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 Asiasec Properties Limited, you should at once hand this circular, together with 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.

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

亞證地產有限公司

ASIASEC PROPERTIES LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 271)

(I) PROPOSED SHARE CONSOLIDATION; (II) PROPOSED CHANGE IN BOARD LOT SIZE; (III) PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) CONSOLIDATED SHARE HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS; AND (IV) NOTICE OF EXTRAORDINARY GENERAL MEETING

Financial Adviser to the Company

禹銘投資管理有限公司
YU MING INVESTMENT MANAGEMENT LIMITED

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

VINCO 榮高

Vinco Financial Limited

Capitalised terms used on this cover shall have the same meanings as those defined in this circular, unless the context requires otherwise.

The Rights Issue will be made on a non-underwritten basis. There are no statutory requirements regarding the minimum subscription levels in respect of the Rights Issue. There is no minimum amount to be raised under the Rights Issue.

The Rights Issue is subject to the fulfilment of conditions of the Rights Issue as set out in the section headed "Letter from the Board – Conditions of the Rights Issue" in this circular. If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any Shareholder or other person dealing in Shares and/or nil-paid Rights Shares up to the date on which the Rights Issue has become unconditional should be aware of the risk that the Rights Issue may not proceed and are advised to exercise caution.

A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages IBC-1 to IBC-2 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 IFA-1 to IFA-26 of this circular.

A notice convening the EGM to be held at Plaza 3, Basement 3, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Wednesday, 25th November, 2026 at 3:00 p.m. is set out on EGM-1 to EGM-3 of this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Share Registrar, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment or postponement thereof, provided that no account is to be taken of any part of a day that is a public holiday. Completion and return of the form of proxy will not preclude the shareholders of the Company from attending and voting in person at the EGM or any adjournment or postponement thereof if they so wish.

6th November, 2026

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

"acting in concert"	has the meaning ascribed thereto under the Takeovers Code
"Announcement"	the announcement of the Company dated 12th October, 2026 in relation to, among other things, the Share Consolidation, the Change in Board Lot Size and the Rights Issue
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Autobest"	Autobest Holdings Limited, a company incorporated in the British Virgin Islands, an indirect wholly-owned subsidiary of TACI, and a controlling shareholder of the Company
"Board"	the board of Directors
"business day"	a day (other than a Saturday or Sunday) on which commercial banks in Hong Kong are generally open for business
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Change in Board Lot Size"	the change in the board lot size of the Shares for trading on the main board of the Stock Exchange from 1,000 Existing Shares to 5,000 Consolidated Shares
"Companies (WUMP) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company"	Asiasec Properties Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the main board of the Stock Exchange (Stock Code: 271)
"Consolidated Share(s)"	ordinary share(s) in the share capital of the Company immediately after the Share Consolidation becoming effective
"controlling shareholder"	has the meaning ascribed to it under the Listing Rules

"Director(s)"	the director(s) of the Company
"EAF(s)"	the excess application form(s) for additional Rights Shares proposed to be issued to the Qualifying Shareholders
"EGM"	the extraordinary general meeting of the Company to be held at Plaza 3, Basement 3, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Wednesday, 25th November, 2026 at 3:00 p.m. for the purpose of considering and, if thought fit, to approve the Share Consolidation and the Rights Issue
"Existing Share(s)"	ordinary share(s) in the share capital of the Company prior to the Share Consolidation becoming effective
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Board Committee"	the independent committee of the Board comprising all the independent non-executive Directors, namely Mr. Li Chak Hung, Ms. Lisa Yang Lai Sum and Mr. Cheng Chi Kin, which has been established to advise the Independent Shareholders in respect of the Rights Issue
"Independent Financial Adviser" or "Vinco Financial"	Vinco Financial Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders on the Rights Issue and the transactions contemplated thereunder
"Independent Shareholder(s)"	any Shareholder(s) who are not required to abstain from voting at the EGM under the Listing Rules
"Irrevocable Undertaking"	the irrevocable undertaking given by Autobest in favour of the Company as described in the section headed "Letter from the Board – Irrevocable Undertaking"

"Last Trading Day"	Monday, 12th October, 2026, being the last trading day of the Shares on the Stock Exchange immediately preceding the release of the Announcement
"Latest Practicable Date"	3rd November, 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"Latest Time for Acceptance"	4:00 p.m. on Wednesday, 23rd December, 2026 (or such later time/date as the Company may determine), being the latest time for acceptance of the Rights Shares and application for the excess Rights Shares
"Listing Committee"	has the meaning ascribed to it under the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Non-Qualifying Shareholder(s)"	those Overseas Shareholder(s) in respect of whom the Directors, based on legal opinions obtained by the Company, consider it necessary or expedient not to offer Rights Shares on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
"Overseas Shareholder(s)"	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose registered address(es) as shown on such register is/are outside Hong Kong
"PAL(s)"	the renounceable provisional allotment letter(s) representing the Rights Shares proposed to be issued to the Qualifying Shareholders under the Rights Issue
"Prospectus"	the prospectus relating to the issue of the Rights Shares to be despatched on the Prospectus Posting Date to the Qualifying Shareholders and, for information only, to the Non-Qualifying Shareholders, under the Rights Issue
"Prospectus Documents"	the Prospectus, PAL and EAF

"Prospectus Posting Date"	the business day on which the Prospectus Documents will be despatched to Shareholders, which is now expected to be Wednesday, 9th December, 2026 (or such other date to be determined by the Company)
"Public Float Requirement"	the public float requirement under Rule 13.32B of the Listing Rules
"Qualifying Shareholder(s)"	Shareholder(s), other than the Non-Qualifying Shareholders, whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date
"Record Date"	the record date by reference to which entitlements to the Rights Issue will be determined, which is now expected to be Tuesday, 8th December, 2026 (or such other date to be determined by the Company)
"Rights Issue"	the proposed issue by way of rights of one (1) Rights Share for every one (1) Consolidated Share held on the Record Date at the Subscription Price, payable in full on acceptance on the terms to be set out in the Prospectus Documents and summarised herein
"Rights Share(s)"	up to 124,066,894 Consolidated Shares (assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date)
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	the Existing Share(s) or the Consolidated Share(s) (as the context may require)
"Share Consolidation"	the proposed consolidation of every ten (10) issued Existing Shares into one (1) Consolidated Share
"Share Registrar"	Tricor Investor Services Limited, the Company's share registrar, located at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong
"Shareholder(s)"	holder(s) of Share(s)

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Price"	HK$1.22 per Rights Share
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"TACI"	Tian An China Investments Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 28), and being the substantial shareholder of the Company
"Takeovers Code"	The Code on Takeovers and Mergers of Hong Kong
"%"	per cent

Set out below is the expected timetable for the Share Consolidation, the Change in Board Lot Size and the Rights Issue, which is indicative only and has been prepared on the assumption that all conditions of the Share Consolidation and the Rights Issue, respectively, will be fulfilled. All times and dates stated in this circular refer to Hong Kong local times and dates. Any changes to the expected timetable will be announced by way of an announcement by the Company as and when appropriate.

Event	**Time and date**
Latest time for lodging transfer of the Shares to qualify for attendance and voting at the EGM	4:30 p.m. on Wednesday, 18th November, 2026
Closure of register of members of the Company for determining the identity of the Shareholders entitled to attend and vote at the EGM (both dates inclusive)	Thursday, 19th November, 2026 to Wednesday, 25th November, 2026
Latest time for lodging proxy forms for the EGM.	3:00 p.m. on Monday, 23rd November, 2026
Record date for attendance and voting at the EGM	Wednesday, 25th November, 2026
Expected date and time of the EGM to approve the proposed Share Consolidation and Rights Issue	3:00 p.m. on Wednesday, 25th November, 2026
Announcement of the poll results of the EGM	Wednesday, 25th November, 2026
Register of members of the Company re-opens.	Thursday, 26th November, 2026

The following events are conditional on the fulfilment of the conditions relating to the implementation of the Share Consolidation and the Rights Issue and therefore the dates are tentative only:

Event	Time and date
Effective date of the Share Consolidation	Friday, 27th November, 2026
Commencement of dealings in the Consolidated Shares	9:00 a.m. on Friday, 27th November, 2026
Original counter for trading in Existing Shares in board lots of 1,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Friday, 27th November, 2026
Temporary counter for trading in the Consolidated Shares in board lots of 100 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Friday, 27th November, 2026
First day of free exchange of existing share certificates for new share certificates for Consolidated Shares	Friday, 27th November, 2026
Last day of dealings in the Consolidated Shares on a cum-rights basis relating to the Rights Issue	Friday, 27th November, 2026
First day of dealings in the Consolidated Shares on an ex-rights basis relating to the Rights Issue	Monday, 30th November, 2026
Latest time for the Shareholders to lodge transfer documents of Consolidated Shares in order to be qualified for the Rights Issue	4:30 p.m. on Tuesday, 1st December, 2026
Closure of register of members to determine the entitlements to the Rights Issue (both dates inclusive)	Wednesday, 2nd December, 2026 to Tuesday, 8th December, 2026
Record date for the Rights Issue	Tuesday, 8th December, 2026
Register of members of the Company re-opens	Wednesday, 9th December, 2026

Event	Time and date
Expected despatch date of the Prospectus Documents (including the PAL, the EAF and the Prospectus), and in case of the Non-Qualifying Shareholders, the Prospectus for information purpose only	Wednesday, 9th December, 2026
First day of dealings in nil-paid Rights Shares in board lots of 5,000 nil-paid Rights Shares	Friday, 11th December, 2026
Effective date of the Change in Board Lot Size	Friday, 11th December, 2026
Original counter for trading in the Consolidated Shares in board lots of 5,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m. on Friday, 11th December, 2026
Parallel trading in the Consolidated Shares (in the form of both existing share certificates and new share certificates) commences	9:00 a.m. on Friday, 11th December, 2026
Designated broker starts to stand in the market to provide matching services for odd lot of the Consolidated Shares	9:00 a.m. on Friday, 11th December, 2026
Latest time for splitting the PALs	4:30 p.m. on Tuesday, 15th December, 2026
Last day of dealings in nil-paid Rights Shares	Friday, 18th December, 2026
Latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares	4:00 p.m. on Wednesday, 23rd December, 2026
Announcement of results of the Rights Issue including the results of application for excess Rights Shares	Thursday, 31st December, 2026
Despatch of share certificates for fully-paid Rights Shares and/or refund cheques, if any, in respect of wholly or partially unsuccessful applications	Monday, 4th January, 2027

Event	Time and date
Designated broker ceases to provide matching services for odd lot of the Consolidated Shares	4:00 p.m. on Monday, 4th January, 2027
Temporary counter for trading in the Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on Monday, 4th January, 2027
Parallel trading in the Consolidated Shares (represented by both existing share certificates and new share certificates) ends	4:10 p.m. on Monday, 4th January, 2027
Commencement of dealings in fully-paid Rights Shares	Tuesday, 5th January, 2027
Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares	4:30 p.m. on Wednesday, 6th January, 2027

EFFECT OF BAD WEATHER OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND FOR APPLICATION AND PAYMENT FOR THE EXCESS RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares and for application and payment for the excess Rights Shares will not take effect if there is a tropical cyclone warning signal number 8 or above, "extreme conditions" or a "black" rainstorm warning. If such circumstance is:

(a) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on Wednesday, 23rd December, 2026, the latest time for acceptance of and payment for the Rights Shares and for application and payment for the excess Rights Shares will be extended to 5:00 p.m. on the same business day; or

(b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Wednesday, 23rd December, 2026, the latest time for acceptance of and payment for the Rights Shares and for application and payment for the excess Rights Shares will be rescheduled to 4:00 p.m. on the following business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for the excess Rights Shares does not take effect on Wednesday, 23rd December, 2026, the dates mentioned above may be affected. An announcement will be made by the Company in such event.

亞證地產有限公司
ASIASEC PROPERTIES LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 271)

Executive Directors:
Patrick Lee Seng Wei *(Chairman)*
Lee Shu Yin *(Chief Executive)*
Tao Tsan Sang

Independent Non-Executive Directors:
Li Chak Hung
Lisa Yang Lai Sum
Cheng Chi Kin

Registered office:
9th Floor
Allied Kajima Building
138 Gloucester Road
Wanchai
Hong Kong

6th November, 2026

To the Shareholders

Dear Sir or Madam,

(I) PROPOSED SHARE CONSOLIDATION; (II) PROPOSED CHANGE IN BOARD LOT SIZE; (III) PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) CONSOLIDATED SHARE HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS; AND (IV) NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the Announcement in relation to, among other things, the Share Consolidation, the Change in Board Lot Size and the Rights Issue.

The purpose of this circular is to provide you with, among other things, (i) further details of the Share Consolidation and the Rights Issue; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Rights Issue; (iv) other information required under the Listing Rules; and (v) a notice convening the EGM.

PROPOSED SHARE CONSOLIDATION

The Board proposes that every ten (10) issued Existing Shares in the share capital of the Company be consolidated into one (1) Consolidated Share in the share capital of the Company.

Effect of the Share Consolidation

The Company is a company incorporated in Hong Kong and hence the Existing Shares have no nominal value. As at the Latest Practicable Date, 1,240,668,945 Existing Shares have been allotted and issued as fully paid.

Assuming no further Existing Shares will be issued or repurchased between the Latest Practicable Date and the date of the EGM, immediately after the Share Consolidation becoming effective, no more than 124,066,894 Consolidated Shares which are fully paid will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other. Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following conditions:

(i) the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the EGM;

(ii) the Stock Exchange granting listing of, and permission to deal in, the Consolidated Shares in issue upon the Share Consolidation becoming effective; and

(iii) the compliance with the relevant procedures and requirements under the Listing Rules to effect the Share Consolidation.

Listing application

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares in issue upon the Share Consolidation becoming effective.

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becomes effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Securities convertible or exchangeable into Existing Shares

As at the Latest Practicable Date, the Company had no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the Latest Practicable Date, the Existing Shares are traded on the Stock Exchange in board lot size of 1,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 1,000 Existing Shares to 5,000 Consolidated Shares subject to and upon the Share Consolidation becoming effective.

Based on the closing price of HK$0.143 per Existing Share (equivalent to HK$1.43 per Consolidated Share) as quoted on the Stock Exchange as at the Latest Practicable Date, (i) the market value of each board lot of 1,000 Existing Shares is HK$143; (ii) the market value of each board lot of 1,000 Consolidated Shares would be HK$1,430; and (iii) the market value of each board lot of 5,000 Consolidated Shares, assuming the Share Consolidation and the Change in Board Lot Size had become effective, would be HK$7,150.

The Change in Board Lot Size will not result in any change in the relative rights of the Shareholders.

All existing share certificates in board lot of 1,000 Existing Shares will remain good evidence of the legal title to the Shares and continue to be valid for delivery, transfer, trading and settlement purposes. No new share certificates for existing Shareholders will be issued as a result of the change in the board lot size, and therefore no arrangement for free exchange of existing share certificates in board lot size 1,000 Existing Shares to new share certificate in board lot size of 5,000 Consolidated Shares is necessary.

OTHER ARRANGEMENTS

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company has appointed Morton Securities Limited as an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Shareholders who wish to take advantage of this service should contact Mr. Alex Cheung of Morton Securities Limited at Room 1804-05, 18th Floor, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong or at telephone number (852) 2652 7118 from 9:00 a.m. on Friday, 11th December, 2026 to 4:00 p.m. on Monday, 4th January, 2027.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional adviser.

Exchange of share certificates

Subject to the Share Consolidation becoming effective, which is currently expected to be on Friday, 27th November, 2026, being the second business day immediately after the date of the EGM, the Shareholders may during the period from Friday, 27th November, 2026 to Wednesday, 6th January, 2027 (both days inclusive) submit existing share certificates for the Existing Shares (in the colour of red) to the Share Registrar, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong, to exchange for new share certificates for the Consolidated Shares (in the colour of blue) at the expense of the Company.

Thereafter, share certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever the number of certificates cancelled or issued is higher.

After 4:30 p.m. on Wednesday, 6th January, 2027, share certificates for the Existing Shares will remain effective as documents of title and may be exchanged for share certificates for the Consolidated Shares at any time but will not be accepted for delivery, trading and settlement purposes.

REASONS FOR THE SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

Based on the "Guide on Trading Arrangements for Selected Types of Corporate Actions" issued by Hong Kong Exchanges and Clearing Limited on 28th November, 2008, and last updated in June 2026 (the "**Guide**"), taking into account the minimum transaction costs for a securities trade, the expected board lot value per board lot should be greater than HK$1,000.

On the Last Trading Day, the closing price of an Existing Share of the Company was HK$0.139, with a board lot size of 1,000 Existing Shares, the existing board lot value was only HK$139, which was less than HK$1,000. In order to increase the value of each board lot of the Consolidated Shares and reduce transaction and registration costs incurred by the Shareholders and investors of the Company, the Board proposed to implement the Share Consolidation and the Change in Board Lot Size, resulting in the theoretical closing price of HK$1.39 per Consolidated Share and the estimated value of HK$6,950 per board lot of 5,000 Consolidated Shares based on the closing price of the Existing Shares of HK$0.139 on the Last Trading Day.

