are enclosed with this Scheme Document.

Shareholders and potential investors should be aware that the Proposal is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

Yours faithfully

By order of the Board

Perfect Group International Holdings Limited

Chung Chi Keung

Executive Director



PERFECT GROUP

保發集團

PERFECT GROUP INTERNATIONAL HOLDINGS LIMITED

保發集團國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3326)

18 September 2025

To the Independent Shareholders

Dear Sir or Madam,

**(1) PROPOSAL FOR THE PRIVATISATION OF
PERFECT GROUP INTERNATIONAL HOLDINGS LIMITED
BY THE OFFEROR
BY WAY OF A SCHEME OF ARRANGEMENT UNDER
SECTION 86 OF THE COMPANIES ACT OF THE CAYMAN ISLANDS
AND
(2) PROPOSED WITHDRAWAL OF LISTING**

We refer to the scheme document (the “**Scheme Document**”) dated 18 September 2025 jointly issued by the Company and the Offeror in relation to the Proposal, of which this letter forms part. Unless the context requires otherwise, terms used in this letter shall have the same meanings as those defined in the Scheme Document.

We have been appointed by the Board as the Independent Board Committee to give a recommendation to the Independent Shareholders in respect of the Proposal and the Scheme and as to voting of the relevant resolutions at the Court Meeting and the EGM.

VS Capital Limited has been appointed, with our approval, as the Independent Financial Adviser to advise us in respect of the Proposal and the Scheme and our recommendation as to voting of the relevant resolutions at the Court Meeting and the EGM. The details of its advice and the principal factors taken into consideration in arriving at its advice are set out in the “Letter from the Independent Financial Adviser” in Part V of this Scheme Document.

PART IV LETTER FROM THE INDEPENDENT BOARD COMMITTEE

We wish to draw your attention to (a) the “Letter from the Board” as set out in Part III of the Scheme Document; (b) the “Letter from the Independent Financial Adviser” as set out in Part V of the Scheme Document which sets out the factors and reasons taken into account by the Independent Financial Adviser in arriving at its recommendations; and (c) the Explanatory Memorandum as set out in Part VI of the Scheme Document.

Having considered the terms of the Proposal and the Scheme, and having taken into account the advice of the Independent Financial Adviser, in particular the factors, reasons and recommendations as set out in its letter, we consider the terms of the Proposal are fair and reasonable so far as the Independent Shareholders are concerned.

Accordingly, we recommend:

- (1) the Independent Shareholders to vote in favour of the resolution to approve the Scheme at the Court Meeting; and
- (2) the Shareholders to vote in favour of (i) the special resolution to approve and give effect to the reduction of the number of issued Shares in the share capital of the Company by cancelling and extinguishing the Scheme Shares; and (ii) the ordinary resolution to simultaneously upon the reduction of issued share capital increase the issued Shares in the share capital of the Company to the amount prior to the cancellation and extinguishment of the Scheme Shares by the allotment and issuance at par to the Offeror of the aggregate number of new Shares, credited as fully paid, as is equal to the number of Scheme Shares cancelled and extinguished and to apply the reserve created in the Company’s books of account as a result of the capital reduction to pay up in full at par such number of new Shares so allotted and issued to the Offeror, at the EGM.

Yours faithfully,

Independent Board Committee

Dr. Ng Wang Pun Dennis

*Independent non-executive
Director*

Ms. Ng Sin Kiu

*Independent non-executive
Director*

Mr. Wong Wai Keung Frederick

*Independent non-executive
Director*

PART V LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter of advice from VS Capital Limited prepared for the purpose of inclusion in the Scheme Document, setting out its advice to the Independent Board Committee regarding the Proposal and the Scheme.



Room 1105
11/F Yardley Commercial Building
3 Connaught Road West
Sheung Wan
Hong Kong

18 September 2025

To the Independent Board Committee

Dear Sir/Madam,

**(1) PROPOSAL FOR THE PRIVATISATION OF
PERFECT GROUP INTERNATIONAL HOLDINGS LIMITED
BY THE OFFEROR
BY WAY OF A SCHEME OF ARRANGEMENT UNDER
SECTION 86 OF THE COMPANIES ACT OF THE CAYMAN ISLANDS AND
(2) PROPOSED WITHDRAWAL OF LISTING**

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee regarding the Proposal and the Scheme, details of which are set out in the letter from the Board contained in the Scheme Document to the Shareholders dated 18 September 2025, of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Scheme Document.

On 30 May 2025, the Offeror requested the Board to put forward the Proposal with the Cancellation Price of HK\$0.25 to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under section 86 of the Companies Act. If the Proposal is approved and implemented, the Scheme Shares will be cancelled and extinguished on the Effective Date in exchange for the payment by the Offeror to each Scheme Shareholder as at the Scheme Record Date of the Cancellation Price of HK\$0.25 in cash for each Scheme Share cancelled and extinguished. The Proposal and the Scheme will become effective and binding on the Company and all Shareholders, subject to the fulfilment or waiver (as applicable) of the Conditions as set

out in the section headed “Conditions of the Proposal and the Scheme” in Part VI — Explanatory Memorandum (the “**Explanatory Statement**”) of the Scheme Document on or before the Long Stop Date, failing which the Scheme will not become effective and the Proposal will lapse.

The Independent Board Committee, comprising Dr. Ng Wang Pun, Dennis, Ms. Ng Sin Kiu and Mr. Wong Wai Keung Frederick (all being independent non-executive Directors), has been established by the Board to make recommendations to the Independent Shareholders as to whether the Proposal and the Scheme are, or are not, fair and reasonable, and whether to vote in favour of or against the Scheme at the Court Meeting and the resolutions in connection with the implementation of the Proposal at the EGM. We, VS Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee in this regard.

We are not in the same group as the financial or other professional advisers (including a stockbroker) to the Offeror or the Company. Apart from our appointment as the Independent Financial Adviser, we confirm that we are not associated or connected with the Company and/or Offeror or the controlling shareholders of either of them, or any party acting, or presumed to be acting, in concert with any of them within two years immediately preceding and up to the date of our appointment as the Independent Financial Adviser. Save for normal professional fees payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company, the Offeror or their respective controlling shareholders or any party acting, or presumed to be acting, in concert with any of them. We consider ourselves independent pursuant to Rule 2 of the Takeovers Code to act as the Independent Financial Adviser to form our independent opinion in respect of the Proposal and the Scheme.

BASIS OF OUR ADVICE

In formulating our opinion and recommendation, we have relied on the information and facts supplied, and the opinions expressed, by the Directors and management of the Group, which we have assumed are true, accurate and complete in all material aspects as at the Latest Practicable Date. Should there be any material changes to our opinion after the Latest Practicable Date, Shareholders would be notified as soon as possible in accordance with Rule 9.1 of the Takeovers Code. We have reviewed (i) information in relation to the Group, including but not limited to, the financial reports published by the Company, including the annual reports of the Company for the years ended 31 December 2023 (the “**Annual Report 2023**”) and 31 December 2024 (the “**Annual Report 2024**”) and the announcement of unaudited interim results for the six months ended 30 June 2025 of the Company (the “**Interim Results 2025 Announcement**”), (ii) the information contained in the Scheme Document (including the Property Valuation Report in Appendix II — Property Valuation Report (the “**Property Valuation Report**”) of the Scheme Document) and (iii) market information obtained from the websites of the Stock Exchange. We have no reason to doubt the truth, accuracy or completeness of the information provided to us, or to believe that any

material information has been omitted or withheld. We have relied on such information and consider that the information which we have received is sufficient for us to reach an informed view. We have, however, not conducted any independent investigation into the business and affairs of the Group, the Offeror and their respective subsidiaries or any party acting, or presumed to be acting, in concert with any of them, nor have we carried out any independent verification of the information supplied.

We also have not considered the tax and regulatory implications with regard to the Proposal and the Scheme since these depend on individual circumstances. In particular, the Scheme Shareholders and the Disinterested Shareholders who are overseas residents or subject to overseas taxation or Hong Kong taxation on securities dealings should consider their own tax positions and, if in any doubt, should consult their own professional advisers.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation on the Proposal and the Scheme, we have considered the following principal factors.

1. THE GROUP

The Company is an investment holding company. The Group, comprising the Company and its subsidiaries, is principally engaged in the following activities.

(i) Jewellery Business

Designing, manufacturing and sales of high-end fine jewellery (primarily mounted with diamonds) as well as metal refining and purifying process for jewellery.

(ii) Property Business

Investment in and the development and sales of properties for the Group's integrated and comprehensive industry park.

(iii) Energy Business

Sales of electricity generated from the photovoltaic power generation system and provision of energy storage service.

PART V LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

1.1 Profit and Loss

Set out below are the consolidated profit or loss statements of the Group for the years ended 31 December 2022, 2023 and 2024 and for the six months ended 30 June 2024 and 2025 (collectively, the “**Financial Review Period**”), based on the Annual Report 2023, the Annual Report 2024 and the Interim Results 2025 Announcement.

	For the year ended 31 December			For the six months ended	
	2022	2023	2024	30 June	
	(“FY2022”)	(“FY2023”)	(“FY2024”)	(“2024H1”)	(“2025H1”)
<i>HK\$ million</i>	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>	<i>Unaudited</i>	<i>Unaudited</i>
Revenue	374.1	348.7	273.5	154.7	146.2
Cost of Sales	(259.4)	(246.5)	(191.0)	(112.2)	(104.3)
Gross profit (“GP”)	114.7	102.2	82.5	42.5	41.9
<i>GP margin</i>	<i>30.7%</i>	<i>29.3%</i>	<i>30.2%</i>	<i>27.5%</i>	<i>28.7%</i>
Other Income	3.5	5.3	6.5	2.9	3.0
Other gains and losses, net	2.9	(2.9)	(3.2)	2.8	(10.7)
(Impairment losses)/Reversal of impairment losses under expected credit loss model, net	(20.7)	(1.0)	(0.8)	—	0.3
Written down on properties held for sale	—	—	(26.3)	—	(2.7)
Selling & distribution costs	(10.8)	(13.6)	(12.6)	(7.1)	(5.8)
General & administrative expenses	(49.3)	(45.6)	(45.9)	(22.7)	(19.2)
Finance costs	(1.0)	(1.1)	(1.8)	(0.8)	(0.8)
Share of results of an associate	(0.9)	—	—	—	—
Profit/(Loss) before income tax	38.4	43.3	(1.6)	17.6	6.0
Income tax (expense)/credit	(11.0)	(9.1)	11.5	7.6	2.0
Profit for the year/period	27.4	34.2	9.9	25.2	8.0
<i>Profit Margin</i>	<i>7.3%</i>	<i>9.8%</i>	<i>3.6%</i>	<i>16.3%</i>	<i>5.5%</i>

Revenue

Set out below is the Group's revenue from each of the Group's business segments during the Financial Review Period, based on information contained in the Annual Report 2023, the Annual Report 2024 and the Interim Results 2025 Announcement.

<i>HK\$' million</i>	FY2022 <i>Audited</i>	FY2023 <i>Audited</i>	FY2024 <i>Audited</i>	2024H1 <i>Unaudited</i>	2025H1 <i>Unaudited</i>
Jewellery Business	326.6	286.5	232.8	128.3	127.8
Property Business	47.5	59.2	33.5	24.7	12.5
Energy Business	—	3.0	7.2	1.7	5.9
Total revenue	<u>374.1</u>	<u>348.7</u>	<u>273.5</u>	<u>154.7</u>	<u>146.2</u>

Jewellery Business

During the Financial Review Period, the Group's revenue was primarily derived from the Jewellery Business. For FY2023, the revenue of the Jewellery Business amounted to HK\$286.5 million, representing a year-on-year decline of 12.3% from the amount of HK\$326.6 for FY2022. As reported in the Annual Report 2023, the decline was attributable to the macroeconomic environment and heightened geopolitical tensions, increasing interest rates and declining economic growth expectation which weakened the customer sentiment significantly. For FY2024, the revenue of the Jewellery Business amounted to HK\$232.8 million, representing a year-on-year decline of 18.7%. As stated in the Annual Report 2024, the Jewellery Business continued to be affected by the macroeconomic environment and heightened geopolitical tensions, declining economic growth expectation and record high gold prices which weakened the customer sentiment significantly. For 2025H1, the Jewellery Business reported revenue of HK\$127.8 million, similar to the level of revenue of the Jewellery Business of HK\$128.3 million for 2024H1.

Property Business

In relation to the Property Business, during the Financial Review Period, the Group was engaged in the development, sales and rental of properties and provision of management services in the Perfect Group Jewellery Industry Park in Foshan, the PRC (the "**Perfect Group Jewellery Industry Park**"). As stated in the Annual Report 2023, the Group started to deliver the completed units, including industrial units and dormitory, to its customers in the second half of 2018. For FY2023, the Group's revenue of the Property Business amounted to HK\$59.2 million, representing a year-on-year increase of 24.6% from the amount of HK\$47.5 million for FY2022. For FY2024,

the Group's revenue of the Property Business amounted to HK\$33.5 million, representing a year-on-year decline of 43.4%. As explained by the Company, the decrease was mainly due to the overall subdued industrial property market in the PRC. For 2025H1, the revenue of the Property Business amounted to HK\$12.5 million, representing a year-on-year decline of 49.4%. The decrease was mainly due to the decrease in sales of properties and property management fee income.

Energy Business

The Group started its Energy Business with the acquisition of a 55% equity interest in Guangdong Kaisi New Energy Co., Ltd. ("**Guangdong Kaisi**"), which was completed in August 2023. The Energy Business involves sales of electricity which is generated from the photovoltaic power generation system owned by the Group. The operation of Guangdong Kaisi involves design, installation and maintenance of equipment for users. Upon completion of the installation, Guangdong Kaisi charges users for approximately 70% to 90% of the official charge rate stipulated by the local electricity bureau. In case users could not utilize all the electricity generated by the equipment, the unutilized electricity is sold to the local electricity bureau for a reduced rate. As at 31 December 2023, the Group had completed grid connection of eight projects in the PRC with an aggregate maximum capacity of approximately 5,882 kilo-Watt. For FY2023, the Energy Business reported revenue of HK\$3.0 million. As at 31 December 2024, the Group had completed the grid connection of 14 projects in the PRC with an aggregate maximum capacity of approximately 12,586 kilo-Watt. For FY2024, the Energy Business reported revenue of HK\$7.2 million. As at 30 June 2025, the Group had completed grid connection of 15 projects (as at 30 June 2024: ten projects) in the PRC with an aggregate maximum capacity of approximately 16,953 kilo-Watt (as at 30 June 2024: 8,643 kilo-Watt). The revenue of the Energy Business increased to HK\$5.9 million for 2025H1 from HK\$1.7 million for 2025H1, as the number of projects increased for 2025H1.

Overall, the Group's total revenue reported a downward trend during 2022–2024, decreasing from HK\$374.1 million for FY2022 to HK\$348.7 million for FY2023 (representing annual decline of 6.8%) and further to HK\$273.5 million for FY2024 (representing an annual decline of 21.6%). The decrease in the Group's total revenue was mainly due to the decline in the revenue of the Jewellery Business as set out above. For 2025H1, the Group's total revenue amounted to HK\$146.2 million, representing a year-on-year decline of 5.5%. The decrease was mainly due to the decrease in the revenue of Property Business for 2025H1, which was partially offset by the increase in the revenue of the Energy Business, as set out above.

Gross Profit

During 2022–2024, the Group’s gross profit decreased from HK\$114.7 million for FY2022 to HK\$102.2 million for FY2023 and further decreased to HK\$82.5 million for FY2024, following the decrease in total revenue during the Financial Review Period. During 2022–2024, while the gross profit of the Group decreased, the Group’s gross profit margin remained stable at 29.3%–30.7%. For 2025H1, the Group reported gross profit of HK\$41.9 million, similar to the level of gross profit of HK\$42.5 million for 2024H1. The gross profit margin increased from 27.5% for 2024H1 to approximately 28.7% for 2025H1, which was mainly due to the decrease in sales of properties for 2025H1, which had a relatively lower profit margin.

Profit after tax

For FY2023, despite the decrease in revenue and gross profit as set out above, the Group reported profit after tax of HK\$34.2 million, representing a year-on-year increase of 24.8% from the profit after tax of HK\$27.4 million for FY2022. The profit margin improved from 7.3% for 2022 to 9.8% for 2023. The increase in the profit for FY2023 was mainly the result of the reduction of impairment losses under the expected credit loss model (net), for assessing impairment on financial assets (including trade and other receivables, loan receivable from an associate, rental deposits, bank deposits and cash and cash equivalents) under Hong Kong Financial Reporting Standards issued (“**HKFRSs**”) 9 issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) in Hong Kong, to HK\$1 million for FY2023 from HK\$20.7 million, consisting of impairment provision for trade receivables in the PRC of HK\$16.9 million and impairment provision for a loan receivable from an associate in the PRC of HK\$3.8 million, for FY2022.

During FY2024, the Group entered into certain gold futures contracts (short position) to hedge and mitigate against the gold price fluctuations on the gold inventories (long position) between the time when they were purchased and the time when they were sold as finished jewellery products. For FY2024, the Group recorded a realised loss and an unrealised loss of HK\$4.8 million and HK\$0.9 million respectively on the gold futures contracts. The realised loss on the gold futures contracts was recorded when the short position of the gold futures contracts were closed and was offset by the corresponding gain on the finished jewellery products sold where the gold price fluctuation was reflected in the adjusted selling prices and the revenue. The unrealised loss arose on account of the mark-to-market value of the outstanding gold futures contracts (short position).

For FY2024, the Group’s profit for the year decreased substantially to HK\$9.9 million, representing a year-on-year decline of 71.1%. The Group’s profit margin decreased to 3.6% for FY2024 from 9.8% for FY2023. The substantial decrease in the Group’s profit for FY2024 was

mainly due to the decrease in revenue and gross profit as detailed above and the written down on properties held for sales of HK\$26.3 million recognised for FY2024 as a result of the overall industrial property market in the PRC remaining subdued for FY2024 and no significant improvement in the property market up to the date of the annual report for FY2024, although the effects were partially offset by the recognition of income tax credit of approximately HK\$11.5 million for FY2024, compared with income tax expense of approximately HK\$9.1 million for FY2023. As set out in the Annual Report 2024, the income tax credit was due to (a) the reversal of the over-provision of PRC Tax in previous years; (b) the decrease in income tax expenses due to the decrease in taxable profit of the subsidiaries of the Company; and (c) the reversal of deferred tax in relation to recognition of written down on properties held for sale during FY2024.

The Group's profit decreased to HK\$8.0 million for 2025H1 from HK\$25.2 million for 2024H1, representing a year-on-year decline of 68.3%. The Group's profit margin decreased to 5.5% for 2025H1 from 16.3% for 2024H1. The decreases in the Group's profit and profit margin were due to the combination of the following.

- (i) The Group reported a net loss of other gains and losses of HK\$10.7 million for 2025H1, compared to a net gain of HK\$2.8 million for 2024H1. For 2025H1, the net loss mainly comprised (a) the realised loss on the gold futures contracts of approximately HK\$7.4 million; (b) the gain on disposal of the listed equity securities of approximately HK\$1.0 million; (c) the unrealised loss on the gold futures contracts and silver futures contracts of approximately HK\$3.9 million and HK\$0.6 million, respectively. For 2024H1, the gain mainly comprised a one-off gain from the disposal of a subsidiary company of approximately HK\$2.8 million during the period.
- (ii) The written down on properties held for sale located in the Perfect Group Jewellery Industry Park in the PRC was approximately HK\$2.7 million for 2025H1 (for 2024H1: nil), having regard to the overall industrial property market in the PRC remaining subdued for 2025H1 and no significant improvement in the property market up to the date of the Interim Results 2025 Announcement.
- (iii) Income tax credit decreased to HK\$2.0 million for 2025H1 from approximately HK\$7.6 million for 2024H1. For 2024H1, substantial reversal of over-provision of PRC Tax in previous years was recorded, which did not recur during 2025H1, causing the decrease in income tax credit for 2025H1.
- (iv) The above effects on the Group's profit for 2025H1 was partially offset by the decrease in general and administrative expenses to HK\$19.2 million for 2025H1 from HK\$22.7 million for 2024H1, as a result of the Group's tightening control of administrative expenditure of the Jewellery Business and the Property Business during 2025H1.

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1.2 Assets and Liabilities

Set out below is the consolidated statement of financial position of the Company as at 31 December 2024 (based on the Annual Report 2024) and as at 30 June 2025 (based on the Interim Results 2025 Announcement).

	As at	
	31 December	30 June
	2024	2025
<i>HK\$ million</i>	<i>Audited</i>	<i>Unaudited</i>
ASSETS		
Non-current assets		
Property, plant and equipment	119.2	126.2
Prepayment for acquisition of property, plant and equipment	—	1.0
Right-of-use assets	16.2	14.8
Interest in a joint venture	0.2	0.3
Equity instruments at fair value through other comprehensive income	0.5	0.3
Deferred tax assets	1.4	0.4
	<hr/>	<hr/>
Total non-current assets	137.5	143.0
	<hr/>	<hr/>
Current assets		
Inventories	122.7	106.8
Properties held for sale	299.1	301.0
Trade and other receivables	61.8	73.8
Financial assets at fair value through profit or loss	3.8	0.6
Restricted deposit	2.4	2.1
Bank deposits	112.9	105.9
Cash and cash equivalents	44.8	67.6
	<hr/>	<hr/>
Total current assets	647.5	657.8
	<hr/>	<hr/>
TOTAL ASSETS	785.0	800.8
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	As at	
	31 December	30 June
	2024	2025
<i>HK\$ million</i>	<i>Audited</i>	<i>Unaudited</i>
LIABILITIES		
Current liabilities		
Trade and other payables	45.6	50.1
Contract liabilities	5.1	1.1
Lease liabilities	3.0	3.1
Tax payable	57.5	56.8
Bank loans	31.9	32.8
Dividend payable	—	13.3
	<u>143.1</u>	<u>157.2</u>
Total current liabilities		
Non-current liabilities		
Lease liabilities	6.8	5.2
Defined benefit plan obligations	1.1	1.1
Deferred tax liabilities	14.5	13.7
	<u>22.4</u>	<u>20.0</u>
Total non-current liabilities		
	<u>165.5</u>	<u>177.2</u>
TOTAL LIABILITIES		
	<u>619.5</u>	<u>623.6</u>
NET ASSETS		

As at 30 June 2025, the total assets amounted to HK\$800.8 million and the total liabilities amounted to HK\$177.2 million, resulting in net assets of HK\$623.6 million.

As at 30 June 2025, the majority of assets were current assets amounting to HK\$657.8 million, comprising cash, cash equivalents and bank deposits totaling HK\$173.5 million, inventories (comprising gold, silver, diamonds, and semi-finished and finished jewellery products) of HK\$106.8 million, trade and other receivables of HK\$73.8 million, properties held for sale of HK\$301.0 million, among other current assets. The properties held for sale, comprising industrial units, dormitory and car parks, are located in the Perfect Group Jewellery Industry Park.

As at 30 June 2025, the Group's non-current assets amounted to HK\$143.0 million, comprising mainly property, plant and equipment of HK\$126.2 million, which is made up of buildings of HK\$54.3 million, plant and machinery of HK\$68.7 million, among others. As

informed by the Company, the buildings are located in the Perfect Group Jewellery Industry Park, while the plant and equipment were mainly photovoltaic equipment and energy storage equipment for the Energy Business.

As at 30 June 2025, the majority of the Group's total liabilities were current liabilities of HK\$157.2 million, comprising mainly bank loans, tax payables and trade and other payables totaling HK\$139.7 million. The Group's non-current liabilities of HK\$20.0 million comprised mainly deferred tax liabilities of HK\$13.7 million and lease liabilities of HK\$5.2 million, as at 30 June 2025.

1.3 Valuation on Property Interests of the Group and the Adjusted Net Asset Value

(i) Valuation on property interests of the Group

The valuation of property interests of the Group as at 30 June 2025 has been conducted by APAC Asset Valuation and Consulting Limited, an independent professional valuer (the “**Valuer**”) appointed by the Group. The total market value of the aforesaid property interests attributable to the Group as at 30 June 2025 was approximately RMB389.0 million (equivalent to HK\$426.56 million based on an exchange rate of HK\$1.0 = RMB0.91195 as at 30 June 2025 published on the website of the People's Bank of China for illustrative purposes. Further details of the aforesaid property interests and their corresponding valuation report prepared by the Valuer can be found in Appendix II to this Scheme Document.

We have reviewed the Valuer's qualification and experience in conducting property valuation. We have also reviewed the terms, including the scope of work, of engagement between the Company and the Valuer, which we consider to be appropriate. We noted that the Valuer had also carried out site inspections of the property interests of the Group in July 2025.

We have reviewed the Property Valuation Report and discussed with the Valuer the valuation methodology adopted in the Property Valuation Report. We note that the valuation methodology being adopted, namely the market approach, in the Property Valuation Report, is a common valuation approach and in line with market practice. The Valuer considers the market approach to be appropriate given (i) it is one of the most commonly accepted methods for valuing properties; and (ii) recent comparable sales transactions with similar attributes in terms of size, characteristics and location to the properties are available in the market. We have further discussed with the Valuer in respect of the valuation methodology, basis and assumptions adopted in arriving at the market values of the property interests, in particular, the rationale of selecting the valuation methodology for different types of property interests and the underlying assumptions adopted along with their bases and adjustments made for each property in the Property Valuation Report.

