THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Zhongshen Jianye Holding Limited, you should at once hand this circular to the purchaser(s) or the transferee(s), or to the bank, licensed securities dealer or other agent through whom the sale or the transfer was effected for transmission to the purchaser(s) or the transferee(s).

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This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.

Zhongshen Jianye Holding Limited

中深建業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2503)

(1) MAJOR TRANSACTION ACQUISITION OF THE TARGET COMPANY INVOLVING ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE AND (2) NOTICE OF EXTRAORDINARY GENERAL MEETING

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular.

A letter from the Board is set out on pages 5 to 24 of this circular. The notice convening the EGM to be held at 8/F, Block B, Building 4, Huaqiang Creative Industrial Park, Guangming Street, Guangming District, Shenzhen, the PRC on Friday, 9 January 2026 at 3:00 p.m. is set out on pages EGM-1 to EGM-2 of this circular.

Whether or not you are able to attend the EGM, please complete and sign the enclosed form of proxy for use at the EGM in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the EGM (i.e. not later than 3:00 p.m. on Wednesday, 7 January 2026) or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the EGM if they so wish.

Hong Kong, 17 December 2025

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

"Acquisition"	the acquisition of Sale Shares pursuant to the Agreement
"Agreement"	the sale and purchase agreement dated 6 November 2025 entered into between the Company and the Sellers in relation to the Acquisition
"Announcement"	the announcement of the Company dated 6 November 2025 relating to, amongst other things, the Agreement and the transactions contemplated thereunder
"associate(s)"	has the meaning as ascribed thereto under the Listing Rules
"Board"	the board of Directors
"BVI"	British Virgin Islands
"Company"	Zhongshen Jianye Holding Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Stock Exchange
"Completion"	completion of the Acquisition in accordance with the terms and conditions of the Agreement
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Consideration A"	HK$143,366,417.22, being the consideration payable by the Company to the Seller A pursuant to the Agreement
"Consideration B"	HK$61,442,750.54, being the consideration payable by the Company to the Seller B pursuant to the Agreement
"Consideration C"	HK$8,765,832.18, being the consideration payable by the Company to the Seller C pursuant to the Agreement
"Consideration Share(s)"	the Consideration Shares A, the Consideration Shares B and the Consideration Shares C
"Consideration Shares A"	270,502,674 new Shares to be issued to the Seller A (or its nominee) at the Issue Price, for settlement of the Consideration A
"Consideration Shares B"	115,929,718 new Shares to be issued to the Seller B (or its nominee) at the Issue Price, for settlement of the Consideration B

"Consideration Shares C"	16,539,306 new Shares to be issued to the Seller C (or its nominee) at the Issue Price, for settlement of the Consideration C
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened at 3:00 p.m. on Friday, 9 January 2026 to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Consideration Shares under the Specific Mandate)
"Enlarged Group"	the enlarged group comprising the Group and the Target Group after Completion
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong Special Administrative Region of the PRC
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HK Company"	Huajian Energy Limited (華建能源有限公司), a company incorporated in Hong Kong and is solely and beneficially owned by the Target Company as at the Latest Practicable Date
"Huajian Engineering"	Shenzhen Huajian Engineering Project Management Co., Ltd.* (深圳市華建工程項目管理有限公司), a company established in the PRC with limited liability and is wholly-owned by WFOE 2 as at the Latest Practicable Date
"Independent Third Party"	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and Directors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
"Latest Practicable Date"	12 December 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	6 May 2026

"Issue Price"	the issue price of HK$0.53 per Consideration Share
"P/E ratio"	price-to-earnings ratio
"PRC"	the People's Republic of China
"Reorganisation"	the reorganisation completed on 17 October 2025, following which the Target Company now holds, through its subsidiaries, 99% equity interest in Huajian Engineering
"RMB"	Renminbi, the lawful currency of the PRC
"Sale Shares"	Sale Shares A, Sale Shares B and Sale Shares C
"Sale Shares A"	7,000 shares of the Target Company, representing 67.1% of the equity interest in the Target Company, owned by the Seller A as at the Latest Practicable Date
"Sale Shares B"	3,000 shares of the Target Company, representing 28.8% of the equity interest in the Target Company, owned by the Seller B as at the Latest Practicable Date
"Sale Shares C"	428 shares of the Target Company, representing 4.1% of the equity interest in the Target Company, owned by the Seller C as at the Latest Practicable Date
"Seller A"	Huajian Investment Limited (華建投資有限公司), a company incorporate in BVI with limited liability and is solely and beneficially owned by Mr. Wang Yan as at the Latest Practicable Date
"Seller B"	Huajian Advisory Limited (華建諮詢有限公司), a company incorporate in BVI with limited liability and is solely and beneficially owned by Mr. Sang Haifeng as at the Latest Practicable Date
"Seller C"	Huajian Technology Limited (華建科技有限公司), a company incorporate in BVI with limited liability and is solely and beneficially owned by Mr. Wu Haibin as at the Latest Practicable Date
"Sellers"	collectively, the Seller A, the Seller B and the Seller C
"Shares"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholders"	holders of the ordinary Share(s) of the Company

"Specific Mandate"	a specific mandate to issue, allot or otherwise deal in additional Shares to be sought from the Shareholders who are entitled to vote and not required to be abstained from voting under the Listing Rules at the EGM to satisfy the issue and allotment of the Consideration Shares upon Completion
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Huajian Development Limited (華建發展有限公司), a company incorporate in BVI with limited liability and is owned as to 67.1% by Seller A, 28.8% by Seller B and 4.1% by Seller C as at the Latest Practicable Date
"Target Group"	the Target Company and its subsidiaries, comprising the Target Company, the HK Company, the WFOE 1, the WFOE 2 and Huajian Engineering
"Valuer"	Colliers International (Hong Kong) Limited, an Independent Third Party engaged by the Group for the purpose of the appraisal of the fair value of 99% equity interest in Huajian Engineering
"WFOE 1"	Shenzhen Pengyuan Air Energy Technology Co., Ltd.* (深圳鵬源空能科技有限公司), a company established in the PRC with limited liability and is wholly owned by the HK Company as at the Latest Practicable Date
"WFOE 2"	Shenzhen Huajian Intelligent Technology Co., Ltd.* (深圳市華簡智能科技有限公司), a company established in the PRC with limited liability and is owned as to 99% by WFOE 1, 0.7% by Mr. Wang Yan and 0.3% by Mr. Sang Haifeng as at the Latest Practicable Date
"%"	per cent

The English names of the entities marked with "" in this circular are translations from their Chinese names and are for identification purpose only. If there is any inconsistency, the Chinese names shall prevail.*

For the purpose of this circular, unless otherwise indicated, conversion of RMB into HK$ is calculated at the approximate exchange rate of RMB1.00 to HK$1.0953. This exchange rate is for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at this or any other rate at all.

Zhongshen Jianye Holding Limited
中深建業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2503)

Executive Directors:
Mr. Sang Xianfeng *(Chairman)*
Mr. Xian Yurong

Independent Non-Executive Directors:
Ms. Liu Zhihong
Mr. Zeng Qingli
Mr. Xie Huagang

Registered office:
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Shenzhen
PRC

Principal place of Business in Hong Kong:
Room 1204, 12/F
C C Wu Building
302–308 Hennessy Road
Wan Chai, Hong Kong

17 December 2025

To the Shareholders

Dear Sir or Madam,

(1) MAJOR TRANSACTION ACQUISITION OF THE TARGET COMPANY INVOLVING ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE AND (2) NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the Announcement in relation to, among others, the Agreement and the transactions contemplated thereunder.

The purpose of this circular is to provide you with further details of the foregoing matters and a notice convening the EGM.

THE AGREEMENT

On 6 November 2025 (after trading hours), the Company (as purchaser) entered into the Agreement with the Sellers, pursuant to which the Company has conditionally agreed to acquire, and the Sellers have conditionally agreed to sell, the Sale Shares at a total consideration of HK$213,574,999.94, which will be satisfied by the issue and allotment of the Consideration Shares at the Issue Price of HK$0.53 per Consideration Share by the Company to the Sellers upon Completion.

The principal terms of the Agreement are summarised as follows:

Date: 6 November 2025 (after trading hours)

Parties: (1) the Company, as the purchaser

(2) the Sellers (being the Seller A, the Seller B and the Seller C)

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, (i) each of the Seller A and the Seller C and its ultimate beneficial owners are independent of and not connected with the Company and its connected persons and not otherwise a connected person of the Company and (ii) the ultimate beneficial owner of the Seller B, namely Mr. Sang Haifeng, is a great cousin of Mr. Sang Xianfeng, the executive Director, and the Seller B and Mr. Sang Haifeng are not connected persons of the Company under Chapter 14A of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, there is, and in the past twelve months, there has been, no material loan arrangement between (a) the Sellers, their directors and legal representatives and any ultimate beneficial owners, and (b) the Company, any connected person at the Company's level.

Subject matter

Pursuant to the Agreement:

(i) the Company conditionally agreed to acquire, and the Seller A conditionally agreed to sell, the Sale Shares A, representing 67.1% of equity interest in the Target Company, at Consideration A (being HK$143,366,417.22);

(ii) the Company conditionally agreed to acquire, and the Seller B conditionally agreed to sell, the Sale Shares B, representing 28.8% of share capital of the Target Company, at Consideration B (being HK$61,442,750.54); and

(iii) the Company conditionally agreed to acquire, and the Seller C conditionally agreed to sell, the Sale Shares C, representing 4.1% of share capital of the Target Company, at Consideration C (being HK$8,765,832.18).

Consideration

The total consideration for the Acquisition shall be HK$213,574,999.94, which shall be settled by allotment and issue of 402,971,698 Consideration Shares at the Issue Price of HK$0.53 per Consideration Share by the Company to the Sellers or their nominee. Details of which are as follows:

(i) Consideration A of HK$143,366,417.22 shall be payable by the Company to the Seller A (or its nominee) by way of the allotment and issue of the Consideration Shares A (being 270,502,674 Shares) at the Issue Price;

(ii) Consideration B of HK$61,442,750.54 shall be payable by the Company to the Seller B (or its nominee) by way of the allotment and issue of the Consideration Shares B (being 115,929,718 Shares) at the Issue Price; and

(iii) Consideration C of HK$8,765,832.18 shall be payable by the Company to the Seller C (or its nominee) by way of the allotment and issue of the Consideration Shares C (being 16,539,306 Shares) at the Issue Price.

The consideration for the Sale Shares was determined after arm's length negotiations between the Company and the Sellers taking into account, among others, (i) the fair value of approximately RMB195.0 million (equivalent to approximately HK$213.575 million) of 99% equity interest in Huajian Engineering as of 31 March 2025 as appraised by the Valuer; (ii) the historical financial performance of the Target Group and (iii) the reasons for and benefits of the Acquisition as stated under the section headed "Reasons for and benefits of the Acquisition" below.

Conditions precedent

Completion is conditional upon satisfaction of the following conditions precedent set forth in the Agreement:

(a) all representations, warranties and undertakings made by the Sellers under the Agreement remaining true and accurate and having been fulfilled from the date of the Agreement until the date of Completion;

(b) the Sellers having complied with all applicable laws to sign, deliver and perform the Agreement and the other transaction documents and the transactions contemplated therein, including but not limited to the board resolutions and shareholders resolutions of the Sellers approving the Agreement, the transaction documents and all transactions contemplated therein;

(c) since the date of the Agreement, there is no material adverse change in the Target Group and in the applicable laws of the jurisdiction in which the Target Group operates;

(d) the Company having completed due diligence in respect of the Sale Shares and the legal, financial, tax, corporate, business condition, contracts, properties and other incidental matters of the Target Group and remaining satisfied with the results of the due diligence;

(e) all necessary consents and authorisations in connection with the Agreement and the transactions contemplated thereby having been obtained by the respective parties to the Agreement;

(f) the Acquisition, the Agreement and the transactions contemplated thereunder (including without limitation allotment and issuance of the Consideration Shares) having been approved by the Shareholders at the EGM;

(g) the Stock Exchange having granted approval for the listing of, and permission to deal in, the Consideration Shares; and

(h) the respective parties to the Agreement having complied with all applicable laws to sign, deliver and perform the Agreement and the other transaction documents and the transactions contemplated therein.

None of the above conditions precedent is waivable. In the event any of the above conditions are not being fulfilled on or before the Long Stop Date, the Agreement shall become void and of no further effect and, save in respect of any antecedent breaches, all liabilities and obligations of the Parties shall cease and determine provided that such termination shall be without prejudice to any rights or remedies of the Parties which shall have accrued prior to such termination.

As at the Latest Practicable Date, none of the conditions precedent above has been fulfilled.

Completion

Completion shall take place on five business days after all the conditions of the Agreement have been fulfilled or such other date as the Sellers and the Company may agree in writing.

Upon Completion, the Company will be interested in the entire issued share capital of the Target Company and the Target Company will become a direct wholly-owned subsidiary of the Company and accordingly, the financial results of the Target Company will be consolidated into the accounts of the Company.

INFORMATION ON THE PARTIES

The Company

The Company was incorporated in the Cayman Islands as an exempted company with limited liability. The Group is a comprehensive general contracting construction enterprise with first-grade qualifications in building construction general contracting, municipal and public construction general construction, foundation construction specialised contracting, building electrical and mechanical installation and engineering specialised contracting, and building renovation and decoration construction specialised contracting.

The Sellers

The Seller A is a company incorporated in the BVI with limited liability. As at the Latest Practicable Date, the Seller A is solely and beneficially owned by Mr. Wang Yan, an Independent Third Party. Mr. Wang Yan is the general manager of Huajian Engineering and with extensive experience in engineering field in the PRC, possessing both technical expertise and comprehensive management experience. The Seller A is principally engaged in investment holding.

The Seller B is a company incorporated in the BVI with limited liability. As at the Latest Practicable Date, the Seller B is solely and beneficially owned by Mr. Sang Haifeng, a great cousin of Mr. Sang Xianfeng, the executive Director. Both of Mr. Sang Haifeng and the Seller B are not connected persons of the Company under Chapter 14A of the Listing Rules. Mr. Sang Haifeng is the head of engineering construction supervision of Huajian Engineering and with extensive experience in engineering field in the PRC, possessing both technical expertise and comprehensive management experience. The Seller B is principally engaged in investment holding.

The Seller C is a company incorporated in the BVI with limited liability. As at the Latest Practicable Date, the Seller C is solely and beneficially owned by Mr. Wu Haibin, an Independent Third Party. Mr. Wu Haibin has extensive experience in engineering consulting in Hong Kong. The Seller C is principally engaged in investment holding.

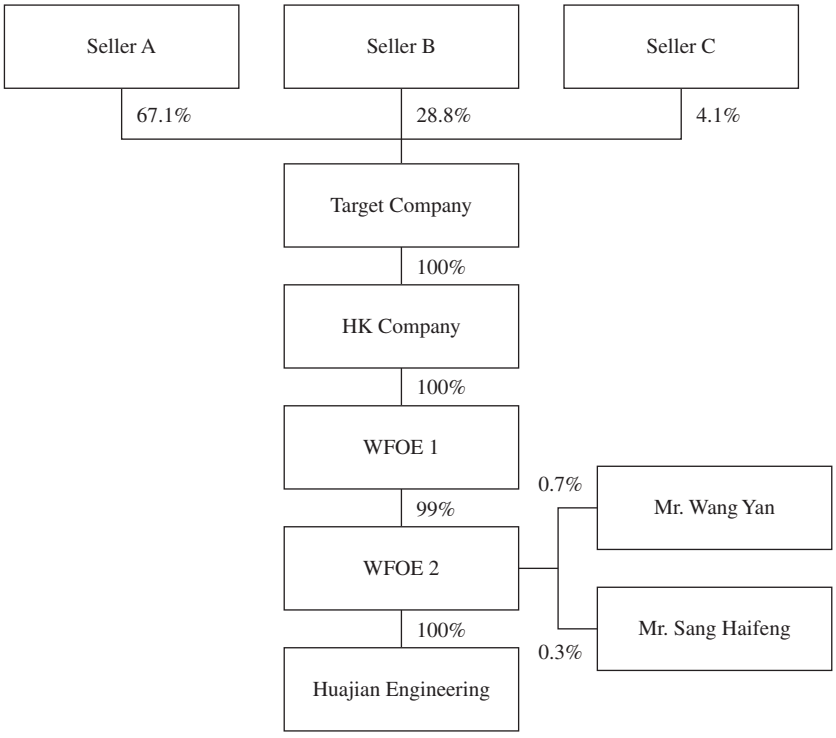
The Group first collaborated with Huajian Engineering in a large-scale residential construction project in 2018, when Huajian Engineering and the Group were providing different construction services to the same developer. The beneficial owners of the Sellers were then introduced to the Group and became business acquaintance of the Group's management. In 2025, the Company explored the possibility of the Acquisition and entered into various discussions with the Sellers.

The Target Group

The Target Company is a company incorporated in the BVI with limited liability. As at the Latest Practicable Date, the Target Company is owned as to 67.1% by the Seller A, 28.8% by the Seller B and 4.1% by Seller C. The Target Company is principally engaged in investment holding.

