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 stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **King's Flair International (Holdings) Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee

King's Flair International (Holdings) Limited
科勁國際(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6822)

MAJOR AND CONNECTED TRANSACTION
DISPOSAL OF GOLDEN WELL VENTURES LIMITED;
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

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

PELICAN FINANCIAL
百利勤金融

Pelican Financial Limited

Unless the context requires otherwise, capitalized terms used on this cover page have the same meanings as defined in the section headed "Definitions" in this circular. A letter from the Board is set out on pages 5 to 16 of this circular.

A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 17 to 18 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 19 to 43 of this circular.

A notice convening the EGM (as defined herein) to be held at Boardroom 5, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Tuesday, 25 August 2026 at 3:00 p.m. is set out on pages EGM-1 to EGM-3 of this circular. Whether or not you are able to attend and vote at the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and deposit the same at the office of Hong Kong branch share registrar and transfer office of the Company 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 holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and in such event, the instrument appointing the proxy shall be deemed to be revoked.

24 July 2026

CONTENTS

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

"Board"	the board of Directors
"Business Day(s)"	day(s) (excluding Saturday, Sunday or public holiday) in Hong Kong on which licensed banks are generally open for business throughout the normal working hours
"BVI"	the British Virgin Islands
"Company"	King's Flair International (Holdings) Limited (Stock Code: 6822), a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on the Main Board of the Stock Exchange
"Completion"	completion of the Disposal pursuant to the terms and conditions of the Disposal Agreement
"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"controlling shareholder"	has the meaning ascribed to it under the Listing Rules
"Consideration"	the total consideration for the Sale Share and Sale Debt payable by the Purchaser pursuant to the terms and conditions of the Disposal Agreement
"Director(s)"	the director(s) of the Company
"Disposal"	the disposal of the Sale Share and the Sale Debt by the Vendor to the Purchaser pursuant to the terms and conditions of the Disposal Agreement
"Disposal Agreement"	the sale and purchase agreement dated 5 June 2026 entered into between the Vendor and the Purchaser in relation to the Disposal
"Dr. Wong"	Dr. Wong Siu Wah, an executive Director, the Chief Executive Officer of the Group and the controlling shareholder of the Company

"EGM"	the extraordinary general meeting of the Company to be convened and held to approve, among other things, the Disposal Agreement and the transactions contemplated thereunder, the notice of which is set out on pages EGM-1 to EGM-3 of this circular, or any adjournment thereof
"Group"	the Company and its subsidiaries from time to time
"Hong Kong"	The Hong Kong Special Administrative Region of the People's Republic of China
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Independent Board Committee"	the independent committee of the Board comprising all independent non-executive Directors established to provide recommendation to the Independent Shareholders in relation to the Disposal Agreement and the transactions contemplated thereunder
"Independent Financial Adviser"	Pelican Financial Limited, a corporation licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Disposal Agreement and the transactions contemplated thereunder
"Independent Shareholder(s)"	Shareholder(s) other than Dr. Wong and his close associates
"Independent Third Party(ies)"	has the meaning ascribed to it under the Listing Rules
"Latest Practicable Date"	21 July 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

"Net Current Asset Value"	(A) the amount of all current assets of the Target Company as at Completion, comprising only of the following (if any) (i) prepayments of government rent and rates and management fee, utilities deposits and insurance premium taken out by the Target Company for the Properties; (ii) management fee deposits, sinking fund and similar amount in respect of the Properties; and (iii) rent and other receivables under the Tenancy Agreements, excluding deferred tax assets and (for the avoidance of doubt) the value of the Properties; less (B) the aggregate amount of all liabilities, including all provisions for taxation but excluding the Sale Debt, deferred tax liabilities, liabilities arising from any Government work orders and other matters relating to the condition of the Properties, of the Target Company as at Completion
"percentage ratios"	has the meaning ascribed to it under Rule 14.07 of the Listing Rules
"Properties"	the whole of the 14th Floor of Block C of Sea View Estate, No. 8 Watson Road and Parking Space No.60 on 1st Floor of Block B of the said Sea View Estate, Nos.4-6 Watson Road, Hong Kong
"Purchaser"	Eagle Action Limited, a company incorporated in the BVI with limited liability and is wholly-owned by Dr. Wong
"Sale Debt"	all amount owing by Target Company to the Vendor as at Completion
"Sale Share"	the sole issued share, representing the entire issued share capital of and in the Target Company as at the date of the Disposal Agreement and at Completion
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shareholder(s)"	shareholder(s) of the Company
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Target Company"	Golden Well Ventures Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company prior to Completion
"Tenancy Agreements"	the two existing tenancy agreements in respect of the Properties (one in respect of 14th Floor of Block C and one in respect of Parking Space No. 60 on 1st Floor of Block B) both dated 29 September 2023 and both entered into between the Target Company and an independent third party of the Company
"Valuation Date"	30 April 2026
"Valuation Report"	the valuation report prepared by the Valuer in respect of the valuation of the market value of the Properties by adopting the market approach
"Valuer"	Royson Valuation Advisory Limited, an independent valuer
"Vendor"	King's Flair Marketing Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company
"%"	per cent

The Chinese translation of this circular is for reference only. In case of any inconsistency, the English version shall prevail.

King's Flair International (Holdings) Limited
科勁國際(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6822)

Executive Directors:
Dr. Wong Siu Wah *(Chairman and Chief Executive Officer)*
Ms. Wong Fook Chi

Independent Non-executive Directors:
Professor Lau Kin Tak
Mr. Anthony Graeme Michaels
Ms. Leung Wai Ling, Wylie
Professor Shyy Wei

Registered Office:
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P.O. Box 2681
Grand Cayman KY1-111
Cayman Islands

Head Office and Principal Place of Business in Hong Kong:
12th Floor,
Yardley Commercial Building
3 Connaught Road West
Hong Kong

24 July 2026

To the Shareholders

Dear Sir or Madam,

MAJOR AND CONNECTED TRANSACTION DISPOSAL OF GOLDEN WELL VENTURES LIMITED; AND NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the two announcements of the Company dated 5 June 2026 and 8 June 2026 respectively in relation to the Disposal Agreement and the transactions contemplated thereunder which constitute a major and connected transaction for the Company under the Listing Rules.

The purpose of this circular is to provide you with, among other things, (i) further details of the Disposal; (ii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; and (iv) a notice of the EGM.

THE DISPOSAL

The principal terms of the Disposal Agreement are as follows:

(1) Date:

5 June 2026 (after trading hours)

(2) Parties:

Vendor:

King's Flair Marketing Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company; and

Purchaser:

Eagle Action Limited, a company incorporated in the BVI with limited liability which is wholly owned by Dr. Wong, an executive Director, the Chief Executive Officer and the controlling shareholder of the Company.

(3) Subject matter of the Disposal Agreement

Pursuant to the Disposal Agreement, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Share and the Sale Debt free from encumbrances.

The Sale Share represents the entire issued share capital of and in the Target Company as at the date of the Disposal Agreement and at Completion. The Sale Debt represents the aggregate amount owing by the Target Company to the Vendor, which was incurred primarily in relation to the Properties and is estimated to be approximately HK$88,697,000 on Completion.

(4) Consideration:

The total consideration for the Sale Share and Sale Debt is the aggregate of HK$92,000,000 and the amount of the Net Current Asset Value, which shall be paid by the Purchaser on Completion.

Based on the unaudited management accounts of the Target Company for the period from 1 January 2026 to 30 April 2026 and that all cash of the Target Company shall be applied before Completion to pay down the amount owing to the Vendor, the Net Current Asset Value of the Target Company would be approximately HK$90,000 and the Consideration would be approximately HK$92,090,000.

The Consideration was determined after arm's length negotiation between the Purchaser and the Vendor with reference to the valuation of the Properties made by the Valuer of HK$85,600,000 in existing state and with vacant possession as at 31 December 2025 and the valuation of the Properties made by the Valuer of HK$80,200,000 also in existing state and with vacant possession as at 30 April 2026, both adopting the market approach by making reference to comparable market transactions.

The valuation of the Properties decreased from HK$109.8 million as at 31 December 2024 to HK$85.9 million as at 31 December 2025, and further to HK$80.2 million as at 30 April 2026. In light of the ongoing challenges in the Hong Kong real estate market, including increase in interest rates and compressed rental yields, the Disposal allows the Group to realize the value of the Properties in cash before any further market deterioration.

In addition, the Consideration of approximately HK$92.09 million (the amount of the Net Current Asset Value being nominal based on the unaudited management accounts of the Target Company made up to 30 April 2026) represents a premium of approximately 14.8% and 7% over the valuation of the Properties of HK$80.2 million as at 30 April 2026 and HK$85.9 million as at 31 December 2025, respectively. The Disposal will also provide an immediate and substantial cash inflow of HK$92.09 million to reduce its indebtedness and also strengthen its working capital and financial position.

The Group also expects to record a gain on disposal of approximately HK$5,550,000 (as further described in the section headed "Financial Effects of the Disposal and Intended Use of Proceeds" below).

In view of the above, the executive Director, other than Dr. Wong who had abstained from voting on the relevant board resolution given the material interest he has in the Disposal and the independent non-executive Directors, having taken into account the advice of the Independent Financial Adviser, consider the Disposal to be in the interests of the Company and although the entering into of the Disposal Agreement is not in the ordinary and usual course of business of the Group, the terms of the Disposal Agreement (including the Consideration) are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

(5) Conditions precedent:

Pursuant to the Disposal Agreement, Completion shall be conditional upon the passing of the necessary resolution(s) by the Independent Shareholders at the EGM approving the Disposal Agreement and the transactions contemplated thereunder (the "**Condition Precedent**").

If the Condition Precedent is not fulfilled on or before 31 August 2026 or such other date as the Vendor and the Purchaser may agree in writing, the Disposal Agreement shall automatically terminate and neither the Vendor nor the Purchaser shall have any claim against the other under the Disposal Agreement. The Condition Precedent cannot be waived by either party.

Save for the Condition Precedent, there is no other condition precedent under the Disposal Agreement to be fulfilled for Completion to take place.

(6) Completion:

Subject to the fulfilment of the Condition Precedent, Completion shall take place on the third (3rd) business day after the fulfilment of the Condition Precedent or such other date as the Vendor and the Purchaser may agree in writing.

VALUATION OF THE PROPERTIES

The Company engaged Royson Valuation Advisory Limited as the valuer to conduct a valuation of the market value of the Properties for the purpose of the Disposal. The Valuation has been prepared in accordance with the HKIS Valuation Standards 2024 Edition published by the Hong Kong Institute of Surveyors ("**HKIS**"), the RICS Valuation–Global Standards (Effective from 31 January 2025) published by the Royal Institution of Chartered Surveyors ("**RICS**") and the International Valuation Standards ("**IVS**") published by International Valuation Standards Council ("**IVSC**") (Effective on 31 January 2025).

The Valuation Report is prepared by Sr Lawrence Chan Ka Wah, a member of the Royal Institute of Chartered Surveyors, Registered Professional Surveyor in the General Practice Section, and a member of the China Institute of Real Estate Appraisers and Agents who has more than 20 years of experience in the valuation of properties in Hong Kong, Macau, the People's Republic of China and the Asia Pacific Region. The Board has assessed the independence and qualifications of the Valuer in accordance with Rule 5.08 of the Listing Rules. The Board is of the view that (i) the Valuer is an independent qualified valuer, as neither the Valuer nor any of its partners, directors or officers is an officer, servant, or proposed director of the Company, its subsidiaries, its holding company, or any associated company; and (ii) Sr Lawrence Chan Ka Wah is a qualified valuer who possesses the appropriate professional qualifications and extensive experience in valuing properties in Hong Kong to carry out the valuation of the Properties.

The text of the Valuation Report is set out in Appendix II to this circular.

As mentioned in the Valuation Report, the market value of the Properties in existing state and with vacant possession was approximately HK$80,200,000 as at 30 April 2026.

According to the Valuation Report, there are three generally accepted approaches in arriving at the market value of the Properties, namely the market approach, the cost approach and the income approach. In valuing the Properties, market approach has been adopted in the valuation by making reference to comparable market transactions in the assessment of the market value of a property interest. The Valuer considered that income approach is inapplicable due to insufficient recent rental transactions in the subject locality for analysis, while cost approach is also inapplicable to the valuation of the Properties because there is no convincing association of the values of the Properties with costs.

Valuation Assumption

In valuing the property interests, it is assumed that the owner has free and uninterrupted rights to use the property interests for the whole of the unexpired term as granted and is entitled to transfer the property interests with the residual term without payment of any further premium to the government authorities or any third parties.