(ii) Adjusted Net Asset Value

By taking into account the effect of revaluation surplus arising from the valuation of all the aforesaid properties interests, set out below is the calculation of the Adjusted Net Asset Value (the “Adjusted NAV”) of the Group:

	<i>Notes</i>	<i>HK\$ million</i>
Consolidated net asset value of the Group as of 30 June 2025 (unaudited)		623.65
Adjustments:		
— Net revaluation surplus as of 30 June 2025	(i)	71.24
— Estimated deferred tax on revaluation surplus attributable to the Group	(ii)	(17.81)
Adjusted NAV		677.08
Adjusted NAV per Share (HK\$)	(iii)	0.51
Cancellation Price (HK\$)		0.25
Discount of the Cancellation Price to the Adjusted NAV per Share		50.70%

Notes:

- (i) Represents the net revaluation surplus arising from the net excess of the market values of the property interests attributable to the Group as at 30 June 2025, over their corresponding book values attributable to the Group as at 30 June 2025. The market values were translated to HK\$426,558,474 based on an exchange rate of HK\$1.0 = RMB0.91195 as at 30 June 2025 published on the website of the People’s Bank of China for illustrative purposes;
- (ii) Represents estimated deferred tax on the temporary differences between the market values of the property interests and the corresponding tax base used in computation of taxable profit. Estimated deferred tax is calculated based on the corporate income tax rates applicable to properties in the PRC;
- (iii) Based on 1,335,078,000 Shares in issue as at the Latest Practicable Date and an exchange rate of HK\$1.0 = RMB0.91195 as at 30 June 2025 published on the website of the People’s Bank of China for illustrative purposes.

1.4 Historical Dividend Payments of the Company

We note the dividend policy of the Company from the Annual Report 2024 of the Company that the board of the Company intends to create long term value for the Shareholders through maintaining a balance between dividend distribution, adequate cash flow and reserve to meet its working capital requirement and capturing growth opportunities. The board of the Company may propose or declare the payment of dividends after taking into account the current financial performance, the future financial requirements and any other factors that may deem relevant to the

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Company. The board of the Company may decide the frequency of dividend payment and further declare or recommend any special distributions. Dividends may be declared or paid by way of cash or scrip or by other means that the board of the Company considers appropriate. The payment of dividend is also subject to compliance with applicable laws and regulations including the laws of Cayman Islands and the Company's memorandum and articles of association. The board of the Company will review this dividend policy from time to time and there can be no assurance that dividend will be paid in any particular amount for any given period.

Since listing, dividends per Share distributed by the Company are set out as below:

Financial years	Dividend per Share (HK\$)
For the six months ended 30 June 2025	Nil
For the year ended 31 December 2024	0.01
For the year ended 31 December 2023	0.02
For the year ended 31 December 2022	0.02
For the year ended 31 December 2021	0.02
For the year ended 31 December 2020	0.02
For the year ended 31 December 2019	0.03
For the year ended 31 December 2018	0.04
For the year ended 31 December 2017 (<i>Note 1</i>)	0.02
For the year ended 31 December 2016 (<i>Note 2</i>)	0.02
Total	0.20

Note 1: The Company has declared an interim dividend of HK\$ 0.03 per share on 21 August 2017 equivalent to HK\$0.01 per share after subdivision of share effective from 13 September 2017.

Note 2: Pursuant to the resolution at the extraordinary general meeting of the Company held on 12 September 2017, every one issued and unissued then ordinary shares of HK\$0.01 was subdivided into three subdivided shares of one-third Hong Kong cent each which became effective on 13 September 2017. The dividend distributed to the Shareholders by the Company in FY2016 was HK\$0.06 per then share (prior to the subdivision of shares), which is effectively HK\$0.02 per Share.

1.5 Prospects

Most of the Group's revenue was derived from the Jewellery Business, representing 87.3%, 82.2%, 85.1% and 87.4% for FY2022, FY 2023, FY2024 and 2025H1 respectively. As set out under the section headed "Reasons for and benefits of the Proposal" in Explanatory Memorandum,

the Jewellery Business has been hit by the weakened global macroeconomic environment and heightened geopolitical tensions. The Group downsized its operation in the PRC as the market showed no sign of significant recovery in 2024. The global market of the Jewellery Business has also been facing challenges, particularly the US market. The continuing geopolitical tensions between China and the US, coupled with the high tariff on exports imposed by the US administration, have created a highly uncertain and challenging market environment for the Jewellery Business. The geographic markets of the Jewellery Business comprise Hong Kong, the PRC and Dubai, accounting for 73.03%, 6.94% and 20.03% respectively of the total revenue of the Jewellery Business for FY2024 and 63.74%, 16.83% and 19.44% for 2025H1. Based on a report published by the Hong Kong Trade Development Council, we note that Hong Kong's jewellery industry is, by and large, export oriented and Hong Kong's fine jewellery exports declined by 8% year-on-year to HK\$80.5 billion in 2024. Based on a report published by the World Gold Council (an industry organisation), we also note that for the first quarter of 2025, the gold jewellery demand by volume reported year-on-year decreases of 32% and 18% in the PRC and the United Arab Emirates (the country where Dubai is located) respectively, due to increasing gold prices which affected affordability. With regard to the global economic conditions, we note that according to a report published by the World Bank Group in June 2025, global economic growth is expected to weaken to 2.3% in 2025, compared to 2.8% (estimate) for 2024, in view of the substantial rise in trade barriers and the pervasive effects of an uncertain global policy environment, which would affect the demand of jewellery products.

Regarding the Property Business, as set out under the section headed "Reasons for and benefits of the Proposal" in the Explanatory Memorandum, the Group commenced the delivery of the completed units to its buyers in the second half of 2018 and the vast majority of the revenue from the possible sale of properties has already been recognised by the Group. In light of the weak market sentiment of the PRC property market, the Group does not have any new property development project on hand nor any plan to commence or acquire any new project. As such, no significant revenue is expected from the Property Business, and the Property Business will primarily rely on revenue generated from the sale of remaining units and car parks held by the Group and income from property management business in the coming few years. The Group has developed only one property project which is the Perfect Group Jewellery Industry Park. Based on the published annual reports of the Company, since 2018 and the Interim Results 2025 Announcement, the revenue from the sale of properties in the Perfect Group Jewellery Industry Park totalled HK\$1,024.5 million up to 30 June 2025. Based on the consolidated statement of financial position of the Company as at 30 June 2025, the Group's properties held for sale amounted to HK\$301.0 million. As the Group is not undertaking or acquiring any new projects, the scope of development of the Property Business to the overall business of the Group would be limited to the sale and/or rental of the Group's remaining property stocks in the Perfect Group Jewellery Industry Park and the provision of management services in the Perfect Group Jewellery Industry Park.

As to the Energy Business, as set out under the section headed “Reasons for and benefits of the Proposal” in the Explanatory Memorandum and based on further information provided by the Company, the Energy Business has only a relatively short period of operation with a relatively small scale compared to the Group’s other business segments and due to the keen market competition in the PRC arising from the generalization of photovoltaic power and lower entry barriers, it is expected that the pace of growth of Energy Business will be restricted. The Group started its Energy Business with the acquisition of a 55% equity interest in Guangdong Kaisi in August 2023. We note that the Energy Business recording revenue of HK\$7.2 million for FY2024 and HK\$5.9 million for 2025H1, representing 2.6% and 4.0% of the Group’s total revenue for FY2024 and 2025H1 respectively, remains small in business scale relative to the overall business of the Group. Furthermore, based on a report entitled China PV Industry Development Roadmap 2024-2025 (中國光伏產業發展路線圖2024–2025) published by China Photovoltaic Industry Association (中國光伏行業協會) in February 2025, we noted that the photovoltaic power application market in the PRC is undergoing changes amid implementation of regulations on the development and construction of distributed photovoltaic power generation system and pricing reform of electricity generated by renewable energy in the PRC, which would pose uncertainty to the market.

2. PRINCIPAL TERMS OF THE PROPOSAL

2.1 The Scheme

Subject to the satisfaction or waiver (where applicable) of the Conditions and the Scheme becoming effective, all Scheme Shares will be cancelled and the Scheme Shareholders will be entitled to receive from the Offeror:

For every Scheme Share cancelled HK\$0.25 in cash

If the Proposal is approved and implemented, under the Scheme, all Scheme Shares will be cancelled on the Effective Date. In compliance with Rule 20.1(a) of the Takeovers Code, after the Scheme has become effective, the Cancellation Price for the cancellation of the Scheme Shares will be paid to the relevant Scheme Shareholders whose names appear in the Register on the Scheme Record Date as soon as practicable, but in any event no later than seven (7) Business Days after the Effective Date.

As set out in the section headed “Terms of the Proposal” in the Explanatory Statement, the Cancellation Price will not be increased, and the Offeror does not reserve the right to do so. Shareholders and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Price.

2.2 Dividend payment by the Company

On 24 March 2025, the Board proposed the payment of a final dividend of HK\$0.01 per Share for FY2024. The last annual general meeting of the Company was held on 2 June 2025, at which, the resolution was passed for the approval of the payment of dividend for FY2024. The final dividend of the Company for FY2024 was paid on 7 July 2025.

As at the Latest Practicable Date, save for the final dividend of the Company for FY2024, the Company has not declared any dividend which remains unpaid, and the Company does not intend to declare and/or pay any dividend before the Effective Date or the date on which the Scheme is not approved, or the Proposal otherwise lapses or is withdrawn (as the case may be).

Save for the final dividend of the Company of HK\$0.01 per Share for FY2024, which will not be deducted from the Cancellation Price, if, after the Latest Practicable Date, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Cancellation Price by all or any part of the amount or value of such dividend, distribution and/or other return of capital, as the case may be, after consultation with the Executive, in which case any reference in this Scheme Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced.

2.3 Conditions of the Proposal and the Scheme

The Proposal and the Scheme will only become effective and binding on the Company and all of the Scheme Shareholders if the following Conditions are fulfilled or waived (as applicable):

- (a) the approval of the Scheme (by way of poll) by the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders entitled to vote at the Court Meeting, present and voting either in person or by proxy at the Court Meeting;
- (b) the approval of the Scheme (by way of poll) at the Court Meeting by the Disinterested Scheme Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by the Disinterested Scheme Shareholders that are cast either in person or by proxy at the Court Meeting and the number of votes cast by Disinterested Scheme Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by the Disinterested Scheme Shareholders;

- (c) the passing of (i) a special resolution by a majority of at least 75% of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve and give effect to any reduction of the issued share capital of the Company as a result of cancelling and extinguishing the Scheme Shares and (ii) an ordinary resolution by a simple majority of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve the issue to the Offeror of such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished as a result of the Scheme and the application of the credit arising in the Company's books of accounts as a result of the cancellation and extinguishment of the Scheme Shares in paying up in full at par value the new Shares issued to the Offeror;
- (d) the sanction of the Scheme (with or without modification) by the Grand Court and if necessary its confirmation of any reduction of the issued share capital of the Company as a result of the cancellation and extinguishment of the Scheme Shares, and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of (and if necessary, minutes approved by) the Grand Court for registration;
- (e) all Approvals which are (i) required in connection with the Proposal by (1) the Applicable Laws or (2) any licenses, permits or contractual obligations of the Company; and (ii) material in the context of the Group (taken as a whole), having been obtained (or, as the case may be, completed) and remaining in full force and effect without modification up to and as at the Effective Date;
- (f) no Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order), in each case, which would make the Proposal or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal);
- (g) all the Applicable Laws having been complied with and no legal or regulatory requirement having been imposed by any Authority which is not expressly provided for, or is in addition to the requirements expressly provided for, in the Applicable Laws in connection with the Proposal which are material in the context of the Group (taken as a whole), in each case up to and as at the Effective Date; and
- (h) since the date of the Announcement, there having been no adverse change to the business, financial or trading position of the Group taken as a whole, to an extent that is material in the context of the Proposal or the Scheme.

The Conditions set out in paragraphs (a) to (d) and (e)(i)(1) above cannot be waived. The Offeror reserves the right to waive all or any of the Conditions in paragraphs (e) to (h) (other than (e)(i)(1)) in whole or in part. The Company does not have the right to waive any of the Conditions. All of the above Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Executive may consent and the Grand Court may direct), failing which the Scheme will not become effective and the Proposal will lapse.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Proposal or the Scheme if the circumstances which give rise to the right to invoke such Condition are of material significance to the Offeror in the context of the Proposal or the Scheme.

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

Further information relating to the conditions of the Proposal and the Scheme is set out under the section headed “Conditions of the Proposal and the Scheme” in the Explanatory Statement.

2.4 Irrevocable Undertakings

On 3 June 2025, the Offeror received the respective Irrevocable Undertakings from each of the IU Shareholders (comprising Classic Amber, Richemont Asset Management and Cachet Asset Management), pursuant to which each of the IU Shareholders has undertaken to, among other things, (i) for Classic Amber, (a) to vote in favour at the Court Meeting and (b) exercise (or procure the exercise of) all voting rights attached to the IU Shares held or owned by it at the EGM in favour of all the resolutions to approve the Proposal and any matters in connection with the Proposal, (ii) for each of Richemont Asset Management and Cachet Asset Management, (a) abstain from voting at the Court Meeting and (b) exercise (or procure the exercise of) all voting rights attached to the IU Shares held or owned by it at the EGM in favour of all the resolutions to approve the Proposal and any matters in connection with the Proposal (where applicable). Each of the IU Shareholders also undertook that it will not, on or before the Effective Date, and other than in connection with the Scheme, sell, transfer, charge, encumber, create or grant any option, right, warrant or lien over or otherwise dispose of, or enter into any swap or other arrangement that transfers to another, in whole or in part, any of the legal, beneficial or economic consequences of ownership of, or grant any proxy or enter into any voting agreement or similar arrangement with respect to the voting of, or permit any such action to occur in respect of, all or any of the IU Shares or any interest therein.

Further information on the IU Shareholders is set out in under the section headed “Irrevocable Undertakings” in the Explanatory Statement.

3. REASONS FOR AND BENEFITS OF THE PROPOSAL

The section headed “Reasons for and benefits of the Proposal” in the Explanatory Statement sets out the reasons for and benefits of the Proposal and is summarised as follows.

For Scheme Shareholders

In view of the unfavourable business conditions facing the Group, it is unrealistic to expect the Group to attain steady growth in terms of revenue considering the developments of the Group in response to the uncertainties of business conditions, as also set out in the section headed “1.5 Prospects” in this letter. In particular, the Group had downsized its operation of Jewellery Business in the PRC as the market showed no sign of significant recovery in 2024 and the Group does not have any new property development project on hand nor any plan to commence or acquire any new project for its Property Business in light of the weak market sentiment of the PRC property market. The Proposal provides Scheme Shareholders with an opportunity to realise their investments in the Company for cash at an attractive premium to the prevailing trading prices of the Shares as set out in the section headed “TERMS OF THE PROPOSAL” in Part III — Letter from the Board of this Scheme Document. Furthermore, the trading liquidity of the Shares has been low. The low trading liquidity of the Shares could make it difficult for the Scheme Shareholders to execute substantial on-market disposals without adversely affecting the price of the Shares, or to dispose of a large number of Shares if an event that has an adverse impact on the Share price occurs. The Offeror sees the Scheme as a unique opportunity to unlock significant value for the Scheme Shareholders. The Proposal is an opportunity for the Scheme Shareholders to monetise their Shares amidst challenging and uncertain market conditions.

Details of the Group’s financial performance and prospects are set out in the section headed “1. The Group” above in this letter. Details of our review of the trading prices and the liquidity of the Shares are set out in the sections headed “5.1 Historical price performance of the Shares” and “5.2 Trading liquidity of the Shares” below in this letter.

For the Offeror and the Company

The Company has not conducted any equity fund raising activities in recent years due to the relatively low liquidity in the trading of the Shares as aforesaid and the downward trend of the trading price of the Shares in the past years. Under such circumstances, the Company is unable to fully utilise its current listing platform as a source of funding for its long-term growth. It is expected that continued listing of the Shares may not provide any meaningful benefit to the

Company in the near future. The Proposal is expected to permit the Offeror to make strategic decisions focusing on the long-term growth and benefits, free from the pressure of market expectations, share price fluctuations and compliance requirements which arise from the Company being a publicly listed company. The Proposal, which entails the delisting of the Company, is also expected to reduce the administrative costs and management resources associated with maintaining the Company's listing status and compliance with regulatory requirements.

4. INFORMATION ON AND INTENTION OF THE OFFEROR

The Offeror is a company incorporated in the British Virgin Islands with limited liability and has been one of the controlling shareholders of the Company since the Listing. The entire issued share capital of the Offeror is ultimately and beneficially owned by Mr. Kan. As at the Latest Practicable Date, the Offeror held 729,000,000 Shares and 54.60% of the issued share capital of the Company. Immediately upon the Scheme becoming effective, the Company and its subsidiaries will continue to be subsidiaries of the Offeror. As at the Latest Practicable Date, the sole director of the Offeror is Mr. Kan. Mr. Kan is the chairman of the Board and an executive Director of the Company, and is the spouse of Ms. Shek Mei Chun, an executive Director of the Company.

Following the implementation of the Proposal, the Offeror intends that the Group will continue to carry on its current business. The Offeror has no intention of making any major changes to the business of the Group, including any major redeployment of fixed assets or making any material change to the continued employment of employees of the Group, other than those in the ordinary course of business of the Group. The Offeror will continue to monitor the Group's performance and implement appropriate strategies for the Group and its business.

5. THE CANCELLATION PRICE

The Cancellation Price of HK\$0.25 per Scheme Share represents:

- (a) a premium of approximately 5.04% over the closing price of HK\$0.238 per Share as quoted on the Stock Exchange on 15 September 2025, being the Latest Practicable Date;
- (b) a premium of approximately 61.29% over the closing price of HK\$ 0.155 per Share as quoted on the Stock Exchange on 30 May 2025, being the Last Trading Date;
- (c) a premium of approximately 61.71% over the average closing price of HK\$0.155 per Share as quoted on the Stock Exchange for the five trading days up to and including the Last Trading Date;

- (d) a premium of approximately 58.29% over the average closing price of HK\$0.158 per Share as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Date;
- (e) a premium of approximately 48.71% over the average closing price of HK\$0.168 per Share as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Date;
- (f) a premium of approximately 44.04% over the average closing price of HK\$0.174 per Share as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Date;
- (g) a discount of approximately 46.08% to the audited consolidated net asset value attributable to Shareholders per Share of HK\$0.464 as at 31 December 2024, calculated based on the audited consolidated net asset value attributable to shareholders of HK\$619,518,000;
- (h) a discount of approximately 46.48% to the unaudited consolidated net asset value attributable to Shareholders per Share of HK\$0.467 as at 30 June 2025, calculated based on the unaudited consolidated net asset value attributable to shareholders of HK\$623,649,000; and
- (i) a discount of approximately 50.70% to the Adjusted NAV per Share (as defined in the section headed 1.3 (ii) Adjusted Net Asset Value in this letter) of HK\$0.51.

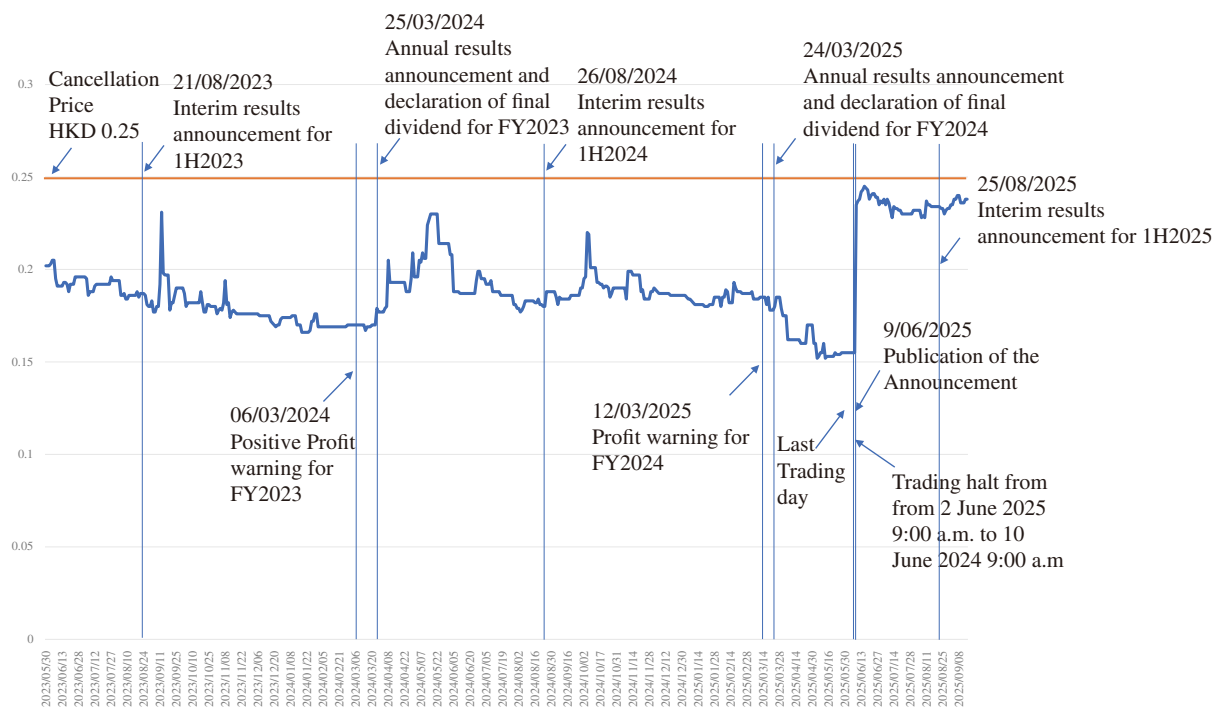
According to the Announcement, the Offeror will not increase the Cancellation Price and does not reserve the right to do so. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Price.

5.1 Historical price performance of the Shares

Set out below is a chart illustrating the historical closing prices of the Shares as quoted on the Stock Exchange during the period commencing from 30 May 2023 (being the trading day two years before the Last Trading Day) to the Last Trading Date (“**Pre-Announcement Period**”), and subsequently up to and including the Latest Practicable Date (“**Post-Announcement Period**”) (collectively, the “**Review Period**”). We consider a period of approximately two years is adequate and representative to illustrate the recent price movements of the Shares which reflect (i) market and investors’ reaction towards the latest developments of the Group, including its financial

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performance and position, outlook and prospects; and (ii) prevailing market sentiment. We are of the view that this allows us to conduct a meaningful comparison between these closing prices of the Shares and the Cancellation Price.



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

During the Pre-Announcement Period, the highest and lowest closing prices of the Shares were HK\$0.231 recorded on 12 September 2023 and HK\$0.152 per Share recorded on 14 May 2025 respectively. The average daily closing price per Share over the Pre-Announcement Period was approximately HK\$0.184 per Share. The Cancellation Price, being HK\$0.25 per Scheme Share, represents a premium of approximately 35.97% over such average of closing prices.

Following the Company's publication of the Announcement in relation to the Proposal and the Scheme and resumption of trading of the Shares at 9:00 a.m. on 10 June 2025, the Share closing price increased to a level below the Cancellation Price. During the Post-Announcement Period, the highest and lowest closing prices of the Shares were HK\$0.245 recorded on 17 June 2025 and HK\$0.228 per Share recorded on 11 July 2025 and 6 and 8 August 2025 respectively. The average daily closing price per Share over the Post-Announcement Period was approximately HK\$0.235 per Share. As at the Latest Practicable Date, the Share price closed at HK\$0.238 per Share. The Cancellation Price, being HK\$0.25 per Scheme Share, represents a premium of approximately 6.39% and 5.04% over the average of closing prices during the Post-Announcement Period and the closing price at the Latest Practicable Date respectively.

The average daily closing price per Share over the Review Period was approximately HK\$0.190 per Share. The Cancellation Price, being HK\$0.25 per Scheme Share, represents a premium of approximately 31.73% over such average of closing prices.

Considering that (i) the Cancellation Price is higher than the closing price of the Shares during the Pre-Announcement Period, and that it represents a premium of approximately 35.97% over the average closing prices of the Shares during the Pre-Announcement Period and (ii) the Cancellation Price is higher than the closing price of the Shares during the Post-Announcement Period, and that it represents a premium of approximately 6.39% over the average closing prices of the Shares during the Post-Announcement Period, we are of the view that the Cancellation Price is fair and reasonable from the point of view of the historical trading price of the Shares.