Based on the theoretical ex-rights price of HK$1.305 per Consolidated Share, the market value of each board lot of 1,000 Consolidated Shares would be HK$1,305 and the estimated market value of each proposed new board lot of 5,000 Consolidated Shares would be approximately HK$6,525.

The Board considered that the Share Consolidation and the Change in Board Lot Size will enable the Company to comply with the trading requirements under the Listing Rules and the Guide and reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since many banks/securities houses will charge minimum transaction costs for each securities trade.

With a corresponding upward adjustment in the trading price of the Consolidated Shares on the Stock Exchange, the Board believes that investment in the Consolidated Shares would become more attractive to a broader range of investors, thereby improving the liquidity of the Consolidated Shares and further broadening the shareholder base of the Company.

All existing share certificates in board lot of 1,000 Existing shares will remain good evidence of the legal title to the Shares and continue to be valid for delivery, transfer, trading and settlement purposes. No new share certificates for existing Shareholders will be issued as a result of the Change in Board Lot Size, and therefore no arrangement for free exchange of existing share certificates in board lot size 1,000 Existing shares to new share certificate in board lot size of 5,000 Consolidated shares is necessary.

Save for (i) any fractional Consolidated Shares that will not be allocated to Shareholders; and (ii) professional fees for the implementation of the Share Consolidation, the Directors consider that the Share Consolidation will have no effect on the underlying assets, business operations, management or financial position of the Company or the proportional interests and rights of the Shareholders in the Company. Taking into account of the potential benefits and the amount of costs expected to be incurred, the Board is of the view that the Share Consolidation and Change in Board Lot Size are beneficial to and in the interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, the Company has no intention to carry out other corporate actions or arrangement in the next 12 months, which may have an effect of undermining or negating the intended purpose of the Share Consolidation, and the Company has no concrete plans to conduct any equity fundraising in the next 12 months save for the proposed Rights Issue. However, the Board cannot rule out the possibility of the Company conducting debt and/or equity fund-raising activities when suitable fund-raising and/or investment opportunities arise in order to meet the Group's operational needs or support the future development of the Group. Further announcement(s) will be made by the Company with regards to any potential fund-raising activities as and when appropriate and in accordance with the Listing Rules.

PROPOSED RIGHTS ISSUE

Subject to the Share Consolidation becoming effective, the Company proposes to raise gross proceeds of up to approximately HK$151.36 million by way of the issue of 124,066,894 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date and all the Qualifying Shareholders take up their respective allotment of Rights Shares in full) at the Subscription Price of HK$1.22 per Rights Share on the basis of one (1) Rights Share for every one (1) Consolidated Share held by the Qualifying Shareholders on the Record Date.

Further details of the Rights Issue are set out below:

Issue Statistics

Basis of the Rights Issue	:	One (1) Rights Share for every one (1) Consolidated Share held by the Qualifying Shareholders on the Record Date
Subscription Price	:	HK$1.22 per Rights Share
Number of Existing Shares in issue as at the Latest Practicable Date	:	1,240,668,945 Existing Shares
Number of Consolidated Shares in issue upon the Share Consolidation becoming effective	:	124,066,894 Consolidated Shares (assuming no further issue or repurchase of Shares up to the effective date of the Share Consolidation)
Number of Rights Shares to be issued under the Rights Issue	:	Up to 124,066,894 Rights Shares (assuming no further issue or repurchase of Shares on or before the Record Date)
Number of issued Consolidated Shares as enlarged by the Rights Issue (assuming the Rights Issue is fully subscribed)	:	Up to 248,133,788 Consolidated Shares (assuming no Shares are issued (other than the Rights Shares) or repurchased on or before the completion of the Rights Issue)
Gross proceeds from the Rights Issue	:	Up to approximately HK$151.36 million before deduction of costs and expenses (assuming no Shares are issued or repurchased on or before the Record Date)
Net proceeds from the Rights Issue	:	Up to approximately HK$149.56 million after deduction of costs and expenses (assuming no Shares are issued and repurchased on or before the Record Date)
Net price (i.e. Subscription Price less cost and expenses incurred in the Rights Issue)	:	Up to approximately HK$1.21 per Rights Share (assuming no Shares are issued and repurchased on or before the Record Date)

Right of excess applications	:	Qualifying Shareholders may apply for the Rights Shares in excess of their provisional allotments

The Company is a company incorporated in Hong Kong and the Rights Shares have no nominal value.

As at the Latest Practicable Date, the Company had no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares.

Assuming no change in the number of Shares in issue on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 124,066,894 Rights Shares proposed to be issued pursuant to the Rights Issue represent 100% of the issued share capital of the Company as at the Record Date and will represent 50% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. In the event that the provisional allotments for the Rights Issue are not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders together with the Rights Shares not provisionally allotted to the Non-Qualifying Shareholders will be made available for excess application under the EAFs. There is no minimum subscription level or minimum amount to be raised under the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, the Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s) and EAF(s), or transferees of nil-paid Rights Shares (or either of them, whichever shall be appropriate), may result in the Company's non-compliance of the Public Float Requirement of the Listing Rules. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its entitlement under the Rights Issue will be scaled down to a level which does not result in the non-compliance of the Public Float Requirement. In particular, the application of Autobest for its entitlements under the PAL shall be subject to scaling-down as abovementioned.

The Public Float Requirement shall be fulfilled by the Company at all times. The Company will take all appropriate steps to ensure that sufficient public float be maintained at all times in compliance with Rule 13.32B of the Listing Rules.

Any subscription monies not being utilised due to the scaled-down application of entitled Rights Shares or excess Rights Shares will be refunded to the affected applicants.

The scale-down of applications of Rights Shares shall operate on a fair and equitable basis under the following principles: (i) EAF(s) should be scaled down before PAL(s); and (ii) where the scale-down is necessitated by the exceeding of shareholding by a group of Shareholders acting in concert (the "**AIC Group(s) of Shareholder(s)**") rather than an individual Shareholder, the allocations of EAF(s) and PAL(s) to members of the affected group should be made on a pro-rata basis by reference to the number of Shares held by the affected applicants on the Record Date, but for avoidance of any doubt, any or any such onward allocation(s) shall be subject to the scale-down as well. The Company and/or the Share Registrar will, based on the latest corporate records of the Shareholders available to them, ascertain if there are such AIC Group(s) of Shareholder(s).

If the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Non-Qualifying Shareholders, if any, should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.

Subscription Price

The Subscription Price of HK$1.22 per Rights Share is payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of Rights Shares under the Rights Issue, upon an application of excess Rights Shares, or when a transferee of nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares.

The Subscription Price, assuming the Share Consolidation has become effective as at the Latest Practicable Date, represents:

(i) a discount of approximately 14.69% to the theoretical closing price of HK$1.43 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the closing price of HK$0.143 per Existing Share as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a discount of approximately 12.23% to the theoretical closing price of HK$1.39 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the closing price of HK$0.139 per Existing Share as quoted on the Stock Exchange on the Last Trading Day;

(iii) a discount of approximately 6.51% to the theoretical ex-rights price of approximately HK$1.305 per Consolidated Share (after taking into account the effect of the Share Consolidation), which is calculated on the basis of the closing price of HK$0.139 per Existing Share as quoted on the Stock Exchange on the Last Trading Day;

(iv) a discount of approximately 11.47% to the average of the theoretical closing prices per Consolidated Share for the five consecutive trading days ended on the Last Trading Day of approximately HK$1.378 per Consolidated Share (after taking into account the effect of the Share Consolidation);

(v) a discount of approximately 8.13% to the average of the theoretical closing prices per Consolidated Share for the ten consecutive trading days ended on the Last Trading Day of approximately HK$1.328 per Consolidated Share (after taking into account the effect of the Share Consolidation);

(vi) a discount of approximately 90.06% to the audited consolidated net asset value attributable to the Shareholders as at 31st December, 2025 as extracted from the final results of the Company for the year ended 31st December, 2025 of approximately HK$12.269 per Consolidated Share, which is calculated based on the Group's audited consolidated net assets of approximately HK$1,522,122,000 as at 31st December, 2025 divided by 1,240,668,945 Existing Shares in issue and adjusted for the effect for the Share Consolidation;

(vii) a discount of approximately 89.25% to the unaudited consolidated net asset value attributable to the Shareholders as at 30th June, 2026 as extracted from the interim results of the Company for the six months ended 30th June, 2026 of approximately HK$11.350 per Consolidated Share, which is calculated based on the Group's unaudited consolidated net assets of approximately HK$1,408,182,000 as at 30th June, 2026 divided by 1,240,668,945 Existing Shares in issue and adjusted for the effect for the Share Consolidation; and

(viii) theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 6.12%, based on the theoretical diluted price of approximately HK$1.305 per Consolidated Share to the benchmarked price of HK$1.39 per Consolidated Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of (i) the theoretical closing price of HK$1.39 per Consolidated Share as quoted on the Stock Exchange on the Last Trading Day adjusted for the effect of the Share Consolidation; and (ii) the average theoretical closing price of approximately HK$1.34 per Consolidated Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the Last Trading Day and adjusted for the effect of the Share Consolidation).

The Subscription Price was determined with reference to (i) the prevailing market conditions of the Hong Kong stock market which showed a downward trend from the beginning of 2026; (ii) recent market price of the Existing Shares as quoted on the Stock Exchange; (iii) the low average trading volume of less than 100,000 Shares per day for the thirty consecutive trading days ended on the Last Trading Day; (iv) the theoretical dilution effect of 6.12%, which is below the 25% threshold prescribed under Rule 7.27B of the Listing Rules; and (v) the purposes described in the section headed "Reasons for the Rights Issue and the Use of Proceeds" below.

The Board considers that setting the Subscription Price at a discount to the current market price of the Shares would enhance the attractiveness of the Rights Issue, and in turn encourage the Shareholders to participate in the Rights Issue, and accordingly allow them to maintain their shareholdings in the Company and participate in the future growth and development of the Group.

The Board notes that the Subscription Price represents a discount of approximately 89.25% to the unaudited net asset value attributable to the Shareholders of approximately HK$11.350 per Consolidated Share as at 30th June, 2026. In this regard, the Board has taken into account that (i) the Shares have been trading consistently and substantially below the net asset value per Share during the twelve months preceding Last Trading Day; (ii) the prevailing market prices of the Shares, being the prices determined by investors of the Company, to be a more relevant benchmark than the net asset value attributable to the Shareholders per Share; and (iii) the Rights Issue is offered to all Qualifying Shareholders on the same terms in proportion to their shareholdings, such that Qualifying Shareholders who take up their provisional allotments in full will maintain their respective percentage shareholdings and will themselves benefit from subscribing at the same Subscription Price, and the discount to the net asset value will not, of itself, result in any transfer of value away from participating Shareholders.

In view of the above, and having considered that all the Qualifying Shareholders will be offered equal opportunity to subscribe for the Rights Shares by way of provisional allotment, the Board considers the terms of the Rights Issue, including the Subscription Price, to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Basis of provisional allotment

The basis of provisional allotment of Rights Shares will be one (1) Rights Share for every one (1) Consolidated Share held by the Qualifying Shareholders as at the close of business on the Record Date.

Status of Rights Shares

The Rights Shares (when allotted, issued and fully-paid) will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid, the record dates of which are on or after the date of allotment and issue of the fully-paid Rights Shares.

Qualifying Shareholders and Non-Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. The Company will send to each of the Qualifying Shareholders each of the PAL and EAF in printed form and the Prospectus in electronic form (or printed form if they have previously requested for printed copies of corporate communication). The Company will not extend the Rights Issue to the Non-Qualifying Shareholders. The Company will, to the extent permitted under the relevant laws and regulations and reasonably practicable, send the Prospectus to the Non-Qualifying Shareholders for information purposes only but will not send any PAL or EAF to them.

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and not be a Non-Qualifying Shareholder. Shareholders having an address in Hong Kong as shown on the register of members of the Company at the close of business on the Record Date will qualify for the Rights Issue.

Shareholders having an address outside Hong Kong as shown on the register of members of the Company at the close of business on the Record Date will not qualify for the Rights Issue if the Board, after making relevant enquiries, considers that the exclusion of such Overseas Shareholders from the Rights Issue would be necessary or expedient on account either of legal restrictions under the laws of the relevant place or any requirements of the relevant regulatory body or stock exchange in that place.

Shareholders with their Shares held by nominee(s) (or held in CCASS) should note that the Board will consider the said nominee (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company and are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date.

In order to be registered as a member of the Company on the Record Date, all transfer documents of the Shares (together with the relevant share certificate(s)) must be lodged for registration with the Share Registrar, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong by no later than 4:30 p.m. on Tuesday, 1st December, 2026. The last day for dealing in the Shares on a cum-rights basis is Friday, 27th November, 2026.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a cheque or banker's cashier order for the Rights Shares being applied for with the Share Registrar on or before the Latest Time for Acceptance, which is expected to be 4:00 p.m. on Wednesday, 23rd December, 2026.

Qualifying Shareholders who take up their pro rata entitlement in full will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

Rights of the Overseas Shareholders

If, at the close of business on the Record Date, a Shareholder's address on the Company's register of members is in a place outside Hong Kong, such Shareholder may not be eligible to take part in the Rights Issue. The Prospectus Documents to be despatched in connection with the Rights Issue will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong.

The Board notes the requirements specified in Rule 13.36(2)(a) of the Listing Rules and is in the process of making enquiries in the relevant jurisdictions as to the feasibility of extending the Rights Issue to the Overseas Shareholders. If, after making such enquiries, the Board is of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant place or any requirements of the relevant regulatory body or stock exchange in that place, not to offer the Rights Shares to the relevant Overseas Shareholders, no provisional allotment of nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such Overseas Shareholders. In such circumstances, such Overseas Shareholders will become Non-Qualifying Shareholders and the Rights Issue will not be extended to them. The Company will, to the extent permitted under the relevant laws and regulations and reasonably practicable, send the Prospectus to the Non-Qualifying Shareholders for information purposes only but will not send any PAL or EAF to them. The explanation and basis of exclusion of Non-Qualifying Shareholders, if any, will be disclosed in the Prospectus. As at the Latest Practicable Date, the Company has not received any finalised legal opinion from overseas legal advisers in this regard.

Based on the register of members of the Company as at the Latest Practicable Date, there are 41 Shareholders with registered addresses situated overseas as follows:

Jurisdiction	**Number of Overseas Shareholder(s)**	**Aggregated number of Existing Shares held by Overseas Shareholder(s) in the jurisdiction**	**Approximate % of the issued share capital of the Company** *(Note)*
Singapore	20	2,069	0.0002%
Macau	8	15,040	0.0012%
United Kingdom	4	3,173	0.0003%
Canada	3	13,507	0.0011%
Malaysia	2	662	0.0001%
Denmark	1	31	0.0000%
People's Republic of China	1	478	0.0000%
Taiwan	1	3,194	0.0003%
United States of America	1	2,000	0.0002%
	41	40,154	0.0032%

Note: The percentage figures have been subject to rounding adjustment. Any discrepancies between totals and sums of amount listed herein are due to rounding adjustment.

In the event that there are additional Overseas Shareholders with registered address situated in other jurisdictions as at the Record Date, the Board will make such enquiry(ies) under Rule 13.36(2)(a) of the Listing Rules.

Arrangements for the Non-Qualifying Shareholders Rights Shares

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders, to be provisionally allotted to a nominee of the Company in nil-paid form. The Company shall procure that such nominee to sell the Rights Shares in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and in any event on or before the last day for dealings in the nil-paid Rights Shares at a net premium. If and to the extent that such rights can be so sold, the nominee shall account to the Company for the net proceeds of sale (after deducting the expenses of sale, if any), on the basis that the net proceeds after deducting the expenses of sale (if any) attributable to the sale of the Rights Shares that would otherwise have been allotted to the Non-Qualifying Shareholders shall be distributed pro rata to their shareholdings as at the Record Date (but rounded down to the nearest cent) in Hong Kong dollars provided that the individual amounts of HK$100 or less shall be retained by the Company for its own benefit. Any unsold entitlements of the Non-Qualifying Shareholders will be taken up by excess application.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue subject to the results of the enquiries made by the Board pursuant to Rule 13.36(2)(a) of the Listing Rules. The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.

No fractional entitlements to the Rights Shares

On the basis of provisional allotment of one (1) Rights Share for every one (1) Consolidated Share held on the Record Date, no fractional entitlements to the Rights Shares shall arise under the Rights Issue. No odd lot matching services in relation to the Rights Issue will be provided.

Application for Excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for Rights Shares representing:

(i) unsold entitlements of the Non-Qualifying Shareholders (if any);

(ii) entitlements provisionally allotted but not validly accepted by the Qualifying Shareholders or otherwise not subscribed for by renouncees or transferees of nil-paid Rights Shares; and

(iii) any Rights Shares which would otherwise be allotted but subject to scale down (as described in the paragraph headed "Non-underwritten basis" above).

Applications for excess Rights Shares should be made only by completing an EAF and lodging the same with a separate cheque or banker's cashier order for the sum payable for the excess Rights Shares being applied for. If a Qualifying Shareholder wishes to apply for any Rights Shares in addition to his/her/its provisional allotment, he/she/it must complete and sign an EAF and lodge it, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the Share Registrar, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong by a time which is currently expected to be 4:00 p.m. on Wednesday, 23rd December, 2026.

