THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in GR Life Style Company Limited (the "**Company**"), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

This document, for which the directors of the issuer collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the issuer. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this document 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 document misleading.

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

GR Life Style
国锐生活

GR LIFE STYLE COMPANY LIMITED
國鋭生活有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 108)

I. DISCLOSEABLE TRANSACTION IN RELATION TO PROPOSED ACQUISITION OF THE SALE SHARES OF THE TARGET COMPANY INVOLVING ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE; AND II. NOTICE OF EGM

Financial Adviser

元庫證券有限公司
SILVERBRICKS SECURITIES CO., LTD.

Capitalised terms used in this cover page shall have the same meaning as those defined in this circular.

A letter from the Board is set out on pages 8 to 73 of this circular. A notice convening the EGM to be held at 7/F, Wheelock House, 20 Pedder Street, Central, Hong Kong, Hong Kong on Monday, 11 May 2026 at 4:00 p.m. is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is enclosed herewith.

Whether or not you intend to attend the EGM (or any adjournment thereof), you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, 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 fixed for holding the EGM (i.e. by 4:00 p.m. on Saturday, 9 May 2026) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and in such event the form of proxy shall be deemed to be revoked.

This circular together with the form of proxy are also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (http://www.grlifestyle.com.hk/).

All times and dates specified herein refer to Hong Kong local times and dates.

20 April 2026

CONTENTS

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

"Agreements"	the Share SPA, the Cash SPA, the Cat A Subscription Agreement and the Cat B Subscription Agreement
"Board"	the board of Directors
"Cash Consideration"	approximately RMB53.8 million (equivalent to approximately HK$59.0 million) settled by the Company on Share SPA First Payment Date or Cash SPA First Payment Date
"Cash SPA"	the sale and purchase agreement entered into between the Company and all Vendors dated 5 December 2025
"Cash SPA First Payment"	the payment of the first instalment of the Consideration under the Cash SPA
"Cash SPA First Payment Date"	the date of settlement of the Cash SPA First Payment
"Cash SPA Long Stop Date"	31 March 2026
"Cash SPA Second Payment"	the payment of the second instalment of the Consideration under the Cash SPA
"Cash SPA Second Payment Date"	the date of settlement of the Cash SPA Second Payment
"Cat A Consideration Shares"	an aggregate of 135,664,249 new Shares to be allotted and issued by the Company to the Cat A Subscribers at the Issue Price
"Cat A Subscription Agreement"	the subscription agreement entered into between the Company and the Cat A Subscribers dated 5 December 2025
"Cat A SPVs"	the special purpose vehicles wholly-owned by the Cat A Vendors, established for obtaining the relevant ODI approvals and the subscription for shares of the Company
"Cat A Vendors" or "Cat A Subscribers"	collectively, Vendor 1, Vendor 2, Vendor 3, Vendor 4, Vendor 5, Vendor 6, Vendor 7, Vendor 8, Vendor 9, Vendor 10, Vendor 11, Vendor 12, Vendor 13 and Vendor 14

"Cat B Affiliates"	Huang River Investment Limited, a wholly-owned subsidiary by Tencent Holdings Limited as an offshore entity and Water Bliss Holdings Limited, is owned 99% by Vendor 16 as an offshore entity
"Cat B Consideration Shares"	an aggregate of 11,728,780 new Shares to be allotted and issued by the Company to the Cat B Subscribers at the Issue Price
"Cat B Subscription Agreement"	the subscription agreement entered into between the Company and the Cat B Subscribers dated 5 December 2025
"Cat B Vendors" or "Cat B Subscribers"	Vendor 15 and Vendor 16
"Closing"	the completion of the transfer of the Sale Shares pursuant to the Share SPA or the Cash SPA upon satisfaction or waiver of the relevant closing conditions in to the Share SPA or the Cash SPA
"Company"	GR Life Style Company Limited, a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 108)
"Completion"	the completion of the Proposed Acquisition contemplated under the Agreements
"Consideration"	an aggregate consideration in respect of the Proposed Acquisition of approximately RMB269.0 million (equivalent to approximately HK$294.8 million), to be satisfied in accordance with the terms and conditions of the Agreements
"Consideration Shares"	an aggregate of 147,393,029 new Shares, which include Cat A Consideration Shares and Cat B Consideration Shares, to be allotted and issued by the Company to the Vendors (or its nominee) at the Issue Price, each a "Consideration Share"
"Director(s)"	the director(s) of the Company

"EGM"	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among other things, the Proposed Acquisition and the issue and allotment of the Consideration Shares
"Escrow Accounts"	the escrow accounts between the PRC Holdco and each Vendor (or its applicable SPV) in connection with the Transaction
"Escrow Agreements"	the escrow agreements entered into between the PRC Holdco and Cat A Vendors under the Cash SPA, each an "Escrow Agreement"
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	The Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	third party(ies) who is, to the best knowledge of the Directors having made due and reasonable enquiries, not a connected person of the Company (having the meaning ascribed to it under the Listing Rules)
"Issue Price"	the issue price of HK$1.6 per Consideration Share
"Latest Practicable Date"	25 February 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"ODI"	overseas direct investment
"PRC"	the People's Republic of China which, for the purpose of this circular, does not include Taiwan, Macau Special Administrative Region of the PRC and Hong Kong
"PRC Holdco"	Changsha Yurui Health Technology Co., Ltd.* (長沙雨鋭健康科技有限公司), a company established under the laws of the PRC with limited liability

"PRC Holdco Shareholder"	Hainan Ruishi Investment Co., Ltd.* (海南鋭視投資有限公司), a company established under the laws of the PRC with limited liability
"Proposed Acquisition"	the proposed acquisition of the Sale Shares pursuant to the terms of the Share SPA and/or the Cash SPA
"Purchaser"	PRC Holdco
"Restricted Business"	businesses in respect of which foreign investment is restricted or prohibited under the applicable laws and regulations of the PRC, including but not limited to businesses in telecommunications, healthcare and education sectors
"RMB"	Renminbi, the lawful currency of the PRC
"Sale Shares"	an aggregate of approximately 78.3% of the total issued share capital of the Target Company
"Share(s)"	ordinary share(s) in the share capital of the Company and listed on the Stock Exchange
"Shareholder(s)"	the holder(s) of the Shares
"Share SPA"	the sale and purchase agreement entered into between the Company and the Vendors dated 5 December 2025
"Share SPA First Payment"	the payment of the first instalment of the Consideration under the Share SPA
"Share SPA First Payment Date"	the date of settlement of the Share SPA First Payment
"Share SPA Long Stop Date"	31 March 2026
"Share SPA Second Payment"	the payment of the second instalment of the Consideration under the Share SPA
"Share SPA Second Payment Date"	the date of settlement of the Share SPA Second Payment
"Specific Mandate"	the specific mandate to be sought from the Shareholders at the EGM and to be granted to the Board for the allotment and issue of the Consideration Shares

"SPV"	the intermediary holding entities directly or indirectly wholly owned by each Cat A Vendor
"Stock Exchange"	the Stock Exchange of Hong Kong Limited
"Target Company"	Beijing Chun Yu Tian Xia Software Co., Ltd.*, a company established under the laws of the PRC
"Target Group"	the Target Company and its subsidiaries from time to time
"Valuation Report"	the valuation report dated 3 December 2025 in respect of the valuation of 100% equity interest in the Target Company issued by the Valuer
"Valuer"	Vincorn Consulting and Appraisal Limited
"Vendor 1"	Wang Yuxiao* (王羽瀟)
"Vendor 2"	Zhang Jialin* (張家林)
"Vendor 3"	Li Guanghui* (李光輝)
"Vendor 4"	Zeng Boyi* (曾柏毅)
"Vendor 5"	Zhang Yizhuo* (張一卓)
"Vendor 6"	Fan Kun* (范崑)
"Vendor 7"	Zhejiang Rushan Xinxing Venture Capital Co., Ltd.* (浙江如山新興創業投資有限公司), a company incorporated in the PRC
"Vendor 8"	Zhejiang Rushan High Tech Venture Capital Co., Ltd.* (浙江如山高新創業投資有限公司), a company incorporated in the PRC
"Vendor 9"	Tianjin Xinbaihao Enterprise Management Partnership (Limited Partnership)* (天津新柏灝企業管理合夥企業(有限合夥)), a limited partnership established in the PRC
"Vendor 10"	Shanghai Dongzheng Chunyi Investment Center (Limited Partnership)* (上海東證春醫投資中心(有限合夥)), a limited partnership established in the PRC

"Vendor 11"	Healthcare Co., Ltd.* (夢百合家居科技股份有限公司), a company incorporated in the PRC
"Vendor 12"	Tianjin Huaxin Pharmaceutical Venture Capital Partnership (L.P.)* (天津華新醫藥創業投資合夥企業(有限合夥)), a limited partnership established in the PRC
"Vendor 13"	Tianjin Huajin Jintian Medical And Healthcare Venture Capital Partnership (L.P.)* (天津華金錦天醫藥醫療創業投資合夥企業(有限合夥)), a limited partnership established in the PRC
"Vendor 14"	Jiaxing Lanchiyu Cun Enterprise Management Partnership (Limited Partnership)* (嘉興藍馳雨傳企業管理合夥企業(有限合夥)), a limited partnership established in the PRC
"Vendor 15"	Beijing Sogou Information Service Co., Ltd.* (北京搜狗信息服務有限公司), a company incorporated in the PRC
"Vendor 16"	Tianjin Lanchixinhe Investment Centre (Limited Partnership)* (天津藍馳新禾投資中心(有限合夥)), a limited partnership established in the PRC
"Vendor(s)"	collectively, Vendor 1, Vendor 2, Vendor 3, Vendor 4, Vendor 5, Vendor 6, Vendor 7, Vendor 8, Vendor 9, Vendor 10, Vendor 11, Vendor 12, Vendor 13, Vendor 14, Vendor 15 and Vendor 16
"VIE"	variable interest entity(ies)
"VIE Contracts"	the Exclusive Business Cooperation Agreement, Exclusive Purchase Right Agreement, Equity Pledge Agreement, and Power of Attorney entered into on 28 November 2025 among the Company (through its wholly-owned subsidiary, the WFOE), the PRC Holdco and the PRC Holdco Shareholder
"Voluntary Announcement"	the announcement of the Company dated 15 September 2025 in relation to the Proposed Acquisition

"WFOE"	Tianjin Yurui Health Technology Co., Ltd.* (天津雨銳健康科技有限公司), a company established under the laws of the PRC with limited liability and as at the date of the announcement it is indirectly a wholly-owned subsidiary of the Company
"%"	per cent.

** The English names of Chinese entities marked with "*" are translations of their Chinese names and are included for identification purpose only, and should not be regarded as their official English translation. In the event of any inconsistency, the Chinese name prevails.*

GR Life Style
国锐生活

GR LIFE STYLE COMPANY LIMITED
國鋭生活有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 108)

Executive Directors:
Mr. Wei Chunxian *(Chairman)*
Mr. Wei Laier
Mr. Sun Zhongmin

Independent Non-Executive Directors:
Mr. Tung Woon Cheung Eric
Ms. To Tsz Wan Vivien
Mr. Leung Louis Ho Ming

Registered Office and the Principal Place of Business in Hong Kong:
Unit 1802, 18/F, Ruttonjee House,
Ruttonjee Centre,
11 Duddell Street, Central,
Hong Kong

20 April 2026

To the Shareholders

Dear Sir or Madam,

I. DISCLOSEABLE TRANSACTION IN RELATION TO PROPOSED ACQUISITION OF THE SALE SHARES OF THE TARGET COMPANY INVOLVING ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE; AND II. NOTICE OF EGM

INTRODUCTION

References are made to the Voluntary Announcement and the announcement of the Company dated 5 December 2025 in relation to, among other things, the Proposed Acquisition.

The purpose of this circular is to provide you with, among other things, (i) further details of the proposed issue of the Consideration Shares under the Specific Mandate in relation to the Proposed Acquisition; (ii) the notice convening the EGM; and (iii) other information as required under the Listing Rules. At the EGM, a resolution will be proposed to the Shareholders to consider and, if thought fit, approve the Specific Mandate.

THE PROPOSED ACQUISITION

Reference is made to the Voluntary Announcement in relation to the Company having entered into a non-legally binding letter of intent with the Vendors regarding a possible acquisition by the Group of 100% equity interest in a potential target primarily engaging in digital medical services. Subsequent to the Voluntary Announcement, on 5 December 2025 (after trading hours), the PRC Holdco (as the Purchaser) and the Vendors entered into the Agreements, pursuant to which the PRC Holdco conditionally agreed to purchase and the Vendors have conditionally agreed to sell, the Sale Shares, representing approximately 78.3% of the issued share capital of the Target Company, for an aggregate Consideration of approximately RMB269.0 million (equivalent to approximately HK$294.8 million), to be satisfied in accordance with the terms and conditions of the Agreements.