The valuation has been made on the assumption that the owner sells the property interests on the open market in its existing state without the benefit or deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which could serve to affect the value of the property interests. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the property and no forced sale situation in any manner is assumed in the valuation.

No allowance has been made in the valuation for any charges, mortgages or amounts owing on the property interests valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of any onerous nature which could affect their values.

It is also assumed that all consents, approvals and license from relevant government authorities for the property interests have been granted without any onerous conditions or undue time delay which might affect their values, and all the required licenses, consents, or other legislative or administrative authority from any local, provincial, or national government, private entity or organization either have been or can be obtained or renewed for any use which the Valuation Report covers.

All applicable zoning and use regulations and restrictions are assumed to have been complied with unless nonconformity has been stated, defined, and considered in the Valuation Report. However, it is assumed that the utilization of the property interests and improvements are within the boundaries of the property interests described and that no encroachment or trespass exists, unless noted in the Valuation Report.

The Board has assessed the fairness and reasonableness of the key inputs and assumptions (including comparables) adopted in the valuation of the Properties. The Board has reviewed the selection criteria and the comparable properties to which the Valuer had made reference. The Board noted that the comparable properties were selected as they shared similar locality and usage to the Properties and their sales are mostly recent during 2025 to 2026. In light of the above, the Directors considered the selection criteria are appropriate. The Directors also understood that, after selection of the comparable properties, the Valuer has considered the different attributes between the Properties and the comparable properties in terms of transaction time, location, building age and other relevant factors, and then carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of the saleable unit rate of the Properties. Given that Hong Kong's property market is active and mature, the Board considered the comparable properties are representative, fair and objective comparisons.

To the best of the Directors' knowledge, information and belief, the Board is of the view that (i) the market approach adopted by the Valuer is a standard and appropriate valuation approach for properties in a developed property market; and that (ii) the Valuer's adoption of recent open market transactions of comparable properties in the vicinity as key inputs and the standard assumptions in relation to the Properties are fair, reasonable and appropriate.

INFORMATION OF THE COMPANY AND THE VENDOR

The Company was incorporated in the Cayman Islands and its subsidiaries are principally engaged in trading of kitchenware and household products and raw materials including mainly silicone for certain of these products.

The Vendor, namely, King's Flair Marketing Limited, is a company incorporated in the BVI and an indirect wholly-owned subsidiary of the Company.

INFORMATION OF THE PURCHASER

The Purchaser, namely Eagle Action Limited, is a company incorporated in the BVI and is wholly owned by Dr. Wong, an executive Director, the Chief Executive Officer of the Group and the controlling shareholder of the Company.

INFORMATION OF THE TARGET COMPANY AND THE PROPERTIES

The Target Company is a company incorporated in the BVI with limited liability. As at the date of the Disposal Agreement, its principal asset is the Properties and its sole activity is the leasing of the Properties. The Properties comprise the whole of the 14th Floor of Block C of Sea View Estate, No. 8 Watson Road, and Parking Space No.60 on the 1st Floor, Block B of the said Sea View Estate, Nos. 4-6 Watson Road, Hong Kong. The said 14th Floor has gross floor area of approximately 12,000 square feet.

The Properties are currently leased to an independent third party of the Company under the existing Tenancy Agreements for a term of 3 years commencing from 1 October 2023 and expiring on 30 September 2026 at an aggregate monthly rental of HK$260,200, inclusive of management fees and government rents and rates which are payable by the Target Company.

The Properties are mortgaged to a financial institution as security for banking facilities granted to the Group, which mortgage is to be discharged on Completion.

The financial information of the Target Company for each of the two financial years ended 31 December 2024 and 2025 was as follows:

	For the year ended 31 December	
	2024	**2025**
	(audited)	**(unaudited)**
Loss before taxation	HK$6,938,000	HK$ 22,013,000
Loss after taxation	HK$6,938,000	HK$ 22,013,000

Based on the valuation of the Properties of HK$109,800,000 as at 31 December 2024 and HK$85,900,000 as at 31 December 2025, the net assets/(liabilities) of the Target Company amounted to HK$17,766,000 and HK$(4,247,000) as at 31 December 2024 and 31 December 2025 respectively.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group acquired the Properties in 2021, which was recorded as investment properties on the Group's financial statements and initially intended to be used as the Group's new head office after the expiry of the then existing tenancy. However, following the changes in the business environment and the intensified geopolitical tension that cast uncertainty over the Group's business prospects in recent years, the Group decided to reassess the use of the Properties as its new head office and redeployed the Properties as investment property for leasing purposes which generated steady recurring rental income for the Group.

After Completion, the Group will continue to hold certain leasehold properties in Hong Kong for its office, director's quarters, workshop and storage purposes. As at the Latest Practicable Date, the Company did not have any intention or plan, nor has entered into any agreement, arrangement, undertaking or negotiation (formal or informal, express or implied) to acquire any new businesses or downsize, cease or dispose of its existing businesses.

The Directors are of the view that the Disposal presents an opportunity for the Group to realise its investment in the Properties and recoup cash resources to reduce its indebtedness, thereby also reducing finance costs of the Group, and strengthening the Group's financial position in the continual challenging business environment.

In view of the above, the executive Director, other than Dr. Wong who had abstained from voting on the relevant board resolution given the material interest he has in the Disposal, (the independent non-executive Directors also having abstained from voting on the relevant board resolution pending advice of the Independent Financial Adviser) consider the Disposal to be in the interest of the Company and the terms of the Disposal Agreement, including the Consideration, are fair and reasonable and the entering into of the Disposal Agreement is in the interest of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE DISPOSAL AND INTENDED USE OF PROCEEDS

As at the Latest Practicable Date, the Target Company is a wholly-owned subsidiary of the Company. Upon Completion, the Group will cease to own any interest in the Target Company and the financial results, assets and liabilities of the Target Company will no longer be included in the consolidated financial statements of the Group.

The Properties were classified as investment properties in the accounts of the Group as at 31 December 2025 with an audited carrying value of HK$85,900,000, having to recognise (based on the valuation of the Properties as at 31 December 2025 assessed by the Valuer) a fair value loss of the Properties of approximately HK$23,900,000 in the financial year ended 31 December 2025.

Based on the Consideration under the Disposal Agreement, the audited carrying value of the Properties of approximately HK$85,900,000 as at 31 December 2025 and the related expenses for the Disposal of approximately HK$550,000, the Group currently expects to record a gain on disposal of approximately HK$5,550,000 upon Completion. The actual gain of the Disposal for the Group is subject to audit and therefore may be different from the amount mentioned above.

Assuming, among other things, the Disposal had been completed on 31 December 2025, the estimated consolidated total assets of the Group as at 31 December 2025 would increase by approximately HK$6,100,000 from HK$618,960,000 to HK$625,000,000 and the estimated consolidated total liabilities of the Group as at 31 December 2025 would decrease by approximately HK$27,265,000 from HK$166,844,000 to HK$140,394,000, respectively on a pro forma basis.

Based on the Consideration of approximately HK$92,000,000 and the associated estimated direct cost of the Disposal of approximately HK$550,000, the estimated net proceeds from the Disposal is approximately HK$91,450,000. The Company intends to use the net proceeds from the Disposal: (i) as to approximately HK$27,000,000, representing approximately 29.5% of the net proceeds, to pay down part of the amount outstanding under certain loan facilities provided to the Group by a financial institution in Hong Kong, which loan facilities are secured by, among others, a mortgage over the Properties to be released on Completion; and (ii) as to approximately HK$64,450,000, representing approximately 70.5% of the net proceeds, as general working capital of the Group particulars of which are as follows:

Intended use of proceeds for general working capital	Amount of net proceeds	Percentage of net proceeds	Expected timeline of utilisation
Staff salaries and remuneration	HK$43,512,000	47.6%	September 2026 to August 2027
Rental expenses	HK$10,823,000	11.8%	September 2026 to August 2027
Other administrative and operating expenses	HK$8,241,000	9.0%	September 2026 to August 2027
Other general working capital	HK$1,874,000	2.1%	September 2026 to August 2027
Total general working capital	HK$64,450,000	70.5%	

LISTING RULES IMPLICATIONS

As the Purchaser is wholly owned by Dr. Wong who is an executive Director, the Chief Executive Officer of the Group and the controlling shareholder of the Company, the Purchaser is a connected person of the Company and the Disposal constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. In addition, as the highest percentage ratio calculated in accordance with the Listing Rules in respect of the Disposal exceeds 25% but all applicable percentage ratios are less than 75%, the Disposal also constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. Accordingly, the Disposal is subject to reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders on whether the terms under the Disposal Agreement are fair and reasonable and in the interests of the Company and the

Shareholders as a whole. With the approval of the Independent Board Committee, Pelican Financial Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

The letter from the Independent Board Committee is set out on pages 17 to 18 in this circular and the letter from the Independent Financial Adviser is set out on pages 19 to 43 in this circular.

EGM

The EGM will be convened and held by the Company on Tuesday, 25 August 2026 at 3:00 p.m. at Boardroom 5, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong to seek the approval from the Independent Shareholders for the Disposal Agreement and the transactions contemplated thereunder by way of poll. The notice of the EGM is set out on pages EGM-1 to EGM-3 of this circular.

In order to establish entitlements to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, 20 August 2026 to Tuesday, 25 August 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be entitled to attend and vote at the EGM, all transfers of shares of the Company accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 19 August 2026.

You will find enclosed a form of proxy for use at the EGM. Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the branch share registrar and transfer office of the Company 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 holding the EGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof, should you so wish and in such event, the form of proxy shall be deemed to be revoked.

As at the Latest Practicable Date, Dr. Wong is indirectly interested in a total of 525,000,000 Shares (representing approximately 75% of the total issued share capital of the Company), of which (i) 420,000,000 Shares are held by City Concord Limited which is wholly owned by Dr. Wong; (ii) 105,000,000 Shares are held by First Concord Limited, which is owned as to 60% by Dr. Wong and 40% by his spouse. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, save for the Purchaser, Dr. Wong and his spouse, no Shareholders or their respective close associates have any material interest in the Disposal Agreement and the transactions contemplated thereunder and are required to abstain from voting at the EGM on the resolution in relation to the Disposal Agreement and the transactions contemplated thereunder.

In accordance with Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the voting on all resolutions at the EGM will be conducted by way of poll.

RECOMMENDATION

The Directors (including the independent non-executive Directors who have expressed their views in the letter from the Independent Board Committee after taking into account the advice of the Independent Financial Adviser) consider that although the entering into of the Disposal Agreement is not in the ordinary and usual course of business of the Group, the terms of the Disposal Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors who have expressed their views in the letter from the Independent Board Committee after taking into account the advice of the Independent Financial Adviser) recommend the Independent Shareholders to vote for the resolutions to approve the Disposal Agreement and the transactions contemplated thereunder at the EGM.

You are advised to read the letter from the Independent Board Committee and the letter from the Independent Financial Adviser before deciding how to vote on the resolution(s) relating to the Disposal Agreement and the transactions contemplated thereunder to be proposed at the EGM.

ADDITIONAL INFORMATION

Your attention is drawn to the financial information of the Group, the Valuation Report and general information as set out in the appendices to this circular and the notice convening the EGM.

Yours faithfully,
For and on behalf of
King's Flair International (Holdings) Limited
Dr. Wong Siu Wah
Chairman and Executive Director

King's Flair International (Holdings) Limited
科勁國際(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6822)

24 July 2026

To the Independent Shareholders

Dear Sir or Madam,

MAJOR AND CONNECTED TRANSACTION
DISPOSAL OF GOLDEN WELL VENTURES LIMITED

We refer to the circular issued by the Company to the Shareholders dated 24 July 2026 (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as the members of the Independent Board Committee to advise the Independent Shareholders on whether, in our opinion, the Disposal Agreement and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group, on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Pelican Financial Limited has been appointed as the Independent Financial Adviser in this regard.