In preparation for the acquisition of the Target Company by the Company, the companies comprising the Target Group underwent the Reorganisation, pursuant to which the offshore companies were established, Mr. Wang Yan and Mr. Sang Haifeng transferred their respective shares in Huajian Engineering at the material time to WFOE 2 and the Target Company became the holding company of the Target Group.

Set out below is the shareholding structure of the Target Group as at the Latest Practicable Date:



The HK Company is a company incorporated in Hong Kong with limited liability in May 2025. As at the Latest Practicable Date, the HK Company is wholly owned by the Target Company. The HK Company is principally engaged in investment holding.

The WFOE 1 is a company established in the PRC with limited liability in July 2025. As at the Latest Practicable Date, the WFOE 1 is wholly owned by the HK Company. The WFOE 1 is principally engaged in investment holding.

The WFOE 2 is a company established in the PRC with limited liability in July 2025. As at the Latest Practicable Date, the WFOE 2 is owned as to 99% by WFOE1, 0.7% by Mr. Wang Yan and 0.3% by Mr. Sang Haifeng. The WFOE 2 is principally engaged in investment holding.

Huajian Engineering is a company established in the PRC with limited liability in July 1995. As at the Latest Practicable Date, Huajian Engineering is wholly owned by the WFOE 2. Huajian Engineering is a comprehensive engineering consulting service company specialising in engineering construction supervision, tendering and full-process construction cost consultation, and possess the corresponding with multiple qualifications.

Set out below is the combined financial information of the Target Group for the years ended 31 December 2023 and 2024:

	For the year ended 31 December	
	2023	**2024**
	RMB'000 (approximate)	*RMB'000 (approximate)*
Profit before tax	8,792	13,406
Profit after tax	6,080	9,227

As at 31 July 2025, the combined net assets of the Target Group amounted to approximately RMB60.2 million.

ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE

The Consideration Shares (being 402,971,698 new Shares) will be allotted and issued at the Issue Price of HK$0.53 each, credited as fully paid. The Consideration Shares, when allotted and issued, shall rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Consideration Shares including the right to all dividends, distributions and other payments made or to be made, on the record date which falls on or after the date of such allotment and issue.

The Issue Price represents:

(i) a discount of approximately 7.02% over the closing price per Share of HK$0.57 as quoted on the Stock Exchange on 6 November 2025, being the date of the Agreement;

(ii) a discount of approximately 6.69% over the average closing price per Share of approximately HK$0.568 as quoted on the Stock Exchange for the last five consecutive trading days immediately before the date of the Agreement.

(iii) a discount of approximately 24.64% over the Group's audited consolidated net asset value per Share of approximately HK$0.703 as at 31 December 2024, which was calculated based on the audited consolidated net assets attributable to owners of the Company of approximately RMB475,976,000 (equivalent to approximately HK$521,337,000) as at 31 December 2024 divided by 741,312,000 issued Shares as at the Latest Practicable Date;

(iv) a discount of approximately 29.86% over the Group's unaudited consolidated net asset value per Share of approximately HK$0.756 as at 30 June 2025, which was calculated based on the unaudited consolidated net assets attributable to owners of the Company of approximately RMB511,403,000 (equivalent to approximately HK$560,140,000) as at 30 June 2025 divided by 741,312,000 issued Shares as at the Latest Practicable Date; and

(v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of a discount of approximately 2.46% represented by the theoretical diluted price of approximately HK$0.556 to the benchmarked price of approximately HK$0.57 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the closing price per Share on the date of the Agreement of HK$0.57 per Share and the average closing price per Share in the last five consecutive trading days immediately before the date of the Agreement of HK$0.568 per Share).

The issue of the Consideration Shares will not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the issue of the Consideration Shares is in compliance with Rule 7.27B of the Listing Rules.

The Issue Price was arrived at after arm's length negotiations among the Company and the Sellers with reference to (a) the market prices of the Shares quoted on the Stock Exchange for the past month up to and including the date of the Agreement i.e. 6 October 2025 to 6 November 2025 (which served as a benchmark to reflect the prevailing market price of the Shares, during which the closing price of the Shares ranged from HK$0.50 to HK$0.75 per Share, with most dates having a closing price below HK$0.60). Despite the fact that the closing price of the Shares on one particular day (i.e. 22 October 2025) during such period was below the Issue Price at HK$0.50, the closing price of the Shares had subsequently increased and remained stable at around HK$0.56 to HK$0.58 up to the date of the Agreement, indicating that it was a temporary volatility. Although the closing price of the Shares on the other days during such period was above the Issue Price, it was taken into account that the Consideration was determined based on the valuation by a professional valuer, the share price of the Company would be subject to market sentiment and volatility and the Sellers would be exposed to market risk during the period from the date of Agreement to the Completion, the Directors considered that settling the Consideration by way of share issuance is a practical approach that preserves cash resources and aligns the interests of the Company and the Sellers, and, thus, a modest discount to the closing price as of the date of Agreement and the last five consecutive trading days immediately before the date of the Agreement, respectively, was applied. Hence, the Sellers and the Company considered the Issue Price to be fair, (b) the current market conditions, (c) the reasons for and benefits of the Acquisition as described in the section headed "Reasons for and benefits of the Acquisition" in this circular and (d) the future prospects and development of the Group's business. The Directors consider the Issue Price is fair and reasonable and the allotment and issuance of the Consideration Shares at the Issue Price is in the interests of the Company and the Shareholders as a whole. The Issue Price represented a modest discount to the current market prices and net asset value per Share, while also considering the potential dilution effect on existing Shareholders at the time of entering into the Agreement. This was done to balance the interests of the Company and the Sellers, and to enhance the attractiveness and certainty of securing the Sellers' acceptance. Despite the discount to the net asset value per Share, the Directors consider that the Issue Price is fair and reasonable after taking into account that (a) the payment methods (being settlement of the consideration by allotment of the Consideration Shares) which would not affect the cash position and liquidity of the Group; (b) the possibilities for the Company to conduct equity fundraising activities to finance the Acquisition, which might require a higher discount on the placing price or issue price and incur additional financial burden on the Group due to the commission and/or other professional expenses; (c) the financial performance of the Company for the six months ended 30 June 2025 and the fact that the Group recorded loss for the six months ended 30 June 2025; (d) the historical trading volume of the

Shares and the average daily trading volume of the Shares was generally low; (e) the theoretical dilution effect of the Consideration Shares would be approximately 2.46%; and (f) reasons for and benefits of the Acquisition as described in the section headed "Reasons for and benefits of the Acquisition".

The Consideration Shares represent (i) approximately 54.36% of the number of issued Shares as at the Latest Practicable Date and (ii) approximately 35.22% of the number of issued Shares as enlarged by the allotment and issue of the Consideration Shares.

The Consideration Shares will be allotted and issued pursuant to the Specific Mandate and will be allotted and issued on the date of Completion. The allotment and issue of the Consideration Shares will not result in a change of control of the Company. An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

Effect on shareholding structure of the Company

The shareholding structure of the Company (i) on the Latest Practicable Date and (ii) immediately following the issue of Consideration Shares are as follows:

Shareholders	**As at the Latest Practicable Date**		**Immediately following the issue of Consideration Shares**	
	Number of Shares	*Approximately %*	*Number of Shares*	*Approximately %*
Zhongshen Hengtai Capital Limited *(Note 1)*	284,172,240	38.33	284,172,240	24.83
Zhongshen Chitai Capital Limited *(Note 2)*	71,040,560	9.58	71,040,560	6.21
Seller A	—	—	270,502,674	23.64
Seller B	—	—	115,929,718	10.13
Seller C	—	—	16,539,306	1.45
Public shareholders	386,099,200	52.09	386,099,200	33.74
Total	741,312,000	100.00	1,144,283,698	100.00

Notes:

1. As at the Latest Practicable Date, Zhongshen Hengtai Capital Limited is 100% beneficially owned by Mr. Sang Xianfeng, the Chairman of the Company and an executive Director.

2. As at the Latest Practicable Date, Zhongshen Chitai Capital Limited is 100% beneficially owned by Mr. Xian Yurong, an executive Director.

As at the Latest Practicable Date, the Company had an authorised share capital of HK$20 million divided into 2,000,000,000 Shares of HK$0.01 each and the Company had an issued share capital of HK$7,413,120 divided into 741,312,000 Shares of HK$0.01 each.

VALUATION

The appraised fair value of the 99% equity interest in Huajian Engineering was approximately RMB195.0 million as at 31 March 2025 is determined by the Valuer using the market approach.

Valuation approach and methodology

The Valuer has considered the application of three common valuation approaches, namely income approach, asset-based approach and market approach. Since Huajian Engineering is not a property related company and it does not hold any heavy assets, asset-based approach is considered not appropriate to reflect its company value. Income approach is also not adopted as it is based on financial forecast subject to numerous assumptions and uncertainties. Market approach is considered the most suitable valuation method for Huajian Engineering as the company is profit-making and has historical audited reports. Besides, there are readily available public information of comparable companies with similar business nature to Huajian Engineering for calculation of industry P/E ratio to adopt in valuation. Furthermore, based on Huajian Engineering's historical financial information, the Valuer assessed that it is a profit-making entity with stable revenue. The Valuer considered that P/E ratio to be the most suitable metric, after having considered that Huajian Engineering had stable revenue and generated profits in its recent financial year. Other ratios, such as P/B and EV/EBITDA, were also considered by the Valuer. The Valuer considered that P/B ratio is typically applied to early-stage companies that are not yet generating steady profits, making it less relevant to this case. The Valuer also considered that EV/EBITDA might not be the most appropriate method as it reflects near-cash flow performance and accounts for interest, depreciation, and amortization. According to the financial information provided, depreciation and amortization are stable and minimal as they are not asset heavy, and the company has no bank borrowings as of the valuation date, meaning the impact of interest is minimal. Therefore, the Valuer considered P/E ratio as the most appropriate multiples to reflect the future performance and P/E ratio was used in valuation. In conclusion, market approach is considered most appropriate to apply for valuation of the Huajian Engineering.

Selection of comparable companies

The Valuer performed research and analysis to select public companies with similar business operation to Huajian Engineering based on the following criteria:

1. the business is highly similar as that of Huajian Engineering;

2. the company is actively-traded in the market; and

3. the company with at least 50% of its revenue generated from construction management operations, as Huajian Engineering engages in construction management operations. Huajian Engineering is a comprehensive engineering consulting service company specialising in engineering construction supervision, tendering and full-process construction cost consultation, and possess the corresponding qualifications. We analyze comparable companies using their Bloomberg revenue breakdown and information obtained from their official websites, such as their company background and existing or completed projects.

Based on the above selection criteria and searching, five publicly listed comparable companies with similar business operations to Huajian Engineering have been selected for the derivation of the average market price multiple.

Valuation multiples

The P/E ratio was adopted as the valuation metric to derive the equity value of Huajian Engineering. P/E ratio is a commonly adopted valuation metric. Based on the latest public financial information of each comparable company, the P/E ratio of each comparable company is calculated as follows:

P/E ratio = Market value ÷ Net earnings for the trailing 12 months

The P/E multiples of the selection comparable companies as at 31 March 2025 are as follows:

Name of comparable company	**Tickers & stock exchange**	**Market Capitalization as of 31 March 2025** *(in RMB million)*	**Trailing 12 months Net Earnings** *(in RMB million)*	**P/E ratio**
C&D Holsin Engineering Consulting Co. Ltd.	603909 CH — Shanghai	2,228.76	97.2	22.93
Suzhou Architecture Research Institute Group Co. Ltd.	603183 CH — Shanghai	2,018.44	57.8	34.92
Guangdong Guangzi International Investments Consultants Group Co. Ltd.	920892 CH — Beijing	2,019.44	98.9	20.42
Zhenhai Petrochemical Engineering Co. Ltd.	603637 CH — Shanghai	2,284.22	95.4	23.94
Greetec Co. Ltd.	920208 CH — Beijing	3,309.67	181.8	18.21

The above tables are based on Bloomberg's data.

A median P/E ratio of 22.93 in the valuation is adopted by the Valuer with reference to those of the comparable companies.

Other information of the comparable company is as follows:

Name of comparable company	Company description	Main business	Location of their principal businesses	Percentage of revenue generated from construction management operations
C&D Holsin Engineering Consulting Co., Ltd. (603909 CH — Shanghai)	C&D Holsin Engineering Consulting Co Ltd, formerly Holsin Engineering Consulting Group Co Ltd, is a China-based company mainly engaged in comprehensive engineering consulting. The Company's main business includes engineering management, testing, survey and design, comprehensive management and other technical services.	Construction management operations (Building construction)	China, Fujian (54.5%) Other Area (45.5%)	86.21%
Suzhou Architecture Research Institute Group Co. Ltd. (603183 CH — Shanghai)	Suzhou Architecture Research Institute Group Co. Ltd. provides engineering services. The company offers engineering testing, reinforcement and waterproofing engineering construction, and other services. Suzhou Architecture Research Institute Group also markets new building materials products.	Construction management operations (Engineering and Technical Service)	China (100%)	93.25%
Guangdong Guangzi International Investment Consultants Group Co. Ltd. (920892 CH — Beijing)	Guangdong Guangzi International Investment Consultants Group Co. Ltd. offers engineering services. The company provides engineering consulting, engineering evaluation, engineering supervision, engineering cost, and other services. Guangdong Guangzi International Investment Consultants also operates house loans.	Construction management operations (Project consultancy, project costs, bidding agency service, project management & engineering)	China Guangdong Province (93.1%) Outside Guangdong Province (6.9%)	99.71%
Zhenhai Petrochemical Engineering Co., Ltd. (603637 CH — Shanghai)	Zhenhai Petrochemical Engineering Co., Ltd. offers industrial construction services. The company provides contracting, engineering design, project management, supervision, engineering consulting, project bidding and other related services.	Construction management operations (Engineering procurement construction business, engineering design business)	China (99.7%) Other Business Area (0.3%)	96.1%

Name of comparable company	Company description	Main business	Location of their principal businesses	Percentage of revenue generated from construction management operations
Greetec Co., Ltd. (920208 CH — Beijing)	Greetec Co., Ltd. offers engineering services. The company provides engineering cost consultation, engineering design, engineering bidding agency, and engineering supervision services. Greetec provides its services for construction, energy, chemical industry, transportation, mining, metallurgy, and water conservancy fields.	Construction management operations (Whole process engineering consulting service, engineering management technology service)	China (97.9%) Overseas (2.1%)	99.86%

The Valuer has searched all the relevant companies with similar business nature to the target company, and excluded the companies which were considered as inappropriate for comparison. The Valuer's selection criteria included similar business nature and same target client (in mainland China). The Valuer has considered but not adopted the following three companies: (i) SinoDaan Co., Ltd. (300635 CH), which provides engineering supervision services, was not considered because its trailing 12-month net income is negative, hence the P/E ratio is negative, therefore we have not adopted this as comparable company; (ii) JSTI Group (300284 CH), a traffic engineering consulting firm, has an unusually high P/E ratio (51.06) which is significantly higher than the mean/median of our P/E ratio and is therefore considered as an outlier; and (iii) Fujian Tendering Co., Ltd. (301136 CH), an engineering services provider, was excluded due to its negative net income, hence the P/E is negative, and therefore we have not adopted this as comparable company. The Valuer considered the selected comparable companies are appropriate and the Valuer has performed an exhaustive search.

Adjustment adopted

A control premium of 30% is adopted in the valuation. This is because the Target Company holds 99% ownership in Huajian Engineering, the Valuer considers that the Target Company is in a strong position and, hence, the Valuer applied a 30% control premium. Moreover, we consider a 30% control premium is reasonable and within the range of the source with reference to various online sources. While the Corporate Finance Institute notes that '*Control premiums are popular during takeover bids, where large companies acquire a large number of shares in order to gain ownership control of the target. Typically, control premiums can be in the 20%–30% range of the target's current share price and can sometimes go up to 70%.*', Wall Street Prep states that '*The control premium normally ranges from around 25% to 30%, but it can vary substantially from deal-to-deal and be as high as 50% above the target's share price.*' In view of the condition of the Target Company, we consider a 30% control premium is appropriate.

Source:

https://corporatefinanceinstitute.com/resources/valuation/control-premium/
https://www.wallstreetprep.com/knowledge/control-premium/

The controlling interest in a company can be a distinct advantage as controlling shareholders can make discretionary decisions on behalf of shareholders. Therefore, the controlling interest value in a company is usually higher than the minority interest, as minority shareholders have little influence in key decisions and are subject to risk and decisions that might not be beneficial to them.

The concept of marketability deals with the liquidity of an ownership interest, that is how quickly and easily it can be converted to cash if the owner chooses to sell. The lack of marketability discount (the "**DLOM**") reflects the fact that there is no ready market for shares in privately held companies and thus are typically not readily marketable compared to similar interests in public companies. Therefore, a share in a private company is usually discounted compared to an otherwise comparable share in a public company. Although the DLOM is widely observed in the difference in price of companies before and after listing, there is no objective calculation formula. The Valuer has adopted a 30% DLOM judgementally with reference to the following factors and researches:

1. Illiquidity of the Interest

Equity interests in the Target Company cannot be sold readily without significant effort as it is not readily tradeable in public and open market. Furthermore, the financial statements and information about its business and operation are not publicly available as compared with listed companies. It is difficult to secure potential buyers and allow them to evaluate the value and prospect of the Target Company without significant efforts.