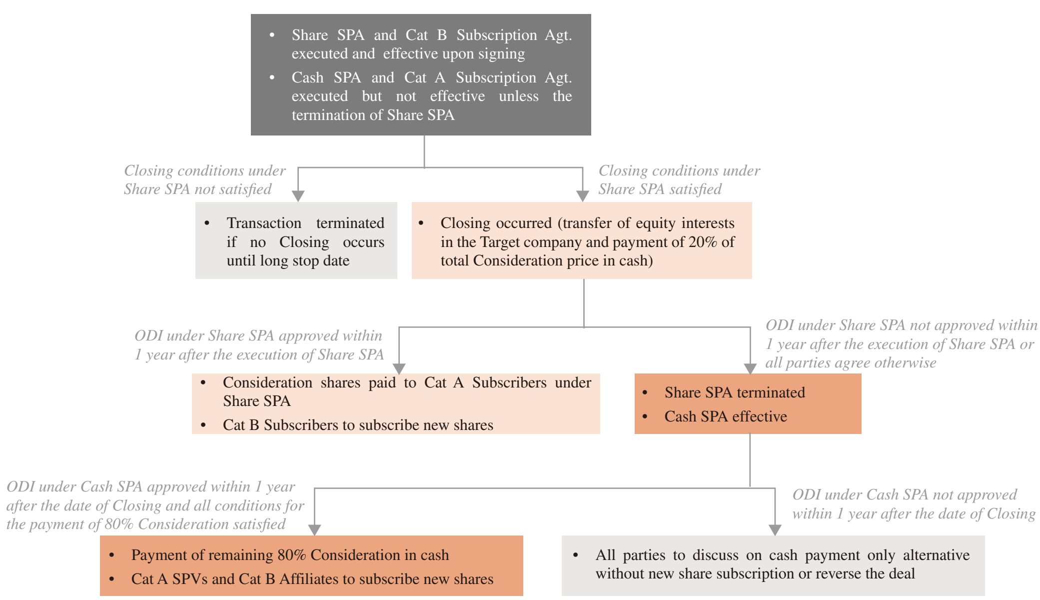
The Agreements entered into on 5 December 2025 comprise:-

(i) the Share SPA;

(ii) the Cash SPA;

(iii) the Cat A Subscription Agreement; and

(iv) the Cat B Subscription Agreement.



The Share SPA became effective on 5 December 2025 upon due execution by the Company, the PRC Holdco and the Vendors. Pursuant to its terms, the Share SPA shall terminate if, within 365 days from its execution date, the applicable Subscribers fail to obtain the requisite ODI approvals. Under the Share SPA, only the Cat A Subscribers will receive 20% of the Consideration in cash and 80% in Consideration Shares. The Cat B Subscribers will receive 100% of the Consideration in cash, but the respective offshore affiliated entity of each of the Cat B Subscribers will subscribe the newly allotted and issued shares of the Company under a Cat B Subscription Agreement at the Issue Price, and the total subscription price will be equivalent to 80% of the Consideration received in cash by the Cat B Subscribers.

The Cash SPA, while being executed on the same date as the Share SPA, is expressed to take effect only upon the termination of the Share SPA. The Share SPA and the Cash SPA are structured as mutually exclusive and sequential agreements, the Cash SPA serves as an alternative settlement arrangement for the Proposed Acquisition in the event the Share SPA does not proceed.

The Cat B Subscribers will subscribe for the Cat B Consideration Shares in cash pursuant to the Cat B Subscription Agreement, while the Cat A Subscribers will subscribe for the Cat A Consideration Shares in cash only if the Cash SPA becomes effective.

THE SHARE SPA

The principal terms of the Share SPA are summarised below:

Date	:	5 December 2025	
Parties	:	(i)	the Company as the issuer;
		(ii)	the PRC Holdco as the Purchaser;
		(iii)	the Target Company;
		(iv)	Vendor 1, Vendor 2, Vendor 3, Vendor 4, Vendor 5, Vendor 6, Vendor 7, Vendor 8, Vendor 9, Vendor 10, Vendor 11, Vendor 12, Vendor 13, Vendor 14, Vendor 15 and Vendor 16, as the Vendors.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, the Vendors and their ultimate beneficial owner(s) are Independent Third Parties.

Consideration

The Consideration for the Sale Shares is approximately RMB269.0 million (equivalent to approximately HK$294.8 million), which shall be settled in the following manner:

1. On the Share SPA First Payment Date: 20% of the Consideration in cash, being an aggregate of approximately RMB53.8 million (equivalent to approximately HK$59.0 million).

2. On the Share SPA Second Payment Date:

   (a) 80% of the Consideration by allotment and issue of the Cat A Consideration Shares at the Issue Price of HK$1.6 per Consideration Share for all Cat A Subscribers; and

   (b) For Cat B Subscribers, 80% of the Consideration in cash, being an aggregate of approximately RMB17.1 million (equivalent to approximately HK$18.8 million), which Cat B Subscribers have agreed, shall be applied towards payment for the Cat B Consideration Shares.

The Share SPA First Payment, constituting 20% of the Consideration in cash for both Cat A Subscribers and Cat B Subscribers (approximately RMB53.8 million), is intended to be funded by the Group's internal financial resources and the Share SPA Second Payment, constituting 80% of the Consideration in Share for Cat A Subscribers (approximately RMB198.1 million) and 80% of the Consideration in cash for Cat B Subscribers (approximately RMB17.1 million) is intended to be funded by the Group's internal financial resources.

	Share SPA First Payment	Share SPA Second Payment	
	Cash	Cash	Shares
Cat A Subscribers	approximately RMB49.5 million (equivalent to approximately HK$54.3 million)	N/A	135,664,249 Shares (equivalent to approximately RMB198.1 million or HK$217.1 million
Cat B Subscribers	approximately RMB4.3 million (equivalent to approximately HK$4.7 million)	approximately RMB17.1 million (equivalent to approximately HK$18.8 million)	N/A
Total	approximately RMB53.8 million (equivalent to approximately HK$59.0 million)	approximately RMB17.1 million (equivalent to approximately HK$18.8 million)	135,664,249 Shares (equivalent to approximately HK$217.1 million)

Basis of Consideration

The basis of the Consideration is set out in the section headed "Basis for Consideration" below.

Cat A Consideration Shares

The Cat A Consideration Shares, assuming there will be no change in the issued share capital of the Company between the Latest Practicable Date and the Completion, will represent approximately 4.21% of the issued share capital of the Company as at the Latest Practicable Date, and approximately 4.03% of the issued share capital of the Company as enlarged by the allotment and issue of the Cat A Consideration Shares.

The Cat A Consideration Shares will be allotted and issued pursuant to the Specific Mandate and shall, when allotted and issued, rank pari passu in all respects with the Shares in issue.

Application will be made by the Company to the Stock Exchange for the approval for the listing of, and permission to deal in, the Cat A Consideration Shares. The Issue Price of HK$1.6 per Consideration Share represents:

(i) a discount of approximately 59.80% to the closing price of HK$3.98 per Share as quoted on the Stock Exchange on the date of the Agreements;

(ii) a discount of approximately 58.09% to the average closing price of HK$3.82 per Share as quoted on the Stock Exchange in the last five (5) consecutive trading days immediately prior to the date of the Agreements;

(iii) a discount of approximately 43.59% to the average closing price of HK$2.84 per Share as quoted on the Stock Exchange in the last thirty (30) consecutive trading days immediately prior to the date of the Agreements;

(iv) a premium of approximately 1.91% to the average closing price of HK$1.57 per Share as quoted on the Stock Exchange in the last six consecutive trading months immediately prior to the date of the Agreements;

(v) a discount of approximately 39.16% to the closing price of HK$2.40 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

(vi) a premium of approximately 135.25% to the net asset value per Share of HK$0.68 with reference to the interim report 2025 published by the Company on 30 September 2025 (the "**Interim Report**"); and

(vii) a discount of approximately 1.84% to the closing price of HK$1.63 per Share as quoted on the Stock Exchange on 12 September 2025, being the last trading day immediately before the date of the Voluntary Announcement ("**Voluntary Announcement Last Trading Day**").

The Issue Price was determined after arm's length negotiations between the Company and the Vendors with reference to (i) the closing price of the Shares on the Voluntary Announcement Last Trading Day; (ii) the trading performance of the Shares around the Voluntary Announcement Last Trading Day as discuss below; (iii) the historical trading levels prior to the release of the Voluntary Announcement dated 15 September 2025 in relation to the Proposed Acquisition of a digital medical services business; and (iv) the Company's then prevailing financial position and prospects. The Company first entered into a non-legally binding memorandum of understanding with the then potential vendor on 15 September 2025 (after trading hours). As such, 12 September 2025 represented the last full trading day on which the share price was formed solely on the basis of publicly available information about the Group's existing property development, investment and management businesses, without factoring in market expectations of the Proposed Acquisition and the Group's contemplated digital health transformation strategy. The Board therefore considered the closing price of HK$1.63 per Share on the Voluntary Announcement Last Trading Day, as well as the trading range in the period immediately preceding that date, to be an appropriate and objective reference point in setting the Issue Price, therefore, it is fair and reasonable and in the interests of the Company and its shareholders as a whole.

The Share price fluctuated between the Voluntary Announcement Last Trading Day and the date of the Agreements. It stayed stable between HK$1.63 on Voluntary Announcement Last Trading Day to HK$2.00 on 12 November 2025, with the lowest of HK$1.48 on 16 September 2025, then it rose significantly from HK$2.00 to the highest of HK$3.98 on 5 December 2025 with the trading volume of 2,702,000.

The Board considers this price movement timeline aligns with the market's progressive confirmation and positive outlook for the Group's formal advancement into the new growth sector, market optimism towards the Group's future growth prospects continued to accumulate, which was directly manifested in the continuous appreciation of the share price and the peak at the time of the Agreement's execution.

The Board notes that following the publication of the Voluntary Announcement regarding the Proposed Acquisition and the Group's proposed strategic expansion into digital medical services, the Company's share price experienced a upward trend over the ensuing months, rising to HK$3.98 per Share as of 5 December 2025, being the date of the entering into of the Agreements, accompanied by elevated trading volumes, particularly on days when there were news flows or speculation concerning the progress of the transaction.

The Board is not aware of any reasons for such fluctuation in the price or trading volume of the Shares, and it is not aware of any information which must be announced to avoid a false market in the Shares or of any inside information that are required to be disclosed under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The Board considers that the material rise in the Company's share price two months after the Voluntary Announcement's publication directly reflects public shareholders taking a reasonable period to fully digest and evaluate the disclosed information on the Group's prospective entry into the new growth sector, and opines that this share price appreciation between mid-September and early December 2025 likely reflected, among other factors, positive market expectations for the Group's prospective new sector entry, alongside short-term trading activity and, to a certain extent, momentum-driven and speculative market behaviour.

Subsequent to the peak on 5 December 2025, the Share price has adjusted, and as at the Latest Practicable Date, the share price was HK$2.40. The Board considers that this post-adjustment share price reflects the intrinsic and actual market value of the Shares after the Share price has been re-evaluated against the Group's current operational fundamentals. The upward movement of the Share price to HK$3.98 on the date of the Agreements was a market response to the Group's development, while the subsequent adjustment to HK$2.40 as at the Latest Practicable Date represents a rational re-pricing by the market.

In the Board's view, there is a clear distinction between (i) the trading prices of the Shares prior to the Voluntary Announcement, which largely reflected the Group's then standalone fundamentals as a property-focused group operating in a challenging sector, and (ii) the post Voluntary Announcement share prices, which were significantly influenced by expectations of the very transaction in respect of which the Consideration Shares are proposed to be issued.

The Board has also reviewed the Issue Price of HK$1.60 per Share against the average closing prices over different review periods. Taking the Voluntary Announcement Last Trading Day as the reference date, the 5-day average closing price (inclusive of the Voluntary Announcement Last

Trading Day) was approximately HK$1.62 per Share, the 30-day average closing price was approximately HK$1.55 per Share, and the 60-day average closing price was approximately HK$1.48 per Share ("**Voluntary Announcement Last Trading Day Analysis**"). The Issue Price of HK$1.60 per Share therefore represents a discount of approximately 1.2% to the 5-day average, a premium of approximately 3.2% over the 30-day average and a premium of approximately 8.1% over the 60-day average. The Board considers that, when assessed against these short-term, medium-term and longer-term pre-announcement trading averages, the Issue Price is broadly in line with the recent market prices of the Shares prior to the market becoming aware of the Proposed Acquisition, and does not constitute a deep discount to the Company's pre-transaction trading levels.

In assessing the fairness and reasonableness of the Issue Price, the Board also took into account the Group's historical share price performance and valuation levels over a longer horizon prior to the Voluntary Announcement. For the period of 13 March 2025 to 12 September 2025, six months before the Voluntary Announcement Last Trading Date, the Shares had generally traded at prices materially below HK$1.63 per Share, reflecting the structural headwinds and earnings volatility facing the PRC property sector and the Group's own financial results, including fair-value losses on investment properties and declining contributions from certain property management projects. On this broader historical basis, the Issue Price of HK$1.60 per Share was viewed as being in line with, or at a premium to, the Group's longer-term trading levels (for 12-month prior the Voluntary Announcement Last Trading Day, the lowest Share price was 0.233 on 20 September 2024, the highest of HK$1.63 on the Voluntary Announcement Last Trading Day and the average of approximately HK$0.756) and implied valuation multiples (the Group's price-to-book (P/B) ratio is approximately 1.11x (based on net asset value per share of HK$0.68 as at 30 June 2025 and the 12-month average share price of HK$0.756). The Issue Price corresponds to an implied P/B ratio of 2.35x, which represents a premium to the Group's historical valuation multiples.) prior to the market re-rating driven by the Proposed Acquisition. The Board further noted that, notwithstanding the subsequent increase in the Company's share price, the Issue Price represented a premium over the Group's net asset value per Share of approximate HK$0.68 as at 30 June 2025.

