THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **Affluent Foundation Holdings Limited**, you should at once hand this Composite Document and the accompanying Form of Acceptance to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Composite Document and the accompanying Form of Acceptance, make no representation as to their accuracy or completeness, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Composite Document and the accompanying Form of Acceptance.

This Composite Document should be read in conjunction with the accompanying Form of Acceptance, the contents of which form part of the terms and conditions of the Offer.

China VC Holdings Limited
中國創投控股有限公司
(Incorporated in the British Virgin Islands with limited liability)

Affluent Foundation Holdings Limited
俊裕地基集團有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 1757)

COMPOSITE DOCUMENT RELATING TO MANDATORY UNCONDITIONAL CASH OFFER BY YELLOW RIVER SECURITIES LIMITED FOR AND ON BEHALF OF CHINA VC HOLDINGS LIMITED TO ACQUIRE ALL THE ISSUED SHARES OF AFFLUENT FOUNDATION HOLDINGS LIMITED (OTHER THAN THOSE ALREADY OWNED AND/OR AGREED TO BE ACQUIRED BY CHINA VC HOLDINGS LIMITED AND/OR PARTIES ACTING IN CONCERT WITH IT)

Financial adviser to the Offeror
Grande Capital Limited 均富資本有限公司

Offer agent to the Offeror
YELLOW RIVER SECURITIES

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders
Capital 9 Limited

Unless the context otherwise requires, capitalised terms used in this Composite Document (including this cover page) having the same meanings as those defined in the "Definitions" section of this Composite Document.

A letter from Yellow River Securities containing, among other things, principal terms of the Offer is set out on pages 8 to 18 of this Composite Document. A letter from the Board is set out on pages 19 to 24 of this Composite Document. A letter from the Independent Board Committee to the Independent Shareholders containing its recommendation in respect of the Offer is set out on pages 25 to 26 of this Composite Document. A letter from the Independent Financial Adviser containing its recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Offer and the principal factors considered by it in arriving at its recommendation is set out on pages 27 to 47 of this Composite Document.

The procedures for acceptance and settlement as well as other related information of the Offer are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance. Form of Acceptance should be received by the Registrar, namely Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event no later than 4:00 p.m. on Friday, 2 January 2026 (or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce, with the consent of the Executive, in accordance with the Takeovers Code).

Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Form of Acceptance to any jurisdiction outside Hong Kong should read the details in this regard which are contained in the section headed "The Offer – Overseas Shareholders" in the "Letter from Yellow River Securities" of this Composite Document before taking any action. It is the sole responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental, exchange control or other consent which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes due from the accepting Overseas Shareholders in respect of such jurisdictions). The Overseas Shareholders are advised to seek professional advice on deciding whether to accept the Offer (as applicable).

This Composite Document is issued jointly by the Offeror and the Company. This Composite Document will remain on the website of the Stock Exchange (www.hkexnews.hk) and website of the Company (www.hcho.com.hk) as long as the Offer remains open. In case of any inconsistency, the English language texts of this Composite Document and the accompanying Form of Acceptance shall prevail over their respective Chinese texts for the purpose of interpretation.

10 December 2025

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The timetable set out below is indicative only and is subject to change. Any changes to the timetable will be jointly announced by the Offeror and the Company.

2025

Despatch date of this Composite Document and the accompanying Form of Acceptance and commencement date of the Offer *(Note 1)* . . . . . Wednesday, 10 December 2025

Latest time and date for acceptance of the Offer *(Notes 1, 2 and 4)* . . . . . 4:00 p.m. on Friday, 2 January 2026

Closing Date *(Notes 1 and 2)* . . . . . Friday, 2 January 2026

Announcement of the results of the Offer, to be posted on the website of the Stock Exchange (*Note 1*) . . . . . no later than 7:00 p.m. on Friday, 2 January 2026

Latest date for posting of remittances in respect of valid acceptances received under the Offer (*Notes 3 and 4*) . . . . . Tuesday, 13 January 2026

Notes:

(1) The Offer, which is unconditional in all respect, is made on the date of posting of this Composite Document, and is capable of acceptance on and from that date until 4:00 p.m. on the Closing Date.

In accordance with the Takeovers Code, the Offer must remain open for acceptance for at least 21 days following the date on which this Composite Document is posted. The latest time and date for acceptance will be at 4:00 p.m. on Friday, 2 January 2026 unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. The Offeror and the Company will jointly issue an announcement through the websites of the Stock Exchange and the Company no later than 7:00 p.m. on Friday, 2 January 2026 stating the results of the Offer and whether the Offer has been extended, revised or expired. In the event that the Offeror decides to extend the Offer, and the announcement regarding the extension of the Offer does not specify the next closing date, at least 14 days' notice by way of an announcement will be given before the Offer is closed to those Independent Shareholders who have not accepted the Offer.

(2) Beneficial owners of the Shares who hold their Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (set out in Appendix I to this Composite Document) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.

(3) Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty) payable for the Offer Shares tendered under the Offer will be despatched to the Independent Shareholders accepting the Offer by ordinary post at their own risk as soon as possible, but in any event no later than seven (7) Business Days after the date of receipt by the Registrar of all relevant documents (receipt of which renders such acceptance complete and valid), in accordance with the Takeovers Code. Acceptances of the Offer shall be

irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code. Please refer to the paragraph headed "5. Right of withdrawal" in Appendix I to this Composite Document for further information on the circumstances where acceptances may be withdrawn.

(4) If there is a tropical cyclone warning signal number 8 or above, a "black rainstorm warning signal" or "extreme conditions" announced by the Government of Hong Kong:

(a) in force in Hong Kong at any local time before 12:00 noon but no longer in force at or after 12:00 noon on the latest date for acceptance of the Offer under Rule 15.1 of the Takeovers Code, any publication date of a closing announcement under Rule 19.1 of the Takeovers Code or the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances, these dates, as the case may be, will remain on the same Business Day; or

(b) in force in Hong Kong at any local time at 12:00 noon and/or thereafter on the latest date for acceptance of the Offer under Rule 15.1 of the Takeovers Code, any publication date of a closing announcement under Rule 19.1 of the Takeovers Code or the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances, these dates, as the case may be, will rescheduled to the following Business Day which does not have any of those warnings or condition in force in Hong Kong at any local time at 12:00 noon and/or thereafter or such other day as the Executive may approve in accordance with the Takeovers Code.

Save as mentioned above, if the latest time for acceptance of the Offer do not take effect on the date and time as stated above, the other dates mentioned above may be affected. The Offeror and the Company will notify the Independent Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

All references to dates and times contained in this Composite Document and the accompanying Form of Acceptance refer to Hong Kong dates and times.

NOTICE TO THE OVERSEAS SHAREHOLDERS

The making of the Offer to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or affected by the laws of the relevant jurisdictions. Overseas Shareholders who are citizens or residents or nationals of jurisdictions outside Hong Kong should inform themselves about and observe any applicable legal and regulatory requirements and, where necessary, seek independent legal advice in respect of the Offer.

It is the responsibility of any such person who wishes to accept the Offer to satisfy himself/herself/itself 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 and any registration or filing which may be required or the compliance with other necessary formalities or legal and regulatory requirements and the payment of any transfer or other taxes or other required payments due from him/her/it in respect of such jurisdiction.

Any acceptance by the Overseas Shareholders will be deemed to constitute a representation and warranty from such Overseas Shareholders to the Offeror that the local laws and requirements have been complied with and such acceptance shall be lawful, valid and binding in accordance with all applicable laws. Such Overseas Shareholders should consult their respective professional advisers if in doubt.

The Offeror and parties acting in concert with it, the Company, Grande Capital, Yellow River Securities, the Independent Financial Adviser, the Registrar or any of their respective ultimate beneficial owners, directors, officers, advisers and associates, agents or any other persons involved in the Offer shall be entitled to be fully indemnified and held harmless by the Overseas Shareholders for any taxes or duties as such person may be required to pay. Please refer to the paragraph headed "The Offer – Overseas Shareholders" in the letter from Yellow River Securities and the paragraph headed "7. Overseas Shareholders" in the Appendix I to this Composite Document for further details.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Composite Document contains forward-looking statements, which may be identified by words such as "believe", "expect", "anticipate", "intend", "plan", "seek", "estimate", "will", "would" or words of similar meaning, that involve risks and uncertainties, as well as assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The forward-looking statements included herein are made only as at the Latest Practicable Date. The Offeror and the Company assume no obligation to correct or update the forward-looking statements or opinions contained in this Composite Document, except as required pursuant to applicable laws or regulations, including but not limited to the Listing Rules and/or the Takeovers Code.

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

"Acquisition"	the purchase of the Sale Shares by the Offeror from the Vendor in accordance with the terms and conditions of the Sale and Purchase Agreement
"acting in concert"	has the meaning ascribed to it under the Takeovers Code and "concert parties" shall be construed accordingly
"associate(s)"	has the meaning ascribed to it under the Takeovers Code
"Board"	the board of Directors
"Business Day(s)"	a day on which the Stock Exchange is open for the transaction of business
"BVI"	the British Virgin Islands
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"China Tofans"	China Tofans Investment Company Limited (中國同凡投資有限公司), a company incorporated in BVI with limited liability, which is directly wholly owned by Mr. Guo
"China Venture"	China Venture Capital Foundation (中國創投基金會), a company incorporated in the Cayman Islands with limited liability, which is directly wholly owned by Mr. Zhou
"China Wicens"	China Wicens Investment Company Limited (中國網辰投資有限公司), a company incorporated in BVI with limited liability, which is directly wholly owned by Ms. Peng
"Closing Date"	Friday, 2 January 2026, the closing date of the Offer, or if the Offer is extended, any subsequent closing date as may be determined by the Offeror and jointly announced by the Offeror and the Company, with the consent of the Executive, in accordance with the Takeovers Code
"Company"	Affluent Foundation Holdings Limited (俊裕地基集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability whose ordinary shares are listed on the Main Board of the Stock Exchange (stock code: 1757)

"Completion"	completion of the Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement, which took place on the Completion Date
"Completion Date"	the date on which Completion took place, being 15 October 2025
"Composite Document"	the composite offer and response document dated 10 December 2025 and jointly issued by the Offeror and the Company to the Shareholders in connection with the Offer in compliance with the Takeovers Code containing, among other things, details of the Offer (accompanied by the form of acceptance and transfer) and the respective letters of advice from the Independent Board Committee and the Independent Financial Adviser of the Company
"Consideration"	the amount of HK$80,000,000, being consideration paid by the Offeror to the Vendor for the acquisition of the Sale Shares under the Sale and Purchase Agreement
"controlling shareholder"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Executive"	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
"Form of Acceptance"	the form of acceptance and transfer of the Offer Shares in respect of the Offer accompanying this Composite Document
"Grande Capital"	Grande Capital Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, the financial adviser to the Offeror in respect of the Offer
"Group"	the Company together with its subsidiaries
"Guarantor"	Mr. Chan Siu Cheong, an executive Director, who owns 90% of the issued share capital of the Vendor
"HK$"	Hong Kong dollars, 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 PRC
"Independent Board Committee"	an independent committee of the Board comprising all the independent non-executive Directors, namely Mr. Lau Leong Ho, Mr. Ho Chi Wai and Mr. Cheung Kwok Yan Wilfred, which has been established by the Company for the purpose of advising the Independent Shareholders as to whether the Offer is, or is not, fair and reasonable and as to the acceptance of the Offer
"Independent Financial Adviser" or "Capital 9"	Capital 9 Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company and approved by the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders whether the Offer is, or is not, fair and reasonable and as to the acceptance of the Offer
"Independent Shareholder(s)"	holder(s) of Share(s), other than the Offeror and parties acting in concert with it
"Joint Announcement"	the announcement dated 23 October 2025 jointly issued by the Offeror and the Company in relation to, among others, the Acquisition and the Offer
"Last Trading Day"	15 October 2025, being the last trading day of the Shares immediately prior to the release of the Joint Announcement
"Latest Practicable Date"	5 December 2025, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Main Board"	the main board maintained and operated by the Stock Exchange

"Mr. Guo"	Mr. Guo Xianjiao, the sole beneficial owner and sole director of China Tofans
"Mr. Zhou"	Mr. Zhou Zhenlin, the sole beneficial owner and sole director of China Venture
"Ms. Peng"	Ms. Peng Yunying, the sole beneficial owner and sole director of China Wicens
"Offer"	the mandatory unconditional cash offer being made by Yellow River Securities, on behalf of the Offeror, to acquire all the issued Shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with it in accordance with the Takeovers Code
"Offer Facility"	a loan facility of up to HK$27.0 million made available by Ultra Accord to the Offeror for financing the consideration payable under the Offer
"Offer Facility Charge over Account"	the charge over the securities account of the Offeror maintained with Yellow River
"Offer Facility Personal Guarantee"	the personal guarantee provided by Mr. Zhou in favour of Ultra Accord under a deed of personal guarantee which guarantees the Offeror's payment obligations under the Offer Facility
"Offer Facility Share Charge"	the share charge provided by the Offeror in favour of Ultra Accord over the Offer Shares to be acquired by the Offeror under the Offer
"Offer Period"	the period commenced on 23 October 2025 and ends on the Closing Date in accordance with the Takeovers Code
"Offer Price"	the cash amount of HK$0.089 payable by the Offeror for each Offer Share
"Offer Share(s)"	any of the 300,000,000 Shares that are subject to the Offer
"Offeror"	China VC Holdings Limited (中國創投控股有限公司), a company incorporated in BVI with limited liability and is beneficially as to 75% by China Venture, 15% by China Wicens and 10% by China Tofans

"Overseas Shareholder(s)"	Independent Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong
"PRC"	the People's Republic of China, which for the purpose of this Composite Document, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
"Registrar"	Tricor Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
"Relevant Period"	the period commencing on 23 April 2025, being the date falling six months immediately preceding the commencement of the Offer Period, up to and including the Latest Practicable Date
"Sale and Purchase Agreement"	the sale and purchase agreement dated 15 October 2025 entered into among the Vendor, the Guarantor and the Offeror in relation to the sale and purchase of the Sale Shares
"Sale Share(s)"	the 900,000,000 Shares acquired by the Offeror from the Vendor pursuant to the terms and conditions of the Sale and Purchase Agreement, representing 75% of the entire issued share capital of the Company as at the Latest Practicable Date
"Sale Shares Facility"	a loan facility of up to HK$80.0 million made available by Ultra Accord to the Offeror for financing the Consideration
"Sale Shares Facility Charge over Account"	the charge over the securities account of the Offeror maintained with Yellow River
"Sale Shares Facility Personal Guarantee"	the personal guarantee provided by Mr. Zhou in favour of Ultra Accord under a deed of personal guarantee which guarantees the Offeror's payment obligations under the Sale Shares Facility
"Sale Shares Facility Share Charge"	the share charge provided by the Offeror in favour of Ultra Accord over the Sale Shares acquired by the Offeror from the Vendor
"SFC"	the Securities and Futures Commission of Hong Kong

"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of HK$0.01 in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Takeovers Code"	the Hong Kong Code on Takeovers and Mergers
"Ultra Accord"	Ultra Accord Limited, a company incorporated in Hong Kong with limited liability and a licensed money lender under the Money Lenders Ordinance (Chapter 163 of the laws of Hong Kong)
"Vendor"	Oriental Castle Group Limited, a company incorporated in the BVI with liability limited, which is legally and beneficially owned as to 90% by the Guarantor and 10% by Ms. Chu Wai Ling, spouse of the Guarantor
"Yellow River Securities"	Yellow River Securities Limited, a licensed corporation to carry out type 1 (dealing in securities) regulated activity under the SFO, the agent making the Offer on behalf of the Offeror
%	per cent.

Unless the context otherwise requires, all references in this Composite Document to:

(a) times and dates are references to Hong Kong times and dates, except as otherwise specified;

(b) pronouns in masculine, feminine or neutral genders shall be construed to state and include any other gender; and

(c) words, terms and titles in the singular form shall be construed to include the plural and vice versa.