2. Longer holding period

Given that the Target Company operates in a niche market, it requires a longer time horizon to realise its value, thereby reducing present value of the interest.

3. Lack of diversification

Investment in the Target Company has a higher concentration risk as its business and potential returns are concentrated in construction consulting business. Therefore, investing in the Target Company would result a higher concentration risk compared to investing in liquid, diversified listed companies.

4. Market evidence

Recent empirical studies (e.g. restricted stock and pre-IPO studies) show that illiquid shares trade at significant discounts compared to liquid shares.

Study/Author	Year	Method/Data Source	Observed DLOM Range
Marc Vianello	2021	Restricted Stock & Empirical Analysis	~30–35%
Johnson/Park	2021	Private vs Public Equity Returns	~30–35%
Ghaidarov	2021	Unlisted Equity Liquidity Horizon	~25–35%
Grbenic (Europe)	2022	Option Pricing vs Pre-IPO Evidence	~30–40%
Vianello Follow-up	2022	Scientific Method Review	~30%

As shown in above literatures, a DLOM of 30% is within the observed range of DLOM in recent studies.

The Valuer, having considered the above factors and discussed with the Board regarding the relevance and applicability to the valuation of the Target Company, is of the view that the above adjustments on control premium and DLOM are fair, reasonable and appropriate.

The Board, after reviewing the Valuer's assumption, methodology, and researches and having considered various factors relevant to the Target Company, including but not limited to (i) the ability to control Huajian Engineering through its majority shareholding, (ii) the Target Company and its operating subsidiary, Huajian Engineering, are private companies operate in a niche market without a easily accessible market to dispose their equity interests; and (iii) the adjustment rates applied by the Valuer are in line and within the range observed in various researches, is of the view that the above adjustments on control premium and DLOM are fair, reasonable and appropriate.

Basis of valuation

The basis of valuation is fair value, which is defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date".

Key assumptions

The valuation was based on the following general assumptions:

1. during the current and future existence of Huajian Engineering, relevant laws and regulations, industry policies, fiscal and monetary policies, and economic environment will not undergo material changes;

2. there will be no material changes in the relevant corporate tax rate, interest rate or exchange rate which would impact the valuation;

3. Huajian Engineering has all the necessary licenses for existing operations, all other legal and administrative licenses have been obtained and can be extended when required;

4. Huajian Engineering has fully complied with the prevailing national and local authorities' policies, ordinances, listing rules, environment and other relevant laws and regulations. All transactions conducted by Huajian Engineering related to its assets and the ownership of its assets are in compliance with all relevant legal provisions and other laws or regulations of the relevant superior authority;

5. all information, including financial statements, third-party expert or specialist information, or reports provided by the Company, is deemed reliable. The Valuer will not verify the accuracy of this information and assume no responsibility for its accuracy. However, if deemed appropriate, assumptions and/or adjustments to address any inconsistencies or inaccuracies may be incorporated into our valuation; and

6. the Company has provided, to the best of its knowledge, a full and frank disclosure of all information and other facts which may affect the service, including all secrecy clauses and side agreements.

The following are the key assumptions that were translated into the appraised value.

The 1st set of assumption:

- Huajian Engineering possessed all the necessary licenses for existing operations, all other legal and administrative licenses have been obtained and can be extended when required.

- Huajian Engineering has fully complied with the prevailing national and local authorities' policies, ordinances, listing rules, environment and other relevant laws and regulations. All transactions conducted by Huajian Engineering related to its assets and the ownership of its assets are in compliance with all relevant legal provisions and other laws or regulations of the relevant superior authority.

- All information, including financial statements, third-party expert or specialist information, or reports provided by Huajian Engineering, is deemed reliable and accurate.

Assume Huajian Engineering has no going concern issue, will continue to operate perpetually, the profit is stable, and continue at the current level in the future. Therefore, a P/E ratio is applied to the earnings of the company to arrive at the appraised value.

The 2nd set of assumption

- As of the valuation date, the Valuer assumed that there would be a capital injection of RMB8,000,000 to the Target Company from Seller C on 22 October 2025, hence the Valuer have added RMB8,000,000 to the appraised value, and the Target Company had subsequently received the paid-up capital on 22 October 2025.

Valuation Result

Profit (based on management account of Huajian Engineering for the financial year ended 31 December 2024) *(RMB)*		9,103,985[(1)]
Median P/E Ratio of comparable companies		x 22.93[(2)]
Valuation result *(RMB)*		**208,750,560**
Valuation result (99% Equity Interest)	**99%**	**206,663,055**
Control Premium	30%	61,998,916
Value after control premium		**268,661,971**
DLOM	30%	(80,598,591)
Value after control premium and DLOM		**188,063,380**
Capital injection *(RMB)* (99% Equity Interest)		**7,920,000**
Total valuation *(RMB)*		**195,983,380**
Total valuation *(RMB)* (Rounded)		**195,000,000**

Notes:

1. The difference between this amount and the audited net profit shown in the accountants' report in Appendix II was due to subsequent accounting adjustments in respect of over-provision of administrative expenses of RMB123,728 (after tax effect).

2. All figures are rounded as appropriate.

Conclusion

The Board has discussed with the Valuer and considers the valuation to be fair, reasonable, and appropriate. This conclusion takes into account that (i) adopting the market approach offers benefits such as simplicity, clarity, and reduced reliance on assumptions, while enhancing objectivity through the use of publicly available and verifiable inputs; (ii) the assumptions applied, to the best of the Board's knowledge, are consistent with market practices and information available to the Company; and (iii) the inputs are consistent with established market data and accepted valuation standards, providing a transparent and reasonable basis for the valuation.

REASONS FOR AND BENEFITS OF THE ACQUISITION

As part of the Group's contracting construction service, the Group is responsible for the supervision of its construction projects. Having considered that Huajian Engineering specialises in construction supervision, the Board believes that the Acquisition is a good opportunity for the

Group to expand into the construction supervision field and enhance its supervision capabilities. By integrating the Group's resources in contracting construction, the Acquisition will broaden its customer base and further enhance its position and competitiveness in the construction industry.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Agreement are fair and reasonable and on normal commercial terms, and the Acquisition is in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE ACQUISITION ON THE GROUP

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

Earnings

Upon completion of the Acquisition, the Target Company will become a wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the consolidated financial statements of the Group. Further details of the Target Group are set out in "Appendix II — Accountant's Report of the Target Group" to this circular.

Assets and liabilities

Based on the interim report of the Group for the six months ended 30 June 2025, as at 30 June 2025, the Group had total assets, total liabilities and net assets of approximately RMB1,590.7 million, RMB1,079.3 million and RMB511.4 million, respectively.

Based on the unaudited pro forma financial information of the Enlarged Group as set out in Appendix IV to this circular, if the Acquisition had been completed on 30 June 2025, the total assets and total liabilities of the Enlarged Group would have increased to approximately RMB1,816.4 million and RMB1,111.1 million, respectively, and the net assets of the Enlarged Group would have increased to approximately RMB705.3 million.

The unaudited pro forma consolidated balance sheet of the Enlarged Group as at 30 June 2025 was prepared based on (i) the Group's unaudited condensed consolidated balance sheet as at 30 June 2025; (ii) the Target Group's audited combined balance sheet as at 31 July 2025; and (iii) the pro forma adjustments described in the notes to the unaudited pro forma consolidated balance sheet. Further details of the unaudited pro forma financial information of the Enlarged Group immediately following completion of the Acquisition are set out in Appendix IV to this circular.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceeds 25% but are all less than 100%, the Acquisition constitutes a major transaction for the Company and are subject to reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

At the EGM, ordinary resolutions for approving the Agreement and the transactions contemplated thereunder and the Specific Mandate will be proposed for the Shareholder's approval. The resolutions will be voted by way of poll at the EGM.

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, none of the Shareholders has any material interest in the Acquisition. Accordingly, no Shareholder is required to abstain from voting on the resolution in relation to the Acquisition at the EGM. None of the Directors have material interest in the Acquisition, and was required to abstain from voting on the relevant board resolution relating to the Acquisition.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, there is (i) no voting trust or other agreement or arrangement or understanding entered into or binding upon any Shareholders; and (ii) no obligation or entitlement of any Shareholder as at the Latest Practicable Date, whereby it has or may have temporarily or permanently passed control over the exercise of the voting right in respect of its Shares to a third party, either generally or on a case-by-case basis.

The notice of the EGM is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is enclosed. Whether or not the Shareholders are able to attend the EGM, the Shareholders are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the EGM or any adjournment thereof should the Shareholders so wish.

The register of members of the Company will be closed from Tuesday, 6 January 2026 to Friday, 9 January 2026, both days inclusive, during which period no transfer of Shares will be registered, in order to determine the entitlement to attend and vote at the EGM. In order to be entitled to attend and vote at the EGM, unregistered holders of Shares should ensure that all transfers of Shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged for registration with the Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m., Monday, 5 January 2026.

RECOMMENDATION

The Directors believe that the terms of the Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, they recommend that all Shareholders to vote in favour of the resolution to be proposed at the EGM.

Yours faithfully,
By order of the Board
Zhongshen Jianye Holding Limited
Sang Xianfeng
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025 is disclosed in the following documents which have been published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company's website (http://www.zsjy.top) and can be accessed at the website addresses below:

- Prospectus of the Company

  https://www1.hkexnews.hk/listedco/listconews/sehk/2023/1228/2023122800045.pdf

- Annual report of the Company for the year ended 31 December 2023

  https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0425/2024042501088.pdf

- Annual report of the Company for the year ended 31 December 2024

  https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0410/2025041000732.pdf

- Interim report of the Company for the six months ended 30 June 2025

  https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0912/2025091201190.pdf

2. STATEMENT OF INDEBTEDNESS

As at the close of business of 31 October 2025, being the latest practicable date for the purpose of ascertaining the indebtedness of the Enlarged Group prior to the printing of this circular, the Enlarged Group had outstanding indebtedness as follows:

Borrowings

The Enlarged Group had outstanding (i) guaranteed and secured bank borrowings of approximately RMB40 million; (ii) unguaranteed and unsecured bank borrowings of approximately RMB30 million; and (iii) unguaranteed and unsecured lease liabilities of approximately RMB0.6 million.

The secured bank borrowings of the Enlarged Group as at 31 October 2025 are secured by:

(i) guarantees given by the directors of the Company; and

(ii) pledges over certain of the Group's land and building.

Contingent liabilities

As at 31 October 2025, the Enlarged Group did not have any material contingent liabilities.

Save as disclosed above, as at 31 October 2025, the Enlarged Group did not have any debt securities issued and outstanding, and authorised or otherwise created but unissued, or term loans or other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, or outstanding mortgages and charges, or guarantees or other material contingent liabilities.

Capital commitment

As at 31 October 2025, the capital commitment of the Enlarged Group contracted to acquire unlisted equity security but not yet incurred amounted to approximately RMB5 million.

Operating lease commitment

As at 31 October 2025, the Enlarged Group did not have any operating lease commitment.

3. WORKING CAPITAL STATEMENT

The Directors are of opinion that, after due and careful enquiry and taking into account the Agreement and the transactions contemplated thereunder, the financial resources available to the Enlarged Group including the internally generated funds and the available banking facilities, the Enlarged Group will have sufficient working capital for at least the next 12 months commencing from the date of this circular in the absence of unforeseeable circumstances. The Directors confirm that requirements under Rule 14.66(12) of the Listing Rules have been complied with.

4. MATERIAL ADVERSE CHANGE

Reference is made to the interim results announcement of the Company dated 29 August 2025 and the interim report of the Company for the six months ended 30 June 2025, which disclosed that the Company recorded a loss of approximately RMB11.8 million for the six months ended 30 June 2025. Such loss was mainly attributable to the decrease in revenue and gross profit and the recognition of impairment losses on trade and other receivables and contract assets.

Save as disclosed above, the Directors were not aware of any material change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited consolidated accounts of the Group were made up, and up to and including the Latest Practicable Date.

5. FINANCIAL AND TRADING PROSPECTS OF THE ENLARGED GROUP

According to the "14th Five-Year Plan (2021–2025) for National Economic and Social Development" (《國民經濟和社會發展「十四五規劃」(2021–2025)》), it has proposed to speed up the construction of infrastructure in the PRC covering sectors such as transportation, water conservancy and energy facilities, to further improve national basic public services level. Moreover, the

provincial government of Guangdong Province has also released a corresponding five-year plan to promote the construction industry, where efforts will be made to strengthen the development of infrastructure and other construction sectors. It is anticipated that the demand for construction services will continue to grow with favourable policies announcement by the PRC government. The total output value of construction market in Guangdong Province has achieved growth at a CAGR of approximately 9.4% from 2020 to 2024, reaching approximately RMB2,636.4 billion in 2024 and is expected to further grow at a CAGR of approximately 5% to 8%. In view of the above, the Group will bestow its extensive experience and knowledge in construction services to solidify and broaden its construction service offerings and enhance its market presence to capture more opportunities in the PRC and in particular in the Guangdong Province.

Furthermore, in 2025, China's construction industry is undergoing a period of profound adjustment and transformation in which traditional growth models are facing challenges. The industry is prioritizing high-quality development, with smart, green, and quality-driven development becoming the prevailing direction. The Group will enhance the development of green buildings, promote the thorough integration of the construction industry with next-generation information technology, and advance the adoption of green building materials and sustainable construction practices to achieve sustainable development.

The Target Group currently possesses five Grade A qualifications in engineering supervision that the Group does not have, namely Grade A qualification in building construction supervision, Grade A qualification in municipal public works supervision, Grade A qualification in power engineering supervision, Grade A qualification in mechanical and electrical installation engineering supervision, and Grade A qualification in chemical and petroleum engineering supervision. The Target Group is qualified and plans to be upgraded to a comprehensive Grade A engineering supervision company in the engineering supervision industry in the near future. Currently, only a few comprehensive Grade A supervision companies exist in Shenzhen. After the upgrade, the Target Group will not be restricted in respect of project scale and geographical area, and can undertake projects of any specialty and level.

After the integration of comprehensive engineering consulting service brand of the Target Group into the Group's engineering service system, the Enlarged Group will promote its integrated engineering service brand externally to strengthen market recognition. The Enlarged Group will integrate the Group's industry foundation with the Target Group's consulting and supervision expertise spanning the entire engineering process, thereby strengthening the full-chain engineering service capabilities, proactively mitigating construction risks, reducing project rework and compliance costs, and enhancing overall project delivery quality. This integration will also amplify resource outreach, facilitating the expansion of the Target Group's services from the Pearl River Delta to additional cities by leveraging the Group's nationwide business network. Furthermore, the service capabilities of the Target Group will be bolstered and enhanced through the Group's training system and resource platforms, such as government support and industry chain resources.



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Crowe (HK) CPA Limited
香港 銅鑼灣 禮頓道77號 禮頓中心9樓
9/F Leighton Centre,
77 Leighton Road,
Causeway Bay, Hong Kong

To the Directors of Zhongshen Jianye Holding Limited

INTRODUCTION

We report on the historical combined financial information of Huajian Development Limited (the "**Target Company**") and its subsidiaries (collectively, the "**Target Group**") set out on pages II-4 to II-56, which comprises the combined statements of comprehensive income, statements of changes in equity and statements of cash flows of the Target Group for each of the three years ended 31 December 2022, 2023 and 2024 and the seven months ended 31 July 2025 (the "**Relevant Periods**"), the combined balance sheets of the Target Group as at 31 December 2022, 2023 and 2024 and 31 July 2025, and the balance sheet of the Target Company as at 31 July 2025, and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages II-4 to II-56 forms an integral part of this report, which has been prepared for inclusion in the circular of Zhongshen Jianye Holding Limited (the "**Company**") dated 17 December 2025 (the "**Circular**") in connection with the acquisition of the entire issued share capital in the Target Company by the Company (the "**Acquisition**").

DIRECTORS OF THE TARGET COMPANY'S RESPONSIBILITY FOR THE HISTORICAL FINANCIAL INFORMATION

The director of the Target Company (the "**Target's Director**") and the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

REPORTING ACCOUNTANTS' RESPONSIBILITY

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

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

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

OPINION

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the combined balance sheets of the Target Group as at 31 December 2022, 2023 and 2024 and 31 July 2025 and of the financial performance and cash flows of the Target Group for each of the Relevant Periods in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively.

REPORT ON MATTERS UNDER THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE AND THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE.

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page II-4 have been made.

Dividends

We refer to note 10 to the Historical Financial Information which contains information about the dividends paid by the Target Company in respect of the Relevant Periods.

NO HISTORICAL FINANCIAL STATEMENTS FOR THE TARGET COMPANY

As at the date of this report, no statutory financial statements have been prepared for the Target Company since its date of incorporation.