5.2 Trading liquidity of the Shares

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

Month	Average daily trading volume (number of Shares)	Average daily trading volume as a percentage to the total number of issued Shares⁽¹⁾	Average daily trading volume as a percentage to the total number of issued Shares held by the Disinterested Shareholders⁽²⁾
2023			
May (30 May 2023)	202,500	0.015%	0.067%
June	56,571	0.004%	0.019%
July	44,700	0.003%	0.015%
August	70,696	0.005%	0.023%
September	203,526	0.015%	0.068%
October	160,665	0.012%	0.053%
November	126,136	0.009%	0.042%
December	59,842	0.004%	0.020%
2024			
January	27,955	0.002%	0.009%
February	10,579	0.001%	0.004%
March	61,950	0.005%	0.021%
April	124,800	0.009%	0.042%
May	38,286	0.003%	0.013%
June	28,737	0.002%	0.010%
July	38,864	0.003%	0.013%
August	75,409	0.006%	0.025%
September	72,000	0.005%	0.024%
October	177,857	0.013%	0.059%
November	73,143	0.005%	0.025%
December	60,595	0.005%	0.021%

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Month	Average daily trading volume (number of Shares)	Average daily trading volume as a percentage to the total number of issued Shares⁽¹⁾	Average daily trading volume as a percentage to the total number of issued Shares held by the Disinterested Shareholders⁽²⁾
2025			
January	37,421	0.003%	0.013%
February	85,350	0.006%	0.029%
March	99,143	0.007%	0.034%
April	21,000	0.002%	0.007%
May	25,800	0.002%	0.009%
June ⁽³⁾	1,645,600	0.123%	0.559%
July	434,500	0.033%	0.148%
August	209,143	0.016%	0.071%
September (up to the Latest Practicable Date)	178,091	0.013%	0.060%

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

Notes:

- (1) The calculation is based on the average daily trading volume divided by total number of issued Shares as at the end of each relevant month.
- (2) The calculation is based on the average daily trading volume divided by total number of issued Shares held by the Disinterested Shareholders as at the end of each relevant month.
- (3) The Shares were suspended for trading from 2 June 2025 9:00 a.m. to 10 June 2025 9:00 a.m.

As illustrated in the above table, the percentage of average daily trading volume on a monthly basis to (i) the total number of issued Shares; and (ii) the total number of Shares held by the Disinterested Shareholders, ranged from approximately 0.001% to approximately 0.015% and approximately 0.004% to approximately 0.068% respectively during the Pre-Announcement Period. The average daily trading volume of the Shares during the Pre-Announcement Period was approximately 74,921 Shares, representing approximately 0.006% of the total number of issued Shares and approximately 0.0254% of the total number of Shares held by the Disinterested Shareholders as at the Last Trading Date.

We note that the trading volume of Shares increased after the publication of the Announcement where during the Post-Announcement Period, the average daily trading volume of Shares amounted to approximately 588,319 Shares, representing approximately 0.044% of the total number of issued Shares and approximately 0.200% of the total number of Shares held by the Disinterested Shareholders as at the Latest Practicable Date. It can be concluded that, without the Proposal, the Shares were generally illiquid.

In the absence of the Proposal, Disinterested Shareholders will only be able to dispose of their Shares on-market to realise their investment in the Company. Considering the thin trading volume of Shares during the Pre-Announcement Period, Disinterested Shareholders may experience difficulty in disposing of their Shares, and any sale of a significant number of the Shares on the market may result in downward pressure on the market price of Shares. The Proposal therefore represents an opportunity for the Disinterested Shareholders to exit at a fixed cash price, which also represents premium over the closing price of the Shares during the Review Period.

5.3 Comparable analysis

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

To assess the fairness and reasonableness of the Cancellation Price, we have performed analysis on the price-to-earnings ratio (the “**P/E Ratio(s)**”) and price-to-book ratio (the “**P/B Ratio(s)**”), both being the common parameters in assessing a company’s value, of companies which are listed on the Hong Kong Stock Exchange and are engaged in similar business of the Group for comparison purpose (the “**Comparable(s)**”).

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

- 5.3.1 company whose shares are listed on the Main Board of the Stock Exchange and were not being suspended from trading as at the Latest Practicable Date;
- 5.3.2 over 50% of its latest financial year revenue was derived from the sale of jewellery products;
- 5.3.3 of comparable operating scale to the Group with latest financial year revenue ranging from HK\$100 million to HK\$500 million (the Group’s revenue in FY2024 was approximately HK\$273.5 million); and

5.3.4 of comparable market cap to the Company less than HK\$500 million (the average market cap of the Company was approximately HK\$246.33 million in the Pre-Announcement Period).

Based on the above criteria, we have identified two Comparables, being Domaine Power Holdings Limited and Continental Holdings Limited. The list is exhaustive based on those selection criteria above. Cognisant that there exists no company which can be of exactly the same business model, scale of operation, trading prospect, target markets, product mix and capital structure as the Company and we have not conducted any in-depth investigation into the business and operations of the Comparables save for the aforesaid selection criteria. Notwithstanding this, we believe the Comparables selected, are appropriate to serve as a benchmark reference for our comparable analysis purpose, which reflects the prevailing market sentiment towards this business sector.

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Our relevant findings are summarised in the following table:

Stock code	Company name	Principal business	Market capitalisation ⁽¹⁾ (HK\$ million)	Revenue ⁽²⁾ (HK\$ million)	Net profit/ (loss) ⁽³⁾ (HK\$ million)	Net asset value ⁽⁴⁾ (HK\$ million)	P/E Ratio ⁽⁵⁾ (times)	P/B Ratio ⁽⁶⁾ (times)
513	Continental Holdings Limited	designing, manufacturing, marketing and trading of fine jewellery and diamonds. Also, the Group maintains an investment portfolio including property investment and development, mining and other investments.	109	360	(305)	1,952	N/A	0.06
442	Domaine Power Holdings Limited	designing, manufacturing, processing and exporting fine jewelleries to jewellery wholesalers, retailers and high-net-worth customers mainly in Hong Kong and the Chinese Mainland	164	185	(9)	74	N/A	2.22
							Mean	N/A
							Maximum	1.14
							Minimum	2.22
								0.06

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Stock code	Company name	Principal business	Market capitalisation ⁽¹⁾ <i>(HK\$ million)</i>	Revenue ⁽²⁾ <i>(HK\$ million)</i>	Net profit/ (loss) ⁽³⁾ <i>(HK\$ million)</i>	Net asset value ⁽⁴⁾ <i>(HK\$ million)</i>	P/E Ratio ⁽⁵⁾ <i>(times)</i>	P/B Ratio ⁽⁶⁾ <i>(times)</i>
3326	The Company ⁽⁷⁾	(a) designing, manufacturing and sales of high-end fine jewellery (primarily mounted with diamonds) as well as metal refining and purifying process for jewellery (the “ Jewellery Business ”); (b) investment in and the development and sales and rental of properties for the Group’s integrated and comprehensive industry park located at 1st Ring Road South Extension Foshan, Guangdong Province, the People’s Republic of China (the “ PRC ”) (the “ Property Business ”) as an integrated and comprehensive industry park (the “ Perfect Group Jewellery Industry Park ”); and (c) sales of electricity generated from the photovoltaic power generation system as well as energy storage business (the “ Photovoltaic Power Generation Business ”) with the Acquisition of Guangdong Kaisi.	318	273	9.86	676	33.85	0.49

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

Notes:

1. Market capitalisation is calculated based on the share closing price times the total number of shares in issue as at the Latest Practicable Date.

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2. The revenue of the Comparables are extracted from their respective latest published annual results announcement/report prior to the Latest Practicable Date.
3. The net profit/(loss) attributable to shareholders of the Comparables are extracted from their respective latest published annual results announcement/report prior to the Latest Practicable Date.
4. The net asset value attributable to shareholders of the Comparables are extracted from their respective latest published annual/interim results announcement/report prior to the Latest Practicable Date.
5. P/E Ratios of the Comparables are calculated based on their respective market capitalisation as described in note 1 above and divided by their respective net profit as described in note 3 above.
6. P/B Ratios of the Comparables are calculated based on their respective market capitalisation as described in note 1 above and divided by their respective net asset value as described in note 4 above.
7. The implied market capitalisation of the Company is calculated based on the Cancellation Price and 1,335,078,000 issued Shares. The implied P/E Ratio of the Company (the “**Implied P/E Ratio**”) is calculated based on the implied market capitalisation and divided by the Group’s net profit attributable to owners of the Company in FY2024. The implied P/B Ratio of the Company (the “**Implied P/B Ratio**”) is calculated based on the implied market capitalisation, divided by the Group’s Adjusted NAV.

As shown in the above table, from a P/B Ratio perspective, we first note that one of the Comparables, namely Continental Holdings Limited, has a relatively lower P/B ratio of 0.06 time than the Implied P/B ratio of the Company. However, when comparing this Comparable with the Company, we note there are significant differences in size and major composition of assets and liabilities and profitability including: (i) as at 31 December 2024, the amount of total assets of Continental Holdings Limited is HK\$3,195.67 million with major assets of investment properties at HK\$1,990.40 million and mining right at HK\$479.53 million. As of 31 December 2024, the amount of total assets of the Company is HK\$785.00 million with major assets of properties held for sale at HK\$299.15 million, inventories at HK\$122.67 million and property, plant and equipment at HK\$119.17 million; (ii) As of 31 December 2024, Continental Holdings Limited recorded net current liabilities at HK\$372.52 million with bank loans at HK\$879.73 million while the Company recorded net current assets at HK\$504.41 million with bank loan at HK\$31.90 million; and (iii) Continental Holdings Limited recorded net losses for the year ended 30 June 2024 and six months ended 31 December 2024 while the Company recorded net profit for the year ended 31 December 2024. Considering the above characteristics of this Comparable, the P/B Ratio analysis with this Comparable provides a limited direct comparable analysis due to difference in fundamentals of this Comparable with those of the Company including size and major composition of the assets and liabilities and profitability.

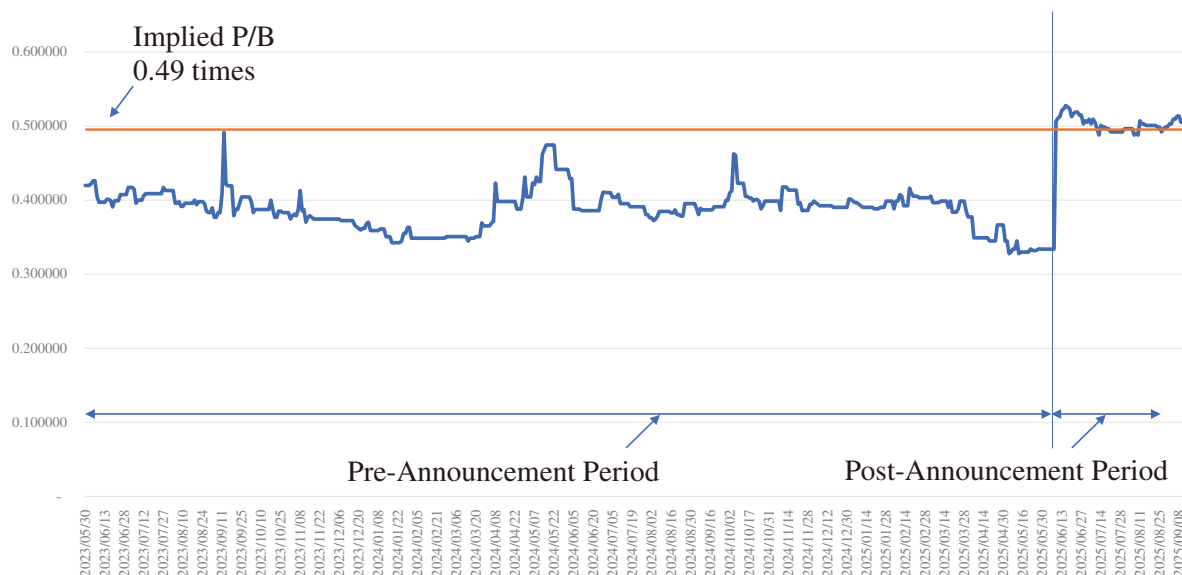
Another Comparable, namely, Domaine Power Holdings Limited, has a relatively higher P/B ratio of 2.22 times than the Implied P/B ratio of the Company. However, when comparing this Comparable with the Company, we also note there are significant differences in size and major composition of assets and liabilities, sources of revenue and related profitability including: (i) As of 31 December 2024, the amount of total assets of Domaine Power Holdings Limited is HK\$92.19 million with major assets of cash and bank balances at HK\$36.39 million. As of 31 December 2024, the amount of total assets of the Company is HK\$785.00 million with major assets of properties held for sale at HK\$299.15 million, inventories at HK\$122.67 million and property, plant and equipment at HK\$119.17 million; (ii) sales of jewellery products and sales of precious metals and raw jewellery materials accounted for approximately 90% and 10% of revenue of Domaine Power Holdings Limited for the year ended 31 March 2025 respectively and over 99.9% of the total revenue recorded by Domaine Power Holdings Limited for the year ended 31 March 2025 is derived from customers in Chinese Mainland. Domaine Power Holdings Limited recorded net loss in recent five consecutive years from FY2020 to FY2024. On the other hand, sales of jewellery products and sales of properties accounted for approximately 81.70% and 5.17% of the Company for the year ended 31 December 2024 respectively and approximately 20% of the total revenue recorded by the Company for the year ended 31 December 2024 is derived from the PRC. The Company recorded net profit in recent five consecutive years from FY2020 to FY2024; (iii) there is a change of controlling shareholding of Domaine Power Holdings Limited completed in November 2021 while the new controlling shareholder have shown no background in jewelry industry according to the announcement of Domaine Power Holdings Limited dated 8 October 2021. Considering the above characteristics of this Comparable, the P/B Ratio analysis with this Comparable provides a limited direct comparable analysis due to difference in fundamentals of this Comparable with those of the Company including size and major composition of the assets and liabilities, sources of revenue and related profitability and continuity of controlling shareholding.

The valuation of the Company based on the implied market capitalisation arrived at using the Cancellation Price and the Group's Adjusted NAV translate into an implied P/B Ratio of approximately 0.49 times. This is within the P/B Ratio range of the two Comparables of approximately 0.06 times to 2.22 times, and below the Comparables' P/B Ratio mean of approximately 1.14 times. However, considering the further specific characteristics of the Comparables, the above P/B Ratio analysis provides little value to the direct comparable analysis due to difference in fundamental background of the Comparables with the Company such as size and major composition of the assets and liabilities, sources of revenue with related profitability and continuity of controlling shareholders.

From a P/E Ratio perspective, we note that the Group reported profits in FY2024 while both Comparables, namely the Continental Holdings Limited and Domaine Power Holdings Limited, reported losses in FY2024 rendering the P/E Ratio not applicable.

5.4 Premium/(discount) of the Implied P/B Ratios to the historical P/B Ratios

In assessing the fairness and reasonableness of the Cancellation Price, we have reviewed, as set out in the table below, the historical P/B Share prices during the Review Period. The historical P/B Ratios of the Company are calculated based on their respective market capitalization, calculated based on the share closing price times the total number of shares in issue, divided by the respective net asset value attributable to shareholders of the Company extracted from the respective latest published annual/interim results announcement/report.

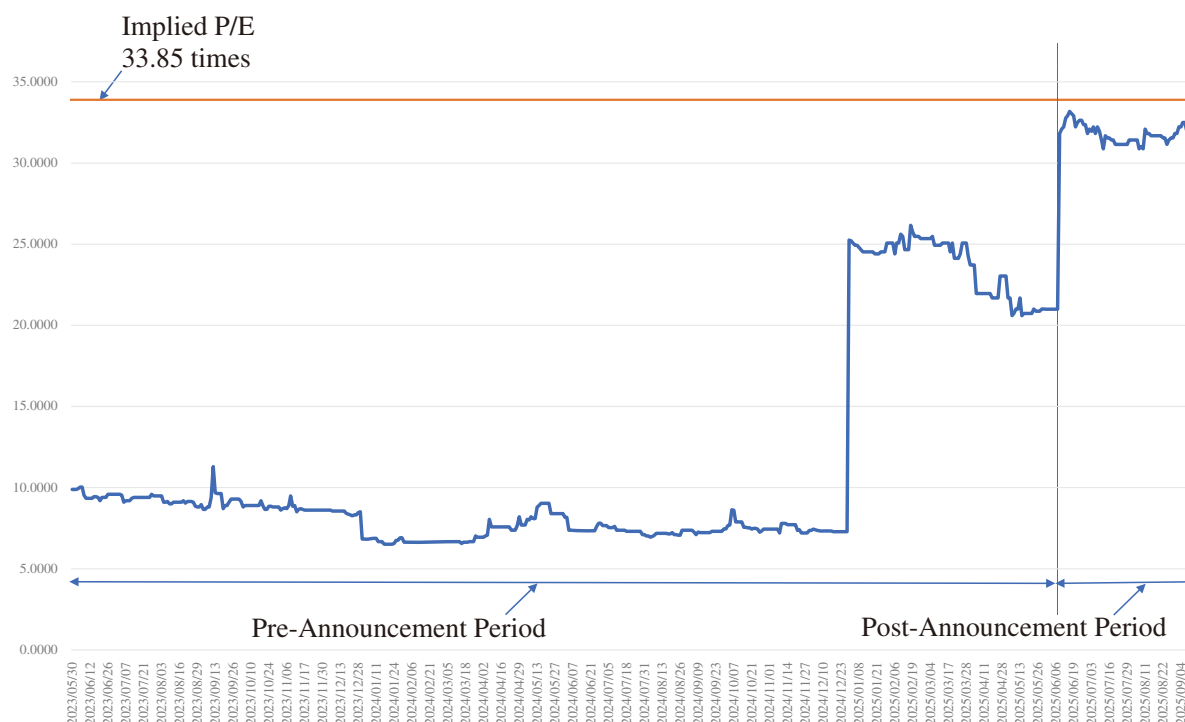


During the Pre-Announcement Period, the highest and lowest P/B Ratios were 0.49 times and 0.33 times recorded on 12 September 2023 and 7 May 2025 respectively. This implies that the market has persistently valued the Company below its NAV at the average P/B Ratios over the Pre-Announcement Period at approximately 0.39 times. During the Post-Announcement Period, the highest and lowest P/B Ratios were 0.53 times and 0.49 times recorded on 17 June 2025 and 11 July 2025 and 6 and 8 August 2025 respectively. This implies that the market has also valued the Company below its NAV at the average P/B Ratios over the Post-Announcement Period at approximately 0.50 times. There are 57 trading days (including 18 trading days with nil trading volume) out of total 69 trading days during the Post-Announcement Period when the P/B Ratios are above the Implied P/B Ratio. But the Implied P/B Ratio of the Cancellation Price at approximately 0.49 times represents a slight discount of approximately 2.14% over the average P/B Ratios at approximately 0.50 times during the Post-Announcement Period. Considering that (i) the market has persistently valued the Company below its NAV at the average P/B Ratios over the Pre-Announcement Period at approximately 0.39 times and the Implied P/B Ratio of the Cancellation Price at approximately 0.49 times is higher than the historical P/B Ratios during the Pre-Announcement Period and represents a premium of approximately 27.12% over the average

P/B Ratios during the Pre-Announcement Period; (ii) the market has also persistently valued the Company below its NAV at the average P/B Ratios over the Post-Announcement Period at approximately 0.50 times and, in spite of 57 trading days (including 18 trading days with nil trading volume) out of total 69 trading days during the Post-Announcement Period when the P/B Ratios are above the Implied P/B Ratio, the Implied P/B Ratio of the Cancellation Price at approximately 0.49 times represents a slight discount of approximately 2.14% over the average P/B Ratios during the Post-Announcement Period, we are of the view that the Cancellation Price is fair and reasonable from the point of view of the historical P/B Ratios of the Shares.

5.5 Premium/(discount) of the Implied P/E Ratios to the historical P/E Ratios

In assessing the fairness and reasonableness of the Cancellation Price, we have reviewed, as set out in the table below, the historical P/E Share prices during the Review Period. The historical P/E Ratios of the Company are calculated based on their respective market capitalization, calculated based on the share closing price times the total number of shares in issue, divided by the respective profit for the year of the Company extracted from the respective latest published annual results announcement/report.



During the Pre-Announcement Period, the highest and lowest P/E Ratios were 26.16 times and 6.52 times recorded on 18 February 2025 and 17 to 23 January 2024 respectively. The average P/E Ratios over the Pre-Announcement Period is at approximately 11.17 times. During the

Post-Announcement Period, the highest and lowest P/E Ratios were 33.18 times and 30.88 times recorded on 17 Jun 2025 and 11 July 2025 and 6 and 8 August 2025 respectively. The average P/E Ratios over the Post-Announcement Period is at approximately 31.82 times. Considering that the Implied P/E Ratio of the Cancellation Price at approximately 33.85 times is higher than the historical P/E Ratios during the Review Period, and that it represents a premium of approximately 203.04% and 6.39% over the average P/E Ratios during the Pre-Announcement Period and Post-Announcement Period respectively, we are of the view that the Cancellation Price is fair and reasonable from the point of view of the historical P/E Ratios of the Shares.

6. PRIVATISATION PRECEDENTS

It is disclosed in the section headed “Explanatory memorandum” of the Scheme Document that the Cancellation Price has been determined, among others, with reference to other privatisation transactions in Hong Kong in recent years. From our perspective in this case, past privatisation transactions of companies listed on the Stock Exchange are less of a reference for assessing the fairness and reasonableness of the Cancellation Price considering these companies are from different industries, which therefore have different market fundamentals and prospects compared to those faced by the Group at this moment. In addition, the fact that past privatisation transactions were conducted at periods of different economic, industry and financial market cycles, and depending on the outlook at that point in time, will result in different considerations for their respective shareholders at that time. There are also variations in terms of scale of operations, financial performance and position as well as trading prospects and hence difference in risk premiums afforded by the market. Accordingly, we consider that the analysis in other sections above to be more relevant for the Disinterested Shareholders to make an informed assessment on the fairness and reasonableness of the Cancellation Price.

RECOMMENDATIONS

In summary, in relation to the Proposal and the Scheme, we have considered the below factors and reasons in reaching our conclusion and recommendations:

- (a) the Group’s revenue had shown a decreasing trend from FY2022 to FY2024 while the profitability had declined drastically for FY2024. The Group’s profit for FY2024 decreased substantially to HK\$9.9 million, representing a year-on-year decline of 71.1%. The Group’s profit margin decreased to 3.6% for FY2024 from 9.8% for FY2023. The substantial decrease in the Group’s profit for FY2024 was mainly due to the decrease in revenue and gross profit and the written down on properties held for sales of HK\$26.3 million recognised for FY2024. The Group’s revenue and profit for the six months ended 30 June 2025 had also shown a decreasing trend compared to the corresponding

period of 2024. The Group's profit decreased from approximately HK\$25.2 million for the six months ended 30 June 2024 to approximately HK\$8.0 million for the six months ended 30 June 2025, representing a decrease of approximately HK\$17.2 million or 68.3%;

- (b) despite that the Group had been maintaining a strong financial and liquid position, taking into account the Group may not be generating operating profit and cash flow to meet its liabilities, in particular the current liabilities of tax payables and bank loan, if the market downturn as set out in the section headed "1.5 Prospects" above in this letter persists, the Group's current bank balances and cash could be significantly depleted. Due consideration for the aforesaid precarious situation must be given when comparing the Group's consolidated net asset value per Share with the Cancellation Price which represents a discount to the consolidated net asset value per Share;
- (c) from our independent industry research, we note that according to a report titled Global Economic Prospects, June 2025 published by the World Bank Group on 10 June 2025, global economic growth is expected to weaken to 2.3% in 2025, compared to 2.8% (estimate) for 2024, in view of the substantial rise in trade barriers and the pervasive effects of an uncertain global policy environment. We also note that Hong Kong's fine jewellery exports declined by 8% year-on-year to HK\$80.5 billion in 2024 according to the data published by Hong Kong Trade Development Council. From the industry, and more specifically the Group's perspective, such situation may entail protracted difficult operating environment. The Jewellery Business of the Group has been hit by the weakened global macroeconomic environment and heightened geopolitical tensions. The Group downsized its operation in the PRC as the market showed no sign of significant recovery in 2024;
- (d) The Group declared the payment of final dividend of HK\$0.02 per share for each of the years ended 31 December 2022 and 31 December 2023. However, the Group recorded a significant decline in net profit and a reduction of dividend payout by 50% to HK\$0.01 per Share in FY2024. The Group had not declared any interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: nil). The Group's dividend policy, as set out in the section headed "1.5 Historical Dividend Payments of the Company" in this letter and the 2024 Annual Report of the Company, may preclude the Company from declaring dividends during this challenging operating environment, and if the Group's decreasing trend of both revenue and profitability persists;

- (e) from Disinterested Shareholders' perspective, the Proposal enables the Disinterested Shareholders to receive immediate cash proceeds from a fixed Cancellation Price regardless of the number of Shares they hold and amidst low trading liquidity of Shares which would have hampered their ability to sell Shares in the market for cash proceeds without exerting downward pressure on the market price of the Shares;
- (f) the Cancellation Price is higher than the closing prices of the Shares during the Review Period, and that it represents a premium of approximately 31.73% over the average closing prices of the Shares during the Review Period;
- (g) while the Cancellation Price represents a discount to the Group's consolidated net asset value, we note that the Implied P/B Ratio of the Cancellation Price is higher than the historical P/B Ratios during the Review Period, except for 57 trading days (including 18 trading days with nil trading volume) out of total 69 trading days after the Last Trading Day, and that it represents a premium of approximately 22.83% over the average P/B Ratios during the Review Period; and
- (h) the Implied P/E Ratio of the Cancellation Price is higher than the historical P/E Ratios during the Review Period, and that it represents a premium of approximately 145.45% over the average P/E Ratios during the Review Period.

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

Considering the above, we (i) are of the opinion that the Proposal and the Scheme are fair and reasonable so far as the Disinterested Shareholders are concerned; and (ii) recommend the Independent Board Committee to advise the Disinterested Shareholders to vote in favour of the Scheme at the Court Meeting and the resolutions in connection with the implementation of the Proposal at the EGM.