We wish to draw your attention to the "Letter from the Board" and the "Letter from the Independent Financial Adviser" as set out in the Circular. Having taken into account the advice of the Independent Financial Adviser, we concur with the view of the Independent Financial Adviser and consider that although the entering into of the Disposal Agreement is not in the ordinary and usual course of business of the Group, (i) the Disposal Agreement and the transactions contemplated thereunder is on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Disposal is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Disposal Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of the Independent Board Committee of
King's Flair International (Holdings) Limited

Professor Lau Kin Tak	**Mr. Anthony Graeme Michaels**	**Ms. Leung Wai Ling Wylie**	**Professor Shyy Wei**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*	*Independent non-executive Director*

PELICAN FINANCIAL LIMITED

PELICAN FINANCIAL
百 利 勤 金 融

28/F, Lee Garden Two, 28 Yun Ping Road, Causeway Bay, Hong Kong

24 July 2026

To the Independent Board Committee and the Independent Shareholders of King's Flair International (Holdings) Limited

Dear Sir or Madam,

MAJOR AND CONNECTED TRANSACTION DISPOSAL OF GOLDEN WELL VENTURES LIMITED

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Disposal Agreement and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular of the Company dated 24 July 2026 (the **"Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

Reference is made to the announcements of the Company dated 5 June 2026 and 8 June 2026 respectively (the "**Announcements**") regarding the entering into of the Disposal Agreement. On 5 June 2026 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company, and the Purchaser entered into the Disposal Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Share and the Sale Debt representing the entire issued share capital of, and all amounts owing to the Vendor by, the Target Company, at the total consideration of the aggregate of HK$92,000,000 and the amount of the Net Current Asset Value, which will be satisfied in cash.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, as the Purchaser is wholly owned by Dr. Wong who is an executive Director, the Chief Executive Officer of the Group and the controlling shareholder of the Company, the Purchaser is a connected person of the Company and the Disposal constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. Dr. Wong had abstained from voting on the relevant board resolution given the material interest he has in the Disposal.

As the highest percentage ratio calculated in accordance with the Listing Rules in respect of the Disposal exceeds 25% but all applicable percentage ratios are less than 75%, the Disposal also constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. Accordingly, the Disposal is subject to reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

As at the Latest Practicable Date, Dr. Wong is indirectly interested in a total of 525,000,000 Shares (representing approximately 75% of the total issued share capital of the Company), of which (i) 420,000,000 Shares are held by City Concord Limited which is wholly owned by Dr. Wong; and (ii) 105,000,000 Shares are held by First Concord Limited, which is owned as to 60% by Dr. Wong and 40% by his spouse. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, save for the Purchaser, Dr. Wong and his spouse, no Shareholders or their respective close associates have any material interest in the Disposal Agreement and the transactions contemplated thereunder and are required to abstain from voting at the EGM on the resolution in relation to the Disposal Agreement and the transactions contemplated thereunder.

THE INDEPENDENT BOARD COMMITTEE

The Company has established the Independent Board Committee comprising all independent non- executive Directors, namely Professor Lau Kin Tak, Mr. Anthony Graeme Michaels, Ms. Leung Wai Ling, Wylie and Professor Shyy Wei, to advise the Independent Shareholders in respect of the Disposal Agreement and the transactions contemplated thereunder. We have been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect and such appointment has been approved by the Independent Board Committee.

OUR INDEPENDENCE

Pelican Financial Limited ("**Pelican**") is not connected with the Directors, chief executive or substantial Shareholders of the Company or any of their respective associates and therefore is considered suitable to give independent advice to the Independent Board Committee and the Independent Shareholders.

In the last two years, save for the current appointment as Independent Financial Adviser in respect of the Disposal Agreement and the transactions contemplated thereunder, we have not been engaged by the Company for the provision of any services that would affect our independence.

Apart from normal professional fees payable to us in connection with our current appointment, no arrangement exists whereby Pelican will receive any fees or benefits from the Company or the Directors, chief executive or substantial Shareholders of the Company or any of their respective associates. As at the Latest Practicable Date, there were no relationships or interests between us and the Group, the Purchaser, any of their respective substantial shareholders, directors or chief executives, or their respective associates that could reasonably be regarded as a hindrance to our independence as defined under Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser. Accordingly, we consider that we are eligible to give independent advice on the Disposal Agreement and the transactions contemplated thereunder.

Our role is to provide you with our independent opinion and recommendation as to (i) whether the Disposal Agreement is carried out in the ordinary and usual course of business of the Group and is on normal commercial terms; (ii) whether the terms of the Disposal Agreement and the transactions contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned and whether they are in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the relevant resolution(s) to approve the Disposal Agreement and the transactions contemplated thereunder at the EGM.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have performed relevant procedures and those steps which we deemed necessary in forming our opinions which include, among other things, review of relevant agreements, documents as well as information provided by the Company and verified them, to an extent, with the relevant public information, statistics and market data, the relevant industry guidelines and rules and regulations as well as information, facts and representations provided, and the opinions expressed, by the Company and/or the Directors and/or the management of the Group. The documents reviewed include, but not limited to, the Disposal Agreement, the valuation report prepared by Royson Valuation Advisory Limited (the "**Valuer**") in respect of the valuation of the Properties as at 30 April 2026 (the "**Valuation Report**"), the annual report of the Company for the financial year ended 31 December 2025 (the "**2025 Annual Report**"), the Announcements, and the Circular. We have assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its management and/or the Directors, which have been provided to us.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent verification of the information included in the Circular and provided to us by the Directors and the management of the Group nor have we conducted any form of in-depth investigation into the business and affairs or the future prospects of the Group.

PRINCIPAL FACTORS TAKEN INTO CONSIDERATION

In formulating our opinion in respect of the Disposal Agreement and the transactions contemplated thereunder, we have considered the following principal factors and reasons.

1. Information on the Company and the Vendor

The Company was incorporated in the Cayman Islands and its subsidiaries are principally engaged in the trading of kitchenware and household products and raw materials including mainly silicone for certain of these products.

The Vendor, namely, King's Flair Marketing Limited, is a company incorporated in the BVI and an indirect wholly-owned subsidiary of the Company.

Set out below is a summary of the financial information of the Group for the two years ended 31 December 2025 as extracted from the 2025 Annual Report.

Table 1: Summarised financial information of the Group

	For the year ended 31 December	
	2025	**2024**
	HK$'000	*HK$'000*
	(Audited)	(Audited)
Revenue		
Trading of kitchenware and household products	428,198	786,580
Trading of raw materials	36,404	47,329
Total Revenue	464,602	833,909
Gross profit	82,932	206,935
Other income and gains and losses, net	(9,991)	2,096
Distribution expenses	(39,322)	(41,192)
Administrative expenses	(133,421)	(128,061)
Share of result of associates	719	(592)
Finance costs	(6,028)	(8,075)
Income tax expenses	(3,195)	(10,922)
(Loss)/Profit for the year	(108,306)	20,189

According to the 2025 Annual Report, the Group's total revenue decreased significantly by approximately 44.3%, from HK$833.9 million for the year ended 31 December 2024 to HK$464.6 million for the year ended 31 December 2025. This decrease in revenue was mainly due to macroeconomic headwinds, including heightened uncertainty in the US tariffs and extended trade policies, compounded by protracted international trade tensions. These adverse external dynamics prompted the Group's key customers to adopt a highly cautious procurement strategy, resulting in a reduction in purchase order volumes.

The Group's gross profit decreased by approximately 59.9% to HK$82.9 million, alongside a 6.9 percentage point drop in gross profit margin to 17.9%. While the decline in gross profit was primarily driven by lower revenue, the reduction in gross profit margin was attributable to a combination of compressed customer consumption and the inclusion of one-off product costs amounting to approximately HK$11.3 million. Excluding the one-off product cost, the normalized gross profit and gross profit margin would have been approximately HK$94.2 million and 20.3%, respectively.

Meanwhile, the other income and gains and losses of the Group turned negative, recording a loss of approximately HK$10.0 million for the year ended 31 December 2025, compared to net gains of approximately HK$2.1 million for the previous year. This change was primarily due to a significant increase in the fair value loss on investment properties from approximately HK$9.6 million the year ended 31 December 2024 to approximately HK$23.9 million for the year ended 31 December 2025. In addition, the Group's administrative expenses increased by approximately 4.2% to HK$133.4 million for the year ended 31 December 2025, from HK$128.1 million for the year ended 31 December 2024. The increase in administrative expenses was mainly due to depreciation and other operating costs incurred in the Group's nanofiber manufacturing operation at the Advanced Manufacturing Centre in Tseung Kwan O Industrial Estate and provision of expected credit loss on trade receivable.

Consequently, the Group shifted from a net profit of approximately HK$20.0 million for the year ended 31 December 2024 to a net loss of approximately HK$108.3 million for the year ended 31 December 2025.

The consolidated assets and liabilities of the Group as at 31 December 2024 and 31 December 2025 as extracted from the 2025 Annual Report are summarized as follows:

Table 2: Summarised financial position of the Group

	As at 31 December 2025	**As at 31 December 2024**
	HK$'000	*HK$'000*
	(Audited)	(Audited)
Total assets		
– non-current assets	233,281	282,670
– current assets	385,679	497,619
	618,960	780,289
Total liabilities		
– non-current liabilities	17,062	23,185
– current liabilities	149,782	172,078
	166,844	195,263
Net current assets	235,897	325,541
Net assets	452,116	585,026

As at 31 December 2025, the Group's total assets were HK$619.0 million, representing a decrease of approximately 20.7% from HK$780.3 million as at 31 December 2024. Non-current assets decreased by approximately 17.5% to HK$233.3 million, which was attributable to fair value losses on investment properties and depreciation. Current assets fell by approximately 22.5% to HK$385.7 million, driven by a reduction in trade receivables and inventories that developed in line with the revenue decline, alongside a decrease in financial assets at fair value through profit or loss from HK$29.5 million to HK$0.2 million.

On the other hand, the Group recorded total liabilities of HK$166.8 million as at 31 December 2025, representing a decrease of approximately 14.6% from HK$195.3 million as at 31 December 2024, reflecting lower bank borrowings and lease obligations. The Group's bank overdrafts and bank borrowings amounted to HK$75.9 million as at 31 December 2025, representing a decrease of HK$20.8 million or 21.5% from the previous year.

As such, the net current assets decreased by approximately 27.5% to HK$235.9 million compared to the previous year. Net assets of the Group decreased from HK$585.0 million to HK$452.1 million. The Group's gearing ratio (excluding lease liabilities), which was calculated by dividing total interest-bearing borrowings by total equity, stood at approximately 17.7%. This represents a stable capital structure compared to 17.2% as at 31 December 2024.

2. Information on the Purchaser

The Purchaser, namely Eagle Action Limited, is a company incorporated in the BVI and is wholly owned by Dr. Wong, an executive Director, the Chief Executive Officer of the Group and the controlling shareholder of the Company.

3. Information on the Target Company and the Properties

The Target Company is a company incorporated in the BVI with limited liability. As at the date of the Disposal Agreement, its principal asset is the Properties and its sole activity is the leasing of the Properties. The Properties comprise the whole of the 14th Floor of Block C of Sea View Estate, No. 8 Watson Road (the "**Unit**"), and Parking Space No. 60 on the 1st Floor, Block B of the said Sea View Estate, Hong Kong (the "**Car Park**"). The Unit has a gross floor area and a saleable area of approximately 12,000 square feet and 9,784 square feet respectively.

The Properties are currently leased to a party independent of and not connected with the Company and its connected persons under the existing Tenancy Agreements for a term of 3 years commencing from 1 October 2023 and expiring on 30 September 2026 at an aggregate monthly rental of HK$260,200, inclusive of management fees and government rents and rates which are payable by the Target Company.

The Properties are currently mortgaged to a financial institution as security for banking facilities granted to the Group.

The financial information of the Target Company for each of the two financial years ended 31 December 2024 and 31 December 2025 was as follows:

	For the year ended 31 December	
	2024	**2025**
	(audited)	(unaudited)
Loss before taxation	HK$6,938,000	HK$22,013,000
Loss after taxation	HK$6,938,000	HK$22,013,000

Based on the valuation of the Properties of HK$109,800,000 as at 31 December 2024 and HK$85,900,000 as at 31 December 2025, the net assets/(liabilities) of the Target Company amounted to approximately HK$17,766,000 and HK$(4,247,000) as at 31 December 2024 and 31 December 2025, respectively.

4. Reasons for and benefits of the Disposal

According to the Board Letter, it is noted that the Group acquired the Properties in 2021 with the initial intention of utilizing the Unit as the Group's new head office upon the expiration of the then-existing tenancy. However, following the changes in the business environment and the intensified geopolitical tension that cast uncertainty over the Group's business prospects in recent years, the Group reassessed the intended use of the Unit as its new head office and redeployed the Properties as investment properties for leasing purposes which generated steady recurring rental income for the Group.

We understand that the Group is principally engaged in sales of kitchenware and household products and raw materials including silicon for certain of these products. The holding of investment property is not a core business activity of the Group. The Properties are classified as non-core assets outside of the Group's main operations.