Crowe (HK) CPA Limited
Certified Public Accountants

Hong Kong, 17 December 2025

Chiu Lung Sang
Practising Certificate Number P08091

PREPARATION OF HISTORICAL FINANCIAL INFORMATION

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

The financial statements of the Target Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Crowe (HK) CPA Limited in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") (the "**Underlying Financial Statements**").

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

I HISTORICAL FINANCIAL INFORMATION

COMBINED STATEMENTS OF COMPREHENSIVE INCOME

		Year ended 31 December			Seven months ended 31 July	
		2022	2023	2024	2024	2025
	Notes	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Revenue	*5*	32,007	31,084	32,145	16,795	17,470
Cost of revenue	*6*	(15,374)	(12,151)	(11,383)	(6,578)	(6,938)
Gross profit		16,633	18,933	20,762	10,217	10,532
Administrative expenses	*6*	(4,618)	(7,539)	(4,583)	(2,693)	(1,645)
Impairment losses on financial assets and contract assets	*3.1(b)*	(7,501)	(2,424)	(2,579)	(2,312)	(2,500)
Other income, gains/(losses) — net		247	52	(9)	(10)	—
Operating profit		4,761	9,022	13,591	5,202	6,387
Finance income		4	6	1	1	1,929
Finance costs		(279)	(236)	(186)	(107)	(41)
Finance costs — net	*8*	(275)	(230)	(185)	(106)	1,888
Profit before income tax		4,486	8,792	13,406	5,096	8,275
Income tax expense	*9*	(579)	(2,712)	(4,179)	(1,938)	(2,707)
Profit and total comprehensive income for the year/period attributable to owners of the Company		3,907	6,080	9,227	3,158	5,568

I HISTORICAL FINANCIAL INFORMATION (Continued)

COMBINED BALANCE SHEETS

	Notes	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	31 July 2025 RMB'000
ASSETS					
Non-current assets					
Property, plant and equipment	*11*	93	63	21	9
Right-of-use assets	*12*	277	159	41	174
		370	222	62	183
Current assets					
Contract assets	*14*	37,994	43,990	46,142	52,278
Trade receivables	*14*	7,441	3,701	4,054	3,825
Deposits, other receivables and prepayments	*15*	16,832	24,831	28,551	27,508
Amounts due from related parties	*15*	1,300	59	59	9
Cash and cash equivalents	*16*	4,110	3,830	5,066	294
		67,677	76,411	83,872	83,914
Total assets		68,047	76,633	83,934	84,097
EQUITY					
Share capital	*17*	6,000	6,000	6,000	6,009
Other reserves	*18*	456	1,061	1,984	2,541
Retained earnings	*18*	33,023	38,498	46,802	51,677
Total equity		39,479	45,559	54,786	60,227

I HISTORICAL FINANCIAL INFORMATION (Continued)

COMBINED BALANCE SHEETS (Continued)

	Notes	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	31 July 2025 RMB'000
LIABILITIES					
Non-current liabilities					
Lease liabilities	*12*	178	46	—	75
Current liabilities					
Trade and other payables	*19*	16,745	13,435	12,091	7,473
Amounts due to related parties	*19*	127	1,772	1,715	4,768
Contract liabilities	*5*	7,338	7,894	3,238	1,720
Bank borrowings	*20*	3,474	4,525	4,610	—
Current income tax liabilities		579	3,269	7,448	9,735
Lease liabilities	*12*	127	133	46	99
		28,390	31,028	29,148	23,795
Total liabilities		28,568	31,074	29,148	23,870
Total equity and liabilities		68,047	76,633	83,934	84,097

I HISTORICAL FINANCIAL INFORMATION (Continued)

COMBINED STATEMENTS OF CHANGES IN EQUITY

	Note	Share capital (Note 17) RMB'000	Other reserves (Note 18) RMB'000	Retained earnings (Note 18) RMB'000	Total equity RMB'000
As at 1 January 2022 (unaudited)		6,000	—	29,572	35,572
Total comprehensive income					
Profit for the year		—	—	3,907	3,907
Transactions with owners in their capacity as owners					
Appropriation to statutory reserves	*18(a)*	—	456	(456)	—
As at 31 December 2022		6,000	456	33,023	39,479
As at 1 January 2023		6,000	456	33,023	39,479
Total comprehensive income					
Profit for the year		—	—	6,080	6,080
Transactions with owners in their capacity as owners					
Appropriation to statutory reserves	*18(a)*	—	605	(605)	—
As at 31 December 2023		6,000	1,061	38,498	45,559

I HISTORICAL FINANCIAL INFORMATION (Continued)

COMBINED STATEMENTS OF CHANGES IN EQUITY (Continued)

	Note	Share capital (Note 17) RMB'000	Other reserves (Note 18) RMB'000	Retained earnings (Note 18) RMB'000	Total equity RMB'000
As at 1 January 2024		6,000	1,061	38,498	45,559
Total comprehensive income					
Profit for the year		—	—	9,227	9,227
Transactions with owners in their capacity as owners					
Appropriation to statutory reserves	*18(a)*	—	923	(923)	—
As at 31 December 2024		6,000	1,984	46,802	54,786
As at 1 January 2025		6,000	1,984	46,802	54,786
Total comprehensive income					
Profit for the period		—	—	5,568	5,568
Transactions with owners in their capacity as owners					
Issue of shares		9	—	—	9
Dividends *(note)*		—	—	(136)	(136)
Appropriation to statutory reserves	*18(a)*	—	557	(557)	—
As at 31 July 2025		6,009	2,541	51,677	60,227

Note: During the seven months ended 31 July 2025, payment of dividends of approximately RMB136,000 was carried out through the current account with the shareholder.

I HISTORICAL FINANCIAL INFORMATION (Continued)

COMBINED STATEMENTS OF CHANGES IN EQUITY (Continued)

	Note	Share capital (Note 17) RMB'000	Other reserves (Note 18) RMB'000	Retained earnings (Note 18) RMB'000	Total equity RMB'000
As at 1 January 2024		6,000	1,061	38,498	45,559
Total comprehensive income					
Profit for the period		—	—	3,158	3,158
Transactions with owners in their capacity as owners					
Appropriation to statutory reserves	*18(a)*	—	316	(316)	—
As at 31 July 2024 (unaudited)		6,000	1,377	41,340	48,717

I HISTORICAL FINANCIAL INFORMATION (Continued)

COMBINED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December 2022 RMB'000	2023 RMB'000	2024 RMB'000	Seven months ended 31 July 2024 RMB'000 (unaudited)	2025 RMB'000
Cash flows from operating activities						
Cash generated from/(used in) operations	*21(a)*	(2,480)	(953)	1,469	(423)	369
Income tax paid		—	(22)	—	—	(420)
Net cash generated from/ (used in) operating activities		(2,480)	(975)	1,469	(423)	(51)
Cash flows from investing activity						
Interest received		4	6	1	1	—
Net cash generated from investing activity		4	6	1	1	—
Cash flows from financing activities						
Interest paid	*21(b)*	(262)	(225)	(181)	(103)	(39)
Proceeds from bank borrowings	*21(b)*	2,150	4,525	4,610	4,600	—
Repayment of bank borrowings	*21(b)*	(151)	(3,474)	(4,525)	(4,270)	(4,610)
Payment of principal elements of lease liabilities	*21(b)*	(117)	(126)	(133)	(77)	(70)
Payment of interest portion of lease liabilities	*21(b)*	(17)	(11)	(5)	(4)	(2)
Net cash generated from/ (used in) financing activities		1,603	689	(234)	146	(4,721)
Net increase/(decrease) in cash and cash equivalents		(873)	(280)	1,236	(276)	(4,772)
Cash and cash equivalents at beginning of year/period		4,983	4,110	3,830	3,830	5,066
Cash and cash equivalents at end of year/period	*16*	4,110	3,830	5,066	3,554	294

I HISTORICAL FINANCIAL INFORMATION (Continued)

BALANCE SHEET OF THE TARGET COMPANY

Information about the balance sheet of the Target Company at the end of the reporting period is as follows:

	Note	31 July 2025 RMB'000
NON-CURRENT ASSET		
Investment in a subsidiary		917
CURRENT ASSETS		
Amounts due from shareholders		9
Total assets		926
EQUITY		
Share capital	*17*	9
Other reserves		—
Total equity		9
CURRENT LIABILITY		
Amount due to a subsidiary		917
Total liability		917
Total equity and liability		926

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 CORPORATE INFORMATION

Huajian Development Limited (the "**Target Company**") was incorporated in the British Virgin Islands (the "**BVI**") on 6 May 2025. The registered office of the Target Company is located at Sea Meadow House, (P.O. Box 116), Road Town, Tortola, British Virgin Islands.

The Target Company is an investment holding company and its subsidiaries are principally engaged in the provision of comprehensive engineering consulting services (the "**Business**"). The ultimate holding company and immediate holding company of the Target Company and its subsidiaries (collectively, the "**Target Group**") is Huajian Investment Limited (the "**Ultimate Holding Company**"), which was incorporated in the BVI. The ultimate controlling party (the "**Ultimate Controlling Party**") of the Company is Wang Yan.

Pursuant to the reorganisation, as more fully explained in the paragraph headed "The Target Group" in the Circular, the Target Company became the holding company of the Target Group on 17 October 2025. Particulars of the Target Company's subsidiaries as at the date of this report are as follows:

Company Name	Place and date of incorporation/ registration	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Target Company		Principal activities and place of operations
			Direct	Indirect	
Huajian Energy Limited *(note a)*	Hong Kong, 27 May 2025	HK$1,000,000	100%	—	Investment holding, Hong Kong
Shenzhen Pengyuan Air Energy Technology Co., Ltd.* 深圳鵬源空能科技有限公司 *(note b)*	PRC, 15 July 2025	RMB1,000,000	—	100%	Investment holding, PRC
Shenzhen Huajian Intelligent Technology Co., Ltd.* 深圳市華簡智能科技有限公司 *(note c)*	PRC, 18 July 2025	RMB1,000,000	—	99%	Investment holding, PRC
Shenzhen Huajian Engineering Project Management Co., Ltd.* *(note d)* 深圳市華建工程項目管理有限公司	PRC, 26 July 1995	RMB 88,000,000	—	99%	Provision of comprehensive engineering consulting services, PRC
Shandong Gansiwei Construction Engineering Co., Ltd.* *(note e)* 山東乾斯威建築工程有限公司	PRC, 15 December 2022	RMB 40,000,000	N/A	N/A	Inactive

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

1 CORPORATE INFORMATION (Continued)

(a) No audited financial statements have been prepared for the entity as the entity was incorporated on 27 May 2025.

(b) No audited financial statements have been prepared for the entity as the entity was incorporated on 15 July 2025. In September 2025, the issued share capital of Shenzhen Pengyuan Air Energy Technology Co., Ltd. was increased by RMB7,000,000 from RMB1,000,000 to RMB8,000,000.

(c) No audited financial statements have been prepared for the entity as the entity was incorporated on 18 July 2025. In October 2025, the issued share capital of Shenzhen Huajian Intelligent Technology Co., Ltd. was increased by RMB7,080,808 from RMB1,000,000 to RMB8,080,808.

(d) The statutory financial statements of the entities for the years ended 31 December 2022, 2023 and 2024 prepared under PRC Generally Accepted Accounting Principles (the "**PRC GAAP**") were audited by Shenzhen Changping Certified Public Accountants (General Partnership)* registered in PRC. In August 2025, the issued share capital of Shenzhen Huajian Engineering Project Management Co., Ltd. was reduced by RMB82,000,000 from RMB88,000,000 to RMB6,000,000.

(e) The subsidiary was deregistered on 18 June 2025. No audited financial statements have been prepared for the subsidiary for the years ended 31 December 2022, 2023 and 2024, as the entity was not subject to any statutory audit requirements under the relevant rules and regulations in the jurisdiction of incorporation.

* The English name of the above PRC companies which were registered in Mainland China represent the translated names of these companies as no English names have been registered.

2 MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of presentation

The Reorganisation involved primarily the incorporation of the Target Company by the Ultimate Holding Company, and the companies now comprising the Target Group were under the common control of the Ultimate Controlling Party before and after the Reorganisation. Accordingly, for the purpose of this report, the Historical Financial Information of the Target Group has been presented using the carrying amounts of the assets, liabilities and operating results of the Business conducted by the companies now comprising the Target Group for all periods presented.

The combined statements of comprehensive income, statements of changes in equity and statements of cash flows of the Target Group for the Relevant Periods include the results and cash flows of the Business carried out by all companies now comprising the Target Group, from the earliest date presented under the common control of the Ultimate Controlling Party. The combined balance sheets of the Target Group as at 31 December 2022, 2023 and 2024 and 31 July 2025 have been prepared to present the assets and liabilities of the Business using the existing book values from the Ultimate Holding Company's perspective. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the Reorganisation.

All intra-group transactions and balances have been eliminated on combination.

2.2 Basis of preparation

The Historical Financial Information has been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and accounting principles generally accepted in Hong Kong.

All HKFRS Accounting Standards effective for the accounting period commencing from 1 January 2022, together with the relevant transitional provisions, have been consistently applied by the Target Company in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.3 Issued but not yet effective HKFRS Accounting Standards

The Target Group has not applied the following new and revised HKFRS Accounting Standards, that have been issued but are not yet effective, in the preparation of the Historical Financial Information. The Target Group intends to apply these new and revised HKFRS Accounting Standards, if applicable, when they become effective.

		Effective for annual periods beginning on or after
Amendments to HKAS 21	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature — Dependent electricity	1 January 2026
Annual Improvements to HKFRS Accounting Standards 2024	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	1 January 2026
HKFRS 18 and consequential amendments to other HKFRS Accounting Standards	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date to be determined

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors anticipate that the application of other new and amendments to HKFRS Accounting Standards will have no material impact on the combined financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements and consequential amendments to other HKFRS Accounting Standards

HKFRS 18 replaces HKAS 1 Presentation of Financial Statements ("**HKAS 1**"). It carries forward many requirements from HKAS 1 unchanged. HKFRS 18 brings major changes to the combined statements of comprehensive income and notes to the combined financial statements as follows:

(a) HKFRS 18 requires an entity:

(i) to classify income and expenses into operating, investing and financing categories in the combined statements of comprehensive income, plus income taxes and discontinued operations;

(ii) to present two new defined subtotals, namely, operating profit or loss and profit or loss before financing and income taxes.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.3 Issued but not yet effective HKFRS Accounting Standards (Continued)

HKFRS 18 Presentation and Disclosure in Financial Statements and consequential amendments to other HKFRS Accounting Standards (Continued)

(b) It requires an entity to disclose management-defined performance measures ("**MPM**") and reconciliations between MPM and subtotals listed in HKFRS 18 or totals or subtotals required by HKFRS Accounting Standards.

(c) It sets out requirements to help an entity determine whether information about items should be in the primary financial statements or in the notes and provides principles for determining the level of detail needed for the information.

HKFRS 18 also set out classification requirements for foreign exchange differences, the gain or loss on the net monetary position, and gains and losses on derivatives and designated hedging instruments.

In addition, some paragraphs in HKAS 1 have been moved to HKAS 8 Basis of Preparation of Financial Statements and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18 and consequential amendments to other HKFRS Accounting Standards are effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the combined statements of comprehensive income and disclosures in the future combined financial statements. The Target Group is in the process of assessing the detailed impact on the combined financial statements.

2.4 Principles of consolidation

A subsidiary is an entity (including a structured entity) over which the Target Group has control. The Target Group controls an entity when the Target Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Target Group. They are deconsolidated from the date that control ceases.

Inter-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Target Group's accounting policies.

When the Target Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amounts recognised in profit or loss.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.5 Separate financial statements

Investment in a subsidiary is accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of the subsidiary are accounted for by the Target Company on the basis of dividend received and receivable.

Impairment testing of the investment in a subsidiary is required upon receiving a dividend from the investment if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the combined financial statements of the investee's net assets including goodwill.

2.6 Foreign currency translation

(a) ***Functional and presentation currency***

Items included in the financial statements of each of the Target Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The Historical Financial Information of the Target Group are presented in RMB, which is the Target Company's functional and the Target Group's presentation currency.

(b) ***Transactions and balances***

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.7 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (the "**CODM**").

The CODM who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors who make strategic decisions.

2.8 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Target Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.8 Property, plant and equipment (Continued)

When the Target Group makes payments for ownership interest of a property which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payment can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the combined balance sheets. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire property is classified as property, plant and equipment.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Computers and office equipment	3 years
Furniture and fixtures	5–10 years
Motor vehicles	4 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.9).

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognised in the combined statements of comprehensive income.

2.9 Impairment of non-financial assets other than goodwill

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Impairment loss recognised in respect of cash-generating unit is allocated to reduce the carrying amounts of the assets in the unit on a pro rata basis, except that the carrying value of an asset will not be reduced below the highest of its individual fair value less costs of disposal (if measurable), value in use (if determinable) and zero.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.10 Investment and other financial assets

(a) ***Classification***

The Target Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Target Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, fair value gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Target Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

(b) ***Recognition and derecognition***

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Target Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Target Group has transferred substantially all the risks and rewards of ownership.

(c) ***Measurement***

At initial recognition, the Target Group measures a financial asset at its fair value (except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 "Revenue from contracts with customers") plus, in the case of a financial asset not at fair value through profit or loss ("**FVPL**"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables and other receivables that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income, gains/(losses) — net (if any), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the combined statements of comprehensive income.