The Board will allocate the excess Rights Shares at its discretion on a fair and equitable basis in proportion to the number of excess Rights Shares being applied for under each application. However, no preference will be given to topping-up odd lots to whole board lots. Shareholders who have been offered odd lots of the Rights Shares should note that there is no guarantee that such odd lots of the Rights Shares will be topped up to create whole board lots pursuant to applications for excess Rights Shares. Further, pursuant to Rule 7.21(3)(b) of the Listing Rules, the Company will also take steps to identify the applications for excess Rights Shares made by any controlling shareholder and its associates (together, the "**Relevant Shareholders**"), whether in their own names or through nominees. The Company shall disregard the Relevant Shareholders' applications for excess Rights Shares to the extent that the total number of excess Rights Shares they have applied for exceeds a maximum number equivalent to the total number of Rights Shares offered under the Rights Issue minus the number of Rights Shares taken up by the Relevant Shareholders under their assured entitlement to the Rights Shares.

Investors with their Shares held by a nominee company (or which are deposited in CCASS) should note that the Board will regard the nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually. Investors with their Shares held by a nominee company (or which are deposited in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names as the beneficial owner(s) on or prior to the Record Date.

Investors whose Shares are held by their nominee(s) (or which are deposited in CCASS) and who would like to have their names registered on the register of members of the Company on the Record Date, must lodge all necessary documents with the Share Registrar for completion of the relevant registration by 4:30 p.m. on Tuesday, 1st December, 2026.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfilment of conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered addresses, at their own risks, on or before Monday, 4th January, 2027. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares, or for refunds if the Rights Issue does not proceed, are expected to be despatched on or before Monday, 4th January, 2027 to the applicants without interest to their registered addresses by ordinary post at their own risks.

Stamp duty and other applicable fees and charges

Dealings in the Rights Shares (in both nil-paid and fully-paid forms) will be subject to payment of stamp duty, Stock Exchange trading fee, SFC transaction levy, or any other applicable fees and charges in Hong Kong.

Taxation

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Overseas Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

Application for Listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. The nil-paid Rights Shares shall have the revised board lot size of 5,000 in one board lot with the Change in Board Lot Size taking effect on Friday, 11th December, 2026. Dealings in the Rights Shares in their nil-paid and fully-paid forms will be subject to the payment of stamp duty and any other applicable fees and charges in Hong Kong.

Rights Shares will be Eligible for Admission into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day after the date of the transaction. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

IRREVOCABLE UNDERTAKING

As at the Latest Practicable Date, Autobest held 930,376,898 Existing Shares.

Pursuant to the Irrevocable Undertaking, Autobest has irrevocably undertaken to the Company, among other things:

(i) it will remain as the beneficial owner of all the 930,376,898 Existing Shares immediately prior to the Share Consolidation becoming effective, and upon the Share Consolidation becoming effective, the 93,037,689 Consolidated Shares held by it up to and including the Record Date;

(ii) it will subscribe for all of the Rights Shares which it is entitled to under the Rights Issue on the Record Date, being 93,037,689 Rights Shares, with such amounts being scaled down to a level which does not result in the non-compliance of the Public Float Requirement, and any subscription monies not utilised due to the scaled-down application of entitled Rights Shares will be refunded to it; and

(iii) it will not, during the period from the date of the Irrevocable Undertaking up to and including the Record Date, transfer or otherwise dispose of, or create any encumbrances over or in respect of, any Shares held by it.

Save for the Irrevocable Undertaking, the Company has not received any undertakings from any other Shareholders to subscribe for all or any of the Rights Shares to be provisionally allotted to them.

CONDITIONS OF THE RIGHTS ISSUE

The Rights Issue is conditional upon the fulfilment of each of the following conditions:

(i) the Share Consolidation becoming effective;

(ii) the passing by Independent Shareholders at the EGM of the necessary resolution(s) to approve the Rights Issue and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Rights Shares) by no later than the Prospectus Posting Date;

(iii) the electronic submission to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively of the Prospectus Documents and other documents no later than the Prospectus Posting Date in compliance with the Listing Rules and the Companies (WUMP) Ordinance;

(iv) the despatch of the Prospectus Documents to the Qualifying Shareholders and the despatch of the Prospectus to the Non-Qualifying Shareholders, if any, for information purpose only, by no later than the Prospectus Posting Date; and

(v) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the approval for the listing of, and permission to deal in, the Rights Shares (in their nil-paid and fully-paid forms) by no later than the Prospectus Posting Date.

If any of the above conditions is not fulfilled by Wednesday. 31st March, 2027, the Rights Issue will not proceed.

As at the Latest Practicable Date, no condition has been fulfilled.

REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS

The Group's core businesses comprise property investment, property leasing and estate management in Hong Kong.

Assuming full subscription of the Rights Issue, the net proceeds from the Rights Issue after deducting the expenses are expected to be approximately HK$149.56 million (assuming no change in the number of Shares in issue on or before the Record Date), which are intended to be applied in the following manner:

(i) approximately HK$100 million (representing approximately 66.86% of the estimated net proceeds from the Rights Issue) will be used for partial repayment of bank borrowings of the Group;

(ii) approximately HK$30 million (representing 20.06% of the estimated net proceeds from the Rights Issue) will be used for expanding the Group's property investment business; and

(iii) approximately HK$19.56 million (representing approximately 13.08% of the estimated net proceeds from the Rights Issue) will be used for general working capital for the Group, which includes staff cost, directors' remuneration, repair and maintenance of the Group's investment properties and administrative expenses.

If the Rights Issue is undersubscribed and the size of the Rights Issue is reduced, the net proceeds raised from the Rights Issue will be allocated on a pro-rata basis for the purposes stated above. The Board expects the proceeds from the Rights Issue will be fully utilised within 12 months after the completion of the Rights Issue.

As at 30th June, 2026, the Group had a bank borrowing of HK$180,000,000. Having considered the finance cost of the borrowings and the cash position of the Group, the Company has a genuine need for funding to strengthen its financial position and liquidity, including reducing its borrowings, and to support its business operations.

The Company is exploring investment opportunities in listed and non-listed companies engaged in commercial and retail property investment. As at the Latest Practicable Date, the Company has not identified any suitable investment target or entered into any negotiation, agreement, arrangement, understanding or undertaking (whether formal or informal and whether express or implied) in relation to any investment.

In addition, the proceeds from the Rights Issue will strengthen the capital base of the Company and enhance its financial stability. The Board has evaluated the costs and benefits of various fund-raising methods available to the Group and their potential impacts on the interests of the Shareholders and is of the view that the Rights Issue is the most favourable method as elaborated below:

In general, bank borrowings will incur interest costs, result in a higher gearing ratio of the Group and subject the Group to repayment obligations. The Board has considered equity fund-raising, such as the subscription or placement of new shares, yet it would lead to an immediate dilution of the shareholding interests of the existing Shareholders. While open offer provides an opportunity to the existing Shareholders to maintain their respective shareholdings in the Company on a pro-rata basis, the Rights Issue is more preferred by the market as it has the benefit of providing the Qualifying Shareholders with the option to sell some or all of their rights entitlements in its nil paid form in the open market, subject to market demand, thus allowing them to realise the cash value if they wish.

Having considered the alternatives above, the Board is of the view that the Rights Issue will provide an opportunity to raise capital for the Company to replenish its cash resources whilst strengthening the capital base and the financial position of the Company without increasing its gearing or financing costs. Compared with other fund-raising options, the Rights Issue offers all Qualifying Shareholders the opportunity to participate in the Group's future growth while minimizing the dilution of their interest in the Company.

The Board is aware that the size of the Rights Issue could potentially be substantially reduced in the event that the Rights Issue is undersubscribed by public Shareholders, resulting in the number of Rights Shares to be subscribed by Autobest under the Irrevocable Undertaking to be scaled down to a level which does not result in the non-compliance of the Public Float Requirement. However, given (i) the Subscription Price is set at a discount to the market price of the Shares as at the Last Trading Day and unaudited net asset value attributable to the Shareholders per Consolidated Share as at 30th June, 2026; (ii) Qualifying Shareholders may apply for Rights Shares by way of excess application in addition to their provisional allotment; (iii) the Rights Issue is subjected to approval by Independent Shareholders at the EGM; and (iv) the reasons for conducting the Rights Issue over other fundraising methods stated above, the Board is of the view that the Rights Issue provides sufficient incentives for public Shareholders to take up all or part of his/her/its entitlement under the PAL(s) and EAF(s).

As at the Latest Practicable Date, the Board has no plan to conduct any further equity fund raising. However, in the event that the Rights Issue is undersubscribed, the Company may consider fund raising by way of placing of new Shares to independent third parties.

In view of the above, the Board considers that the Rights Issue is in the interests of the Company and the Shareholders as a whole.

SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after the Share Consolidation becoming effective but before completion of the Rights Issue; (iii) immediately after completion of the Rights Issue assuming full acceptance by the Qualifying Shareholders; and (iv) immediately after completion of the Rights Issue assuming nil acceptance by the Qualifying Shareholders other than Autobest who will take up the Rights Shares after adjustment to number of Rights Shares offered to Autobest in accordance with the terms of the Irrevocable Undertaking:

	As at the Latest Practicable Date		**Immediately after the Share Consolidation becoming effective but before completion of the Rights Issue**		**Immediately after completion of the Rights Issue assuming full acceptance by the Qualifying Shareholders**		**Assuming no Qualifying Shareholders (except Autobest pursuant to the Irrevocable Undertaking) had taken up their Rights Shares entitlement after adjustment to number of Rights Shares offered to Autobest** *(Note 2)*	
	Number of Existing Shares	*Approx. %*	*Number of Consolidated Shares*	*Approx. %*	*Number of Consolidated Shares*	*Approx. %*	*Number of Consolidated Shares*	*Approx. %*
Shareholder								
Autobest	930,376,898	74.98	93,037,689	74.98	186,075,378	74.98	93,087,615	75.00
Public shareholders	310,292,047	25.02	31,029,205	25.02	62,058,410	25.02	31,029,205	25.00
Total	1,240,668,945	100.00	124,066,894	100.00	248,133,788	100.00	124,116,820	100.00

Notes:

1. Certain percentage figures included in the table above have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

2. In the event that the Rights Issue is undersubscribed which would result in the Public Float Requirement not being maintained, the Company will take all appropriate steps to ensure compliance with the Public Float Requirement, details of which are disclosed in the paragraph headed "Non-underwritten basis" above.

FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has not carried out any other equity fund raising activities during the 12 months immediately preceding the date of the Announcement.

LISTING RULES IMPLICATIONS

The Share Consolidation is conditional upon, among other things, Shareholders' approval at the EGM. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, as none of the Shareholders or their associates have any material interest in the Share Consolidation, no Shareholder is required to abstain from voting on the resolution to approve the Share Consolidation at the EGM.

In accordance with Rule 7.19A(1) and Rule 7.27A(1) of the Listing Rules, as the Rights Issue will increase the total number of issued Shares (excluding treasury shares) by more than 50% within the 12-month period immediately preceding the date of the Announcement, the Rights Issue must be made conditional on, amongst other things, the approval by the Independent Shareholders at which any controlling Shareholders and their respective associates or, where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the resolution(s) relating to the Rights Issue at the EGM.

As at the Latest Practicable Date, Autobest held 930,376,898 Existing Shares (representing approximately 74.98% of the total issued shares of the Company). Accordingly, Autobest and its associates shall abstain from voting in favour of the Rights Issue in accordance with Rule 7.27A of the Listing Rules.

The Rights Issue does not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

EGM

The EGM will be convened and held at Plaza 3, Basement 3, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Wednesday, 25th November, 2026 at 3:00 p.m. to consider and, if thought fit, approve the Share Consolidation and the Rights Issue and the transactions contemplated thereunder. The proposed resolutions will be conducted by way of a poll at the EGM pursuant to Rule 13.39(4) of the Listing Rules and an announcement on the poll results of the EGM will be made by the Company after the EGM.

The record date for determining the entitlement of the Shareholders to attend and vote at the EGM will be Wednesday, 25th November, 2026. In order to be registered as a member of the Company on the record date for attendance and voting at the EGM, all transfer documents of the Shares (together with the relevant share certificate(s)) must be lodged with the Share Registrar by no later than 4:30 p.m. (Hong Kong time) on Wednesday, 18th November, 2026.

A form of proxy for the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Share Registrar, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment or postponement thereof, provided that no account is to be taken of any part of a day that is a public holiday. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the EGM or any adjournment or postponement thereof if they so wish.

A notice of EGM is set out on pages EGM-1 to EGM-3 of this circular.

CLOSURE OF REGISTER OF MEMBERS OF THE COMPANY FOR EGM

The register of members of the Company will be closed from Thursday, 19th November, 2026 to Wednesday, 25th November, 2026 (both dates inclusive) for the purpose of determining the identity of the Shareholders entitled to attend and vote at the EGM during which period no transfer of Shares will be registered.

CLOSURE OF REGISTER OF MEMBERS OF THE COMPANY FOR RIGHTS ISSUE

The register of members of the Company will be closed from Wednesday, 2nd December, 2026 to Tuesday, 8th December, 2026 (both days inclusive) for determining the entitlements to the Rights Issue during which period no transfer of Shares will be registered.

DESPATCH OF PROSPECTUS DOCUMENTS

Subject to the approval of the Rights Issue by the Independent Shareholders and the Share Consolidation becoming effective, the Prospectus Documents containing information on the Rights Issue are expected to be despatched to the Qualifying Shareholders on or around Wednesday, 9th December, 2026. The Company will not extend the Rights Issue to the Non-Qualifying Shareholders. The Company will, to the extent permitted under the relevant laws and regulations and reasonably practicable, send the Prospectus to the Non-Qualifying Shareholders for information purposes only but will not send any PAL or EAF to them.

RECOMMENDATION

The Directors are of the opinion that the terms of the Share Consolidation are fair and reasonable so far as the Shareholders are concerned and in the interests of the Company and the Shareholders as a whole and, accordingly, recommend the Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Share Consolidation and the transactions contemplated thereunder.

The Independent Board Committee, which comprises all the independent non-executive Directors, namely Mr. Li Chak Hung, Ms. Lisa Yang Lai Sum and Mr. Cheng Chi Kin, has been established to advise the Independent Shareholders as to whether the terms of the Rights Issue and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole, and to advise the Independent Shareholders as to the voting at the EGM, taking into account the recommendations of the Independent Financial Adviser. Vinco Financial has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

Your attention is drawn to the letter from the Independent Board Committee set out on pages IBC-1 to IBC-2 of this circular which contains its recommendation to the Independent Shareholders in relation to the Rights Issue and the transactions contemplated thereunder and the letter from Vinco Financial set out on pages IFA-1 to IFA-26 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders.

The Directors (including the members of the Independent Board Committee whose opinion is expressed in the letter from the Independent Board Committee after considering the advice of the Independent Financial Adviser) are of the opinion that the terms of the Rights Issue and the transactions contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole and, accordingly, recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Rights Issue and the transactions contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is drawn to the information set out in the appendices to this circular.

WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES

The Rights Issue is subject to the fulfilment of conditions including the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed.

Any Shareholder or other person dealing in Shares and/or Rights Shares up to the date on which all the conditions of the Rights Issue are fulfilled will accordingly bear the risk that the Rights Issue may not proceed.

Subject to the fulfilment of conditions, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Non-Qualifying Shareholders, if any, should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the Rights Shares.

Yours faithfully,
For and on behalf of the Board
Asiasec Properties Limited
Lee Shu Yin
Executive Director and Chief Executive

The following is the text of the letter of recommendation, prepared for the purpose of incorporation in this circular, from the Independent Board Committee to the Independent Shareholders regarding the Rights Issue.

亞證地產有限公司
ASIASEC PROPERTIES LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 271)

6th November, 2026

To the Independent Shareholders

Dear Sir or Madam,

(I) PROPOSED SHARE CONSOLIDATION; (II) PROPOSED CHANGE IN BOARD LOT SIZE; (III) PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) CONSOLIDATED SHARE HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS; AND (IV) NOTICE OF EXTRAORDINARY GENERAL MEETING

We refer to the circular of the Company dated 6th November, 2026 (the "**Circular**") of which this letter forms part. Unless the context specifies otherwise, capitalised terms used herein have the same meanings as defined in the Circular.

We have been appointed by the Board as the member of the Independent Board Committee to advise the Independent Shareholders as to whether the terms of the Rights Issue and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Details of the Rights Issue are set out in the "Letter from the Board" on pages 10 to 33 of the Circular.

Vinco Financial Limited has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this respect. Details of its advice, together with the principal factors taken into consideration in arriving thereat, are set out in its letter on pages IFA-1 to IFA-26 of the Circular.