PART V LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As different Scheme Shareholders would have different investment criteria, objectives or risk appetite and profiles, we recommend any Disinterested Shareholders who may require advice in relation to any aspect of the Scheme Document, or as to the action to be taken, to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser.

Yours faithfully
For and on behalf of
VS Capital Limited
Francis Chan
Responsible Officer

Francis Chan is a person licensed to carry out type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance and is a responsible officer of VS Capital Limited who has over 15 years of experience in corporate finance advisory.

This Explanatory Memorandum constitutes the statement required under Order 102, rule 20(4)(e) of the Rules of the Grand Court of the Cayman Islands 2023 (as revised).

**A SCHEME OF ARRANGEMENT
(UNDER SECTION 86 OF THE COMPANIES ACT)**

INTRODUCTION

Pursuant to the Announcement, the Offeror and the Company jointly announced that on 30 May 2025, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of the Scheme.

If the Proposal is approved and implemented, under the Scheme:

- (a) all of the 519,585,000 Scheme Shares held by the Scheme Shareholders will be cancelled and extinguished on the Effective Date in consideration for the Cancellation Price, being HK\$0.25, in cash for each Scheme Share cancelled and extinguished;
- (b) contemporaneously with the cancellation of the Scheme Shares, the issued share capital of the Company will be maintained by the issuance at par value to the Offeror, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled and extinguished. The reserve created in the Company's books of account as a result of the cancellation and extinguishment of the Scheme Shares will be applied in paying up in full at par value the new Shares so issued to the Offeror; and
- (c) subject to the Scheme becoming effective, the Company will make an application to the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules for the withdrawal of the listing of the Shares on the Stock Exchange with effect from the Effective Date.

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

The particular attention of the Scheme Shareholders is drawn to the following sections of this Scheme Document: (a) the "Letter from the Board" in Part III of this Scheme Document; (b) the "Letter from the Independent Board Committee" in Part IV of this Scheme Document; (c) the "Letter from the Independent Financial Adviser" in Part V of this Scheme Document; and (d) the terms of the Scheme as set out in Appendix IV to this Scheme Document.

TERMS OF THE PROPOSAL**Cancellation Price**

The Cancellation Price of HK\$0.25 represents:

- (a) a premium of approximately 5.04% over the closing price of HK\$0.238 per share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a premium of approximately 61.29% over the closing price of HK\$0.155 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a premium of approximately 61.29% over the average closing price of approximately HK\$0.155 per Share as quoted on the Stock Exchange for the five trading days up to and including the Last Trading Day;
- (d) a premium of approximately 62.34% over the average closing price of approximately HK\$0.154 per Share as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;
- (e) a premium of approximately 58.23% over the average closing price of approximately HK\$0.158 per Share as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- (f) a discount of approximately 45.30% to the audited consolidated net asset value per Share of approximately HK\$0.457 as at 31 December 2024, based on (i) the audited net asset value attributable to owners of the Company of approximately HK\$609,939,000 as at 31 December 2024 and (ii) 1,335,078,000 Shares in issue as at the Latest Practicable Date;
- (g) a discount of approximately 45.57% to the unaudited consolidated net asset value per Share of approximately HK\$0.46 as at 30 June 2025, based on (i) the unaudited net asset value attributable to owners of the Company of approximately HK\$613,165,000 as at 30 June 2025 and (ii) 1,335,078,000 Shares in issue as at the Latest Practicable Date; and
- (h) a discount of approximately 50.70% to the Adjusted NAV attributable to the Shareholders per Share of approximately HK\$0.51. The Adjusted NAV is calculated by taking into account the effect of revaluation surplus arising from the valuation of the

Property interest attributable to the Group as of 30 June 2025. For details of Adjusted NAV please refer to Property Interests and Adjusted Net Asset Value section in Appendix I — Financial Information of the Group to this Scheme Document.

Highest and lowest prices

During the six-month period ended on and including the Last Trading Day and up to the Latest Practicable Date, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.245 on 17 June 2025, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.152 on 7 May 2025 and 14 May 2025.

Basis for determining the Cancellation Price

The Cancellation Price has been determined after taking into account the outlook of the Company, the historical trading prices and liquidity of the Shares on the Stock Exchange in the past year.

The principal businesses of the Company are (a) Jewellery Business; (b) Property Business; and (c) Energy Business. The Jewellery Business has been hit by the weakened global macroeconomic environment and heightened geopolitical tensions. The Group has already downsized its operation in the PRC as the market showed no sign of significant recovery in 2024. The global market of the Jewellery Business has also been facing challenges, particularly the US market. The continuing geopolitical tensions between China and the US, coupled with the high tariff on exports imposed by the US administration, have created a highly uncertain and challenging market environment for the Jewellery Business. Regarding the Property Business, the Group has commenced the delivery of the completed units to its buyers since the second half of 2018 and the vast majority of the revenue from the possible sale of properties has already been recognised by the Group. In light of the weak market sentiment of the PRC property market, the Group does not have any new property development project on hand nor any plan to commence or acquire any new project. As such, no significant increase in revenue is expected from the Property Business, and the Property Business will primarily rely on revenue generated from the sale of remaining units and car parks held by the Group and income from property management business in the coming few years. In addition, the Energy Business has only a relatively short period of operation with a relatively small scale compared to the Group's other business segments and due to the keen market competition in the PRC, it is expected that the pace of growth of the Energy Business will be restricted. Based on the above, it is unrealistic to expect the Group to attain steady growth in terms of revenue. In fact, the Group recorded a significant decline in net profit

and a reduction of dividend payout by 50% to HK\$0.01 per Share in FY2024. The Offeror is of the view that privatisation and delisting of the Shares from the Stock Exchange allows the Company to focus on formulating and implementing long-term strategy to cope with this turbulent time.

The Proposal provides Scheme Shareholders with an opportunity to realise their investments in the Company for cash at an attractive premium to the prevailing trading prices of the Shares. As set out in the section headed “TERMS OF THE PROPOSAL” in Part III – Letter from the Board of this Scheme Document, the Cancellation Price represents a premium of approximately 61.29%, 62.34% and 58.23% over the average closing price of approximately HK\$0.155, HK\$0.154 and HK\$0.158 per Share for the 5, 10 and 30 trading days, respectively, up to and including the Last Trading Day. Moreover, the Cancellation Price represents an approximate premium of approximately 64.47% over the lowest closing price of HK\$0.152 per Share in the past six months; and a premium of approximate 2.04% to the highest closing price of HK\$0.245 per Share in the past six months.

The trading liquidity of the Shares has been low. The average daily trading volume of the Shares for the approximate one-month period, three-month period and six-month period up to and including the Last Trading Day were approximately 25,800 Shares, 49,950 Shares and 55,688 Shares per trading day, representing only approximately 0.0019%, 0.0037% and 0.0042%, respectively, of the 1,335,078,000 Shares in issue as at the Latest Practicable Date, and approximately 0.0086%, 0.0167% and 0.0186%, respectively of the 299,250,218 Shares held by Disinterested Scheme Shareholders as at the Latest Practicable Date. The low trading liquidity of the Shares could make it difficult for the Scheme Shareholders to execute substantial on-market disposals without adversely affecting the price of the Shares, or to dispose of a large number of Shares if an event that has an adverse impact on the Share price occurs. The low liquidity in the trading of the Shares has also affected the Company’s ability to raise funds from the equity market, which makes the Company’s current listing platform no longer an effective fund-raising platform for the Company’s business and future growth.

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

Dividend payment by the Company

On 24 March 2025, the Board proposed the payment of a final dividend of HK\$0.01 per Share for the year ended 31 December 2024. The last annual general meeting of the Company was held on 2 June 2025, at which, the resolution was passed for the approval of the payment of dividend for the year ended 31 December 2024. The final dividend of the Company for the year ended 31 December 2024 was paid on 7 July 2025.

As at the Latest Practicable Date, the Company does not intend to declare and/or pay any dividend before the Effective Date or the date on which the Scheme is not approved, or the Proposal otherwise lapses or is withdrawn (as the case may be).

Save for the final dividend of the Company of HK\$0.01 per Share for the year ended 31 December 2024, which will not be deducted from the Cancellation Price, if, after the Latest Practicable Date, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Cancellation Price by all or any part of the amount or value of such dividend, distribution and/or other return of capital, as the case may be, after consultation with the Executive, in which case any reference in this Scheme Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced.

Total consideration and financial resources

As at the Latest Practicable Date, there are 1,335,078,000 Shares in issue, and there are 519,585,000 Scheme Shares (representing approximately 38.92% of the issued Shares) in issue. There are no other outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carry a right to subscribe for or which are convertible into Shares.

On the basis of the Cancellation Price of HK\$0.25 per Scheme Share and 519,585,000 Scheme Shares being in issue as at the Latest Practicable Date and assuming that there is no other change in the shareholding of the Company before the Scheme Record Date, the Scheme Shares are in aggregate valued at HK\$129,896,250, which represents the amount of cash required for the Scheme.

The Offeror's payment obligations to the Scheme Shareholders in respect of the Cancellation Price in cash pursuant to and in accordance with the Scheme shall be fulfilled by the Offeror. The Offeror intends to finance the cash required for the cancellation and extinguishment of the Scheme Shares with the Offeror's internal cash resources.

Zhongtai Capital has been appointed as financial adviser to the Offeror in respect of the Proposal and is satisfied that sufficient financial resources are available to the Offeror for discharging its obligations in respect of the cash consideration payable under the Proposal in accordance with its terms.

IRREVOCABLE UNDERTAKINGS

On 3 June 2025, the Offeror received the respective Irrevocable Undertakings from each of the IU Shareholders (comprising Classic Amber, Richemont Asset Management and Cachet Asset Management), pursuant to which each of the IU Shareholders has undertaken to, among other things, (i) for Classic Amber, (a) to vote in favour at the Court Meeting and (b) exercise (or procure the exercise of) all voting rights attached to the IU Shares held or owned by it at the EGM in favour of all the resolutions to approve the Proposal and any matters in connection with the Proposal, (ii) for each of Richemont Asset Management and Cachet Asset Management, (a) abstain from voting at the Court Meeting and (b) exercise (or procure the exercise of) all voting rights attached to the IU Shares held or owned by it at the EGM in favour of all the resolutions to approve the Proposal and any matters in connection with the Proposal (where applicable). Each of the IU Shareholders also undertook that it will not, on or before the Effective Date, and other than in connection with the Scheme, sell, transfer, charge, encumber, create or grant any option, right, warrant or lien over or otherwise dispose of, or enter into any swap or other arrangement that transfers to another, in whole or in part, any of the legal, beneficial or economic consequences of ownership of, or grant any proxy or enter into any voting agreement or similar arrangement with respect to the voting of, or permit any such action to occur in respect of, all or any of the IU Shares or any interest therein.

All the issued shares of Cachet Asset Management are ultimately and beneficially owned by Ms. Chow who is also the sole shareholder of Richemont Asset Management. Cachet Asset Management is the investment advisor of Mr. Kan, therefore, Ms. Chow, Cachet Asset Management and Richemont Asset Management are deemed to be the Offeror Concert Parties pursuant to Class (5) of the definition of “acting in concert” under the Takeovers Code. In accordance with the requirements of the relevant laws and regulations (including the Takeovers Code), each of Cachet Asset Management and Richemont Asset Management will abstain from voting on the Scheme at the Court Meeting. As at the Latest Practicable Date, Richemont Asset Management and Cachet Asset Management hold an aggregate of 89,339,782 Shares representing approximately 6.69% of the total Shares in issue, which will form part of the Scheme Shares and will be cancelled and extinguished upon the Scheme becoming effective.

The Irrevocable Undertakings, being binding irrevocable undertakings, will terminate and the above obligations of the IU Shareholders under the Irrevocable Undertakings will cease to be binding if the Scheme does not become effective, lapses or is withdrawn in accordance with its terms.

INFORMATION ON THE IU SHAREHOLDERS

As at the Latest Practicable Date, information on the IU Shareholders is set out as follows:

Classic Amber

Classic Amber is a company incorporated in the British Virgin Islands with limited liability, and Mr. Jacky Luo is the ultimate and sole beneficial shareholder of it. As at the Latest Practicable Date, Classic Amber is interested in an aggregate of 101,232,000 Shares, representing approximately 7.58% of the issued share capital of the Company, all of such 101,232,000 Shares held by Classic Amber are subject to the Irrevocable Undertaking of Classic Amber. Save for the Irrevocable Undertaking from Classic Amber, there is no agreement, arrangement or understanding between Classic Amber and Mr. Jacky Luo on one part and the Offeror and Mr. Kan on the other part with respect to the Company. Classic Amber and Mr. Jacky Luo on one part and the Offeror and Mr. Kan on the other part are not acting in concert and do not fall under any of the classes of presumptions of acting in concert under the Takeovers Code.

Richemont Asset Management

Richemont Asset Management is a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is ultimately and beneficially owned by Ms. Chow. As at the Latest Practicable Date, Richemont Asset Management is interested in an aggregate of 87,426,997 Shares, representing approximately 6.55% of the issued share capital of the Company, all of such 87,426,997 Shares held by Richemont Asset Management are subject to the Irrevocable Undertaking of Richemont Asset Management.

Cachet Asset Management

Cachet Asset Management is a company incorporated in Hong Kong with limited liability, all the issued shares of which are ultimately and beneficially owned by Ms. Chow. As at the Latest Practicable Date, Cachet Asset Management is interested in an aggregate of 1,912,785 Shares, representing approximately 0.14% of the issued share capital of the Company, all of such 1,912,785 Shares held by Cachet Asset Management are subject to the Irrevocable Undertaking of Cachet Asset Management.

CONDITIONS OF THE PROPOSAL AND THE SCHEME

The Proposal and the Scheme will only become effective and binding on the Company and all of the Scheme Shareholders if the following Conditions are fulfilled or waived (as applicable):

- (a) the approval of the Scheme (by way of poll) by the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders entitled to vote at Court Meeting, present and voting either in person or by proxy at the Court Meeting;
- (b) the approval of the Scheme (by way of poll) at the Court Meeting by the Disinterested Scheme Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by the Disinterested Scheme Shareholders that are cast either in person or by proxy at the Court Meeting and the number of votes cast by Disinterested Scheme Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by the Disinterested Scheme Shareholders;
- (c) the passing of (i) a special resolution by a majority of at least 75% of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve and give effect to any reduction of the issued share capital of the Company as a result of cancelling and extinguishing the Scheme Shares and (ii) an ordinary resolution by a simple majority of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve the issue to the Offeror of such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished as a result of the Scheme and the application of the credit arising in the Company's books of accounts as a result of the cancellation and extinguishment of the Scheme Shares in paying up in full at par value the new Shares issued to the Offeror;
- (d) the sanction of the Scheme (with or without modification) by the Grand Court and if necessary its confirmation of any reduction of the issued share capital of the Company as a result of the cancellation and extinguishment of the Scheme Shares, and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of (and if necessary, minutes approved by) the Grand Court for registration;

- (e) all Approvals which are (i) required in connection with the Proposal by (1) the Applicable Laws or (2) any licenses, permits or contractual obligations of the Company; and (ii) material in the context of the Group (taken as a whole), having been obtained (or, as the case may be, completed) and remaining in full force and effect without modification up to and as at the Effective Date;
- (f) no Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order), in each case, which would make the Proposal or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal);
- (g) all the Applicable Laws having been complied with and no legal or regulatory requirement having been imposed by any Authority which is not expressly provided for, or is in addition to the requirements expressly provided for, in the Applicable Laws in connection with the Proposal which are material in the context of the Group (taken as a whole), in each case up to and as at the Effective Date; and
- (h) since the date of the Announcement, there having been no adverse change to the business, financial or trading position of the Group taken as a whole, to an extent that is material in the context of the Proposal or the Scheme.

The Conditions set out in paragraphs (a) to (d) and (e)(i)(1) above cannot be waived. The Offeror reserves the right to waive all or any of the Conditions in paragraphs (e) to (h) (other than (e)(i)(1)) in whole or in part. The Company does not have the right to waive any of the Conditions. All of the above Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Executive may consent and the Grand Court may direct), failing which the Scheme will not become effective and the Proposal will lapse.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Proposal or the Scheme if the circumstances which give rise to the right to invoke such Condition are of material significance to the Offeror in the context of the Proposal or the Scheme.

In respect of Condition (e)(i)(2), the Company and/or the Offeror is not aware of any such approvals other than those stipulated in a loan facility agreement entered into by the Company with a licensed bank in Hong Kong as at the date of the Announcement. After discussion with the bank, such loan facility agreement was cancelled on 14 August 2025, and the Company and/or the Offeror is not aware of any other such approvals as at the Latest Practicable Date.

As at the Latest Practicable Date and based on the information available to the Offeror and the Company, other than the Approvals listed in the Conditions in paragraphs (a) to (d) (inclusive), and the approval by the Stock Exchange for the withdrawal of listing of the Shares on the Stock Exchange, the Offeror and the Company are not aware of any other Approvals which are required as set out in the Condition in paragraph (e) above, and the Offeror and the Company are also not aware of any other circumstances which may result in any of the Conditions in paragraphs (e) to (h) (inclusive) not being satisfied. In particular, as at the Latest Practicable Date, the Company is not aware of any Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry as set out in the Condition in paragraph (f).

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

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

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date:

- (a) the issued share capital of the Company comprises 1,335,078,000 Shares;
- (b) the Offeror beneficially owns, controls or has direction over 729,000,000 Shares, representing approximately 54.60% of the issued Shares;
- (c) the Offeror Concert Parties beneficially own, control or have direction over 306,827,782 Shares, representing approximately 22.98% of the issued Shares;

- (d) the Offeror, Mr. Kan and their respective concert parties hold an aggregate of 1,035,827,782 Shares, representing approximately 77.59% of the issued Shares;
- (e) the Disinterested Scheme Shareholders legally or beneficially own, control or have direction over a total of 299,250,218 Shares, representing approximately 22.41% of the issued Shares;
- (f) the Scheme Shareholders legally or beneficially own, control or have direction over a total of 519,585,000 Shares, representing approximately 38.92% of the issued Shares;
- (g) Zhongtai Capital is the financial adviser to the Offeror in connection with the Proposal. Accordingly, Zhongtai Capital is presumed to be acting in concert with the Offeror in relation to the Company in accordance with Class (5) of the definition of “acting in concert” under the Takeovers Code. As at the Latest Practicable Date, Zhongtai Capital does not hold any Shares;
- (h) there are no other outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carry a right to subscribe for or which are convertible into Shares;
- (i) there are no convertible securities, warrants or options in respect of the Shares held, controlled or directed by the Offeror and the Offeror Concert Parties;
- (j) neither the Offeror nor any of the Offeror Concert Parties have entered into any outstanding derivative in respect of the securities in the Company; and
- (k) neither the Offeror nor any of the Offeror Concert Parties have borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

All Scheme Shares will be cancelled and extinguished in consideration for the Cancellation Price in cash upon the Scheme becoming effective.

PART VI**EXPLANATORY MEMORANDUM**

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

Shareholders	As at the Latest Practicable Date		Immediately upon completion of the Proposal	
	<i>Number of Shares</i>	<i>Approximate % of total Shares</i>	<i>Number of Shares</i>	<i>Approximate % of total Shares</i>
Offeror (<i>Note 1 and 5</i>)				
— Offeror	729,000,000	54.60	1,248,585,000	93.53
Offeror Concert Parties				
— King Jewel (<i>Notes 2 and 5</i>)	57,339,000	4.29	57,339,000	4.29
— Mr. Kan (<i>Note 5</i>)	29,154,000	2.18	29,154,000	2.18
— Classic Sapphire (<i>Note 3</i>)	100,620,000	7.54	—	—
— Richemont Asset Management (<i>Note 4</i>)	87,426,997	6.55	—	—
— Cachet Asset Management (<i>Note 4</i>)	1,912,785	0.14	—	—
— Classic Emerald (<i>Note 6</i>)	30,375,000	2.28	—	—
Sub-total of Offeror and Offeror Concert Parties	1,035,827,782	77.59	1,335,078,000	100.00
Independent non-executive Director				
Dr. Ng Wang Pun Dennis (<i>Note 7</i>)	738,000	0.06	—	—
Other Shareholders	197,280,218	14.78	—	—
Classic Amber (<i>Note 8</i>)	101,232,000	7.58	—	—
Total number of Disinterested Scheme Shares (<i>Note 9</i>)	299,250,218	22.41	—	—
Total Shares	1,335,078,000	100.00	1,335,078,000	100.00
Public Float of the Company (<i>Note 10</i>)	387,852,000	29.05	—	—
Total number of Scheme Shares (<i>Note 11</i>)	519,585,000	38.92	—	—

Notes:

1. The entire issued share capital of the Offeror is ultimately and beneficially owned by Mr. Kan who is deemed to be interested in the Shares held by the Offeror by virtue of the SFO.
2. The entire issued share capital of King Jewel is ultimately and beneficially owned by Mr. Kan who is deemed to be interested in the Shares held by King Jewel by virtue of the SFO.
3. The issued share capital of Classic Sapphire is ultimately and beneficially owned as to 50% by Mr. Kan and 50% by Mr. Chan Wing Sum. Mr. Kan is deemed to be interested in the Shares held by Classic Sapphire by virtue of the SFO. As at the Latest Practicable Date, the 100,620,000 Shares held by Classic Sapphire will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective.
4. All the shares in issue of Richemont Asset Management and Cachet Asset Management are ultimately and beneficially owned by Ms. Chow. Cachet Asset Management is the investment advisor of Mr. Kan, therefore, Ms. Chow, Cachet Asset Management and Richemont Asset Management are deemed to be the Offeror Concert Parties pursuant to Class (5) of the definition of “acting in concert” under the Takeovers Code. As at the Latest Practicable Date, Richemont Asset Management and Cachet Asset Management hold an aggregate of 89,339,782 Shares, which will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective.
5. The Shares held by the Offeror Group as at the Latest Practicable Date will not form part of the Scheme Shares and will not be cancelled or extinguished upon completion of the Proposal.
6. Mr. Chung Chi Keung is the sole shareholder of Classic Emerald which is the holder of these Shares. Mr. Chung Chi Keung is deemed to be interested in these Shares by virtue of the SFO. As at the Latest Practicable Date, Mr. Chung Chi Keung is an executive Director. Mr. Chung is presumed to be acting in concert with Mr. Kan under class (6) of the definition of “acting in concert” under the Takeovers Code. As at the Latest Practicable Date, Classic Emerald holds 30,375,000 Shares, which will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective.
7. Dr. Ng Wang Pun Dennis is interested in these Shares in his personal capacity. As at the Latest Practicable Date, Dr. Ng Wang Pun Dennis is an independent non-executive Director. As there is no agreement, arrangement or understanding between Dr. Ng Wang Pun Dennis on the one hand, and the Offeror on the other, Dr. Ng Wang Pun Dennis is not regarded as acting in concert with the Offeror and the Shares held by him will form part of the Scheme Shares held by the Disinterested Scheme Shareholders.
8. Classic Amber is a company incorporated in the British Virgin Islands with limited liability, and Mr. Jacky Luo is the ultimate and sole beneficial shareholder of it. As at the Latest Practicable Date, Classic Amber and/or Mr. Jacky Luo are not acting in concert with the Offeror and the Shares held by Classic Amber will form part of the Scheme Shares held by the Disinterested Scheme Shareholders.
9. Disinterested Scheme Shares are Shares held by Dr. Ng Wang Pun Dennis, Classic Amber and Other Shareholders.
10. Public float of the Company does not include Shares held by the Offeror, Mr. Kan, King Jewel, Classic Sapphire, Classic Emerald and Dr. Ng Wang Pun Dennis.
11. All Shares, other than those Shares held by the Offeror Group, will form part of the Scheme Shares.
12. The aggregate of the percentage figures in the table above may not add up to the relevant sub-total or total percentage figures shown due to rounding of the percentage figures to two decimal places.

INFORMATION ON THE GROUP

The Company is a company incorporated in the Cayman Islands with limited liability and the Shares are listed on the Main Board of the Stock Exchange with the stock code 3326. The principal businesses of the Group are (a) designing, manufacturing and sales of high-end fine jewellery; (b) investment in and the development and sales of properties for the Perfect Group Jewellery Industry Park located in Foshan, Guangdong Province of the PRC; and (c) sales of electricity generated from the photovoltaic power generation system and provision of energy storage service.

The following is a summary of the audited financial results of the Group for each of the two years ended 31 December 2024 and the unaudited financial results of the Group for the six months ended 30 June 2025 as extracted from the published financial statements of the Group for the relevant years.

	Six months ended 30 June 2025 HK\$'000 (unaudited)	Year ended 31 December 2024 HK\$'000 (audited)	Year ended 31 December 2023 HK\$'000 (audited)
Revenue	146,197	273,492	348,711
(Loss)/Profit before income tax	5,973	(1,655)	43,259
Profit for the year/period	8,015	9,859	34,158

As at 31 December 2023 and 2024, the audited net assets attributable to owners of the Company amounted to approximately HK\$642,667,000 and HK\$609,939,000, respectively. As at 30 June 2025, the unaudited net assets attributable to owners of the Company amounted to approximately HK\$613,165,000.

For further details on the financial information of the Group, please refer to Appendix I to this Scheme Document.