In light of the ongoing challenges in the Hong Kong real estate market, including increase in interest rates and compressed rental yields. The valuation of the Properties decreased from HK$109.8 million as at 31 December 2024 to HK$85.9 million as at 31 December 2025, and further to HK$80.2 million as at 30 April 2026. The Disposal allows the Group to realize the value of the assets in cash before any further market deterioration.

The Consideration of approximately HK$92.09 million (the amount of the Net Current Asset Value being nominal based on the unaudited management accounts of the Target Company made up to 30 April 2026) represents a premium over the independent valuation of the Properties of HK$80.2 million as at 30 April 2026. The Disposal enables the Group to realise the value of its non-core property investments at a premium over market valuation and provides an immediate and substantial cash inflow of HK$92.09 million to reduce its indebtedness and also strengthen its working capital and financial position.

After Completion, the Group will continue to hold certain leasehold properties in Hong Kong for its office, director's quarters, workshop and storage purposes. As at the Latest Practicable Date, the Company did not have any intention or plan, nor has entered into any agreement, arrangement, undertaking or negotiation (formal or informal, express or implied) to acquire any new businesses or downsize, cease or dispose of its existing businesses.

Having considered above, we concur with the Directors that the Disposal is on normal commercial terms, is fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole.

5. The Disposal Agreement

Set out below are the principal terms of the Disposal Agreement.

Date	:	5 June 2026 (after trading hours)	
Parties	:	***Vendor***:	King's Flair Marketing Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company
		Purchaser:	Eagle Action Limited, a company incorporated in the BVI with limited liability which is wholly owned by Dr. Wong, an executive Director, the Chief Executive Officer and the controlling shareholder of the Company
Subject matter of the Disposal Agreement	:	Pursuant to the Disposal Agreement, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Share and the Sale Debt free from encumbrances, with the Target Company being and remaining the legal and beneficial owner of the Properties on Completion. The Sale Share represents the entire issued share capital of and in the Target Company as at the date of the Disposal Agreement and at Completion. The Sale Debt represents the aggregate amount owing by the Target Company to the Vendor which was incurred primarily in relation to the Properties and is estimated to be approximately HK$88,697,000 on Completion.	

Consideration	:	The Consideration is the aggregate of HK$92,000,000 and the amount of the Net Current Asset Value, which was determined after arm's length negotiation between the Purchaser and the Vendor with reference to the valuation of the Properties made by the Valuer of HK$85,600,000 in vacant possession as at 31 December 2025 and the valuation of the Properties made by the Valuer of HK$80,200,000 in existing state and vacant possession as at 30 April 2026 adopting the market approach by making reference to comparable market transactions. Based on the unaudited management accounts of the Target Company for the period from 1 January 2026 to 30 April 2026 and all cash of the Target Company shall be applied before Completion to pay down the amount owing to the Vendor, the Net Current Asset Value of the Target Company would be approximately HK$90,000. The total amount payable by the Purchaser on Completion, comprising the consideration of HK$92,000,000 plus the Net Current Asset Value of the Target Company of approximately HK$90,000, resulting in a total amount of Consideration payable of approximately HK$92,090,000.
Conditions precedent	:	Pursuant to the Disposal Agreement, Completion shall be conditional upon the passing of the necessary resolution(s) by the Independent Shareholders at the EGM approving the Disposal Agreement and the transactions contemplated thereunder (the "**Condition Precedent**"). If the Condition Precedent is not fulfilled on or before 31 August 2026 or such other date as the Vendor and the Purchaser may agree in writing, the Disposal Agreement shall automatically terminate and neither the Vendor nor the Purchaser shall have any claim against the other under the Disposal Agreement. The Condition Precedent cannot be waived by either party. Save for the Condition Precedent, there is no other condition precedent under the Disposal Agreement to be fulfilled under the Disposal Agreement.

Completion	:	Subject to the fulfilment of the Condition Precedent, Completion shall take place on the third (3rd) business day after the fulfilment of the Condition Precedent or such other date as the Vendor and the Purchaser may agree in writing.

6. Assessment of the Consideration

As at the Latest Practicable Date, the Target Company holds 100% of ownership of the Properties. In assessing the fairness and reasonableness of the Consideration, we have focused on analysing the valuation of the Properties and the Valuation Report.

We have performed the works included (i) assessment of the Valuer's experiences in valuing properties in the Hong Kong similar to the Properties; (ii) obtaining information on the Valuer's track records on other property valuations; (iii) inquiry on the Valuer's current and prior relationship with the Group and other parties to the Disposal Agreement; (iv) review of the terms of the Valuer's engagement, in particular its scope of work, for the assessment of the Valuation Report; and (v) discussion with the Valuer regarding the bases, methodology and assumptions adopted in the Valuation Report.

6.1. Valuer

Based on the Valuation Report and the Board Letter, Sr. Lawrence Chan Ka Wah, the director of the Valuer and the signor of the Valuation Report, among others, is a member of the Royal Institution of Chartered Surveyors, a member of the Hong Kong institute of Surveyors, Registered Professional Surveyors in the General Practice Section and a member of China Institute of Real Estate and Agents, who has over 20 years' experience in the valuation of property in Hong Kong, Macau, the People's Republic of China and the Asia Pacific Region. We have also obtained information on the Valuer's track records on other property valuations and noted that the Valuer had been the valuer for a wide range of companies in Hong Kong and PRC. In addition to the Valuer's firm wide experience and expertise, we have obtained relevant qualifications and credentials of the specific team members involved in this valuation exercise. As such, we are of the view that the Valuer and Sr. Lawrence Chan Ka Wah are qualified, experienced and competent in performing property valuations and providing a reliable opinion in respect of the valuation of the Properties.

We have also enquired with the Valuer as to its independence from the Group and the parties to the Disposal Agreement and were given to understand that the Valuer is an independent third party of the Group and its connected persons. The Valuer also confirmed to us that it was not aware of any relationship or interest between itself, the vendor side and the purchaser side or any other parties that would reasonably be considered to affect its independence to act as an independent valuer for the Company. Furthermore, the Valuer confirmed that its engagement and fee are entirely independent and not contingent on the valuation results, and that no other arrangements exist to impede its independence.

Furthermore, we note from the engagement letter entered into between the Company and the Valuer that, the scope of work was appropriate for the Valuer to form the opinion required to be given and there were no limitations on the scope of work which might adversely impact the degree of assurance given by the Valuer in the Valuation Report.

6.2. Valuation standards and basis

We have reviewed the Valuation Report and understand that it was prepared in accordance with all the requirements contained in Chapter 5 of the Listing Rules and the HKIS Valuation Standards 2024 Edition published by the Hong Kong Institute of Surveyors ("**HKIS**"), the RICS Valuation – Global Standards (Effective on 31 January 2025) published by the Royal Institution of Chartered Surveyors ("**RICS**") and the International Valuation Standards ("**IVS**") published by International Valuation Standards Council ("**IVSC**") (Effective on 31 January 2025).

The valuation has been undertaken on the basis of market value, which is defined as "*the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*". Since no unusual matters had come to our attention that led us to believe that the Valuation Report was not prepared on a reasonable basis, we believe that the valuation fairly represents the market value of the Properties and forms a fair and reasonable basis for our further assessment on the Consideration.

6.3. Valuation methodology

As disclosed in the Valuation Report, in valuing the Properties, the Valuer has adopted market approach assuming sale of each of the Properties in its existing state and in vacant possession by making reference to comparable sales transactions of similar properties as identified on the market. Comparable properties of similar size, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of capital values. Based on our interview with the Valuer, we understand that the Valuer has considered three generally accepted approaches, namely the income approach, the cost approach and the market approach. Given the data on comparable properties in the Hong Kong property market are mostly publicly available, the Valuer considered the adoption of the market approach as the most appropriate as it would provide a more objective result. In fact, the market approach is the most widely used valuation method in Hong Kong as well as other mature markets, as it is generally considered that the best evidence of value is the price paid for similar properties. Given that Hong Kong has an active and well-publicised property market and that there already exists sufficient samples of comparable properties available for analysis, we are of the view that these comparable properties provide good and objective benchmarks for the valuation of the Properties.

With regard to the other valuation approaches, we have assessed the suitability of each approach as follows:

a) Income approach: The income approach is a valuation method that determines the value of an asset by capitalizing or discounting its expected future income. Although the Properties are currently leased and generating rental income, the existing tenancy agreement will expire on 30 September 2026. Under the current environment of high interest rates and significant volatility in the leasing market, forecasts of long-term future rental cash flows and discount rates involve subjective and uncertain assumptions, rendering the results less objective than those derived from the market approach. Meanwhile, we also noted from the Valuer there are insufficient recent rental transactions in the subject locality for analysis, and therefore the income approach is inapplicable for the Valuation.

b) Cost approach: It is noted from the Valuer that cost approach is inapplicable to the Valuation because there is no convincing association of the values of the property with costs. The cost approach is generally more appropriate for specialised properties or newly constructed properties where comparable market transactions are limited. As the Properties are existing properties in a mature and active property market with sufficient comparable transactions available, the cost approach is less relevant and would not provide a reliable indication of the market value of the Properties. In addition, the cost approach does not take into account the market dynamics and external factors that affect property values, such as location, demand and market sentiment.

Having considered the above, we agree with the Valuer that the market approach was appropriate for the valuation of the Properties.

6.4. Comparable transactions

We noted that Valuer has adopted the average unit rate of HK$8,074 per square foot and multiplied the saleable area of the Unit thereto, and reached the appraised value of HK$79.0 million for the Unit as at 30 April 2026. On the other hand, the Valuer has adopted an average unit price of HK$1.2 million per car park, and reached the appraised value of HK$1.2 million for the Car Park as at 30 April 2026.

Below are the details of the comparable transactions referenced for the Valuation:

Unit

No.	**Location**	**Date of transaction**	**Unit rate** *(approximate) (HK$/square foot)*	**Adjusted unit rate** *(approximate) (HK$/square foot)*
1	Unit B202, 2/F, Block B, Sea View Estate, Nos. 2-8 Watson Road, North Point	24 March 2026	4,064	4,409
2	Unit B301B, 3/F, Block B, Sea View Estate, Nos. 2-8 Watson Road, North Point	31 December 2025	7,771	8,976
3	Unit B710, 7/F, Block B, Sea View Estate, Nos. 2-8 Watson Road, North Point	28 March 2025	6,731	6,953
4	Unit 2, 12/F, Eastern Centre, 1065 King's Road, Quarry Bay	19 November 2025	8,363	10,228
5	Unit 2, 15/F, Westlands Centre, No. 20 Westlands Road, Quarry Bay	24 October 2025	8,293	9,802
			Average	**8,074**
			Assessed value of the Unit (9,784 square feet)	**78,996,016**

Note: Adjustments are made by the Valuer with reference to, among other things, the transaction time, location, quantum, building age, floor level, view, layout, loading capacity and headroom of the comparable transactions. The adjustment ranges are as follows: (i) time is -14.5% to 0%; (ii) location is 0% to 10%; (iii) quantum is -17.8% to -14.5%; (iv) building age is -4.6% to -1%; (v) floor level is -6% to 0.5%; (vi) view is 20%; (vii) layout is 10% to 20%; (viii) loading capacity is 0% to 5%; and (ix) headroom is 0% to 1.9%.

We have reviewed the lists of comparable properties of the Unit and noted that the selection of comparable properties was based on the following criteria: (i) situated within North Point and Quarry Bay; (ii) being industrial properties with saleable area more than 500 square feet; and (iii) the dates of all sale comparables were within 18 months immediately preceding the Valuation Date in order to obtain a sufficient sample size. We are of the view that the criteria of the comparable properties are fair and reasonable as they ensure that they are similar to the Properties in terms of location and recent market activity. We understand that the Valuer made adjustments, based on its judgement and experience, to the comparable properties, taking into account differences in transaction time, quantum, building age, floor level, view, layout, loading capacity and headroom, among other things. We have reviewed these adjustments and discussed with the Valuer about the rationale and methodology for the adjustments. From our understanding, if the comparables is superior to the Unit, a downward adjustment is made. Alternatively, if the comparables is inferior or less desirable than the Unit, an upward adjustment is made.

In the course of our independent work done, we performed a desktop search and identified 12 comparable properties (**"Unit Comparables**") relevant to the Unit from publicly accessible sources. The selection of these Unit Comparables was based on three criteria: (i) selling listings that were active within the past six months; (ii) the similar nature of use of the Unit; and (iii) their location within the same district, allowing for a thorough comparison with the adjusted unit rate provided by the Valuer. Given that the Unit Comparables identified by us fulfilled our selection criteria and were aligned with the criteria adopted by the Valuer, we consider that they represent an exhaustive list of comparable properties available from publicly accessible sources for our independent assessment.