To the Independent Shareholders:

10 December 2025

Dear Sir or Madam,

MANDATORY UNCONDITIONAL CASH OFFER BY YELLOW RIVER SECURITIES LIMITED FOR AND ON BEHALF OF CHINA VC HOLDINGS LIMITED TO ACQUIRE ALL THE ISSUED SHARES OF AFFLUENT FOUNDATION HOLDINGS LIMITED (OTHER THAN THOSE ALREADY OWNED AND/OR AGREED TO BE ACQUIRED BY CHINA VC HOLDINGS LIMITED AND/OR PARTIES ACTING IN CONCERT WITH IT)

INTRODUCTION

References are made to (i) the Joint Announcement in relation to, among other things, the Sale and Purchase Agreement and the Offer; and (ii) the joint announcement of the Offeror and the Company dated 13 November 2025 in relation to the delay in despatch of the Composite Document. Terms used in this letter shall have the same meanings as defined in the Composite Document unless the context otherwise requires.

The Sale and Purchase Agreement

As disclosed in the Joint Announcement, on 15 October 2025 (after trading hours), the Vendor, the Guarantor and the Offeror entered into the Sale and Purchase Agreement pursuant to which the Vendor agreed to sell and the Offeror agreed to purchase the Sale Shares, being 900,000,000 Shares, representing 75% of the total issued share capital of the Company as at the date of the Joint Announcement, for a total cash consideration of HK$80,000,000 (representing approximately HK$ $0.089 per Sale Share).

The Consideration was agreed between the Offeror and the Vendor after arm's length negotiations, taking into account (i) the total revenue of the Group of approximately HK$199.3 million for the year ended 31 March 2024 ("**FY2024**") and approximately HK$240.8 million for the year ended 31 March 2025 ("**FY2025**"); (ii) profit and total comprehensive income recorded by the Company of approximately HK$2.4 million and, approximately HK$1.1 million for FY2024 and FY2025, respectively; and (iii) the premium to the Group's consolidated net assets value attributable to the Shareholders per Share as at 31 March 2025, details of which are set forth in the paragraph headed "The Offer – Comparison of value" in this letter.

Completion took place on the Completion Date, being 15 October 2025.

The Consideration has been settled in full by the Offeror by drawing down the Sale Shares Facility on the Completion Date. The Sale Shares Facility is secured by (i) the Sale Shares Facility Share Charge; (ii) the Sale Shares Facility Charge over Account; (iii) the Sale Shares Facility Personal Guarantee; and (iv) a custodian agreement executed by the Offeror, Ultra Accord and Yellow River Securities, pursuant to which the parties agreed that Yellow River Securities shall be appointed as the custodian to hold the Sale Shares, which were deposited into a designated account in the Offeror's name, in favour of Ultra Accord as security for the due performance of the repayment by the Offeror under the Sale Shares Facility.

Ultra Accord is a licensed money lender under the Money Lenders Ordinance (Chapter 163 of the laws of Hong Kong) and is wholly and beneficially owned by Ms. Chu Chui Ling, who is a Hong Kong citizen and an investor with investments mainly in listed securities and properties in Hong Kong and with experience in the money lending sector in Hong Kong. Ultra Accord and Ms. Chu Chui Ling are parties acting in concert with the Offeror, China Venture and Mr. Zhou under class (9) of the definition of acting in concert under the Takeovers Code. Ultra Accord and Ms. Chu Chui Ling are independent third parties not connected with the Vendor, the Guarantor or their connected persons.

Save as aforesaid, the Offeror confirmed that the Offeror, China Venture and Mr. Zhou had no other relationship with Ultra Accord or Ms. Chu Chui Ling. Ultra Accord and Ms. Chu Chui Ling were not Shareholders as at the Latest Practicable Date.

Pursuant to the Sale and Purchase Agreement, Mr. Chan Siu Cheong, as the Guarantor, unconditionally and irrevocably:

(a) guaranteed to the Offeror the due and punctual performance and observance by the Vendor of all its respective obligations, commitments, undertakings, warranties, indemnities and covenants under or pursuant to the Sale and Purchase Agreement; and

(b) agree to indemnify the Offeror against all losses, damages, costs and expenses (including legal costs and expenses) which the Offeror may reasonably incur or suffer through or arising from any breach by the Vendor of such obligations, commitments, warranties, undertakings, indemnities or covenants.

The liability of the Guarantors as aforesaid shall not be released or diminished by any arrangements or alterations of terms (whether of the Sale and Purchase Agreement or otherwise) or any forbearance, neglect or delay in seeking performance of the obligations thereby imposed or any granting of time for such performance.

Mandatory unconditional cash offer

Immediately prior to Completion, none of the Offeror, its ultimate beneficial owners and parties acting in concert with any of them owned, controlled or had direction over any Share or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately following Completion which took place on the Completion Date and as at the Latest Practicable Date, the Offeror and parties acting in concert with it were interested in an aggregate 900,000,000 Shares, representing approximately 75% of the total issued share capital of the Company.

The Offeror is therefore required under Rule 26.1 of the Takeovers Code to make the Offer for all the issued Shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with it. The Offer will be made to the Independent Shareholders. Yellow River Securities is making the Offer for and on behalf of the Offeror.

Purpose of this letter

This letter sets out, among other things, the principal terms of the Offer, together with the information on the Offeror and the Offeror's intentions regarding the Group. Further details of the Offer and the procedures for accepting and settlement of the Offer are also set out in Appendix I to this Composite Document and the accompanying Form of Acceptance. The Independent Shareholders are strongly advised to consider carefully the information contained in the "Letter from the Board", the "Letter from the Independent Board Committee" to the Independent Shareholders, the "Letter from the Independent Financial Adviser" to the Independent Board Committee and the Independent Shareholders and the appendices as set out in this Composite Document and to consult their professional advisers if in doubt before reaching a decision as to whether or not to accept the Offer.

THE OFFER

Principal terms of the Offer

Yellow River Securities is making the Offer, for and on behalf of the Offeror, to acquire the Offer Shares on the following basis:

The Offer

Offer Price for each Offer Share . . . . . **HK$0.089 in cash**

The Offer Price of HK$0.089 per Offer Share is approximately equal to but not lower than the purchase price per Sale Share of approximately HK$0.089 per Sale Share paid by the Offeror under the Sale and Purchase Agreement.

As at the Latest Practicable Date, the Company has 1,200,000,000 Shares in issue and the Company does not have any other outstanding Shares, options, warrants, derivatives or other securities which are convertible into Shares or exchangeable into Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) and has not entered into any agreement for the issue of such options, derivatives, warrants or other relevant securities which are convertible or exchangeable into Shares.

The Offer is unconditional in all respects and extended to all Independent Shareholders in accordance with the Takeovers Code.

Under the terms of the Offer, the Offer Shares to be acquired under the Offer shall be fully paid and free from all encumbrances and together with all rights and benefits attached thereto as at the date of the Composite Document or subsequently becoming attached to them, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, that is, the date of despatch of the Composite Document.

The procedures for acceptance and further details of the Offer are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

Comparison of value

The Offer Price of HK$0.089 per Offer Share represents:

– a discount of approximately 79.06% to the closing price of HK$0.425 per Share as quoted on the Stock Exchange on the Last Trading Day;

– a discount of approximately 77.92% to the average closing price of approximately HK$0.403 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to and including the Last Trading Day;

– a discount of approximately 77.97% to the average closing price of approximately HK$0.404 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days immediately prior to and including the Last Trading Day;

– a discount of approximately 70.72% to the average closing price of approximately HK$0.304 per Share as quoted on the Stock Exchange for the thirty (30) consecutive trading days immediately prior to and including the Last Trading Day;

– a discount of approximately 94.26% to the closing price of HK$1.55 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

– a premium of approximately 20.27% to the Group's audited consolidated net assets value attributable to the Shareholders per Share of approximately HK$0.074 as at 31 March 2025 (based on a total of 1,200,000,000 Shares as at the Latest Practicable Date and the Group's audited consolidated net assets value attributable to the Shareholders of approximately HK$89.1 million as at 31 March 2025); and

– a premium of approximately 20.27% to the Group's unaudited consolidated net assets value attributable to the Shareholders per Share of approximately HK$0.074 as at 30 September 2025 (based on a total of 1,200,000,000 Shares as at the Latest Practicable Date and the Group's unaudited consolidated net assets value attributable to the Shareholders of approximately HK$89.3 million as at 30 September 2025).

Highest and lowest Share prices

During the Relevant Period, (a) the highest closing price of the Shares as quoted on the Stock Exchange was HK$0.75 per Share on 27 October 2025; and (b) the lowest closing price of the Shares as quoted on the Stock Exchange was HK$0.102 per Share on 5 August 2025, 6 August 2025, 7 August 2025 and 11 August 2025.

Total consideration for the Offer Shares

As at the Latest Practicable Date, the Company has 1,200,000,000 Shares in issue and the Company does not have any other outstanding Shares, options, warrants, derivatives or other securities which are convertible into Shares or exchangeable into Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) and has not entered into any agreement for the issue of such options, derivatives, warrants or other relevant securities which are convertible or exchangeable into Shares.

Assuming that there is no change in the issued share capital of the Company and based on the Offer Price of HK$0.089 per Offer Share, the total issued share capital of the Company is valued at HK$106,800,000. As the Offeror and parties acting in concert with it hold 900,000,000 Shares as at the Latest Practicable Date, 300,000,000 Shares are subject to the Offer. Based on the Offer Price of HK$0.089 per Offer Share, the consideration of the Offer would be HK$26,700,000 in the event that the Offer is accepted in full.

Financial resources available for the Offer

The maximum amount of cash payable by the Offeror in respect of the consideration payable upon full acceptances of the Offer is HK$26,700,000, assuming there is no change in the issued share capital of the Company from the Latest Practicable Date up to the close of the Offer.

The Offeror intends to finance the consideration payable under the Offer by the Offer Facility of up to HK$27.0 million granted to it by Ultra Accord and its own internal resources. The Offer Facility is secured by (i) the Offer Facility Share Charge; (ii) the Offer Facility Charge over Account; (iii) the Offer Facility Personal Guarantee; and (iv) a custodian agreement executed by the Offeror, Ultra Accord and Yellow River Securities, pursuant to which the parties agreed that Yellow River Securities shall be appointed as the custodian to hold the Offer Shares to be acquired by the Offeror under the Offer, which shall be deposited into a separate designated account in the Offeror's name, in favour of Ultra Accord as security for the due performance of the repayment by the Offeror under the Offer Facility.

The Offeror does not intend that the payment of interest on, repayment of or provision of security for any liability (contingent or otherwise) under the Facilities will depend to any significant extent on the business of the Company.

Grande Capital, the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the consideration payable upon full acceptance of the Offer.

Effect of accepting the Offer

By accepting the Offer, the Independent Shareholders will be deemed to warrant that all the Offer Shares to be sold by such person under the Offer are fully paid and free from all encumbrances and together with all rights and benefits attaching thereto as at the date of this Composite Document or subsequently becoming attached to them, including but not limited to the right to receive in full all dividends, distributions and any return of capital, if any, which may be made or declared or agreed to be made or declared, and the record date of which falls on or after the date on which the Offer is made, being the date of despatch of this Composite Document.

The Company confirmed that as at the Latest Practicable Date, (i) it has not declared any dividend which is not yet paid; and (ii) it does not have any intention to declare or pay any future dividend or make other distributions prior to and including the Closing Date.

The Offer is unconditional in all respects and will not be conditional upon acceptances being received in respect of a minimum number of Shares or any other conditions, and will remain open for acceptance from the date of this Composite Document until 4:00 p.m. on the Closing Date. Acceptance of the Offer will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code, details of which are set out in the section headed "5. Right of withdrawal" in Appendix I to this Composite Document.

Payment

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event no later than seven (7) Business Days after the date of receipt of a duly completed acceptance of the Offer. Relevant documents evidencing title of the Offer Shares must be received by or on behalf of the Offeror to render such acceptance of the Offer complete and valid.

No fractions of a cent will be payable and the amount of cash consideration payable to a Shareholder who accepts the Offer will be rounded up to the nearest cent.

Hong Kong Stamp duty

The seller's Hong Kong ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by the relevant Independent Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, and the amount of such duty will be deducted from the cash amount payable by the Offeror to the relevant Independent Shareholders accepting the Offer.

The Offeror will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the relevant Independent Shareholders accepting the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Taxation advice

The Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror, the Company, the Vendor, the Guarantor, Grande Capital, Yellow River Securities and their respective ultimate beneficial owners, directors, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

Overseas Shareholders

As the Offer to persons not being resident in Hong Kong may be affected by the laws of the relevant jurisdiction in which they are resident, Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the sole responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any

governmental, exchange control or other consent which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes due from the accepting Shareholders in respect of such jurisdictions).

Any acceptance of the Offer by such Overseas Shareholders will be deemed to constitute a representation and warranty from such Overseas Shareholders to the Offeror that the applicable local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt. Based on the register of members of the Company, as at the Latest Practicable Date, there is no Overseas Shareholder.

INFORMATION OF THE GROUP

The Company was incorporated in the Cayman Islands with limited liability and its issued Shares have been listed on the Main Board since 7 June 2018. The Group is a subcontractor engaged in the provision of services related to foundation works in Hong Kong including excavation and lateral support works, pile caps construction, and other services, such as demolition works, underground drainage works, earthworks and structural steelworks. To a lesser extent, the Group is also engaged in leasing of machineries to other construction companies.

The financial information of the Group is set out in Appendix II to this Composite Document. Your attention is also drawn to the general information in relation to the Group as set out in Appendix III to this Composite Document.

INFORMATION OF THE OFFEROR

The Offeror is a company incorporated in BVI with limited liability on 13 October 2025 and is principally engaged in investment holding. As at the Latest Practicable Date, save for entering into of the Sale and Purchase Agreement, the Offeror did not engage in any other business activities. As at the Latest Practicable Date, the Offeror is beneficially as to 75% by China Venture, 15% by China Wicens (a BVI company directly wholly owned by Ms. Peng) and 10% by China Tofans (a BVI company directly wholly owned by Mr. Guo). China Venture is a company incorporated in the Cayman Islands with limited liability and directly wholly owned by Mr. Zhou. Therefore, China Venture and Mr. Zhou are the controlling shareholders of the Offeror. The Offeror, its shareholders and ultimate beneficial owners do not have experience in the Group's principal business.

Mr. Zhou, aged 45, has over 20 years' experience of management. From April 2004 to December 2011, Mr. Zhou served as a deputy general manager of Shenzhen Jiameiran Technology Company Limited* (深圳市嘉美然科技有限公司), a company principally engaged in the sales of skincare products and beauty instruments and he was responsible for the company's sales and marketing management. From January 2012 to August 2017, Mr. Zhou served as a president of Shenzhen Runfei Technology Company Limited* (深圳潤妃科技有限公司), which is also principally engaged in the sales of skincare products and beauty instruments. Since September 2017 until present, Mr. Zhou has been appointed as the chairman of Tofuls

International Holdings Group Co., Ltd.* (同芙國際控股集團有限公司), which is principally engaged in health and wellness management consultation. Since June 2023 until present, Mr. Zhou has been appointed as the chairman of World Chinese Business (Guangdong) Technology Co., Ltd.* (世界華商(廣東)科技有限公司), which is principally engaged in providing digital technology services. Since November 2023 until present, Mr. Zhou has been appointed as the chairman of Shihua International Club Company Limited* (世華國際俱樂部有限公司), which is principally engaged in providing information consulting services in the areas of health and leisure activities. Mr. Zhou is currently the chairman, executive director and controlling shareholder of China Wacan Group Company Limited (stock code: 1920).

Save as the common interest in the Offeror and Mr. Zhou, Ms. Peng and Mr. Guo being executive directors of China Wacan Group Company Limited (stock code: 1920), there is no other relationship between/among the shareholders and ultimate beneficial owners of the Offeror.

INTENTION OF THE OFFEROR REGARDING THE GROUP

As at the Latest Practicable Date, the Offeror was the controlling shareholder of the Company and the Offeror and parties acting in concert with it were interested in approximately 75% of the issued share capital of the Company.

The Offeror intends to continue the existing principal business of the Group. Given that the Offeror and its ultimate beneficial owners do not have experience in the principal business of the Group, the Offeror intends to continue the employment of certain existing management and/or employees of the Group who are familiar with the existing principal business of the Group (except for a proposed change to the members of the Board at a time no earlier than that as permitted under the Listing Rules and the Takeovers Code or such later time as the Offeror considers to be appropriate). However, the Offeror also intends to review the operation and business activities of the Group to formulate a long-term business strategy for the Group. Subject to the results of such review, the Offeror may explore other business and/ or seek to expand the geographical coverage of the principal business of the Group in addition to the market of Hong Kong.