INFORMATION ON THE OFFEROR AND OFFEROR CONCERT PARTIES

The Offeror is a company incorporated in the British Virgin Islands with limited liability and has been one of the controlling shareholders of the Company since the Listing. The entire issued share capital of the Offeror is ultimately and beneficially owned by Mr. Kan.

As at the Latest Practicable Date, the Offeror held 729,000,000 Shares and 54.60% of the issued share capital of the Company. Immediately upon the Scheme becoming effective, the Company and its subsidiaries will continue to be subsidiaries of the Offeror.

As at the Latest Practicable Date, the sole director of the Offeror is Mr. Kan. Mr. Kan is the chairman of the Board and an executive Director of the Company, and is the spouse of Ms. Shek Mei Chun, an executive Director of the Company.

INFORMATION ON CLASSIC SAPPHIRE AND CLASSIC EMERALD

As at the Latest Practicable Date, information on Classic Sapphire and Classic Emerald (both a concert party of the Offeror and Mr. Kan) is set out as follows:

Classic Sapphire

Classic Sapphire is a company incorporated in the British Virgin Islands with limited liability, the issued shares of which are ultimately and beneficially owned as to 50% by Mr. Kan and 50% by Mr. Chan Wing Sum. As at the Latest Practicable Date, Classic Sapphire is interested in 100,620,000 Shares, representing approximately 7.54% of the issued share capital of the Company.

Classic Emerald

Classic Emerald is a company incorporated in the British Virgin Islands with limited liability, the issued shares of which are ultimately and beneficially owned as to 100% by Mr. Chung Chi Keung. As at the Latest Practicable Date, Classic Sapphire is interested in 30,375,000 Shares, representing approximately 2.28% of the issued share capital of the Company.

REASONS FOR AND BENEFITS OF THE PROPOSAL

For Scheme Shareholders

The Offeror sees the Scheme as a unique opportunity to unlock significant value for the Scheme Shareholders. The Proposal is an opportunity for the Scheme Shareholders to monetise their Shares amidst challenging and uncertain market conditions.

The principal businesses of the Group are (a) Jewellery Business; (b) Property Business; and (c) Energy Business. The Jewellery Business has been hit by the weakened global macroeconomic environment and heightened geopolitical tensions. The Group has already downsized its operation in the PRC as the market showed no sign of significant recovery in 2024. The global market of the Jewellery Business has also been facing challenges, particularly the US market. The continuing

geopolitical tensions between China and the US, coupled with the high tariff on exports imposed by the US administration, have created a highly uncertain and challenging market environment for the Jewellery Business. Regarding the Property Business, the Group has commenced the delivery of the completed units to its buyers since the second half of 2018 and the vast majority of the revenue from the possible sale of properties has already been recognised by the Group. In light of the weak market sentiment of the PRC property market, the Group does not have any new property development project on hand nor any plan to commence or acquire any new project. As such, no significant increase in revenue is expected from the Property Business, and the Property Business will primarily rely on revenue generated from the sale of remaining units and car parks held by the Group and income from property management business in the coming few years. In addition, the Energy Business has only a relatively short period of operation with a relatively small scale compared to the Group's other business segments and due to the keen market competition in the PRC, it is expected that the pace of growth of the Energy Business will be restricted. Based on the above, it is unrealistic to expect the Group to attain steady growth in terms of revenue. In fact, the Group recorded a significant decline in net profit and a reduction of dividend payout by 50% to HK\$0.01 per Share in FY2024. The Offeror is of the view that privatisation and delisting of the Shares from the Stock Exchange allows the Company to focus on formulating and implementing long-term strategy to cope with this turbulent time.

The Proposal provides Scheme Shareholders with an opportunity to realise their investments in the Company for cash at an attractive premium to the prevailing trading prices of the Shares. As set out in the section headed "TERMS OF THE PROPOSAL" in Part III — Letter from the Board of this Scheme Document, the Cancellation Price represents a premium of approximately 61.29%, 62.34% and 58.23% over the average closing price of approximately HK\$0.155, HK\$0.154 and HK\$0.158 per Share for the 5, 10 and 30 trading days, respectively, up to and including the Last Trading Day. Moreover, the Cancellation Price represents an approximate premium of approximately 64.47% over the lowest closing price of HK\$0.152 per Share in the past six months; and a premium of approximate 2.04% to the highest closing price of HK\$0.245 per Share in the past six months.

The trading liquidity of the Shares has been low. The average daily trading volume of the Shares for the approximate one-month period, three-month period and six-month period up to and including the Last Trading Day were approximately 25,800 Shares, 49,950 Shares and 55,688 Shares per trading day, representing only approximately 0.0019%, 0.0037% and 0.0042%, respectively, of the 1,335,078,000 Shares in issue as at the Latest Practicable Date, and approximately 0.0086%, 0.0167% and 0.0186%, respectively of the 299,250,218 Shares held by Disinterested Scheme Shareholders as at the Latest Practicable Date. The low trading liquidity of the Shares could make it difficult for the Scheme Shareholders to execute substantial on-market disposals without adversely affecting the price of the Shares, or to dispose of a large number of Shares if an event that has an adverse impact on the Share price occurs. The low liquidity in the

trading of the Shares has also affected the Company's ability to raise funds from the equity market, which makes the Company's current listing platform no longer an effective fund-raising platform for the Company's business and future growth.

For the Offeror and the Company

The Company has not conducted any equity fund raising activities in recent years due to the relatively low liquidity in the trading of the Shares as aforesaid and the downward trend of the trading price of the Shares in the past years. Under such circumstances, the Company is unable to fully utilise its current listing platform as a source of funding for its long-term growth. It is expected that continued listing of the Shares may not provide any meaningful benefit to the Company in the near future.

The Proposal is expected to permit the Offeror to make strategic decisions focusing on the long-term growth and benefits, free from the pressure of market expectations, share price fluctuations and compliance requirements which arise from the Company being a publicly listed company. The Proposal, which entails the delisting of the Company, is also expected to reduce the administrative costs and management resources associated with maintaining the Company's listing status and compliance with regulatory requirements. It could also provide more flexibility for the Group to achieve long-term commercial development and free the Company from the pressure of share price fluctuations and additional costs and expenses that may arise from the Company being a publicly listed company.

INTENTION OF THE OFFEROR WITH REGARD TO THE GROUP

Following the implementation of the Proposal, the Offeror intends that the Group will continue to carry on its current business. The Offeror has no intention of making any major changes to the business of the Group, including any major redeployment of fixed assets or making any material change to the continued employment of employees of the Group, other than those in the ordinary course of business of the Group. The Offeror will continue to monitor the Group's performance and implement appropriate strategies for the Group and its business. The Offeror also intends for the Company to withdraw the listing of the Shares on the Stock Exchange upon the Scheme becoming effective.

FINANCIAL ADVISER TO THE OFFEROR, INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Offeror has appointed Zhongtai Capital as its financial adviser in connection with the Proposal and the Scheme.

The Independent Board Committee, which comprises Dr. Ng Wang Pun Dennis, Ms. Ng Sin Kiu and Mr. Wong Wai Keung Frederick, all being independent non-executive Directors, has been established by the Board in accordance with Rule 2.1 of the Takeovers Code to make a recommendation to the Disinterested Scheme Shareholders as to whether the terms of the Proposal and the Scheme are, or are not, fair and reasonable and as to voting at the Court Meeting and the EGM.

VS Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in connection with the terms of the Proposal and the Scheme. The appointment of VS Capital has been approved by the Independent Board Committee.

The full text of the letter from the Independent Board Committee and the letter from the Independent Financial Adviser is set out in Part IV and Part V of this Scheme Document, respectively.

WITHDRAWAL OF LISTING OF THE SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and extinguished (with the equivalent number of new Shares being simultaneously issued and credited as fully paid to the Offeror) and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will make an application for the listing of the Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15 of the Listing Rules, with effect from the Effective Date.

IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

If the Scheme is not approved or does not become effective, or the Proposal otherwise lapses or is withdrawn, an announcement will be made by the Offeror and the Company, and:

- (a) no Scheme Shares will be cancelled, the shareholding structure of the Company will not change as a result of the Proposal, and the Company will continue to have sufficient public float as required by the Listing Rules;
- (b) the listing of the Shares on the Stock Exchange will not be withdrawn; and
- (c) there are restrictions under Rule 31.1 of the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with the Offeror in the course of the Proposal (nor any person who is subsequently acting in

concert with any of them) may within 12 months from the date on which the Scheme is not approved or otherwise lapses or is withdrawn announce an offer or possible offer for the Company, except with the consent of the Executive.

COSTS OF THE SCHEME

If either the Independent Board Committee or the Independent Financial Advisor does not recommend the Proposal, and the Scheme is not approved, all costs and expenses incurred by the Company in connection therewith shall be borne by the Offeror in accordance with Rule 2.3 of the Takeovers Code.

Since the Independent Board Committee has recommended the Proposal and the Independent Financial Adviser has recommended the Proposal as fair and reasonable, Rule 2.3 of the Takeovers Code is not applicable. The Company and the Offeror have agreed that each party shall bear their own costs, charges and expenses of and incidental to the Proposal and the Scheme.

OVERSEAS SCHEME SHAREHOLDERS

The making and implementation of the Proposal to Scheme Shareholders who are not resident in Hong Kong may be affected by the applicable laws and regulations of the relevant jurisdictions. Any Scheme Shareholders who are not resident in Hong Kong should inform themselves about and observe any applicable legal and regulatory requirements in their own jurisdictions. As at the Latest Practicable Date, there were no Scheme Shareholders whose addresses as shown in the register of members of the Company were outside Hong Kong.

It is the responsibility of any overseas Scheme Shareholders wishing to take any action in relation to the Proposal to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, compliance with the necessary formalities and the payment of any issue, transfer or other taxes due from such shareholder in such jurisdiction.

Any approval of the Proposal by the Scheme Shareholders will be deemed to constitute a representation and warranty from such persons to the Offeror and the Company and their respective advisers, including Zhongtai Capital, the financial adviser to the Offeror, that those laws and regulatory requirements have been complied with. If you are in doubt as to your position, you should consult your professional advisers.

NOTICE TO US INVESTORS

The Proposal is being made to cancel the securities of a Cayman Islands exempted company by means of a scheme of arrangement provided for under the laws of Cayman Islands and is subject to Hong Kong disclosure requirements which are different from those of the United States.

A transaction effected by means of a scheme of arrangement is not subject to the tender offer or proxy solicitation rules under the US Securities Exchange Act of 1934, as amended. Accordingly, the Proposal is subject to the disclosure requirements and practices applicable in the Cayman Islands and Hong Kong to schemes of arrangement which differ from the disclosure and procedural requirements applicable under the US federal securities laws.

The receipt of cash pursuant to the Proposal by a US holder of Scheme Shares as consideration for the cancellation and extinguishment of his/her/its Scheme Shares pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each holder of Scheme Shares is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of the Proposal applicable to him/her/it.

It may be difficult for US holders of Scheme Shares to enforce their rights and claims arising out of the US federal securities laws, since the Offeror and the Company are located in a country other than the United States, and some or all of their officers and directors may be residents of a country other than the United States. US holders of Scheme Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

TAXATION ADVICE

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

The Scheme Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications relating to the Proposal and the Scheme. It is emphasised that none of the Offeror, the Offeror Concert Parties, the Company, Zhongtai Capital nor any of their respective directors, officers or associates or any other person involved in the Proposal accepts responsibility (other than in respect of themselves, if applicable) for any taxation effects on, or liabilities of, any other persons as a result of their approval or the implementation of the Proposal.

REGISTRATION AND PAYMENT**Closure of the Register**

Assuming the Scheme Record Date falls on Tuesday, 28 October 2025, it is proposed that the Register will be closed from Friday, 24 October 2025 onwards (or such other date as may be notified to the Shareholders by announcement) for the purpose of determining entitlements of Scheme Shareholders under the Scheme. In order to qualify for entitlements under the Scheme, Scheme Shareholders should ensure that the transfer documents are lodged with the Hong Kong Branch Share Registrar before 4:00 p.m. on Thursday, 23 October 2025 for registration of Shares in their own name. The registered office of the Hong Kong Branch Share Registrar, Union Registrars Limited, is at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong.

Payment of the Cancellation Price to the Scheme Shareholders

Upon the Scheme becoming effective, cheques in respect of the Cancellation Price will be made to the Scheme Shareholders whose names appear on the Register as at the Scheme Record Date as soon as possible but in any event no later than seven (7) Business Days after the Effective Date. On the basis that the Scheme becomes effective on Tuesday, 28 October 2025 (Cayman Islands time), cheques for payment of the Cancellation Price payable under the Scheme are expected to be despatched on or before Friday, 7 November 2025.

Cheques for payment of the Cancellation Price entitlements of the Scheme Shareholders will be despatched by ordinary post in postage pre-paid envelopes addressed to them at their respective addresses as appearing in the Register as at the Scheme Record Date or, in the case of joint holders, at the address appearing in the Register as at the Scheme Record Date of the joint holder whose name then stands first in the Register in respect of the relevant joint holding. For Beneficial Owners that hold Scheme Shares through a Registered Owner (other than HKSCC Nominees Limited), cheques made out in the name of the Registered Owner will be sent by posting the same by ordinary post in postage pre-paid envelopes addressed to the Registered Owner. For Beneficial Owners whose Scheme Shares are deposited in CCASS and registered under the name of HKSCC Nominees Limited, the Cancellation Price will be paid to HKSCC Nominees Limited by cheque and such payment will be caused to be credited to the designated bank accounts of the relevant CCASS Participants in accordance with the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. All such cheques will be posted at the risk of the addressees and none of the Offeror, the Company, Zhongtai Capital, the Independent Financial Adviser, the Hong Kong Branch Share Registrar or any of their respective directors, officers, employees, agents, affiliates or advisers or any other persons involved in the Proposal will be responsible for any loss or delay in despatch.

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

The Offeror shall hold such monies on trusts until the expiry of six (6) years from the Effective Date and shall, prior to such date, make payments therefrom of the sums, without interest earned thereon, to persons who satisfy the Offeror that they are respectively entitled thereto, provided that the cheques of which they are payees have not been cashed. On the expiry of six (6) years from the Effective Date, the Offeror shall be released from any further obligation to make any payments under the Scheme and the Offeror shall be absolutely entitled to the balance (if any) of the sums then standing to the credit of the deposit account, including accrued interest, subject to any deduction required by law and expenses incurred.

Upon the Scheme becoming effective, all existing share certificates representing the Scheme Shares will cease to have effect as documents or evidence of title as from the Effective Date, which is expected to be on Tuesday, 28 October 2025 (Cayman Islands time).

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

ACTIONS TO BE TAKEN

Your attention is drawn to the section headed “Actions to be taken” at pages i to vii of this Scheme Document.

THE SCHEME AND THE COURT MEETING

Pursuant to section 86 of the Companies Act, where an arrangement is proposed between a company and its members or any class of them, the Grand Court may, on the application of the company or any member of the company, order a meeting of the members of the company or class of members, as the case may be, to be summoned in such manner as the Grand Court directs.

It is expressly provided in section 86 of the Companies Act that if 75% in value of the members or class of members, as the case may be, present and voting either in person or by proxy at the meeting held as directed by the Grand Court as aforesaid, agree to any arrangement, the arrangement shall, if sanctioned by the Grand Court, be binding on all members or class of members, as the case may be, and also on the company.

ADDITIONAL REQUIREMENTS AS IMPOSED BY RULE 2.10 OF THE TAKEOVERS CODE

In addition to satisfying any requirements imposed by the Companies Act as summarised above, other than with the consent of the Executive to dispense with compliance or strict compliance therewith, Rule 2.10 of the Takeovers Code requires that the Scheme may only be implemented if:

- (a) the Scheme is approved by the Scheme Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by the Disinterested Scheme Shareholders that are voted either in person or by proxy at the Court Meeting; and
- (b) the number of votes cast by the Disinterested Scheme Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by all the Disinterested Scheme Shareholders.

As at the Latest Practicable Date, the Disinterested Scheme Shareholders held in aggregate 299,250,218 Scheme Shares. On that basis, 10% of the votes attached to Scheme Shares held by all the Disinterested Scheme Shareholders referred to in paragraph (b) above would therefore represent approximately 29,925,021 Scheme Shares as at the Latest Practicable Date.

COURT MEETING AND EGM

The Court Meeting will be held at The Garden Rooms (Narcissus Room), 2/F., The Royal Garden, 69 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Monday, 13 October 2025 at 9:30 a.m. for the purpose of considering and, if thought fit, approving (with or without modifications) the Scheme.

Such resolution will be passed under section 86 of the Companies Act if not less than 75% in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting voted in favour of the Scheme. However, the Scheme will only be considered to have been approved under the Takeovers Code if (a) the Scheme is approved (by way of a poll) by at least 75% of the votes attaching to the Scheme Shares held by the

Disinterested Scheme Shareholders that are voted either in person or by proxy at the Court Meeting; and (b) the number of votes cast (by way of a poll) against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all the Scheme Shares held by all the Disinterested Scheme Shareholders.

All Scheme Shareholders whose names appear on the Register as at the Meeting Record Date will be entitled to attend and vote, in person or by proxy, at the Court Meeting provided that only the votes of the Disinterested Scheme Shareholders will be taken into account in determining if Condition (b) in the paragraph headed “Conditions of the Proposal and the Scheme” above is satisfied.

As at the Latest Practicable Date, the Offeror Group holds an aggregate of 815,493,000 Shares, representing approximately 61.08% of the issued Shares. These Shares will not form part of the Scheme Shares and will not be cancelled and extinguished upon the Scheme becoming effective.

Each of the Offeror and the Offeror Concert Parties will procure that any Shares in respect of which they are beneficially interested will not be represented or voted at the Court Meeting. The Offeror will undertake to the Grand Court that it will be bound by the Scheme and will execute and do all things as may be necessary or desirable to be executed and done by it for the purposes of the Scheme.

In addition, the Offeror, King Jewel and Mr. Kan:

- (a) acknowledge that the Shares held by them will not form part of the Scheme Shares under the Scheme and will not be cancelled and extinguished when the Scheme becomes effective;
- (b) undertake that, even if the Scheme is extended to them, they will not accept the Scheme in respect of the Shares held by them;
- (c) undertake that they will not sell, transfer, pledge or otherwise dispose of any Shares held by them, or directly or indirectly deal or acquire any shares, securities or other interests of the Company before the end of the Offer Period; and
- (d) undertake that, unless the Scheme or the Proposal prejudice their legal rights and interests, they will not take any action or enter into agreements or arrangements which may: (i) restrict or delay the progress of the Scheme or the Proposal; or (ii) prejudice the successful outcome of the Scheme or the Proposal.

Classic Sapphire, Classic Emerald, Ms. Chow, Cachet Asset Management, Richemont Asset Management and Zhongtai Capital:

- (a) undertake that they will not sell, transfer, pledge or otherwise dispose of any Shares held by them, or directly or indirectly deal or acquire any shares, securities or other interests of the Company before the end of the Offer Period; and
- (b) undertake that, unless the Scheme or the Proposal prejudice their legal rights and interests, they will not take any action or enter into agreements or arrangements which may: (i) restrict or delay the progress of the Scheme or the Proposal; or (ii) prejudice the successful outcome of the Scheme or the Proposal.

The EGM will be held as soon as practicable after the conclusion or adjournment of the Court Meeting. All Shareholders whose names appear on the Register as at the Meeting Record Date will be entitled to vote on (i) the special resolution to be proposed at the EGM to approve and give effect to the Reduction; and (ii) the ordinary resolution to maintain the issued share capital of the Company to the amount prior to the cancellation and extinguishment of the Scheme Shares by issuing to the Offeror such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished as a result of the Scheme and the application of the credit arising in the Company's books of accounts as a result of the cancellation and extinguishment of the Scheme Shares in paying up in full at par value the new Shares issued to the Offeror.

The Offeror and the Offeror Concert Parties have indicated that, if the Scheme is approved at the Court Meeting, the Offeror and the Offeror Concert Parties will vote in favour of the resolution(s) to be proposed at the EGM.

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

An announcement will be jointly made by the Offeror and the Company in relation to the results of the Court Meeting and the EGM. Such announcement will contain the information as required by Rule 19.1 of the Takeovers Code. Information on the number of votes cast for and the number of votes cast against the Scheme and the number of CCASS Participants on whose instructions they are cast will be included in such announcement.

Notices of the Court Meeting and the EGM are set out in Appendix V and Appendix VI to this Scheme Document, respectively.

RECOMMENDATIONS

Your attention is drawn to (i) the letter from the Independent Board Committee in Part IV of this Scheme Document; and (ii) the letter from the Independent Financial Adviser in Part V of this Scheme Document which sets out the factors and reasons taken into account by the Independent Financial Adviser in arriving at its advice to the Independent Board Committee.

FURTHER INFORMATION

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

You should rely only on the information contained in this Scheme Document in order to vote your Shares at the Court Meeting and/or the EGM. None of the Offeror, the Company, Zhongtai Capital, the Independent Financial Adviser, any of their respective directors, officers, employees, agents, affiliates or advisers or any other persons involved in the Proposal has authorised anyone to provide you with information that is different from what is contained in this Scheme Document.

GENERAL

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

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

FINANCIAL SUMMARY

Set out below is a summary of the audited consolidated financial information of the Company for each of the years ended 31 December 2022, 2023 and 2024 and the unaudited condensed consolidated financial information of the Company for the six months ended 30 June 2024 and the six months ended 30 June 2025. The figures for the years ended 31 December 2022, 2023 and 2024 are extracted from the annual reports of the Company and the annual results announcements of the Company for the respective years, and the figures for the for the six months ended 30 June 2024 and the six months ended 30 June 2025 are extracted from the interim reports of the Company and the unaudited interim results announcements of the Company for the respective years.

The independent auditor's reports issued by the auditors of the Company, in respect of the audited consolidated financial statement of the Company for the year ended 31 December 2022, being Deloitte Touche Tohmatsu, and in respect of the audited consolidated financial statements of the Company for each of the years ended 31 December 2023 and 2024, being Moore CPA Limited, did not contain any modified opinion, emphasis of matter or material uncertainty related to going concern. Save as disclosed below, there were no items of any income or expense which are material in respect of the consolidated financial results of the Company for each of the years ended 31 December 2022, 2023 and 2024.

Summary of consolidated statement of profit or loss and other comprehensive income

	For the year ended 31 December			For the six months ended	
				30 June	
	2022	2023	2024	2024	2025
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
	(restated)				
	(audited)	(audited)	(audited)	(unaudited)	(unaudited)
Revenue	374,049	348,711	273,492	154,735	146,197
Cost of goods sold	(259,380)	(246,507)	(190,948)	(112,232)	(104,300)
Gross profit	114,669	102,204	82,544	42,503	41,897
Other income	3,471	5,272	6,463	2,965	2,978
Other gains and losses, net	2,885	(2,909)	(3,221)	2,784	(10,724)
Impairment losses/Reversal of impairment losses under expected credit loss model, net	(20,661)	(1,042)	(845)	11	344
Written down on properties held for sales	—	—	(26,293)	—	(2,667)
Selling and distribution costs	(10,773)	(13,590)	(12,639)	(7,120)	(5,823)
General and administrative expenses	(49,260)	(45,580)	(45,880)	(22,745)	(19,248)
Finance costs	(1,003)	(1,061)	(1,843)	(830)	(805)
Share of result of a joint venture	—	(35)	59	6	21
Share of result of an associate	(884)	—	—	—	—
Profit before income tax	38,444	43,259	(1,655)	17,574	5,973
Income tax credit/(expense)	(11,029)	(9,101)	11,514	7,667	2,042
Profit for the period	27,415	34,158	9,859	25,241	8,015
Other comprehensive expense for the period					
Items that will not be reclassified to profit or loss:					
Equity instruments at fair value through other comprehensive income					
— Change in fair value	—	(347)	(260)	(92)	(159)
Item that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations	(38,208)	(9,676)	(13,804)	(10,151)	9,845
Other comprehensive income/(expense) for the period	(38,208)	(10,023)	(14,064)	(10,243)	9,686

APPENDIX I
FINANCIAL INFORMATION OF THE GROUP

	For the year ended 31 December			For the six months ended	
	2022	2023	2024	30 June	2025
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
	(restated)				
	(audited)	(audited)	(audited)	(unaudited)	(unaudited)
Total comprehensive income/(expense) for the period	(10,793)	24,135	(4,205)	14,998	17,701
Profit/(loss) for the period attributable to:					
— Owners of the Company	29,400	34,364	9,671	25,429	7,400
— Non-controlling interests	(1,985)	(206)	188	(188)	615
Total comprehensive income/(expense) for the year attributable to:					
— Owners of the Company	(8,795)	24,529	(4,117)	15,345	16,796
— Non-controlling interests	(1,998)	(394)	(88)	(347)	905
Dividends (paid)	26,820	26,820	13,351	—	—
	<i>HK Cents</i>	<i>HK Cents</i>	<i>HK Cents</i>	<i>HK Cents</i>	<i>HK Cents</i>
Dividends per Share	2 ^(Note 1)	2 ^(Noted 2)	1 ^(Note 3)	—	—
	<i>HK Cents</i>	<i>HK Cents</i>	<i>HK Cents</i>	<i>HK Cents</i>	<i>HK Cents</i>
Earnings per share					
— Basic	2.18	2.56	0.72	1.90	0.55
— Diluted	2.18	2.56	0.72	1.90	0.55

Note:

1. The dividend per share of HK2.00 cents for the financial year ended 31 December 2022 was the final dividend declared by the Board on 27 March 2023.
2. The dividend per share of HK2.00 cents for the financial year ended 31 December 2023 was the final dividend declared by the Board on 25 March 2024.
3. The dividend per share of HK1.00 cent for the financial year ended 31 December 2024 was the final dividend declared by the Board on 24 March 2025.