Expected credit loss ("**ECL**") is remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Target Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount, with the exception of trade receivables and contract assets where the corresponding adjustment is recognised through a loss allowance account.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.10 Investment and other financial assets (Continued)

(d) ***Impairment***

The Target Group assesses on a forward looking basis the ECL associated with its financial assets carried at amortised cost. Except the trade receivables, the impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Target Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For other receivables, the Target Group measures the impairment as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses. To manage risk arising from cash and cash equivalents, the Target Group only transacts business with reputable financial institutions. There has been no recent history of default in relation to these financial institutions.

Impairment losses on contract assets, as stated in note 2.12 below, and trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Significant increase in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Target Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this assessment, the Target Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.10 Investment and other financial assets (Continued)

(d) ***Impairment (Continued)***

Significant increase in credit risk (Continued)

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

- an actual or expected significant deterioration in a financial instrument's external credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor;
- existing or forecast changes in the technological, market, economic or legal environments that have a significant adverse effect on the debtor's ability to meet its obligation to the Target Group;
- an actual or expected internal credit rating downgrade for the borrower;
- significant increases in credit risk on other financial instruments of the same borrower;
- significant changes in the value of the collateral supporting the obligation or in the quality of third- party guarantees or credit enhancements, which are expected to reduce the borrower's economic incentive to make scheduled contractual payments or to otherwise have an effect on the probability of a default occurring;
- significant adverse changes in the expected performance and behaviour of the borrower.

The Target Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Target Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Target Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if (i) the financial instrument has a low risk of default, (ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the debtor to fulfil its contractual cash flow obligations. The Target Group considers a financial instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

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

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.10 Investment and other financial assets (Continued)

(d) ***Impairment (Continued)***

Definition of default

The Target Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Target Group, in full (without taking into account any collaterals held by the Target Group).

The Target Group considers that default has occurred when a financial asset is more than 90 days past due unless the Target Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit- impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Target Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Target Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.11 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of trade receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Target Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 2.10(d) and Note 3.1(b)(ii) for further information about the Target Group's impairment policies for trade receivables.

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

A receivable is recorded when the Target Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

2.12 Contract assets and liabilities

Upon entering into a contract with a customer, the Target Group obtains rights to receive consideration from the customer and assumes performance obligations to provide services to the customer. The combination of those rights and performance obligations related to the same contract gives rise to a net asset or a net liability depending on the relationship between the remaining rights and the performance obligations. The contract is an asset and recognised as contract asset if the measure of the remaining rights exceeds the measure of the remaining performance obligations. Conversely, the contract is a liability and recognised as contract liability if the measure of the remaining performance obligations exceeds the measure of the remaining rights.

The Target Group assesses on a forward looking basis the ECL associated with its contract assets. The Target Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of contract assets.

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

If a customer pays consideration or the Target Group has a right to an amount of consideration that is unconditional, before the Target Group transfers the promised goods to the customer, the Target Group presents the contract as a contract liability when the payment is received or a receivable is recorded (whichever is earlier). A contract liability is the Target Group's obligation to transfer the promised goods to a customer for which the Target Group has received consideration or an amount of consideration is due from the customer.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.13 Cash and cash equivalents

For the purpose of presentation in the combined statements of cash flows, cash and cash equivalents includes cash in hand and deposits held at call with financial institutions.

2.14 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.15 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.16 Employee benefits

Employee benefits refer to all forms of consideration or compensation given by the Target Group in exchange for service rendered by employees, which include short-term employee benefits and post-employment benefits.

(a) ***Short-term employee benefits***

Short-term employee benefits include wages or salaries, bonus, allowances and subsidies, staff welfare, premiums or contributions on medical insurance, work injury insurance and maternity insurance, housing funds, union running costs and employee education costs, short-term paid absences and etc. The short- term employee benefits actually occurred are recognised as a liability in the period in which the service is rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets.

(b) ***Post-employment benefits***

The Target Group operates post-employment schemes via defined contribution pension plans. For defined contribution pension plans, the Target Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Target Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.17 Provisions

Provisions for legal claims, warranties and make good obligations are recognised when the Target Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.18 Revenue recognition

Revenues are recognised when or as the control of goods or services is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of goods or services may transfer over time or at a point in time. Control of goods or services is transferred over time if the Target Group's performance:

- provides the benefits received and consumed simultaneously by the customer; or
- creates or enhances an asset that the customer controls as the Target Group performs; or
- does not create an asset with an alternative use to the Target Group and the Target Group has an enforceable right to payment for performance completed to date.

If control of goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of goods or services.

The progress towards complete satisfaction of the performance obligation is measured based on the Target Group's efforts or inputs to the satisfaction of the performance obligation that best depict the Target Group's performance in satisfying the performance obligation.

Revenue is measured at the transaction price agreed under the contract. Revenue is shown, net of discounts and after eliminating sales within the Target Group.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.18 Revenue recognition (Continued)

Revenue from engineering consulting services

Engineering consulting income are recognised over time with reference to the detailed terms of transactions as stipulated in the contracts entered into with its customers and counterparties. The customer simultaneously receives and consumes the benefits provided by the Target Group's performance as the Target Group performs. Hence, revenue is recognised over time.

For the contracts that the Target Group's performance does not create an asset with an alternative use to the Target Group and the Target Group has an enforceable right to payment for performance completed to date, the Target Group's performance obligations are satisfied over time. The Target Group is entitled to an amount that at least compensates the Target Group for performance completed to date if the contract is terminated by the customer or another party for reasons other than the Target Group's failure to perform as promised. Invoices are issued when stated milestones in the contract are reached.

Part of the invoiced amount will be retained by customers as retention monies and will be settled after the completion of the relevant service contracts. Retention monies are recognised as contract assets. The retention receivables will be transferred to trade receivables when the Target Group has unconditional right to payments from the customers.

2.19 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the combined balance sheets when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Borrowings are classified as current liabilities unless the Target Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.20 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are recognised in the profit or loss in the period in which they are incurred.

2.21 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) ***Current income tax***

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Target Company and its subsidiaries operate and generate taxable income. The Target Group periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Target Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) ***Deferred income tax***

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and do not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.21 Current and deferred income tax (Continued)

(b) ***Deferred income tax (Continued)***

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and do not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

2.22 Related Parties

(a) A person, or a closed member of that person's family, is related to the Group if that person:

(i) has control or joint control of the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

2 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.22 Related Parties (Continued)

(b) An entity is related to the Group if any of the following conditions applies:

(i) the entity and Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) both entities are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.

(vi) the entity is controlled or jointly controlled by a person identified in (a).

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) the entity, or any member of a group of which it is apart, provides key management personnel services to the Group or to the parent of the Group.

A related party transaction is a transfer of resources, services or obligations between the Group and a related party, regardless of whether a price is charged.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Target Group's activities expose it to a variety of financial risks: liquidity risk, credit risk and market risk. The Target Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Target Group's financial performance.

(a) ***Liquidity risk***

Due to the dynamic nature of the underlying business, the policy of the Target Group is to regularly monitor the Target Group's liquidity risk and to maintain adequate cash and cash equivalents or where appropriate adjust financing arrangements to meet the Target Group's liquidity requirements. The Target Group's liquidity risk management also takes into account all available information on business environment, including, among others, the macro-economic environment affecting the economies of the region in which the Target Group and its customers and suppliers operate.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) ***Liquidity risk (Continued)***

As at 31 December 2022, 2023 and 2024 and 31 July 2025, contract assets consist of unbilled revenue and retention monies receivables and account for 56%, 58%, 55% and 62% respectively of the Target Group's current assets. In line with industry practice, the Target Group is only entitled to bill and receive payments from the customers when milestone for payments as set out in the project supervision services contract is reached. Cash flow mismatch may arise during the service period when the payments by the Target Group for costs exceed the amount the Target Group collects from the customers.

The table below sets out the Target Group's financial liabilities by relevant maturity grouping at each balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year *RMB'000*	Between 1 and 2 years *RMB'000*	Over 2 years *RMB'000*	Total contractual cash flows *RMB'000*	Carrying amount liabilities *RMB'000*
As at 31 December 2022					
Trade and other payables (excluding other taxes payables) *(Note 19)*	16,421	—	—	16,421	16,421
Bank borrowings *(Note 20)*	3,753	—	—	3,753	3,474
Amount due to a related party *(Note 19)*	127	—	—	127	127
Lease liabilities *(Note 12)*	138	138	46	322	305
	20,439	138	46	20,623	20,327
As at 31 December 2023					
Trade and other payables (excluding other taxes payables) *(Note 19)*	13,328	—	—	13,328	13,328
Bank borrowings *(Note 20)*	4,569	—	—	4,569	4,525
Amount due to a related party *(Note 19)*	1,772	—	—	1,772	1,772
Lease liabilities *(Note 12)*	138	46	—	184	179
	19,807	46	—	19,853	19,804
As at 31 December 2024					
Trade and other payables (excluding other taxes payables) *(Note 19)*	11,490	—	—	11,490	11,490
Bank borrowings *(Note 20)*	4,648	—	—	4,648	4,610
Amount due to a related party *(Note 19)*	1,715	—	—	1,715	1,715
Lease liabilities *(Note 12)*	46	—	—	46	46
	17,899	—	—	17,899	17,861

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) ***Liquidity risk (Continued)***

	Less than 1 year	Between 1 and 2 years	Over 2 years	Total contractual cash flows	Carrying amount liabilities
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 July 2025					
Trade and other payables (excluding other taxes payables) *(Note 19)*	7,223	—	—	7,223	7,223
Amount due to a related party *(Note 19)*	4,768	—	—	4,768	4,768
Lease liabilities *(Note 12)*	103	77	—	180	174
	12,094	77	—	12,171	12,165

(b) ***Credit risk***

The Target Group is exposed to credit risk in relation to its trade and other receivables, amounts due from related parties, contract assets and cash and cash equivalents. The carrying amounts of each class of the above financial assets represent the Target Group's maximum exposure to credit risk in relation to financial assets and contract assets.

(i) *Credit risk of cash and cash equivalents*

To manage the risk arising from cash and cash equivalents, the Target Group assessed that the expected credit losses rate for cash and cash equivalents from the banks are immaterial because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

(ii) *Credit risk of trade receivables and contract assets*

For trade receivables, the Target Group has monitoring procedures in place to ensure that follow-up action is taken to recover overdue amounts. In addition, the Target Group reviews the recoverability of these trade receivables and contract assets at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

The Target Group applies the simplified approach to provide for expected credit loss prescribed by the accounting standards, which require the use of the lifetime expected loss provision for all trade receivables and contract assets.

The expected loss rates are determined based on the historical payment profiles, historical credit loss rates by industry and data published by external credit rating institutions, adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) ***Credit risk (Continued)***

(ii) *Credit risk of trade receivables and contract assets (Continued)*

The Target Group has primarily identified the consumer price index and broad money supply under M2 in the Chinese mainland to be the relevant macroeconomic factors for the purpose of assessing forward looking information, and accordingly adjusts the loss rates based on expected changes in these factors.

On these bases, the loss allowances for contract assets and trade receivables as at 31 December 2022, 2023 and 2024 and 31 July 2025 were determined based on provision matrix as follows:

	Expected loss rate	Gross carrying amount	Loss allowance provision	Net carrying amount
		RMB'000	*RMB'000*	*RMB'000*
As at 31 December 2022				
Collective basis				
• Contract assets	6.49%	40,632	2,638	37,994
• Trade receivables				
— Within 1 year	13.94%	8,507	1,186	7,321
— Between 1 year and 2 years	92.60%	1,612	1,492	120
— Over 2 years	100.00%	2,185	2,185	—
As at 31 December 2023				
Collective basis				
• Contract assets	9.69%	48,710	4,720	43,990
• Trade receivables				
— Within 1 year	19.17%	4,345	833	3,512
— Between 1 year and 2 years	91.35%	2,184	1,995	189
— Over 2 years	100.00%	2,377	2,377	—
As at 31 December 2024				
Collective basis				
• Contract assets	13.42%	53,295	7,153	46,142
• Trade receivables				
— Within 1 year	18.70%	4,395	822	3,573
— Between 1 year and 2 years	84.77%	1,241	1,052	189
— Over 2 years	92.25%	3,769	3,477	292

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) ***Credit risk (Continued)***

(ii) *Credit risk of trade receivables and contract assets (Continued)*

On these bases, the loss allowances for contract assets and trade receivables as at 31 December 2022, 2023 and 2024 and 31 July 2025 were determined based on provision matrix as follows: (Continued)

	Expected loss rate	Gross carrying amount	Loss allowance provision	Net carrying amount
		RMB'000	*RMB'000*	*RMB'000*
As at 31 July 2025				
Collective basis				
• Contract assets	13.42%	60,382	8,104	52,278
• Trade receivables				
— Within 1 year	32.85%	4,776	1,569	3,207
— Between 1 year and 2 years	78.22%	2,530	1,979	551
— Over 2 years	98.04%	3,419	3,352	67

Movements on the Target Group's credit loss allowance for contract assets are as follows:

	Year ended 31 December			Seven months ended 31 July
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period	—	2,638	4,720	7,153
Credit loss allowance recognised, net	2,638	2,082	2,433	951
At the end of the year/period	2,638	4,720	7,153	8,104

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) ***Credit risk (Continued)***

(ii) *Credit risk of trade receivables and contract assets (Continued)*

Movements on the Target Group's credit loss allowance for trade receivables are as follows:

	Year ended 31 December			Seven months ended 31 July
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period	—	4,863	5,205	5,351
Credit loss allowance recognised, net	4,863	342	146	1,549
At the end of the year/period	4,863	5,205	5,351	6,900

(iii) *Credit risk of other receivables and amounts due from related parties*

For other receivables and amounts due from related parties, the impairment loss is measured based on 12-month expected credit loss. The 12-month expected credit loss is the portion of lifetime expected credit loss that results from default events on a financial instrument that are possible within 12 months after the reporting date.

The Target Group monitors the exposures and manages the other receivables and amounts due from related parties based on historical settlement records and past experience. When there is a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime expected credit loss.

The management has closely monitored their states and it believes that the Target Group's credit risk expose on them is minimal.

(c) ***Market risk***

(i) *Foreign exchange risk*

The Target Group mainly operates in the Chinese mainland and the functional currency of the majority of the entities within the Target Group is RMB. The transfer of funds to and from the Chinese Mainland is subject to the rules and regulations of foreign exchange control promulgated by the PRC Government.

Most of the Target Group's transactions, assets and liabilities were denominated in RMB and therefore are not subject to foreign exchange risk.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) ***Market risk (Continued)***

(ii) *Cash flow and fair value interest rate risk*

The fair value interest rate risk relates primarily to the Target Group's financial assets at amortised cost. The cash flow interest rate risks of the Target Group related primarily to floating-rate bank borrowing. The cash flow and fair value interest rate risk on an other receivable, bank deposits and fixed rate borrowings is insignificant as the fixed rate deposits, fixed rate other receivable and fixed rate borrowings were short-term. Other financial assets and liabilities do not have material interest rate risk.

The management of the Target Group considers that the foreign exchange risk and interest rate risk are immaterial and sensitivity analysis is not presented.

(d) ***Fair value measurement***

The carrying amounts of financial assets and financial liabilities recorded at amortised cost approximate their fair value as at 31 December 2022, 2023, 2024 and 31 July 2025.

3.2 Capital management

The Target Group's objectives when managing capital are to safeguard the Target Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Target Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, raise new capital or sell assets to reduce debt.

The Target Group monitors capital on the basis of gearing ratio. This ratio is calculated as total borrowings divided by total equity. The gearing ratios as at 31 December 2022, 2023 and 2024 and 31 July 2025 were as follows:

	As at 31 December			As at 31 July
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total borrowings *(Note 20)*	3,474	4,525	4,610	—
Total equity	39,479	45,559	54,786	60,227
Gearing ratio	8.8%	9.9%	8.4%	N/A

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT

The preparation of Historical Financial Information requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Target Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Impairment of trade and other receivables and contract assets

The Target Group makes allowances on trade and other receivables and contract assets based on assumptions about risk of default and expected credit loss rates. The Target Group uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on the Target Group's past collection history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade and other receivables and contract assets and impairment charge in the periods in which such estimate has been changed. For details of the key assumptions and inputs used in the impairment assessment, see Note 3.1(b)(ii).

5 REVENUE AND SEGMENT INFORMATION

The Target Company is an investment holding company and its subsidiaries now comprising the Target Group principally engage in the provision of comprehensive engineering consulting services.

The CODM has been identified as the director of the Target Company. The director reviews the Target Group's internal reporting in order to assess performance and allocate resources. The director has determined the operating segment based on these reports.

The director considers the Target Group's operation from a business perspective and determine that the Target Group has one operating segment being the provision of comprehensive engineering consulting services.

Information relating to segment assets and liabilities is not disclosed as the Target Group monitors its assets and liabilities in one operating segment.