As at the Latest Practicable Date, no investment or business opportunity has been identified nor have the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group, or disposal of or downsizing of the Group's existing business. Should such corporate actions materialise, further announcement(s) will be made in accordance with the Listing Rules.

The Offeror intends to nominate new director(s) to the Board with effect from a date which is no earlier than such date as permitted under the Listing Rules and the Takeovers Code or such later date as the Offeror considers to be appropriate. As at the Latest Practicable Date, the Offeror has not identified any potential candidate to be appointed as a new director to the Board. Any changes to the members of the Board will be made in compliance with the Takeovers Codes and/or the Listing Rules and further announcement(s) will be made as and when appropriate.

Save for the Offeror's intention regarding the Group as set out above, (i) the Offeror has no intention to make material changes to the employment of the management and employees of the Group (except for a proposed change to the members of the Board at a time no earlier than that permitted under the Listing Rules and the Takeovers Code or such later time as the Offeror considers to be appropriate); and (ii) the Offeror has no intention to dispose of or redeploy the assets of the Group other than those in its ordinary and usual course of business.

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror will, together with the Company, use reasonable endeavours to maintain the listing status of the Shares on the Stock Exchange and procure that not less than 25% of the issued Shares (excluding treasury Shares) be held by the public in compliance with the Listing Rules.

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares (excluding treasury shares), are held by the public, or if the Stock Exchange believes that:

(i) a false market exists or may exist in the trading of the Shares; or

(ii) that there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealings in the Shares.

Therefore, it should be noted that, upon the close of the Offer, there may be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists for the Shares.

The Offeror intends the Company to remain listed on the Stock Exchange. The sole director of the Offeror and the new Director(s) to be appointed to the Board, if any, will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

ACCEPTANCE AND SETTLEMENT OF THE OFFER

Your attention is drawn to the details regarding the procedures for acceptance of the Offer as set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

COMPULSORY ACQUISITION

The Offeror does not intend to avail itself of any powers of compulsory acquisition of any outstanding Offer Shares not acquired under the Offer after the close of the Offer.

GENERAL

To ensure equality of treatment of all Independent Shareholders, those Independent Shareholders who hold the Shares as nominee for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for the beneficial owners of the Shares, whose investments are registered in nominee names, to accept the Offer, it is essential that they provide instructions to their nominees of their intentions with regard to the Offer.

All documents and remittances will be sent to the Independent Shareholders by ordinary post at their own risk. These documents and remittances will be sent to them at their respective addresses as they appear in the register of members of the Company, or, in case of joint holders to the Independent Shareholder whose name appears first in the said register of members. None of the Offeror, parties acting in concert with the Offeror, the Vendor, the Company, Grande Capital, Yellow River Securities, the Independent Financial Adviser, the Registrar nor their respective ultimate beneficial owners, directors, officers, advisers, agents or associates, as applicable, or any other person involved in the Offer will be responsible for any loss or delay in transmission of such documents and remittances or any other liabilities that may arise as a result thereof.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information regarding the Offer set out in the appendices to this Composite Document and the accompanying Form of Acceptance, which form part of this Composite Document. You are also reminded to consider carefully the information contained in the "Letter from the Board", the "Letter from the Independent Board Committee" and the "Letter from the Independent Financial Adviser" contained in this Composite Document and to consult your professional advisers as you see fit, before deciding whether or not to accept the Offer.

Yours faithfully,
For and on behalf of
Yellow River Securities Limited
Yiu Shing Wai
Director

Affluent Foundation Holdings Limited
俊裕地基集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1757)

Executive Directors:
Mr. Chan Siu Cheong *(Chairman and Chief Executive Officer)*
Mr. Sin Ka Pong
Ms. Chan Mei Po

Independent non-executive Directors:
Mr. Ho Chi Wai
Mr. Cheung Kwok Yan Wilfred
Mr. Lau Leong Ho

Registered office in the Cayman Islands:
Windward 3, Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

Principal Place of Business in Hong Kong:
Unit 903–905, 9/F
The Octagon
No. 6 Sha Tsui Road
Tsuen Wan, New Territories
Hong Kong

10 December 2025

To the Independent Shareholders,

Dear Sir or Madam,

MANDATORY UNCONDITIONAL CASH OFFER BY YELLOW RIVER SECURITIES LIMITED FOR AND ON BEHALF OF CHINA VC HOLDINGS LIMITED TO ACQUIRE ALL THE ISSUED SHARES OF AFFLUENT FOUNDATION HOLDINGS LIMITED (OTHER THAN THOSE ALREADY OWNED AND/OR AGREED TO BE ACQUIRED BY CHINA VC HOLDINGS LIMITED AND/OR PARTIES ACTING IN CONCERT WITH IT)

INTRODUCTION

Reference is made to the Joint Announcement.

On 15 October 2025 (after trading hours), the Vendor, the Guarantor and the Offeror entered into the Sale and Purchase Agreement, pursuant to which the Offeror agreed to acquire and the Vendor agreed to sell the Sale Shares, being 900,000,000 Shares in aggregate, representing 75% of the entire issued share capital of the Company as at the date of the Joint Announcement, at a consideration of HK$80,000,000 in aggregate, equivalent to approximately

HK$0.089 per Sale Share. Completion took place immediately upon the signing of the Sale and Purchase Agreement on the Completion Date, being 15 October 2025.

As mentioned in the "Letter from Yellow River Securities" contained in this Composite Document, immediately prior to the Completion, the Offeror, its ultimate beneficial owners and parties acting in concert with them did not hold, own, control or have direction over any Shares or voting rights of the Company or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately after Completion and as at the Latest Practicable Date, the Offeror and parties acting in concert with it are interested in an aggregate of 900,000,000 Shares, representing 75% of the entire issued share capital of the Company. The Offeror is therefore required under Rule 26.1 of the Takeovers Code to make an Offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it).

This letter forms part of this Composite Document and set out, among other things, (i) information relating to the Group, the Offeror and the Offer; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the terms of the Offer and as to acceptance of the Offer; and (iii) the letter from the Independent Financial Adviser, containing its advice and recommendation to the Independent Board Committee in relation to the Offer.

Unless the context otherwise requires, terms defined in the Composite Document shall have the same meanings when used in this letter.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all independent non-executive Directors, namely, Mr. Lau Leong Ho, Mr. Ho Chi Wai and Mr. Cheung Kwok Yan Wilfred, has been established to advise the Independent Shareholders as to whether the Offer is fair and reasonable and as to acceptance of the Offer. The above-named independent non-executive Directors have no direct or indirect interest or involvement in the Offer. It is considered appropriate for them to be members of the Independent Board Committee in this regard.

As announced on 7 November 2025, Capital 9 has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Offer and in particular as to whether the Offer is, or is not, fair and reasonable and as to the acceptance of the Offer.

The full texts of the letter from the Independent Board Committee addressed to the Independent Shareholders and the letter from the Independent Financial Adviser addressed to the Independent Board Committee and the Independent Shareholders are set out in this Composite Document. You are advised to read both letters and the additional information contained in the appendices to this Composite Document carefully before taking any action in respect of the Offer.

THE OFFER

As set out in the "Letter from Yellow River Securities" contained in this Composite Document, Yellow River Securities will make the Offer for and on behalf of the Offeror in compliance with the Takeovers Code on the following terms:

Offer price for each Offer Share. . . . . **HK$0.089 in cash**

The Offer Price of HK$0.089 per Offer Share is approximately equal to but not lower than the purchase price per Sale Share of approximately HK$0.089 paid by the Offeror under the Sale and Purchase Agreement. No fractions of a cent will be payable and the amount of consideration payable to a Shareholder who accepts the Offer will be rounded up to the nearest cent. The Offer is unconditional in all respects and is not conditional upon acceptances being received in respect of a minimum number of the Shares or any other conditions.

The Offer is extended to all Independent Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer shall be fully paid and free from all encumbrances and together with all rights and benefits attached thereto, including but not limited to the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made, that is, the date of despatch of the Composite Document. As at the Latest Practicable Date, the Company has not declared any dividend which is outstanding and not yet paid and the Company does not intend to declare, make or pay any dividend or other distributions prior to close of the Offer.

Please also refer to the "Letter from Yellow River Securities" contained in this Composite Document, Appendix I to this Composite Document and the accompanying Form of Acceptance for further information in relation to, among other things, the Offer and acceptance and settlement procedures of the Offer.

INFORMATION ON THE GROUP

The Company was incorporated in the Cayman Islands with limited liability and the Shares have been listed on the Main Board of the Stock Exchange since 7 June 2018. The Group is a subcontractor engaged in the provision of services related to foundation works in Hong Kong including excavation and lateral support works, pile caps construction, and other services, such as demolition works, underground drainage works, earthworks and structural steelworks. To a lesser extent, the Group is also engaged in leasing of machineries to other construction companies.

Your attention is drawn to Appendices II and III to this Composite Document which contain further financial and general information of the Group.

The shareholding structure of the Company (i) immediately prior to Completion; and (ii) immediately upon Completion and as at the Latest Practicable Date are set forth as follows:

	Immediately prior to Completion		**Immediately upon Completion and as at the Latest Practicable Date**	
	Number of Shares	*%*	*Number of Shares*	*%*
Vendor	900,000,000	75.0	–	–
Offeror and parties acting in concert with it	–	–	900,000,000	75.0
Independent Shareholders	300,000,000	25.0	300,000,000	25.0
Total	1,200,000,000	100.0	1,200,000,000	100.0

Notes:

1. The Vendor is beneficially owned as to 90% by the Guarantor, an executive Director and 10% by Ms. Chu Wai Ling ("**Ms. Chu**"). By virtue of the SFO, the Guarantor is deemed to be interested in the Shares held by the Vendor. Ms. Chu is the spouse of the Guarantor. Accordingly, Ms. Chu is deemed or taken to be interested in the Shares the Guarantor is interested in under the SFO.

2. The Offeror is beneficially as to 75% by China Venture, 15% by China Wicens and 10% by China Tofans.

INFORMATION ON THE OFFEROR

Your attention is drawn to the section headed "Information of the Offeror" in the "Letter from Yellow River Securities" contained in this Composite Document.

INTENTION OF THE OFFEROR REGARDING THE GROUP

Your attention is drawn to the section headed "Intention of the Offeror regarding the Group" in the "Letter from Yellow River Securities" contained in this Composite Document for details regarding Offeror's intention on the business of the Group.

In particular, as stated in the "Letter from Yellow River Securities", the Offeror intends to continue the existing business of the Group. The Offeror also intends to review the operation and business activities of the Group to formulate a long-term business strategy for the Group. Subject to the results of the review, the Offeror may explore other business opportunities, seek to expand the geographical coverage of the principal business of the Group in addition to the market of Hong Kong and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Group.

As at the Latest Practicable Date, no investment or business opportunity has been identified nor have the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group, or disposal of or downsizing of the Group's existing business. Should such corporate actions materialise, further announcement(s) will be made in accordance with the Listing Rules.

The Offeror intends to continue the existing principal business of the Group. Given that the Offeror and its ultimate beneficial owners do not have experience in the principal business of the Group, the Offeror intends to continue the employment of certain existing management and/or employees of the Group who are familiar with the existing principal business of the Group (except for a proposed change to the members of the Board at a time no earlier than that as permitted under the Listing Rules and the Takeovers Code or such later time as the Offeror considers to be appropriate).

The Offeror intends to nominate new director(s) to the Board with effect from a date which is no earlier than such date as permitted under the Listing Rules and the Takeovers Code or such later date as the Offeror considers to be appropriate. As at the Latest Practicable Date, the Offeror has not identified any potential candidate to be appointed as a new director to the Board. Any changes to the members of the Board will be made in compliance with the Takeovers Codes and/or the Listing Rules and further announcement(s) will be made as and when appropriate.

As stated in the "Letter from Yellow River Securities", save for the Offeror's intention regarding the Group as set out therein, the Offeror has no intention to make material changes to the employment of the management and employees of the Group (except for a proposed change to the members of the Board at a time no earlier than that permitted under the Listing Rules and the Takeovers Code or such later time as the Offeror considers to be appropriate); or to dispose of or redeploy the assets of the Group other than those in its ordinary and usual course of business.

The Board is aware of the Offeror's intention in relation to the Group and is willing to render co-operation with the Offeror and will continue to act in the best interests of the Group and the Shareholders as a whole.

PUBLIC FLOAT AND LISTING STATUS OF THE COMPANY

As stated in the "Letter from Yellow River Securities" contained in this Composite Document, the Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offer.

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares (excluding treasury Shares), are held by the public, or if the Stock Exchange believes that:

(a) a false market exists or may exist in the trading of the Shares; or

(b) that there are insufficient Shares in public hands to maintain an orderly market,

then the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares.

Therefore, it should be noted that upon close of the Offer, there may be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists for the Shares. The Offeror intends the Company to remain listed on the Stock Exchange. The sole director of the Offeror and the new Director(s) to be appointed to the Board, if any, will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares. The Offeror does not intend to avail itself of any powers of compulsory acquisition of any outstanding Offer Shares after the close of the Offer.

RECOMMENDATION

Your attention is drawn to (i) the "Letter from the Independent Board Committee" as set out on pages 25 to 26 of this Composite Document, which contains its recommendation to the Independent Shareholders in respect of the Offer, and (ii) the "Letter from the Independent Financial Adviser " as set out on pages 27 to 47 of this Composite Document, which contains, among other things, its advice to the Independent Board Committee and the Independent Shareholders in relation to the Offer and the principal factors considered by it before arriving at its recommendation.

ADDITIONAL INFORMATION

Your attention is also drawn to the "Letter from Yellow River Securities" and the additional information contained in the appendices to this Composite Document and the accompanying Forms of Acceptance.

Yours faithfully,
By order of the Board
Affluent Foundation Holdings Limited
Chan Siu Cheong
Chairman, Chief Executive Officer
and Executive Director

The following is the text of a letter from the Independent Board Committee to the Independent Shareholders in respect of the Offer for inclusion in this Composite Document.

Affluent Foundation Holdings Limited
俊裕地基集團有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 1757)

10 December 2025

To the Independent Shareholders,

Dear Sir or Madam,

MANDATORY UNCONDITIONAL CASH OFFER BY YELLOW RIVER SECURITIES LIMITED FOR AND ON BEHALF OF CHINA VC HOLDINGS LIMITED TO ACQUIRE ALL THE ISSUED SHARES OF AFFLUENT FOUNDATION HOLDINGS LIMITED (OTHER THAN THOSE ALREADY OWNED AND/OR AGREED TO BE ACQUIRED BY CHINA VC HOLDINGS LIMITED AND/OR PARTIES ACTING IN CONCERT WITH IT)

INTRODUCTION

We refer to the Composite Document issued jointly by the Offeror and the Company dated 10 December 2025 of which this letter forms part. Unless the context requires otherwise, terms used in this letter shall have the same meaning as those defined in the Composite Document.

We have been appointed by the Board to form the Independent Board Committee to consider and to advise the Independent Shareholders as to whether or not the Offer is fair and reasonable and to make a recommendation as to the acceptance of the Offer.

Capital 9 has been appointed as the Independent Financial Adviser to advise us in respect of the above. Detail of its advice and the principal factors and reasons taken into consideration in arriving at its recommendation are set out in the "Letter from the Independent Financial Adviser" on pages 27 to 47 of the Composite Document.

We also wish to draw your attention to the "Letter from Yellow River Securities" and the "Letter from the Board" as set out in the Composite Document as well as the additional information set out in the appendices to the Composite Document.

We, being the members of the Independent Board Committee, have declared that, we are independent and do not have any conflict of interest in respect of the Offer and are therefore able to consider the terms of the Offer and to make recommendations to the Independent Shareholders.

RECOMMENDATIONS

Having considered the terms of the Offer and the advice from the Independent Financial Adviser, in particular the factors, reasons and recommendations as set out in its letter in the Composite Document, we consider that the Offer is not fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders not to accept the Offer. The Independent Shareholders are recommended to read the full text of the "Letter from the Independent Financial Adviser" as set out in the Composite Document.