Below are the details of the Unit Comparable:

No.	Location	Saleable Area (square foot)	Unit rate (approximate) (HK$/ square foot)
1	Low Floor, Concord Commercial Building, 157 King's Road, North Point	655	7,939
2	High Floor, Fok Ying Building, No. 379-381 King's Road, North Point	534	5,993
3	High Floor, Block B, Sea View Estate, Nos. 2- 8 Watson Road, North Point	3,062	9,000
4	Low Floor, Block B, Sea View Estate, Nos. 2- 8 Watson Road, North Point	5,090	8,840
5	Low Floor, Block C, Sea View Estate, Nos. 2- 8 Watson Road, North Point	12,815	8,500
6	Mid Floor, Block 2, Koda House, No. 39 Healthy Street East, North Point	1,985	9,068
7	High Floor, Block 2, Koda House, No. 39 Healthy Street East, North Point	2,108	7,500
8	Mid Floor, Block 2, Koda House, No. 39 Healthy Street East, North Point	2,004	8,982
9	Mid Floor, Block 2, Koda House, No. 39 Healthy Street East, North Point	2,108	5,693
10	Low Floor, North Point Industry Building, No. 499 King's Road, North Point	8,750	9,485
11	Mid Floor, North Point Industry Building, No. 499 King's Road, North Point	4,500	5,111
12	Low Floor, North Point Industry Building, No. 499 King's Road, North Point	4,500	8,889
		Minimum	5,111
		Average	7,917
		Maximum	9,485

The unit rates for the saleable area of the Unit Comparables range from HK$5,111 per square foot to HK$9,485 per square foot, with an average of HK$7,917 per square foot. It is noteworthy that the average unit rate of approximately HK$8,074 per square foot, as adopted by the Valuer, falls within this range and is above the average of the Unit Comparables. We found that the adjustments made by the Valuer to the comparable properties align with the market practice and hence, consider them reasonable in deriving the valuation of the Unit.

Car Park

No.	Location	Property type	Date of transaction	Consideration *(HK$)*	Adjusted unit rate *(HK$)*
1	Unit CP028, 2/F, Winner Centre, No. 333 Chai Wan Road, Chai Wan	Industrial car park	29 December 2025	900,000	988,200
2	Unit 37, G/F, Chai Wan Industrial Centre, No. 20 Lee Chung Street, Chai Wan	Industrial car park	10 November 2025	1,300,000	1,407,900
3	Unit 25, 2/F, Citicorp Centre, No. 18 Whitfield Road, North Point	Commercial car park	21 August 2025	1,200,000	1,113,600
4	Unit CP031, 2/F, Seabright Plaza, Nos. 9-23 Shell Street, North Point	Commercial car park	29 May 2025	1,300,000	1,151,800
				Average	**1,165,375**
				Assessed value of the Car Park	**1,200,000**

Note: Adjustments are made by the Valuer with reference to, among other things, the transaction time and location of the comparable transactions. The adjustment range of (i) time is -11.4% to -0.2%; and (ii) location is 0% to +10%.

We have reviewed the lists of comparable properties of the Car Park and noted that the selection of comparable properties was based on the following criteria: (i) situated within North Point, Quarry Bay and Chai Wan; (ii) being industrial and/or commercial car park; and (iii) the dates of all sale comparables were within 12 months immediately preceding the Valuation Date in order to obtain a sufficient sample size. We are of the view that the criteria of the comparable properties are fair and reasonable as they ensure that they are similar to the Car Park in terms of location and recent market activity. We understand that the Valuer made adjustments, based on its judgement and experience, to the comparable properties, taking into account differences in transaction time and location, among other things. We have reviewed these adjustments and discussed with the Valuer about the rationale and methodology for the adjustments. From our understanding, if the subject property is better than the comparable property, an upward adjustment would be made, and conversely, a downward adjustment would be made if it is inferior to the comparable property. We noted that (i) the time adjustment accounts for price changes between the transaction and the Valuation Date, with reference to the price index for private flatted factories published by the Rating and Valuation Department in Hong Kong, which we understand from the Valuer that it is used as an alternative reference for assessing general market movements over time since no dedicated price indices are published for car parks; and (ii) the location adjustment reflects that unit rates of properties located nearer to the commercial and transportation facilities is generally higher, and vice versa. We found that the adjustments are in line with the market practice and hence, consider them reasonable in deriving the valuation of the Car Park.

In the course of our independent work done, we performed a desktop search and identified 7 comparable properties (**"Car Park Comparables**") relevant to the subject car park of Properties from publicly accessible sources. The selection of these Car Park Comparables was based on three criteria: (i) selling listings that were active within the past six months; (ii) the similar nature of use of the Car Park; and (iii) location within the immediate or nearby districts. As limited number of transactions were identified within North Point, Quarry Bay and Chai Wan, we expanded the search to include Tai Koo, Tin Hau, and Causeway Bay. The unit price for the Car Park Comparables range from HK$0.98 million to HK$1.80 million, with an average of HK$1.11 million per unit. It is noteworthy that the price of HK$1.20 million per unit, as adopted by the Valuer, falls within this range and very close to the average of the Car Park Comparables. We found that the adjustments made by the Valuer to the comparable properties align with the market practice and hence, consider them reasonable in deriving the valuation of the Car Park. Given that the Car Park Comparables identified by us fulfilled our selection criteria and provided adequate market coverage for comparison with the Valuer's adopted unit price, we consider that they represent a comprehensive list of comparable properties available from publicly accessible sources for our independent assessment.

No.	**Location**	**Listing Date**	**Unit Price** *(HK$)*
1	Wiseman Building, 11-17 Fort Street, North Point	22 May 2026	980,000
2	H & S Building, 36, Leighton Road, Causeway Bay	23 May 2026	1,000,000
3	H & S Building, 36, Leighton Road, Causeway Bay	24 May 2026	1,020,000
4	H & S Building, 36, Leighton Road, Causeway Bay	06 June 2026	990,000
5	H & S Building, 36, Leighton Road, Causeway Bay	09 June 2026	1,000,000
6	Bedford Gardens, 151-173 Tin Hau Temple Road, Tin Hau	27 June 2026	990,000
7	Seabright Plaza, 9-23 Shell Street, North Point	04 July 2026	1,800,000
		Minimum	**980,000**
		Average	**1,111,429**
		Maximum	**1,800,000**

In respect of the adjustments applied by the Valuer, we have reviewed the adjustment factors and ranges applied to the comparable transactions, including transaction time, location, quantum, building age, floor level, view, layout, loading capacity and headroom for the Unit, and transaction time and location for the Car Park. Based on our discussion with the Valuer and our own independent research, we note that these adjustment factors are commonly applied in property valuations in Hong Kong and are consistent with industry best practices. The adjustment ranges applied by the Valuer are within reasonable bounds and reflect the differences between the comparable properties and the Properties. In particular, the time adjustments are referenced to the price index for private flatted factories published by the Rating and Valuation Department, which is an objective and publicly available data source. We are therefore of the view that the application of the adjustments aligns with industry best practices.

In summary, our independent work performed included: (i) a desktop search to identify 12 comparable properties for the Unit and 7 comparable properties for the Car Park from publicly accessible sources; (ii) comparison of the unit rates and prices of our identified comparable properties with those adopted by the Valuer; (iii) review of the Valuer's selection criteria for comparable properties; and (iv) review of the Valuer's adjustment methodology and adjustment ranges. Based on our independent work, we noted that the average unit rate of HK$8,074 per square foot adopted by the Valuer for the Unit falls within the range of our Unit Comparables (HK$5,111 to HK$9,485 per square foot), and the unit price of HK$1.20 million adopted by the Valuer for the Car Park falls within the range of our Car Park Comparables (HK$0.98 million to HK$1.80 million) and is close to the average of HK$1.11 million. We are therefore of the view that the valuation of the Properties as appraised by the Valuer is fair and reasonable.

6.5. Valuation assumptions

According to the Valuation Report, in valuing the property interests, the Valuer has assumed that the owner has free and uninterrupted rights to use the property interest for the whole of the unexpired term as granted and is entitled to transfer the property interest with the residual term without payment of any further premium to the government authorities or any third parties. The valuation of the Properties was made on the assumption that the owner sells the property interests of the Properties on the open market in its existing state without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the values of the property interests. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the property and no forced sale situation in any manner is assumed in the valuation. The Valuer also assumed that no allowance for any charges, mortgages or amounts owing on the property interests valued nor for any expenses or taxation may be incurred in effecting a sale. Unless otherwise stated, it is also assumed that the property interests are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

It is also assumed that all consents, approvals and licenses from relevant government authorities for the property interests have been granted without any onerous conditions or undue time delay which might affect their values, and all the required licenses, consents, or other legislative or administrative authority from any local, provincial, or national government, private entity or organization either have been or can be obtained or renewed for any use which the Valuation Report covers. All applicable zoning and use regulations and restrictions are assumed to have been complied with unless nonconformity has been stated, defined, and considered in the Valuation Report. However, it is assumed that the utilization of the property interests and improvements are within the boundaries of the property interests described and that no encroachment or trespass exists, unless noted in the Valuation Report.

In this regard, we noted from the Valuer that these assumptions are commonly adopted in the valuation of properties. We have reviewed recent valuation reports for properties available on the website of the Hong Kong Stock Exchange and observed that these assumptions are widely used in property valuations in Hong Kong. Given that we consider it objective and appropriate to appraise the Properties the same way as other similar properties on the open market, and that nothing material has come to our attention, we are of the view that these valuation assumptions applied by the Valuer are in line with market practice and are fair and reasonable.

6.6. Cross-checking on the valuation

In addition to the desktop search on comparable properties as described above, we have conducted cross-checking on the valuation of the Properties using the following procedures:

(i) We compared the Valuer's appraised value of the Properties of HK$80.2 million as at 30 April 2026 with the previous valuations of HK$109.8 million as at 31 December 2024 and HK$85.9 million as at 31 December 2025, and noted a declining trend which is consistent with the general downward trend in Hong Kong property prices during the corresponding period.

(ii) We performed a cross-check using the income approach as a reference, by calculating the implied gross rental yield based on the current monthly rental of HK$260,200 and the appraised value of HK$80.2 million, which results in an implied gross yield of approximately 3.9% per annum. This implied yield is in line with prevailing rental yields for industrial and commercial properties in the North Point and Quarry Bay area.

Based on our cross-checking procedures, we did not identify any material differences that would cause us to question the reasonableness of the Valuer's appraised value of the Properties.

6.7. Other assessments

In assessing the fairness and reasonableness of the Consideration, we have also considered the following:

a) Gain on disposal of approximately HK$5.55 million

Based on the Consideration of approximately HK$92.09 million, the audited carrying value of the Properties of approximately HK$85.9 million as at 31 December 2025 and the related expenses for the Disposal of approximately HK$550,000, the Group expects to record a gain on disposal of approximately HK$5.55 million upon Completion. We note that the carrying value of the Properties as at 31 December 2025 already reflects the fair value losses recognised in prior years, including a fair value loss of approximately HK$23.9 million recognised in the financial year ended 31 December 2025 and the decline in valuation from HK$109.8 million as at 31 December 2024 to HK$85.9 million as at 31 December 2025. Despite the modest gain on disposal, we note that the Disposal enables the Group to realise the value of the Properties in cash at a price above its carrying value and latest appraised value, and to exit a non-core property investment at a time when the Hong Kong property market faces ongoing headwinds. We are therefore of the view that the gain on disposal, while modest, supports the fairness and reasonableness of the Consideration.

b) Premium of the Consideration to the appraised value

The Consideration of approximately HK$92.09 million represents a premium of approximately HK$11.89 million, or approximately 14.8%, over the appraised value of the Properties of HK$80.2 million as at 30 April 2026. In our view, the premium is fair and reasonable for the following reasons:

(i) the Disposal allows the Group to realise its non-core property investment at a price above the latest independent Valuation, providing immediate cash inflow of approximately HK$92.09 million;

(ii) the Properties are currently mortgaged to a financial institution as security for banking facilities granted to the Group, and the Disposal enables the Group to repay bank loans of approximately HK$27 million, thereby reducing the Group's indebtedness and finance costs;

(iii) the Consideration was determined after arm's length negotiation between the Vendor and the Purchaser, with reference to the valuation of the Properties; and

(iv) given the ongoing challenges in the Hong Kong real estate market, including increases in interest rates and compressed rental yields, and the declining trend in the valuation of the Properties, the premium represents a favourable outcome for the Group.