Save as disclosed above, there was no item of any income or expense which was material in respect of the consolidated financial statements of the Group for each of the three financial years ended 31 December 2022, 2023 and 2024, and the unaudited condensed consolidated financial statements for the six months ended 30 June 2024 and the six months ended 30 June 2025.

The consolidated financial statements of the Group for the financial year ended 31 December 2022 was audited by Deloitte Touche Tohmatsu and the consolidated financial statements of the Group for the two financial years ended 31 December 2023 and 31 December 2024 were audited by Moore CPA Limited, the auditors of the Group. No qualified or modified opinion, nor any emphasis of matter or material uncertainty related to going concern was given by Deloitte Touche Tohmatsu in respect of the Group's audited consolidated financial statements for the financial year ended 31 December 2022 and Moore CPA Limited for each of the two financial years ended 31 December 2023 and 2024.

CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY

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

The audited consolidated financial statements of the Company for the year ended 31 December 2022 (the “**2022 Financial Statements**”) are set out on pages 96 to 247 of the annual report of the Company for the year ended 31 December 2022 (the “**2022 Annual Report**”), which was published on 28 April 2023. The 2022 Annual Report is posted on the website of the Stock Exchange (www.hkexnews.hk). Please also see below a direct link to the 2022 Annual Report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0428/2023042800025.pdf>

The audited consolidated financial statements of the Company for the year ended 31 December 2023 (the “**2023 Financial Statements**”) are set out on pages 129 to 315 of the annual report of the Company for the year ended 31 December 2023 (the “**2023 Annual Report**”), which was published on 25 April 2024. The 2023 Annual Report is posted on the website of the Stock Exchange (www.hkexnews.hk). Please also see below a direct link to the 2023 Annual Report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0425/2024042500754.pdf>

The audited consolidated financial statements of the Company for the year ended 31 December 2024 (the “**2024 Financial Statements**”) are set out on pages 142 to 325 of the annual report of the Company for the year ended 31 December 2024 (the “**2024 Annual Report**”), which was published on 24 April 2025. The 2024 Annual Report is posted on the website of the Stock Exchange (www.hkexnews.hk). Please also see below a direct link to the 2024 Annual Report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0424/2025042400730.pdf>

The unaudited condensed consolidated financial statements of the Company for the six months ended 30 June 2024 (the “**2024 Interim Financial Statements**”) are set out on pages 38 to 100 of the interim report of the Company for the six months ended 30 June 2024 (the “**2024 Interim Report**”), which was published on 23 September 2024. The 2024 Interim Report is posted on the website of the Stock Exchange (www.hkexnews.hk). Please also see below a direct link to the 2024 Interim Report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0923/2024092300462.pdf>

The unaudited condensed consolidated financial statements of the Company for the six months ended 30 June 2025 (the “**2025 Interim Financial Statements**”) are set out on pages 1 to 22 of the interim results announcement of the Company for the six months ended 30 June 2025 (the “**2025 Interim Results Announcement**”), which was published on 25 August 2025. The 2025 Interim Results Announcement is posted on the website of the Stock Exchange (www.hkexnews.hk). Please also see below a direct link to the 2025 Interim Results Announcement:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0825/2025082501624.pdf>

The 2022 Financial Statements, the 2023 Financial Statements, the 2024 Financial Statements, 2024 Interim Financial Statements and 2025 Interim Financial Statements (but not any other part of the 2022 Annual Report, the 2023 Annual Report, the 2024 Annual Report, the 2024 Interim Report and the 2025 Interim Results Announcement in which they respectively appear) are incorporated by reference into this Scheme Document and form part of this Scheme Document.

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

INDEBTEDNESS STATEMENT

As at the close of business on 30 June 2025, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of the Scheme Document, the Group had aggregated outstanding indebtedness of approximately HK\$41,224,000, comprising (i) bank loans of approximately HK\$32,897,000 secured by fixed charges on certain assets of the Group including properties held for sale and property, plant and equipment (Note 1); and (ii) unsecured lease liabilities of approximately HK\$8,327,000 (Note 2).

As at 30 June 2025, the Group provided guarantees of approximately RMB2,517,000 (equivalent to approximately HK\$2,760,000) to facilitate mortgage bank loan applications of the purchasers of the properties which were developed by the Group. Such guarantees will be released by banks upon delivery of the properties to the purchasers and completion of registration of the relevant mortgage properties.

As at 30 June 2025, the Group also provided guarantees of RMB45,000,000 (equivalent to approximately HK\$49,345,000) to a bank for its bank loans as at that date. Such guarantees will be released by the bank upon full repayment of the loans.

Save as aforesaid or otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables and other payables, accruals and contract liabilities in the ordinary course of business, at the close of business on 30 June 2025, the Group did not have any debt securities issued and outstanding or agreed to be issued but unissued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade payables) or acceptance credits, debentures, mortgages, charges, finance lease, hire purchases commitments, guarantees or material contingent liabilities.

The directors of the Company are not aware of any material adverse change in the Group's indebtedness position and contingent liabilities since 30 June 2025.

Notes:

1. As at 30 June 2025, the bank loans are secured by the properties held for sale of the Group with an aggregate carrying amount of approximately HK\$40,558,000; and (ii) property, plant and equipment with an aggregate carrying amount of approximately HK\$4,539,000.
2. The Group entered into several lease agreements for leasing of office premises located in Hong Kong and certain rooftops located in the People's Republic of China and recognised right-of-use asset and lease liabilities for these leases. Such lease liabilities amounted to approximately HK\$8,327,000 as at 30 June 2025.

PROPERTY INTERESTS AND ADJUSTED NET ASSET VALUE

APAC Asset Valuation and Consulting Limited, an independent valuer, has valued the property interests held by the Group as at 30 June 2025. The valuation report is set out in Appendix II to this Scheme Document. The unaudited consolidated net asset value (“NAV”) of the Group as of 30 June 2025 is HK\$623,649,000, representing approximately HK\$0.47 per Share (on the basis of 1,335,078,000 Shares issued as of 30 June 2025). Taking into account the valuation report with net revaluation surplus of HK\$71,237,474, minus the estimated net deferred tax on revaluation surplus attributable to the Group of approximately HK\$17,809,369, the Adjusted NAV of the Company is HK\$677,077,106, representing approximately HK\$0.51 per Share (on the basis of 1,335,078,000 Shares issued as of 30 June 2025). Set out below are the details of Adjusted NAV, net revaluation surplus and estimated net deferred tax:

	<i>HK\$ million</i>
Consolidated NAV of the Group as of 30 June 2025 (unaudited)	623.65
Fair value of the Property as of 30 June 2025 ^{Note 1}	426.56
Book value of the Property as of 30 June 2025 ^{Note 2}	355.32
— Book value of properties held for sale as of 30 June 2025	300.99
— Book value of owner-occupied properties as of 30 June 2025	54.33
Net revaluation surplus as of 30 June 2025 ^{Note 3}	71.24
Estimated net deferred tax as of 30 June 2025 ^{Note 4}	(17.81)
Adjusted NAV of the Group as of 30 June 2025 ^{Note 5}	677.08

Notes:

- 1 Represented the fair value of the Property interests attributable to the Group as of 30 June 2025 according to the valuation report of APAC Asset Valuation and Consulting Limited dated 18 September 2025, being RMB389,000,000 converted into HK\$426,558,474 at the rate of HK\$1 to RMB0.91195 as of 30 June 2025 published on the website (<http://www.pbc.gov.cn/rmyh/index.html/>) for illustrative purposes. Please refer to Part V — Letter from the Independent Financial Adviser and Appendix II — Property Valuation Report to this Scheme Document for details.
- 2 Represented the book value of the Property attributable to the Group as of 30 June 2025, which equals to the sum of the book value of properties held for sale as of 30 June 2025 and the book value of owner-occupied properties as of 30 June 2025.
- 3 Represented the net revaluation surplus arising from the net excess of the fair value of the Property interests attributable to the Group as of 30 June 2025, as appraised by the independent valuer, over the book value of the Property attributable to the Group as of 30 June 2025.

- 4 Represented the estimated net deferred tax on the temporary differences between the market values of the property interests and the corresponding tax base used in computation of taxable profit. Estimated net deferred tax is calculated based on the corporate income tax rates applicable to properties in the PRC. Please refer to Part V — Letter from the Independent Financial Adviser of this Scheme Document.
- 5 Represented the Adjusted NAV of the Group as of 30 June 2025, which equals to the unaudited consolidated NAV of the Group as of 30 June 2025 plus the net revaluation surplus as of 30 June 2025 and minus the estimated net deferred tax as of 30 June 2025.

MATERIAL CHANGE STATEMENT

As at the Latest Practicable date, the Directors confirm that, save and except for the following information which has been disclosed in the 2025 Interim Results Announcement, there had been no material changes in the financial or trading position or outlook of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Company were made up:

- (1) the Group's profit attributable to owners of the Company for the six months ended 30 June 2025 recorded a decrease, to approximately HK\$7.4 million (as compared to approximately HK\$25.4 million for the six months ended 30 June 2024), mainly due to the net effect of, amongst others, a) the realised loss and the unrealised loss on the gold futures contracts for the for the six months ended 30 June 2025; b) the recognition of the impairment loss on the properties held for sale located at the Perfect Group Jewellery Industry Park; c) partially offset by the decrease in selling and distribution costs and general and administrative expenses due to the tightening control of such expenditures in the six months ended 30 June 2025; and d) reversal of the over-provision of PRC tax for the six months ended 30 June 2024 as opposed to no such reversal recorded in the six months ended 30 June 2025.

**APAC Asset Valuation and Consulting Limited**

Unit 309, 3/F, Wing On Plaza, 62 Mody Road, Kowloon, Hong Kong

Tel: (852) 2357 0085

Fax: (852) 2951 0799

The Directors

Perfect Group International Holdings Limited

26th Floor, YHC Tower

No. 1 Sheung Yuet Road

Kowloon

Hong Kong

18 September 2025

Dear Sirs/Madams,

RE: VARIOUS BUILDINGS LOCATED AT THE PERFECT GROUP JEWELLERY INDUSTRY PARK, NO. 1 JADE ROAD, YANG'E VILLAGE COMMITTEE, LUNJIAO SUBDISTRICT, SHUNDE DISTRICT, FOSHAN CITY, GUANGDONG PROVINCE, THE PEOPLE'S REPUBLIC OF CHINA (THE "PROPERTY")

In accordance with the instructions from Perfect Group International Holdings Limited (the "**Company**") for us to value the Property situated in The People's Republic of China (the "**PRC**"), we confirm that we have made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the fair value of the Property as at 30 June 2025 (the "**Valuation Date**") for the purpose of incorporation into the circular issued by the Company.

BASIS OF VALUATION

Our valuation of the Property is our opinion of its market value which we would define as intended to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion". The definition is in accordance with the "HKIS Valuation Standards 2020" published by the Hong Kong Institute of Surveyors.

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

We are independent of the Company and our valuation is prepared in accordance with the “HKIS Valuation Standards 2024” published by the Hong Kong Institute of Surveyors and the requirements set out in the Rule 11 of The Code on Takeovers and Mergers issued by the Securities and Futures Commission, Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited.

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the owner sells the Property in the market without the benefit or burden of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which would serve to affect the value of the Property.

No allowance has been made in our valuation for any charge, mortgage or amount owing on the Property nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

VALUATION METHODOLOGY

In undertaking our valuation for the Property, we have valued the Property by Market Approach on the assumption that the Property can be sold with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available on the relevant market.

TITLE AND ASSUMPTIONS

We have been provided with copies of extracts of title documents relating to the Property, together with a legal opinion dated 26 August 2025 issued by the Company’s PRC legal adviser, Guangdong Top-Win Law Firm¹ (“廣東卓盈律師事務所”), regarding the title and other legal matters to the Property. We have not caused title searches to be made for the Property at the

¹ Denotes English translation of the name of a Chinese company or entity or entity or vice versa and is provided for identification purposes only.

relevant government bureaus in the PRC and have not inspected the original documents to verify the ownership, encumbrances, or the existence of any subsequent amendments which may not appear on the copies handed to us.

In undertaking our valuation of the Property, we have relied entirely on the said legal opinion, which confirms that:

- the Company has lawfully obtained land use rights with land premium duly paid, and the planning, construction and completion process complied with PRC laws and regulations;
- the Property has been lawfully constructed and duly registered with valid house ownership and real estate ownership certificates;
- the Property is subject to certain mortgage registrations, under which the affected properties may still be legally occupied, used and leased, but any disposal of such properties — including transfer, exchange, capital contribution, gift, or further mortgage — is subject to repayment or discharge of the secured debt or obtaining the mortgagee's consent under the relevant mortgage arrangements; and
- except for disclosed elsewhere in this report, the Property is free from encumbrances, including but not limited to sealing, freezing, compulsory acquisition, litigation, mortgages, charges, or other restrictions, and may be transferred to domestic or overseas purchasers without additional governmental approval, save for those approvals ordinarily required under PRC law.

For the purpose of our valuation, we have assumed that the above matters as confirmed in the legal opinion are true, correct, and enforceable, and that the Property is freely transferable on the market at no extra land grant premium or onerous charges payable.

ADOPTED VALUATION METHOD

The scope of this assessment covers factory buildings and ancillary supporting facilities within the industrial park. Based on the on-site investigation and information provided by the client, the subject properties are classified into three categories — factory buildings, dormitories, and parking spaces — according to their functions and current usage. Corresponding price adjustments are then made based on the assessment results, particularly regarding their renovation status.

The primary methods for real estate valuation include the comparative sales approach, income approach, hypothetical development method, and cost approach. The selection of an appropriate valuation method is determined by factors such as the condition of the local real estate market where the subject property is located, the availability of underlying data, and the nature and characteristics of the subject property itself. After carefully analysing the collected data and conducting a field inspection of the subject property, and considering its specific features and actual circumstances, the market approach (comparative sales method) was selected for this assessment.

The market approach analyses recent comparable transactions in Foshan City and adjusts for differences in location, size, quality, building specifications and etc. to ensure the valuation fairly reflects the asset's actual market value. Based on these considerations, the market approach can conduct the most accurate and reasonable assessment of the property's fair market value.

The fair value of approximately RMB389,000,000 was determined based on the Market Approach, using key valuation inputs derived from comparable transactions. The primary valuation input is the Gross Floor Area (“GFA”) of the Property, which is 111,565.22 sq.m. To establish a market-based valuation, we identified similar-type property transactions within Foshan City.

Valuation of the Standard Factory Buildings and Retail Portion

For the valuation of a standard factory building – Creative Centre (“創意中心”), Silver (“白銀”), Diamond (“鑽石”) and Sapphire (“藍寶”), the adopted unit rate of RMB3,740 per sq.m. was derived from three comparable properties within Shunde District, Foshan City. Adjustments were made for asking vs. transacted prices, location, size and etc. Each comparable was assigned equal weight after adjustments. The resulting adjusted average unit rate of RMB3,740 per sq.m. was then directly adopted in our valuation of the aforementioned properties, and the methodology is consistent with generally accepted valuation standards.

Nature	Comparable 1	Comparable 2	Comparable 3
GFA (<i>sq.m.</i>)	2,200.00	1,000.00	49,000.00
Price (<i>RMB</i>)	10,000,000	4,000,000	180,000,000
Unit Price (<i>RMB/sq.m.</i>)	4,545	4,000	3,673
Total Adjustments	-5.0%	-10.0%	-10.0%
Adjusted Unit Price (<i>RMB/sq.m.</i>)	4,318.0	3,600.0	3,306.0
Weight	33.3%	33.3%	33.3%
Adjusted Average Unit Rate (<i>RMB/sq.m.</i>)			3,740.0
Adopted Unit Rate (<i>RMB/sq.m.</i>)			3,740.0

Sources: 58.com (a local real estate agency websites and listing platforms)

Based on the site inspection and instructions from the Company, the Headquarters (“保發總部”) and Environmental Centre (“環保中心”) are also factory buildings which exhibit better structural conditions and quality compared with the aforementioned Creative Centre, Silver Diamond and Sapphire. Therefore, a price premium has been applied to these buildings, adopting a unit rate of approximately RMB3,927 per sq.m.. Conversely, the Phase II Canteen operated with a semi-public welfare nature, resulting a downward price adjustment to a unit rate of approximately RMB2,805 per sq.m..

For the valuation of the Exhibition Centre (“展示中心”), the adopted unit rate of RMB4,680 per sq.m. was derived from three comparable properties within Shunde District, Foshan City. Adjustments were made for asking vs. transacted prices, location, size, quality and etc. Each comparable was assigned equal weight after adjustments.

Nature	Comparable 1	Comparable 2	Comparable 3
	10,000.00	2,200.00	4,000.00
GFA (sq.m.) Price (RMB)	45,000,000	10,000,000	20,000,000
Unit Price (RMB/sq.m.)	4,500	4,545	5,000
Total Adjustments	0.0% ¹	0.0%	0.0%
Adjusted Unit Price (RMB/sq.m.)	4,500	4,545	5,000
Weight	33.3%	33.3%	33.3%
Adjusted Average Unit Rate (RMB/sq.m.)			4,680.0
Adopted Unit Rate (RMB/sq.m.)			4,680.0

Note: ¹ The adjustments for asking vs. transacted price and quality factors offset each other.

Sources: 58.com (a local real estate agency websites and listing platforms)

For the Riverside Shop (“沿河商鋪”) and the factory building — Palladium (“鉅金”), the weighted average rents from existing tenancy agreements (covering both factory and retail spaces) were used to estimate the price differential between the two property types (factory and retail spaces), given the limited availability of retail comparables in the surrounding area. Additionally, based on our site inspection and discussions with the Management of the Company, the retail portion faced both leasing and sales challenges. Taking these factors into account, a total adjustment of 3.8% was applied, resulting in an adopted unit rate of RMB3,881 per sq.m. for the retail properties.

Valuation of the Dormitories

The dormitories are categorized into two types: executive dormitories and standard dormitories. Similarly, the adopted unit rate of RMB4,990 per sq.m. was derived from four comparable properties within Shunde District, Foshan City. Adjustments were made for asking vs. transacted prices, location, size, quality and etc. Each comparable was assigned equal weight after adjustments. Based on the site inspection and client instructions, the overall layout/quality of the executive dormitory is superior to that of the standard dormitory. Therefore, a downward price adjustment has been applied to the standard dormitory valuation, arriving at RMB4,000 per sq.m..

Nature	Comparable 1	Comparable 2	Comparable 3	Comparable 4
GFA (<i>sq.m.</i>)	36.44	29.00	47.00	34.00
Price (<i>RMB</i>)	230,000	180,000	295,000	210,000
Unit Price (<i>RMB/sq.m.</i>)	6,311.7	6,206.9	6,276.6	6,176.5
Total Adjustments	-20.0%	-20.0%	-20.0%	-20.0%
Adjusted Unit Price (<i>RMB/sq.m.</i>)	5,049.4	4,965.5	5,021.3	4,941.2
Weight	25.0%	25.0%	25.0%	25.0%
Adjusted Average Unit Rate (<i>RMB/sq.m.</i>)				4,990.0
Adopted Unit Rate (<i>RMB/sq.m.</i>)				4,990.0

Sources: 58.com (a local real estate agency websites and listing platforms)

Valuation of the Car Park Space

Similarly, for the valuation of the Car Park space, adjustments were made for asking vs. transacted prices, and location, resulting in the adopted unit rate of RMB72,000 per unit.

Nature	Comparable 1	Comparable 2	Comparable 3
Price (<i>RMB/unit</i>)	88,000	80,000	80,000
Total Adjustments	-13.0%	-13.0%	-13.0%
Adjusted Unit Price (<i>RMB/unit</i>)	76,560.0	69,600.0	69,600.0
Weight	33.3%	33.3%	33.3%
Adjusted Average Unit Rate (<i>RMB/unit</i>)			72,000.0
Adopted Unit Rate (<i>RMB/unit</i>)			72,000.0

Sources: 58.com (a local real estate agency websites and listing platforms)

By incorporating the aforementioned adopted unit rates and the unsold GFA / units, the fair value of approximately RMB389,000,000 was determined.

SOURCES OF INFORMATION

We have relied to a very considerable extent on information given by the Company and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, lettings, site and floor areas and all other relevant matters. No on-site measurement has been taken. Dimensions, measurements and areas included in the valuation report are only approximations. We have taken every reasonable care both during inspecting the information provided to us and in making relevant enquiries. We have no reason to doubt the truth and accuracy of the information provided to us by the Company, which is material to our valuation. We were also advised by the Company that no material facts have been omitted from the information provided to us.

SITE INSPECTIONS

We have carried out site inspection and no tests have been carried out on any of the services. Neither have we carried out site investigation to determine the suitability of the ground conditions or the services for any property development thereon. No structural survey has been carried out and it was not possible to inspect the wood work and other parts of the structures which were covered, unexposed or inaccessible. We are therefore, unable to report that the Properties are free of rot, infestation or any structural defects. No tests have been carried out on any of the building services. The valuation has been prepared on the assumption that these aspects are satisfactory.

LIMITATION OF LIABILITIES

This valuation report is issued on the understanding that we have been provided with all material information known to the Company as at the valuation date which may affect the valuation of the Property. While the valuation has been prepared with due care based on the information available to us as at the valuation date, we accept no responsibility to update this valuation for any events or circumstances occurring after that date unless we are separately instructed to do so and save as required by the Takeovers Code.

In accordance with Rule 9.1 of the Code on Takeovers and Mergers, it is the valuer's responsibility to ensure that the valuation remains accurate and not misleading at the time of publication. Should any material change occur after the valuation date and before publication of this report in a shareholder circular or related document, we will review the valuation and, if necessary, revise or provide appropriate disclosure in relation to such change.

In respect of title and legal matters concerning the Property in the PRC, we have relied solely on the legal opinion dated 26 August 2025 issued by the Company's PRC legal adviser, Guangdong Top-Win Law Firm. We have not conducted any independent title searches or investigations with the relevant government authorities, nor have we verified the original title documents. We therefore accept no liability for any matters relating to ownership, encumbrances, or legal restrictions on the Property, all of which fall within the professional expertise and responsibility of the Company's PRC legal adviser.

Our valuation is based on the assumption that the matters set out in the said legal opinion are true, correct, and enforceable as at the valuation date. Any change in those matters may have a material impact on the value reported herein.

MANAGEMENT CONFIRMATION OF FACTS

A draft of this valuation report and our calculations has been provided to the Company for review. The Company has reviewed the draft and provided us with written confirmation that, to the best of its knowledge and belief, the factual information contained in this valuation report is accurate and complete in all material respects and that there are no material omissions relevant to our engagement which have not been disclosed to us.

POTENTIAL TAX LIABILITIES

For the purpose of compliance with Rule 11.3 of the Takeovers Code and as advised by the Group, the potential tax liabilities which would arise on the direct disposal of the Properties held by the Group at the amounts valued by us mainly comprise the following:

- Enterprise income tax at 25% on gain;
- Land appreciation tax at progressive rates from 30% to 60% on the appreciation in property value;
- Stamp duty at 0.05% on the transaction amount;
- Withholding tax at 10% if the net proceeds (minus taxes and statutory contributions) are repatriated outside the PRC as dividends (reduced to 5% if the Hong Kong-PRC double tax arrangement applies);
- Other surcharge at approximately 12% of value-added tax.

In respect of the Properties held by the Group for self-used (i.e. owner-occupied properties, including the entire “Environment Centre”, portions of “Headquarter”, portion of “Exhibition Centre”, “Creative Centre” and “Diamond”, and various dormitory units, totalling a GFA of 20,758.9 sq.m.), the likelihood of the relevant tax liabilities being crystallised is remote as the Group has no plans for the disposal of such properties yet. In respect of the completed properties held for sale, it is likely that the relevant tax liabilities will be crystallised upon sale.

Please note that the valuation figures stated in this report represent the gross asset value of the Properties and do not reflect any deductions for the above-mentioned potential tax liabilities. The potential tax liabilities outlined above are indicative only and have not been deducted from the valuation amount. These figures are provided for disclosure purposes in accordance with Rule 11.3 of the Takeovers Code and are based on current PRC tax regulations as advised by the Group. The actual tax payable may vary depending on the nature of the transaction, holding period, and available exemptions or arrangements at the time of disposal.

CURRENCY

Unless otherwise stated, all monetary amounts in our valuation are in Renminbi (RMB).

Our valuation report is attached.

Yours faithfully,

For and on behalf of

APAC Asset Valuation and Consulting Limited

Sam K.S. Lo *MRICS, CPA, CFA, FRM*

Director

Joe Z.H. Zhang *MRICS*

Associate Director

Note:

Mr. Sam, K.S. Lo is a member of the Royal Institution of Chartered Surveyors (MRICS). He is also a CPA, CFA and FRM member/charterholder. He has 19 years of extensive and diversified valuation experience on properties, companies, and financial instruments over Asia Pacific.