However, for those Independent Shareholders who are considering to realise all or part of their holdings in the Shares, they should closely monitor the market price and liquidity of the Shares during the period of the Offer. Should the market price of the Shares exceed the Offer Price during the period of the Offer, and the sale proceeds (net of transaction costs) exceed the net proceeds receivable under the Offer, the Independent Shareholders may wish to consider selling their Shares in the market instead of accepting the Offer.

Notwithstanding our recommendations, the Independent Shareholders are strongly advised that their decision to realise or to hold their investment in the Shares depends on their own individual circumstances and investment objectives. If in any doubt, the Independent Shareholders should consult their own professional advisers for professional advice.

Yours faithfully,
For and on behalf of the
Independent Board Committee of
Affluent Foundation Holdings Limited

Mr. Ho Chi Wai	**Mr. Cheung Kwok Yan Wilfred**	**Mr. Lau Leong Ho**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*

The following is the text of a letter of advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Offer for the purpose of incorporation into this Composite Document.



Capital 9 Limited

Unit 1219, 12/F,
Bank of America Tower,
12 Harcourt Road,
Central,
Hong Kong

10 December 2025

To the Independent Board Committee of
Affluent Foundation Holdings Limited

Dear Sir/Madam,

MANDATORY UNCONDITIONAL CASH OFFER BY YELLOW RIVER SECURITIES LIMITED FOR AND ON BEHALF OF CHINA VC HOLDINGS LIMITED TO ACQUIRE ALL THE ISSUED SHARES OF AFFLUENT FOUNDATION HOLDINGS LIMITED (OTHER THAN THOSE ALREADY OWNED AND/OR AGREED TO BE ACQUIRED BY CHINA VC HOLDINGS LIMITED AND/OR PARTIES ACTING IN CONCERT WITH IT)

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offer, particulars of which are set out in the section headed "Letter from Yellow River Securities" (the "**Letter from Yellow River Securities**") contained in the composite document of the Company and the Offeror dated 10 December 2025 (the "**Composite Document**"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context requires otherwise.

Reference is made to the Joint Announcement in relation to, among other things, the Sale and Purchase Agreement and the Offer. Immediately prior to Completion, the Offeror and parties acting in concert with it did not hold, own, control or have direction over any Share or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately following Completion, the Offeror and parties acting in concert with it were interested in 900,000,000 Shares, representing 75% of the total issued share capital of the Company. The Offeror is therefore required under Rule 26.1 of the Takeovers Code to make a mandatory unconditional cash offer for all the issued Shares (other than those Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with it).

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising the independent non-executive Directors who have no direct or indirect interest in the Offer, namely Mr. Lau Leong Ho, Mr. Ho Chi Wai and Mr. Cheung Kwok Yan Wilfred, has been established to advise the Independent Shareholders as to whether the Offer is, or is not, fair and reasonable and as to the acceptance of the Offer. With the approval of the Independent Board Committee in accordance with Rule 2.1 of the Takeovers Code, we 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 stockbrokers) to the Company and to the Offeror, and we are not associated with the Offeror or the Company or any party acting, or presumed to be acting in concert with any of them and we had not had, any connection, financial assistance or otherwise, with either the Offeror or the Company or the controlling shareholder(s) of either of them. In the past two years preceding the Latest Practicable Date, there was no engagement between the Company and/or the Offeror and us. Apart from the normal advisory fee payable to us in connection with this appointment as the Independent Financial Adviser, no arrangement exists whereby we shall receive any other fees or benefits from the Company, the Offeror, any of their respective substantial shareholders, directors or chief executives, their respective associates, or any person acting, or presumed to be acting, in concert with any of them. Accordingly, we are qualified to give independent advice in relation to the Offer.

BASIS OF OUR OPINION

In formulating our opinion and recommendation to the Independent Board Committee, we have reviewed, among other things, the annual report of the Company for the year ended 31 March 2024 (the "**2023/24 AR**") and 2025 (the "**2024/2025 AR**") and the results announcement of the Company for the six months ended 30 September 2025 (the "**2025/26 IR**") and information contained in the Composite Document.

In addition, we have relied on (i) the information, facts and representations provided, and the opinions and views expressed, to us by the Company, the Directors and/or the management of the Group, and (ii) the information, facts, representations, opinions and views of the Company, the Directors, the management of the Group and/or the Offeror contained or referred to in the Composite Document, including but not limited to the Letter from the Board and the Letter from Yellow River Securities contained therein, all of which have been assumed to be true, accurate and complete at the time they were made and to continue to be so as at the Latest Practicable Date. We understand that the Company will notify the Shareholders of any material changes during the Offer Period as soon as possible in accordance with the Takeovers Code. The Independent Shareholders will be notified of any material changes of such information provided and our opinion, if any, as soon as possible throughout the Offer Period. We have also assumed that all statements of belief, opinion, view and intention made by the Company, the Directors, the management of the Group and/or the Offeror in the Composite Document, including but not limited to the Letter from the Board and the Letter from Yellow River Securities contained

therein, were reasonably made after due and careful enquiry and the expectations and intentions of the Company, the Directors, the management of the Group and/or the Offeror will be met or carried out as the case may be. We consider that we have received and reviewed sufficient information to form an informed view and have no reason to believe that any material information has been omitted or withheld, or to doubt the truth, accuracy and completeness of the information and representations provided to us by the Company, the Directors, the management of the Group and/or the Offeror. The Company has confirmed to us that no material facts which would have material impact on our formulating our opinion and recommendation to the Independent Board Committee have been withheld or omitted from the information provided to us, the opinion expressed to us, and/or information or opinion contained or referred to in the Composite Document.

We have not, however, carried out any independent verification of the information provided by the Company, the Directors, the management of the Group and/or the Offeror, nor have we conducted any independent investigation into the business, financial conditions and affairs of the Group, the Offeror, or any of their respective subsidiaries, controlled entities, jointly controlled entities or associates. We consider that we have performed our duties with impartiality and independence from the Company and the Offeror.

As stated in the Composite Document, the Directors jointly and severally accept full responsibility for the accuracy of information contained in the Composite Document (other than any information relating to the Offeror and its concert parties) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Composite Document (other than those expressed by the director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in the Composite Document, the omission of which would make any statement in the Composite Document misleading.

Also, the sole director of the Offeror, Mr. Zhou, accepts full responsibility for the accuracy of the information contained in the Composite Document (other than those relating to the Vendor and the Group), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in the Composite Document (other than the opinions expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in the Composite Document, the omission of which would make any statement contained in the Composite Document misleading. The Company will notify the Independent Shareholders of any material changes to information contained or referred to in the Composite Document as soon as possible in accordance with Rule 9.1 of the Takeovers Code. The Independent Shareholders will also be informed as soon as possible when there are any material changes to the information contained or referred to herein as well as changes to our opinion, if any, after the Latest Practicable Date and throughout the Offer Period pursuant to Rule 9.1 of the Takeovers Code.

We have not considered and express no opinion on the tax and regulatory implications on the Independent Shareholders of their acceptances or non-acceptances of the Offer since these are dependent upon their own individual circumstances. In particular, the Independent Shareholders who are resident outside Hong Kong or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax positions with regard to the Offer and, if in any doubt, should consult their own professional advisers.

This letter is issued for the information of the Independent Board Committee solely in connection with their consideration of the Offer. Except for its inclusion in the Composite Document, this letter may not be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL REASONS AND FACTORS CONSIDERED

In arriving at our recommendation to the Independent Board Committee in respect of the Offer, we have taken into consideration the following principal reasons and factors:

(1) Information on the Group

(a) Historical financial performance

The Group is a subcontractor engaged in the provision of services related to foundation works in Hong Kong including excavation and lateral support works, pile caps construction, and other services, such as demolition works, underground drainage works, earthworks and structural steelworks. To a lesser extent, the Group is also engaged in leasing of machineries to other construction companies.

Set out below is a summary of the financial information of the Group for the year ended 31 March 2023 ("**FY2023**"), 2024 ("**FY2024**") and 2025 ("**FY2025**") and the six months ended 30 September 2024 (the "**1H2025**") and 2025 (the "**1H2026**"), and further confirmed by the Company:

Operating performance

	FY2023	**FY2024**	**FY2025**	**1H2025**	**1H2026**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(audited)	(audited)	(audited)	(unaudited)	(unaudited)
Revenue, comprising	326,492	199,344	240,775	125,442	234,273
Private sector projects	*11,485*	*53,752*	*3,797*	*11,264*	*2,518*
Public sector projects	*315,007*	*145,592*	*236,978*	*114,178*	*231,755*
Construction contracts costs/Direct costs	(322,505)	(194,775)	(232,291)	(121,689)	(230,968)
Gross profit	3,987	4,569	8,484	3,753	3,305
GP%	*1.22%*	*2.29%*	*3.52%*	*3.0%*	*1.4%*
Other income, gains and losses, net	17,478	15,549	12,975	5,381	6,829
Administrative expenses	(22,328)	(21,456)	(19,361)	(7,950)	(8,667)
(Provision)/Reversal of impairment loss under expected credit loss model, net	1,900	3,067	259	36	(399)
Finance costs	(824)	(1,486)	(1,581)	(800)	(741)
Profit before income tax	213	243	776	420	327
Income tax credit/(expense)	597	2,179	277	(326)	(136)
Profit and total comprehensive income for the year/period attributable to equity holders of the Company	810	2,422	1,053	94	191

FY2024 compared with FY2023

For FY2024, the Group's revenue decreased by approximately HK$127.1 million or 38.9% to approximately HK$199.3 million from approximately HK$326.5 million for FY2023, which was due to revenue decrease from public sector projects. As stated in 2023/24 AR and further advised by the Company, such decrease was primarily due to certain sizable public sector projects located in Kai Tak and Tseung Kwan O were at their final stage in FY2024 of which the works and revenue contribution was immaterial, compared to FY2023 when the projects were at their middle stage and thus the revenue contribution were higher, and other sizable new public sector projects located in Fanling and Tung Chung were only in commencement stage in FY2024 and thus immaterial amount of revenue was generated from them in FY2024.

Profit and total comprehensive income for the year attributable to equity holders of the Company for FY2024 amounted to approximately HK$2.4 million, an increase by approximately HK$1.6 million from that of approximately HK$0.8 million for FY2023. Such increase was mainly attributable to (i) increase in gross profit by approximately HK$0.6 million as the Group has been more selective in choosing projects with higher profit margin in FY2024; and (ii) increase in net reversal of expected credit loss on trade and other receivables and contract assets by approximately HK$1.2 million in aggregate after the annual assessment performed for FY2024.

FY2025 compared with FY2024

For FY2025, the Group's revenue increased by approximately HK$41.5 million or 20.8% to approximately HK$240.8 million from approximately HK$199.3 million for FY2024. As stated in 2024/25 AR, such increase was primarily because certain sizable projects located in Fanling, Tuen Mun and Tung Chung were in full swing during FY2025.

Profit and total comprehensive income for the year attributable to equity holders of the Company for FY2025 amounted to approximately HK$1.1 million, a decrease by approximately HK$1.3 million from that of approximately HK$2.4 million for FY2024. Such decrease was mainly attributable to (i) decrease in other income by approximately HK$2.6 million, primarily due to the decrease of machinery rental and transportation income during FY2025; and (ii) decrease in net reversal of expected credit loss on trade and other receivables and contract assets by approximately HK$2.8 million in aggregate after the annual assessment performed for FY2025, which offset the increase in gross profit of approximately HK$3.9 million primarily contributed by the aforesaid Fanling and Tuen Mun projects.

1H2025 compared with 1H2026

For 1H2026, the Group's revenue increased by approximately HK$108.9 million or 86.8% to approximately HK$234.3 million from approximately HK$125.4 million for 1H2025. As stated in 2025/26 IR, such increase was primarily because certain sizable projects located in Fanling, Tuen Mun and Tung Chung were in full swing during 1H2026. It is noted that while there was a revenue increase, the Group recorded a gross profit and gross profit margin of approximately HK$3.3 million or 1.4% for 1H2026, a decrease compared to that of approximately HK$3.8 million or 3.0% for 1H2025. As stated in the 2025/26 IR and further advised by the Company, such decrease was mainly attributable to the (i) increase in staff cost by approximately HK$28 million due to the increase in number of employees to 193 as at 30 September 2025 from 115 as at 31 March 2025 to cater for the manpower required by the sizeable Fanling, Tuen Mun and Tung Chung projects above; and (ii) increase in subcontracting cost mainly attributable to the Fanling and Tuen Mun projects above by approximately HK$55.8 million for 1H2026 compared to 1H2025.

Profit and total comprehensive income for the period attributable to equity holders of the Company for 1H2026 amounted to approximately HK$0.2 million, a slight increase by approximately HK$97,000 from that of approximately HK$94,000 for 1H2025, mainly due to the increase in other income by approximately HK$1.4 million attributable to the reversal in 1H2026 of legal cost over-provided previously.

As shown in the table above, the Group's financial performance was unstable over the past years, as indicated by the revenue which decreased by around HK$127 million from FY2023 to FY2024 and then increased by around HK$41 million from FY2024 to FY2025, and the revenue increase by around HK$108 million from 1H2025 to 1H2026. As advised by the Group, such fluctuation was attributable to a variety of factors, in particular, the Group's foundation works business is project based in nature, thus its performance depends on the number and value of contracts won by the Group and construction progress of the projects on hand which affects the amount of revenue to be recognised during the year and whether there is any unexpected change in schedule of construction work. In addition, notwithstanding there was an increase in revenue and gross profit for FY2025 compared to that for FY2024, a decrease in profit and total comprehensive income for the year attributable to equity holders of the Company for FY2025 was recorded.

Financial position

	As at 31 March			As at 30 September
	2023	**2024**	**2025**	**2025**
	HS$'000	*HS$'000*	*HS$'000*	*HS$'000*
	(audited)	(audited)	(audited)	(unaudited)
Non-current assets	**28,203**	**29,567**	**25,657**	**23,528**
Property, plant and equipment	26,075	24,390	21,864	21,579
Right-of-use assets	2,128	5,177	3,353	1,619
Deposit and prepayments	–	–	440	330
Current assets	**185,966**	**194,516**	**195,486**	**216,604**
Trade and other receivables	74,184	104,098	96,494	95,200
Contract assets	94,561	86,549	93,243	115,700
Tax recoverable	–	–	–	5,562
Cash and cash equivalents	17,221	3,869	5,749	142
Current liabilities	**96,513**	**101,445**	**127,919**	**147,005**
Trade and other payables	78,815	81,702	82,707	111,352
Amount due to a director	12,196	9,623	33,834	28,420
Lease liabilities	1,822	3,250	3,033	1,659
Contract liabilities	1,891	6,870	6,369	5,574
Bank overdraft	–	–	1,976	–
Tax payable	1,789	–	–	–
Non-current liabilities	**31,993**	**34,553**	**4,086**	**3,796**
Amount due to a director	28,124	29,483	–	–
Lease liabilities	325	1,916	392	–
Long service payment obligation	–	–	817	902
Deferred tax liabilities	3,544	3,154	2,877	2,894
Net assets	**85,663**	**88,085**	**89,138**	**89,331**
Net current assets	**89,453**	**93,071**	**67,567**	**69,599**

31 March 2024 compared with 31 March 2023

As to the financial position of the Group, as shown in the table above, the Group recorded an increase in net assets by approximately HK$2.4 million or 2.8% to approximately HK$88.1 million as at 31 March 2024 from approximately HK$85.7 million as at 31 March 2023, mainly due to movement in the amount of trade and other receivables, contract assets and contract liabilities in the ordinary course of business of the Group.

As stated in the 2023/24 AR, contract assets include unbilled revenue and retention receivables. Unbilled revenue represents the Group's right to receive consideration for work completed and not yet billed because the rights are conditional upon the satisfaction by the customers on the construction work completed by the Group and the work is pending for the certification by the customers, and will be transferred to the trade receivables when the rights become unconditional, which is typically at the time the Group obtains the certification of the completed construction work from the customers. Retention receivables represents the Group's right to consideration for work performed and not yet billed because the rights are conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts, and will be transferred to the trade receivables when the rights become unconditional, which is typically at the expiry date of the period for the provision of assurance by the Group on the service quality of the construction work performed by the Group. Contract liabilities arise from construction wastes disposal contracts from billings in advance of performance.

31 March 2025 compared with 31 March 2024

Net asset of the Group remained steady and amounted to approximately HK$89.1 million as at 31 March 2025, compared to approximately HK$88.1 million as at 31 March 2024.