6.8. Section conclusion

Given that (i) the principal assets of the Target Company mainly lie in the Properties and hence their value are determined with reference to the appraised value of HK$80.2 million as at 30 April 2026, and that we consider the Valuation Report an appropriate reference for determining the valuation of the Properties upon our review; (ii) the Consideration for the disposal of the Target Company were determined after arm's length negotiation between the Vendor and the Purchaser on normal commercial terms with reference to the management accounts in which the Properties are the principal assets and the relevant adjustments including the aforementioned valuation of the Properties; and (iii) the net proceeds of approximately HK$91.54 million from the Disposal, after deducting the associated estimated expenses for the Disposal, will be applied as to HK$27 million for repayment of bank loans, for which the Properties form part of the security, with the mortgage over the Properties expected to be released upon such repayment, and the balance as general working capital of the Group, we consider that the Disposal is on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

7. Financial effects of the the Disposal and intended use of proceeds

According to the Board Letter, as at the Latest Practicable Date, the Target Company is a wholly-owned subsidiary of the Company. Upon Completion, the Group will cease to own any interest in the Target Company and the financial results, assets and liabilities of the Target Company will no longer be included in the consolidated financial statements of the Group.

The Properties were classified as investment properties in the accounts of the Group as at 31 December 2025 with an audited carrying value of approximately HK$85.9 million, having to recognise (based on the valuation of the Properties as at 31 December 2025 assessed by the Valuer) a fair value loss of the Properties of approximately HK$23.9 million in the financial year ended 31 December 2025.

Earnings

According to the 2025 Annual Report, the loss of the Group for the year ended 31 December 2025 amounted to approximately HK$108.3 million, which was mainly attributed to a combination of a drop in the total revenue and an increase in the fair value loss on investment properties of HK$14.3 million. As illustrated in the above section headed "Information on the Target Company and the Properties", the Target Company had an unaudited net loss after taxation of approximately HK$22.0 million for the same period. Upon Completion, the Target Company will cease to be a subsidiary of the Company and their financial information will no longer be consolidated into the Company's consolidated financial statements. Accordingly, the Group will no longer carry the loss of the Target Company and its financial position is expected to improve.

Working capital

As the Consideration of approximately HK$92.09 million will be settled in cash by the Purchaser to the Vendor, the estimated net proceeds from the Disposal is approximately HK$91.54 million after deducting the related expenses of approximately HK$550,000. Following the repayment of bank loans of the Group of approximately HK$27.0 million, the Group is expected to have a net cash inflow of approximately HK$64.5 million. The Group's working capital position is therefore expected to improve upon Completion.

The balance of the net proceeds of approximately HK$64.5 million will be applied as general working capital of the Group, the details and breakdown of which are as follows: (i) approximately HK$62,576,000 for administrative expenses and other operating expenses:, expected to be utilised from September 2026 to August 2027; and (ii) approximately HK$1,874,000 for other general working capital:, expected to be utilised from September 2026 to August 2027.

As at 31 May 2026, the Group had total secured bank borrowings of approximately HK$89.6 million, which were secured by the pledge of bank deposits of approximately HK$16.8 million, certain of the Group's leasehold land and buildings of carrying amount of approximately HK$14,063,000, investment properties (including the Properties) of fair value of approximately HK$80,200,000 and assignment of rental income of investment properties, and were guaranteed by an unlimited corporate guarantee provided by the Company. Of the bank borrowings, approximately HK$27 million to pay down part of the amount outstanding under certain loan facilities provided to the Group by a financial institution in Hong Kong, which loan facilities are secured by, among others, a mortgage over the Properties. Upon Completion, the mortgage over the Properties is expected to be released upon the repayment of such bank loans of approximately HK$27 million.

Net assets value

As at 31 December 2025, the Group had audited net assets attributable to owners of approximately HK$452.1 million. Based on the Consideration under the Disposal Agreement, the audited carrying value of the Properties of approximately HK$85.9 million as at 31 December 2025 and the related expenses for the Disposal of approximately HK$550,000, the Group expects to record a gain on disposal of approximately HK$5,550,000 upon Completion, as such the net assets of the Group will increase by approximately HK$5,550,000. The actual gain of the Disposal for the Group is subject to audit and therefore may be different from the amount mentioned above.

Assuming, among other things, the Disposal had been completed on 31 December 2025, the estimated consolidated total assets of the Group as at 31 December 2025 would increase by approximately HK$6,100,000 from HK$618,960,000 to HK$625,000,000 and the estimated consolidated total liabilities of the Group as at 31 December 2025 would decrease by approximately HK$27,265,000 from HK$166,844,000 to HK$140,394,000, respectively on a pro forma basis.

Based on the above analysis, we noted that the Disposal would have a positive effect on the Group's earnings and working capital position.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that, although the entering into of the Disposal Agreement is not in the ordinary and usual course of business of the Group, the terms of the Disposal Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the resolution approving the Disposal Agreement and the transactions contemplated thereunder at the EGM. We also recommend the Independent Shareholders to vote in favour of the resolution relating to the Disposal Agreement and the transactions contemplated thereunder at the EGM.

Yours faithfully,
For and on behalf of
Pelican Financial Limited
Charles Li*
Managing Director

* *Charles Li is a responsible person registered under the SFO to carry out Type 6 (advising on corporate finance) regulated activity for Pelican Financial Limited and has over 30 years of experience in the accounting and financial services industry.*

1. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for each of the three years ended 31 December 2023, 2024 and 2025 are disclosed in the following documents which have been published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.kingsflair.com.hk:

- annual report of the Company for the year ended 31 December 2023 published on 22 April 2024 (pages 34 to 128) on the Stock Exchange's website (https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0422/2024042200597.pdf)
- annual report of the Company for the year ended 31 December 2024 published on 24 April 2025 (pages 37 to 128) on the Stock Exchange's website (https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0424/2025042401073.pdf)
- annual report of the Company for the year ended 31 December 2025 published on 24 April 2026 (pages 35 to 124) on the Stock Exchange's website (https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0424/2026042402398.pdf)

2. INDEBTEDNESS STATEMENT

At the close of business on 31 May 2026, being the latest practicable date of this indebtedness statement prior to the printing of this circular, details of the indebtedness statement of the Group are as follows:

	Secured	**Unsecured**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
Carrying amount of bank borrowings	89,602	–	89,602
Carrying amount of other borrowings	–	3,885	3,885
Unguaranteed lease liabilities	–	23,906	23,906
	89,602	27,791	117,393

As at 31 May 2026, interest-bearing bank borrowings were secured by the pledge of bank deposits of approximately HK$16,757,000, certain of Group's leasehold land and buildings of carrying amount of approximately HK$14,063,000, investment properties of fair value of approximately HK$80,200,000 and assignment of rental income of investment properties and were guaranteed by unlimited corporate guarantee provided by the Company. As at 31 May 2026, other borrowings of approximately HK$3,885,000 were loans from non-controlling interest, which were unsecured, unguaranteed and interest-free.

Save as disclosed above, and apart from the intra-group liabilities, the Group did not have any outstanding loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans, debt instruments, borrowings or other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, lease commitments, guarantees or other material contingent liabilities at the close of business on 31 May 2026.

3. WORKING CAPITAL SUFFICIENCY

The Directors are of the opinion that, after taking into account the working capital available to the Group, the Group will have sufficient working capital to satisfy its requirements for at least 12 months from the date of publication of this circular.

4. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial and trading position of the Group since 31 December 2025, being the date to which the latest published audited accounts of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Company was incorporated in the Cayman Islands and its subsidiaries are principally engaged in trading of kitchenware and household products and raw materials including mainly silicone for certain of these products.

As disclosed in the annual report of the Company for the year ended 31 December 2025, the Group acknowledges that the global landscape remains susceptible to external shocks. The ongoing conflict in the Middle-East, for instance, introduces the potential for significant volatility in energy markets, which could translate into persistently high oil prices and exert upward pressure on the Group's manufacturing and logistics costs. Such dynamics reinforce the importance of the Group's strategic evolution. In response to these enduring challenges, the Group is executing a decisive pivot to reinforce its proprietary product lines. By harnessing innovative design and cutting-edge technological advancements, the Group is expanding its in-house offerings to capture new market segments. This initiative is designed to mitigate softer demand from brand owners amidst ongoing geopolitical frictions, with a strategic emphasis on cultivating growth opportunities within the Asia-Pacific region. The one-off product costs incurred during the year reflect the Group's commitment to this strategic transformation, laying the foundation for future growth and margin enhancement.

The Group remains unwavering in its commitment to driving sustained growth in the household goods industry through the application of advanced technology, eco-conscious materials, and operational excellence. By continuously refining product portfolio, bolstering supply chain resilience, and optimizing cost structures, the Group is confident in its ability to navigate prevailing market challenges and deliver superior, high-margin products. Building on the successful launch of the Group's nano production line in the third quarter of 2024, it is now preparing for the inaugural commercial release of its nano-enhanced product line. These groundbreaking innovations are poised to significantly elevate the Group's drinkware business, offering unparalleled functionality, durability, and consumer appeal. The Group's state-of-the-art facility, equipped with advanced automation and intelligent logistics, enables the efficient production of precision-engineered goods, while its proprietary nano-material breakthroughs ensure distinct market differentiation.

As the Group fortifies its in-house product development capabilities, it will continue to nurture long-term partnerships, explore emerging markets, and steadfastly uphold the Group's commitment to sustainability through material recycling and thoughtful design. The Group anticipates these strategic initiatives will begin to positively influence its financial performance in 2026. The Group's paramount focus remains on delivering exceptional value to its shareholders by harmonizing superior product quality with forward-thinking technology and targeted market expansion.

The following is the text of letter and valuation report, prepared for the purpose of incorporation in this circular, received from Royson Valuation Advisory Limited, an independent property valuer, in connection with their valuation as at 30 April 2026 of the Properties.

Royson Valuation Advisory Limited
Unit 1503, 15/F, The L. Plaza
367-375 Queen's Road Central
Hong Kong

24 July 2026

The Board of Directors
King's Flair International (Holdings) Limited
12/F, Yardley Commercial Building
3 Connaught Road West
Sheung Wan, Hong Kong

Dear Sirs and Madams,

Re: Valuation of 14th Floor of Block C and Space No.60 on 1st Floor of Block B, Sea View Estate, Nos.4/6/8 Watson Road, Hong Kong (the "**Properties**")

INSTRUCTIONS

We refer to your instruction for us to value the property interests held by King's Flair International (Holdings) Limited (the "**Company**") or its subsidiaries (together referred as the "**Group**") located in Hong Kong. We confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Properties in existing state as at 30 April 2026 (the "**Valuation Date**") for the purpose of incorporation into the circular issued by the Company on the date hereof.

This letter which forms part of our valuation report explains the basis and methodology(ies) of valuation, clarifying assumptions, valuation considerations, title investigations and limiting conditions of this valuation.

BASIS OF VALUATION

The valuation is our opinion of the market value ("**Market Value**") which is defined by the Hong Kong Institute of Surveyors as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently, and without compulsion".

VALUATION STANDARDS

In valuing the property interests, we have complied with all the requirements contained in Chapter 5 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards 2024 Edition published by the Hong Kong Institute of Surveyors ("**HKIS**"), the RICS Valuation – Global Standards (Effective on 31 January 2025) published by the Royal Institution of Chartered Surveyors ("**RICS**") and the International Valuation Standards ("**IVS**") published by International Valuation Standards Council ("**IVSC**") (Effective on 31 January 2025).

VALUATION METHODOLOGY(IES)

According to the RICS Valuation – Global Standards (Effective on 31 January 2025), there are three generally accepted valuation approaches: market approach, income approach and cost approach.

Market approach is an approach that provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available.

Income approach is an approach that provides an indication of value by converting future cash flows to a single current capital value.

Cost approach is an approach that provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or construction.

In valuing the Properties, we have adopted Market approach in our valuation by making reference to comparable market transactions in our assessment of the market value of a property interest. This approach rests on the wide acceptance of the market transactions or sale asking as the best indicator and pre-supposes that evidence of relevant transactions in the market place can be extrapolated to similar properties, subject to allowances for variable factors.

Income approach is inapplicable due to insufficient recent rental transactions in the subject locality for analysis, while cost approach is also inapplicable to the valuation because there is no convincing association of the values of the property with costs.

TITLE INVESTIGATION

We have caused searches to be made at the relevant Land Registry and in some instances, we have been provided with copies of title documents relating to the Properties. However, we have not examined the original documents and assumed that the copies of the documents obtained are consistent with their originals. All documents have been used for reference only.