Having taken into account the terms of the Rights Issue and the information contained in the Circular and the advice from the Independent Financial Adviser, we are of the opinion that the terms of the Rights Issue and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend you to vote in favour of the resolutions to be proposed at the EGM to approve the Rights Issue and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of the
Independent Board Committee
Asiasec Properties Limited

Mr. Li Chak Hung	**Ms. Lisa Yang Lai Sum**	**Mr. Cheng Chi Kin**
Independent non-executive director	*Independent non-executive director*	*Independent non-executive director*

The following is the text of a letter of advice from Vinco Financial setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Rights Issue and the transactions contemplated thereunder which has been prepared for the purpose of incorporation in this circular:

Vinco Financial Limited

6 November 2026

To the Independent Board Committee and the Independent Shareholders of
Asiasec Properties Limited

Dear Sirs,

PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) CONSOLIDATED SHARE HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in respect of the terms of the Rights Issue and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular dated 6 November 2026 issued by the Company to the Shareholders (the "**Circular**"), of which this letter forms part. Terms used herein shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 12 October 2026, the Company announced that, subject to the Share Consolidation becoming effective, it proposes to raise gross proceeds of up to approximately HK$151.36 million by way of the issue of 124,066,894 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date and all the Qualifying Shareholders take up their respective allotment of Rights Shares in full) at the Subscription Price of HK$1.22 per Rights Share on the basis of one (1) Rights Share for every one (1) Consolidated Share held by the Qualifying Shareholders on the Record Date. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to Non-Qualifying Shareholder(s) (if any).

Assuming full subscription of the Rights Issue, the net proceeds from the Rights Issue after deducting the expenses are expected to be approximately HK$149.56 million (assuming no change in the number of Shares in issue on or before the Record Date).

Assuming full subscription under the Rights Issue and no change in the number of Shares in issue on or before the Record Date, the Company intends to apply the net proceeds from the Rights Issue as to (i) approximately HK$100 million (representing approximately 66.86% of the estimated net proceeds from the Rights Issue) will be used for partial repayment of bank borrowings of the Group; (ii) approximately HK$30 million (representing 20.06% of the estimated net proceeds from the Rights Issue) will be used for expanding the Group's property investment business; and (iii) approximately HK$19.56 million (representing approximately 13.08% of the estimated net proceeds from the Rights Issue) will be used for general working capital of the Group.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. In the event that the provisional allotments for the Rights Issue are not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders together with the Rights Shares not provisionally allotted to the Non-Qualifying Shareholders will be made available for excess application under the EAFs. There is no minimum subscription level or minimum amount to be raised under the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, the Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s) and EAF(s), or transferees of nil-paid Rights Shares (or either of them, whichever shall be appropriate), may result in the Company's non-compliance of the Public Float Requirement of the Listing Rules. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its entitlement under the Rights Issue will be scaled down to a level which does not result in the non-compliance with the Public Float Requirement. In particular, the application of Autobest for its entitlements under the PAL shall be subject to scaling-down as abovementioned.

LISTING RULES IMPLICATIONS

In accordance with Rule 7.19A(1) and Rule 7.27A(1) of the Listing Rules, as the Rights Issue will increase the total number of issued Shares (excluding treasury shares) by more than 50% within the 12-month period immediately preceding the date of the Announcement, the Rights Issue must be made conditional on, amongst other things, the approval by the Independent Shareholders at which any controlling Shareholders and their respective associates or, where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the resolution(s) relating to the Rights Issue at the EGM.

As at the Latest Practicable Date, Autobest held 930,376,898 Existing Shares (representing approximately 74.98% of the total issued shares of the Company). Accordingly, Autobest and its associates shall abstain from voting in favour of the Rights Issue in accordance with Rule 7.27A of the Listing Rules.

The Company has not carried out any other equity fund-raising activities during the 12 months immediately preceding the date of the Announcement. The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Li Chak Hung, Ms. Lisa Yang Lai Sum, and Mr. Cheng Chi Kin, has been established to advise the Independent Shareholders in connection with the Rights Issue and to advise the Independent Shareholders on how to vote at the EGM, taking into account the recommendations of the Independent Financial Adviser.

We, Vinco Financial Limited, have been appointed and approved by the Independent Board Committee, to advise the Independent Board Committee and the Independent Shareholders on the Rights Issue. In our capacity as the Independent Financial Adviser, our role is to give an independent opinion to the Independent Board Committee as to whether the Rights Issue is on normal commercial terms, fair and reasonable, is in the interests of the Company and the Shareholders as a whole and whether to vote in favour of the resolution(s) to be proposed at the EGM to approve the Rights Issue so far as the Independent Shareholders are concerned.

OUR INDEPENDENCE

As at the Latest Practicable Date, we are not connected with the Directors, chief executive and substantial shareholders of the Company or any of their respective subsidiaries or their respective associates and, as at the Latest Practicable Date, did not have any shareholding, directly or indirectly, in any of their respective subsidiaries or their respective associates and did not have any shareholding, directly or indirectly, in any member of the Group or any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group. We are not aware of any relationships or interests between us and the Company or any other parties that could reasonably be regarded as hindrance to our independence as defined under Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the proposed Rights Issue of the Company. Apart from normal professional fees payable to us in connection with this appointment, no arrangements exist whereby we have received or will receive any fee or benefit from the Group and its associates. During the past two years, there was no engagement between the Group and us. Also, we are not aware of the existence of or change in any circumstances that could affect our independence. Accordingly, we consider that we are eligible to give independent advice on the proposed Rights Issue and the transactions contemplated thereunder of the Company.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied upon the accuracy of the information and representations contained in the Circular and information provided to us by the Company, the Directors and the management of the Company. We have assumed that all statements, information and representations made or referred to in the Circular and all information and representations which have been provided by the Company, the Directors and the management of the Company, for which they are solely and wholly responsible, were true at the time they were made and continue to be true as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any such statement contained in the Circular misleading. The Shareholders will be notified of material changes as soon as possible, if any, to the information and representations provided and made to us after the Latest Practicable Date and up to and including the date of the EGM. We have no reason to believe that any information and representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any omission of any material facts that would render the information provided and representations made to us untrue, inaccurate or misleading. We have not, however, conducted any independent in-depth investigation into the business affairs, financial position or future prospects of the Group, nor have we carried out any independent verification of the information provided by the Directors and the management of the Company.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries that, to the best of their knowledge and belief, there are no omission of other facts that would make any statements in the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter.

We have not considered the taxation and regulatory implications on the Group or the Independent Shareholders as a result of the Rights Issue since these depend on their individual circumstances, and if in any doubt, should consult their own professional advisers. We will not accept responsibility for any tax effect on or liability of any person resulting from his or her acceptance or non-acceptance of the Rights Issue.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. In rendering our opinion in the Circular, we have researched, analysed and relied on (i) the annual report of the Company for the year ended 31 December 2025 (the "**2025 Annual Report**"), and the interim report of the Company for the six months ended 30 June 2026 (the "**2026 Interim Report**"); (ii) the Irrevocable Undertaking; and (iii) market information obtained from the website of the Stock Exchange. Based on the foregoing, we confirm that we have taken all reasonable steps, which are applicable to the Rights Issue, as referred to in Rule 13.80 of the Listing Rules (including the notes thereto).

This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Rights Issue and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue, we have taken into account the following principal factors and reasons:

1. Business and financial information of the Group

Information of the Group

The Group's core businesses comprise property investment, property leasing and estate management in Hong Kong.

Business and financial performance of the Group

Set out below is a summary of the audited consolidated financial information of the Group for each of the two years ended 31 December 2024 ("**FY2024**") and 31 December 2025 ("**FY2025**") and each of the six months ended 30 June 2025 ("**HY2025**") and 30 June 2026 ("**HY2026**") which was extracted from the 2025 Annual Report and the 2026 Interim Report respectively:

Table 1: Historical financial information of the Group

	For the six months ended 30 June		For the year ended 31 December	
	2026	**2025**	**2025**	**2024**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(unaudited)	(unaudited)	(audited)	(audited)
Revenue	27,270	23,370	50,338	47,286
Profit/(Loss) for the year/period	(114,140)	(63,263)	(214,177)	(74,752)

	As at 30 June	As at 31 December	
	2026	**2025**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
	(unaudited)	(audited)	(audited)
Cash and cash equivalents	19,876	48,992	68,355
Total assets	2,092,593	2,233,773	2,431,092
Total liabilities	684,411	711,651	689,023
Net assets	1,408,182	1,522,122	1,742,069

HY2026 versus HY2025

With reference to the 2026 Interim Report, the Group recorded revenue of approximately HK$27.3 million for HY2026, representing an increase of approximately 16.7% as compared with approximately HK$23.4 million for the corresponding period for HY2025. The increase in revenue was mainly attributable to higher rental income and estate management fees.

The Group's unaudited consolidated loss for the period was approximately HK$114.1 million for HY2026, representing an increase in loss of approximately 80.4% as compared with a loss of approximately HK$63.3 million for HY2025. The substantial increase in net loss was mainly due to a significantly higher decrease in the fair value of investment properties of approximately HK$117,679,000 recognised during the period compared to HK$60,047,000 in HY2025.

The Group's unaudited total assets and total liabilities as at 30 June 2026 amounted to approximately HK$2,092.6 million and HK$684.4 million respectively. The Group's unaudited net asset value amounted to approximately HK$1,408.2 million as at 30 June 2026, representing a decrease of approximately 7.5% as compared to that of approximately HK$1,522.1 million as at 31 December 2025.

The gearing ratio of the Group, calculated based on net debt over total equity, was approximately 36% as at 30 June 2026, which was higher than that of approximately 33% as at 31 December 2025. The increase in the gearing ratio was primarily due to a reduction in total equity driven by the net loss incurred during the period.

FY2025 versus FY2024

With reference to the 2025 Annual Report, the Group recorded revenue of approximately HK$50.3 million for FY2025, representing an increase of approximately 6.5% as compared with approximately HK$47.3 million for FY2024. The Group's audited consolidated loss for the year was approximately HK$214.2 million for FY2025 as compared with a loss of approximately HK$74.8 million for FY2024.

The Group's audited consolidated loss for the year attributable to owners of the Company was approximately HK$214.2 million for FY2025 as compared with a loss of approximately HK$74.8 million for FY2024. The substantial increase in net loss was mainly due to a significantly higher decrease in the fair value of investment properties during the year.

The Group's audited total assets and total liabilities as at 31 December 2025 amounted to approximately HK$2,233.8 million and HK$711.7 million respectively. The Group's audited net asset value amounted to approximately HK$1,522.1 million as at 31 December 2025, representing a decrease of approximately 12.6% as compared to that of approximately HK$1,742.1 million as at 31 December 2024.

The gearing ratio of the Group, calculated based on net debt over total equity, was approximately 33.0% as at 31 December 2025, which was higher than that of the Group's gearing ratio of 26.0% as at 31 December 2024. The increase in the gearing ratio was primarily due to a reduction in total equity driven by the net loss incurred during the year and increased bank borrowings.

2. Reasons for the Rights Issue and the use of proceeds

As set out in the Board Letter, the Group's core businesses comprise property investment, property leasing and estate management in Hong Kong.

As disclosed in the 2026 Interim Report, we noted that the audited and unaudited cash and cash equivalents amounted to approximately HK$49.0 million (as at 31 December 2025) and approximately HK$19.9 million (as at 30 June 2026), respectively. The Company has used cash for operational needs, investing activities, and loan/interest repayments. We have discussed with the management regarding the Group's current liquidity position and reviewed the Group's cash and cash equivalents, working capital requirements, and upcoming repayment obligations. As at 30 June 2026, the Group had a bank borrowing of HK$180,000,000 and other borrowings of HK$350,000,000.

As set out in the Board Letter, assuming full subscription of the Rights Issue, the net proceeds from the Rights Issue after deducting the expenses are expected to be approximately HK$149.56 million (assuming no change in the number of Shares in issue on or before the Record Date), which are intended to be applied in the following manner:

(i) approximately HK$100 million (representing approximately 66.86% of the estimated net proceeds from the Rights Issue) will be used for partial repayment of bank borrowings of the Group;

(ii) approximately HK$30 million (representing 20.06% of the estimated net proceeds from the Rights Issue) will be used for expanding the Group's property investment business; and

(iii) approximately HK$19.56 million (representing approximately 13.08% of the estimated net proceeds from the Rights Issue) will be used for general working capital of the Group, which includes staff cost, directors' remuneration, repair and maintenance of the Group's investment properties and administrative expenses.

Based on our discussion with the management of the Company, we note that the Company considered that the repayment of bank borrowings can reduce overall interest expenses and strengthen the Group's balance sheet which is in the best interests of the Company and Shareholders as a whole. We note that approximately HK$100 million of the net proceeds, representing approximately 66.86% of the estimated net proceeds from the Rights Issue, will be utilised for the repayment of bank borrowings. For our due diligence purpose, we have enquired into the Directors, obtained and reviewed additional supporting information regarding the imminent funding need of the Group and the proposed use of net proceeds from the Rights Issue for partial repayment of the Group's outstanding bank borrowings. Upon review of the breakdown of the outstanding bank borrowings, we noted that the bank borrowings are mainly from one licensed bank. Also, they are secured and guaranteed and within one year with repayment on demand clause. As at 30 June 2026, the cash and cash equivalents of the Group were approximately HK$19.9 million. In view of (a) the high interest expense associated with such bank borrowings (specifically, assuming that the existing interest rates for the other borrowings remain unchanged and the principal amounts are fully repaid, the repayment is expected to generate annual interest savings of approximately HK$4 million); and (b) the Group has insufficient cash on hand for full repayment of such bank borrowings, we concur with the Directors that it is fair and reasonable to apply part of the net proceeds from the Rights Issue for partial repayment of the Group's outstanding bank borrowings as this would help alleviate the Group's overall financial pressure in terms of high interest expense and pressing repayment need.

In addition, the Company is exploring investment opportunities in listed and non-listed companies engaged in commercial and retail property investment. Upon our study of the 2025 Annual Report and the 2026 Interim Report, building upon the Group's long-standing operational history and expertise in property investment as its ordinary course of business, the proposed expansion leverages core competencies developed across prior financial periods. Historically, the Group has maintained substantial property asset holdings which consistently generate rental and leasing revenue. As at the Latest Practicable Date, the Company has not identified any suitable investment target or entered into any negotiation, agreement, arrangement, understanding, or undertaking (whether formal or informal and whether express or implied) in relation to any investment. Furthermore, the proceeds from the Rights Issue will strengthen the capital base of the Company and enhance its financial stability.

We have further enquired with the Directors as to whether the Company has considered debt financing or other equity financing methods to obtain new funds for the Group, the Board has evaluated the costs and benefits of various fund-raising methods available to the Group and their potential impacts on the interests of the Shareholders and is of the view that the Rights Issue is the most favourable method because, while bank borrowings will incur interest costs, result in a higher gearing ratio of the Group and subject the Group to repayment obligations. The Board has considered equity fund-raising, such as the subscription or placement of new shares, yet it would lead to an immediate dilution of the shareholding interests of the existing Shareholders. While open offer provides an opportunity to the existing Shareholders to maintain their respective shareholdings in the Company on a pro-rata basis, the Rights Issue is more preferred by the market as it has the benefit of providing the Qualifying Shareholders with the option to sell some or all of their rights entitlements in its nil paid form in the open market, subject to market demand, thus allowing them to realise cash value if they wish.

Nevertheless, in the event that the Rights Issue is undersubscribed and the size of the Rights Issue is reduced, the net proceeds raised from the Rights Issue will be allocated on a pro-rata basis for the purposes stated above. The Board expects the proceeds from the Rights Issue will be fully utilised within 12 months after the completion of the Rights Issue.

Based on our discussion with the Directors, the Board is aware that the size of the Rights Issue could potentially be substantially reduced in the event that the Rights Issue is undersubscribed by public Shareholders, resulting in the number of Rights Shares to be subscribed by Autobest under the Irrevocable Undertaking to be scaled down to a level which does not result in the non-compliance of the Public Float Requirement. However, given (i) the Subscription Price is set at a discount to the market price of the Shares as at the Last Trading Day and unaudited net asset value attributable to the Shareholders per Consolidated Share as at 30 June 2026; (ii) Qualifying Shareholders may apply for Rights Shares by way of excess application in addition to their provisional allotment; (iii) the Rights Issue is subjected to approval by Independent Shareholders at the EGM; and (iv) the reasons for conducting the Rights Issue over other fundraising methods stated above, the Board is of the view that the Rights Issue provides sufficient incentives for public Shareholders to take up all or part of his/her/its entitlement under the PAL(s) and EAF(s). As at the Latest Practicable Date, the Board has no plan to conduct any further equity fund raising. However, in the event that the Rights Issue is undersubscribed, the Company may consider fund raising by way of placing of new Shares to independent third parties. We consider debt repayment continues to receive the largest pro-rata share of any funds raised, as the bank borrowings carry high interest rates, applying the majority of any proceeds raised regardless of the final subscription level will immediately reduce the principal debt, yield annual interest expense savings, and alleviate financial pressure. We believe that maintaining a fixed pro-rata allocation ensures that debt reduction remains the primary focus of the fund-raising exercise under all subscription scenarios. Meanwhile, pro-rata scaling ensures that the Group does not completely sacrifice long-term core business development while attempting to address short-term debt obligations, which is beneficial to the overall long-run interests of the Company and its Shareholders. In addition, if the scaled-down proceeds raised are insufficient to resolve the short-

term funding gap, the Company may consider fund raising by way of placing of new Shares to independent third parties to cover any remaining debt obligations. Therefore, we are of the view that pro-rata allocation provides a balanced approach that simultaneously reduces high-interest debt, supports general operations, and preserves core business development.