Mr. Joe Z.H. Zhang is a member of the Royal Institution of Chartered Surveyors (MRICS). He has 14 years of extensive and diversified valuation and consultancy experience in the real estate related industries in Hong Kong, Mainland China and Southeast Asia.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Fair value as if completed as at 30 June 2025
Various buildings located at the Perfect Group Jewellery Industry Park, No. 1 Jade Road, Yang'e Village Committee, Lunjiao Subdistrict, Shunde District, Foshan City, Guangdong Province, the PRC.	<p>The Property is located at the Perfect Group Jewellery Industry Park, No. 1 Jade Road, Yang'e Village Committee, Lunjiao Subdistrict, Shunde District in Foshan City. The immediate locality is a newly-developed area with various rural villages and industrial buildings in the vicinity.</p> <p>According to the information provided by the Group, the whole development has various buildings and two car parks with a total gross floor area of 339,544.00 sq.m. on three phases which are being erected on a parcel of land with a site area of approximately 100,370.99 sq.m. As at the date of valuation, portion of the development has been sold and the Property comprises the remaining portion of the development with a total gross floor area of approximately 111,565.22 sq.m.</p> <p>The land use rights of the Property have been granted for a term expiring on 13 April 2067 for industrial use.</p>	As advised by the Company, portion of the Property was completed and subject to various tenancies and portion was completed and vacant as at the valuation date.	RMB389,000,000

Notes:

1. Pursuant to the Land Grant Contract – No. 440606-2017-000582 dated 15 March 2017, the land use rights of the Property with a site area of 100,370.99 sq. m. have been agreed to be granted to Guangdong Perfect Jewellery Industry Park Development Company Limited (“廣東保發珠寶產業園開發有限公司”)¹, which is a wholly-owned subsidiary of the Company. Details of the said contract are as follows:

Site Area:	100,370.99 sq.m.
Permitted Gross Floor Area:	Not less than 100,370.99 sq. m. and not more than 301,112.97 sq.m.
Usage:	Industrial (M1)
Total Consideration:	RMB105,390,000

2. Pursuant to the Real Estate Title Certificate – Yue (2017) Shun De Qu Bu Dong Chan No. 2217000633 dated 16 May 2017, the land use rights of the Property with a site area of 100,370.99 sq.m. have been granted to Guangdong Perfect Jewellery Industry Park Development Company Limited for a term expiring on 13 April 2067 for industrial use.
3. According to the information provided by the Company, portion of the Property has been pre-sold and we have taken into the pre-sold consideration in our valuation. In the course of valuation, we have valued the Property with a total gross floor area of approximately 111,565.22 sq.m. The details of the buildings of the Property together with breakdown of our valuation as at 30 June 2025 are listed as follows:

Building Name	Phase	Usage	Planned Usage	GFA (sq.m.)	Valuation (RMB)
Palladium 鉑金	1	Workshop/ Retail	For Sale	546.59	2,100,000
Silver 白銀	1	Workshop	For Sale	5,429.76	20,300,000
Environmental Centre 環保中心	1	Workshop	Owner-occupied	4,331.24	17,000,000
Phase I CPS 一期車位	1	Car Park	For Sale	28,630.51	66,200,000
Diamond ² 鑽石	2	Workshop	For Sale	3,411.35	12,800,000

¹ Denotes English translation of the name of a Chinese company or entity or entity or vice versa and is provided for identification purposes only.

² Two properties, namely C-06 1003 and C-06 1004, with a total gross floor area of 74.87 sq.m., are owned by Perfect Jewellery (China) Company Limited (保發珠寶(中國)有限公司), a wholly-owned subsidiary of the Company.

APPENDIX II

PROPERTY VALUATION REPORT

Building Name	Phase	Usage	Planned Usage	GFA (sq.m.)	Valuation (RMB)
Headquarter 保發總部	2	Workshop	Owner-occupied	6,988.28	27,400,000
Headquarter 保發總部	2	Workshop	For Sale	9,418.50	37,000,000
Creative Centre 創意中心	2	Workshop	Owner-occupied	509.15	1,900,000
Creative Centre 創意中心	2	Workshop	For Sale	3,513.57	13,100,000
Exhibition Centre 展示中心	2	Workshop	Owner-occupied	2,361.72	11,100,000
Phase II Dormitory 二期宿舍	2	Dormitory	Owner-occupied	6,493.64	26,000,000
Phase II Dormitory 二期宿舍	2	Dormitory	For Sale	16,403.13	65,600,000
Phase II CPS 二期車位	2	Car Park	For Sale	7,865.8	18,200,000
Riverside Shop 沿河商舖	2	Retail	For Sale	637.37	2,500,000
Phase II Canteen 二期飯堂	2	Workshop	For Sale	3,053.64	8,600,000
Sapphire 藍寶	3	Workshop	For Sale	497.79	1,900,000
Phase III Dormitory 三期宿舍	3	Dormitory	For Sale	11,473.18	57,300,000
Total:				111,565.22	389,000,000

4. We have been provided with a legal opinion on the Property dated 26 August 2025 issued by the Company's PRC legal adviser, Guangdong Top-Win Law Firm, which contains, inter alia, the followings:
- i. The land use rights of the Property have been lawfully obtained in the name of Guangdong Perfect Jewellery Industry Park Development Company Limited in accordance with PRC laws and regulations, and the relevant land premium has been fully paid;

- ii. All land premium and costs of resettlement and public utilities services relating to the Property have been fully settled;
 - iii. The planning, construction and completion of the Property comply with applicable PRC laws and regulations;
 - iv. The buildings erected on the Property have been lawfully constructed and the relevant house ownership certificates have been duly obtained. In particular:
 - The Property comprises 2,020 units with an aggregate gross floor area of 111,490.35 sq.m., all of which are duly owned. Among these, 868 units with an aggregate gross floor area of 46,098.12 sq.m. have been issued with real estate ownership certificates; 1,152 units with an aggregate gross floor area of 65,392.23 sq.m. have confirmed ownership rights but have not yet collected the real estate ownership certificates. Save for those units subject to mortgage registration over 10,747.66 sq.m., the Company is entitled under PRC law to transfer, exchange, contribute as capital, gift, lease, or mortgage such properties;
 - For Perfect Jewellery (China) Company Limited, two units with an aggregate gross floor area of 74.87 sq.m. are duly owned and have been issued with real estate ownership certificates. Perfect Jewellery (China) Company Limited is entitled under PRC law to transfer, exchange, contribute as capital, gift, lease, or mortgage such properties; and
 - v. Certain properties are subject to mortgage registration. Properties under mortgage may be lawfully occupied, used and leased, but any disposal of such properties — including transfer, exchange, capital contribution, gift, or further mortgage — is subject to repayment or discharge of the secured debt or obtaining the mortgagee's consent under the relevant mortgage arrangements; and
 - vi. Except for disclosed elsewhere in this report, the Property is free from encumbrances, including but not limited to sealing, freezing, compulsory acquisition, litigation, mortgages, charges, or other restrictions, and may be transferred to domestic or overseas purchasers without additional governmental approval, save for those approvals ordinarily required under PRC law.
5. The following properties held by Guangdong Perfect Jewellery Industry Park Development Company Limited were pledged to a bank for a loan of RMB30,000,000 granted to a subsidiary of the Group. The maximum amount of guarantee is RMB45,000,000.

Type	Address	GFA (sq.m.)	Titled Certificates	Owner
Industrial-used factory (including industrial auxiliary dormitory)	Nos. 201, 401, 501 and 701 of Block 2 Tower 1, Perfect Group Jewellery Industry Park	7,646.13	Yue (2019) Fo Shun Bu Dong Chan Quan Di Nos. 0157836, 0157803, 0157800, 0157790	Guangdong Perfect Jewellery Industry Park Development Company Limited
Industrial-used factory (including industrial auxiliary dormitory)	No. 101 of Block 2 Tower 1 of Block 2 Tower 1, Perfect Group Jewellery Industry Park	3,101.53	Yue (2019) Fo Shun Bu Dong Chan Quan Di No. 0157841	Guangdong Perfect Jewellery Industry Park Development Company Limited

RESPONSIBILITY STATEMENT

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

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

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

SHARE CAPITAL OF THE COMPANY

As at the Latest Practicable Date:

- (a) the authorised share capital of the Company was HK\$10,000,000 divided into 3,000,000,000 Shares with a par value of HK\$0.003333333333 each;
- (b) the issued share capital of the Company was HK\$4,450,260 divided into 1,335,078,000 Shares with a par value of HK\$0.003333333333 each;
- (c) all of the issued Shares ranked *pari passu* in all respects with each other, including all rights as to dividends, voting and capital;
- (d) no Shares had been issued since 31 December 2024, being the end of the last financial year of the Company, up to the Latest Practicable Date; and

- (e) there were no outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carry a right to subscribe for or which are convertible into the Shares.

MARKET PRICES OF THE SHARES

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

Date	Closing Price (HK\$)
31 December 2024	0.186
28 January 2025	0.185
28 February 2025	0.187
31 March 2025	0.179
30 April 2025	0.170
30 May 2025 (the Last Trading Day)	0.155
30 June 2025	0.235
31 July 2025	0.232
29 August 2025	0.233
15 September 2025 (the Latest Practicable Date)	0.238

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.245 on 17 June 2025, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.152 on 7 May 2025 and 14 May 2025.

DISCLOSURE OF INTERESTS, DEALINGS AND OTHER ARRANGEMENTS**Directors' interests and short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations**

As at the Latest Practicable Date, the Directors or the chief executive of the Company had the following interests and short positions in the shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or recorded in the register required to be kept by the

Company pursuant to section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, or required to be disclosed under the Takeovers Code:

Name of Directors/ chief executive officers	Capacity/nature of interest	Number of Shares (Long Position)	Approximate % of the total issued Shares
Mr. Kan	Interest of controlled corporation	886,959,000 (Note 1)	68.62
	Beneficial owner	29,154,000	
Mr. Chung Chi Keung	Interest of controlled corporation	30,375,000 (Note 2)	2.28
Ms. Shek Mei Chun	Interest of Spouse	916,113,000 (Note 3)	68.62
Dr. Ng Wang Pun Dennis	Beneficial owner	738,000	0.06

Notes:

1. Among these 886,959,000 shares, 729,000,000 shares, 57,339,000 shares and 100,620,000 shares are held by the Offeror, King Jewel and Classic Sapphire, respectively. The entire issued capital of the Offeror and King Jewel are owned by Mr. Kan. 50% of the issued capital of Classic Sapphire are held by Mr. Kan. Under the SFO, Mr. Kan is deemed to be interested in all the shares of the Company held by the Offeror, King Jewel and Classic Sapphire.
2. These shares are held by Classic Emerald, the entire issued capital of which is held by Mr. Chung. Under the SFO, Mr. Chung is deemed to be interested in all the shares of the Company held by Classic Emerald.
3. Mr. Kan and Ms. Shek are spouses. Under the SFO, Ms. Shek is deemed to be interested in all the shares of the Company held by Mr. Kan and all the shares of the Company in which Mr. Kan is deemed to be interested.

As at the Latest Practicable Date, none of the Company, its subsidiaries or its associated companies was a party to any arrangement to enable the Directors (including their spouse and children under 18 years of age) to acquire benefits by an acquisition of shares or underlying shares, or debentures of, the Company or its associated corporation.

Other substantial Shareholders' interests and short positions in the Shares and underlying Shares

As at the Latest Practicable Date, Shareholders (other than the Directors or the chief executive of the Company) who had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Long position in the Shares

Name of Shareholder	Capacity	Number of Shares	Approximate % of the total issued Shares
Immaculate Diamonds Limited	Beneficial owner	729,000,000	54.60%
Richemont Asset Management Limited	Beneficial owner	87,426,997	6.55%
Ms. Chow	Interest of controlled corporation	89,339,782 (note 1)	6.69%
Classic Sapphire	Beneficial owner	100,620,000	7.54%
Chan Wing Sum	Interest of a controlled corporation	100,620,000 (note 2)	7.54%
Classic Amber	Beneficial owner	101,232,000	7.58%
Mr. Jacky Luo	Interest of a controlled corporation	101,232,000	7.58%

Notes:

1. These shares are held by Richemont Asset Management and Cachet Asset Management, the entire issued capital of which is held by Ms. Chow. Under the SFO, Ms. Chow is deemed to be interested in all the shares of the Company held by Richemont Asset Management and Cachet Asset Management.
2. These shares are held by Classic Sapphire, 50% of the issued capital of which is held by Mr. Chan Wing Sum. Under the SFO, Mr. Chan Wing Sum is deemed to be interested in all the shares of the Company held by Classic Sapphire.

3. These shares are held by Classic Amber, the entire issued capital of which is held by Mr. Jacky Luo . Under the SFO, Mr. Jacky Luo is deemed to be interested in all the shares of the Company held by Classic Amber.

Save as disclosed above, as at the Latest Practicable Date, there was no person who (a) had interests or short positions in the Shares or underlying Shares of the Company which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO; or (b) were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying the right to vote in all circumstances at general meetings of the Company or any options in respect of such capital.

Save as disclosed above and disclosed in the section headed “Shareholding Structure of the Company” in the Explanatory Memorandum in Part VI of this Scheme Document, as at the Latest Practicable Date, none of the Offeror, its sole director or the Offeror Concert Parties owned or controlled any Shares or any options, warrants, derivatives or securities convertible into Shares.

Interests and dealings in the securities of the Company

During the Relevant Period:

- (a) none of the Offeror, its sole director or the Offeror Concert Parties had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares; and
- (b) none of the Directors had any dealings in any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares.

During the Offer Period and up to the Latest Practicable Date:

- (c) no subsidiaries of the Company, pension funds of the Company or of any member of the Group, any person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of acting in concert or any associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code (but excluding any exempt principal traders and exempt fund managers) owned or controlled any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares, and no such person had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares;

- (d) no person who had an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with (i) the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” or with any person who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code, or (ii) the Offeror or the Offeror Concert Parties owned or controlled, or had any dealings in, any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares; and
- (e) no fund managers connected with the Company who managed funds on a discretionary basis (other than exempt fund managers) had any dealings in any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares.

Interests and dealings in the securities of the Offeror

As at the Latest Practicable Date, other than Mr. Kan, none of the Company or any of the Directors had any interest in the shares of the Offeror or any convertible securities, warrants, options or derivatives in respect of the shares of the Offeror.

Other interests

As at the Latest Practicable Date:

- (a) no Shares, or convertible securities, warrants, options or derivatives in respect of the Shares were managed on a discretionary basis by any fund managers connected with the Company (other than exempt fund managers); and
- (b) none of the Company, the Directors, the Offeror or any of the Offeror Concert Parties had borrowed or lent any Shares, or any convertible securities, warrants, options or derivatives in respect of the Shares.

Other arrangements in respect of the Proposal

As at the Latest Practicable Date:

- (a) save for the Irrevocable Undertakings of the IU Shareholders, there was no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares or the shares of the Offeror or any of the Offeror Concert Parties which might be material to the Proposal, and there

was no arrangement of the kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code which existed between the Offeror, the Offeror Concert Parties or any other associate of the Offeror and any other person;

- (b) there was no agreement or arrangement to which the Offeror or any of the Offeror Concert Parties was a party which related to circumstances in which it might or might not invoke or seek to invoke a condition to the Proposal;
- (c) save for the irrevocable undertaking of Classic Amber, neither the Offeror nor any of the Offeror Concert Parties had received any irrevocable commitment to vote for or against the Proposal;
- (d) no benefit (other than statutory compensation) had been or would be given to any Directors as compensation for loss of office or otherwise in connection with the Proposal;
- (e) there was no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror or any of the Offeror Concert Parties on the one hand and any of the Directors, recent Directors, Shareholders or recent Shareholders on the other hand having any connection with or dependence upon the Proposal;
- (f) there was no agreement, arrangement or understanding between the Offeror and any other person in relation to the transfer, charge or pledge of the Shares to be acquired pursuant to the Proposal, and the Offeror had no intention to transfer, charge or pledge any Shares acquired pursuant to the Proposal to any other person;
- (g) save for the Cancellation Price payable under the Scheme, the Offeror and the Offeror Concert Parties had not paid and would not pay any other consideration, compensation or benefit in whatever form to the Scheme Shareholders or persons acting in concert with them in relation to the Scheme Shares;
- (h) no arrangement or understanding (including any compensation arrangement) existed between any of the Directors and any other person which was conditional on or was dependent upon the outcome of the Proposal or otherwise connected with the Proposal;
- (i) there was no material contract which had been entered into by the Offeror in which any Director had a material personal interest;

- (j) no person had any arrangement of the kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code;
- (k) there was no understanding, agreement, arrangement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror and any of the Offeror Concert Parties on one hand and the Scheme Shareholders and persons acting in concert with any of them on the other hand; and
- (l) there was no arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (i) any Shareholders and (ii)(1) the Offeror and Offeror Concert Parties, or (ii)(2) the Company, its subsidiaries or associated companies.

SERVICE CONTRACTS

As at the Latest Practicable Date, the Company had entered into the following service contracts and letters of appointment with the Directors:

Name of Director	Term of service contract/letter of appointment	Remuneration	Variable remuneration payable under the contract
Mr. Kan Kin Kwong	4 January 2025 to 3 January 2028	Director’s fee of HK\$4,500,000 per annum	For each completed year of service, a performance-based bonus as may be decided by the Board in its sole discretion at the recommendation of the remuneration committee of the Company and payment of such bonus shall be made on such date(s) as the Board may resolve.

Name of Director	Term of service contract/letter of appointment	Remuneration	Variable remuneration payable under the contract
Ms. Shek Mei Chun	4 January 2025 to 3 January 2028	Director's fee of HK\$1,545,000 per annum	For each completed year of service, a performance-based bonus as may be decided by the Board in its sole discretion at the recommendation of the remuneration committee of the Company and payment of such bonus shall be made on such date(s) as the Board may resolve.
Mr. Chung Chi Keung	4 January 2025 to 3 January 2028	Director's fee of HK\$1,545,000 per annum	For each completed year of service, a performance-based bonus as may be decided by the Board in its sole discretion at the recommendation of the remuneration committee of the Company and payment of such bonus shall be made on such date(s) as the Board may resolve.
Dr. Ng Wang Pun Dennis	1 August 2024 to 31 July 2027	Director's fee of HK\$216,000 per annum	Not applicable
Ms. Ng Sin Kiu	30 September 2024 to 29 September 2027	Director's fee of HK\$216,000 per annum	Not applicable
Mr. Wong Wai Keung Frederick	4 January 2025 to 3 January 2028	Director's fee of HK\$216,000 per annum	Not applicable

Save as disclosed above, none of the Directors had entered into a service contract with any member of the Group or the associated companies of the Company which were in force and which: (a) (including both continuous and fixed term contracts) had been entered into or amended within the Relevant Period; (b) were continuous contracts with a notice period of 12 months or more; or (c) were fixed term contracts with more than 12 months to run irrespective of the notice period.

MATERIAL LITIGATION

Reference is made to the annual report of the Company for the year ended 31 December 2024 (the “**2024 Annual Report**”).

On 1 December 2022, the Group entered into a 6G Nano Gold Project Co-operation Agreement (“**Gold Project**”) with Foshan Shunde Baoli Jewelry Co., Ltd* (佛山市順德區寶利珠寶首飾有限公司) (“**Baoli Jewellery**”), whereby the Group agreed to lend certain gold to Baoli Jewellery for research and development purposes. In return, Baoli Jewellery agreed to pay supervision and borrowing fees to the Group at predetermined rates according to the amount of gold borrowed.

On 22 April 2024, since Baoli Jewellery has been defaulted in the payments of both supervision and borrowing fees for some period of time, the Group formally notified Baoli Jewellery for the termination of the Gold Project in writing and requested the full return of gold borrowed from Baoli Jewellery immediately. Subsequently on 6 August 2024, the Group filed a lawsuit in the PRC against Baoli Jewellery, claiming the return of the gold borrowed, outstanding fees and other expenses with an aggregate amount of approximately RMB4,460,000.

The case has been accepted by Shunde District Court in the PRC. In June 2025, the Group requested the court, and the court granted an order on 25 June 2025 that certain properties held by the ultimate owner of Baoli Jewellery should be frozen as security up to three years until 22 June 2028. It is expected that the upcoming hearing session will be held in October 2025.

Because the result of the claim is uncertain, the Directors have therefore determined to recognise loss on inventories of HK\$1,975,000, which represented the cost of the full amount of gold lent to Baoli Jewellery, in the consolidated profit or loss and other comprehensive income for the year ended 31 December 2024.

Save for the information disclosed above, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration or claim of material importance and no litigation or claim of material importance was pending or threatened by or against the Company or any other members of the Group.

MATERIAL CONTRACTS

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

EXPERTS AND CONSENTS

The following are the qualifications of each of the experts who has given opinion or advice which is contained in this Scheme Document:

Name	Qualification
Zhongtai International Capital Limited	a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
VS Capital Limited	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO
APAC Asset Valuation and Consulting Limited	independent property valuer

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

As at the Latest Practicable Date, none of the experts mentioned above has any shareholdings in the Company.

MISCELLANEOUS

- (a) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (b) The principal place of business in Hong Kong of the Company is at 26/F, YHC Tower, No. 1 Sheung Yuet Road, Kowloon Bay, Hong Kong.
- (c) The principal share registrar and transfer office of the Company is Conyers Trust Company (Cayman) Limited at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (d) The Hong Kong Branch Share Registrar is Union Registrars Limited at Suites 3301–04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong.

- (e) As at the Latest Practicable Date, the information regarding the Offeror and the principal members of the Offeror Concert Parties are as follows:
- (i) The sole director of the Offeror is Mr. Kan. The registered office of the Offeror is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. The Offeror is wholly-owned by Mr. Kan.
 - (ii) The sole director of King Jewel is Mr. Kan. The registered office of King Jewel is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. King Jewel is wholly-owned by Mr. Kan.
 - (iii) The directors of Classic Sapphire are Mr. Kan and Mr. Chan Wing Sum. The registered office of Classic Sapphire is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. The issued share capital of Classic Sapphire is ultimately and beneficially owned as to 50% by Mr. Kan and 50% by Mr. Chan Wing Sum.
 - (iv) The sole director of Richemont Asset Management is Ms. Chow. The registered office of Richemont Asset Management is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. Richemont Asset Management is wholly-owned by Ms. Chow.
 - (v) The sole director of Cachet Asset Management is Ms. Chow. The registered office of Cachet Asset Management is at Room 2802, 28/F, China Resources Building, 26 Harbour Road, Wan Chai, Hong Kong. Cachet Asset Management is wholly-owned by Ms. Chow.
 - (vi) The sole director of Classic Emerald is Mr. Chung Chi Keung. The registered office of Classic Emerald is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. Classic Emerald is wholly-owned by Mr. Chung Chi Keung.
 - (vii) The correspondence address of Mr. Kan is at 26/F, YHC Tower, No. 1 Sheung Yuet Road, Kowloon Bay, Hong Kong.
- (f) The principal place of business of Zhongtai Capital is at 19/F., Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong.
- (g) The principal place of business of the Independent Financial Adviser is at 11/F, Yardley Commercial Building, 3 Connaught Road West, Sheung Wan, Hong Kong.

- (h) The company secretary of the Company is Ms. Tang Kam Man (“**Ms. Tang**”). Ms. Tang is a certified public accountant of The Hong Kong Institute of Certified Public Accountants.

DOCUMENTS ON DISPLAY

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

- (a) the memorandum of association and articles of association of the Offeror;
- (b) the memorandum of association and articles of association of the Company;
- (c) the annual reports of the Company for the years ended 31 December 2022, 2023 and 2024;
- (d) the letter from the Board, the text of which is set out in Part III of this Scheme Document;
- (e) the letter from the Independent Board Committee, the text of which is set out in Part IV of this Scheme Document;
- (f) the letter from the Independent Financial Adviser, the text of which is set out in Part V of this Scheme Document;
- (g) the property valuation report from APAC Asset Valuation and Consulting Limited, the text of which is set out in Appendix II to this Scheme Document;
- (h) the service contracts referred to in the section headed “Service Contracts” in this Appendix;
- (i) the written consents referred to in the section headed “Experts and consents” in this Appendix;
- (j) the Irrevocable Undertakings; and
- (k) this Scheme Document.