AREA MEASUREMENT AND INSPECTION

Our Mr. Dennis Wong (BSc) has inspected the Properties on 11 May 2026. In the course of our inspections, we did not note any serious structural defects. However, no structural survey has been made and we are therefore unable to report whether the Properties are free from rot infestation or any other defects. No tests were carried out on any of the services.

We have not carried out detailed on-site measurement to verify the correctness of the areas in respect of the Properties but have assumed that the areas shown on the documents handed to us are correct. All dimensions, measurements and areas are approximate. No on-site measurement has been taken.

We have not carried out investigation to determine the suitability of the ground conditions or the services for any property developments to be erected thereon. Our valuation is on the basis that these aspects are satisfactory and that no extraordinary expense or delay will be incurred during the construction period. Moreover, it is assumed that the utilization of the land and improvements will be within the boundaries of the sites held by the owner or permitted to be occupied by the owner. In addition, we assumed that no encroachment or trespass exits, unless noted in the valuation report.

No environmental impact study has been ordered or made. Full compliance with applicable national, provincial and local environmental regulations and laws is assured unless otherwise stated, defined and considered in the valuation report.

Our valuation has been made on the basis that there is no substantial change in the physical conditions of the Properties between the Valuation Date and the date of our inspection.

VALUATION ASSUMPTION

In valuing the property interests, we have assumed that the owner has free and uninterrupted rights to use the property interest for the whole of the unexpired term as granted and is entitled to transfer the property interest with the residual term without payment of any further premium to the government authorities or any third parties.

Our valuation has been made on the assumption that the owner sells the property interests of the Properties on the open market in its existing state and with vacant possession without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the values of the property interests. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the property and no forced sale situation in any manner is assumed in our valuation.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property interests valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

All consents, approvals and license from relevant government authorities for the property interests have been granted without any onerous conditions or undue time delay which might affect their values. All the required licenses, consents, or other legislative or administrative authority from any local, provincial, or national government, private entity or organization either have been or can be obtained or renewed for any use which the valuation report covers.

All applicable zoning and use regulations and restrictions have been complied with unless nonconformity has been stated, defined, and considered in the valuation report. However, we have assumed that the utilization of the property interest and improvements are within the boundaries of the property interest described and that no encroachment or trespass exists, unless noted in the valuation report.

LIMITING CONDITIONS

We have relied to a considerable extent on information provided by the Group and have accepted advices given to us on such matters, in particular, but not limited to tenure, planning approvals, statutory notices, easements, particulars of occupancy, site and floor areas, room and facilities schedule and all other relevant matters in the identification of the Properties.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also been advised by the Group that no material fact has been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

Save for the inclusion in the circular of the Company to be issued for the purpose of the disposal of the Properties, neither the whole nor any part of this valuation report or any reference thereto may be included in any published document, circular or statement nor published in any way without our written approval of the form and context in which it may appear.

REMARKS

Unless otherwise stated, all money amounts stated are in Hong Kong Dollar ("**HKD**").

The English transliteration of the Chinese name(s) in this valuation report, where indicated by an asterisk (*), is included for information purposes only, and should not be regarded as the official English name(s) of such Chinese name(s).

We hereby confirm that we are independent of and not connected with the Group, and have neither present nor prospective interests in the Group, the Properties or the values reported herein.

We enclose herewith the valuation report.

Yours faithfully,
For and on behalf of
Royson Valuation Advisory Limited

Sr Lawrence Chan Ka Wah
MRICS, MHKIS, R.P.S. (GP), MCIREA, RICS Registered Valuer
Director

Sr Lawrence K.W. Chan is a member of the Royal Institution of Chartered Surveyors, a member of the Hong Kong institute of Surveyors, Registered Professional Surveyors in the General Practice Section and a member of China Institute of Real Estate and Agents, who has over 20 years' experience in the valuation of properties in Hong Kong, Macau, the People's Republic of China and the Asia Pacific Region.

VALUATION REPORT

Property interests to be disposed of by the Group in Hong Kong

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 April 2026 *HKD*
14th Floor of Block C and Space No.60 on 1st Floor of Block B, Sea View Estate, Nos.4/6/8 Watson Road, Hong Kong <u>14th Floor of Block C</u> 1,214/95,000th shares of and in Section A of Marine Lot No. 293 and Inland Lot No. 1780 <u>Space No.60 on 1st Floor of Block B</u> 34/95,000th shares of and in Section A of Marine Lot No. 293 and Inland Lot No. 1780	Sea View Estate is an industrial development comprising 3 blocks partly with carparks and loading/unloading areas located on lower levels. The Properties comprise of the 14th floor of Block C which is a 15-storey industrial building of reinforced concrete construction completed in 1966 and a car parking space on 1st Floor of Block B completed in 1971. 14th Floor of Block C has a gross floor area and a saleable area of approximately 12,000 sq.ft. and 9,784 sq.ft. respectively. It enjoys the full sea view. The loading capacity and headroom are 200lb./sq.ft and 3.35 m. and the occupation permit provides for its use to be 2 workshops, office, and ancillary facilities for non-domestic use. The Properties are held from the government for various terms as follows: Marine Lot 293 75 years commencing from 5 November 1906, renewable for a further term of 75 years. Inland Lot No. 1780 75 years commencing from 23 December 1907, renewable for a further term of 75 years.	As at the Valuation Date, the Properties were subject to lease for a term of 3 years commencing on 1 October 2023 and expiring on 30 September 2026 (either party may terminate the lease by giving not less than one month's notice) at a total monthly rental of HKD 260,200 (inclusive of government rent, rates and management fee).	80,200,000 (Hong Kong Dollars Eighty Million and Two Hundred Thousand Only)

Notes:

1. Pursuant to the Land Register as at 8 May 2026, the registered owner of the Properties is Golden Well Ventures Limited (the "**Owner**") registered vide Memorial No. 17112800360167 dated 15 June 2016.

2. The Properties are subject to a Mortgage and a Rent Assignment in favour of The Hongkong and Shanghai Banking Corporation Limited vide Memorial Nos. 21102600750144 and 21102600750155 respectively, both dated 29 September 2021.

3. The Properties are subject to Notice No. "UMB/MB041201-049/0001" by the Building Authority under Section 30B(3) of the Buildings Ordinance (Re: Common Parts), registered vide Memorial No. 23120400410078 dated 3 May 2013.

4. Space No.60 on 1st Floor of Block B of the Properties is subject to Notice No. "UMB/MB041201-045/0001" by the Building Authority under Section 30B(3) of the Buildings Ordinance (Re: Common Parts), registered vide Memorial No. 23120400410069 dated 3 May 2013.

5. According to the Tenancy Agreement (GW23-000001) entered into between the Owner and Paragon Solutions (Asia) Limited (the "**Tenant**") dated 29 September 2023, 14th Floor of Block C of the Properties was leased by the Owner to the Tenant for a term of 3 years commencing on 1 October 2023 and expiring on 30 September 2026 at a monthly rental of HKD 256,300 inclusive of government rent, rates and management fee. Either the Owner or the Tenant may terminate the Tenancy Agreement by giving not less than one month's written notice. As advised by the Company, there is currently no negotiation for renewal.

6. According to the Tenancy Agreement (GW23-000002) entered into between the Owner and Paragon Solutions (Asia) Limited (the "**Tenant**") dated 29 September 2023, space No.60 on 1st Floor of Block B of the Properties was leased by the Owner to the Tenant for a term of 3 years commencing on 1 October 2023 and expiring on 30 September 2026 at a monthly rental of HKD 3,900 inclusive of government rent, rates and management fee. Either the Owner or the Tenant may terminate the Tenancy Agreement by giving not less than one month's written notice. As advised by the Company, there is currently no negotiation for renewal.

7. According to the Draft North Point Outline Zoning Plan (S/HB/28) gazetted on 19 April 2024, the land parcel of the Properties is zoned for "Commercial (1)" use.

8. Our Mr. Dennis Wong (BSc, over 20-year experience in valuation industry) has inspected the Properties on 11 May 2026, the external and internal conditions of the Property were reasonable.

9. The subject development is located at the northeastern side of Watson Road close to its junction with King Ming Road near Fortress Hill of Hong Kong Island. The locality is an established commercial and residential area. Developments in the vicinity comprise mainly commercial developments, private residential developments and composite buildings built of various ages. Comprehensive shopping facilities are available in the vicinity. Public transports serving the vicinity include buses, public light buses, MTR, trams and taxis. The MTR Fortress Hill Station is situated within a short walking distance from the subject development.

10. In valuing the Properties, we have adopted market approach in our valuation by making reference to comparable market transactions in our assessment of the market value of a property interest. The five-sale comparables and four car parking comparables form an exhaustive list of transactions based on the selection criteria below.

Comparables	**1**	**2**	**3**	**4**	**5**
Location	Unit B202, 2/F, Block B, Sea View Estate, Nos. 2-8 Watson Road, North Point	Unit B301B, 3/F, Block B, Sea View Estate, Nos. 2-8 Watson Road, North Point	Unit B710, 7/F, Block B, Sea View Estate, Nos. 2-8 Watson Road, North Point	Unit 2, 12/F, Eastern Centre, 1065 King's Road, Quarry Bay	Unit 2, 15/F, Westlands Centre, No. 20 Westlands Road, Quarry Bay
Nature	Agreement for Sale and Purchase	Memorandum of Agreement for Sale and Purchase	Memorandum of Agreement for Sale and Purchase	Agreement for Sale and Purchase	Agreement for Sale and Purchase
Memorial No.	26042300600010	26012901310033	25040300130083	25120100470303	25111000400334
Completion Year	1971	1971	1971	1985	1989
Property type	Industrial	Industrial	Industrial	Industrial	Industrial
View	Building view	Building view	Building view	Building view	Building view
Layout	General	General	General	General	General
Exterior Conditions	Reasonable	Reasonable	Reasonable	Reasonable	Reasonable
Saleable Area (sq.ft.)	2,510	875	936	1,347	1,734
Loading Capacity (lb. per sq.ft.)	200	200	200	150	200
Headroom (m)	3.35	3.35	3.35	3.28	3.16
Transaction Date	24 March 2026	31 December 2025	28 March 2025	19 November 2025	24 October 2025
Consideration (HKD)	10,200,000	6,800,000	6,300,000	11,265,400	14,380,000
Unit Rate (HKD/sq.ft.)	4,064	7,771	6,731	8,363	8,293

The selection criteria for the comparables are as follows:

i. Situated within North Point and Quarry Bay;

ii. Being industrial properties with saleable area is more than 500 sq.ft.; and

iii. The dates of all sale comparables were within 18 months immediately preceding the Valuation Date in order to obtain a sufficient sample size.

Appropriate adjustments and analysis are considered to reflect the differences in several aspects including time, location, property type, quantum, building age, floor level, view, layout, building quality, loading capacity, and headroom between the comparables and the unit of the Properties. The general basis of adjustment is that if the comparable is superior to the 14th Floor of Block C of the Properties, a downward adjustment is made. Alternatively, if the comparable is inferior or less desirable than the 14th Floor of Block C of the Properties, an upward adjustment is made. The adjustment range is between 3.3% and 22.3% as below.

(i)	Time	:	–14.5%	–	0%
(ii)	Location	:	0%	–	10%
(iii)	Property type	:	0%		
(iv)	Quantum	:	–17.8%	–	–14.5%
(v)	Building Age	:	–4.6%	–	–1%
(vi)	Floor Level	:	–6%	–	0.5%
(vii)	View	:	20%		
(viii)	Layout	:	10%	–	20%
(ix)	Exterior Conditions	:	0%		
(x)	Loading Capacity	:	0%	–	5%
(xi)	Headroom	:	0%	–	1.9%

Based on the above analysis of the comparables, we have arrived at the adjusted unit rate of 14th Floor of Block C of the Properties at around HKD 8,074 per sq.ft.

Below is the adjustment rationale of each of the adjustment factors made on the differences between the unit of the Properties and the comparables.

Factor			**Rationale**
(i)	Time	:	Time adjustment is made with reference to the price index for private flatted factories published by the Rating and Valuation Department
(ii)	Location	:	Unit rates of properties located nearer to the commercial and transportation facilities is generally higher, and vice versa.
(iii)	Property type	:	All comparables are unit which is similar to the Properties. The adjustment rates are zero on property type factor.
(iv)	Quantum	:	Unit rates of the properties with smaller size is generally higher, vice versa.
(v)	Building Age	:	Unit rates of properties with lower building age is higher, and vice versa.
(vi)	Floor Level	:	Lower floor levels normally enjoy better accessibility. Unit rates of industrial properties on lower floor levels is generally higher, and vice versa.
(vii)	View	:	Unit rates of properties with sea view; open view, and building view are high, medium and low respectively.
(viii)	Layout	:	Unit rates of properties with better utilization of space and/or efficiency of operation is generally higher, and vice versa.
(ix)	Exterior Conditions	:	Unit rates of properties with good; reasonable and fair exterior conditions are high, medium and low respectively.
(x)	Loading Capacity	:	Unit rates of properties with higher loading capacity is generally higher, and vice versa.
(xi)	Headroom	:	Unit rates of properties with higher headroom is generally higher, and vice versa.