From a transaction and execution perspective, the Board also had regard to the need to secure a firm and binding commitment from the Vendors on a price and structure that would be acceptable to both parties and that would support the successful completion of the Proposed Acquisition. The Vendors expressed a clear commercial preference for using a reference price anchored to the pre-announcement trading level, to avoid relying on post-announcement prices that they considered to be more volatile and influenced by market speculation surrounding the Proposed Acquisition. The Board recognised that if the Issue Price were to be reset upward to align mechanically with the heightened market price as at the date of the Agreements, this could have led to a materially higher implied valuation of the Group relative to its pre-announcement fundamentals, potentially rendering the exchange ratio unattractive to the Vendors and jeopardising their willingness to proceed with the transaction on a share consideration basis. Given that the Target Group operates in a rapidly growing digital medical services sector which the Board believes can significantly enhance the Group's long-term growth profile, diversify its revenue base and improve its earnings quality, the Board considered it to be in the overall interests of the Company and its shareholders to maintain the Issue Price at a level that balanced (i) fairness to existing shareholders, with reference to the Group's historical trading levels and intrinsic value, and (ii) commercial viability and certainty of execution of the transaction.

In light of the foregoing, the Board considers that (i) the reference to the closing price on the Voluntary Announcement Last Trading Day, provides a fair and objective benchmark for the determination of the Issue Price; and (ii) taking into account the Group's historical trading levels and valuation, the independent valuation of the Target Company, the commercial negotiations with the Vendors, the strategic and financial benefits of the Proposed Acquisition to the Group, and the six-month average closing price of the Company's Shares immediately before the date of the Voluntary Announcement Last Trading Day the Issue Price (notwithstanding the apparent discount to the last closing price as at the date of the Agreement) is fair and reasonable and in the interests of the Company and its shareholders as a whole.

The Directors are of the view that the terms of the Share SPA are fair and reasonable, having considered, among other things, the reasons for and benefits of the Proposed Acquisition as stated in the section headed "Reasons for and Benefits of the Proposed Acquisition" in this circular.

Conditions for the Share SPA First Payment

The Share SPA First Payment is conditional upon fulfilment or waiver (as the case may be) of the following major closing conditions:

(i) the Company being reasonably satisfied with the results of the due diligence review to be conducted;

(ii) the Agreements having been duly executed and submitted, or finalised by mutual consent;

(iii) all necessary internal consents, licences and approvals required to be obtained on the part of the Vendors and the Target Company in respect of the Share SPA and the transactions contemplated hereby having been duly obtained;

(iv) the warranties remaining true, accurate and not misleading in all respects on and as at the Share SPA closing date;

(v) no material adverse change in the equity interests, operations, financial or trading conditions of the Target Company having occurred or before the Completion;

(vi) all necessary government approvals, consents and filings have been obtained;

(vii) all original agreements, application documents and forms required to effect the registration changes of the Target Company having been submitted to the Target Company and/or the transferees, and their contents having been confirmed with the competent Administration for Market Regulation;

(viii) the change of partners of the four partnerships that are existing shareholders of the Target Company having been completed;

(ix) the termination of all existing share option schemes and share award schemes of the Target Company; and

(x) the completion of the tax filings of the Target Group in relation to the individual transferors and certain historical share transfer transactions.

The Board confirm that there is no necessary licences, approvals (except those mentioned above in "Conditions for the Share SPA First Payment"), consents and filings required to be obtained except the above in respect of the Share SPA First Payment.

The Board confirm that as at Latest Practicable Date, the Target Company has no outstanding share option or share award.

Except for (i), (viii), (ix) and (x), none of the conditions above could be waived by the PRC Holdco. If any of the above conditions are not fulfilled or waived by the PRC Holdco on or before Share SPA Long Stop Date (or such other date as the parties may agree in writing), the Share SPA will be automatically terminated and lapsed and none of the parties to the Share SPA shall have any claims against the other in respect of the subscription, save for any antecedent breaches thereof.

All conditions precedent to the Share SPA First Payment have been fulfilled (or waived, if applicable), and completion of the Share SPA First Payment took place on 11 March 2026.

Conditions for the Share SPA Second Payment

The Share SPA Second Payment is conditional upon fulfilment or waiver (as the case may be) of the following conditions:

(i) closing under the Share SPA having been completed, the PRC Holdco having been duly registered as the shareholder of all the Sale Shares, and all relevant commercial registration changes of the Target Company having been duly completed;

(ii) all applicable Subscribers having obtained the ODI approvals;

(iii) the Cat A Subscription Agreements having been duly executed;

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

(v) the passing of resolutions by the shareholders of the Company at the EGM to approve the allotment and issue of Consideration Shares and the respective transactions contemplated thereunder; and

(vi) all other consents and acts required under the Listing Rules having been obtained and completed or, as the case may be, the relevant waivers from compliance with any of such rules having been obtained from the Stock Exchange.

The Board confirm that there is no necessary licences, approvals (except the ODI approval mentioned above in "Conditions for the Share SPA Second Payment"), consents and filings required to be obtained except the above in respect of the Share SPA Second Payment.

None of the conditions above could be waived. Subject to the fulfillment of the conditions for the Share SPA Second Payment, the Share SPA Second Payment shall be made within fifteen (15) Business Days after the Company's receipt of the relevant written notice from the Vendors.

As at the Latest Practicable Date conditions (i) and (iii) have been fulfilled.

Share SPA Share-Based Settlement

Under the Share SPA:

(i) 20% of the Consideration will be paid in cash to all Vendors at Share SPA First Payment Date; and

(ii) subject to the obtaining of ODI approval, the remaining 80% of the total Consideration will be settled through two mechanisms:

a. in respect of the Cat A Vendors: through issuance of the Cat A Consideration Shares to the Cat A Vendors or their designated Cat A SPVs, as applicable.

b. in respect of the Cat B Vendors: by payment of cash to the Cat B Vendors, with the Cat B Affiliates subscribing for the Cat B Consideration Shares at a subscription value equivalent to 80% of the total Consideration.

If Closing has not occurred on or before the Share SPA Long Stop Date, the Share SPA will terminate and the Share SPA will not proceed. The obtaining of ODI approval is not a Closing condition but one of the conditions applicable to the Share SPA Second Payment.

If ODI approval under the Share SPA is not obtained within one year from the signing date, or if the parties mutually agree in writing to early terminate the Share SPA and switch to the Cash SPA, the Cash SPA will take effect. The one year timeframe for obtaining ODI approval under each of the Share SPA and the Cash SPA is a key contractual term under the respective agreements.

Upon satisfaction of the conditions for the Share SPA Second Payment, including, among other conditions, the obtaining of ODI approval by the Cat A Vendors, the Share SPA Second Payment will be effected. The Company will issue the Cat A Consideration Shares to the Cat A Vendors or their designated Cat A SPVs. The Cat B Vendors shall receive the Share SPA Second Payment in cash. The Cat B Affiliates will subscribe for the Cat B Consideration Shares, and the subscription price for the Cat B Consideration Shares shall be paid directly to the Company by the Cat B Affiliates.

After an assessment by the Board and having duly taken into account of the shareholders of the Cat B Vendors, the Company has resolved not to implement the requirement for the establishment of Escrow Accounts pursuant to the Share SPA. This is in light of the fact that the respective shareholders of Vendor 15 and Vendor 16 are Tencent Holdings Limited (Stock Code: 0700.HK) and Hangzhou Lanchi Xinhe Investment Partnership (Limited Partnership)* 杭州藍馳新禾投資合夥企業(有限合夥), respectively, both of which are well-established sizeable enterprises and professional investment funds operating in the PRC with substantial asset bases. The 80% share consideration in respect of the Proposed Acquisition is immaterial relative to their total assets, and the Board is satisfied that Vendor 15 and Vendor 16 possess the requisite financial strength and good corporate standing to honour their contractual obligations under the Share SPA, including the subscription for the relevant Consideration Shares as required. The Company is of the view that the admission of the prominent shareholders of the Cat B Vendors as shareholders of the Company will bring positive strategic value to the Company and is in the overall interests of the Company and its shareholders as a whole.

Effectiveness and Termination

The Share SPA shall become effective on the date of its due execution by the PRC Holdco and Vendors.

The Share SPA shall terminate upon the occurrence of any of the following events:

(i) the closing conditions for the Share SPA First Payment set above have not been satisfied (or waived, as applicable) by the Share SPA Long Stop Date;

(ii) the Completion has not occurred or is not reasonably expected to occur, and the PRC Holdco and/or the Vendors have agreed not to extend the Share SPA Long Stop Date;

(iii) the ODI approvals fail to be obtained within a year (365 days) from the date of the Share SPA; and

(iv) the PRC Holdco and the Vendors mutually agree to terminate the Share SPA.

Completion

Completion shall take place on the date on which all of the following have occurred:

(i) the fulfilment (or waiver, as the case maybe) of all closing conditions;

(ii) all necessary government approvals, consents and filings mentioned above in Conditions for the Share SPA First Payment for the Target Group relating to the Proposed Acquisition, including any change of shareholder, have been submitted to, and accepted by the competent commercial registration authority;

(iii) the amendment of the articles of association of the Target Company to the satisfaction of the PRC Holdco; and

(iv) the appointment of representatives, directors, and senior management of the Target Group to the satisfaction of the PRC Holdco.

THE CASH SPA

The principal terms of the Cash SPA are summarised below:

Date	:	5 December 2025	
Parties	:	(i)	the PRC Holdco as the transferee and Purchaser;
		(ii)	the Target Company;
		(iii)	Vendor 1, Vendor 2, Vendor 3, Vendor 4, Vendor 5, Vendor 6, Vendor 7, Vendor 8, Vendor 9, Vendor 10, Vendor 11, Vendor 12, Vendor 13, Vendor 14, Vendor 15 and Vendor 16, as the Vendors.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, the Vendors and their ultimate beneficial owner(s) are Independent Third Parties.

Consideration

The Consideration for the Sale Shares is approximately RMB269 million (equivalent to approximately HK$294.8 million), and shall be settled in the manner as follows:

1. On the Cash SPA First Payment Date: 20% of the Consideration in cash.

2. On the Cash SPA Second Payment Date: 80% of the Consideration in cash, which the Vendors have agreed, shall be applied towards payment for the Cat A Consideration Shares and Cat B Consideration Shares.

The Cash SPA First Payment, constituting 20% of the Consideration (approximately RMB53.8 million), is intended to be funded by the Group's internal resources. The Cash SPA Second Payment, constituting 80% of the Consideration (approximately RMB215.2 million), is planned to be funded via a bridge loan to be secured from a bank in Hong Kong. The Company has initiated preliminary discussions with potential lending institutions and is confident in its ability to obtain the necessary financing based on the underlying asset value and the Company's credit standing. As a failsafe measure to guarantee transaction certainty and fulfil its obligations under the agreement, the Company's controlling shareholder, Mr. Wei Chunxian, has provided an irrevocable undertaking to provide the required funding if the bank loan is not obtained. This commitment from Mr. Wei Chunxian ensures that the Company has a definitive and binding source of funds to complete the transaction, thereby eliminating funding risk for the Vendors and securing the path to completion under the Cash SPA.

Basis of Consideration

The basis of the Consideration is set out in the section headed "Basis for Consideration" below.

Conditions for the Cash SPA First Payment

The Cash SPA First Payment is conditional upon fulfilment or waiver (as the case may be) of the following major Closing conditions:

(i) the Company being reasonably satisfied with the results of the due diligence review to be conducted on the Target Group;

(ii) the Agreements having been duly executed and submitted, or finalised by mutual consent;

(iii) all necessary internal consents, licences and approvals required to be obtained on the part of the Vendors and the Target Company in respect of the Cash SPA and the transactions contemplated hereby having been duly obtained;

(iv) the warranties remaining true, accurate and not misleading in all respects on and as at the Cash SPA closing date;

(v) no material adverse change in the equity interests, operations, financial or trading conditions of the Target Company having occurred on or before the Completion;

(vi) all necessary government approvals, consents and filings have been obtained;

(vii) all original agreements, application documents and forms required to effect the registration changes of the Target Company having been submitted to the Target Company and/or the transferees, and their contents have been confirmed with the competent Administration for Market Regulation;

(viii) the change of partners of the four partnerships that are existing shareholders of the Target Company having been completed;

(ix) the termination of the share option schemes and share award schemes of the Target Company; and

(x) the completion of the tax filings of the Target Group in relation to the individual transferors and certain historical share transfer transactions.

The Board confirm that there is no necessary licences, approvals (except those mentioned above in Conditions for the Cash SPA First Payment), consents and filings required to be obtained except the above in respect of the Cash SPA First Payment.

The Board confirm that as at Latest Practicable Date, the Target Company has no outstanding share option or share award.

Except for (i), (viii), (ix) and (x), none of the conditions above could be waived by the PRC Holdco. If any of the above conditions are not fulfilled or waived by the Company by 5:00 p.m. on or before Cash SPA Long Stop Date (or such other date as the parties may agree in writing), the Cash SPA shall automatically terminate and lapse, and none of the parties to the Cash SPA shall have any claims against the other in respect of the subscription, save for any antecedent breaches thereof.

All conditions precedent to the Cash SPA First Payment have been fulfilled (or waived, if applicable), and completion of the Cash SPA First Payment took place on 11 March 2026.