30 September 2025 compared with 31 March 2025

Net asset of the Group remained steady and amounted to approximately HK$89.3 million as at 30 September 2025, compared to approximately HK$89.1 million as at 31 March 2025.

(b) Outlook

The Company is an investment holding company and the principal subsidiaries of which are principally engaged in the provision of services related to foundation works and provision of construction machinery rental. As stated in the 2024/25 AR, the Group is a subcontractor engaged in the provision of services related to foundation works in Hong Kong including excavation and lateral support works, pile caps

construction, and other services, such as demolition works, underground drainage works, earthworks and structural steelworks. As stated in 2024/25 AR, the Board is cautiously optimistic about the outlook of the Group. Nevertheless, as further advised by the Directors, whether the Group can grasp the business opportunities and win tenders of foundation and related construction services projects with reasonable profit margin rolled out in the market is uncertain as, given there will be other competitors bidding for the same projects, the Group may have to offer a competitive fee quotation to increase its chance to win a project.

According to the 2025–26 Budget Speech[1] delivered by the Financial Secretary of the Hong Kong in February 2025, the total public housing supply in Hong Kong will reach 190,000 units in the coming 5 years and over 17,000 private residential units are expected to be completed annually. In addition, according to the construction expenditure forecast for public and private sectors for the ten years from 2022/23 to 2031/32 updated in July 2023 by the Construction Industry Council[2] (the "**CIC**") in Hong Kong, the construction expenditure in Hong Kong is forecasted to reach HK$295 million to HK$375 million up to 2031/32. These industry figures support the expected increase in housing construction and thus potential demand for foundation work and related construction services in Hong Kong in the near future, and indicate business opportunities for the Group as one of the foundation work and related construction services providers in Hong Kong.

Taking into account the potential demand for public and private housing in Hong Kong as evidenced by the 2025–26 Budget Speech and the CIC forecast mentioned above, the outlook of the construction industry in Hong Kong is considered favourable to the Group as one of the foundation work and related construction services providers in Hong Kong.

(2) Background of the Offeror and its intention for the Group

As stated in the Letter from the Board, the Offeror is a company incorporated in the BVI with limited liability on 13 October 2025 and is principally engaged in investment holding. As at the Latest Practicable Date, save for entering into of the Sale and Purchase Agreement, the Offeror did not engage in any other business activities and did not hold any material assets.

As stated in Letter from Yellow River Securities, the Offeror is beneficially as to 75% by China Venture, 15% by China Wicens (a BVI company directly wholly owned by Ms. Peng) and 10% by China Tofans (a BVI company directly wholly owned by Mr. Guo). China Venture is a company incorporated in the Cayman Islands with limited liability and directly wholly owned by Mr. Zhou. Therefore, China Venture and Mr. Zhou are the controlling shareholders of the Offeror. The Offeror, its shareholders and ultimate beneficial owners do not have experience in the Group's principal business. The decision of

[1] https://www.budget.gov.hk/2025/eng/pdf/Budget25-26_Eng_Leaflet.pdf

[2] https://www.cic.hk/eng/

the investment in the Company is driven by the Offeror's confidence in the Group's potential to deliver sustainable value to its stakeholders, especially the profit quality and long-term earnings stability.

The Offeror intends to continue the existing principal business of the Group. Given that the Offeror and its ultimate beneficial owners do not have experience in the principal business of the Group, the Offeror has no intention to make material changes to the employment of the employees of the Group and intends to continue the employment of certain existing management and/or employees of the Group who are familiar with the existing principal business of the Group (except for a proposed change to the members of the Board at a time no earlier than that as permitted under the Listing Rules and the Takeovers Code or such later time as the Offeror considers to be appropriate). As stated in the Letter from Yellow River Securities, as at the Latest Practicable Date, the Offeror has not identified any potential candidate to be appointed as a new director to the Board.

The Offeror also intends to review the operation and business activities of the Group to formulate a long-term business strategy for the Group. Subject to the results of such review, the Offeror may explore other business and/ or seek to expand the geographical coverage of the principal business of the Group in addition to the market of Hong Kong. As at the Latest Practicable Date, no investment or business opportunity has been identified nor has the Offeror entered into any agreement, arrangement, understandings or negotiation in relation to the injection of any assets or business into the Group. The Offeror has no intention to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business.

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

The Independent Shareholders should be aware of the uncertainty of the Company's outlook taking into account (i) it will be under the management by the new Board of which the members have yet been identified by the Offeror as at the Latest Practicable Date, and (ii) it will rely on the long-term business plans and strategies to be formulated by the Offeror who has no management experience directly related to the existing principal business of the Group.

(3) The Offer

(a) Principal terms

Yellow River Securities will, for and on behalf of the Offeror, make the Offer to acquire all of the Offer Shares at the Offer Price of HK$0.089 in cash for each Offer Share, which is approximately equal to but not lower than the purchase price per Sale Share of approximately HK$0.089 per Sale Share paid by the Offeror under the Sale and Purchase Agreement.

The Offer is made to the Independent Shareholders. It is unconditional in all respects and is not conditional upon acceptances being received in respect of a minimum number of Shares or any other condition. Acceptance of the Offer will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code, details of which are set out in the section headed "5. Right of withdrawal" in Appendix I to the Composite Document.

As at the Latest Practicable Date, the Company has 1,200,000,000 Shares in issue and the Company does not have any other outstanding Shares, options, warrants, derivatives or other securities which are convertible or exchangeable into Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) and has not entered into any agreement for the issue of such options, derivatives, warrants or other relevant securities which are convertible or exchangeable into Shares.

Comparison of value

The Offer Price of HK$0.089 per Offer Share represents:

(i) a discount of approximately 94.26% to the closing price of HK$1.55 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a discount of approximately 79.06% over the closing price of HK$0.425 per Share as quoted on the Stock Exchange on the Last Trading Day;

(iii) a discount of approximately 77.92% over the average closing price of approximately HK$0.403 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to and including the Last Trading Day;

(iv) a discount of approximately 77.97% to the average closing price of approximately HK$0.404 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days immediately prior to and including the Last Trading Day;

(v) a discount of approximately 70.72% to the average closing price of approximately HK$0.304 per Share as quoted on the Stock Exchange for the thirty (30) consecutive trading days immediately prior to and including the Last Trading Day;

(vi) a premium of approximately 20.27% over the Group's audited consolidated net assets value ("**NAV**") attributable to the Shareholders per Share of approximately HK$0.074 as at 31 March 2025 (based on a

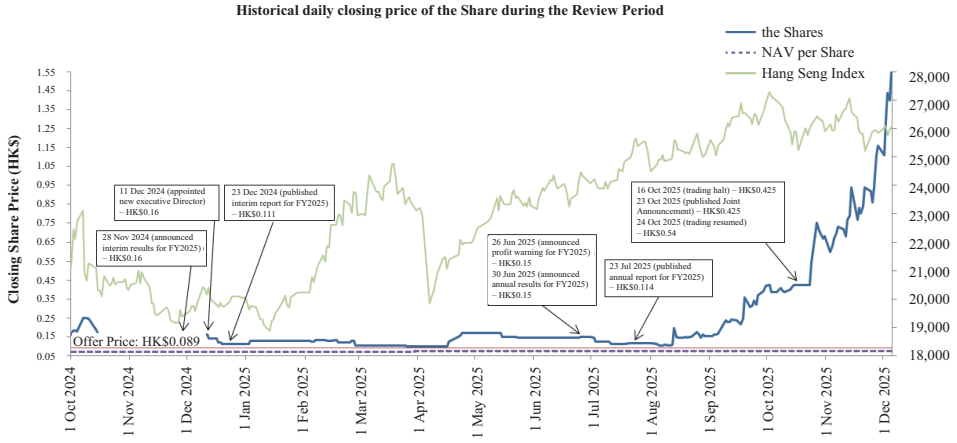
total of 1,200,000,000 Shares as at the Latest Practicable Date and the Group's audited consolidated NAV attributable to the Shareholders of approximately HK$89.1 million as at 31 March 2025); and

(vii) a premium of approximately 20.27% over the Group's unaudited consolidated NAV attributable to the Shareholders per Share of approximately HK$0.074 as at 30 September 2025 (based on a total of 1,200,000,000 Shares as at the Latest Practicable Date and the Group's unaudited consolidated NAV attributable to the Shareholders of approximately HK$89.3 million as at 30 September 2025).

To assess the fairness and reasonableness of the Offer Price, we have analysed the Offer Price with reference to (i) the historical price performance of the Shares and NAV per Share; (ii) the historical trading liquidity of the Shares; and (iii) the comparison with market comparables.

(i) Historical price performance of the Shares and NAV per Share

The chart below depicts the closing price level of the Shares as quoted on the Stock Exchange from 1 October 2024 (being around 1-year before the Last Trading Day) and up to and including the Latest Practicable Date (the "**Review Period**"), the comparison among the closing price of the Shares, Offer Price and NAV per Share, and the comparison with the trend of Hang Seng Index:



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

We consider the length of the Review Period to be reasonably long enough to illustrate the historical trend and level of movement of the closing prices of the Shares.

The Offer Price represents a discount to the closing price of the Shares throughout the Review Period. As shown in the price chart above, there was a decreasing trend from HK$0.18 at the beginning of the Review Period on 2

October 2024 to HK$0.1 on 26 March 2025. It then went upward from 17 April 2025 and reached HK$0.169 on 24 April 2025. Following the announcement of annual results for FY2025 on 30 June 2025 which shown a decrease in the profit and total comprehensive income for the year attributable to equity holders of the Company, the closing price of the Share declined and hit HK$0.102 on 5 August 2025. Then, notwithstanding no specific news was announced by the Company, its share price went upward again and closed at HK$0.425 on 15 October 2025 before its trading halt which commenced on 16 October 2025 pending the release of the Joint Announcement. As confirmed by the Directors, neither of them nor other management of the Company is aware of the reason for such price increase. On the date trading of the shares of the Company resumed on 24 October 2025, it closed at HK$0.54 and further went up to HK$0.750 on 27 October 2025, being the highest level during the Review Period. The share price closed at HK$1.55 on the Latest Practicable Date and the Offer Price represented a discount of approximately 94.26% to it.

As shown in the chart above, the Share traded at a premium over the NAV per Share as at 31 March 2025 and 30 September 2025. This indicates that investors might not have valued the Shares of the Company based solely on the underlying value of the Group's assets. Hence, the premium of the Offer Price over the NAV per Share as at 31 March 2025 and 30 September 2025 is considered less representative in assessing the fairness and reasonableness of the Offer Price, as compared to the day-to-day market value of the Shares.

We have also compared the pricing trend of the Shares with the trend of Hang Seng Index to see if they are in line or similar with each other, and if yes, the reasons of movement of the pricing trend of the Shares may make reference to the possible factors affecting the movement of the Hang Seng Index. It is noted from the chart above that the closing price trend of the Shares was not in line with the trend of the Hang Seng Index in certain months during the Review Period, particularly from January to early August 2025. As advised by the Company, apart from the aforesaid announcements, they are not aware of any particular news of the Group leading to the aforesaid historical closing price movement of the Shares and difference with the trend of the Hang Seng Index. Given the Hang Seng Index is a free-float market capitalisation weighted index of the largest companies only that trade on the Stock Exchange, we considered that the difference in pricing trend with the Hang Seng Index is not uncommon among listed companies of smaller size including the Company. Hence, comparison with the Hang Seng Index is considered not relevant in assessing the fairness and reasonableness of the Offer Price. Based on the observation above, it is considered that the investors may not buy or sell the Shares at a price principally with reference to the news and underlying value of the Company or the trend of Hang Seng Index.

Taking into account (i) the Share price closed above the Offer Price throughout the Review Period; and (ii) the significant discount of over 70% represented by the Offer Price to the closing price per Share on the Latest Practicable Date, the Last Trading Day, the average Share closing price for the last five, 10 and 30 consecutive trading days immediately prior to and including the Last Trading Day respectively, albeit the premium represented by the Offer Price over the NAV per Share as at 31 March 2025 and 30 September 2025, the Offer Price is not fair and reasonable.

Independent Shareholders should note that the information set out above is not an indicator of the future performance of the price of the Shares which may increase or decrease after the Latest Practicable Date and close of the Offer.

(ii) Historical trading liquidity of the Shares

The table below sets out the trading volume of the Shares and the percentages of average daily trading volume to the total number of issued Shares and Shares held by the public Shareholders, respectively during the Review Period:

Month/period	Total trading volume for the month/period *Shares*	Number of trading days *days*	Average daily trading volume *(Note 1)* *Shares*	Average daily trading volume over total number of issued Shares *(Note 2)* *%*	Average daily trading volume over total number of issued Shares held by the public Shareholders *(Note 3)* *%*
2024					
October	2,820,000	21	134,286	0.011	0.045
November	–	21	–	0.000	0.000
December	890,000	20	44,500	0.004	0.015
2025					
January	10,000	19	526	0.000	0.000
February	310,000	20	15,500	0.001	0.005
March	130,000	21	6,190	0.001	0.002
April	440,000	19	23,158	0.002	0.008
May	10,000	20	500	0.000	0.000
June	1,320,000	21	62,857	0.005	0.021
July	2,840,000	22	129,091	0.011	0.043
August	50,490,000	21	2,404,286	0.200	0.801
September	47,150,000	22	2,143,182	0.179	0.714
October	68,660,000	14	4,904,286	0.409	1.635
November	31,245,000	20	1,562,255	0.130	0.521
December (up to the Latest Practicable Date)	18,281,000	5	3,656,200	0.305	1.219

Notes:

1. Calculated by dividing the total trading volume for the month/period by the number of trading days during the month/period.

2. Calculated by dividing the average daily trading volumes of the Shares by the total issued Shares at the end of each month or as at the Latest Practicable Date, where applicable.

3. Calculated by dividing the average daily trading volumes of the Shares by the total issued Shares held by the public Shareholders at the end of each month or as at the Latest Practicable Date, where applicable.

During the Review Period, the average daily trading volume ranged from approximately 500 Shares (in May 2025) to approximately 4,904,286 Shares (in October 2025), representing 0% to approximately 0.409% of the total number of issued Shares, and approximately 0% to 1.635% of the total number of issued Shares held by the public Shareholders, as at the end of the respective month/period.

The Independent Shareholders may encounter difficulties in selling a significant number of Shares in the open market at a fixed price within a short period of time without disturbing the market. Nevertheless, we noted from the trading volume released in the website of the Stock Exchange that the highest average daily trading volume of the Shares during the Review Period was recorded in October 2025, reaching approximately 4.9 million Shares (representing approximately 0.409% and 1.635% over total number of issued Shares and Shares held by the public respectively) and resulting in monthly trading volume of approximately 68.7 million Shares (representing approximately 5.7% and 22.9% over total number of issued Shares and Shares held by the public respectively), being the highest level during the Review Period. We further noted that the daily trading volume of the Shares on a single day (24 October 2025, being the date the Shares resumed trading after publication of the Joint Announcement) could reach over 21.6 million Shares, representing over 31% of the aforesaid highest level of monthly trading volume recorded by the Group during the Review Period.

In addition, regardless of the substantial increase in the number of Shares sold in the open market on 24 and 27 October 2025, amounting to over 21.6 million (representing approximately 1.8% and 7.2% of the total number of issued Shares and Shares held by the public respectively) and 16.4 million (representing approximately 1.4% and 5.5% of the total number of issued Shares and Shares held by the public respectively) respectively, compared to the daily trading volume before the publication of the Joint Announcement during the Review Period generally as shown in the table above, the price of the Shares increased to and closed at HK$0.75 (i.e. over 8 times higher than the Offer Price) on 27 October 2025 from HK$0.425 on 15 October 2025 (the last trading day before the trading halt pending release of the Joint Announcement), indicating the

trading price of the Shares may not definitely move downwards with the increase in the number of Shares sold in the open market. Hence, instead of accepting the Offer, the Shareholders who intend to realise their investment in the Shares are recommended to sell their Shares in the market if net proceeds from such sale of Shares would exceed the net amount receivable under the Offer.