In light of the facts that (i) the Rights Issue provides a good opportunity for the Group to strengthen its capital base; (ii) the net proceeds from the Rights Issue would effectively ease the Group's tight liquidity position and fulfil its imminent funding needs; (iii) the allocation of net proceeds from the Rights Issue is fair and reasonable as it not only alleviates financial pressure from existing borrowings and supports general operations, but also spares resources for business advancement in its core property investment segment, which would be beneficial for the Company and the Shareholders as a whole in the long run; (iv) the Rights Issue is considered to be an appropriate financing method available to the Group under the prevailing circumstances; and (v) the possible positive financial effects of the Rights Issue as outlined under the section headed "Financial effects of the Rights Issue" of this letter of advice, we are of the view that the Rights Issue is in the interests of the Company and the Shareholders as a whole.

3. Proposed Rights Issue

Subject to the Share Consolidation becoming effective, the Company proposes to raise gross proceeds of up to approximately HK$151.36 million by way of the issue of 124,066,894 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date and all the Qualifying Shareholders take up their respective allotment of Rights Shares in full) at the Subscription Price of HK$1.22 per Rights Share on the basis of one (1) Rights Share for every one (1) Consolidated Share held by the Qualifying Shareholders on the Record Date.

Details of the Rights Issue are set out below:

Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every one (1) Consolidated Share held by the Qualifying Shareholders on the Record Date
Subscription Price	:	HK$1.22 per Rights Share
Number of Existing Shares in issue as at the Latest Practicable Date	:	1,240,668,945 Existing Shares
Number of Consolidated Shares in issue upon the Share Consolidation becoming effective	:	124,066,894 Consolidated Shares (assuming no further issue or repurchase of Shares up to the effective date of the Share Consolidation)
Number of Rights Shares to be issued under the Rights Issue	:	Up to 124,066,894 Rights Shares (assuming no further issue or repurchase of Shares on or before the Record Date)
Number of issued Consolidated Shares as enlarged by the Rights Issue (assuming the Rights Issue is fully subscribed)	:	Up to 248,133,788 Consolidated Shares (assuming no Shares are issued (other than the Rights Shares) or repurchased on or before the completion of the Rights Issue)
Gross proceeds from the Rights Issue	:	Up to approximately HK$151.36 million before deduction of costs and expenses (assuming no Shares are issued or repurchased on or before the Record Date)
Net proceeds from the Rights Issue	:	Up to approximately HK$149.56 million after deduction of costs and expenses (assuming no Shares are issued and repurchased on or before the Record Date)
Net price (i.e. Subscription Price less cost and expenses incurred in the Rights Issue)	:	Up to approximately HK$1.21 per Rights Share (assuming no Shares are issued and repurchased on or before the Record Date)
Right of excess applications	:	Qualifying Shareholders may apply for the Rights Shares in excess of their provisional allotments

As at the Latest Practicable Date, the Company had no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares.

Assuming no change in the number of Shares in issue on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 124,066,894 Rights Shares proposed to be issued pursuant to the Rights Issue represent 100% of the issued share capital of the Company as at the Record Date and will represent 50% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

The Irrevocable Undertakings

As at the Latest Practicable Date, Autobest held 930,376,898 Existing Shares. Pursuant to the Irrevocable Undertaking, Autobest has irrevocably undertaken to the Company, among other things:

(i) it will remain as the beneficial owner of all the 930,376,898 Existing Shares immediately prior to the Share Consolidation becoming effective, and upon the Share Consolidation becoming effective, the 93,037,689 Consolidated Shares held by it up to and including the Record Date;

(ii) it will subscribe for all of the Rights Shares which it is entitled to under the Rights Issue on the Record Date, being 93,037,689 Rights Shares, with such amounts being scaled down to a level which does not result in non-compliance of the Public Float Requirement, and any subscription monies not utilised due to the scaled-down application of entitled Rights Shares will be refunded to it; and

(iii) it will not, during the period from the date of the Irrevocable Undertaking up to and including the Record Date, transfer or otherwise dispose of, or create any encumbrances over or in respect of, any Shares held by it.

As at the Latest Practicable Date, save for the Irrevocable Undertaking, the Company has not received any undertakings from any other Shareholders to subscribe for all or any of the Rights Shares to be provisionally allotted to them.

Subscription Price

The Subscription Price of HK$1.22 per Rights Share is payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of Rights Shares under the Rights Issue, upon an application for excess Rights Shares, or when a transferee of nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares.

The Subscription Price, assuming the Share Consolidation has become effective as at the Latest Practicable Date, represents:

(i) a discount of approximately 14.69% to the theoretical closing price of HK$1.43 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the closing price of HK$0.143 per Existing Share as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a discount of approximately 12.23% to the theoretical closing price of HK$1.39 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the closing price of HK$0.139 per Existing Share as quoted on the Stock Exchange on the Last Trading Day;

(iii) a discount of approximately 6.51% to the theoretical ex-rights price of approximately HK$1.305 per Consolidated Share (after taking into account the effect of the Share Consolidation), which is calculated on the basis of the closing price of HK$0.139 per Existing Share as quoted on the Stock Exchange on the Last Trading Day;

(iv) a discount of approximately 11.47% to the average of the theoretical closing prices per Consolidated Share for the five consecutive trading days ended on the Last Trading Day of approximately HK$1.378 per Consolidated Share (after taking into account the effect of the Share Consolidation);

(v) a discount of approximately 8.13% to the average of the theoretical closing prices per Consolidated Share for the ten consecutive trading days ended on the Last Trading Day of approximately HK$1.328 per Consolidated Share (after taking into account the effect of the Share Consolidation);

(vi) a discount of approximately 90.06% to the audited consolidated net asset value attributable to the Shareholders as at 31 December 2025 as extracted from the final results of the Company for the year ended 31 December 2025 of approximately HK$12.269 per Consolidated Share, which is calculated based on the Group's audited consolidated net assets of approximately HK$1,522,122,000 as at 31 December 2025 divided by 1,240,668,945 Existing Shares in issue and adjusted for the effect for the Share Consolidation;

(vii) a discount of approximately 89.25% to the unaudited consolidated net asset value attributable to the Shareholders as at 30 June 2026 as extracted from the interim results of the Company for the six months ended 30 June 2026 of approximately HK$11.350 per Consolidated Share, which is calculated based on the Group's unaudited consolidated net assets of approximately HK$1,408,182,000 as at 30 June 2026 divided by 1,240,668,945 Existing Shares in issue and adjusted for the effect for the Share Consolidation; and

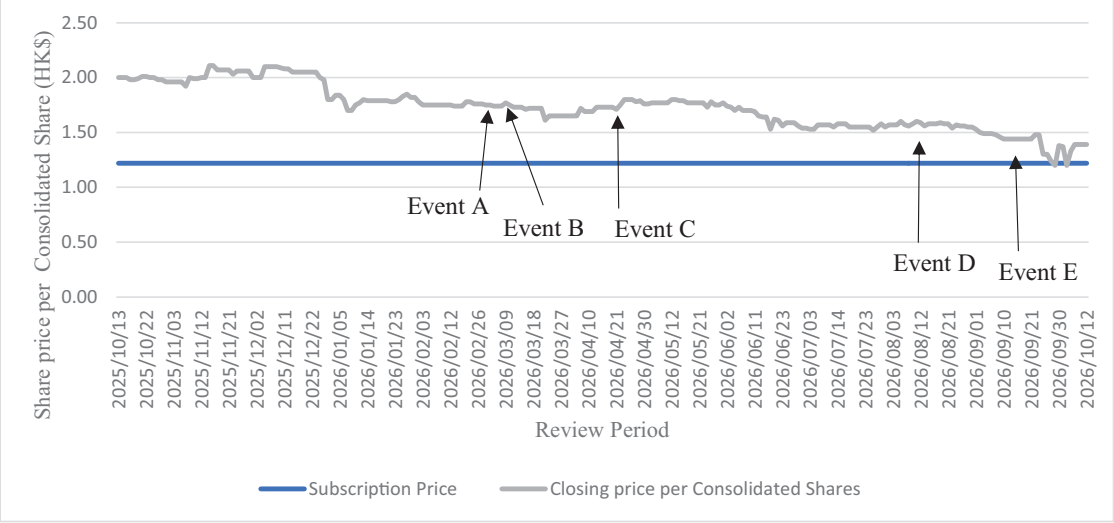
(viii) theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 6.12%, based on the theoretical diluted price of approximately HK$1.305 per Consolidated Share to the benchmarked price of HK$1.39 per Consolidated Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of (i) the theoretical closing price of HK$1.39 per Consolidated Share as quoted on the Stock Exchange on the Last Trading Day adjusted for the effect of the Share Consolidation; and (ii) the average theoretical closing price of approximately HK$1.34 per Consolidated Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the Last Trading Day and adjusted for the effect of the Share Consolidation).

As set out in the Board Letter, the Subscription Price was determined with reference to (i) the prevailing market conditions of the Hong Kong stock market which showed a downward trend from the beginning of 2026; (ii) recent market price of the Existing Shares as quoted on the Stock Exchange; (iii) the low average trading volume of less than 100,000 Shares per day for the thirty consecutive trading days ended on the Last Trading Day; (iv) the theoretical dilution effect of 6.12%, which is below the 25% threshold prescribed under Rule 7.27B of the Listing Rules; and (v) the purposes described in the section headed "Reasons for the Rights Issue and the use of proceeds" in the Board Letter. For further details, please refer to the section headed "Subscription Price" in the Board Letter.

In order to assess the fairness and reasonableness of the Subscription Price, we have taken into account (i) the closing price per Consolidated Share for the one-year period up to and including the Last Trading Day prior to the Announcement (being a period of approximately one year prior to and including the Last Trading Day) (the "**Review Period**"), with a view to providing a meaningful comparison to the Subscription Price under the Rights Issue (the "**Closing Price**"); and (ii) the average daily trading volumes of the Shares for each of the months/periods during the Review Period.

We consider that the Review Period is adequate to illustrate recent price movements of the Shares for conducting a reasonable comparison among historical closing prices prior to the Announcement as (i) the one-year period represents a reasonable timeframe to reflect the performance of the closing price of the Consolidated Shares in response to the prevailing market and operating condition; (ii) a shorter review period would only demonstrate the Consolidated Share price performance in a limited and specific timeframe which may be distorted by isolated events; and (iii) it is commonly used for analysis purposes. Besides, such comparison is relevant for the assessment of the fairness and reasonableness of the Subscription Price, as the share price before the Announcement represents a fair market value of the Company, the Shareholders expected, while that after the Announcement, the value may have taken into account the potential upside of the Rights Issue which could distort the analysis. The chart below illustrates the closing price per Consolidated Share versus the Subscription Price of HK$1.22 per Consolidated Share:

Chart 1: Historical closing prices of the Consolidated Shares during the Review Period



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

Notes:

Event A – Publication of announcement in relation to the retirement of an executive Director on 27 February 2026
Event B – Publication of profit warning announcement on 10 March 2026
Event C – Publication of 2025 Annual Report on 22 April 2026
Event D – Publication of profit warning announcement on 12 August 2026
Event E – Publication of 2026 Interim Report on 16 September 2026

During the Review Period, the Consolidated Shares traded within a range of HK$1.20 on 29 September 2026 and 5 October 2026 and HK$2.11 on 14 November 2025 and 17 November 2025, with an average closing price per Consolidated Share of approximately HK$1.728. The Subscription Price of HK$1.22 per Consolidated Share represents (i) a premium of approximately 1.67% to the lowest closing price per Consolidated Share (i.e. HK$1.20); (ii) a discount of approximately 42.18% to the highest closing price per Consolidated Share (i.e. HK$2.11); and (iii) a discount of approximately 29.42% to the average closing price per Consolidated Share (i.e. HK$1.728) during the Review Period.

At the beginning of the Review Period, the closing price stood at HK$2.00 in mid-October 2025 and reached its peak of approximately HK$2.11 on 14 November 2025. During this period, the Consolidated Share price experienced initial upward volatility before adjusting downward through late November and December 2025, closing at approximately HK$1.80 by year-end. Throughout this initial surge and adjustment, the closing price remained comfortably above the Subscription Price. From January 2026 to mid-March 2026, the closing price generally stabilised and traded within a relatively narrow range of approximately HK$1.61 to HK$1.85. Amid broader market consolidation and operational stability, investor sentiment remained steady, allowing the Consolidated Shares to maintain a stable trading band well above the Subscription Price. We noted that the Company published an announcement in relation to the retirement of an executive Director on 27 February 2026 and published a profit warning announcement on 10 March 2026. However, no significant or sustained movement in the Consolidated Share price was observed around the publication of these announcements, and the closing price remained stable within the range of approximately HK$1.74 to HK$1.77.

During March 2026 to July 2026, the closing price experienced a gradual downward trend. We noted that the Company published the 2025 Annual Report on 22 April 2026. However, no significant sustained upward movement in the Consolidated Share price was observed following these publications, and the closing price continued to drift lower from approximately HK$1.77 down to a band hovering around HK$1.52 to HK$1.58 by mid-year as market pressures and lower trading liquidity took effect.

In August and September 2026, the closing price moved into a lower band of HK$1.20 to HK$1.60. We noted that the Company published another profit warning announcement on 12 August 2026 and the 2026 Interim Report on 16 September 2026. Following these announcements, the closing price continued its soft path, reaching its period low of HK$1.20 on 29 September 2026. Subsequently, the closing price recovered slightly and fluctuated within a range of approximately HK$1.33 to HK$1.39 leading up to the Last Trading Day.

After reviewing the Company's announcements, we do not notice any specific reasons for the aforementioned movements of the closing price during the Review Period. As discussed with the management of the Company, they were not aware of any particular reason that contributed to the fluctuations in the closing price per Consolidated Share during the Review Period aside from the aforementioned events.

Although the Subscription Price is at a discount to the average closing price per Consolidated Share during the Review Period, taking into consideration that (i) the Subscription Price is within the range of historical closing prices per Consolidated Share during the Review Period (being slightly above the lowest closing price of HK$1.20 but below the average closing price of HK$1.728); (ii) the low liquidity of the Shares as discussed in the sub-section headed "Liquidity of the Shares" below in this letter; (iii) the funding needs of the Group as discussed in the section headed "Reasons for the Rights Issue and the use of proceeds" above in this letter; (iv) the Subscription Price is within the range in the comparable analysis as discussed in the sub-section headed "Comparison with other rights issue transactions" below in this letter which indicates it is common market practice to set the subscription price at a discount to prevailing market prices of relevant shares to encourage the shareholders to participate in a rights issue; and (v) the latest business performance and financial position as discussed in the sub-section headed "Business and financial information of the Group" above in this letter, we consider that the pricing of the Subscription Price is fair and reasonable and the Rights Issue is in the interests of the Company and the Shareholders as a whole.

Liquidity of the Shares

The table below sets out the average daily trading volume of the Shares per month/period and the respective percentages of the average daily trading volume as compared to the total number of issued Shares during the Review Period:

	Month/Period	Total trading volume of the Shares in the month/period	Number of trading days in the month/ period	Average daily volume of the Shares in the month/period	Percentage of average daily trading volume to total number of Shares *(Note 2)*
2025	October *(Note 3)*	481,673	14	34,405	0.0028%
	November	1,306,368	20	65,318	0.0053%
	December	557,020	21	26,525	0.0021%
2026	January	920,312	21	43,824	0.0035%
	February	1,059,560	17	62,327	0.0050%
	March	625,314	22	28,423	0.0023%
	April	717,860	19	37,782	0.0030%
	May	717,780	19	37,778	0.0030%
	June	1,711,728	21	81,511	0.0066%
	July	1,457,210	22	66,237	0.0053%
	August	513,456	21	24,450	0.0020%
	September	1,838,076	22	83,549	0.0067%
	October *(Note 4)*	1,019,000	7	145,571	0.0117%

Source: The website of Stock Exchange

Notes:

1. Average daily trading volume is calculated by dividing the total trading volume for the month/period by the number of trading days in the respective month/period.

2. Calculated based on the total number of Shares in issue at the end of each month/period.

3. Represents trading volume for the period from 13 October 2025, being one year prior to the Last Trading Day, to 31 October 2025, both days inclusive.

4. Represents trading volume for the period from 2 October 2026 to 12 October 2026, the Last Trading Day, both days inclusive.

As illustrated in the above table, we noted that the average daily trading volume of the Shares ranged from 24,450 to 145,571 Shares during the Review Period, representing approximately 0.0020% to 0.0117% of a total of 1,240,668,945 Shares in issue as at the respective month or period with an average on the percentage of average daily trading volume throughout the whole Review Period of approximately 0.0046% of the total number of issued Shares as at the respective month or period. We noted that the highest daily trading volume during the Review Period was recorded on 3 July 2026, when approximately 1,444,000 Shares were traded. Based on our review of the Company's announcements, we did not identify any specific reasons for the aforementioned trading liquidity. As discussed with the management of the Company, they were not aware of any particular reason that contributed to the increase in trading liquidity on 3 July 2026.