Conditions for the Cash SPA Second Payment

The Cash SPA Second Payment is conditional upon fulfilment or waiver (as the case may be) of the following conditions:

(i) the closing under the Cash SPA having been completed, the PRC Holdco having been duly registered as the shareholder of total Sale Shares, and all relevant commercial registration changes of the Target Company having been duly completed;

(ii) the Cat A Subscription Agreements and the Cat B Subscription Agreements having been duly executed;

(iii) the ODI approvals having been duly obtained;

(iv) all PRC onshore SPVs and offshore SPVs for Cat A Subscribers having been duly incorporated for the purpose of obtaining the ODI Approvals and effecting the subscription; and

(v) each applicable Cat A Subscriber's escrow account having been duly established, and the relevant escrow agreements having been duly executed and having become effective.

The Board confirm that there is no necessary licences, approvals (except those mentioned above in Conditions for the Cash SPA Second Payment), consents and filings required to be obtained except the above in respect of the Cash SPA Second Payment.

None of the conditions above could be waived. Subject to the fulfilment of the conditions for the Cash SPA Second Payment, the Cash SPA Second Payment shall be made within fifteen (15) Business Days after the Company's receipt of the relevant written notice from the Vendors.

As at the Latest Practicable Date conditions (i) and (ii) have been fulfilled.

Cash SPA — Cash-First, Subscription-Later

As mentioned above, if ODI approval under the Share SPA is not obtained within one year from its signing date, the Cash SPA will take effect.

Under the Cash SPA, the conditions for the Cash SPA Second Payment shall also be satisfied, including, among other conditions, the obtaining of ODI approval by the Cat A Vendors, the establishment of SPVs directly or indirectly wholly owned by each Cat A Vendor as required during the ODI approval procedures, and the setting up of Escrow Accounts with Cat A Vendors or their SPVs as applicable. The Cash SPA Second Payment will be effected upon the satisfaction (or waiver by competent parties) of the following conditions for the Cash SPA Second Payment:

- in respect of the Cat A Vendors, the remaining 80% of the Consideration will first be paid in cash to the Cat A Vendors at the PRC onshore level, and will then be injected into the Cat A SPVs and applied towards subscriptions for the newly issued shares of the Company (the "**Cat A Consideration Shares**"). Throughout such process, the relevant funds will be supervised under the Escrow Accounts at the applicable levels until such funds are paid to the Company as the subscription price for the Cat A Consideration Shares.

- in respect of the Cat B Vendors, the remaining 80% of the Consideration will be paid in cash to Cat B Vendors at the PRC onshore level. Separately, the Cat B Affiliates will pay the subscription price for the Cat B Consideration Shares directly to the Company.

Accordingly, the settlement arrangement under the Share SPA and the Cash SPA was structured on a "cash first + offshore subscription" basis, whereby the Cat B Vendors receive the second payment consideration in cash within the PRC in compliance with the applicable domestic foreign exchange regulations, while the Cat B Affiliates (as offshore entities) subscribe for the Cat B Consideration Shares using their existing offshore funds.

To prevent fund misappropriation and ensure that funds in the Escrow Accounts are used exclusively for subscribing to the Company's new shares, the following concrete measures are implemented pursuant to the Cash SPA, Escrow Agreements, and related transaction documents.

All fund movements including transfers, withdrawals, and disbursements from the Escrow Accounts require joint authorisation by the PRC Holdco and the respective Vendors or their designated SPVs. No single party may unilaterally initiate fund movements, precluding unauthorized withdrawals. The Escrow Agreements explicitly restrict the use of funds to two sole purposes: (i) subscribing to the Company's new shares pursuant to the relevant Subscription Agreements; or (ii) returning funds to the PRC Holdco in the event of subscription failure (due to unfulfilled conditions under the Cash SPA, not due to misappropriation). Additionally, strict legal remedies are stipulated to deter unauthorised use: any breach of the Escrow Agreement (including fund misappropriation) constitutes a material default, entitling the Company to freeze the Escrow Accounts, terminate relevant subscription arrangements, claim full damages from the defaulting party, and seek injunctive relief to recover misappropriated funds.

The fund flow process under the Cash SPA follows strict timelines to ensure close linkage between escrow deposit and subscription: Within 15 Business Days of the satisfaction of all Cash SPA Second Payment conditions, the PRC Holdco deposits the 80% cash consideration into the respective onshore Escrow Accounts of the Vendors or their SPVs. For Cat A Vendors, the joint authorized parties (PRC Holdco + Cat A Vendor/SPV) instruct the escrow bank to transfer funds from the onshore Escrow Account to the Cat A SPV's offshore account within 3 Business Days of the initial deposit; the Cat A SPV must then transfer the funds to the Company's designated subscription account within 5 Business Days to complete the subscription. For Cat B Vendors, their offshore affiliates (Cat B Affiliates) use their own offshore funds to subscribe to the Company's shares within 7 Business Day from the Cash SPA Second Payment Date.

The Escrow Account arrangement is established in accordance with the Cash SPA signed between the PRC Holdco and the relevant Vendors. It is agreed by the parties that the Escrow Accounts shall be opened and operated at the PRC onshore level. Since the Company does not directly supervise or control the Escrow Accounts in its own capacity; instead, the Company exercises indirect control over the Escrow Accounts through the PRC Holdco, which acts as its authorised entity to implement joint authorisation, fund supervision, and other related arrangements as stipulated in the Cash SPA and relevant escrow agreements.

After an assessment by the Board and having duly taken into account of the shareholders of the Cat B Vendors, the Company has resolved not to implement the requirement for the establishment of Escrow Accounts pursuant to the Cash SPA. This is in light of the fact that the respective shareholders of Vendor 15 and Vendor 16 are Tencent Holdings Limited (Stock Code: 0700.HK) and Hangzhou Lanchi Xinhe Investment Partnership (Limited Partnership)* 杭州藍馳新禾投資合夥企業(有限合夥), respectively, both of which are well-established sizeable enterprises and professional investment funds operating in the PRC with substantial asset bases. The 80% share consideration in respect of the Proposed Acquisition is immaterial relative to their total assets, and the Board is satisfied that Vendor 15 and Vendor 16 possess the requisite financial strength and good corporate standing to honour their contractual obligations under the Cash SPA, including the subscription for the relevant Consideration Shares as required. The Company is of the view that the admission of the prominent shareholders of the Cat B Vendors as shareholders of the Company will bring positive strategic value to the Company and is in the overall interests of the Company and its shareholders as a whole.

PRC Holdco has entered into separate escrow agreements with each of Cat A Vendors.

Effectiveness and Termination

The Company and the Vendors agree that the Cash SPA shall only become effective upon the termination of the Share SPA. The Cash SPA shall terminate upon the occurrence of any of the following events:

(i) the closing conditions set above in the Cash SPA First Payment have not been satisfied (or waived, as applicable) by the Cash SPA Long Stop Date;

(ii) the Completion has not occurred or is not reasonably expected to occur, and the PRC Holdco and/or the Vendors have agreed not to extend the Cash SPA Long Stop Date; and

(iii) the Company and the Vendors mutually agree to terminate the Cash SPA.

Completion

Completion shall take place on the date on which all of the following have occurred:

(i) the fulfilment (or waiver, as the case maybe) of all closing conditions;

(ii) all necessary government approvals, consents and mentioned above in Conditions for the Cash SPA First Payment for the Target Group relating to the Proposed Acquisition, including any change of shareholder, have been submitted to, and accepted by the competent commercial registration authority;

(iii) the amendment of the articles of association of the Target Company to the satisfaction of the Company; and

(iv) the appointment of representatives, directors, and senior management of the Target Group to the satisfaction of the Company.

Differences in ODI approval requirements

While both the Share SPA and the Cash SPA are structured to result in (i) 20% of the total Consideration being paid in cash to the Vendors; and (ii) the Cat A Vendors directly or indirectly (through their respective nominated entities) holding newly issued shares of the Company, and the Cat B Vendors exiting from the Target Company while the Cat B Affiliates holding newly issued shares of the Company at a subscription value equivalent to 80% of the total Consideration, the Share SPA and the Cash SPA differ in execution, in particular in their mechanisms for settling the Consideration, their reliance on ODI approvals and the associated regulatory risks.

Under the Share SPA, the ODI approval required to be obtained by the Cat A Vendors relates to a cross border share swap arrangement, pursuant to which the second payment of the Consideration is settled through the allotment and issue of new shares of the Company to the Cat A Vendors or the Cat A SPVs. Such arrangement involves the acquisition of offshore equity interests in a Hong Kong listed company as part of the Consideration and, compared with conventional cash based overseas investments, is relatively less common in practice and may be subject to regulatory scrutiny and uncertainty as to approval timing. Pursuant to the Share SPA, the Cat B Affiliates are not required to obtain ODI approval, given that such entities are offshore incorporated and will subscribe for the Cat B Consideration Shares utilising their existing offshore funds.

By contrast, under the Cash SPA, the ODI approval required to be obtained by the Cat A Vendors relates to an outbound cash investment, pursuant to which the second payment of the Consideration is first received in cash at the PRC onshore level and subsequently injected into offshore SPVs for the purpose of subscribing for shares of the Company. While such cash based overseas investment structure remains subject to regulatory review and approval, it does not involve a cross border share swap element and is more conventional in nature.

Accordingly, although the Share SPA provides a more streamlined settlement structure, it carries relatively higher regulatory uncertainty, whereas the Cash SPA serves as a fallback arrangement to enhance execution certainty in the event that ODI approval for the share swap arrangement under the Share SPA is not obtained within one year from the signing date.

Rationale for a dual-track arrangement

The rationale for adopting such dual-track arrangement primarily stems from regulatory uncertainty, execution feasibility and transaction certainty. While the Share SPA offers a more streamlined and efficient funding structure, it carries higher regulatory uncertainty due to the nature of cross-border share swaps. The Cash SPA, although operationally more complex, provides a comparatively more viable alternative to ensure that the Proposed Acquisition can proceed in the event that ODI approval under the Share SPA is not obtained within the agreed timeframe. After in-depth negotiations, the Company and the Vendors agreed to first pursue the Share SPA, while adopting the Cash SPA as a fallback arrangement to mitigate regulatory risks and uncertainties.

As regards the Cat B Vendors, they will receive the full consideration in cash at the PRC onshore level. Separately, the Cat B Affiliates which have available funding offshore, will subscribe for the Cat B Consideration Shares in their own capacity.

Given that the Proposed Acquisition involves both Cat A Vendors and Cat B Vendors, the parties agreed that the Share SPA Second Payment or the Cash SPA Second Payment (as applicable), will be settled only after, among the satisfaction of other conditions, the relevant ODI approvals have been obtained by the Cat A Vendors under either the Share SPA or the Cash SPA, as applicable.

Importantly, in the event that ODI approval is not obtained under the Share SPA, and the Cash SPA is implemented instead, the transfer of the Sale Shares completed upon the Closing and the first payment of 20% of the Consideration will remain legally and beneficially valid. In such circumstances, the Cash SPA will only replace the mechanism for satisfying the remaining 80% of the Consideration and will not reverse or otherwise affect the completed equity transfer of the relevant interests in the Target Company under the Share SPA.

Categorisation of Vendors and Subscribers

For the avoidance of doubt, the Company wishes to clarify that, under both the Share SPA and the Cash SPA, the Vendors are categorised as Cat A Vendors and Cat B Vendors, and under the Cat A Subscription Agreement and the Cat B Subscription Agreement, the subscribers are categorised as Cat A Subscribers and Cat B Subscribers. The terms “Vendor” and “Subscriber” are used to describe the different contractual capacities of the same parties or the relevant parties under the Share SPA, the Cash SPA and the relevant Subscription Agreements, respectively.

The categorisation of Vendors as Cat A Vendors and Cat B Vendors is adopted based on differences in applicable regulatory requirements and transaction execution mechanics.

The Cat A Vendors are PRC entities that do not have existing offshore entities or offshore funds to subscribe for the Cat A Consideration Shares, and are therefore required to obtain ODI approvals to complete the transaction. Cat B Vendors, on the other hand, will receive their consideration fully in cash at the PRC onshore level, while the subscription for shares of the Company will be undertaken separately by the Cat B Affiliates.

Cat A SPVs and Cat B Affiliates

In connection with the above categorisation, the Company further clarifies the identity, ownership and role of the Cat A SPVs and the Cat B Affiliates as follows.

Cat A SPVs refer to the onshore PRC and/or overseas SPVs established or to be established by the Cat A Vendors for the purpose of implementing the subscription of shares in the Company and obtaining the requisite ODI approvals. Each of the Cat A SPVs is, directly or indirectly, wholly owned by the relevant Cat A Vendor(s).

Cat B Affiliates refer to non-PRC affiliated entities of the relevant Cat B Vendor(s) that participate in the subscription of shares in their own capacity.

Name of Cat B Affiliate	Relevant Cat B Vendor	Ownership	Relationship	Independence
Huang River Investment Limited	Beijing Sogou Information Service Co., Ltd. (Vendor 15)	100% owned by Tencent Holdings Limited[1]	Both are wholly owned subsidiaries of Tencent Holdings Limited	Independent of the Company and its connected persons, with no prior business relationships
Water Bliss Holdings Limited	Tianjin Lanchixinhe Investment Centre (Vendor 16)	99% owned by Vendor 16	Existing offshore affiliated entity within the same corporate group and under common control	Independent of the Company and its connected persons, with no prior business relationships

(1) Huang River Investment Limited is wholly owned by Tencent Holdings Limited and is not a subsidiary of Vendor 15. Huang River Investment Limited and Vendor 15 are both wholly owned subsidiaries of Tencent Holdings Limited, a company listed on the Hong Kong Stock Exchange (stock code: 00700 (HKD Counter) and 80700 (RMB Counter)).