(iii) Peer comparison

We noted that the trading multiples analysis of price to earnings ratio ("**P/E Ratio**") and price to book ratio ("**P/B Ratio**") of comparable companies are commonly adopted approaches in assessing an offer price to see if the Offer Price is fair and reasonable in terms of the amount (being a multiple) the Offeror is willing to pay for the profit generating ability (that is, earnings) and net asset value of the Group respectively, as compared to that the market is willing to pay for the Comparable Companies (as defined below). The Group is a subcontractor principally engaged in the provision of services related to foundation works in Hong Kong including excavation and lateral support works, pile caps construction, and other services, such as demolition works, underground drainage works, earthworks and structural steelworks. We have identified, to the best of our knowledge and effort, an exhaustive list of 8 main board listed companies (the "**Comparable Companies**") based on the following criteria: (i) it is a small-cap issuer listed on the Stock Exchange with a market capitalisation equal to or less than HK$700 million as defined in the consultation conclusions on "Main Board Profit Requirement" published by the Stock Exchange in May 2021[3], taking into account the Company, with market capitalisation of HK$510 million (based on the closing price of the Shares as at the Last Trading Day) or HK$106.8 million (as represented by the Offer Price multiplied by the number of Shares in issue), is also a small-cap issuer in terms of market capitalisation based on the aforesaid definition, notwithstanding the market capitalisation of the Company as at the Latest Practicable Date increased to HK$1,860 million which was believed to be affected by the news of the Offer and thus may not be sustainable; and (ii) it is principally engaged in, and generated around or over 96% of its revenue from foundation works in Hong Kong similar with that of the Group in its preceding financial year. Hence, the comparison of P/E Ratio and P/B Ratio as represented by the Offer Price with that of the Comparable Companies is considered meaningful.

[3] https://www.hkex.com.hk/-/media/HKEX-Market/News/Market-Consultations/2016-Present/November-2020-MB-Profit-Requirement/Conclusions-(May-2021)/cp202011cc.pdf

Stock Code	Company	Principal business	Market capitalisation as at the Latest Practicable Date *HK$'000 (Note 1)*	Total revenue (% of total revenue generated from foundation works in Hong Kong) *HK$'000*	Profit/(loss) attributable to shareholders of the company *HK$'000 (Note 2)*	Net asset value *HK$'000 (Note 2)*	P/E Ratio *Times (Note 3)*	P/B Ratio *Times (Note 4)*
784	Ling Yui Holdings Limited	Provision of foundation engineering services in Hong Kong	86,400	214,505 (100%)	(20,549)	57,210	N/A *(Note 5)*	1.51
1413	FEG Holdings Corporation Limited	Provision of construction services in Hong Kong	138,600	404,950 (100%)	(81,516)	209,173	N/A *(Note 5)*	0.66
1500	In Construction Holdings Limited	Provision of foundation works as well as associated works including demolition works, site formation works, ground investigation field works and general building works in Hong Kong	122,840	273,600 (100%)	(18,911)	270,113	N/A *(Note 5)*	0.45
1591	Shun Wo Group Holdings Limited	Provision of foundation works in Hong Kong	58,800	166,255 (100%)	(5,693)	123,749	N/A *(Note 5)*	0.48
1633	Sheung Yue Group Holdings Limited	Provision of foundation works including piling construction, excavation and lateral support works, pile cap construction, site formation and ancillary services in Hong Kong and Macau	79,431	264,770 (100%) *(Note 6)*	(9,652)	171,905	N/A *(Note 5)*	0.46
3822	Sam Woo Construction Group Limited	Provision of foundation works and ancillary services in Hong Kong and Macau	118,440	880,854 (100%) *(Note 6)*	10,941	527,065	10.83	0.22
3878	Vicon Holdings Limited	Provision of foundation works and ancillary services and leasing of construction machinery in Hong Kong	114,145	303,919 (98%)	4,830	276,886	23.63	0.41
6080	Wing Chi Holdings Limited	Provision of foundation and site formation work and machineries leasing in Hong Kong	141,164	808,017 (96%)	4,417	137,702	31.96	1.03
						Maximum	31.96	1.51
						Minimum	10.83	0.22
						Average	22.14	0.65
						Median	23.63	0.47
1757	**The Company**	**Provision of services related to foundation works**	**106,800**	**240,775 (100%)**	**1,053**	**89,332**	**101.42**	**1.20**

Source: Website of the Stock Exchange (www.hkex.com.hk) and the respective annual/interim report and/or results announcement of the Company and the Comparable Companies

Notes:

1. Market capitalisation of the Comparable Companies are calculated based on their respective closing price as quoted on the Stock Exchange and number of issued shares based on their latest published information as at the Latest Practicable Date. Market capitalisation of the Company, as represented by the Offer Price, is calculated based on the Offer Price of HK$0.089 per Offer Share and 1,200,000,000 Shares in issue as at the Latest Practicable Date.

2. Figures extracted from or calculated based on information in the latest published results announcement or report of the Comparable Companies.

3. P/E Ratio of the Comparable Companies are calculated by dividing their respective market capitalisation by their respective consolidated profit attributable to the shareholders, as extracted from their latest published annual financial statements. Implied P/E Ratio of the Company is calculated by dividing its market capitalisation, as represented by the Offer Price, by its consolidated profit attributable to the Shareholders for FY2025.

4. P/B Ratio of the Comparable Companies are calculated by dividing their respective market capitalisation by their respective consolidated NAV attributable to the shareholders, as extracted from their latest published financial statements. Implied P/B Ratio of the Company is calculated by dividing its market capitalisation, as represented by the Offer Price, by its consolidated NAV attributable to the Shareholders as at 30 September 2025.

5. "N/A" as these Comparable Companies recorded consolidated loss attributable to the shareholders in their latest published financial year, and thus the calculation of the P/E Ratio is not applicable. These companies have not been taken into consideration in calculating the average and median P/E Ratio of the Comparable Companies.

6. It is stated in the latest published report of the Comparable Company that no breakdown of geographical segment was disclosed as its revenue were all or mainly derived from Hong Kong. Hence, all its revenue are regarded as generated from Hong Kong.

The P/E Ratios of the Comparable Companies which were profit-making in their latest published financial year ranged from approximately 10.83 times to 31.96 times, with an average and median of approximately 22.14 times and 23.63 times respectively. The implied P/E Ratio of the Company, as represented by the Offer Price, is approximately 101.42 times, which is higher than the highest P/E Ratios among the Comparable Companies. This is considered indicating that the Offeror is willing to pay more (in terms of multiple to the amount of profit) to invest in the profit generating ability of the Group than that paid by investors to the Comparable Companies, thus the Offer Price is not unfavourable based on this comparison.

The P/B Ratios of the Comparable Companies ranged from approximately 0.22 times to 1.51 times, with an average and median of approximately 0.65 times and 0.47 times respectively. The implied P/B Ratio of the Company, as represented by the Offer Price, is approximately 1.20 times, which falls within the range and is above the median of the Comparable Companies.

RECOMMENDATION

Notwithstanding (a) the Offer Price represented a premium over the NAV per Share as at 31 March 2025 and 30 September 2025 and (b) the implied P/E Ratio and P/B Ratio of the Company as represented by the Offer Price is higher than that of, or within the range among, the Comparable Companies, the Offer Price is unattractive, given it (i) represents a discount to the closing price of the Shares throughout the Review Period, and (ii) represents a discount of over 70% to the closing price of the Shares on the Latest Practicable Date, the Last Trading Day, and the five-day, 10-day and 30-day average closing price of the Shares immediately prior to and including the Last Trading Day respectively. Hence, we are of the view that the Offer are not fair and not reasonable so far as the Independent Shareholders are concerned. We recommend the Independent Board Committee to recommend, and we recommend, the Independent Shareholders not to accept the Offer.

On the other hand, having considered

(a) the unstable financial performance of the Group as indicated by its revenue fluctuation from FY2023 to FY2025, and for 1H2026 compared to 1H2025, as the Group's foundation works business is project based in nature, thus its performance depends on the number and value of contracts won by the Group and construction progress of the projects on hand which affects the amount of revenue to be recognised during the year;

(b) notwithstanding the outlook of the construction industry might be positive in the near future in light of the expected increase in housing construction, and thus potential demand for foundation work and related construction services, as supported by the budgeted housing supply in Hong Kong according to the Financial Secretary of Hong Kong in February 2025 and the forecasted construction expenditure in Hong Kong in the ten years up to 2031/32 released by the CIC, whether the Group can grasp the business opportunities and win tenders of foundation and related construction services projects with reasonable profit margin rolled out in the market is uncertain as advised by the Directors;

(c) the uncertainty of the Company's outlook taking into account it will be under the management by the new Board of which the members have yet been identified by the Offeror as at the Latest Practicable Date, and it will rely on the long-term business plans and strategies to be formulated by the Offeror who has no management experience directly related to the existing principal business of the Group; and

(d) notwithstanding the Independent Shareholders may encounter difficulties in selling a significant number of Shares in the open market at a fixed price within a short period of time without disturbing the market price, given (i) the trading volume of the Shares reached over 21.6 million Shares on a single day on 24 October 2025 (being the date the Shares resumed trading after publication of the Joint Announcement), representing over 31% of the highest level of monthly trading volume recorded by the Company

during the Review Period; and (ii) regardless of the substantial increase in the number of Shares sold in the open market on 24 and 27 October 2025, compared to the daily trading volume of the Shares before the publication of the Joint Announcement during the Review Period, the closing price of the Shares increased to HK$0.54 on 24 October 2025 from HK$0.425 on 15 October 2025 (the last trading day before the trading halt pending release of the Joint Announcement), and further went up and closed at HK$0.75 (i.e. over 8 times higher than the Offer Price) on 27 October 2025, indicating the trading price of the Shares may not definitely move downwards with the increase in the number of Shares sold in the open market,

the Independent Shareholders are recommended to sell their Shares in the market at a price higher than the Offer Price, instead of accepting the Offer, if they intend to realise their investment in the Shares.

Yours faithfully,
For and on behalf of
Capital 9 Limited
Chan Man Yee
Director

Chan Man Yee is licensed persons and responsible officers of Capital 9 Limited registered with the Securities and Futures Commission to carry out Type 6 (advising on corporate finance) regulated activity under the SFO and has over 15 years of experience respectively in the corporate finance industry.

1. GENERAL PROCEDURES FOR ACCEPTANCE OF THE OFFER

To accept the Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms of the Offer.

(a) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name, and you wish to accept the Offer, you must send the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Shares for which you intend to accept the Offer, by post or by hand, to the Registrar, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong in an envelope marked "**Affluent Foundation Holdings Limited – Offer**" as soon as possible but in any event so as to reach the Registrar no later than 4:00 p.m. on the Closing Date.

(b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Offer in respect of your Shares, you must either:

(i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Shares for which you intend to accept the Offer with the nominee company, or other nominee, with instructions authorising it to accept the Offer on your behalf and requesting it to deliver in an envelope marked "**Affluent Foundation Holdings Limited – Offer**" the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Shares for which you intend to accept the Offer to the Registrar; or

(ii) arrange for the Shares to be registered in your name by the Company through the Registrar, and deliver in an envelope marked "**Affluent Foundation Holdings Limited – Offer**" the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Shares for which you intend to accept the Offer to the Registrar; or

(iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorize HKSCC Nominees Limited to accept the Offer on your behalf in respect of the number of Shares for which you intend to accept the Offer on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or

(iv) if your Shares have been lodged with your investor participant's account maintained with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.

(c) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost and you wish to accept the Offer in respect of your Shares, the Form of Acceptance should nevertheless be duly completed, signed and delivered in an envelope marked "**Affluent Foundation Holdings Limited – Offer**" to the Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares or that it is/they are not readily available. If you find such document(s) or if it/they become(s) available, the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares should be forwarded to the Registrar as soon as possible thereafter. If you have lost the share certificate(s), you should also write to the Registrar for a letter of indemnity which, when completed and signed in accordance with the instructions given, should be provided to the Registrar.

(d) If you have lodged transfer of any of your Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the Offer in respect of your Shares, you should nevertheless complete and sign the Form of Acceptance and deliver it in an envelope marked "**Affluent Foundation Holdings Limited – Offer**" to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable authority to the Offeror and/or Yellow River Securities and/or their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Registrar on your behalf and to authorise

and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the Offer, as if it was/they were delivered to the Registrar with the Form of Acceptance.

(e) Acceptance of the Offer will be treated as valid only if the duly completed and signed Form of Acceptance is received by the Registrar no later than 4:00 p.m. on the Closing Date and the Registrar has recorded that the acceptance and the relevant documents as required under this paragraph have been so received, and is:

(i) accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Shares for which you intend to accept the Offer and, if that/those share certificate(s) is/are not in your name, such other document(s) in order to establish your right to become the registered holder of the relevant Shares; or

(ii) from a registered Independent Shareholder or his/her personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under another sub-paragraph of this paragraph (e)); or

(iii) certified by the Registrar or the Stock Exchange.

(f) If the Form of Acceptance is executed by a person other than the registered Independent Shareholder, appropriate documentary evidence of authority to the satisfaction of the Registrar must be produced.

(g) In Hong Kong, seller's ad valorem stamp duty for transfer of Shares registered in the seller's name by the Company through the Registrar arising in connection with acceptance of the Offer payable by the relevant Independent Shareholders at a rate of 0.1% of the market value of the Offer Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the amount payable to the relevant Independent Shareholders on acceptance of the Offer. The Offeror will arrange for payment of the sellers' ad valorem stamp duty on behalf of accepting Independent Shareholders and pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

(h) No acknowledgement of receipt of any Form of Acceptance and/or share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

2. ACCEPTANCE PERIOD AND REVISIONS

(a) Unless the Offer has previously been revised or extended, with the consent of the Executive, in accordance with the Takeovers Code, the Form of Acceptance must be received by the Registrar no later than 4:00 p.m. on the Closing Date in accordance with the instructions printed on the Form of Acceptance, and the Offer will be closed on the Closing Date.

(b) The Offeror and the Company will jointly issue an announcement through the websites of the Stock Exchange and the Company no later than 7:00 p.m. on the Closing Date stating the results of the Offer and whether the Offer has been extended, revised or has expired.

(c) In the event that the Offeror decides to extend the Offer, at least 14 days' notice by way of announcement will be given, before the latest time and date for acceptance of the Offer, to those Independent Shareholders who have not accepted the Offer.

(d) If the Offeror revises the terms of the Offer, all Independent Shareholders, whether or not they have already accepted the Offer will be entitled to accept the revised Offer under the revised terms. The revised Offer must be kept open for at least 14 days following the date on which the revised offer document is posted.

(e) If the Closing Date is extended, any reference in this Composite Document and in the Form of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the subsequent Closing Date of the Offer so extended.

3. NOMINEE REGISTRATION

To ensure equality of treatment of all Independent Shareholders, those Independent Shareholders who hold Shares as nominees on behalf of more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for the beneficial owners of the Shares whose investments are registered in nominee names to accept the Offer, it is essential that they provide instructions to their nominees of their intentions with regard to the Offer.

4. ANNOUNCEMENTS

(a) As required under Rule 19.1 of the Takeovers Code, by 6:00 p.m. on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension or expiry of the Offer. The Offeror must publish an announcement in accordance with the requirements of the Listing Rules by 7:00 p.m. on the Closing Date stating whether the Offer has been extended, revised or has expired. Such announcement must state the followings:

(i) the total number of Shares and rights over Shares for which acceptances of the Offer have been received;

(ii) the total number of Shares and rights over Shares held, controlled or directed by the Offeror and the parties acting in concert with it before the Offer Period; and

(iii) the total number of Shares and rights over Shares acquired or agreed to be acquired by the Offeror and parties acting in concert with it during the Offer Period.

The announcement must also include details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror, and parties acting in concert with it has borrowed or lent (save for any borrowed Shares which have been either on-lent or sold) and specify the percentages of the issued share capital of the Company and the percentages of voting rights of the Company represented by these numbers.

(b) In computing the total number of Shares represented by acceptances, only valid acceptances that are complete, in good order and fulfill the acceptance conditions set out in paragraph 1(e) of this Appendix, and which have been received by the Registrar no later than 4:00 p.m. on the Closing Date, being the latest time and date for acceptance of the Offer, shall be included.

(c) If the Offeror, the parties acting in concert with it or its advisers make any statement about the level of acceptances or the number or percentage of accepting Shareholders during the Offer Period, then the Offeror must make an immediate announcement in compliance with Note 2 to Rule 19 of the Takeovers Code.

(d) As required under the Takeovers Code and the Listing Rules, any announcement in relation to the Offer, in respect of which the Executive and the Stock Exchange have confirmed that they have no further comments, will be published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.hcho.com.hk).