Based on the above results, we consider that the trading liquidity of the Shares during the Review Period was exceptionally thin that the average daily trading volume of the Shares during the Review Period was below 1% of the total number of issued share. As thin market liquidity indicates a lack of immediate market depth and active trading demand for the Shares in the open market, independent third-party investors or placing agent would face significant difficulty offloading or placing a substantial block of shares at or above the market price without causing severe downward pressure on the market price. Referring to our analysis below under section headed "Comparison with other rights issue transactions", the review of recent rights issue transactions demonstrates that offering a discount is standard market practice, we consider that the Company is unlikely to be able to raise equity funds from third parties without a discount to prevailing Share prices. In light of this, we consider that conducting a fund-raising exercise by way of Rights Issue with the Subscription Price set appropriately against market benchmarks is reasonable and designed to promote the attractiveness of the Rights Issue to existing shareholders.

Comparison with other rights issue transactions

In order to assess the fairness and reasonableness of the Subscription Price, we exhaustively conducted a search of recent proposed rights issue announced within the three months prior to the Last Trading Day (the "**Comparison Period**") to understand the trend of the recent market practice. We consider that the Comparison Period is appropriate, fair and representative because (i) the comparables are considered for the purpose of taking general reference for recent market practice in relation to the rights issue exercises under current market conditions; and (ii) a sufficient number of comparables were identified during the Comparison Period. Based on our research, we identified an exhaustive list of 27 rights issue comparables (the "**Comparables**") during the Comparison Period.

We have also considered the type of issuance adopted by the Comparables, including the underwriting arrangement, excess application arrangement and compensatory arrangement. While such features may affect investor participation and certainty of fund raising, they are common market practice and do not materially alter the comparability of pricing levels. Accordingly, although differences in issuance structure were taken into account, our analysis primarily focused on pricing-related metrics, including the subscription price relative to the prevailing market price, net asset value and theoretical dilution effect, which we consider to be the more relevant benchmarks in assessing the fairness and reasonableness of the Subscription Price. We also note that the business activities and terms of the rights issues of the Comparables may not be directly comparable to the business activities carried out and terms of the rights issue announced by the Group due to the differences in business activities and performances. Although the Comparables included rights issues on different basis of entitlement, and involved issuers which engaged in different businesses or with different financial performances and funding needs from the Company, we consider that the Comparables are suitable to serve as general reference for the purpose of an assessment on the Subscription Price, as (i) all of the Comparables and the Company are listed on the Stock Exchange; (ii) our analysis is mainly concerned with the comparison of subscription prices to closing prices, net asset value ("**NAV**"), maximum dilution on the shareholding and theoretical dilution effect; (iii) a three-month period for the selection of the Comparables has resulted in the generation of a reasonable sample size; and (iv) the Comparables were included without any artificial selection or filtering on our part. Since there are a sufficient number of Comparables under the selection criteria mentioned above, we are of the view that they represented a true and fair view and representative samples of the recent market trends for rights issue and are sufficient for assessing the fairness and reasonableness of the Rights Issue.

Date of announcement	Company name	Stock code	Basis of entitlement	Maximum dilution on the shareholding *(Note 2)*	Premium/ (discount) of the subscription price per rights issue share over/to closing price per share on the last trading day prior to announcement of rights issue	Premium/ (discount) of the subscription price per rights issue share over/to the average closing price per share for the last five consecutive trading days immediately up to and including the last trading day and prior to announcement of rights issue	Premium/ (discount) of subscription price per rights issue share over/to NAV per share *(Note 3)*	Theoretical dilution effect *(Note 4)*	Excess Application *(Note 5)*	Placing commission *(Note 6)*	Minimum placing commission	Underwriting arrangement	Underwriting fee
				%	%	%	%	%	*Yes/No*	%	*HK$*		%
13 July 2026	KPM Holding Limited	8027	2 for 1	66.67	(13.80)	(16.40)	(65.50)	(11.10)	No	3.00	No	Non-underwritten	N/A
14 July 2026	Capital Industrial Financial Services Group Limited	730	1 for 1	50.00	0.81	(1.26)	(65.82)	(1.10)	No	2.00	No	Non-underwritten	N/A
15 July 2026	Flowing Cloud Technology Ltd	6610	4 for 1	80.00	(24.05)	(24.24)	(93.66)	(19.39)	No	1.00	2,000,000	Non-underwritten	N/A
16 July 2026	PINE Technology Holdings Limited *(Note 7)*	1079	1 for 2	33.33	(41.18)	(42.31)	141.16	(14.32)	Yes	N/A	No	Non-underwritten	N/A
17 July 2026	Universal Health International Group Holding Limited	2211	4 for 1	80.00	(4.76)	(7.19)	(88.83)	(5.75)	No	3.00	3,500,000	Non-underwritten	N/A
23 July 2026	King International Investment Limited	928	2 for 1	66.67	(31.51)	(25.60)	(61.16)	(21.00)	No	1.50	No	Non-underwritten	N/A
24 July 2026	Yuk Wing Group Holding Limited	1536	3 for 1	75.00	(27.01)	(28.06)	(68.45)	(21.99)	No	1.00	No	Non-underwritten	N/A
29 July 2026	Easyhold Group Holdings Limited *(Note 7)*	1703	1 for 1	50.00	(48.98)	(47.03)	204.56	(24.49)	No	1.50	No	Non-underwritten	N/A
29 July 2026	Zhejiang United Investment Holdings Group Limited	8366	1 for 1	50.00	(14.29)	(14.29)	N/A	(7.14)	No	2.00	100,000	Non-fully underwritten	3.00
3 August 2026	Zhengwei Group Holdings Company Limited	2147	6 for 1	85.71	(28.57)	(28.57)	(92.87)	(24.49)	No	1.50	No	Non-underwritten	N/A
12 August 2026	Alpha Professional Holdings Limited *(Note 7)*	948	1 for 1	50.00	(19.68)	(10.71)	203.03	(9.64)	Yes	N/A	No	Non-underwritten	N/A
14 August 2026	Palinda Group Holdings Limited	8179	1 for 2	33.33	(50.00)	(50.00)	(97.20)	(16.67)	No	1.50	15,000	Non-underwritten	N/A
14 August 2026	Asia-Pac Financial Investment Company Limited	8193	2 for 1	66.67	20.50	22.00	(54.30)	(0.00)	No	3.00	No	Non-underwritten	N/A
17 August 2026	AI Energy Engineering Holdings Limited *(Note 7)*	1751	2 for 5	28.57	(7.80)	(8.32)	150.00	(2.71)	No	3.00	250,000	Non-underwritten	N/A
27 August 2026	Litian Pictures Holdings Limited	9958	4 for 1	80.00	(22.13)	(22.76)	N/A	(18.21)	No	1.00	No	Non-underwritten	N/A
27 August 2026	Hong Kong Robotics Group Holding Limited	370	1 for 2	33.33	(22.20)	(19.50)	(4.50)	(7.41)	Yes	N/A	No	Fully underwritten	7.07
1 September 2026	China Environmental Technology Holdings Limited	646	6 for 1	85.71	(21.61)	(21.34)	N/A	(18.52)	No	3.00	No	Non-underwritten	N/A
4 September 2026	Reach New Holdings Limited	8471	3 for 1	75.00	(25.90)	(27.30)	(69.20)	(20.50)	No	1.40	No	Non-underwritten	N/A
7 September 2026	Long Investment Corp	2312	1 for 2	33.33	0.00	1.28	31.67	0.00	Yes	N/A	No	Non-underwritten	N/A
10 September 2026	Moon Inc.	1723	1 for 2	33.33	(39.77)	(39.64)	(61.34)	(13.26)	No	2.00	No	Non-underwritten	N/A
16 September 2026	Bright Future Technology Holdings Limited	1351	3 for 1	75.00	(28.99)	(27.01)	(29.25)	(21.75)	No	0.50	No	Non-underwritten	N/A
22 September 2026	Grand Ocean Advanced Resources Company Limited	65	7 for 1	87.50	9.80	7.69	(32.04)	0.00	No	1.00	No	Non-underwritten	N/A
29 September 2026	Green Power Group Limited	1870	1 for 4	20.00	(32.40)	(38.10)	17.95	(8.19)	Yes	N/A	No	Fully-underwritten	7.07
30 September 2026	Plateau Treasures Limited	8402	1 for 2	33.33	(53.70)	(48.98)	(22.00)	(17.87)	No	4.50	No	Non-underwritten	N/A
2 October 2026	Artgo Holdings Limited	3313	3 for 1	75.00	(32.39)	(32.68)	(88.62)	(24.51)	No	1.50	No	Non-underwritten	N/A
7 October 2026	Lai Group Holding Company Limited	8455	2 for 1	66.67	(29.20)	(30.30)	N/A	(20.30)	No	2.00	No	Non-fully underwritten	N/A
7 October 2026	Milan Station Holdings Limited	1150	1 for 1	50.00	9.10	(4.80)	7.10	(4.00)	No	3.00	No	Non-underwritten	N/A
	Maximum			87.50	20.50	22.00	204.56	0.00		4.50	2,000,000		7.07
	Minimum			20.00	(53.70)	(50.00)	(97.20)	(24.51)		0.50	15,000		3.00
	Average			57.93	(21.47)	(21.68)	(10.40)	(13.12)		2.00	591,250		5.71
	Median			66.67	(24.05)	(24.24)	(54.30)	(14.32)		1.75	175,000		7.07
	Maximum (exclude outliers)			87.50	20.50	22.00	31.67	0.00		4.50	3,500,000		7.07
	Minimum (exclude outliers)			20.00	(53.70)	(50.00)	(97.20)	(24.51)		0.50	15,000		3.00
	Average (exclude outliers)			60.97	(20.09)	(20.74)	(49.37)	(13.18)		1.97	1,403,750		5.71
	Median (exclude outliers)			66.67	(24.05)	(24.24)	(61.34)	(16.67)		1.75	1,050,000		7.07
	Company		**1 for 1**	**50.00**	**(12.23)**	**(11.47)**	**(89.25)**	**(6.12)**	**Yes**	**N/A**	**No**	**Non-underwritten**	**N/A**

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

Notes:

1. Information shown in the above table has been extracted from the relevant announcements or circulars of the rights issue of the respective Comparables, where applicable.

2. The potential maximum dilution effect of each rights issue is calculated as number of rights shares issued or to be issued under the basis of entitlement divided by the total number of shares as enlarged by the rights issue according to their respective basis of entitlements and assuming all rights shares have been/will be allotted and issued times 100%.

3. The NAV per share is calculated based on the latest published net asset value of the subject company and total number of shares in issue as at the date to which such net asset value relates. "N/A" denotes that the NAV of the relevant Rights Issue Comparable that has net liabilities according to its latest published audited/unaudited consolidated financial statements.

4. The theoretical dilution effect is calculated in accordance with Rule 7.27B of the Listing Rules or Rule 10.44A of the Rules Governing the Listing of Securities on GEM of the Stock Exchange ("**GEM Listing Rule**"), or extracted from announcement, circular or prospectus in respect of the relevant rights issue.

5. Pursuant to Rule 7.21(1) of the Listing Rule or Rule 10.31(1) of the GEM Listing Rule.

6. "N/A" denotes that the subject rights issue was conducted without the involvement of any placing.

7. PINE Technology Holdings Limited (stock code: 1079), Easyhold Group Holdings Limited (stock code: 1703), Alpha Professional Holdings Limited (stock code: 948) and AI Energy Engineering Holdings Limited (stock code: 1751) are considered as outliers due to the significant premium of subscription price per rights issue share over the net asset value per share.

8. Pursuant to the announcement issued by Universal Health International Group Holding Limited (stock code: 2211) on 17 July 2026 in relation to its proposed rights issue, the company shall pay to the placing agent a placing commission of 3% of the amount which is equal to the placing price multiplied by the unsubscribed rights shares and NQS unsold rights shares that have been successfully placed by the placing agent, subject to a maximum placing commission of HK$3,500,000.

9. Pursuant to announcement issued by Palinda Group Holdings Limited (stock code: 8179) on 14 August 2026 in relation to its proposed rights issue, the Company shall pay to the placing agent a fee of HK$15,000 within three Business Days upon execution of the placing agreement.

According to our research, we observed that (i) 18 of the 23 Comparables (exclude the outliers) had set the subscription price of their rights issue at a discount to the prevailing closing price of their shares on the last trading day in relation to their respective rights issue (the "**LTD Price**"); (ii) 20 of the 23 Comparables (exclude the outliers) had set the subscription price of their rights issue at a discount to the average closing price per share for the last five consecutive trading days immediately up to and including the last trading day (the "**5-Day Discount Price**"); and (iii) 16 of the 23 Comparables (exclude the outliers) had set the subscription price of their rights issue at a discount to the NAV per share. It indicates that it is common for listed companies to set the subscription price of rights issue at a discount to the LTD Price, 5-Day Discount Price and the NAV per share, with the view to encourage participation.

The subscription price to the LTD Price of the Comparables (exclude the outliers) ranged from a discount of approximately 53.70% to a premium of approximately 20.50% with average and median discounts of approximately 20.09% and 24.05% respectively. The discount of approximately 12.23% to the Subscription Price to the LTD Price of the Company falls within the range of those of the Comparables (exclude the outliers) and is lower than the average and the median of the Comparables (exclude the outliers).

The subscription price to the 5-Day Discount Price of the Comparables (exclude the outliers) ranged from a discount of approximately 50.00% to a premium of approximately 22.00% with average and median discounts of approximately 20.74% and 24.24% respectively. The discount of approximately 11.47% of the Subscription Price to the 5-Day Discount Price of the Company falls within the range of those of the Comparables (exclude the outliers) and is lower than the average and the median of the Comparables (exclude the outliers).

The subscription prices to the NAV per share of the Comparables (exclude the outliers) ranged from a discount of approximately 97.20% to a premium of approximately 31.67% with average and median discount of approximately 49.37% and 61.34% respectively. The discount of approximately 89.25% of the Subscription Price to the NAV per Consolidated Share falls within the range of those of the Comparables (exclude the outliers) and is higher than the average and median of the Comparables (exclude the outliers). However, having considered that during the Review Period, (i) the closing price of the Consolidated Shares ranged between HK$1.20 to HK$2.11 per Consolidated Share and the Consolidated Shares traded at a discount to the NAV per Consolidated Share (i.e. approximately HK$11.350 as at 30 June 2026) on 246 out of 246 trading days, representing approximately 100.0% of the Review Period; and (ii) the liquidity of the Shares is thin during the Review Period, the discount of the Subscription Price to the NAV per Share of the Company is fair and reasonable.

The theoretical dilution effect of the rights issue conducted by the Comparables (exclude the outliers) ranged from approximately 0.00% to approximately 24.51% with average and median discounts of approximately 13.18% and approximately 16.67% respectively. The theoretical dilution effect of the Rights Issue of approximately 6.12% falls within the range of the Comparables (exclude the outliers) and is lower than the average and the median of the Comparables (exclude the outliers).

Taking into account that (i) the Subscription Price was below the closing price per Consolidated Share on 244 out of 246 trading days during the Review Period, representing approximately 99.19% of the trading days under review, indicating that the Subscription Price was generally set at a discount to the prevailing market price across the year; (ii) the discounts of the Subscription Price to the LTD Price, the 5-Day Discount Price and the theoretical dilution effect of the Rights Issue fall within discount range of the Comparables (exclude the outliers) and are lower than the average and the median of those of the Comparables (exclude the outliers); and (iii) the NAV per Consolidated Share and the theoretical dilution effect of the Rights Issue is within the range of the Comparables (exclude the outliers) yet higher than the average and the median of the Comparables (exclude the outliers), given that stock has predominantly traded at lower levels and suffers from thin trading liquidity, offering a discount is standard practice for issuers in Hong Kong to ensure a rights issue is actually attractive and executable. Furthermore, setting the Subscription Price much closer to the NAV per Share would make it far higher than recent market prices, which would likely result in an unsatisfactory subscription level, diminish the financial resources to be obtained by the Company from the Rights Issue, and incur considerable administrative costs. Therefore, considering that the structure imposes a dilution effect significantly milder than industry averages, we consider it is fair and reasonable to set the Subscription Price at a discount to the prevailing market price.

As shown in the table of the Comparables (exclude the outliers) above, it is common for listed issuers in Hong Kong to issue rights shares at a discount to prevailing market prices in order to enhance the attractiveness of the rights issue. We consider all Qualifying Shareholders are offered an equal opportunity to subscribe for the Rights Shares under the Rights Issue and are offered the same discounts of the Subscription Price to the closing price of the Consolidated Share and the same potential maximum dilution, we are of the view that the Subscription Price (together with its dilution effect) is fair and reasonable so far as the Independent Shareholders are concerned, and also in alignment with the market practice. As such, we concur with the view of the Directors that it would be more practical and commercially reasonable to set a subscription price which is lower than the prevailing market price as illustrated above in order to enhance the attractiveness of the Rights Issue and encourage the Qualifying Shareholders and investors to participate in the Rights Issue under the prevailing market conditions and economic sentiment and with reference to the recent market performance of the Shares particularly the Company's average trading volume as illustrated above indicated a lack of liquidity and demand for the Shares.