The Cat A SPVs and the Cat B Affiliates are independent of the Company and its connected persons and, save for the transactions contemplated under the Agreements, do not have any prior business relationship with the Company.

The Cat A SPVs and the Cat B Affiliates are authorised or designated by the respective Cat A Vendors and Cat B Vendors to subscribe for the Cat A Consideration Shares and the Cat B Consideration Shares, respectively. Such subscriptions are undertaken for the relevant Vendors in accordance with the terms of the relevant subscription agreements.

The use of Cat A SPVs and Cat B Affiliates is driven by regulatory and execution considerations. For Cat A Vendors, the establishment and use of SPVs is commonly required to facilitate compliance with PRC cross-border investment and ODI approval requirements. For Cat B Vendors, their existing offshore affiliates are utilised to leverage established offshore investment structures and offshore funds.

Under the prevailing regulatory framework, the consideration for acquiring the Target Company's shares from Cat B Vendors is required to be settled at the PRC onshore level. Accordingly, the settlement arrangement under the Share SPA and the Cash SPA was structured on a "cash first + offshore subscription" basis, whereby the Cat B Vendors receive the second payment consideration in cash within the PRC in compliance with the applicable domestic foreign exchange regulations, while the Cat B Affiliates (as offshore entities) subscribe for the Cat B Consideration Shares using their existing offshore funds. This arrangement addresses the regulatory complexity and uncertainty associated with directly issuing equity interests to offshore entities in settlement of onshore consideration. As such, the Company has not directly issued the Cat B Consideration Shares to the Cat B Subscribers/Affiliates to satisfy the second payment under the Shares SPA and the Cash SPA.

The Board has considered, upon discussion with the Company's Hong Kong legal advisor, whether the "cash first + offshore subscription" settlement structure complies with the Companies Ordinance (Cap. 622) and other applicable laws and regulations.

In particular, the Board has assessed whether the arrangement constitutes "financial assistance" under Part 5 of the Companies Ordinance. The Board is of the view that the arrangement does not constitute financial assistance for the following reasons:

1. The cash consideration is paid by PRC Holdco solely as consideration for the acquisition of the Target Company under the Cash SPA, and not for the purpose of enabling any persons to acquire shares in the Company.

2. The offshore subscription constitutes a separate and subsequent investment transaction. The Company does not provide any loan, guarantee, security, or other financial support to facilitate the subscription, and the subscription monies are funded independently by the Subscribers.

Accordingly, the Board considers that the arrangements do not fall within section 275 of the Companies Ordinance.

The "cash first + offshore subscription" structure was adopted having regard to PRC foreign exchange control and domestic regulatory requirements. The arrangement allows the part of the Consideration to be settled onshore in the PRC, with any subsequent offshore subscription being effected as a separate outbound cash investment subject to applicable regulatory approval, thereby avoiding a cross-border share swap element and associated regulatory uncertainties.

The Board has also considered other applicable legal and regulatory requirements and, having obtained appropriate legal advice, is of the view that the settlement arrangement has been structured in a manner that does not contravene applicable laws and regulations.

Escrow Arrangements

To ensure that the 80% Consideration payable in cash to the Cat A Vendors is applied exclusively towards the subscription of the Cat A Consideration Shares and to prevent any duplicate settlement:

- cash payments under the Cash SPA Second Payment to Cat A Vendors will be deposited into Escrow Accounts established at the PRC onshore level and subject to joint authorisation arrangements involving the PRC Holdco and the respective Vendors;

- where the ODI procedures require the Cat A Vendors to establish intermediate SPVs, similar Escrow Accounts will also be set up at the relevant level to supervise the funds flow and disbursement. These Escrow Accounts are established for the purpose and direction of fund disbursement, such that the funds may only be applied towards the Company's designated share subscription account, and any withdrawal from the Escrow Accounts requires joint authorisation from both the PRC Holdco and the relevant Vendors. No party has unilateral rights to withdraw or released the funds; and

- the Company will only issue the Consideration Shares after full receipt of the corresponding subscription funds.

The Escrow Account arrangement is set up pursuant to the Cash SPA entered into among the PRC Holdco and the Cat A Vendors. The parties agreed that the Escrow Accounts will be opened and operated at the PRC onshore level. As the Company is not a contracting party to the Cash SPA and does not operate PRC onshore bank accounts, it does not directly supervise or control the Escrow Accounts in its own name, but controls the Escrow Accounts via the PRC Holdco.

Fallback Arrangements

If ODI approval under the Cash SPA is not obtained, the Company may still proceed with the Proposed Acquisition, as the transfer of the Sale Shares and the First Payment will have already been completed upon Closing.

In such circumstances, the parties will prioritise settlement of the remaining Consideration by way of 100% cash payment, using reasonable best efforts. If necessary, the Company intends to fund such payment through internal resources and/or external financing, including but not limited to debt financing, placing of new shares, open offer, a bridge loan from a bank or the Company's controlling shareholder.

A "reverse the deal" arrangement represents a last-resort fallback and would only be considered if settlement by 100% cash is not feasible. This would involve re-transfer of the Sale Shares and refund of the initial 20% Consideration in cash. Such arrangement is permitted under the Agreements and will be disclosed if relevant.

The Company is of the view that the aforementioned tiered fallback arrangements in respect of the Proposed Acquisition are fair and equitable, and are in the overall interests of the Company and its shareholders as a whole.

PAYMENT TIMELINE AND SHARE ISSUANCE

The Share SPA Long Stop Date and Cash SPA Long Stop Date as disclosed in the Announcement refers solely to the satisfaction of Closing conditions and the occurrence of Closing, upon which the Share SPA First Payment/Cash SPA First Payment (as applicable) is made. It does not relate to the settlement of the Share SPA Second Payment or the Cash SPA Second Payment, as applicable. The expected payment timeline is as follows:

- Share SPA First Payment Date/Cash SPA First Payment Date: has taken place on 11 March 2026;

- Share SPA Second Payment Date/Cash SPA Second Payment Date: expected to take place by the end of May 2026, within five (5) working days after confirmation that the conditions to the Share SPA Second Payment/Cash SPA Second Payment have been satisfied, including ODI approvals (where applicable), establishment of SPVs and escrow arrangements;

- Issuance of the Consideration Shares: the Consideration Shares are expected to be issued as soon as practicable after the satisfaction of the conditions for the Share SPA Second Payment/Cash SPA Second Payment, with the obtaining of the relevant ODI approvals being a key prerequisite.

Progress Update

The Board would like to provide an update on the progress of the transactions contemplated under the Agreements as follows:

- ODI approval: the relevant ODI approval applications have been submitted to the competent PRC authorities and are currently under review;

- Equity transfer of the Target Company: the equity transfer has been completed; and

- Escrow arrangements: the relevant Escrow Accounts have not yet been established and will be set up in accordance with the conditions applicable to the Share SPA Second Payment/Cash SPA Second Payment.

CAT A SUBSCRIPTION AGREEMENT

Date	:	5 December 2025	
Parties	:	(i)	the Company as issuer; and
		(ii)	Vendor 1, Vendor 2, Vendor 3, Vendor 4, Vendor 5, Vendor 6, Vendor 7, Vendor 8, Vendor 9, Vendor 10, Vendor 11, Vendor 12, Vendor 13, Vendor 14 as the Cat A Subscribers.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, the Cat A Subscribers and their ultimate beneficial owner(s) are Independent Third Parties.

Cat A Consideration Shares

Please refer to the section headed "**THE SHARE SPA - Cat A Consideration Shares**".

Conditions for the subscription of the Cat A Consideration Shares

The subscriptions for the Cat A Consideration Shares are conditional upon the fulfilment or waiver (as the case may be) of the following conditions:

(i) the Stock Exchange having granted the listing of, and permission to deal in, the Cat A Consideration Shares;

(ii) the passing of resolutions by the shareholders of the Company at the EGM to approve the allotment and issue of the Consideration Shares and the respective transactions contemplated thereunder;

(iii) all other consents and acts required under the Listing Rules having been obtained and completed or, as the case may be, the relevant waiver from compliance with any of such rules having been obtained from the Stock Exchange;

(iv) the applicable Subscribers having obtained the ODI approvals;

(v) the Cat A Subscribers having established special purpose vehicles in Hong Kong; and

(vi) the Company having settled the Cash SPA Second Payment.

If the above conditions are not fulfilled or waived by the Company by 5:00 p.m. on or before 31 December 2026 (or such other date as the parties may agree in writing), the Cat A Subscription Agreement will automatically terminate and lapse, and none of the parties to the Cat A Subscription Agreement shall have any claims against the other in respect of the subscriptions, save for any antecedent breaches thereof.

Completion

Completion of the subscriptions for the Cat A Consideration Shares shall take place within fifteen (15) Business Days after the date of fulfilment (or waiver, as the case may be) of the foregoing conditions.

CAT B SUBSCRIPTION AGREEMENT

Date : 5 December 2025

Parties : (i) the Company as issuer; and

(ii) Vendor 15 and Vendor 16, as the Cat B Subscribers.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, the Cat B Subscribers and their ultimate beneficial owner(s) are Independent Third Parties.

Cat B Consideration Shares

The Cat B Consideration Shares, assuming there will be no change in the issued share capital of the Company between the Latest Practicable Date and the Completion, will represent approximately 0.36% of the issued share capital of the Company as at the Latest Practicable Date and approximately 0.35% of the issued share capital of the Company as enlarged by the allotment and issue of the Cat B Consideration Shares.

The Cat B Consideration Shares will be allotted and issued pursuant to the Specific Mandate and shall, when allotted and issued, rank pari passu in all respects with the Shares in issue.

Application will be made by the Company to the Stock Exchange for the approval for the listing of, and permission to deal in, the Cat B Consideration Shares. The Issue Price of HK$1.6 per Consideration Share represents:

(i) a discount of approximately 59.80% to the closing price of HK$3.98 per Share as quoted on the Stock Exchange on the date of the Agreements;

(ii) a discount of approximately 58.09% to the average closing price of HK$3.82 per Share as quoted on the Stock Exchange in the last five (5) consecutive trading days immediately prior to the date of the Agreements;

(iii) a discount of approximately 43.59% to the average closing price of HK$2.84 per Share as quoted on the Stock Exchange in the last thirty (30) consecutive trading days immediately prior to the date of the Agreements;

(iv) a premium of approximately 1.91% to the average closing price of HK$1.57 per Share as quoted on the Stock Exchange in the last six consecutive trading months immediately prior to the date of the Agreements;

(v) a discount of approximately 39.16% to the closing price of HK$2.40 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

(vi) a premium of approximately 135.25% to the net asset value per Share of HK$0.68 with reference to the interim report 2025 published by the Company on 30 September 2025 (the "**Interim Report**"); and

(vii) a discount of approximately 1.84% to the closing price of HK$1.63 per Share as quoted on the Stock Exchange on 12 September 2025, being the last trading day immediately before the date of the Voluntary Announcement ("**Voluntary Announcement Last Trading Day**")

The Board confirms that the basis of determination of the Issue Price of the Cat B Consideration Shares is identical to that of the Cat A Consideration Shares. The Company considers the Issue Price of Cat B Consideration Shares to be fair and reasonable as disclosed above section headed "THE SHARE SPA – Cat A Consideration Shares".

The Directors are of the view that the terms of the Cat B Subscription Agreement are fair and reasonable, having considered, among other things, the reasons for and benefits of the Proposed Acquisition as stated in the section headed "Reasons for and Benefits of the Proposed Acquisition" in this circular.

Conditions for the subscription of the Cat B Consideration Shares

The subscriptions for the Cat B Consideration Shares are conditional upon the fulfilment or waiver (as the case may be) of the following conditions:

(i) the Stock Exchange having granted the listing of, and permission to deal in, the Cat B Consideration Shares;

(ii) the passing of resolutions by the shareholders of the Company at the EGM to approve the allotment and issue of the Consideration Shares and the respective transactions contemplated thereunder;

(iii) all other consents and acts required under the Listing Rules having been obtained and completed or, as the case may be, the relevant waiver from compliance with any of such rules having been obtained from the Stock Exchange; and

(iv) the Company having settled the Share SPA Second Payment or the Cash SPA Second Payment, as the case may be.

If the above conditions are not fulfilled or waived by the Company on or before 31 December 2026 (or such other date as the parties may agree in writing), the Cat B Subscription Agreement will automatically terminate and lapse, and none of the parties to the Cat B Subscription Agreement shall have any claims against the other in respect of the subscriptions, save for any antecedent breaches thereof.

Completion

Completion of the subscription of the Cat B Consideration Shares shall take place within fifteen (15) Business Days after the date of fulfilment (or waiver, as the case may be) of the foregoing conditions.

INFORMATION OF THE GROUP, THE PRC HOLDCO, THE WFOE

The Group is principally engaged in (i) property management in the PRC and (ii) property development and investments in the PRC, the United States of America, and the United Kingdom.

The PRC Holdco is wholly owned by PRC Holdco Shareholder, a company established under the laws of the PRC with limited liability, which is owned as to 80% by Gao Yan, a PRC citizen, and as to 20% by Ma Nan, a PRC citizen. The PRC Holdco is a limited liability company established in the PRC which is principally engaged in investment holding. As at the Latest Practicable Date, the PRC Holdco is a consolidated affiliated entity of the Company pursuant to the VIE Contracts, which confer on the Company effective control over the PRC Holdco and entitlement to its economic benefits.