5. RIGHT OF WITHDRAWAL

(a) Acceptance of the Offer tendered by the Independent Shareholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in subparagraph (b) below.

(b) If the Offeror is unable to comply with the requirements set out in paragraph headed "4. Announcements" above, the Executive may require pursuant to Rule 19.2 of the Takeovers Code that the Independent Shareholders who have tendered acceptance to the Offer be granted a right of withdrawal on terms that are acceptable to the Executive until the requirement of Rule 19 of the Takeovers Code can be met.

In such case, when the Independent Shareholders withdraw their acceptance(s), the Offeror shall, as soon as possible but in any event no later than seven (7) Business Days following the date of receipt of the notice of withdrawal, despatch the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the Form of Acceptance to the relevant Independent Shareholder(s) by ordinary post at his/her/its own risk.

6. SETTLEMENT OF THE OFFER

Provided that the accompanying Form of Acceptance for the Shares, together with the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are valid, complete and in good order and have been received by the Registrar no later than 4:00 p.m. on the Closing Date, a cheque for the amount due to each of the accepting Independent Shareholders in respect of the Shares tendered under the Offer (less seller's ad valorem stamp duty payable by him/her/it) will be despatched to the accepting Independent Shareholders by ordinary post at his/her/its own risk as soon as possible but in any event no later than seven (7) Business Days after the date of receipt of all relevant documents to render such acceptance complete and valid by the Registrar in accordance with the Takeovers Code.

Settlement of the consideration to which any accepting Independent Shareholder is entitled under the Offer will be paid by the Offeror in full in accordance with the terms of the Offer (save with respect of the payment of seller's ad valorem stamp duty) 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 such Independent Shareholder.

No fraction of a cent will be payable and the amount of cash consideration payable to an Independent Shareholder who accepts the Offer will be rounded up to the nearest cent.

7. OVERSEAS SHAREHOLDERS

As the Offer to persons not being resident in Hong Kong may be affected by the laws of the relevant jurisdiction in which they are resident, Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the sole responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental, exchange control or other consent which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes due from the accepting Shareholders in respect of such jurisdictions). The Offeror, parties acting in concert with the Offeror, the Vendor, the Company, Grande Capital, Yellow River Securities, the Independent Financial Adviser, the Registrar and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates, as applicable, or any other person involved in the Offer shall be entitled to be fully indemnified and held harmless by the Overseas Shareholders for any taxes they may be required to pay. Any acceptance of the Offer by such Overseas Shareholders will be deemed to constitute a representation and warranty from such Overseas Shareholders to the Offeror that the applicable local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.

8. TAX IMPLICATIONS

The Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror, the Vendor, the Company, Grande Capital, Yellow River Securities, the Independent Financial Adviser, the Registrar nor their respective ultimate beneficial owners, directors, officers, advisers, agents or associates, as applicable, or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

9. GENERAL

(a) All communications, notices, Form of Acceptance, certificates, transfer receipts and other documents of title and/or of indemnity and/or of any other nature to be delivered by or sent to or from the Independent Shareholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of the Offeror, parties acting in concert with the Offeror, the Vendor, the Company, Grande Capital, Yellow River Securities, the Independent Financial Adviser, the Registrar nor their respective ultimate beneficial owners, directors, officers, advisers, agents or associates, as applicable, or any other person involved in the Offer accepts any liability for any loss or any other liabilities whatsoever which may arise as a result thereof.

(b) Acceptance of the Offer by any person or persons will be deemed to constitute a representation and warranty by such person or persons to the Offeror that the Shares tendered under the Offer are sold or tendered by such Independent Shareholder(s) free from all encumbrance and together with all rights and benefits attached thereto, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of despatch of this Composite Document.

(c) Acceptance of the Offer by any nominee will be deemed to constitute a representation and warranty by such nominee to the Offeror that the number of Offer Shares in respect of which it is indicated in the Form of Acceptance is the aggregate number of Offer Shares held by such nominee for such beneficial owners who accept the Offer.

(d) The provisions set out in the accompanying Form of Acceptance form part of the terms of the Offer.

(e) The accidental omission to despatch this Composite Document and/or the accompanying Form of Acceptance or either of them to any person to whom the Offer is made shall not invalidate the Offer in any way.

(f) The Offer and all acceptances will be governed by and construed in accordance with the laws of Hong Kong.

(g) Due execution of the Form of Acceptance will constitute an irrevocable authority to the Offeror and/or Yellow River Securities and/or such person or persons as any of them may direct to complete and execute on behalf of the person(s) accepting the Offer, and to do any other act(s) that may be necessary or expedient for the purpose of vesting in the Offeror, or such person or persons as it may direct the Shares in respect of which such person has accepted the Offer.

(h) The Offer is made in accordance with the Takeovers Code.

(i) References to the Offer in this Composite Document and in the Form of Acceptance shall include any extension and/or revision thereof.

(j) The Independent Shareholders must rely on their own examination of the Offeror, the Group and the terms of the Offer, including the merits and risks involved, in making their decision as to acceptance of the Offer. The contents of this Composite Document, including any general advice or recommendation contained herein, together with the Form of Acceptance, shall not be construed as any legal or business advice on the part of the Offeror, its ultimate beneficial owners and parties acting in concert with any of them, the Company or its ultimate beneficial owners, directors, officers, agents, professional advisers or any other persons involved in the Offer. The Independent Shareholders should consult their own professional advisers for professional advices.

(k) The English texts of this Composite Document and the accompanying Form of Acceptance shall prevail over their respective Chinese texts, in case of any inconsistency.

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The following is a summary of the audited financial information of the Group for each of the three financial years ended 31 March 2023, 2024 and 2025 as extracted from the Company's annual reports for the years ended 31 March 2023, 2024 and 2025, respectively, and the unaudited financial information of the Group for the six months ended 30 September 2025 as extracted from the Company's interim results announcement for the six months ended 30 September 2025.

	For the six months ended 30 September	**For the year ended 31 March**		
	2025	**2025**	**2024**	**2023**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(unaudited)	(audited)	(audited)	(audited)
Revenue	234,273	240,775	199,344	326,492
Direct costs/construction contracts costs	(230,968)	(232,291)	(194,775)	(322,505)
Gross profit	3,305	8,484	4,569	3,987
Other income, gain and losses, net	6,829	12,975	15,549	17,478
Administrative expenses	(8,667)	(19,361)	(21,456)	(22,328)
(Provision)/reversal of impairment loss under expected credit loss model, net	(399)	259	3,067	1,900
Finance costs	741	(1,581)	(1,486)	(824)
Profit before income tax	327	776	243	213
Income tax credit/(expense)	(136)	277	2,179	597
Profit and total comprehensive income for the year attributable to equity holders of the Company	191	1,053	2,422	810
	HK cents	*HK cents*	*HK cents*	*HK cents*
Earnings per share attributable to equity holders of the Company:				
– Basic and diluted *(HK cents)*	0.02	0.09	0.20	0.07

Assets and liabilities

	As at 30 September 2025	As at 31 March 2025	2024	2023
	HK$'000 (unaudited)	*HK$'000* (audited)	*HK$'000* (audited)	*HK$'000* (audited)
Non-current Assets	23,528	25,657	29,567	28,203
Current Assets	216,604	195,486	194,516	185,966
Current Liabilities	147,005	127,919	101,445	96,513
Net Current Assets	69,599	67,567	93,071	89,453
Total Asset less Current Liabilities	93,127	93,224	122,638	117,656
Non-current Liabilities	3,796	4,086	34,553	31,993
Net Assets	89,331	89,138	88,085	85,663

No dividend was paid or proposed by the Company during each of the three years ended 31 March 2023, 2024 and 2025, and for the six months ended 30 September 2025.

There has been no change in the Group's accounting policies which would result in the figures in its consolidated financial statements for each of the three financial years ended 31 March 2023, 2024 and 2025, and for the six months ended 30 September 2025, being not comparable to a material extent.

The consolidated financial statements of the Group for the year ended 31 March 2023 were audited by Grant Thornton Hong Kong Limited and the consolidated financial statements of the Group for each of the two years ended 31 March 2024 and 2025 were audited by SFAI (HK) CPA Limited (formerly known as Yongtuo Fuson CPA Limited). The consolidated financial statements of the Group for the years ended 31 March 2023, 2024 and 2025, and the unaudited condensed consolidated financial information of the Group for the six months ended 30 September 2025 ("**2025 Interim Statement**") did not contain any qualified or modified opinion, nor any emphasis of matter or material uncertainty related to going concern. Save as disclosed above, 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 three years ended 31 March 2023, 2024 and 2025, and the unaudited condensed consolidated financial information of the Group for the six months ended 30 September 2025.

2. CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

The Company is required to set out or refer to in this Composite Document the consolidated statements of profit or loss, the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in the last published audited accounts, significant accounting policies, together with the notes to the

relevant published accounts which are of major relevance to the appreciation of the above financial information.

The 2025 Interim Statements have been set out on pages 2 to 3 of the interim results announcement of the Company for the six months ended 30 September 2025 ("**2025 IRA**"), which was posted on 25 November 2025 on the website of the Stock Exchange (http://www.hkexnews.hk). Please also see below a direct link to the 2025 IRA:

https://www1.hkexnews.hk/listedco/listconews/sehk/2025/1125/2025112501205.pdf

The audited consolidated financial results of the Group for the year ended 31 March 2025 (the "**2025 Financial Statements**") have been set out on pages 57 to 120 of the 2024/25 annual report of the Company for the year ended 31 March 2025 (the "**2024/25 Annual Report**") which was posted on 23 July 2025 on the website of the Stock Exchange (http://www.hkexnews.hk). Please also see below a direct link to the 2024/25 Annual Report:

https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0723/2025072300221.pdf

The audited consolidated financial results of the Group for the year ended 31 March 2024 (the "**2024 Financial Statements**") have been set out on pages 53 to 118 of the 2023/24 annual report of the Company for the year ended 31 March 2024 (the "**2023/24 Annual Report**") which was posted on 17 July 2024 on the website of the Stock Exchange (http://www.hkexnews.hk). Please also see below a direct link to the 2023/24 Annual Report:

https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0717/2024071700149.pdf

The audited consolidated financial results of the Group for the year ended 31 March 2023 (the "**2023 Financial Statements**") have been set out on pages 45 to 100 of the 2022/23 annual report of the Company for the year ended 31 March 2023 (the "**2022/23 Annual Report**") which was posted on 21 July 2023 on the website of the Stock Exchange (http://www.hkexnews.hk). Please also see below a direct link to the 2022/23 Annual Report:

https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0721/2023072100027.pdf

The 2025 Interim Statements, the 2025 Financial Statements, the 2024 Financial Statements and the 2023 Financial Statements (but not any other part of the interim results announcement of the Company for the six months ended 30 September 2025, the 2024/25 Annual Report, the 2023/24 Annual Report or the 2022/23 Annual Report in which they respectively appear) are incorporated by reference into this Composite Document and form part of this Composite Document.

3. INDEBTEDNESS STATEMENT

Bank borrowings and indebtedness

As at close of business on 30 September 2025, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Composite Document, the Group had unsecured and interest-free loan from a director of HK$31.5 million.

Pledge of assets

As at 30 September 2025, being the latest practicable date for the purpose of preparing this indebtedness statement, no assets of the Group were pledged under bank borrowings.

Contingent liabilities

The Group did not have any material contingent liabilities as at 30 September 2025.

Save as disclosed above, at the close of business on 30 September 2025, the Group did not have any debt securities issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities.

4. MATERIAL CHANGES

The Directors confirm that, save as and except for the below, there has been no material change in the financial or trading position or outlook of the Group since 31 March 2025, being the date to which the latest published audited consolidated financial statements of the Company were made up, up to and including the Latest Practicable Date:

As disclosed in the interim results announcement of the Company for the six months ended 30 September 2025,

(a) the revenue from foundation works of the Group for the six months ended 30 September 2025 amounted to approximately HK$234.3 million, representing an increase of approximately HK$108.9 million or 86.8% as compared to approximately HK$125.4 million for the six months ended 30 September 2024. The increase was primarily because certain sizable projects located in Fanling, Tuen Mun and Tung Chung were in full swing during the six months ended 30 September 2025;

(b) the gross profit of the Group for the six months ended 30 September 2025 amounted to approximately HK$3.3 million, representing a decrease of approximately HK$0.5 million or 11.9% as compared to approximately HK$3.8 million for the six months ended 30 September 2024. The reasons for the decrease was mainly attributable to increase in labour cost during the six months ended 30 September 2025;

(c) the other income of the Group for the six months ended 30 September 2025 amounted to approximately HK$6.8 million, representing an increase of approximately HK$1.4 million or 26.9% as compared to approximately HK$5.4 million for the six months ended 30 September 2024. The increase was primarily due to the over provision of legal cost during the six months ended 30 September 2025;

(d) the administrative expenses of the Group for the six months ended 30 September 2025 amounted to approximately HK$8.7 million, representing an increase of approximately HK$0.7 million or 8.8% as compared to approximately HK$8.0 million for the six months ended 30 September 2024. The increase was primarily due to the increase of administrative staff and compensation expense to third parties during the six months ended 30 September 2025;

(e) the finance costs of the Group for the six months ended 30 September 2025 amounted to approximately HK$741,000, representing a decrease of approximately HK$59,000 or 7.4% as compared to approximately HK$800,000 for the six months ended 30 September 2024. The decrease was primarily due to the finance charge on lease liabilities during the six months ended 30 September 2025;

(f) the Group reported a net profit of approximately HK$191,000 for the six months ended 30 September 2025, representing an increase of approximately HK$97,000 as compared to approximately HK$94,000 for the six months ended 30 September 2024. This growth was primarily driven by the progress of several largescale public sector projects in areas such as Fanling, Tuen Mun, and Tung Chung during the six months ended 30 September 2025; and

(g) in October 2025, the Group entered into a settlement agreement with a service provider in relation to a claim brought by it in October 2024 for outstanding payments in relation to certain construction projects. Under the settlement agreement, the Group agreed to pay HK$9.4 million as full and final settlement of the claim by way of 12 monthly installments.

1. RESPONSIBILITY STATEMENT

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Offeror and the parties acting in concert with it), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement contained in this Composite Document misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company of HK$0.01 each as at the Latest Practicable Date were as follows:

	HK$
Authorised:	
4,000,000,000 Shares of HK$0.01 each	40,000,000.00
Issued:	
1,200,000,000 Shares of HK$0.01 each	12,000,000.00

As at the Latest Practicable Date, save for 1,200,000,000 Shares in issue, the Company did not have other class of securities, outstanding options, derivatives, warrants or other securities which are convertible or exchangeable into Shares.

All issued Shares rank *pari passu* in all respects with each other, including, in particular, as to dividends, voting rights and return of capital.

As at the Latest Practicable Date, the Company has not issued any Shares since 31 March 2025, the date to which the latest audited financial statements of the Group were made up.

The issued Shares are listed on the Stock Exchange. None of the securities of the Company is listed or dealt in, and no listing or permission to deal in the securities of the Company is being or is proposed to be sought on any other stock exchange.

3. MARKET PRICE

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

Date	Closing Price per Share *HK$*
30 April 2025	0.169
30 May 2025	0.146
30 June 2025	0.150
31 July 2025	0.114
29 August 2025	0.151
30 September 2025	0.420
15 October 2025 (the Last Trading Day)	0.425
31 October 2025	0.680
28 November 2025	1.16
5 December 2025 (the Latest Practicable Date)	1.55

During the Relevant Period, (a) the highest closing price of the Shares as quoted on the Stock Exchange was HK$0.75 per Share on 27 October 2025; and (b) the lowest closing price of the Shares as quoted on the Stock Exchange was HK$0.102 per Share on 5 August 2025, 6 August 2025, 7 August 2025 and 11 August 2025.

4. DISCLOSURE OF INTERESTS

(i) Interests and short positions in the securities of the Company and its associated corporations of the Directors and chief executive

As at the Latest Practicable Date, none of the Directors and their respective associates nor the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed or taken to have under the provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange; or (d) to be disclosed in this Composite Document pursuant to the Takeovers Code.