Among the Comparables (exclude the outliers), we noted that 3 out of 23 Comparables (exclude the outliers) did have excess application arrangements in their rights issues. As such, we consider that it is not uncommon in the market for rights issues to feature excess application arrangements, providing additional flexibility for shareholders wishing to take up extra entitlements.

Potential dilution effect

All Qualifying Shareholders are entitled to subscribe for the Rights Shares. Qualifying Shareholders who take up their pro-rata entitlement in full will not suffer any dilution of their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

The changes in the shareholding structure of the Company arising from completion of the Rights Issue are set out in the section headed "SHAREHOLDING STRUCTURE" in the Board Letter.

Assuming there is no other change in the shareholding structure of the Company before the completion of the Rights Issue: (i) if all Qualifying Shareholders take up their respective entitlements to the Rights Shares in full, their shareholding interests in the Company will remain unchanged after the Rights Issue; and (ii) if none of the Qualifying Shareholders (except Autobest pursuant to the Irrevocable Undertaking) take up their Rights Shares after adjustment to the number of Rights Shares offered to Autobest in accordance with the terms of the Irrevocable Undertaking, the shareholding interests of public shareholders in the Company will be slightly diluted from approximately 25.02% to 25.00%, representing a decrease of approximately 0.02 percentage point. We note that such dilution impact is substantially lower than the maximum dilution levels observed in the Comparables.

Notwithstanding the potential dilution impact on public Shareholders who do not participate in the Rights Issue, taking into consideration that (i) all Qualifying Shareholders are offered an equal opportunity to subscribe for the Rights Shares so as to maintain their respective proportionate shareholding interests in the Company; (ii) the shareholding interests of the Qualifying Shareholders would not be diluted if they elect to subscribe in full for their assured entitlements; (iii) the theoretical dilution effect of the Rights Issue is within the range of that of the Comparables; (iv) the Rights Issue is an appropriate financing alternative under present circumstances of the Company; (v) the Subscription Price is set at a discount to the prevailing Consolidated Share price in order to encourage Shareholders to participate in the Rights Issue given the thin trading liquidity of the Shares; (vi) the Rights Issue will also enhance the Group's liquidity position and alleviate its overall financial burden; and (vii) the uses of the net proceeds from the Rights Issue as discussed in this letter are expected to be beneficial to the long-term development of the Group, we are of the opinion that the potential dilution impact on public Shareholders who do not participate in the Rights Issue as a result of the Rights Issue is acceptable.

Financial effects of the Rights Issue

It should be noted that the analysis below is for illustrative purpose only and does not purport to represent how the financial position of the Group will be upon completion of the Rights Issue.

Net tangible assets

According to the "UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP" set out in Appendix II to the Circular, the unaudited consolidated net tangible assets of the Group attributable to owners of the Company was approximately HK$1,403.9 million as at 30 June 2026, while the unaudited consolidated net tangible assets per Existing Share before completion of the Share Consolidation and the Rights Issue was approximately HK$1.13 (or approximately HK$11.32 per Consolidated Share after taking into account the effect of the Share Consolidation); upon completion of the Rights Issue, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company would increase to approximately HK$1,553.5 million, while the unaudited pro forma adjusted consolidated net tangible assets per Consolidated Share immediately after completion of the Rights Issue would be approximately HK$6.26. Accordingly, the Rights Issue is expected to enlarge the capital base of the Group and strengthen its overall net asset position.

Gearing ratio and liquidity

According to the 2026 Interim Report, as at 30 June 2026, the unaudited cash and cash equivalents of the Group was approximately HK$19.9 million. Immediately upon completion of the Rights Issue, the cash and cash equivalents of the Group is expected to increase by the expected net proceeds from the Rights Issue of approximately HK$149.56 million.

Upon completion of the Rights Issue, the equity attributable to owners of the Company will be enlarged by the expected net proceeds from the Rights Issue of approximately HK$149.56 million. The gearing ratio was approximately 36 % as at 30 June 2026. As approximately HK$100 million of the net proceeds from the Rights Issue is intended to be applied towards the repayment of part of the Group's bank borrowings, the Group's indebtedness is expected to decrease and its gearing position is expected to improve upon utilisation of the proceeds. In addition, the proposed repayment of bank borrowings is expected to lower the Group's finance costs and enhance its liquidity position and financial flexibility.

Having considered (i) the increase in the Group's net tangible assets and shareholders' equity, (ii) the enhancement of the Group's liquidity position upon receipt of the net proceeds from the Rights Issue, (iii) the expected reduction in borrowings and finance costs following the intended repayment of bank borrowings, and (iv) the strengthening of the Group's capital structure and financial flexibility, we are of the view that the Rights Issue is expected to have an overall positive financial impact on the Group and is in the interests of the Company and the Shareholders as a whole.

RECOMMENDATION

Taking into consideration the principal factors and reasons as set out in this letter, in particular, (i) the funding needs of the Group for partial repayment of its bank borrowings as well as for expanding its property investment business; (ii) the Rights Issue being considered as a more preferential option as compared to other alternatives under the current circumstance of the Group; (iii) the positive impact on the Group's liquidity position as a result of the Rights Issue; and (iv) the Qualifying Shareholders can maintain or even increase their shareholding interests in the Company by participating in the Rights Issue, we are of the opinion that the terms of the Rights Issue are on normal commercial terms, are fair and reasonable so far as the Independent Shareholders are concerned and that the Rights Issue including the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders, and recommend the Independent Shareholders, to vote in favour of the ordinary resolution(s) to be proposed at the EGM to approve the Rights Issue and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
Vinco Financial Limited
Alister Chung
Managing Director

Note: Mr. Alister Chung is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Vinco Financial Limited to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and has participated in the provision of independent financial advisory services for various transactions involving companies listed in Hong Kong for over 10 years.

1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group for the three years ended 31st December, 2025 and the unaudited condensed consolidated financial statements of the Group for the six months ended 30th June, 2026 together with the relevant notes thereto are disclosed in the following documents which have been published on the website of the Stock Exchange (http://www.hkexnews.hk) and the website of the Company (http://www.asiasec.com.hk):

- pages 4 to 41 in the interim report of the Company for the six months ended 30th June, 2026 published on 16th September, 2026
  https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0916/2026091600274.pdf

- pages 59 to 163 in the annual report of the Company for the year ended 31st December, 2025 published on 22nd April, 2026
  https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0422/2026042200388.pdf

- pages 57 to 167 in the annual report of the Company for the year ended 31st December, 2024 published on 17th April, 2025
  https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0417/2025041700538.pdf

- pages 57 to 167 in the annual report of the Company for the year ended 31st December, 2023 published on 24th April, 2024
  https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0424/2024042400993.pdf

2. INDEBTEDNESS STATEMENT

As at the close of business on 30th September, 2026, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Group had the following indebtedness:

(i) a secured bank borrowing of HK$180 million which was guaranteed by TACI. The Group's banking facility was secured by mortgage over and an assignment of rentals of its investment properties; and

(ii) an unsecured other borrowing of HK$350 million which was due to a subsidiary of TACI and is unguaranteed.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables, as at the close of business on 30th September, 2026, the Group did not have any (i) debt securities issued and outstanding, and authorised or otherwise created but unissued; (ii) term loans, other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments; (iii) mortgages and charges; and (iv) other contingent liabilities or guarantees.

3. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that, taking into account the financial resources available to the Group including internally generated funds, existing bank facilities and existing and unutilised facilities from its fellow subsidiary, and the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital for its present requirements and for at least the next twelve months from the date of this circular.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31st December, 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Group's core businesses comprise property investment, property leasing and estate management in Hong Kong.

The retail property leasing market in Hong Kong remains under pressure, as northbound travel to Shenzhen and the wider Greater Bay Area continues to draw local spending away, compounded by the ongoing shift to e-commerce. This weighs particularly on malls such as Laneway in Tsuen Wan, which depend on local catchment footfall, and to a significant extent on the Group's retail space in Harbour Crystal Centre. The Group therefore continues to expect some negative rental reversion across the portfolio as leases are renewed or re-let.

On a more positive note, Laneway, which officially opened in January 2026, continues to build recognition in the local area, supporting tenant attraction as the mall becomes better established. The Group is also pro-actively exploring non-traditional uses for retail space to capture pockets of resilient demand – for example, expanding its health and fitness leasing to include an additional pickleball court, which should drive incremental footfall.

The Company maintains a cautious but opportunistic approach, prioritizing financial discipline and selective capital deployment as leasing conditions evolve.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED UNAUDITED CONSOLIDATED NET TANGIBLE ASSETS ATTRIBUTABLE TO OWNERS OF THE COMPANY

The following is the unaudited pro forma statement of adjusted unaudited consolidated net tangible assets attributable to owners of the Company as at 30th June, 2026 (the "**Unaudited Pro Forma Financial Information**") which has been prepared by the Directors in accordance with paragraph 4.29 of Listing Rules to illustrate the effect of the Rights Issue (as defined in this Circular) on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as if the Rights Issue had been completed on 30th June, 2026.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group upon completion of the Rights Issue at 30th June, 2026 or any future date.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30th June, 2026, as extracted and derived from the Group's unaudited condensed consolidated financial statements for the six months ended 30th June, 2026 included in the published interim report of the Group for the six months ended 30th June, 2026, and is adjusted for the effect of the Rights Issue as described below.

	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30th June, 2026 *(Note 1)* *HK$'000*	**Estimated net proceeds from the Rights Issue** *(Note 2)* *HK$'000*	**Unaudited pro forma adjusted unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30th June, 2026 as adjusted for the Rights Issue** *HK$'000*	**Unaudited consolidated net tangible assets of the Group attributable to owners of the Company per Existing Share as at 30th June, 2026 before the implementation of the Share Consolidation** *(Note 3)* *HK$'*	**Unaudited consolidated net tangible assets of the Group attributable to owners of the Company per Consolidated Share as at 30th June, 2026** *(Note 4)* *HK$'*	**Unaudited pro forma adjusted unaudited consolidated net tangible assets of the Group attributable to owners of the Company per Consolidated Share as at 30th June, 2026 as adjusted for the Rights Issue** *(Note 5)* *HK$'*
Based on Rights Shares to be issued at Subscription Price of HK$1.22 per Rights Share	1,403,921	149,562	1,553,483	1.13	11.32	6.26

Notes:

1. The unaudited consolidated net tangible assets attributable to owners of the Company as at 30th June, 2026 were approximately HK$1,403,921,000, being the unaudited consolidated net assets attributable to owners of the Company of approximately HK$1,408,182,000 as extracted from the unaudited condensed consolidated statement of financial position of the Group as at 30th June, 2026 set out in the published interim report of the Company for the six months ended 30th June, 2026, after deducting club memberships (treated as intangible assets) of approximately HK$4,261,000.

2. The estimated net proceeds of approximately HK$149,562,000 from the Rights Issue are calculated based on gross proceeds of approximately HK$151,362,000 from the issue of 124,066,894 Rights Shares at the Subscription Price of HK$1.22 per Rights Share after deduction of the estimated costs and other related expenses payable by the Company of approximately HK$1,800,000 directly attributable to the Rights Issue.

3. The unaudited consolidated net tangible assets of the Group attributable to owners of the Company per Existing Share as at 30th June, 2026 before the implementation of the Share Consolidation on the basis that every ten (10) Existing Shares are to be consolidated into one (1) share (the "**Consolidated Share**") and before adjusting for the Rights Issue is calculated based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30th June, 2026 of approximately HK$1,403,921,000 divided by 1,240,668,945 Existing Shares of the Company in issue as at 30th June, 2026.

4. The unaudited consolidated net tangible assets of the Group attributable to owners of the Company per Consolidated Share as at 30th June, 2026 is calculated based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30th June, 2026 of approximately HK$1,403,921,000 divided by 124,066,894 Consolidated Shares, assuming that the Share Consolidation had become effective as at 30th June, 2026 but before adjusting for the Rights Issue.

5. The unaudited pro forma adjusted unaudited consolidated net tangible assets of the Group attributable to owners of the Company per Consolidated Share as at 30th June, 2026 as adjusted for the Rights Issue is calculated based on the unaudited pro forma adjusted unaudited consolidated net tangible assets of the Group attributable to owners of the Company immediately after completion of the Rights Issue of approximately HK$1,553,483,000, divided by 248,133,788 Consolidated Shares of the Company, comprising (i) 124,066,894 Consolidated Shares of the Company in issue as at 30th June, 2026; and (ii) 124,066,894 Rights Shares to be issued, assuming that the Share Consolidation had become effective and the Rights Issue had been fully subscribed and completed on 30th June, 2026.

6. Except as disclosed above, no adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30th June, 2026.

The following is the text of the independent reporting accountants' assurance report received from the reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this circular.

Deloitte. 德勤

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

To the Directors of Asiasec Properties Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Asiasec Properties Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted unaudited consolidated net tangible assets as at 30th June 2026, and related notes as set out on pages II-1 to II-2 of Appendix II to the circular issued by the Company dated 6th November 2026 (the "**Circular**"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages II-1 to II-2 of Appendix II to the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed rights issue on the basis of one (1) rights share for every one (1) consolidated share held on the record date on a non-underwritten basis at a subscription price of HK$1.22 per rights share (the "**Rights Issue**") as if the share consolidation had become effective and the Rights Issue had taken place on 30th June 2026. As part of this process, information about the consolidated net tangible assets of the Group attributable to owners of the Company as at 30th June 2026 has been extracted by the Directors from the Group's unaudited condensed consolidated interim financial information for the six months ended 30th June 2026, on which a review report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

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

Our Independence and Quality Management

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

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

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

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

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

The purpose of unaudited pro forma financial information included in the Circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30th June 2026 would have been as presented.

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

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

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

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled on the basis stated;

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

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
6th November 2026

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. SHARE CAPITAL

The issued share capital of the Company (a) as at the Latest Practicable Date; (b) immediately following the Share Consolidation having become effective (assuming no change in the number of issued Existing Shares (or the Consolidated Shares upon the Share Consolidation having become effective) from the Latest Practicable Date up to the effective date); and (c) immediately following the Share Consolidation becoming effective and upon completion of the Rights Issue (assuming no further issue of Consolidated Shares or repurchase of Shares on or before the completion of the Rights Issue (other than issue of the Rights Shares) and full acceptance of the Rights Shares) are set out as follows:

(a) As at the Latest Practicable Date:

Issued and fully-paid Existing Shares	1,240,668,945 Existing Shares

(b) Immediately following the Share Consolidation having become effective (assuming no change in the number of issued Existing Shares (or the Consolidated Shares upon the Share Consolidation having become effective) from the Latest Practicable Date up to the effective date)

Issued and fully-paid Consolidated Shares	124,066,894 Consolidated Shares

(c) Immediately following the Share Consolidation becoming effective and upon completion of the Rights Issue (assuming no further issue of Consolidated Shares or repurchase of Shares on or before the completion of the Rights Issue (other than issue of the Rights Shares) and full acceptance of the Rights Shares)

Issued and fully-paid Consolidated Shares	124,066,894 Consolidated Shares
Maximum Rights Shares to be allotted and issued under the Rights Issue	124,066,894 Rights Shares
Issued Shares upon completion of the Rights Issue	up to 248,133,788 Consolidated Shares (assuming the Rights Issue is fully subscribed and no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)

Since the Company is incorporated in Hong Kong, the Rights Shares have no nominal value. The Company did not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Existing Shares or Consolidated Shares as at the Latest Practicable Date.

All the Existing Shares, Consolidated Shares and the Rights Shares in issue and to be issued rank and will rank *pari passu* in all respects with each other including rights to dividends, voting and return of capital.

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Consolidated Shares and the Rights Shares in both nil-paid and fully-paid forms.

The Existing Shares, Consolidated Shares and the Rights Shares in issue and to be issued are or will be listed on the Stock Exchange. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Existing Shares, the Consolidated Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, the Company does not hold any treasury shares (as defined under the Listing Rules), and there were no arrangements under which future dividends are waived or agreed to be waived.

3. DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

Biographies of the Directors

Executive Directors

Patrick Lee Seng Wei（李成偉）, aged 74, was appointed an Executive Director of the Company in November 2016 and was the Chief Executive of the Company during the period from December 2016 to January 2018. Mr. Lee was appointed the Chairman of the Company in January 2018. He is also a director of certain subsidiaries of the Company. Being an architect, he worked for IBM Australia before becoming involved in property development in Malaysia and Hong Kong more than forty years ago. He has extensive experience in the property field. Mr. Lee is the managing director and an executive director of TACI.

Lee Shu Yin（李樹賢）, aged 59, has been the Chief Executive and an Executive Director of the Company since January 2018. He is also a director of certain subsidiaries of the Company. He has over twenty years of experience in corporate finance, investment and management. Mr. Lee served as Chief Investment Officer of Grand River Properties Ltd. and as an executive of PGR Asian RE Fund GP, Ltd., which managed a property-related investment account of a wholly-owned subsidiary of TACI. He is an independent non-executive director of Altus Holdings Limited, a company listed on the GEM of The Stock Exchange of Hong Kong Limited. Mr. Lee was a Non-Executive Director of TACI during the period from March 2011 to June 2017 and an Executive Director of the same company from June 2017 to January 2018. He served various positions as a vice president and director in the Asian Equities division of JP Morgan Securities Limited / Robert Fleming Securities and as an executive director of Goldman Sachs International in Hong Kong. He holds a Master's Degree in Finance from the London Business School, and Bachelor of Arts and Bachelor of Science Degrees from Stanford University. Mr. Lee is a Chartered Financial Analyst charterholder.