The WFOE is a company established under the laws of the PRC with limited liability and, as at the Latest Practicable Date, is an indirect wholly-owned subsidiary of the Company.

INFORMATION OF THE VENDORS

Vendor 1

Wang Yuxiao* (王羽瀟), an individual holding 9.77% equity interests in the Target Company.

Vendor 2

Zhang Jialin* (張家林), an individual holding 4.69% equity interests in the Target Company.

Vendor 3

Li Guanghui* (李光輝), an individual holding 4.88% equity interests in the Target Company.

Vendor 4

Zeng Boyi* (曾柏毅), an individual holding 6.40% equity interests in the Target Company.

Vendor 5

Zhang Yizhuo* (張一卓), an individual holding 0.38% equity interests in the Target Company.

Vendor 6

Fan Kun* (范崑), an individual holding 0.42% equity interests in the Target Company.

Vendor 7

Zhejiang Rushan Xinxing Venture Capital Co., Ltd.* (浙江如山新興創業投資有限公司) is a company incorporated in the PRC, holding 1.88% equity interests in the Target Company. It is principally engaged in venture capital investment. It is indirectly controlled by Zijin Mining Group Co., Ltd. (紫金礦業集團股份有限公司) (the "**Zijin Mining Group**"), a company listed on the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited. The Zijin Mining Group is a widely recognised and publicly listed mining conglomerate with a diversified shareholder base. No single natural person controls one-third or more of its issued share capital.

Vendor 7 has 11 shareholders. Its single largest shareholder, being a public company listed on both the Shanghai Stock Exchange and the Hong Kong Stock Exchange whose name the Company does not have consent to disclose, holds approximately 52.17% interest in Vendor 7. The next largest shareholder holds approximately 13.04% interest in Vendor 7.

Vendor 8

Zhejiang Rushan High Tech Venture Capital Co., Ltd.* (浙江如山高新創業投資有限公司) is a company incorporated in the PRC, holding 1.25% equity interests in the Target Company. It is principally engaged in private investments in the PRC.

Vendor 8 has 11 shareholders. Its single largest shareholder, being a public company listed on both the Shanghai Stock Exchange and the Hong Kong Stock Exchange whose name the Company does not have consent to disclose, holds approximately 52.85% interest in Vendor 8. The next largest shareholder holds approximately 10.85% interest in Vendor 8.

Vendor 9

Tianjin Xinbaihao Enterprise Management Partnership (Limited Partnership)* (天津新柏灝企業管理合夥企業(有限合夥)) is a limited partnership established in the PRC, holding 5.07% equity interests in the Target Company. It is principally engaged in private investments in the PRC.

Vendor 9 has 3 partners, namely Hu Zhibin* (胡志濱), holding approximately 98.95%; Ma Ming* (馬明), holding approximately 1.04%; and Tianjin Xinbaiyi Enterprise Management Co., Ltd.* (天津新柏頤企業管理有限公司), holding approximately 0.01% interest in Vendor 9.

Vendor 10

Shanghai Dongzheng Chunyi Investment Center (Limited Partnership)* (上海東證春醫投資中心(有限合夥)) is a limited partnership established in the PRC, holding 13.99% equity interests in the Target Company. It is principally engaged in private equity investment. It is a registered investment fund with a wide investor base. The general partner of Vendor 10 is Shanghai Orient Securities Capital Investment Co., Ltd., which is a wholly-owned subsidiary of Orient Securities Company Limited (東方證券股份有限公司), a company listed on the Shanghai Stock Exchange and the Stock Exchange of Hong Kong Limited. Orient Securities Company Limited has a diversified shareholder base and is ultimately controlled by Shenergy (Group) Co., Ltd., a state-owned enterprise under the Shanghai Municipal Government. The ultimate beneficial owner of Vendor 10 is the Shanghai Municipal State-owned Assets Supervision and Administration Commission.

Vendor 10 has 9 partners. Its single largest partner, being a public company listed on both the Shanghai Stock Exchange and the Hong Kong Stock Exchange whose name the Company does not have consent to disclose, holds approximately 54.47% interest in Vendor 10. The next two largest partners hold approximately 12.32% interest in Vendor 10.

Vendor 11

Healthcare Co., Ltd.* (夢百合家居科技股份有限公司) is a company incorporated in the PRC, holding 6.80% equity interests in the Target Company. It is principally engaged in private investment activities. Its largest shareholder is Mr. Ni Zhanggen (倪張根), who holds approximately 33.97% of the equity interests in Vendor 11. Mr. Ni Zhanggen is the founder and controlling shareholder of MLILY Dream Home Co., Ltd. (夢百合家居科技股份有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 603313).

Vendor 11 has 10 shareholders. Its single largest shareholder, Ni Zhanggen* (倪張根), holds approximately 33.97%, and the next largest shareholder holds approximately 8.65% interest in Vendor 11.

Vendor 12

Tianjin Huaxin Pharmaceutical Venture Capital Partnership (L.P.)* (天津華新醫藥創業投資合夥企業(有限合夥)) is a limited partnership established in the PRC, holding approximately 1.72% equity interests in the Target Company. It is principally engaged in venture capital investment. It is predominantly owned (approximately 98.52%) by Tianjin Tasly Venture Capital Company Limited, which is part of the Tasly Group. Tasly Group's listed flagship entity is Tasly Pharmaceutical Group Co., Ltd. (天士力醫藥集團股份有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 600535). Tasly Pharmaceutical Group Co., Ltd. has a diversified shareholder base and is ultimately controlled by the Yan family.

Vendor 12 has 2 partners. Its largest partner, Tianjin Tasly Venture Capital Company Limited, holds approximately 98.52% interest in Vendor 12, and the other partner holds approximately 1.48% interest in Vendor 12, Tianjin Tasly Venture Capital Company Limited is owned ultimately 19.30% by Mr. Yan Kaijing* (閆凱境), and 36.92% by Tianjin Municipal Science Technology Bureau Public Institution, the remaining shareholders hold less than 10% of Tianjin Tasly Venture Capital Company Limited.

Vendor 13

Tianjin Huajin Jintian Medical And Healthcare Venture Capital Partnership (L.P.)* (天津華金錦天醫藥醫療創業投資合夥企業(有限合夥)) is a limited partnership established in the PRC, holding 0.57% equity interests in the Target Company. It is principally engaged in private investments in the PRC.

Vendor 13 has 8 partners. Its two largest partners, namely Tasly Biopharmaceutical Industry Group Co., Ltd.* (天士力生物醫藥產業集團有限公司) and Tianjin Shengxinrong Venture Capital

Partnership (Limited Partnership)* (天津盛鑫融創業投資合夥企業(有限合夥)), each holds approximately 22.78% interest in Vendor 13. The ultimate beneficial owners of Vendor 13 are Mr. Yan Kaijing of approximately 46.31%, Tianjin Municipal People's Government of approximately 22.32% and State Development Investment Group Co., Ltd. of approximately 11.39%, the rest hold less than 10% individually.

Vendor 14

Jiaxing Lanchiyu Cun Enterprise Management Partnership (Limited Partnership)* (嘉興藍馳雨傳企業管理合夥企業(有限合夥)) is a limited partnership established in the PRC, holding 14.23% equity interests in the Target Company. It is principally engaged in private equity investment. It is a member of the Lanchi Ventures (藍馳創投) group. Lanchi Ventures is a well-known venture capital firm with a diversified fund investor base. The ultimate beneficial owner of its general partner is owned as 99.99% to Mr. Zhu Tianyu and 0.01% to Ms. Liu Ji.

Vendor 14 has 2 partners. Its largest partner, Xinmao Investment Center (Limited Partnership) holds approximately 99.98% interest in Vendor 14 and its ultimate beneficial owner is Mr. Zhu Tianyu, holds approximately 99.98% of Xinmao Investment Center (Limited Partnership), and the other partner holds approximately 0.02% interest in Vendor 14.

Vendor 15

Beijing Sogou Information Service Co., Ltd* (北京搜狗信息服務有限公司) is a limited partnership established in the PRC, holding 5.19% equity interests in the Target Company. It is principally engaged in private investments in the PRC.

Vendor 15 was incorporated in December 2005 in PRC with limited liability. The shareholders of Vendor 15 are Guangxi Tencent Venture Capital Co., Ltd. and Shenzhen Tencent Computer Systems Company Limited. Guangxi Tencent Venture Capital Co., Ltd. is a wholly-owned subsidiary of Shenzhen Tencent Ruijian Investment Co., Ltd., which is a subsidiary of Tencent Holdings Limited (Stock Code: 0700.HK), and Shenzhen Tencent Computer Systems Company Limited is a wholly-owned subsidiary of Tencent Holdings Limited as disclosed in its annual report. Therefore, Vendor 15 is also a wholly-owned subsidiary of Tencent Holdings Limited (Stock Code: 0700.HK).

Vendor 16

Tianjin Lanchixinhe Investment Centre (Limited Partnership)* (天津藍馳新禾投資中心(有限合夥)) is a limited partnership established in the PRC, holding 1.04% equity interests in the Target Company. It is principally engaged in private investments in the PRC.

Vendor 16 is principally engaged in private equity investment and has multiple partners. Its largest partner, Hangzhou Lanchi Xinhe Investment Partnership (Limited Partnership)* 杭州 藍馳新禾投資合夥企業(有限合夥), holds approximately 33.79% of the partnership interests. Based on information provided and publicly available data, no single natural person ultimately controls one-third or more of Vendor 16. Vendor 16 is part of a private investment platform with a diversified investor base. The ultimate beneficial owners of Vendor 16 are Tianjin Municipal People's Government State-owned Assets Supervision and Administration Commission* (天津市國資委) of approximately 68.51% and Tianjin Binhai New Area State-owned Assets Supervision and Administration Commission* (天津市濱海新區國資委) of 20%, the rest hold less than 10% individually.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated in the PRC with limited liability. Prior to the Proposed Acquisition, the Target Company is not subject to any existing VIE arrangement, nor does its operation rely on any existing VIE structure.

The Target Company is an investment holding company. Its subsidiaries operate value-added telecommunications services (including internet information services) and internet hospital/online diagnosis and treatment services through duly licensed medical institutions.

INFORMATION ON THE TARGET GROUP

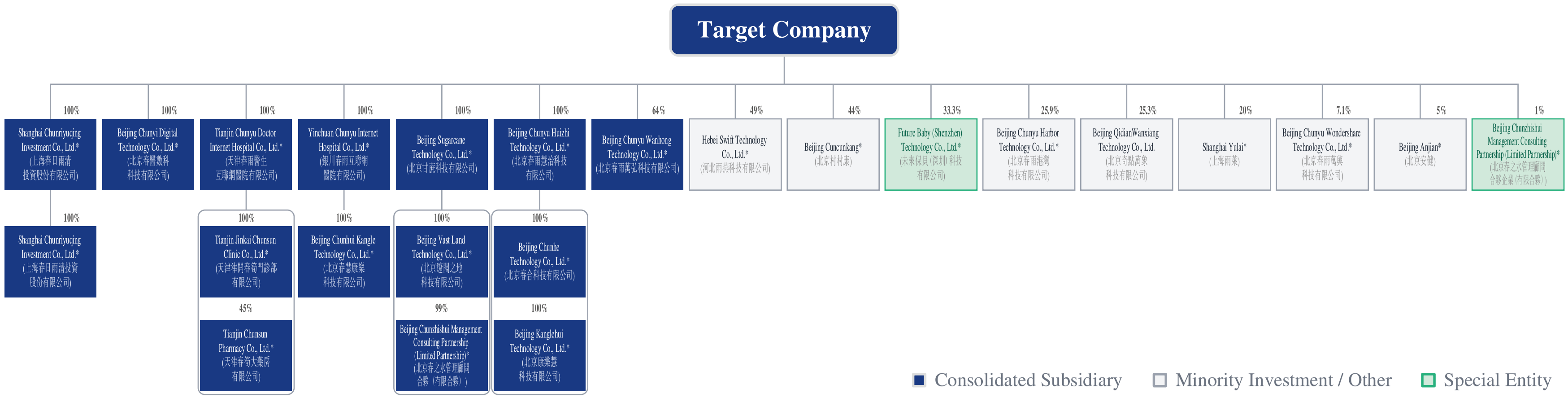
The Target Group operates a leading mobile internet medical and health platform in the PRC, known as Doctor Chunyu* (春雨醫生), which was founded in 2011.

Set out below is a summary of the financial information in the unaudited consolidated accounts of the Target Group for each of the two financial years ended 31 December 2024 and period ended 31 October 2025:

	For the period ended 31 October 2025 *(RMB'000)* *(unaudited)*	**For the year ended 31 December 2024** *(RMB'000)* *(unaudited)*	**For the year ended 31 December 2023** *(RMB'000)* *(unaudited)*
Revenue	51,048	66,226	101,124
Loss before tax	2,918	22,948	9,571
Loss after tax	2,918	22,949	9,572

As at 31 October 2025, the unaudited net assets of the Target Group was approximately RMB94.9 million (equivalent to approximately HK$103.9 million).

Set out below is the shareholding structure of the Target Group.