* *For identification purposes only*

**IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION**

CAUSE NO. FSD 247 OF 2025 (DDJ)

**IN THE MATTER OF SECTION 86 OF THE COMPANIES ACT (2025 REVISION) (AS
REVISED)**

**AND IN THE MATTER OF ORDER 102 OF THE GRAND COURT RULES 2023 (AS
REVISED)**

AND IN THE MATTER OF

PERFECT GROUP INTERNATIONAL HOLDINGS LIMITED 保發集團國際控股有限公司

SCHEME OF ARRANGEMENT

Between

**PERFECT GROUP INTERNATIONAL HOLDINGS LIMITED
保發集團國際控股有限公司**

and

**THE SCHEME SHAREHOLDERS
(as hereinafter defined)**

(A) In this Scheme of Arrangement, unless inconsistent with the subject or context, the following expressions shall have the meanings respectively set opposite them:

“acting in concert”

has the meaning ascribed to it in the Takeovers Code and “persons acting in concert” and “concert parties” shall be construed accordingly

“Announcement”	the announcement dated 9 June 2025 jointly issued by the Offeror and the Company in relation to the Proposal
“Board”	the board of Directors
“Cachet Asset Management”	Cachet Asset Management Limited, a company incorporated in Hong Kong with limited liability, all the shares in issue are ultimately and beneficially owned by Ms. Chow
“Cancellation Price”	the cancellation price of HK\$0.25 per Scheme Share
“Classic Amber”	Classic Amber Holdings Limited, a company incorporated in British Virgin Islands with limited liability, the entire issued share capital of which is ultimately and beneficially owned by Mr. Jacky Luo
“Classic Emerald”	Classic Emerald Holdings Limited, a company incorporated in British Virgin Islands with limited liability, the entire issued share capital of which is ultimately and beneficially owned by Mr. Chung Chi Keung
“Classic Sapphire”	Classic Sapphire Holdings Limited, a company incorporated in British Virgin Islands with limited liability, the issued shares of which are beneficially owned as to 50% by Mr. Kan and as to 50% by Mr. Chan Wing Sum
“Companies Act”	the Companies Act (2025 Revision) of the Cayman Islands, as consolidated and revised from time to time
“Company”	Perfect Group International Holdings Limited (保發集團國際控股有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3326)

“Condition(s)”	the condition(s) to the Proposal as set out in the paragraph headed “Conditions of the Proposal and the Scheme” under the section headed “Terms of the Proposal” in the Explanatory Memorandum in Part VI of the Scheme Document
“Court Meeting”	a meeting of the Scheme Shareholders convened at the direction of the Grand Court at which the Scheme of Arrangement will be voted upon, or any adjournment thereof
“Director(s)”	director(s) of the Company
“Disinterested Scheme Shareholders”	all Shareholders, other than the Offeror, Mr. Kan and the Offeror Concert Parties
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Act and the Conditions
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate thereof
“Explanatory Memorandum”	the explanatory memorandum set out in Part VI of the Scheme Document
“Grand Court”	the Grand Court of the Cayman Islands
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Company comprising, Dr. Ng Wang Pun Dennis, Ms. Ng Sin Kiu and Mr. Wong Wai Keung Frederick, each an independent non-executive Director

“Independent Financial Adviser”	VS Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee in relation to the Proposal and the Scheme
“King Jewel”	King Jewel Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is ultimately and beneficially owned by Mr. Kan
“Latest Practicable Date”	15 September 2025, being the latest practicable date prior to the printing of the Scheme Document for the purpose of ascertaining certain information contained therein
“Long Stop Date”	31 March 2026 (or any later date as the Offeror and the Company may determine and, to the extent applicable, as the Grand Court on the application of the Company may direct, and in all cases, as permitted by the Executive)
“Mr. Kan”	Mr. Kan Kin Kwong, the chairman of the Board and an executive Director of the Company, and together with the Offeror, King Jewel and Classic Sapphire are the controlling shareholders of the Company
“Ms. Chow”	Ms. Chow Chin Yui Angela, the sole shareholder of Richemont Asset Management and Cachet Asset Management

“Offer Period”	has the meaning given to it in the Takeovers Code, being the period commencing on the date of the Announcement (being 9 June 2025) until the latest of (i) the Effective Date; (ii) the date when the Scheme lapses; (iii) the time when the Offeror announces that the Scheme will not proceed; and (iv) the date when an announcement is made of the withdrawal of the Scheme
“Offeror”	Immaculate Diamonds Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is owned by Mr. Kan. The Offeror, together with Mr. Kan, King Jewel and Classic Sapphire are the controlling shareholders of the Company
“Offeror Concert Parties”	parties acting in concert or presumed to be acting in concert with the Offeror and Mr. Kan under the definition of “acting in concert” under the Takeovers Code, including but not limited to King Jewel, Classic Sapphire, Classic Emerald, Ms. Chow, Cachet Asset Management, Richemont Asset Management and Zhongtai Capital
“Offeror Group”	the Offeror, King Jewel and Mr. Kan
“Proposal”	the proposal for the privatisation of the Company by the Offeror by way of the Scheme, on the terms and subject to the conditions as described in the Scheme Document
“Register”	the principal or branch register of members of the Company (as the case may be) in respect of the Shares
“Scheme”	the scheme of arrangement under Section 86 of the Companies Act for the implementation of the Proposal

“Scheme Document”	the scheme document (of which the Scheme forms part) of the Offeror and the Company containing, amongst other things, further details of the Proposal and the Scheme
“Scheme Record Date”	28 October 2025 (or such other date as may be announced to the Shareholders), being the record date for the purpose of determining entitlements of the Scheme Shareholders under the Scheme
“Scheme Share(s)”	Share(s) in issue on the Scheme Record Date, which for the avoidance of doubt, shall exclude Shares held directly or indirectly by the Offeror Group
“Scheme Shareholders”	the registered holder(s) of the Scheme Shares as at the Scheme Record Date
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) having a par value of HK\$0.003333333333 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers in Hong Kong
“Zhongtai Capital”	Zhongtai International Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, and the financial adviser to the Offeror in relation to the Proposal

(B) The Company was incorporated as an exempted company on 16 June 2015 with limited liability in the Cayman Islands.

- (C) As at the Latest Practicable Date: (i) the authorised share capital of the Company was HK\$10,000,000 divided into 3,000,000,000 Shares having a par value of HK\$0.003333333333 each; and (ii) the issued share capital of the Company was HK\$4,450,260 divided into 1,335,078,000 Shares having a par value of HK\$0.003333333333 each. Since 4 January 2016, the issued Shares of the Company have been listed and traded on the Main Board of the Stock Exchange.
- (D) The Offeror has proposed the privatisation of the Company by way of the Scheme.
- (E) The primary purpose of the Scheme is to privatise the Company by cancelling and extinguishing all of the Scheme Shares in consideration for the Cancellation Price so that after the completion of the Scheme, the Offeror Group will own the entire issued share capital of the Company. Contemporaneously with the cancellation and extinguishment of the Scheme Shares, the share capital of the Company will be maintained by the issuance at par to the Offeror, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled. The reserve created in the Company's books of account as a result of the cancellation of the Scheme Shares will be applied in paying up in full at par the new Shares so issued to the Offeror.

(F) As at the Latest Practicable Date, the major shareholdings of the Company were as follows:

Shareholders	Number of Shares	Approximate % of total Shares
Offeror (<i>Note 1 and 5</i>)		
— Offeror	729,000,000	54.60
Offeror Concert Parties		
— King Jewel (<i>Notes 2 and 5</i>)	57,339,000	4.29
— Mr. Kan (<i>Note 5</i>)	29,154,000	2.18
— Classic Sapphire (<i>Note 3</i>)	100,620,000	7.54
— Richemont Asset Management (<i>Note 4</i>)	87,426,997	6.55
— Cachet Asset Management (<i>Note 4</i>)	1,912,785	0.14
— Classic Emerald (<i>Note 6</i>)	30,375,000	2.28
Sub-total of Offeror and Offeror Concert Parties	1,035,827,782	77.59
Independent non-executive Director		
Dr. Ng Wang Pun Dennis (<i>Note 7</i>)	738,000	0.06
Other Shareholders	197,280,218	14.78
Classic Amber (<i>Note 8</i>)	101,232,000	7.58
Total number of Disinterested Scheme Shares (<i>Note 9</i>)	299,250,218	22.41
Total Shares	1,335,078,000	100.00
Public Float of the Company (<i>Note 10</i>)	387,852,000	29.05
Total number of Scheme Shares (<i>Note 11</i>)	519,585,000	38.92

Notes:

1. The entire issued share capital of the Offeror is ultimately and beneficially owned by Mr. Kan.
2. The entire issued share capital of King Jewel is ultimately and beneficially owned by Mr. Kan.

3. The issued share capital of Classic Sapphire is ultimately and beneficially owned as to 50% by Mr. Kan and 50% by Mr. Chan Wing Sum. As at the Latest Practicable Date, the 100,620,000 Shares held by Classic Sapphire will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective.
 4. All the shares in issue of Richemont Asset Management and Cachet Asset Management are ultimately and beneficially owned by Ms. Chow. As at the Latest Practicable Date, Richemont Asset Management and Cachet Asset Management hold an aggregate of 89,339,782 Shares, which will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective.
 5. The Shares held by the Offeror Group as at the Latest Practicable Date will not form part of the Scheme Shares and will not be cancelled or extinguished upon completion of the Proposal.
 6. Mr. Chung Chi Keung is the sole shareholder of Classic Emerald which is the holder of these Shares. As at the Latest Practicable Date, Classic Emerald holds 30,375,000 Shares, which will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective.
 7. As at the Latest Practicable Date, Dr. Ng Wang Pun Dennis is an independent non-executive Director. As there is no agreement, arrangement or understanding between Dr. Ng Wang Pun Dennis on the one hand, and the Offeror on the other, Dr. Ng Wang Pun Dennis is not regarded as acting in concert with the Offeror and the Shares held by him will form part of the Scheme Shares held by the Disinterested Scheme Shareholders.
 8. Classic Amber is a company incorporated in the British Virgin Islands with limited liability, and Mr. Jacky Luo is the ultimate and sole beneficial shareholder of it. As at the Latest Practicable Date, Classic Amber and/or Mr. Jacky Luo are not acting in concert with the Offeror and the Shares held by Classic Amber will form part of the Scheme Shares held by the Disinterested Scheme Shareholders.
 9. Disinterested Scheme Shares are Shares held by Dr. Ng Wang Pun Dennis, Classic Amber and Other Shareholders.
 10. Public float of the Company does not include Shares held by the Offeror, Mr. Kan, King Jewel, Classic Sapphire, Classic Emerald and Dr. Ng Wang Pun Dennis.
 11. All Shares, other than those Shares held by the Offeror Group, will form part of the Scheme Shares.
 12. The aggregate of the percentage figures in the table above may not add up to the relevant sub-total or total percentage figures shown due to rounding of the percentage figures to two decimal places.
- (G) Each of the Offeror and the Offeror Concert Parties will procure that any Shares in respect of which they are beneficially interested will not be represented or voted at the Court Meeting. The Offeror will undertake to the Grand Court that it will be bound by the Scheme and will execute and do all things as may be necessary or desirable to be executed and done by it for the purposes of the Scheme.
- (H) The Offeror, King Jewel and Mr. Kan:
- (i) have acknowledged to the Grand Court that the Shares held by them will not form part of the Scheme Shares under the Scheme and will not be cancelled and extinguished when the Scheme becomes effective;

- (ii) have undertaken to the Grand Court that, even if the Scheme is extended to them, they will not accept the Scheme in respect of the Shares held by them;
 - (iii) have undertaken to the Grand Court that they will not sell, transfer, pledge or otherwise dispose of any Shares held by them, or directly or indirectly deal or acquire any shares, securities or other interests of the Company before the end of the Offer Period; and
 - (iv) have undertaken to the Grand Court that, unless the Scheme or the Proposal prejudice their legal rights and interests, they will not take any action or enter into agreements or arrangements which may: (a) restrict or delay the progress of the Scheme or the Proposal; or (b) prejudice the successful outcome of the Scheme or the Proposal.
- (I) Classic Sapphire, Classic Emerald, Ms. Chow, Cachet Asset Management, Richemont Asset Management and Zhongtai Capital:
- (i) has undertaken that they will not sell, transfer, pledge or otherwise dispose of any Shares held by them, or directly or indirectly deal or acquire any shares, securities or other interests of the Company before the end of the Offer Period; and
 - (ii) has undertaken that, unless the Scheme or the Proposal prejudice their legal rights and interests, they will not take any action or enter into agreements or arrangements which may: (i) restrict or delay the progress of the Scheme or the Proposal; or (ii) prejudice the successful outcome of the Scheme or the Proposal.

THE SCHEME**PART I****Cancellation and extinguishment of the Scheme Shares and issue of new Shares
credited as fully paid at par to the Offeror**

1. On the Effective Date:
 - (a) all the Scheme Shares shall be cancelled and extinguished;
 - (b) contemporaneously with the cancellation of the Scheme Shares, the issued share capital of the Company shall be maintained by the issuance to the Offeror, credited as fully paid, an aggregate number of Shares which is equal to the number of Scheme Shares cancelled; and
 - (c) the Company shall apply the reserve created in its books of account as a result of the cancellation of the Scheme Shares in paying up in full the new Shares issued to the Offeror.

PART II**Consideration for the cancellation and extinguishment of the Scheme Shares**

2. In consideration of the cancellation and extinguishment of the Scheme Shares, the Offeror shall pay (or procure that there shall be paid) to each Scheme Shareholder (as appears in the Register on the Scheme Record Date):

for each Scheme Share cancelled and extinguished HK\$0.25 in cash

PART III**General**

3. (a) As soon as possible and in any event not later than seven (7) Business Days (as defined under the Takeovers Code) after the Effective Date, the Offeror shall send or cause to be sent to the Scheme Shareholders cheques representing the Cancellation Price.

- (b) All cheques to be despatched to the Scheme Shareholders shall be sent by ordinary post to the Scheme Shareholders at their respective addresses as appearing in the Register on the Scheme Record Date, or in the case of joint holders, at the address appearing in the Register as at the Scheme Record Date of the joint holder whose name then stands first in the Register in respect of the relevant joint holding.
- (c) All cheques shall be made payable to the order of the person or persons to whom, in accordance with the provisions of paragraph 3(b) of the Scheme, the envelope containing the same is addressed and the encashment of any such cheque shall be a good discharge to the Offeror for the moneys represented thereby.
- (d) All such cheques shall be posted at the risk of the addressees and none of the Offeror, the Company, the financial adviser to the Offeror, the Independent Financial Adviser, the Hong Kong branch share registrar and transfer office of the Company or any of their respective directors, officers, employees, agents, affiliates or advisers or any other persons involved in the Proposal shall be liable for any loss or delay in despatch.
- (e) On or after the day being six (6) calendar months after the posting of the cheques pursuant to paragraph 3(b) of the Scheme, the Offeror shall have the right to cancel or countermand payment of any such cheque which has not been cashed or has been returned uncashed, and shall place all monies represented thereby in a deposit account in the name of the Offeror with a licensed bank in Hong Kong selected by the Offeror. The Offeror shall hold such monies on trust until the expiry of six (6) years from the Effective Date and shall, prior to such date, make payments therefrom of the sums payable pursuant to paragraph 2 of the Scheme, without interest earned thereon, to persons who satisfy the Offeror that they are respectively entitled thereto, provided that the cheques referred to in the foregoing sentence of which they are payees have not been cashed. Any payments made by the Offeror shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to the Scheme. The Offeror shall exercise its absolute discretion in determining whether or not it is satisfied that any person is so entitled, and a certificate of the Offeror to the effect that any particular person is so entitled or not so entitled, as the case may be, shall be conclusive and binding upon all persons claiming an interest in the relevant monies.
- (f) On the expiry of six (6) years from the Effective Date, the Offeror shall be released from any further obligation to make any payments under the Scheme and the Offeror shall be absolutely entitled to the balance (if any) of the sums then standing to the credit of the deposit account referred to in paragraph 3(e) of the Scheme, including accrued interest subject to any deduction required by law and expenses incurred.

- (g) Paragraph 3(f) shall take effect subject to any prohibition or condition imposed by law.
 - (h) Upon cancellation and extinguishment of the Scheme Shares, the Register shall be updated to reflect such cancellation and extinguishment.
4. As from and including the Effective Date:
- (a) all share certificates for the Scheme Shares shall cease to have effect as documents or evidence of title for such Scheme Shares and every holder thereof shall be bound, at the request of the Company, to deliver up such certificates to the Company or to any person appointed by the Company to receive the same for cancellation;
 - (b) all instruments of transfer validly subsisting as at the Scheme Record Date in respect of the transfer of any number of the Scheme Shares shall cease to be valid for all purposes as instruments of transfer; and
 - (c) all mandates or other instructions to the Company in force as at the Scheme Record Date in relation to any of the Scheme Shares shall cease to be valid as effective mandates or instructions.
5. Subject to the Conditions having been fulfilled or waived, the Scheme shall become effective as soon as a copy of the order of the Grand Court sanctioning the Scheme has been delivered to the Registrar of Companies in the Cayman Islands for registration pursuant to section 86(3) of the Companies Act.
6. Unless the Scheme shall have become effective on or before the Long Stop Date, the Scheme shall lapse and be of no effect.
7. The Company and the Offeror may jointly consent for and on behalf of all parties concerned to any modification of or addition to the Scheme or to any condition which the Grand Court may see fit to approve or impose.
8. All costs, charges and expenses shall be borne and paid in the manner described in the Scheme Document.

Date: 18 September 2025

**IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION**

CAUSE NO. FSD 247 OF 2025 (DDJ)

**IN THE MATTER OF SECTION 86 OF THE COMPANIES ACT (2025 REVISION) (AS
REVISED)**

**AND IN THE MATTER OF ORDER 102 OF THE GRAND COURT RULES 2023 (AS
REVISED)**

AND IN THE MATTER OF

PERFECT GROUP INTERNATIONAL HOLDINGS LIMITED 保發集團國際控股有限公司

NOTICE OF COURT MEETING

NOTICE IS HEREBY GIVEN that, by an order dated 11 September 2025 (the “**Order**”) made in the above matter, the Grand Court of the Cayman Islands (the “**Grand Court**”) has directed a meeting (the “**Court Meeting**”) to be convened of the Scheme Shareholders (as defined in the Scheme Document hereinafter mentioned) for the purpose of considering and, if thought fit, approving (voting together as a single class), a scheme of arrangement (with or without modifications) (the “**Scheme**”) proposed to be made between Perfect Group International Holdings Limited (the “**Company**”) and the Scheme Shareholders and that the Court Meeting will be held at The Garden Rooms (Narcissus Room), 2/F., The Royal Garden, 69 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Monday, 13 October 2025 at 9:30 a.m. (Hong Kong time) at which all Scheme Shareholders are invited to attend.

A copy of the Scheme and a copy of an explanatory memorandum explaining the effect of the Scheme are incorporated in the composite scheme document dated 18 September 2025 (“**Scheme Document**”) of which this notice forms part. A copy of the Scheme Document may also be obtained by the Scheme Shareholders from the Hong Kong branch share registrar of the Company, Union Registrars Limited, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong during usual business hours.

Scheme Shareholders may vote in person at the Court Meeting or they may appoint another person, whether a member of the Company or not, to attend, speak and vote in their stead. Any Scheme Shareholder who is the holder of two or more Scheme Shares (as defined in the Scheme Document) may appoint more than one proxy to represent him/her. If more than one proxy is appointed, the number of Scheme Shares in respect of which each such proxy is so appointed must be specified in the relevant form of proxy. A **pink** form of proxy for use at the Court Meeting (or any adjournment thereof) is enclosed with the Scheme Document despatched to, among others, the Scheme Shareholders on Thursday, 18 September 2025. Completion and return of the **pink** form of proxy will not prevent a Scheme Shareholder from attending and voting in person at the Court Meeting (or any adjournment thereof) if he/she wishes to do so and in such event, the **pink** form of proxy submitted shall be deemed to have been revoked by operation of law.

In the case of joint registered holders of a Scheme Share, any one of such joint holders may vote at the Court Meeting, either in person or by proxy, in respect of such Scheme Share as if he/she was solely entitled thereto. However, if more than one of such joint holders be present at the Court Meeting, the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

In order to be effective, the **pink** forms of proxy together with the power of attorney or other authority (if any) under which it is signed or a certified copy thereof must be deposited at the Hong Kong branch share registrar and transfer office of the Company, Union Registrars Limited, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not later than 9:30 a.m. on Saturday, 11 October 2025. Alternatively, the **pink** forms of proxy may be handed to the chairman of the Court Meeting, who shall have absolute discretion as to whether or not to accept it, before the taking of poll if it is not so lodged.

By the Order, the Court has appointed Mr. Wong Wai Keung Frederick to act as the chairman of the Court Meeting and has directed the chairman of the Court Meeting to report the results of the Court Meeting to the Court.

The Scheme will be subject to the subsequent sanction of the Grand Court.

By order of the board of directors of
Perfect Group International Holdings Limited
Chung Chi Keung
Executive Director

Hong Kong, 18 September 2025

Registered Office

Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman KY1-1111
Cayman Islands

Principal Place of Business in Hong Kong

26/F, YHC Tower
No. 1 Sheung Yuet Road
Kowloon Bay
Hong Kong

Notes:

- (1) Voting at the Court Meeting will be taken by poll as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Code on Takeovers and Mergers.
- (2) The register of members of the Company will be closed from Wednesday, 8 October 2025 to Monday, 13 October 2025 (both days inclusive) and during such period no transfer of shares will be registered. In order to be entitled to attend and vote at the Court Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Union Registrars Limited, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong not later than 4:00 p.m. on Monday, 6 October 2025.
- (3) If a tropical cyclone warning signal No. 8 or above is or is expected to be hoisted or “extreme conditions” announced by the Government of Hong Kong or a black rainstorm warning signal is or is expected to be in force at any time after 6:30 a.m. on the date of the Court Meeting, the Court Meeting will be adjourned. The Company will post an announcement on the respective websites of the Stock Exchange and the Company to notify the members of the date, time and venue of the adjourned meeting.



PERFECT GROUP

保發集團

PERFECT GROUP INTERNATIONAL HOLDINGS LIMITED

保發集團國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3326)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of holders of ordinary shares having a par value of HK\$0.003333333333 each (the “**Shares**”) in the share capital of Perfect Group International Holdings Limited (the “**Company**”) will be held at 10:30 a.m. (Hong Kong time) (or as soon as practicable after the conclusion or adjournment of the Court Meeting (as defined in the Scheme Document hereinafter mentioned) on Monday, 13 October 2025 at The Garden Rooms (Narcissus Room), 2/F., The Royal Garden, 69 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong for the purpose of considering and, if thought fit, passing the following resolutions:

SPECIAL RESOLUTION

1. “**THAT:**

- (A) the scheme of arrangement between the Company and the Scheme Shareholders (as defined in the Scheme Document) (the “**Scheme**”) as set out in the composite scheme document dated 18 September 2025 (the “**Scheme Document**”) in the form of the print thereof, which has been produced to this meeting and for the purposes of identification signed by the chairperson of this meeting, or in such other form and on such terms and conditions as may be approved or imposed by the Grand Court of the Cayman Islands be and hereby is approved; and
- (B) for the purpose of giving effect to the Scheme, on the Effective Date (as defined in the Scheme Document), the issued share capital of the Company shall be reduced by cancelling and extinguishing the Scheme Shares (as defined in the Scheme Document).”

ORDINARY RESOLUTION

2. “THAT:

- (A) subject to and forthwith upon such reduction of capital referred to in resolution no. 1(B) taking effect, the share capital of the Company will be increased to its former amount by applying the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such number of new Shares (as defined in the Scheme Document) as is equal to the number of Scheme Shares cancelled as a result of the Scheme, credited as fully paid, for issuance to the Offeror (as defined in the Scheme Document), and the directors of the Company be and are hereby authorised to allot and issue the same accordingly;
- (B) any one of the directors of the Company be and is hereby authorised to do all such acts and things considered by him/her to be necessary or desirable in connection with the implementation of the Scheme, including (without limitation) the giving of consent to any modification of or addition to, the Scheme or the reduction of capital, which the Grand Court of the Cayman Islands may see fit to impose; and
- (C) any of the directors of the Company be and is hereby authorised to apply to The Stock Exchange of Hong Kong Limited for the withdrawal of the listing of the Shares.”

By order of the board of directors of
Perfect Group International Holdings Limited
Chung Chi Keung
Executive Director

Hong Kong, 18 September 2025

Registered Office Cricket Square,
Hutchins Drive P.O. Box 2681,
Grand Cayman KY1-1111
Cayman Islands

Principal Place of Business in Hong Kong
26/F, YHC Tower
No. 1 Sheung Yuet Road
Kowloon Bay
Hong Kong

Notes:

- (1) Unless otherwise defined herein, capitalised terms used herein shall have the same meaning ascribed to them in the composite scheme document dated 18 September 2025 (the “**Scheme Document**”), of which this notice forms part.
- (2) A shareholder entitled to attend and vote at the EGM is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A proxy need not be a member of the Company.
- (3) A **white** form of proxy for use at the EGM (or any adjournment thereof) is enclosed with the Scheme Document.
- (4) In the case of joint registered holders of a Share, any one of such joint holders may vote at the EGM, either in person or by proxy, in respect of such Share as if he/she was solely entitled thereto. However, if more than one of such joint holders be present at the EGM, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and, for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
- (5) In order to be valid, the **white** form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a certified copy thereof, must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Union Registrars Limited, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong, not less than 48 hours before the time for holding the EGM or any adjournment thereof, failing which the **white** form of proxy will not be valid. Completion and return of the **white** form of proxy will not preclude a member from attending the EGM and voting in person if he/she so wishes and in such event, the **white** form of proxy submitted will be revoked by operation of law.
- (6) Voting at the EGM will be taken by poll as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Code on Takeovers and Mergers.
- (7) The register of members of the Company will be closed from Wednesday, 8 October 2025 to Monday, 13 October 2025 (both days inclusive) and during such period no transfer of Shares will be registered. In order to be entitled to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Union Registrars Limited, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong not later than 4:00 p.m. on Monday, 6 October 2025.
- (8) If a tropical cyclone warning signal No. 8 or above is or is expected to be hoisted or “extreme conditions” announced by the Government of Hong Kong or a black rainstorm warning signal is or is expected to be in force at any time after 6:30 a.m. on the date of the EGM, the EGM will be adjourned. The Company will post an announcement on the respective websites of the Stock Exchange and the Company to notify the members of the date, time and venue of the adjourned meeting.