(a) Revenue

	Year ended 31 December			Seven months ended 31 July	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Revenue from provision of engineering consulting services	32,007	31,084	32,145	16,795	17,470

All of the Target Group's revenue is recognised over time.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

5 REVENUE AND SEGMENT INFORMATION (Continued)

(b) Revenue from major customers

Revenue from major customers who have individually contributed over 10% or more of the total revenue of the Target Group:

	Year ended 31 December			Seven months ended 31 July	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Customer I	*	4,743	*	*	*
Customer II	*	4,061	*	*	*
Customer III	*	*	7,466	*	*
Customer IV	*	*	*	*	2,972
Customer V	*	*	*	*	2,289
Customer VI	*	*	*	2,941	*
Customer VII	*	*	*	*	2,275

* Transactions with these customers did not exceed 10% of the Target Group's revenue in the respective years or periods.

No customer contributes over 10% of the total revenue of the Target Group during the year ended 31 December 2022.

(c) Segment revenue by customers' geographical location

All revenue was derived from external customers in Chinese Mainland during the Relevant Periods.

(d) Details of contract liabilities

	As at 31 December			As at 31 July
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract liabilities	7,338	7,894	3,238	1,720

(i) Contract liabilities of the Target Group mainly arose from advance payments made by customers while the underlying services are yet to be provided.

(ii) The decreases in contract liabilities at 31 December 2024 and 31 July 2025 were mainly due to the decreases in advances received from customers in relation to the provision of project supervision at the end of the reporting period.

(iii) During the years ended 31 December 2022, 2023 and 2024 and the seven months ended 31 July 2025, brought-forward contract liabilities of approximately RMB1,468,000, RMB1,527,000, RMB7,329,000 and RMB2,055,000, respectively at the beginning of the year were recognised as revenue.

(iv) As at 1 January 2022, contract liabilities amounted to RMB4,441,000.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

5 REVENUE AND SEGMENT INFORMATION (Continued)

(e) Unsatisfied contracts related to engineering consulting services:

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December and 31 July are as follows:

	As at 31 December			As at 31 July
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Amounts expected to be recognised as revenue:				
Within one year	18,893	20,009	23,382	18,190
After one year	32,158	26,373	17,036	10,014
	51,051	46,382	40,418	28,204

(f) Non-current assets by geographical location

As at 31 December 2022, 2023 and 2024 and 31 July 2025, all of the Target Group's non-current assets were located in the PRC.

6 EXPENSES BY NATURE

Expenses included in cost of revenue and administrative expenses are analysed as follows:

	Year ended 31 December			Seven months ended 31 July	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Employee benefit expenses *(Note 7)*	12,149	11,895	9,876	5,583	5,077
Expenses relating to short-term leases *(Note 12)*	266	79	46	—	—
Depreciation expenses	160	148	148	88	77
— Depreciation of property, plant and equipment *(Note 11)*	42	30	30	18	12
— Depreciation of right-of-use assets *(Note 12)*	118	118	118	70	65
Insurance expenses	21	25	17	11	—
Consulting service fees	5,204	4,694	3,794	2,652	2,745
Taxes, surcharge and levies	140	86	88	77	37
Professional fees	27	35	12	37	42
Travelling and entertainment expenses	349	1,028	890	241	259
Auditors' remuneration	4	4	19	—	—
Other expenses	1,672	1,696	1,076	582	346
	19,992	19,690	15,966	9,271	8,583

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

7 EMPLOYEE BENEFIT EXPENSES

	Year ended 31 December			Seven months ended 31 July	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Employee benefit expenses (including director's remuneration)					
Wages, salaries and bonuses	10,980	9,356	8,594	4,981	4,058
Pension costs — defined contribution plans (a)	981	871	1,143	580	1,001
Other employee benefits	188	1,668	139	22	18
	12,149	11,895	9,876	5,583	5,077

(a) Pension costs — defined contribution plans

The employees of the Target Group's subsidiaries established in the PRC participate in defined contribution retirement benefit plans organised by the relevant provincial governments under which the Target Group is required to make monthly contributions to these plans at certain percentages of the employees' monthly salaries and wages, and has no obligations for the actual payment of pensions or post-retirement benefits beyond the contribution.

(b) Five highest paid individuals

There is no director included in the five highest paid employees during the Relevant Periods, details of whose remuneration are set out in note 7(c) below. Details of the remuneration for the Relevant Periods of the non-director and highest paid employees are as follows:

	Year ended 31 December			Seven months ended 31 July	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Wages, salaries and bonuses	942	930	811	523	508
Pension costs — defined contribution plans	20	22	51	30	44
Other employee benefits	3	3	7	—	—
	965	955	869	553	552

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

7 EMPLOYEE BENEFIT EXPENSES (Continued)

(b) Five highest paid individuals (Continued)

The emoluments of the remaining individuals fell within the following bands:

	Year ended 31 December			Seven months ended 31 July	
	2022	2023	2024	2024	2025
				(unaudited)	
Emolument band					
Nil — HKD1,000,000	5	5	5	5	5

(c) Director's emoluments

The Target Company was incorporated on 6 May 2025. On 6 May 2025, Sang Haifeng was appointed as the director of the Target Company.

During the Relevant Periods, the director did not receive any remuneration from the Target Group.

(d) Director's retirement and termination benefits

No retirement benefits were paid to or receivable by any director in respect of their other services in connection with the management of the affairs of the Target Company or its subsidiaries' undertaking during the Relevant Periods.

No payment was made to the director as compensation for early termination of appointment during the Relevant Periods.

(e) Consideration provided to third parties for making available director's services

No consideration was provided to third parties for making available director's services at the end of each reporting period or at any time during the Relevant Periods.

(f) Information about loans, quasi-loans and other dealings in favor of director, his controlled bodies corporate and connected entities

Save as disclosed in Note 22, there were no loans, quasi-loans and other dealings in favor of directors, their controlled bodies corporate and connected entities at the end of each reporting period or at any time during the Relevant Periods.

(g) Director's material interests in transactions, arrangements or contracts

Save as disclosed in Note 22, no significant transactions, arrangements and contracts in relation to the Target Group's business to which the Target Company was a party and in which a director of the Target Company had a material interest, whether directly or indirectly, subsisted at the end of each reporting period or at any time during the Relevant Periods.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

8 FINANCE COSTS — NET

	Year ended 31 December			Seven months ended 31 July	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Finance income					
— Interest income from bank deposits	4	6	1	1	—
— Interest income from an other receivable *(a)*	—	—	—	—	1,929
	4	6	1	1	1,929
Finance costs					
— Interest expense on borrowings	(262)	(225)	(181)	(103)	(39)
— Interest expense on lease liabilities *(Note 12(b))*	(17)	(11)	(5)	(4)	(2)
	(279)	(236)	(186)	(107)	(41)
Finance costs — net	(275)	(230)	(185)	(106)	1,888

(a) Interest income from an other receivable represents interest received from an advance to an independent third party of the Target Group. The outstanding balance as at 31 July 2025 was approximately RMB19,250,000 which was unsecured, with an effective interest rate of 12% per annum and was fully settled subsequently in November 2025.

9 INCOME TAX EXPENSE

	Year ended 31 December			Seven months ended 31 July	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Current income tax expense	579	2,712	4,179	1,938	2,707

The Target Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Target Group are domiciled and operated.

(a) BVI Income Tax

Pursuant to the rules and regulations of the BVI, members of the Target Group incorporated in the BVI are not subject to any income tax.

(b) Hong Kong Profits Tax

No provision for Hong Kong profits tax was made as the Group had no estimated assessable profit that was subject to Hong Kong profits tax during the years ended 31 December 2022, 2023 and 2024 and the seven months ended 31 July 2025.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

9 INCOME TAX EXPENSE (Continued)

(c) PRC Corporate Income Tax ("CIT")

The income tax provision of the Target Group in respect of its operations in Mainland China was calculated at the rate of 25% on the assessable profits for the year/period presented, based on the existing legislation, interpretations and practices in respect thereof.

The tax on the Target Group's profit before income tax differs from the theoretical amount that would arise using the tax rate applicable to profits of the consolidated entities is as follows:

	Year ended 31 December			Seven months ended 31 July	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Profit before income tax	4,486	8,792	13,406	5,096	8,275
Tax calculated at applicable corporate income tax rate	1,122	2,198	3,352	1,274	2,069
Tax effects of:					
— Tax concession	(989)	(414)	—	—	—
— Expenses not deductible for tax purposes	1,929	928	827	664	638
— Utilisation of tax loss previously not recognised	(1,483)	—	—	—	—
Income tax expense	579	2,712	4,179	1,938	2,707

(d) PRC withholding income tax

Pursuant to the Detailed Implementation Regulations for Implementation of the Corporate Income Tax Law issued on 6 December 2007, dividends distributed from the profits generated by the PRC companies after 1 January 2008 to their foreign investors shall be subject to this withholding income tax of 10%. A lower 5% withholding income tax rate may be applied when the immediate holding companies of the subsidiaries in Mainland China are incorporated in Hong Kong and fulfil the requirements to the tax treaty arrangements between Mainland China and Hong Kong.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

9 INCOME TAX EXPENSE (Continued)

(d) PRC withholding income tax (Continued)

Temporary differences relating to the undistributed profits of PRC subsidiaries amounted to RMB33,092,000, RMB38,544,000, RMB46,802,000 and RMB51,677,000 as at 31 December 2022, 2023 and 2024 and 31 July 2025 respectively. Deferred tax liabilities of RMB3,309,000, RMB3,854,000, RMB4,680,000 and RMB5,168,000 have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as at 31 December 2022, 2023 and 2024 and 31 July 2025 respectively as the Target Group does not have a plan to distribute these earnings out of Mainland China in the foreseeable future.

10 DIVIDENDS

	Year ended 31 December			Seven months ended 31 July	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Final dividends	—	—	—	—	136

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

11 PROPERTY, PLANT AND EQUIPMENT

	Computers and office equipment *RMB'000*	Furniture and fixtures *RMB'000*	Motor vehicles *RMB'000*	Total *RMB'000*
As at 1 January 2022 (unaudited)				
Cost	224	70	99	393
Accumulated depreciation	(173)	(55)	(30)	(258)
Net book amount	51	15	69	135
Year ended 31 December 2022				
Opening net book amount	51	15	69	135
Depreciation *(Note 6)*	(15)	(8)	(19)	(42)
Closing net book amount	36	7	50	93
As at 31 December 2022				
Cost	224	70	99	393
Accumulated depreciation	(188)	(63)	(49)	(300)
Net book amount	36	7	50	93
Year ended 31 December 2023				
Opening net book amount	36	7	50	93
Depreciation *(Note 6)*	(11)	(1)	(18)	(30)
Closing net book amount	25	6	32	63
As at 31 December 2023				
Cost	224	70	99	393
Accumulated depreciation	(199)	(64)	(67)	(330)
Net book amount	25	6	32	63
Year ended 31 December 2024				
Opening net book amount	25	6	32	63
Depreciation *(Note 6)*	(11)	(1)	(18)	(30)
Disposals	(9)	(3)	—	(12)
Closing net book amount	5	2	14	21
As at 31 December 2024				
Cost	55	6	99	160
Accumulated depreciation	(50)	(4)	(85)	(139)
Net book amount	5	2	14	21
Seven months ended 31 July 2025				
Opening net book amount	5	2	14	21
Depreciation *(Note 6)*	(3)	(1)	(8)	(12)
Closing net book amount	2	1	6	9
As at 31 July 2025				
Cost	55	6	99	160
Accumulated depreciation	(53)	(5)	(93)	(151)
Net book amount	2	1	6	9

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

11 PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation expenses have been charged to the combined statements of comprehensive income as follows:

	Year ended 31 December			Seven months ended 31 July	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Administrative expenses	42	30	30	18	12

12 LEASE

This note provides information for leases where the Target Group is a lessee.

(a) Amounts recognised in the combined balance sheets

The combined balance sheets show the following amounts relating to leases:

	As at 31 December			As at 31 July
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Right-of-use assets				
Offices	277	159	41	174
Lease liabilities				
Current	127	133	46	99
Non-current	178	46	—	75
	305	179	46	174

There were no additions to the right-of-use assets during the years ended 31 December 2022, 2023 and 2024. During the seven months ended 31 July 2025, addition to right-of-use asset was RMB198,000.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

12 LEASE (Continued)

(b) Amounts recognised in the combined statements of comprehensive income

The combined statements of comprehensive income show the following amounts relating to leases:

	Year ended 31 December			Seven months ended 31 July	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Depreciation charge of right-of-use assets					
Offices	118	118	118	70	65
Interest expense (included in finance costs)	17	11	5	4	2
Expense relating to short-term leases (included in administrative expenses)	266	79	46	—	—

The total cash outflow for leases during the years ended 31 December 2022, 2023 and 2024 and the seven months ended 31 July 2024 and 2025 were RMB400,000, RMB216,000, RMB184,000, RMB81,000 and RMB72,000, respectively.

(c) The Target Group's leasing activities and how these are accounted for

The Target Group leases various offices, equipment and machineries. Rental contracts for equipment and machinery are typically made for a lease period of less than one year or without a fixed lease period. Payments associated with short-term leases are recognised on a straight-line basis as an expense in profit or loss.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security purposes.

The Target Group regularly entered into short-term leases for equipment and machinery. At 31 December 2022, 2023 and 2024 and 31 July 2025, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense is disclosed above.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

13 FINANCIAL INSTRUMENTS BY CATEGORY

	As at 31 December			As at 31 July
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at amortised cost				
Trade receivables *(Note 14)*	7,441	3,701	4,054	3,825
Other receivables *(Note 15)*	14,910	21,916	25,694	26,396
Amounts due from related parties *(Note 15)*	1,300	59	59	9
Cash and cash equivalents *(Note 16)*	4,110	3,830	5,066	294
	27,761	29,506	34,873	30,524
Financial liabilities at amortised cost				
Trade payables *(Note 19)*	9,663	4,912	3,268	2,563
Other payables (excluding other taxes payables) *(Note 19)*	6,758	8,416	8,222	4,660
Amounts due to related parties *(Note 19)*	127	1,772	1,715	4,768
Bank borrowings *(Note 20)*	3,474	4,525	4,610	—
Lease liabilities *(Note 12)*	305	179	46	174
	20,327	19,804	17,861	12,165

14 CONTRACT ASSETS AND TRADE RECEIVABLES

(a) Contract assets

	As at 31 December			As at 31 July
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Unbilled revenue (i)	38,310	43,409	48,905	50,537
Retention monies (ii)	2,322	5,301	4,390	9,845
	40,632	48,710	53,295	60,382
Less: provision for impairment of contract assets	(2,638)	(4,720)	(7,153)	(8,104)
	37,994	43,990	46,142	52,278

As at 1 January 2022, contract assets amounted to RMB43,652,000.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

14 CONTRACT ASSETS AND TRADE RECEIVABLES (Continued)

(a) Contract assets (Continued)

Increase in contract assets was a result of the increase of non-completed contracts during the Relevant Periods.

(i) Unbilled revenue is initially recognised for revenue earned from the provision of project supervision services as the billing of consideration is conditional on the acceptance by the customer. As the progress of engineering consulting services is accepted by the customer, the amounts recognised as unbilled revenue can be billed and are reclassified to trade receivables.

(ii) Retention monies included in contract assets represent the Target Group's right to receive consideration for work performed and conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts. The contract assets are 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 Target Group on the service quality of the engineering consulting services performed by the Target Group.

(b) Trade receivables

	As at 31 December			As at 31 July
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables (i)	12,304	8,906	9,405	10,725
Less: allowance for impairment of trade receivables	(4,863)	(5,205)	(5,351)	(6,900)
Trade receivables — net	7,441	3,701	4,054	3,825

(i) The Target Group normally allows credit terms to its customers within one to three months. Ageing analysis of trade receivables, based on invoice date, was as follows:

	As at 31 December			As at 31 July
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	8,507	4,345	4,395	4,776
1 year to 2 years	1,612	2,184	1,241	2,530
Over 2 years	2,185	2,377	3,769	3,419
	12,304	8,906	9,405	10,725

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

14 CONTRACT ASSETS AND TRADE RECEIVABLES (Continued)

(b) Trade receivables (Continued)

(ii) The Target Group's trade receivables were denominated in RMB.

(iii) The Target Group does not hold any collateral as security.

15 DEPOSITS, OTHER RECEIVABLES, PREPAYMENTS AND AMOUNTS DUE FROM RELATED PARTIES

	As at 31 December			As at 31 July
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments to suppliers for services	1,809	2,763	2,709	973
Other prepayments	113	152	148	139
Deposits (a)	100	67	21	76
Amounts due from other third parties (b)	14,810	21,849	25,673	26,320
	16,832	24,831	28,551	27,508
Amounts due from related parties (c) *(Note 22)*	1,300	59	59	9
	18,132	24,890	28,610	27,517

As at 31 December 2022, 2023 and 2024 and 31 July 2025, deposits, amounts due from related parties and amounts due from other third parties were denominated in RMB.

(a) As at 31 December 2022, 2023 and 2024 and 31 July 2025, the carrying amounts of deposits mainly includes tender deposits and rental deposits.