Source: Financial Due Diligence Report | www.genspark.ai

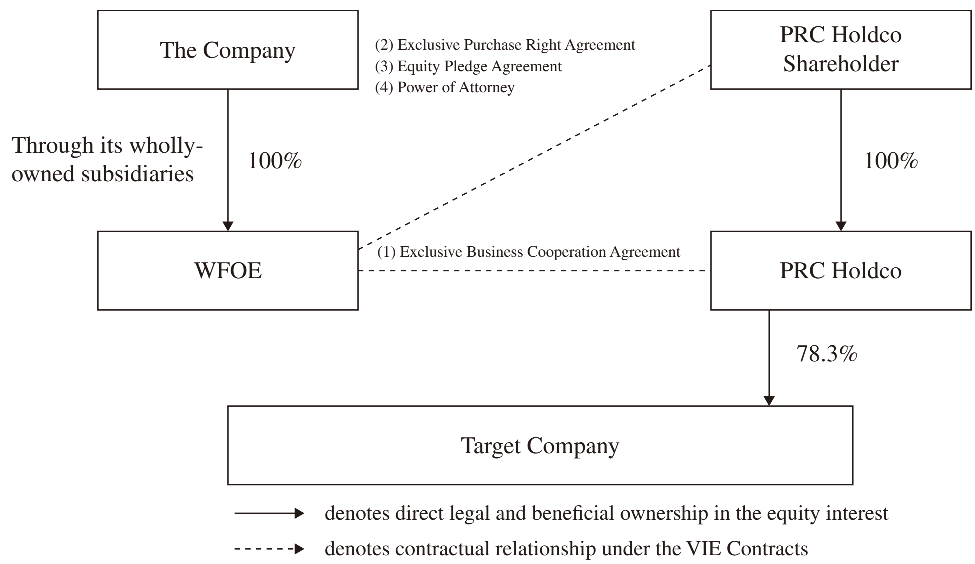
The Target Company directly holds 16 consolidated subsidiaries and minority interests in investments and special entities, only Beijing Chunyi Digital Technology Co., Ltd.* (北京春醫數科科技有限公司), Tianjin Chunyu Doctor Internet Hospital Co., Ltd.* (天津春雨醫生互聯網醫院有限公司), Yinchuan Chunyu Internet Hospital Co., Ltd.* (銀川春雨互聯網醫院有限公司) and Tianjin Jinkai Chunsun Clinic Co., Ltd.* (天津津開春筍門診部有限公司) hold assets of approximatively RMB29.0 million, RMB12.4 million, RMB8.5 million, and RMB22.9 million, respectively and operate and generated revenue of approximatively RMB18.7 million, RMB249,000, RMB54,000 and RMB32.0 million for the twelve months ended 31 December 2025, respectively, and none of the 16 consolidated subsidiaries directly held by Target Company have material liability.

Shareholding structure of the Target Company immediately prior completion of the Proposed Acquisition

Shareholders	**Approximate % of shares in issue of the Target Company**
Vendor 1	9.77%
Vendor 2	4.69%
Vendor 3	4.88%
Vendor 4	6.40%
Vendor 5	0.38%
Vendor 6	0.42%
Vendor 7	1.88%
Vendor 8	1.25%
Vendor 9	5.07%
Vendor 10	13.99%
Vendor 11	6.80%
Vendor 12	1.72%
Vendor 13	0.57%
Vendor 14	14.23%
Vendor 15	5.19%
Vendor 16	1.04%
Beijing Chunriqiu Investment Management Partnership (L.P.)* (北京春日丘投資管理合夥企業(有限合夥))	3.07%
Beijing Chunri Dai Investment Management Partnership (L.P.)* (北京春日黛投資管理合夥企業(有限合夥))	2.13%
Beijing Chunrixian Investment Management Partnership (L.P.)* (北京春日纖投資管理合夥企業(有限合夥))	2.09%
Beijing Chunriwan Investment Management Partnership (L.P.)* (北京春日皖投資管理合夥企業(有限合夥))	1.66%
Beijing Galaxy No. 2 Equity Investment Fund (L.P.)* (北京銀河貳號股權投資基金(有限合夥))	6.50%
Zhejiang Dun'an Venture Capital Co., Ltd.* (浙江盾安創業投資有限公司)	6.25%
Total	100.00%

* *The percentage figures as set out above are subject to rounding adjustments and may not add up to 100%.*

Shareholding structure of the Target Company immediately upon completion of the Proposed Acquisition



Upon Completion, the Target Company will become a wholly-owned subsidiary of the PRC Holdco, which is a consolidated affiliated entity of the Company under the VIE arrangements, and the financial results of the Target Company will be consolidated into the financial statements of the Group upon Completion.

REASON FOR ENTERING INTO THE VIE CONTRACTS

Foreign investment activities in the PRC are mainly governed by the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2024)* (《外商投資准入特別管理措施（負面清單）（2024年版）》) (the "**2024 Negative List**") and the Catalogue of Industries for Encouraging Foreign Investment (2022 Version)* (《鼓勵外商投資產業目錄（2022年版）》) (the "**Encouraging Catalogue**"), each of which is jointly issued, and amended from time to time, by the Ministry of Commerce of the PRC and the NDRC. The 2024 Negative List and the Encouraging Catalogue divide industries into "encouraged", "restricted", "prohibited" and "permitted" (the last category comprising all industries not listed as "encouraged", "restricted" and "prohibited").

Based on the PRC legal opinion provided to the Company, the Target Group's principal businesses include value-added telecommunications services (e.g., internet information services under the internet content provider ("**ICP**") licences) and internet hospital/online diagnosis and treatment services conducted through licensed medical institutions. The operation of value-added telecommunications services requires an ICP/ Value-added Telecommunications Business Operation Permit(《增值電信業務經營許可證》), and the operation of internet hospital and online diagnosis and treatment services requires a Medical Institution Practising Licence (《醫療機構執業許可證》). The relevant members of the Target Group have already obtained the required core licences, including, among others, the Value-added Telecommunications Business Operation Permits and Medical Institution Practising Licences for internet hospital operations.

Based on the PRC legal opinion provided to the Company, a) the execution and performance of the VIE Contracts by the relevant parties are in compliance with the applicable PRC laws and regulations currently in force and do not contravene the respective articles of association of the WFOE and the PRC Holdco, and (b) the use of the VIE Contracts does not constitute a breach of such laws and regulations, and each of the VIE Contracts constitutes legal, valid and binding obligations of the parties thereto and is enforceable under PRC law and would not be regarded as "concealing illegal intentions with a lawful form" and void under PRC law; the Company further notes that certain provisions relating to injunctive relief, winding-up orders and interim/temporary remedies may not be enforceable under PRC law, and disputes arising out of or in connection with the VIE Contracts shall be submitted to China International Economic and Trade Arbitration Commission (CIETAC) for arbitration in Beijing in accordance with the terms of the VIE Contracts.

The PRC legal adviser of the Company has also advised that, under the applicable PRC laws and regulations, the business of the Target Company falls into a restricted foreign-invested industry, and foreign investor(s) may not hold more than 50% of the Target Company's equity interests. As such, the Company has established the WFOE which, upon Completion, will enter into the VIE Contracts with the PRC Holdco and the PRC Holdco Shareholder to enable the WFOE to gain management control over the Target Company's operations, and receive the entire economic benefits and risks of the Target Company's business. The Company confirms that the use of the VIE Contracts is solely for addressing the abovementioned foreign ownership restriction.

The Company undertakes that, if and when it becomes permissible under the relevant PRC laws, rules and regulations for the WFOE to engage in and to hold more than 50% interest in the value-added telecommunications service business and the online diagnosis and treatment service business in the PRC, the Company shall procure the WFOE to exercise the option under the Exclusive Purchase Right Agreement as soon as practicable, and the relevant VIE Contracts shall be terminated.

The VIE Contracts consist of:

(i) an exclusive business cooperation agreement (the "**Exclusive Business Cooperation Agreement**") to be entered into between the PRC Holdco and the WFOE;

(ii) an exclusive purchase right agreement (the "**Exclusive Purchase Right Agreement**") to be entered into among the WFOE, the PRC Holdco Shareholder and the PRC Holdco;

(iii) an equity pledge agreement (the "**Equity Pledge Agreement**") to be entered into among the WFOE, the PRC Holdco Shareholder and the PRC Holdco; and

(iv) a power of attorney (the "**Power of Attorney**") to be executed by the PRC Holdco Shareholder in favour of the WFOE (or its designated person) in respect of the PRC Holdco Shareholder's rights in the Target Company.

The Exclusive Business Cooperation Agreement, the Exclusive Purchase Right Agreement, the Equity Pledge Agreement and the Power of Attorney shall collectively be referred to as the VIE Contracts. The Directors have considered that, (i) the adoption and utilisation of each of the VIE

Contracts does not constitute a breach of the applicable PRC laws and regulations; (ii) no individual VIE Contracts would be deemed invalid or ineffective under the Civil Code of the PRC (《中華人民共和國民法典》); and (iii) each of the VIE Contracts is enforceable under the PRC law, save for the clause providing that the arbitration tribunal may award injunctive relief or winding up orders and that the courts in Hong Kong and the PRC may grant temporary injunctive relief or other temporary remedies, which may not be enforceable under PRC law.

Pursuant to the Equity Pledge Agreement, the PRC Holdco Shareholder shall pledge to the WFOE all of their respective equity interests in PRC Holdco (including all present and future rights and benefits attached thereto) as continuing security for the due and punctual performance of all obligations of PRC Holdco and the PRC Holdco Shareholder under the VIE Contracts.

The Company confirms that the equity pledge contemplated under the Equity Pledge Agreement is intended to constitute a first-priority security interest over the equity interests in PRC Holdco owned by the PRC Holdco Shareholder. The Company will procure the relevant parties to complete the registration of the equity pledge with the competent Administration for Market Regulation in accordance with applicable PRC laws and regulations as soon as practicable after execution of the Equity Pledge Agreement. Upon completion of such registration, the WFOE's rights as pledgee will be enforceable against third parties and will rank in priority in accordance with PRC law. The PRC Holdco Shareholder have undertaken that, without the prior written consent of the WFOE, they will not create or permit any encumbrance or third-party security interest over their equity interests in PRC Holdco that would prejudice the WFOE's rights under the Equity Pledge Agreement.

As disclosed in this circular, as at the Latest Practicable Date, PRC Holdco is a consolidated affiliated entity of the Company pursuant to the VIE Contracts, which confer on the Company effective control over PRC Holdco and entitlement to its economic benefits.

The Company confirms that the Company's auditors have reviewed the contractual arrangements and have confirmed that, subject to the VIE Contracts becoming effective and continuing in full force and effect, and based on the substance of the rights conferred to the Group thereunder, it is appropriate for the Company to account for PRC Holdco as a consolidated affiliated entity and to consolidate PRC Holdco (and, upon Completion, the Target Company held by PRC Holdco) in the Group's consolidated financial statements in accordance with the applicable Hong Kong Financial Reporting Standards.

The Company confirms that appropriate arrangements have been made to protect the Company's interests in the event of death, incapacity, bankruptcy, divorce or other events affecting the PRC Holdco Shareholder (being the registered owners of PRC Holdco) so as to avoid practical difficulties in enforcing the VIE Contracts.

Such arrangements include, among others: (i) the Power of Attorney being irrevocable and remaining effective for so long as the relevant PRC Holdco Shareholder remains a shareholder of PRC Holdco, and the WFOE being entitled to require the execution of a new power of attorney in substantially the same form in favour of such person(s) nominated by the WFOE; (ii) restrictions under the VIE Contracts which prevent the PRC Holdco Shareholder from transferring, pledging or otherwise disposing of their equity interests in PRC Holdco without the WFOE's prior written consent; (iii) the Equity Pledge Agreement providing the WFOE with security rights over the equity interests in PRC Holdco to secure performance of the VIE Contracts; and (iv) undertakings from the PRC Holdco Shareholder to procure that their respective successors, trustees, administrators, guardians, bankruptcy administrators or other relevant persons (as applicable) shall be bound by, and continue to perform, the obligations under the VIE Contracts, and to cooperate with the WFOE in taking all necessary actions to maintain the effectiveness and enforceability of the VIE Contracts.

As at the Latest Practicable Date, the Target Company has not encountered any interference with, or encumbrance imposed by any governing bodies on, the operation of its business. The Target Company is not aware of any such interference or encumbrance that may arise from the Proposed Acquisition or under the VIE Contracts.

The VIE Contracts were specifically entered into in contemplation of and for the purpose of implementing the Proposed Acquisition. At the time of entering into the VIE Contracts, the Company did not hold or control any Restricted Business. The Target Company is principally engaged in value added telecommunications services and internet medical services, which fall restricted foreign-invested industries under the applicable PRC laws and regulations, in which foreign investor(s) may not hold more than 70% of the equity interests. As the Proposed Transaction would have resulted in foreign ownership exceeding the permitted thresholds, the VIE Contracts were entered into as a necessary and integral part of the Proposed Acquisition to enable the Company to obtain effective control over, and economic benefits from, the Target Company upon Completion.

The VIE Contracts were not adopted independently or prematurely, and were designed solely to address the foreign ownership restrictions applicable to the Target Company's business. Having regard to the nature of the Target Company's business and the applicable PRC regulatory restrictions, the VIE Contracts are considered to be appropriately and proportionately structured in accordance with the relevant HKEX guidance.