Tao Tsan Sang（杜燦生）, aged 62, was appointed an Executive Director of the Company in November 2016. He is also a director of certain subsidiaries of the Company. Mr. Tao holds a Master's Degree in Business Administration from The Hong Kong Polytechnic University and is an associate of the Hong Kong Institute of Certified Public Accountants and The Chartered Institute of Management Accountants. He has extensive experience in accounting, financial management and China business field. Mr. Tao is an executive director and the finance director of TACI.

Independent Non-executive Directors

Li Chak Hung（李澤雄）, aged 61, was appointed an Independent Non-Executive Director of the Company in March 2017. Mr. Li graduated from The Chinese University of Hong Kong and holds a Bachelor's Degree of Business Administration. Mr. Li is a Certified Public Accountant (Practising) of the Hong Kong Institute of Certified Public Accountants and a fellow of The Taxation Institute of Hong Kong. He has over 30 years' experience in accounting, auditing, taxation and financial management. Mr. Li is currently an independent non-executive director of each of APAC Resources Limited ("**APAC**") and Alpha Professional Holdings Limited ("**Alpha Professional**"). APAC and Alpha Professional are companies listed on the main board of the Stock Exchange. Mr. Li was appointed as an independent non-executive director of Dragon Mining Limited in June 2026 and resigned upon the listing of its shares being withdrawn from the Stock Exchange on 2 September 2026, following the completion of its reorganization proposal to re-domicile in Hong Kong ("**Re-domicile**"). Subsequent to the Re-domicile, the shares of the new holding company, namely Dragon Gold Mining Limited, have been listed on the Stock Exchange on 2 September 2026, upon which Mr. Li is appointed as an independent non-executive director. He was previously an independent non-executive director of Summit Ascent Holdings Limited ("**Summit Ascent**") during the periods from October 2018 to January 2024, and 11 March 2025 to 30 August 2025. Summit Ascent was previously a company listed on the main board of the Stock Exchange until 1 September 2025.

Lisa Yang Lai Sum（楊麗琛）, aged 59, was appointed an Independent Non-Executive Director of the Company in March 2017. She graduated from the University of Sydney with a Bachelor's Degree in Law and Economics and is also qualified as a solicitor in Australia and England. She is a practising solicitor in Hong Kong and a consultant of ONC Lawyers. Ms. Yang is also an independent non-executive director of each of Allied Group Limited, TACI, Tian An Medicare Limited and APAC Resources Limited.

Cheng Chi Kin(**鄭子堅**), aged 58, was appointed an Independent Non-Executive Director of the Company in April 2024. He obtained a Degree in Business Studies from University of Glamorgan in 1992 and a Master degree in Business Administration from Cardiff Business School in 1993. Mr. Cheng is a fellow member of Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of International Accountants. He is a member of Institute of Management Accountants. Mr. Cheng has more than 30 years of working experience in merger and acquisition, finance and accounting, banking, asset management and funds operations in various industries including real estate developments, infrastructure developments, real estate investment trusts (REITS), securities investments and natural resources industries. Mr. Cheng is currently a non-executive director of Baijin Life Science Holdings Limited (formerly known as Affluent Partners Holdings Limited) ("**Baijin Life Science**"), a company listed on the main board of the Stock Exchange, and was formerly (i) an executive director of Baijin Life Science during the period between September 2019 and March 2024; and (ii) the chairman of Baijin Life Science during the period between October 2019 and March 2024. He is also currently an independent non-executive director of Silkwave Inc, a company listed on the main board of the Stock Exchange. He was a director of Origin Agritech Limited, a company listed on Nasdaq, during the period between August 2024 and September 2025. Mr. Cheng was an executive director and the chief executive officer of China Uptown Group Company Limited from June 2022 to March 2024, an executive director of DeTai New Energy Group Limited from August 2021 to March 2024 and the chairman of the board of the same company from November 2021 to March 2024, the shares of both companies which are listed on the main board of the Stock Exchange.

Biographies of the senior management of the Company

The senior management of the Company comprises the Executive Directors above, namely, Mr. Patrick Lee Seng Wei, Mr. Lee Shu Yin and Mr. Tao Tsan Sang.

4. INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

As at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules.

As at the Latest Practicable Date, the following Directors were directors of companies which had an interest in the Shares and underlying Shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of part XV of the SFO:

(a) Messrs. Patrick Lee Seng Wei and Tao Tsan Sang are executive directors of, and Ms. Lisa Yang Lai Sum is an independent non-executive director of TACI. TACI, through its subsidiaries, is deemed to be interested in, for the purpose of the SFO, 930,376,898 Existing Shares, representing approximately 74.98% of the total number of issued Existing Shares of the Company; and

(b) Ms. Lisa Yang Lai Sum is an independent non-executive director of Allied Group Limited ("**AGL**"). AGL is interested in approximately 59.66% of the total number of issued shares of TACI through its subsidiaries. Accordingly, AGL is also deemed to be interested in, for the purpose of the SFO, 930,376,898 Existing Shares, representing approximately 74.98% of the total number of issued Existing Shares of the Company, in which TACI was interested.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other Director who was a director or employee of a company which had an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of part XV of the SFO.

5. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as was known to the Directors and chief executives of the Company, persons other than a Director or chief executives of the Company who had, or were deemed to have, interests or short positions in the Shares or underlying Shares which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or required to be recorded in the register maintained by the Company pursuant to section 336 of the SFO, or were directly or indirectly interested in 10% or more of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, were as follows:

	Number of shares and underlying shares interested				
Name of Shareholder(s)	**Personal Interests (held as beneficial owner)**	**Corporate Interests (interest of controlled corporation)**	**Other Interests**	**Total Interests**	**Approx. % of the total number of issued Existing Shares** *(Note 1)*
TACI	–	930,376,898 *(Note 2)*	–	930,376,898	74.98%
AGL	–	930,376,898 *(Note 4)*	–	930,376,898 *(Note 3)*	74.98%
Lee and Lee Trust	–	930,376,898 *(Note 5)*	–	930,376,898 *(Note 3)*	74.98%

Notes:

1. The percentage of the total number of issued Existing Shares is based on the 1,240,668,945 Existing Shares issued as at the Latest Practicable Date.

2. The interest was held by Autobest, a wholly-owned subsidiary of Advance Growth Investments Limited ("**Advance Growth**"). As Advance Growth is a wholly-owned subsidiary of TACI, TACI was therefore deemed to have an interest in the shares in which Autobest was interested.

3. This represents the same interests of TACI in 930,376,898 shares.

4. AGL, through its wholly-owned subsidiaries, indirectly owned approximately 59.66% of the total number of issued shares of TACI and was therefore deemed to have an interest in the shares in which TACI was interested.

5. Mr. Lee Seng Hui, Ms. Lee Su Hwei and Mr. Lee Seng Huang are the trustees of Lee and Lee Trust, being a discretionary trust. The Lee and Lee Trust controlled approximately 79.77% of the total number of issued shares of AGL (inclusive of Mr. Lee Seng Hui's personal interests) and was therefore deemed to have an interest in the shares in which AGL was interested through TACI.

6. All interests stated above represent long positions.

Save as disclosed herein, as at the Latest Practicable Date, so far as was known to the Directors and chief executives of the Company, the Company had not been notified of any other interests or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or required to be recorded in the register maintained by the Company pursuant to section 336 of the SFO, or were 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 member of the Group.

6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or proposed to enter into any service contract with the Company or any other member of the Group which was not expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation).

7. OTHER INTERESTS OF THE DIRECTORS

As at the Latest Practicable Date, none of the Directors has or had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group since 31st December, 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up.

As at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

8. LITIGATION

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

9. EXPENSES

The expenses in connection with the Rights Issue, including printing, registration, translation, financial advisory, legal and accounting fees and other related expenses are estimated to be approximately HK$1.8 million, which will be borne by the Company.

10. MATERIAL CONTRACTS

There are no material contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) which have been entered into by any member of the Group within the two years immediately preceding the date of the Announcement up to and including the Latest Practicable Date.

11. EXPERTS' QUALIFICATION AND CONSENT

The following is the qualification of the experts whose name, opinions and/or reports are contained in this circular (collectively, the "**Experts**"):

Name	**Qualification**
Deloitte Touche Tohmatsu	Certified Public Accountants
Vinco Financial Limited	a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, each of the above Experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its report and references thereto and to its name in the form and context in which they are included.

As at the Latest Practicable Date, each of the above Experts did not have any shareholding 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, each of the above Experts did not have any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31st December, 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up.

12. CORPORATE INFORMATION AND THE PARTIES INVOLVED IN THE RIGHTS ISSUE

Registered Office:	9th Floor, Allied Kajima Building 138 Gloucester Road, Wanchai, Hong Kong
Legal advisers to the Company:	**P C Woo & Co** 12th Floor, Prince's Building 10 Chater Road Central Hong Kong
	CMK Lawyers Room A, 7/F, Chun Wo Commercial Centre 25 Wing Wo Street, Sheung Wan Hong Kong
	Hampton Winter & Glynn 19/F, Printing House, 6 Duddell Street, Central Hong Kong
Legal adviser to the Company as to Hong Kong law in relation to the Rights Issue:	**P C Woo & Co** 12th Floor, Prince's Building 10 Chater Road Central Hong Kong
Auditor and reporting accountants:	**Deloitte Touche Tohmatsu** *Certified Public Accountants* 35th Floor, One Pacific Place 88 Queensway Hong Kong

Principal bankers:	**CTBC Bank Co., Ltd.** Room 2106-10, 21/F and Room 2801, 28/F, Two International Finance Centre 8 Finance Street, Central Hong Kong **Bank of China (Hong Kong) Limited** 14th Floor, Bank of China Tower 1 Garden Road Hong Kong **Hang Seng Bank, Limited** Hang Seng Bank Bldg. 83 Des Voeux Road Central, Hong Kong **Taipei Fubon Commercial Bank Co., Ltd.** 16/F, K11 Atelier, Victoria Dockside No. 18 Salisbury Road, Tsim Sha Tsui, Kowloon **Industrial and Commercial Bank of China (Asia) Limited** 33/F, ICBC Tower 3 Garden Road, Central, Hong Kong
Share Registrar:	**Tricor Investor Services Limited** 17th Floor, Far East Finance Centre 16 Harcourt Road Hong Kong
Authorised representatives:	Mr. Lee Shu Yin 9th Floor, Allied Kajima Building 138 Gloucester Road, Wanchai, Hong Kong Ms. Sit Po Ling 9th Floor, Allied Kajima Building 138 Gloucester Road, Wanchai, Hong Kong
Company secretary:	Ms. Sit Po Ling *An associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute*

13. MISCELLANEOUS

(a) The business address of all Directors and senior management is 9th Floor, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong.

(b) As at the Latest Practicable Date, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.

14. DOCUMENTS ON DISPLAY

The following documents are available on the website of the Stock Exchange (http://www.hkexnews.hk) and the website of the Company (http://www.asiasec.com.hk) for a period of 14 days from the date of this circular:

(a) the letter from the Board, the text of which is set out on pages 10 to 33 of this circular;

(b) the letter from the Independent Board Committee, the text of which is set out on pages IBC-1 to IBC-2 of this circular;

(c) the letter of advice from the Independent Financial Adviser, the text of which is set out on pages IFA-1 to IFA-26 of this circular;

(d) the independent reporting accountants' assurance report on the compilation of unaudited pro forma financial information of the Group from Deloitte Touche Tohmatsu, the text of which is set out in Appendix II to this circular; and

(e) the written consent referred to under "11. Experts' qualification and consent" in this appendix.

亞證地產有限公司
ASIASEC PROPERTIES LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 271)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**Meeting**") of Asiasec Properties Limited (the "**Company**") will be held at Plaza 3, Basement 3, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Wednesday, 25th November, 2026 at 3:00 p.m. for the purposes of considering and, if thought fit, approving (with or without modification) the following resolutions:

ORDINARY RESOLUTIONS

1. "**THAT** subject to the satisfaction of the conditions set out in the Letter from the Board under the section headed "Proposed Share Consolidation – Conditions of the Share Consolidation" in the circular (the "**Circular**") of the Company dated 6th November, 2026 (a copy of which marked "A" is produced to the Meeting and initialled by the chairman of the Meeting for the purpose of identification):

   (i) with effect from the second business day immediately following the day of passing of this resolution, being a day on which the shares of the Company are traded on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), every ten (10) issued shares each in the share capital of the Company be consolidated into one (1) consolidated share (the "**Consolidated Share(s)**"), and such Consolidated Share(s) shall rank *pari passu* in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the articles of association of the Company (the "**Share Consolidation**");

   (ii) all fractional Consolidated Shares resulting from the Share Consolidation will be disregarded and will not be issued to holders of the same but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company in such manner and on such terms as the board of directors (the "**Directors**") of the Company may think fit; and

   (iii) any one Director be and is hereby authorised to take such actions, do all such acts and things and execute all such further documents or deeds (including affixing the common seal of the Company, if appropriate) as he/she may, in his/her absolute discretion, consider necessary, appropriate, desirable or expedient for the purpose of, or in connection with, the implementation of or giving effect to or the completion of any matters relating to the Share Consolidation."

2. "**THAT** (i) conditional upon resolution 1 set out in this notice being passed by the shareholders of the Company (the "**Shareholders**") and (ii) subject to the satisfaction of the conditions set out in the Letter from the Board under the section headed "Conditions of the Rights Issue" in the Circular:

   (i) the allotment and issue of up to 124,066,894 Consolidated Shares (the "**Rights Shares**") in the share capital of the Company, assuming no change in the issued share capital on or before the Record Date (as defined below) and full subscription under the Rights Issue (as defined below), pursuant to an offer by way of rights issue (the "**Rights Issue**") to the Shareholders at the subscription price of HK$1.22 per Rights Share on the basis of one (1) Rights Share for every one (1) Consolidated Share held by the Shareholders whose names appeared on the register of members of the Company on 8th December, 2026 (or such later date as may be determined and announced by the Company) (the "**Record Date**") as described in further details in the Circular and on, and subject to, such terms and conditions as may be determined by the Directors, be and is hereby approved;

   (ii) the Directors be and are hereby authorised to allot and issue the Rights Shares pursuant to or in connection with the Rights Issue notwithstanding that the same may be offered, allotted or issued otherwise than pro rata to the existing Shareholders and, in particular, the Directors may make such exclusions or other arrangements in relation to any Shareholders whose addresses as of the Record Date are outside of Hong Kong (if any) as they deem necessary or expedient having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong, and to do all such acts and things as they consider necessary, desirable or expedient to give effect to any or all other transactions contemplated in this resolution; and

   (iii) any one Director be and is hereby authorised to do all such acts and things and execute all such documents (including affixing the common seal of the Company, if appropriate) as he/she consider necessary, appropriate, desirable or expedient for the purpose of, or in connection with, the implementation of or giving effect to or the completion of any matters relating to the Rights Issue and the transactions contemplated thereunder."

By Order of the Board
Asiasec Properties Limited
Sit Po Ling
Company Secretary

Hong Kong, 6th November, 2026

Registered Office:
9th Floor
Allied Kajima Building
138 Gloucester Road
Wanchai
Hong Kong

Notes:

1. *All resolutions set out in this notice of the Meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on the Stock Exchange (the "***Listing Rules***") and the results of the poll will be published on the websites of the Stock Exchange and the Company in accordance with the Listing Rules.*

2. *A member of the Company entitled to attend and vote at the Meeting will be entitled to appoint one or more proxies to attend and, on a poll, vote in his or her stead. A proxy need not be a member of the Company.*

3. *A form of proxy in respect of the Meeting is enclosed. Whether or not you intend to attend the Meeting in person, you are urged to complete and return the form of proxy in accordance with the instructions printed thereon. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Meeting or any adjourned meeting or postponement thereof if you so wish. In the event that you attend the Meeting after having lodged the form of proxy, it will be deemed to have been revoked.*

4. *To be valid, the form of proxy, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, must be deposited at the Company's share registrar, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time fixed for holding of the Meeting or any adjournment or postponement thereof, provided that no account is to be taken of any part of a day that is a public holiday.*

5. *Where there are joint registered holders of any Share, any one of such persons may vote at the Meeting, either personally or by proxy in respect of such Share as if he or she was solely entitled thereto, but if more than one of such joint registered holders be present at the Meeting personally or by proxy, that one of such persons so present whose name stands first on the register of members of the Company in respect of such Share shall alone be entitled to vote in respect thereof.*

6. *For determining the entitlement to attend and vote at the Meeting, the register of members of the Company will be closed from Thursday, 19th November, 2026 to Wednesday, 25th November, 2026 (both days inclusive), during which period no transfer of Shares will be registered. In order for a Shareholder to be eligible to attend and vote at the Meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited of 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 18th November, 2026. The record date for entitlement to the Meeting will be Wednesday, 25th November, 2026.*