(ii) Interests and short positions of substantial Shareholders

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares or the underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO or as otherwise notified to the Company and the Stock Exchange:

Name of Shareholders	Capacity/ Nature of interest	No. of Shares held/ interested in	Approximate percentage of the total issued share capital of the Company
The Offeror	Beneficial owner (*Note 1*)	900,000,000	75%
China Venture	Interest of a controlled corporation (*Note 1*)	900,000,000	75%
Mr. Zhou	Interest of a controlled corporation (*Note 1*)	900,000,000	75%
Ultra Accord	Security interest (*Note 2*)	900,000,000	75%
Ms. Chu Chui Ling	Interest of a controlled corporation (*Note 2*)	900,000,000	75%

Notes:

1. The Offeror is 75% beneficially owned by China Venture, while China Venture is directly wholly owned by Mr. Zhou. Therefore, China Venture and Mr. Zhou are deemed, or taken to be, interested in 900,000,000 Shares held by the Offeror for the purpose of the SFO.

2. Ultra Accord as lender granted a loan facility to the Offeror for the acquisition of the Sale Shares pursuant to the Sale and Purchase Agreement and has security interest over 900,000,000 Shares charged by the Offeror in favour of Ultra Accord as security for such loan facility. Ms. Chu Chui Ling, who owns 100% of Ultra Accord, is deemed to be interested in 900,000,000 Shares held by Ultra Accord by virtue of the SFO.

Save as disclosed above, so far as is known to the Directors, as at the Latest Practicable Date, no person had, or was deemed to have, interests or short positions in the Shares or the underlying Shares (including any interests in options in respect of such capital), which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept under section 336 of the SFO or as otherwise notified to the Company and the Stock Exchange.

5. ADDITIONAL DISCLOSURE OF INTERESTS

(a) As at the Latest Practicable Date, none of the Directors was interested within the meaning of Part XV of the SFO in the Shares or any warrants, options, convertible securities or derivatives in respect of any Shares.

(b) As at the Latest Practicable Date, none of the Directors held any beneficial shareholdings in the Company which would otherwise entitle them to accept or reject the Offer.

(c) During the Relevant Period and as at the Latest Practicable Date, none of the subsidiaries of the Company, pension funds of the Company or of a subsidiary of the Company, or 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" in the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of "associate" under the Takeovers Code (but excluding any exempt principal trader and exempt fund managers), had owned or controlled or dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.

(d) During the Offer Period and up to the Latest Practicable Date, save for the Sale and Purchase Agreement, there was no person who had arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code which existed between the Company, or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) 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) or (4) of the definition of "associate" under the Takeovers Code, and no such person had owned, controlled or dealt for value in any Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares.

(e) During the Offer Period and up to the Latest Practicable Date, no Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares were managed on a discretionary basis by fund managers (other than exempt fund managers) connected with the Company and no such person had dealt for value in any Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares.

(f) As at the Latest Practicable Date, none of the Company or the Directors had borrowed or lent any Shares or any convertible securities, warrants, options or derivatives or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in respect of any Shares.

(g) During the Relevant Period, saved for the disposal of the Sale Shares by the Vendor pursuant to the Sale and Purchase Agreement, neither the Company nor any Directors had dealt for value in any Shares, convertible securities, warrants, options, or derivatives in respect of the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

6. ARRANGEMENTS AFFECTING AND RELATING TO DIRECTORS

As at the Latest Practicable Date:

(i) no benefit (other than statutory compensation) was or would be given to any Director as compensation for loss of office or otherwise in connection with the Offer;

(ii) there was no agreement or arrangement between any Director and any other person which was conditional on or dependent upon the outcome of the Offer or otherwise connected with the Offer;

(iii) save for the Sale and Purchase Agreement and the Offer Facility Share Charge, no material contracts had been entered into by the Offeror in which any Director had a material personal interest; and

(iv) there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Shareholder and (2) the Company, its subsidiaries or associated companies.

7. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, the Company had entered into the following service agreement with the Director:

Director	Commencement date *(dd/mm/yyyy)*	Expiry date	Terms of service	Amount of remuneration payable under the service contract *HK$*	Amount of variable remuneration/fee (e.g. commission on profit) payable under the service contract
Chan Mei Po	11/12/2024	may be terminated by either party giving not less than three (3) months' notice in writing or payment in lieu and is subject to termination provisions therein and retirement by rotation and re-election at the annual general meetings of the Company in accordance with the memorandum and articles of association of the Company	an initial term of three (3) years commencing from the commencement date (automatically renewed and extended upon the expiry of such initial term)	960,000 per annum	discretionary bonus, as determined by the Board

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had entered into any service contract with the Company or any of its subsidiaries or associated companies which: (a) (including both continuous and fixed term contracts) had been entered into or amended within six months before the commencement of the Offer Period; (b) was a continuous contract with a notice period of 12 months or more; (c) was a fixed term contract with more than 12 months to run irrespective of the notice period; or (d) was not determinable by the employer within one year without payment of compensation (other than statutory compensation).

8. MATERIAL CONTRACTS

The Group did not enter into any contract which are or may be material other than those entered into in the ordinary course of business carried on or intended to be carried on by the Company or any of its subsidiaries within two years immediately preceding the commencement of the Offer Period and up to and including the Latest Practicable Date.

9. LITIGATION

As at the Latest Practicable Date, neither the Company nor any other member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance were known to the Directors to be pending or threatened against any member of the Group.

10. EXPERT'S QUALIFICATION AND CONSENT

The following is the name and qualification of the expert whose letter, opinion or advice is contained or referred to in this Composite Document:

Name	Qualification
Capital 9 Limited	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Offer

As at the Latest Practicable Date, Capital 9 Limited has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion herein of its letter, opinion or advice and the references to its name, logo and/or its qualifications included herein in the form and context in which they appear.

11. DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents are available on display (i) on the website of the Company (www.hcho.com.hk); and (ii) on the website of the SFC (www.sfc.hk), from the date of this Composite Document up to and including the Closing Date or the date on which the Offer lapse or are withdrawn (whichever is earlier):

(i) the second amended and restated memorandum and articles of association of the Company;

(ii) the 2025 IRA, the 2024/25 Annual Report, the 2023/24 Annual Report and the 2022/23 Annual Report;

(iii) the letter from the Board, the text of which is set out in this Composite Document;

(iv) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out in this Composite Document;

(v) the letter of advice from the Independent Financial Adviser, the text of which is set out in this Composite Document;

(vi) the written consents referred to under the paragraph headed "10. Expert's Qualification and Consent" of this Appendix;

(vii) the service agreement referred to in the paragraph headed "7. Directors' Service Contracts" in this Appendix; and

(viii) this Composite Document and the accompanying Forms of Acceptance.

12. MISCELLANEOUS

(i) The registered office of the Company is situated at Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands.

(ii) The principal place of business of the Company in Hong Kong registered under Part 16 of the Companies Ordinance is situated at Unit 903–905, 9/F, The Octagon, No. 6 Sha Tsui Road, Tsuen Wan, New Territories, Hong Kong.

(iii) The company secretary of the Company is Mr. Woo Yuen Ping, who is a member of The Hong Kong Institute of Certified Public Accountants and is a member of CPA Australia.

(iv) The Company's principal share registrar and transfer office is Ocorian Trust (Cayman) Limited, situated at Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands.

(v) The branch share registrar and transfer of the Company in Hong Kong is Tricor Investor Services Limited, situated at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

(vi) As at the Latest Practicable Date, the Board comprised Mr. Chan Siu Cheong, Mr. Sin Ka Pong and Ms. Chan Mei Po as executive Directors and Mr. Lau Leong Ho, Mr. Ho Chi Wai and Mr. Cheung Kwok Yan Wilfred as independent non-executive Directors.

(vii) The registered office of the Independent Financial Adviser is situated at Unit 1219, 12/F., Bank of America Tower, 12 Harcourt Road, Central, Hong Kong.

The English text of this Composite Document and the accompanying Form of Acceptance shall prevail over their respective Chinese text in case of inconsistency.

1. RESPONSIBILITY STATEMENT

As at the Latest Practicable Date, Mr. Zhou is the sole director of the Offeror. As the sole director of the Offeror, Mr. Zhou accepts full responsibility for the accuracy of information contained in this Composite Document (other than those relating to the Vendor and the Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this Composite Document (other than the opinions expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

2. DISCLOSURE OF INTERESTS AND DEALINGS IN SECURITIES OF THE COMPANY

The Offeror is beneficially as to 75% by China Venture, 15% by China Wicens and 10% by China Tofans. China Venture is a company incorporated in the Cayman Islands with limited liability and directly wholly owned by Mr. Zhou. Therefore, China Venture and Mr. Zhou are the controlling shareholders of the Offeror. As at the Latest Practicable Date, the Offeror, China Venture, Mr. Zhou and the parties acting in concert with them hold in aggregate of 900,000,000 Shares, representing approximately 75% of the total issued share capital of the Company. As at the Latest Practicable Date, save as disclosed above, none of the Offeror, its ultimate beneficial owners nor any person acting in concert with any of them own, control or have direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

The Offeror confirms that, as at the Latest Practicable Date:

(a) save for the 900,000,000 Shares held by the Offeror immediately following Completion, none of the Offeror, its ultimate beneficial owners nor any party acting in concert with any of them owned or had control or direction over any voting rights or rights over the Shares or options, warrants, derivatives or securities convertible into Shares or other derivatives in respect of securities in the Company;

(b) save for the entering into of the Sale and Purchase Agreement, the Offer Facility Charge over Account, the Offer Facility Share Charge, the Sale Share Facility Charge over Account and Sale Shares Facility Share Charge, none of the Offeror, its ultimate beneficial owners nor any party acting in concert with any of them had dealt for value in any Shares or any options, warrants, derivatives or securities convertible into Shares or other derivatives in respect of securities in the Company during the Relevant Period;

(c) save for the Sale and Purchase Agreement, Offer Facility, Sale Shares Facility, the Offer Facility Charge over Account, the Sale Shares Facility Charge over Account, the Offer Facility Share Charge and Sale Shares Facility Share Charge, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares between the Offeror, its ultimate beneficial owners or any party acting in concert with any of them and/or other associates of the Offeror and any other person;

(d) save for Ultra Accord who granted the Offer Facility Share Charge over the Offer Shares to be acquired by the Offeror and Sale Shares Facility Share Charge over the Sale Shares, none of the persons who had an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Offeror, its ultimate beneficial owners or with any person acting in concert with them owned or controlled any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company;

(e) save for the Sale and Purchase Agreement, Offer Facility, Sale Shares Facility, the Offer Facility Charge over Account, the Sale Shares Facility Charge over Account, the Offer Facility Share Charge and Sale Shares Facility Share Charge, no person who had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Offeror, its ultimate beneficial owners or with any person acting in concert with any of them had any dealings in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Relevant Period and up to the Latest Practicable Date;

(f) save for the Sale and Purchase Agreement, there is no agreement or arrangement to which the Offeror, its ultimate beneficial owners or any party acting in concert with any of them, is a party which relates to circumstances in which the Offeror, its ultimate beneficial owners and any parties acting in concert with any of them may or may not invoke or seek to invoke a precondition or a condition to the Offer;

(g) none of the Offeror, its ultimate beneficial owners nor any party acting in concert with any of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;

(h) neither the Offeror, its ultimate beneficial owners nor any party acting in concert with any of them has received any irrevocable commitment to accept or reject the Offer;

(i) there is no agreement or arrangement in relation to outstanding derivative in respect of the securities in the Company which has been entered into by the Offeror, its ultimate beneficial owners nor any party acting in concert with any of them;

(j) save for the Consideration for the sale and purchase of the Sale Shares under the Sale and Purchase Agreement, there is no other consideration, compensation or benefits in whatever form paid or to be paid by the Offeror, its ultimate beneficial owners or any party acting in concert with any of them to the Vendor, its ultimate beneficial owners or any party acting in concert with any of them in connection with the sale and purchase of the Sale Shares under the Sale and Purchase Agreement;

(k) save for the Sale and Purchase Agreement, there is no understanding, arrangement or special deal (as defined under Rule 25 of the Takeovers Code) between the Vendor, the Guarantor and any parties acting in concert with any of them on one hand, and the Offeror or any party acting in concert with it on the other hand;

(l) save for the Sale and Purchase Agreement, there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (i)(a) the Offeror, its ultimate beneficial owners or any party acting in concert with any of them, or (i)(b) the Company, its subsidiaries or associated companies on one hand; and (ii) any Shareholder on the other hand;

(m) save for the Offer Facility Share Charge, there is no understanding, arrangement or agreement under which securities to be acquired pursuant to the Offer will be transferred, charged, pledged to any other persons. The Offer Facility Share Charge shall become enforceable by Ultra Accord immediately upon the Offeror having breached or defaulted upon its obligations under the Offer Facility;

(n) no arrangement was in place for any benefit (other than statutory compensation) to be given to any Director as compensation for loss of office or otherwise in connection with the Offer;

(o) save for the Sale and Purchase Agreement, there was no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror, its ultimate beneficial owners or any party acting in concert with any of them and any Director, recent Directors, Shareholders or recent Shareholders which was conditional on or dependent upon the outcome of the Offer or otherwise connected with the Offer; and

(p) there was no material contracts entered into by the Offeror in which any Director has a material personal interest.

3. MARKET PRICES

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

Date	Closing Price per Share *HK$*
30 April 2025	0.169
30 May 2025	0.146
30 June 2025	0.150
31 July 2025	0.114
29 August 2025	0.151
30 September 2025	0.420
15 October 2025 (the Last Trading Day)	0.425
31 October 2025	0.680
28 November 2025	1.16
5 December 2025 (the Latest Practicable Date)	1.55

During the Relevant Period, (a) the highest closing price of the Shares as quoted on the Stock Exchange was HK$0.75 per Share on 27 October 2025; and (b) the lowest closing price of the Shares as quoted on the Stock Exchange was HK$0.102 per Share on 5 August 2025, 6 August 2025, 7 August 2025 and 11 August 2025.

4. EXPERT AND CONSENT

In addition to those listed under the paragraph headed "10. Expert's qualification and consent" in Appendix III to this Composite Document, the following are the names and qualifications of the professional advisers whose letters, opinions or advice are contained or referred to in this Composite Document:

Name	Qualification
Yellow River Securities	a corporation licensed to carry out Type 1 (dealing in securities) regulated activities under the SFO
Grande 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

As at the Latest Practicable Date, each of the above experts has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of its opinions, advice letter/report and/or the references to its name included herein in the form and context in which it appears.

5. GENERAL

(a) The principal members of the Offeror's concert parties are the Offeror, China Venture, Mr. Zhou and Ultra Accord. The Offeror is a company incorporated in BVI with limited liability, which is beneficially as to 75% by China Venture, 15% by China Wicens and 10% by China Tofans. China Venture is a company incorporated in the Cayman Islands with limited liability and directly wholly owned by Mr. Zhou, who is also the sole director of the Offeror as at the Latest Practicable Date.

(b) The correspondence address of the principal members of the Offeror's concert group, namely the Offeror, China Venture, Mr. Zhou and Ultra Accord, is Unit 2B, 35/F, East Tower, Cheung Kong Center II, No. 10 Harcourt Road, Central, Hong Kong.

(c) The registered office of the Offeror is at OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands. The correspondence address of the Offeror and Mr. Zhou is Unit 2B, 35/F, East Tower, Cheung Kong Center II, No. 10 Harcourt Road, Central, Hong Kong.

(d) The registered office of Yellow River Securities is Room 2701B, 27/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong.

(e) The registered office of Grande Capital is Room 2701, 27/F, Tower One, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong.

(f) The English text of this Composite Document and the accompanying Form of Acceptance shall prevail over their respective Chinese texts, in case of any inconsistency.

6. DOCUMENTS ON DISPLAY

In addition to the documents set forth in the paragraph headed "11. Documents available on display" of Appendix III to this Composite Document, copies of the following documents are available on display on the website of the SFC at www.sfc.hk and the website of the Company at www.hcho.com.hk during the period from the date of this Composite Document up to and including the Closing Date:

(a) the memorandum and articles of association of the Offeror;

(b) the letter from Yellow River Securities, the text of which is set out in the section headed "Letter from Yellow River Securities" of this Composite Document;

(c) the written consent as referred to in the section headed "4. Expert and consent" in this appendix;

(d) the Sale and Purchase Agreement; and

(e) this Composite Document and the accompanying Form of Acceptance.