(b) As at 31 December 2022, 2023 and 2024, amounts due from other third parties were unsecured, interest-free and recoverable on demand. As at 31 July 2025, except for amount due from other third party of RMB19,250,000 which was unsecured, effective interest rate at 12% per annum, other amounts due from other third parties were unsecured, interest-free and recoverable on demand.

(c) As at 31 December 2022, 2023 and 2024 and 31 July 2025, the amounts due from related parties were unsecured, interest free and recoverable on demand.

16 CASH AND CASH EQUIVALENTS

	As at 31 December			As at 31 July
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash at banks and on hand	4,110	3,830	5,066	294

The cash at banks and on hand were denominated in RMB.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

17 SHARE CAPITAL

(i) For the purpose of this report, the capital as at 1 January 2022, 31 December 2022, 1 January 2023, 31 December 2023, 1 January 2024, 31 December 2024, 1 January 2025 and 31 July 2025 represented the aggregate amount of the paid-in capital of the companies now comprising the Target Group after the elimination of investments in subsidiaries.

(ii) On 6 May 2025, the Target Company was incorporated with issued share capital of HK$10,000 divided into 10,000 shares of a par value of HK$1 each.

In October 2025, the issued share capital of the Target Company was increased by HK$424 from HK$10,000 to HK$10,428.

18 RESERVES

The amounts of the Target Group's reserves and the movements therein for the Relevant Periods are presented in the combined statements of changes in equity.

(a) Statutory Surplus Reserve

In accordance with the relevant laws and regulations in the PRC and the Articles of Association of the subsidiaries, the Target Group's entities established in the PRC are required to appropriate 10% of the annual statutory net profits after offsetting any prior years' losses as determined under the PRC accounting standards, to the statutory surplus reserve fund before distributing the net profit. When the balance of the statutory surplus reserve fund reaches 50% of the contributed capital, any further appropriation is at the discretion of shareholders. The statutory surplus reserve fund can be used to offset prior years' losses, if any, and may be converted into contributed capital by issuing new shares to shareholders in proportion to their existing shareholding or by increasing the par value of the shares currently held by them, provided that the remaining balance of the statutory surplus reserve fund after such issue is no less than 25% of contributed capital.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

19 TRADE AND OTHER PAYABLES AND AMOUNTS DUE TO RELATED PARTIES

	As at 31 December			As at 31 July
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables (a)	9,663	4,912	3,268	2,563
Other payables and accruals (b)	7,082	8,523	8,823	4,910
	16,745	13,435	12,091	7,473
Amounts due to related parties *(Note 22)*	127	1,772	1,715	4,768
	16,872	15,207	13,806	12,241

The trade and other payables and amounts due to related parties were denominated in RMB.

(a) The ageing analysis of the trade payables based on invoice date were as follows:

	As at 31 December			As at 31 July
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	1,688	514	202	79
1 year to 2 years	7,975	—	—	—
Over 2 years	—	4,398	3,066	2,484
	9,663	4,912	3,268	2,563

(b) Other payables and accruals

	As at 31 December			As at 31 July
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Accrued taxes and surcharges	246	7	298	250
Employee benefits accruals	936	812	762	603
Other operating expenses payables and accruals	5,900	7,704	7,763	4,057
	7,082	8,523	8,823	4,910

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

20 BANK BORROWINGS

	As at 31 December			As at 31 July
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current bank borrowings	3,474	4,525	4,610	—

	As at 31 December			As at 31 July
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bank borrowings:				
— Fixed rates	3,474	4,525	4,610	—

At 31 December 2022, 2023 and 2024 and 31 July 2025, the Target Group's bank borrowings were repayable as follows:

	As at 31 December			As at 31 July
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	3,474	4,525	4,610	—

(i) As at 31 December 2022, bank borrowings of RMB1,280,000 were guaranteed by Wang Yan (Note 22(d)).

(ii) Bank borrowings were denominated in RMB.

(iii) As at 31 December 2022, 2023 and 2024, the Target Group's bank borrowings are with effective interest rates ranging from 4.5% to 9.45%, 3.5% and 3.5% respectively.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

21 CASH FLOW INFORMATION

(a) Reconciliation of profit before income tax to cash generated from/(used in) operations

	Year ended 31 December			Seven months ended 31 July	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Profit before income tax	4,486	8,792	13,406	5,096	8,275
Adjustments for:					
— Depreciation of property, plant and equipment *(Note 6)*	42	30	30	18	12
— Depreciation of right-of-use assets *(Note 6)*	118	118	118	70	65
— Impairment losses on financial assets and contract assets	7,501	2,424	2,579	2,312	2,500
— Loss on disposal of property, plant and equipment	—	—	12	—	—
— Finance income *(Note 8)*	(4)	(6)	(1)	(1)	(1,929)
— Finance costs *(Note 8)*	279	236	186	107	41
	12,422	11,594	16,330	7,602	8,964
Changes in working capital:					
— Trade receivables	(2,351)	3,398	(499)	(1,951)	(1,320)
— Deposits, other receivables and prepayments	(1,940)	(7,999)	(3,720)	(554)	2,972
— Amounts due from related parties	(1,300)	1,241	—	—	—
— Contract assets	3,020	(8,078)	(4,585)	(1,224)	(7,087)
— Contract liabilities	2,897	556	(4,656)	(2,676)	(1,518)
— Trade and other payables	(10,085)	(3,310)	(1,344)	(1,653)	(4,618)
— Amounts due to a related parties	(5,143)	1,645	(57)	33	2,976
Cash generated from/(used in) operations	(2,480)	(953)	1,469	(423)	369

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

21 CASH FLOW INFORMATION (Continued)

(b) Reconciliation of liabilities arising from financing activities

	Borrowings *RMB'000*	Lease liabilities *RMB'000*	Total *RMB'000*
As at 1 January 2022	1,475	422	1,897
Financing cash flows			
— Principal	1,999	(117)	1,882
— Interest	(262)	(17)	(279)
Non-cash item:			
— Interest expenses recognised	262	17	279
As at 31 December 2022	3,474	305	3,779
As at 1 January 2023	3,474	305	3,779
Financing cash flows			
— Principal	1,051	(126)	925
— Interest	(225)	(11)	(236)
Non-cash item:			
— Interest expenses recognised	225	11	236
As at 31 December 2023	4,525	179	4,704
As at 1 January 2024	4,525	179	4,704
Financing cash flows			
— Principal	85	(133)	(48)
— Interest	(181)	(5)	(186)
Non-cash item:			
— Interest expenses recognised	181	5	186
As at 31 December 2024	4,610	46	4,656
As at 1 January 2025	4,610	46	4,656
Financing cash flows			
— Principal	(4,610)	(70)	(4,680)
— Interest	(39)	(2)	(41)
Non-cash items:			
— Acquisition-leases	—	198	198
— Interest expenses recognised	39	2	41
As at 31 July 2025	—	174	174
As at 1 January 2024	4,525	179	4,704
Financing cash flows			
— Principal	330	(77)	253
— Interest	(103)	(4)	(107)
Non-cash item:			
— Interest expenses recognised	103	4	107
As at 31 July 2024 (unaudited)	4,855	102	4,957

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

22 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties are those parties that have the ability to control the other party or exercise significant influence in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

(a) Name and relationship with related parties

The following individuals/entities are related parties of the Target Group that had balances and/or transactions with the Target Group as at/during the Relevant Periods.

Name	Relationship
Wang Yan	Ultimate controlling shareholder of the Target Company
Huajian Investment Limited	Shareholder of the Target Company
Huajian Advisory Limited	Shareholder of the Target Company
Shenzhen Jinli Digital Technology Co., Ltd.* 深圳市金驪數字科技有限公司	A close family member of Wang Yan has control over it
Shenzhen Hetu Construction Group Co., Ltd.* 深圳河圖建設集團有限公司	A close family member of Wang Yan has significant influence on it

* *The English name of certain related companies referred to above represented the best efforts by management in translating their Chinese names as they do not have official English names.*

(b) Balances with related parties

Non-trade in nature:

	As at 31 December			As at 31 July
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
(i) Amounts due from related parties: *(Note 15)*				
— Wang Yan	—	59	59	—
— Shenzhen Jinli Digital Technology Co., Ltd.	1,300	—	—	—
— Huajian Investment Limited	—	—	—	6
— Huajian Advisory Limited	—	—	—	3
	1,300	59	59	9
(ii) Amounts due to related parties: *(Note 19)*				
— Wang Yan	77	—	—	77
— Shenzhen Jinli Digital Technology Co., Ltd.	—	1,772	1,715	4,691
— Shenzhen Hetu Construction Group Co., Ltd.	50	—	—	—
	127	1,772	1,715	4,768

The above balances with related parties were non-trade in nature, unsecured, interest-free and recoverable/repayable on demand.

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION (Continued)

22 RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(c) Key management compensation

The member of key management personnel is the sole director of the Target Group, the remuneration for him is disclosed in note 7 to the financial statements.

(d) Guarantee provided from related parties in respect of the bank borrowing of the Target Group

	As at 31 December			As at 31 July
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Guarantees				
— Wang Yan	1,280	—	—	—

23. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Target Company, the Target Group or any of the companies now comprising the Target Group in respect of any period subsequent to 31 July 2025.

24. EVENT AFTER THE REPORTING PERIOD

There are no material subsequent events after the end of the reporting period.

*Set out below is the management discussion and analysis of the Target Group for the three years ended 31 December 2022, 2023 and 2024 and the seven months ended 31 July 2025 (the "**Relevant Periods**") which is prepared based on the financial information set out in Appendix II to this circular.*

BUSINESS REVIEW

The Target Company is an investment holding company which was incorporated under the laws of British Virgin Islands with limited liability on 6 May 2025. Following the Reorganisation, the Target Group will principally engage in the provision of comprehensive engineering consulting services.

FINANCIAL REVIEW

Revenue

During the Relevant Periods, the revenue of the Target Group was derived from the provision of engineering consulting services, mainly on building construction projects and municipal construction projects, to external customers in the PRC. The Target Group's revenue remains relatively stable over the Relevant Period, amounted to approximately RMB32.0 million, RMB31.1 million, RMB32.1 million and RMB17.5 million for the years ended 31 December 2022, 2023 and 2024 and for the seven months ended 31 July 2025, respectively.

Cost of revenue

Cost of revenue of the Target Group mainly comprised of staff costs and consulting service fees paid to experts. The costs may vary from project to project depending on the scope, complexity, the stages and timing and recognition of cost and revenue of different projects. The Target Group's cost of revenue was approximately RMB15.4 million, RMB12.2 million and RMB11.4 million and RMB6.9 million for the years ended 31 December 2022, 2023 and 2024 and for the seven months ended 31 July 2025, respectively.

Gross profit and gross profit margin

The gross profit of the Target Group amounted to approximately RMB16.6 million, RMB18.9 million, RMB20.8 million and RMB10.5 million, respectively, and gross profit margin of approximately 52.0%, 60.9%, 64.6% and 60.3% respectively, for the years ended 31 December 2022, 2023 and 2024 and for the seven months ended 31 July 2025.

Administrative expenses

Administrative expenses of the Target Group mainly included staff costs, consulting service fees and travelling and entertainment expenses. The Target Group recorded administrative expenses of approximately RMB4.6 million, RMB7.5 million, RMB4.6 million and RMB1.6 million for the years ended 31 December 2022, 2023 and 2024 and for the seven months ended 31 July 2025, respectively. Higher administrative expenses for the year ended 31 December 2023 was mainly attributable to the increase in other employee benefits and consulting service fees.

Impairment losses on financial assets and contract assets

The Target Group's impairment losses on financial assets and contract assets represent the expected credit losses on contract assets and trade receivables. The Target Group applies the simplified approach to provide for expected credit loss prescribed by the accounting standards, which require the use of the lifetime expected loss provision for all contract assets and trade receivables. See Note 3.1(b)(ii) of Appendix II for further details.

Profit for the year/period

As a result of the foregoing, the Target Group recorded profit for the year/period of approximately RMB3.9 million, RMB6.1 million, RMB9.2 million and RMB5.6 million for the years ended 31 December 2022, 2023 and 2024 and for the seven months ended 31 July 2025, respectively.

Liquidity and financial resources

The Target Group's daily operations were primarily funded with its own working capital and external bank borrowings. The Target Group's borrowings are primarily determined by current working capital requirements associated with ongoing projects, rather than displaying any recurring seasonal patterns. As at 31 December 2022, 2023 and 2024 and 31 July 2025, the Target Group's cash and cash equivalents were approximately RMB4.1 million, RMB3.8 million, RMB5.1 million and RMB0.3 million, respectively. As at the same dates, the Target Group's bank borrowings were approximately RMB3.5 million, RMB4.5 million, RMB4.6 million and RMB nil, respectively. The bank borrowings were repayable within one year, interest-bearing at fixed rates and denominated in RMB.

As at 31 December 2022, 2023 and 2024 and 31 July 2025, the Target Group's net assets were approximately RMB39.5 million, RMB45.6 million, RMB54.8 million and RMB60.2 million, respectively.

Gearing ratio

Gearing ratio is calculated as total borrowings divided by total equity as at the respective reporting dates. As at 31 December 2022, 2023 and 2024 and 31 July 2025, the gearing ratio of the Target Group was approximately 8.8%, 9.9%, 8.4% and N/A, respectively.

Treasury management

The management of the Target Group closely monitors the liquidity position to ensure the Target Group maintains sufficient liquidity reserve to support sustainability and growth of its business. The management of the Target Group closely reviews trade receivables balances and any overdue balances on an ongoing basis and only trade with creditworthy parties.

Foreign exchange exposure

The Target Group does not expect to face any foreign exchange risk as most of the Target Group's transactions, assets and liabilities were denominated in RMB, which is the functional currency of the Target Group. The Target Group currently does not have a foreign currency hedging policy.

Capital commitments

As at 31 December 2022, 2023 and 2024 and 31 July 2025, the Target Group had no significant capital commitments.

Segment information

During the Relevant Periods, the Target Group had only one reportable segment.

Significant investment, material acquisition and disposal

During the Relevant Periods, the Target Group did not have any significant investment, material acquisition and disposal of subsidiaries, associates or joint venture.

Human resources

The total number of employees of the Target Group as at 31 December 2022, 2023 and 2024 and 31 July 2025 were 124, 112, 129 and 128 employees, respectively, in the PRC. For the years ended 31 December 2022, 2023 and 2024 and the seven months ended 31 July 2025, total employee benefit expenses were approximately RMB12.1 million, RMB11.9 million, RMB9.9 million and RMB5.1 million, respectively.

The Target Group recruited, employed, promoted and remunerated its employees based on their qualifications, experiences, skills, performances and contributions. Remuneration was also determined with reference to, among others, the market trend.

Pledge of assets

As at 31 December 2022, 2023 and 2024 and 31 July 2025, the Target Group did not have any assets pledged as security.

Contingent liabilities

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

Future plans for material investments or capital assets

The Target Group focus on the provision of comprehensive engineering consulting services and does not intend to change this focus. As at 31 July 2025, the Target Group did not have any future plans for material investments or capital assets.

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

1. Basis of Preparation

In connection with the acquisitions of 100% equity interest in Huajian Development Limited (the "**Target Company**") (the "**Acquisition**"), the unaudited pro forma consolidated balance sheet of the Enlarged Group (as defined in this Circular) (the "**Unaudited Pro Forma Financial Information**") has been prepared by the Directors (as defined in this circular) in accordance with paragraph 29 of Chapter 4 of the Listing Rules and is solely for the purpose to illustrate the effect of the Acquisition on the Group's consolidated balance sheet as at 30 June 2025 as if the Acquisition had been completed on 30 June 2025.

The Unaudited Pro Forma Financial Information has been prepared based on the unaudited condensed consolidated balance sheet of the Group as at 30 June 2025 as extracted from the published unaudited condensed consolidated interim financial statements dated 29 August 2025 for the six months ended 30 June 2025 (the "**Interim Report**") and the audited combined balance sheet of the Target Company and its subsidiaries (collectively referred to as the "**Target Group**") as set out in the accountants' report of the Target Group in Appendix II to this Circular, after making pro forma adjustments relating to the Acquisition that are factually supportable and directly attributable to the Acquisition as set out in the accompanying notes below.

The Unaudited Pro Forma Financial Information is prepared based on a number of assumptions, estimates, uncertainties and currently available information, and is provided for illustrative purposes only. As a result of the hypothetical nature of the Unaudited Pro Forma Financial Information, it may not give a true picture of the actual financial position of the Enlarged Group that would have been attained had the Acquisition been completed as at 30 June 2025.

The Unaudited Pro Forma Financial Information should be read in conjunction with the published financial information of the Group as set out in Appendix I to this Circular, the audited combined financial information of the Target Group as set out in Appendix II to this Circular and other financial information included elsewhere in this Circular.