Comparables	**1**	**2**	**3**	**4**
Location	Unit CP028, 2/F, Winner Centre, No. 333 Chai Wan Road, Chai Wan	Unit 37, G/F, Chai Wan Industrial Centre, No. 20 Lee Chung Street, Chai Wan	Unit 25, 2/F, Citicorp Centre, No. 18 Whitfield Road, North Point	Unit CP031, 2/F, Seabright Plaza, Nos. 9-23 Shell Street, North Point
Nature	Agreement for Sale and Purchase	Memorandum of Agreement for Sale and Purchase	Agreement for Sale and Purchase	Agreement for Sale and Purchase
Memorial No.	26010801490166	25112801940289	25091800060054	25061101260039
Completion Year	1982	1976	1983	1992
Property type	Industrial car parking	Industrial car parking	Commercial car parking	Commercial car parking
Transaction Date	29 December 2025	10 November 2025	21 August 2025	29 May 2025
Consideration (HKD)	$900,000	$1,300,000	$1,200,000	$1,300,000

The selection criteria for the comparables are as follows:

i. Situated within North Point, Quarry Bay and Chai Wan;

ii. Being industrial and/or commercial car parking;

iii. The dates of all sale comparables were within 12 months immediately preceding the Valuation Date in order to obtain a sufficient sample size.

Appropriate adjustments and analysis are considered to the differences in several aspects including time and location between the comparables and space no.60 on the 1st Floor of Block B of the Properties. The general basis of adjustment is that if the comparable is superior to space no.60 on the 1st Floor of Block B of the Properties, a downward adjustment is made. Alternatively, if the comparable is inferior or less desirable than the car parking of the Properties, an upward adjustment is made. The adjustment range is between -11.4% and 9.8% as below.

(i)	Time	:	–11.4%	–	–0.2%
(ii)	Location	:	0%	–	10%

Based on the above analysis of the comparables, we have arrived at the adjusted unit rate of the space no.60 on the 1st Floor of Block B of the Properties at around HKD 1,200,000.

Below is the adjustment rationale of each of the adjustment factors made on the differences between the space no.60 on the 1st Floor of Block B of the Properties and the comparables.

Factor			**Rationale**
(i)	Time	:	Time adjustment is made with reference to the price index for private flatted factories published by the Rating and Valuation Department
(ii)	Location	:	Unit rates of properties located nearer to the commercial and transportation facilities is generally higher, and vice versa.

11. The Company confirmed that as at the Valuation Date:

    i. Other than mortgage and rental assignment mentioned in Note (2), no encumbrances, liens, pledges, mortgages against the Properties;

    ii. No environmental issue such as breach of environmental regulations;

    iii. Other than building notice mentioned in Notes (3) and (4), there were no investigations, notices, pending litigation, breach of law or title defects affecting the Properties;

    iv. No plans for construction, renovation, improvement or development of the Properties; and

    v. No plan to change the use of the Properties.

12. As advised by the Company, Golden Well Ventures Limited is a wholly-owned subsidiary of the Company.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular 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.

2. DISCLOSURE OF INTERESTS OF THE DIRECTORS AND CHIEF EXECUTIVE OF THE COMPANY

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company and/or their respective close associates in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

The Company

	Long position in the shares of the Company				
Name of Director	**Personal interests**	**Family interests**	**Corporate interests**	**Total**	**Percentage** *(%)*
Dr. Wong	–	–	525,000,000 *(Note)*	525,000,000	75%

Note:

The 525,000,000 shares comprise 105,000,000 shares held by First Concord Limited, which is held as to 60% by Dr. Wong and as to 40% by Ms. Cheng Rebecca Hew Hong ("**Ms. Cheng**") and 420,000,000 shares held by City Concord Limited, which is 100% held by Dr. Wong. Accordingly, Dr. Wong is deemed to be interested in the shares held by First Concord Limited and City Concord Limited.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company and/or their respective close associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

3. INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at the Latest Practicable Date, so far as known to the Directors or chief executive of the Company, the interests and short positions of the substantial shareholders of the Company or other persons (other than the Directors of chief executive of the Company) in the Shares and underlying shares of the Company, which have been disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO and have been recorded in the register required to be kept by the Company pursuant to section 336 of the SFO, or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, were as follows:

Interests in Shares

Name of Shareholders	Capacity/nature of interests	Number of Shares held *(Note 1)*	Approximate percentage of issued share capital *(%)*
First Concord Limited (*Note 2*)	Beneficial owner	105,000,000 (L)	15%
City Concord Limited (*Note 3*)	Beneficial owner	420,000,000 (L)	60%
Ms. Cheng	Interest of controlled corporation and interest of spouse	525,000,000 (L)	75%

Notes:

1. The letter "L" denotes a long position in the Shareholder's interest in the share capital of the Company.

2. First Concord Limited is held as to 60% by Dr. Wong and 40% by Ms. Cheng. Dr. Wong and Ms. Cheng are both deemed to be interested in the 105,000,000 shares held by First Concord Limited.

3. City Concord Limited is wholly and beneficially owned by Dr. Wong. Dr. Wong is therefore deemed to be interested in the 420,000,000 shares held by City Concord Limited. Ms. Cheng is deemed to be interested in the 420,000,000 shares held by City Concord Limited by reason of her being the spouse of Dr. Wong.

Interests in other member(s) of the Group

Name of non-wholly owned subsidiary of the Company	Name of registered substantial shareholders (other than members of the Group)	Percentage of issued share capital *(%)*
Manweal Development Limited	Primehill Holdings Limited	32.00%
寧波家之良品國際貿易有限公司 (Ningbo Homesbrands International Trading Company Limited)	Mr. Lin Zhao	25.00%

Save as disclosed above, as at the Latest Practicable Date, the Company had not been notified of any other interests and short positions in the Shares and underlying shares of the Company which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group.

4. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or any of their respective close associates has engaged in any business that competes or is likely to compete, directly or indirectly, with the business of the Group.

5. INTERESTS IN ASSETS AND CONTRACTS

As at the Latest Practicable Date and save for the Disposal Agreement, none of the Directors had any direct or indirect interest in any assets which have, since 31 December 2025 (being the date to which the latest published audited accounts of the Company were made up), been (i) acquired or disposed of by; or (ii) leased to; or (iii) proposed to be acquired or disposed of by; or (iv) proposed to be leased to, any member of the Group.

Save for the Disposal Agreement, none of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group.

6. SERVICE CONTRACTS

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

7. MATERIAL CONTRACTS

Save for the Disposal Agreement, there are no contracts (not being contracts entered into in the ordinary course of business) entered into by the members of the Group within the two (2) years immediately preceding the Latest Practicable Date and are or may be material.

8. LITIGATION

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

9. EXPERTS AND CONSENTS

The following is the qualification of the experts who have given opinions or advice contained in this circular:

Name	Qualification
Pelican Financial Limited	A corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO
Royson Valuation Advisory Limited	independent property valuer

Each of the experts listed 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 respectively appear.

As at the Latest Practicable Date, the experts listed above had no shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the experts listed above had no direct or indirect interest in any assets which had been, since 31 December 2025 (being the date to which the latest published audited accounts of the Company were made up), (i) acquired or disposed of by; or (ii) leased to; or (iii) proposed to be acquired or disposed of by; or (iv) proposed to be leased to, any member of the Group.

10. DOCUMENTS ON DISPLAY

Copies of the following documents are published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.kingsflair.com.hk for a period of fourteen (14) days from the date of this circular:

(a) the Disposal Agreement;

(b) the letter from the Independent Financial Adviser, as set out in this circular;

(c) the valuation report on the Properties as set out in Appendix II to this circular; and

(d) the letter of consent of each of the experts referred to in the paragraph headed "Experts and Consents" in this appendix.

11. GENERAL

- The company secretary of the Company is Mr. Wan Hok Yin. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of CPA Australia.

- The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

- The Company's principal place of business in Hong Kong is situated at 12/F, Yardley Commercial Building, 3 Connaught Road West, Hong Kong.

- 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.

- In case of any inconsistency, the English version of this circular shall prevail over the Chinese version.

King's Flair International (Holdings) Limited
科勁國際(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6822)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting ("**EGM**") of King's Flair International (Holdings) Limited (the "**Company**") will be held as a physical meeting only at Boardroom 5, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Tuesday, 25 August 2026 at 3:00 p.m. (or any adjournment thereof) for the purpose of transacting the following business and considering and passing, with or without amendments, the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

"**THAT:**

(a) the sale and purchase agreement dated 5 June 2026 (the "**Disposal Agreement**"), a copy of which will be produced to the meeting and marked "A" and initialed by the chairman of the EGM for the purpose of identification, entered into between King's Flair Marketing Limited, an indirect wholly-owned subsidiary of the Company, as vendor (the "**Vendor**") and Eagle Action Limited as purchaser, in relation to the sale and purchase of the entire issued share capital of Golden Well Ventures Limited ("**Target Company**") and the sale debt owing by the Target Company to the Vendor, for a total consideration of approximately HK$92,000,000 (the details of which are summarised in the circular of the Company dated 24 July 2026 of which this notice forms part), and the terms and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and

(b) the board of directors of the Company be and is hereby generally and unconditionally authorised to do all such acts and things, to sign and execute (including the affixation of the common seal of the Company when required) all such documents for and on behalf of the Company as it may in its absolute discretion consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Disposal Agreement and the transactions contemplated thereunder, and to make and agree to make such variations of the terms of the Disposal Agreement as it may in its discretion consider to be appropriate, necessary or desirable and in the interests of the Company and its shareholders as a whole."

By Order of the Board
King's Flair International (Holdings) Limited
Dr. Wong Siu Wah
Chairman and Executive Director

Hong Kong, 24 July 2026

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

Head Office and Principal Place of Business in Hong Kong:
12th Floor
Yardley Commercial Building
3 Connaught Road West Hong Kong

Notes:

1. Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member. In addition, a proxy shall be entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise if it were an individual member.

2. The instrument appointing a proxy must be signed in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.

3. To be valid, the instrument appointing a proxy together with the power of attorney or other authority (if any) under which it is signed or a certified copy thereof shall be deposited at the branch share registrar and transfer office of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time for holding the meeting (or any adjournment thereof). Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting (or any adjournment thereof) and in such event, the form of proxy shall be deemed to be revoked.

4. In order to establish entitlements to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, 20 August 2026 to Tuesday, 25 August 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be entitled to attend and vote at the EGM, all transfers of shares of the Company accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 19 August 2026.

5. In the case of more than one joint holders of any share are present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy or by representative, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company. Several executors or administrators of a deceased member in whose name any share stands shall for such purpose be deemed joint holders thereof.

6. In cases of inconsistency, the English text of this notice and the accompanying form of proxy shall prevail over their respective Chinese translation.

7. In compliance with Rule 13.39(4) of the Listing Rules, voting on all proposed resolution set out in this notice will be decided by way of a poll.

8. If a Typhoon Signal No. 8 or above is hoisted, or a Black Rainstorm Warning Signal or "extreme conditions" announced by the HKSAR Government is/are in force at or at any time after 12:00 noon on the date of the meeting, the meeting will be adjourned in accordance with the articles of association of the Company. The Company will post an announcement on the websites of the Company (www.kingsflair.com.hk) and the Stock Exchange (www.hkexnews.hk) to notify Shareholders of the date, time and place of the rescheduled meeting.

   The meeting will be held as scheduled when an Amber or a Red Rainstorm Warning Signal is in force. Shareholder should decide on their own whether they would attend the meeting in person under bad weather condition bearing in mind their own situations.

9. If shareholders have any particular access request or special needs for participating in the meeting, please contact the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited (telephone: +852 2980 1333) on or before 23 August 2026.

As at the date of this notice, the board of directors of the Company comprised two executive directors, namely, Dr. Wong Siu Wah (Chairman and Chief Executive Officer) and Ms. Wong Fook Chi; and four independent non-executive directors, namely, Professor Lau Kin Tak, Mr. Anthony Graeme Michaels, Ms. Leung Wai Ling, Wylie and Professor Shyy Wei.