2. Unaudited Pro Forma Financial Information

	The Group as at 30 June 2025 *(Unaudited)* *RMB'000* *Note (1)*	The Target Group as at 31 July 2025 *(Audited)* *RMB'000* *Note (2)*	Pro forma adjustment *(Unaudited)* *RMB'000* *Note (3)*	Pro forma adjustments *(Unaudited)* *RMB'000* *Note (4)*	Pro forma Enlarged Group as at 30 June 2025 *(Unaudited)* *RMB'000*
ASSETS					
Non-current assets					
Property, plant and equipment	46,728	9			46,737
Right-of-use assets	323	174			497
Intangible assets	6,011	—		24,085	30,096
Financial asset at fair value through other comprehensive income	5,000	—			5,000
Deferred income tax assets	10,755	—			10,755
Goodwill	—	—		109,572	109,572
	68,817	183			202,657
Current assets					
Inventories	153	—			153
Contract assets	980,253	52,278			1,032,531
Trade receivables	241,175	3,825			245,000
Deposits, other receivables and prepayments	190,713	27,508			218,221
Amounts due from related parties	443	9			452
Restricted bank deposits	9,431	—			9,431
Cash and cash equivalents	99,683	294	8,000		107,977
	1,521,851	83,914			1,613,765
Total assets	1,590,668	84,097			1,816,422
Equity					
Share capital	5,632	6,009	8,000	(10,330)	9,311
Other reserve	478,450	2,541		188,780	669,771
Retained earnings	27,321	51,677		(53,680)	25,318
	511,403	60,227			704,400
Equity attributable to owners of the Company					
Non-controlling interests	—	—		863	863
Total equity	511,403	60,227			705,263

	The Group as at 30 June 2025 *(Unaudited)* *RMB'000* *Note (1)*	The Target Group as at 31 July 2025 *(Audited)* *RMB'000* *Note (2)*	Pro forma adjustment *(Unaudited)* *RMB'000* *Note (3)*	Pro forma adjustments *(Unaudited)* *RMB'000* *Note (4)*	Pro forma Enlarged Group as at 30 June 2025 *(Unaudited)* *RMB'000*
LIABILITIES					
Non-current liabilities					
Lease liabilities	110	75			185
Deferred tax liabilities	—	—		6,021	6,021
	110	75			6,206
Current liabilities					
Trade and other payables	953,902	7,473		2,003	963,378
Amount due to a related party	—	4,768			4,768
Contract liabilities	55,453	1,720			57,173
Bank borrowings	69,582	—			69,582
Current income tax liabilities	—	9,735			9,735
Lease liabilities	218	99			317
	1,079,155	23,795			1,104,953
Total liabilities	1,079,265	23,870			1,111,159
Total equity and liabilities	1,590,668	84,097			1,816,422

Notes:

(1) The unaudited condensed consolidated balance sheet of the Group as at 30 June 2025 is extracted without adjustment from the published unaudited condensed consolidated balance sheet of the Group for the six months ended 30 June 2025.

(2) The audited combined balance sheet of the Target Group as at 31 July 2025 is extracted from the accountant's report of the Target Group as set out in Appendix II to this Circular.

(3) Pursuant to an agreement signed on 22 October 2025, an aggregate of 428 ordinary shares of HK$1 par value each of the Target Company was allotted to Huajian Technology Limited at a total cash consideration of RMB8,000,000.

(4) The adjustments represent the combined effect of:

(i) The Acquisition of the entire equity interests of the Target Company at a total consideration of HK$213,574,999.94 (equivalent to approximately RMB195,000,000) to be satisfied by the allotment and issue of Consideration Shares at the Issue Price of HK$0.53 per Consideration Share.

(ii) The recognition of identifiable intangible assets of approximately RMB24,085,000 arising from the Acquisition of the entire equity interests of the Target Company, which represents project supervision license and backlog contracts. For the purpose of the unaudited pro forma financial information, the fair value of the identifiable intangible assets was determined after making reference to the valuation report prepared by an independent professional valuer.

(iii) The recognition of goodwill of approximately RMB109,572,000, being the excess of consideration over the fair value of the identifiable assets and liabilities of the Target Group. The fair value and the carrying amount of the identifiable assets and liabilities of the Target Group are analysed as below:

	Carrying amount *RMB'000*	**Fair value of identifiable assets** *RMB'000*
Property, plant and equipment	9	9
Right-of-use assets	174	174
Intangible assets	—	24,085
Contract assets	52,278	52,278
Trade receivables	3,825	3,825
Deposits, other receivables and prepayments	27,508	27,508
Amounts due from related parties	9	9
Cash and cash equivalents	294	8,294
Trade and other payables	(7,473)	(7,473)
Amount due to a related party	(4,768)	(4,768)
Contract liabilities	(1,720)	(1,720)
Current income tax liabilities	(9,735)	(9,735)
Lease liabilities	(174)	(174)
Deferred tax liabilities	—	(6,021)
Net assets	60,227	86,291
Less: Non-controlling interests		(863)
Add: Goodwill		109,572
Total consideration		195,000

The fair value of the identifiable assets and liabilities of the Target Group is subject to change upon completion of the Acquisition because the fair value of the identifiable assets and liabilities will be assessed and recorded on the completion date of the Acquisition.

The Company has consistently applied its accounting policies and assumptions for the purpose of assessing impairment of goodwill in accordance with the Hong Kong Accounting Standard 36 Impairment of Assets. The directors have engaged an independent valuer to perform a valuation of the Target Company for the purpose of goodwill impairment assessment. Based on the valuation report, it is of the view that the recoverable amount of goodwill is higher than the carrying amount. As a result, the directors are not aware of any indication that an impairment of goodwill arising from the Acquisition is required.

The Company will consistently adopt its accounting policies and assumptions for the purpose of assessing impairment of goodwill in future.

(iv) The fair value adjustment of deferred tax liabilities of RMB6,021,000 arising from the recognition of identifiable intangible assets of the Target Group, calculated based on the enacted tax rate of 25% of the tax jurisdiction that the Target Company operates.

(v) Legal and professional fees and other expenses of approximately RMB2,003,000 were incurred directly attributable to the Acquisition.

(vi) Apart from the above, no other adjustments have been made to reflect any trading result or other transactions of the Group entered into subsequent to 30 June 2025, or any trading result or other transactions of the Target Group entered into subsequent to 31 July 2025. Unless otherwise stated, the adjustments above do not have a recurring effect.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION



國富浩華（香港）會計師事務所有限公司
Crowe (HK) CPA Limited
香港 銅鑼灣 禮頓道77號 禮頓中心9樓
9/F Leighton Centre,
77 Leighton Road,
Causeway Bay, Hong Kong

To the Directors of Zhongshen Jianye Holding Limited

We have completed our assurance engagement to report on the compilation of pro forma financial information of Zhongshen Jianye Holding Limited (the "**Company**") and its subsidiaries (collectively the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The pro forma financial information consists of the unaudited pro forma consolidated statement of financial position of the Group as at 30 June 2025 and related notes as set out in Appendix IV to the investment circular dated 17 December 2025 issued by the Company (the "**Circular**") (the "**Unaudited Pro Forma Financial Information**"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in pages IV-1 to IV-4 of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Group's proposed acquisition of the 100% of interest in Huajian Development Limited (the "**Target Company**") (the "**Acquisition**") on the Group's unaudited consolidated statement of financial position as at 30 June 2025 as if the Acquisition had taken place on 30 June 2025. As part of this process, information about the Group's unaudited consolidated statement of financial position has been extracted by the Directors from the Group's unaudited consolidated interim financial statements for the six months ended 30 June 2025.

DIRECTORS' RESPONSIBILITY FOR THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline ("**AG**") 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

OUR INDEPENDENCE AND QUALITY MANAGEMENT

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

REPORTING ACCOUNTANT'S RESPONSIBILITIES

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements (HKSAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus issued by the HKICPA. This standard requires that the reporting accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Acquisition would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

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

OPINION

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Crowe (HK) CPA Limited
Certified Public Accountants

Hong Kong, 17 December 2025

Chiu Lung Sang
Practising Certificate Number P08091

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

INTERESTS OF DIRECTORS

(a) Interests of Directors in the Shares, underlying shares and debentures of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executive of the Company in the shares and share options 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 or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies adopted by the Company (the "**Model Code**") to be notified to the Company and the Stock Exchange were as follows:

Long position in the Shares

Name of Director	Capacity	Number of Shares held	Approximate percentage of issued share capital of the Company
Mr. Sang Xianfeng[(1)] *(Executive Director)*	Interest of controlled corporation	284,172,240	38.33%[(3)]
Mr. Xian Yurong[(2)] *(Executive Director)*	Interest of controlled corporation	71,040,560	9.58%[(3)]

Notes:

1. These represent the shares held by Zhongshen Hengtai Capital Limited ("**Zhongshen Hengtai**"), a company wholly-owned by Mr. Sang Xianfeng.

2. These represent the shares held by Zhongshen Chitai Capital Limited ("**Zhongshen Chitai**"), a company wholly-owned by Mr. Xian Yurong.

3. Based on 741,312,000 Shares in issue as at the Latest Practicable Date.

Save as disclosed above and other than certain nominee Shares in subsidiaries held by Directors in trust for the Company or its subsidiaries, as at the Latest Practicable Date, none of the Company's Directors, chief executive nor their associates had any interests or short positions in any Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of the SFO) as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO), or as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Substantial Shareholders

As at the Latest Practicable Date, to the best knowledge of the Directors, the following persons (other than being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of shareholder	Capacity	Long position/ Short position	Number of issued ordinary shares held	Approximate percentage of issued share capital of the Company
Zhongshen Hengtai	Beneficial owner	Long position	284,172,240	38.33%[(2)]
Zhongshen Chitai	Beneficial owner	Long position	71,040,560	9.58%[(3)]
Ms. Jin Wei[(1)]	Interest of spouse	Long position	71,040,560	9.58%[(3)]

Notes:

1. Ms. Jin Wei is the spouse of Mr. Xian Yurong. By virtue of the SFO, Ms. Jin Wei is deemed to be interested in all the Shares in which Mr. Xian Yurong is interested.

2. Based on 741,312,000 Shares in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

(c) Interests of Directors in the assets of the Company

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had, since 31 December 2024, being the date of the latest published audited financial statements of the Company, been acquired or disposed of by, or leased to any member of the Group, or are proposed to be acquired or disposed of by, or leased to any member of the Group.

(d) Interests of Directors in contracts

There was no contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date in which any Director is materially interested in and which is significant to the business of the Group.

DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into a service contract with any member of the Group which does not expire or which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors, the controlling Shareholder and their respective associates is considered by the Company to have interests in business which compete with, or might compete with, either directly or indirectly, with the business of the Group.

EXPERTS' QUALIFICATION AND CONSENT

The following are the qualifications of the experts which have been named in this circular or have given opinion or advised contained in this circular:

Name	Qualifications
Crowe (HK) CPA Limited	Certified public accountants
Colliers International (Hong Kong) Limited	Valuer

Letters from the experts named above as set out in this circular were given for incorporation in this circular. As at the Latest Practicable Date, each of the experts named above has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and reference to its name, in the form and context in which they are included.

As at the Latest Practicable Date, the experts named above did not have any shareholding in any member of the Group and did not have the right to subscribe for or to nominate persons to subscribe for shares in any members of the Group.

As at the Latest Practicable Date, the experts named above did not have any interest, direct or indirect, in any assets which have been acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Company were made up.

LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

MATERIAL CONTRACTS

Set out below are summary of the principal contents of the material contracts (not being contracts entered into in the ordinary course of business) entered into by any members of the Group within the two years immediately preceding the Latest Practicable Date:

(i) a deed of waiver dated 19 December 2023 entered into between Zhongshen Hengtai and the Company pursuant to which a sum of RMB13,184,381.95 being the outstanding balance of amounts due to Zhongshen Hengtai by the Company be released, discharged and waived;

(ii) a deed of indemnity dated 19 December 2023 entered into by Mr. Sang Xianfeng and Zhongshen Hengtai (as the controlling shareholders of the Company), in favour of the Company (for the Company and as trustee for the Group's subsidiaries) in respect of, among other things, certain indemnities, details of which were disclosed in the prospectus of the Company dated 28 December 2023;

(iii) the public offer underwriting agreement dated 27 December 2023 entered into between, among others, the Company, the controlling shareholders of the Company (namely, Mr. Sang Xianfeng and Zhongshen Hengtai), the public offer underwriters and capital market intermediaries, pursuant to which the Company received gross proceeds of approximately HK$51.5 million. The details of such agreement were disclosed in the prospectus of the Company dated 28 December 2023 and the allotment results were disclosed in the announcement of the Company dated 8 January 2024;

(iv) the placing underwriting agreement dated 4 January 2024 entered into between, among others, the Company, the controlling shareholders of the Company (namely, Mr. Sang Xianfeng and Zhongshen Hengtai), the placing underwriters and capital market intermediaries, pursuant to which the Company received gross proceeds of approximately HK$77.2 million. The details of such agreement were disclosed in the prospectus of the Company dated 28 December 2023 and the allotment results were disclosed in the announcement of the Company dated 8 January 2024; and

(v) the Agreement.

MISCELLANEOUS

(a) The company secretary of the Company is Mr. Ng Ka Chai, who is a member of The Hong Kong Institute of Certified Public Accountants.

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

(c) The registered office of the Company is situated at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

(d) The principal place of business in Hong Kong of the Company is situated at Room 1204, 12/F, C C Wu Building, 302–308 Hennessy Road, Wan Chai, Hong Kong.

(e) The English text of this circular shall prevail over the Chinese text.

DOCUMENTS ON DISPLAY

Copies of the following documents will be on the websites of the Company and the Stock Exchange for the period of 14 days commencing from the date of this circular:

(a) the material contracts referred to in the paragraph headed "Material Contracts" of this Appendix;

(b) the accountant's report of the Target Group for the years ended 31 December 2022, 2023 and 2024 and the seven months ended 31 July 2025, the text of which is set out in Appendix II to this circular;

(c) the report on the unaudited pro forma financial information of the Enlarged Group, the text of which is set out in Appendix IV to this circular;

(d) the written consents of the experts referred to in the paragraph headed "Experts' Qualification and Consent" of this appendix; and

(e) this circular.

Zhongshen Jianye Holding Limited
中深建業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2503)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of Zhongshen Jianye Holding Limited (the "**Company**") will be held at 8/F, Block B, Building 4, Huaqiang Creative Industrial Park, Guangming Street, Guangming District, Shenzhen, the PRC on Friday, 9 January 2026 at 3:00 p.m. for the purpose of considering and, if thought fit, passing, with or without modification, the following resolution to be proposed as ordinary resolution of the Company:

ORDINARY RESOLUTIONS

1. "**THAT** subject to the passing of ordinary resolution numbered 2 herein:

   (a) the sale and purchase agreement dated 6 November 2025 (the "**Agreement**") entered into among Huajian Investment Limited, Huajian Advisory Limited and Huajian Technology Limited (collectively as sellers) (the "**Sellers**") and the Company (as purchaser), (copy of the Agreement is tabled at the meeting and marked "A" and signed by the chairman of the meeting for identification purpose) pursuant to which, among others, the Company has conditionally agreed to acquire and the Sellers has conditionally agreed to sell, 100% of the issued shares in Huajian Development Limited (the "**Target Company**") (the "**Acquisition**"), and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and

   (b) any one director of the Company (the "**Director(s)**") be and is hereby authorised to, on behalf of the Company, do all such acts and sign, seal, execute and deliver all such documents and take all such actions as he may consider necessary or desirable for the purpose of or in connection with or to give effect to the Agreement and the transactions contemplated thereunder."

2. "**THAT** subject to the passing of ordinary resolution numbered 1 herein and The Stock Exchange of Hong Kong Limited having granted the listing of, and permission to deal in the Consideration Shares (as defined below), the Directors be and are hereby granted a specific mandate (the "**Specific Mandate**") which shall entitle the Directors to exercise all the powers of the Company to allot and issue up to 402,971,698 new ordinary shares

of the Company (the "**Consideration Shares**") at an issue price of not lower than HK$0.01 per Consideration Share to the Sellers as consideration for the Acquisition subject to the terms and conditions of the Agreement, where such Consideration Shares shall rank *pari passu* in all respects with the other ordinary shares of the Company in issue or to be issued by the Company on or prior to the date of allotment of the Consideration Shares, provided that the Specific Mandate shall be in addition to, and shall not prejudice nor revoke, any general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors prior to the passing of this resolution."

Yours faithfully,
By order of the Board
Zhongshen Jianye Holding Limited
Sang Xianfeng
Chairman

Hong Kong, 17 December 2025

Notes:

(1) All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Listing Rules. The results of the poll will be published on the websites of the Stock Exchange and the Company in accordance with the Listing Rules.

(2) Any member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him/her/it. A proxy need not be a member of the Company. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her/it to attend and vote on his/her/its behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.

(3) In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for the meeting (i.e. not later than 3:00 p.m. on Wednesday, 7 January 2026) or the adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

(4) For determining the entitlement to attend and vote at the meeting, the Register of Members of the Company will be closed from Tuesday, 6 January 2026 to Friday, 9 January 2026, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Extraordinary General Meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 5 January 2026.

(5) References to time and dates in this notice are to Hong Kong time and dates.

(6) As at the date of this notice, the Board comprises Mr. Sang Xianfeng and Mr. Xian Yurong as executive Directors; and Ms. Liu Zhihong, Mr. Zeng Qingli and Mr. Xie Huagang as independent non-executive Directors.