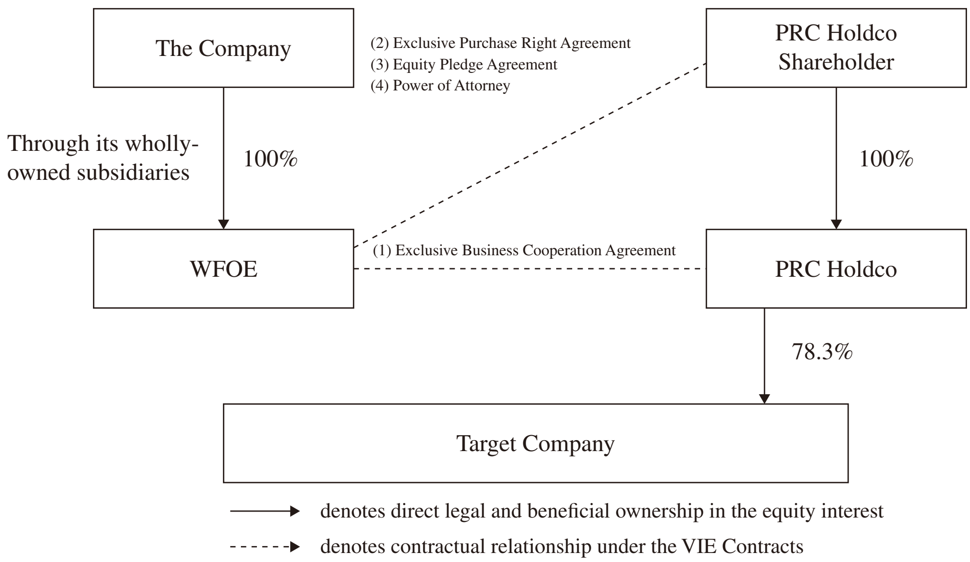
The PRC Holdco Shareholder are existing employees of the Company. Save for such employment relationship, and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the PRC Holdco Shareholder do not have any other relationship with the Company.

Upon Completion, the Target Company will become a wholly owned subsidiary of the PRC Holdco, who is a consolidated affiliated entity of the Company via VIE arrangements, and the financial results of the Target Company will be consolidated into the financial statements of the Group upon Completion.

INFORMATION OF THE VIE CONTRACTS

Diagram of the Contractual Arrangements

The following diagram illustrates the contractual arrangements under the VIE Contracts:



The VIE Contracts

The proposed terms of the VIE Contracts are set out below.

1. Exclusive Business Cooperation Agreement

Parties	:	(1) the WFOE; and (2) the PRC Holdco
Term	:	The Exclusive Business Cooperation Agreement shall be for a term of ten (10) years commencing on the date of its execution and shall automatically renew for successive terms of ten (10) years unless the WFOE gives the PRC Holdco at least ten (10) days' prior notice of its intention not to renew before the expiry of the then-current term. The Exclusive Business Cooperation Agreement shall remain in force until terminated upon either of the following: (i) the entire share capital of the PRC Holdco has been legally transferred to the WFOE or its nominee; or (ii) the WFOE giving not less than ten (10) days' prior notice of termination.

Subject : The PRC Holdco shall engage the WFOE to provide integrated technology consultancy services and other services and other services in connection with the business of the PRC Holdco as set out in the Exclusive Business Cooperation Agreement.

Pursuant to the Exclusive Business Cooperation Agreement, the PRC Holdco shall pay to the WFOE a service fee equal to 100% of its consolidated profits before taxation, after deducting related operating costs and reasonable expenses, calculated in accordance with the Hong Kong Financial Reporting Standards. The service fee shall be payable on a yearly basis.

2. Exclusive Purchase Right Agreement

Parties : (1) the WFOE;

(2) the PRC Holdco; and

(3) the PRC Holdco Shareholder

Term : The Exclusive Purchase Right Agreement shall have an indefinite term commencing on the date of its execution and shall remain in force until terminated (i) by mutual written agreement; or (ii) when the entire share capital of the PRC Holdco has been legally transferred to the WFOE or its nominee.

Notwithstanding the above, the WFOE may terminate the Exclusive Purchase Right Agreement by giving a ten (10) days' prior notice of termination.

Subject : Pursuant to the Exclusive Purchase Right Agreement, the PRC Holdco Shareholder shall grant to the WFOE (or through its designated person(s)) an exclusive purchase right to purchase at any time, when permitted by the applicable PRC laws and regulations, all or any part of the equity interests of the Target Company. The transfer price of the relevant equity interests and assets shall be the minimum purchase price permitted under PRC laws.

3. Equity Pledge Agreement

Parties : (1) the WFOE;

(2) the PRC Holdco; and

(3) the PRC Holdco Shareholder

Term	:	The Equity Pledge Agreement shall have an indefinite term commencing on the date of its execution and shall remain in force until all obligations of the PRC Holdco Shareholder and the PRC Holdco under the VIE Contracts have been satisfied and discharged in full or all the equity interests in, and the entire equity interest of the PRC Holdco are transferred to the WFOE or its designated person(s) pursuant to applicable PRC laws and regulations.
Subject	:	Pursuant to the Equity Pledge Agreement, the PRC Holdco Shareholder shall agree to pledge to the WFOE all equity interests held in the PRC Holdco (including the present and future rights and benefits held and to be held by it), as continuing security for the performance of all their obligations and those of the PRC Holdco under the VIE Contracts.

4. Power of Attorney

Parties	:	the PRC Holdco Shareholder
Term	:	The Power of Attorney shall have an indefinite term commencing on the date of its execution and shall remain irrevocably effective for so long as the relevant the PRC Holdco Shareholder remains a shareholder of the PRC Holdco, unless otherwise terminated in whole or in part by written instruction of the WFOE. Upon any such termination notice, the relevant the PRC Holdco Shareholder shall immediately revoke the prior authorisation and execute a new power of attorney in substantially the same form in favour of such person(s) as nominated by the WFOE.
Subject	:	Pursuant to the Power of Attorney, each the PRC Holdco Shareholder irrevocably authorises the WFOE (or its designated person(s)) to exercise, to the fullest extent permitted by applicable PRC laws and regulations, all shareholder rights and powers attached to the equity interests held by such the PRC Holdco Shareholder in the PRC Holdco, including without limitation: signing and delivering written resolutions; attending and voting at shareholders' meetings; selling, transferring, pledging or otherwise disposing of all or part of such equity interests; nominating or removing directors; supervising operations; inspecting financial information; initiating shareholder derivative actions; approving annual budgets and dividend distributions; and exercising any other rights conferred on the shareholders by the articles of association or applicable laws. The WFOE may, at its discretion, sublicense or assign such authorisation. All actions taken by the WFOE under the Power of Attorney shall be deemed to be the actions of the relevant the PRC Holdco Shareholder.

Compliance of VIE Contracts with PRC laws, rules and regulations

Based on the legal advice from the PRC legal adviser of the Company, the VIE Contracts are binding on the parties, will not contravene the articles of association of the WFOE and the PRC Holdco, and will not be deemed as "concealing illegal intentions with a lawful form" and void under the PRC contract law.

Settlement of potential dispute arising from the VIE Contracts

The VIE Contracts are governed by the PRC laws. When a dispute arises under any of the VIE Contracts, the relevant parties thereto shall settle the dispute through negotiation in an amicable manner. In case the dispute is not resolved, the VIE Contracts provide that any dispute shall be submitted to the China International Economic and Trade Arbitration Commission for arbitration to be conducted in Beijing. The decision of such arbitration is final and binding on the parties concerned.

Measures to mitigate potential conflict of interests

The PRC Holdco Shareholder undertake in the VIE Contracts that they will forgo any benefits or dividends from the Target Company and pay such benefits to the WFOE as the service fees, that they will perform all obligations in full compliance with the VIE Contracts, and that they will not, by any act or omission, affect the validity or enforceability of the VIE Contracts.

To ensure effective control of the Target Company, the Company has taken steps to prevent potential conflicts of interest between the WFOE and the PRC Holdco Shareholder. Firstly, under the Exclusive Purchase Right Agreement, the PRC Holdco Shareholder shall irrevocably and unconditionally grant to the WFOE (or through its designated person(s)) an exclusive purchase right to purchase at any time, when permitted by the applicable PRC laws and regulations, all or any part of the equity interests in and/or the assets of the Target Company. Secondly, pursuant to the Power of Attorney, the PRC Holdco Shareholder irrevocably authorises the WFOE (or its designated person(s)) to exercise, to the fullest extent permitted by applicable PRC laws and regulations, all shareholder rights and powers attached to the equity interests held by such PRC Holdco Shareholder in the Target Company.

Internal control measures

In order to have effective control over and to safeguard the assets of the PRC Holdco, the VIE Contracts provide that, without the prior written consent of the WFOE, the PRC Holdco Shareholder shall not or shall not procure the PRC Holdco to, at any time, sell, transfer, mortgage or dispose of in any manner any assets, legitimate interests in the business or revenue of the PRC Holdco, or allow any encumbrance or any security interest thereon. Under the Exclusive Business Cooperation Agreement, the PRC Holdco will appoint its directors and senior management as recommended by the WFOE. The WFOE shall regularly, and at any time, review the books and records of the PRC Holdco. The PRC Holdco and the PRC Holdco Shareholder shall (i) at all times operate all of the PRC Holdco's businesses in the ordinary and usual course of business; (ii) maintain the asset value of the PRC Holdco; and (iii) refrain from any action/omission that may adversely affect the PRC Holdco's operating status and asset value.

Unwinding the VIE Contracts

The WFOE agrees that it will unwind the VIE Contracts as soon as the relevant PRC laws and regulations on foreign investment in the operation of the Target Company's business are relaxed to allow the Company or any of its wholly-owned subsidiaries to be registered as a shareholder of the Target Company. Pursuant to the Exclusive Purchase Right Agreement, the PRC Holdco Shareholder undertake that they shall return to the WFOE, in full, the consideration received in relation to such transfer of equity interests or assets during the course of unwinding the VIE Contracts in compliance with the PRC laws.

Insurance to cover the risks relating to the VIE Contracts

The insurance of the Company does not cover the risks relating to the enforcement of the VIE Contracts and the transactions contemplated thereunder, and the Company has no intention to purchase any new insurance in this regard. However, the Company will monitor the relevant legal and operational environment from time to time to ensure compliance with the applicable laws and regulations. In addition, as mentioned above, the Company will implement relevant internal control measures to reduce operational risk.

Potential exposure of the Company to losses

To ensure that the cash flow requirements of the PRC Holdco's ordinary operations are met and/or to set off any loss accrued during such operations, the WFOE may, at its own discretion and only to the extent permissible under the PRC laws, provide financial support to the PRC Holdco, whether or not the PRC Holdco actually incurs any such operational loss. The WFOE's financial support to the PRC Holdco may take the form of bank-entrusted loans.

All intellectual property, or permits or other approvals for the value-added telecommunications services business and the operation of internet hospital and online diagnosis and treatment services owned by the PRC Holdco shall be free from defects, otherwise the WFOE may bear the losses resulting from any such defects.

RISK FACTORS

The WFOE will not have any direct equity ownership in the PRC Holdco or the Target Company and will only rely on the VIE Contracts to control, operate, and be entitled to the economic benefits and risks arising from the value-added telecommunications services business and the operation of internet hospital and online diagnosis and treatment services in the PRC conducted through the Target Company. However, there are risks involved with the operations of the Target Company's value-added telecommunications service business, the operation of internet hospital and the online diagnosis and treatment services under the VIE Contracts.

There is no assurance that the VIE Contracts will comply with future changes in the regulatory requirements in the PRC, and the PRC government may determine that the VIE Contracts do not comply with applicable regulations.

Pursuant to the Interim Measures for the Administration of Business Activities of Internet Loan Information Intermediaries promulgated by China Banking Regulatory Commission, Ministry of Industry and Information Technology (the "**MIIT**"), Ministry of Public Security and State Internet Information Office on 17 August 2016, the Target Company is engaged in the value-added telecommunications services business and the operation of internet hospital and online diagnosis and treatment services, and it should apply for the corresponding telecommunications business license in accordance with the relevant provisions of the competent telecommunication department.

The Circular on Strengthening the Administration of Foreign Investment in the Operation of Value-added Telecommunications Services issued by the MIIT on 13 July 2006 (the "**MIIT Circular**") provides that a domestic company that holds a value-added telecommunication business licence is prohibited from leasing, transferring or selling the licence to foreign investors in any form, and from providing any assistance, including providing resources, sites or facilities, to foreign investors to operate telecommunication business illegally in the PRC. Due to a lack of interpretative materials from the authorities, the Group cannot assure that the MIIT will not consider the corporate structure and contractual arrangements upon Completion form kind of foreign investment in telecommunication services, in which case the Target Company may be found in violation of the MIIT Circular and, as a result, may be subject to various penalties, including fines and the discontinuation of or restrictions on the Target Company's operations.

On 11 December 2001, the State Council promulgated Regulations for the Administration of Foreign-invested Telecommunications Enterprises (the "**FITE Regulations**"), which were subsequently amended on 10 September 2008 and 6 February 2016. Under the FITE Regulations, foreign ownership of companies that provide value-added telecommunication services is limited to 50%. In addition, a foreign investor who invests in a value-added telecommunications business in the PRC must possess prior experience in operating value-added telecommunications businesses and a proven track record of business operations overseas (the "**Qualification Requirement**"). Currently, none of the applicable PRC laws, regulations or rules provides clear guidance or interpretation on the Qualification Requirement. If the restrictions on foreign ownership in value-added telecommunications businesses in relation to the Target Company's business are lifted in the PRC, the WFOE may be required to unwind the VIE Contracts before the Target Company is in a position to fully comply with the Qualification Requirement.

Pursuant to the Provisional Measures for the Administration of Sino-Foreign Joint Venture and Cooperative Joint Venture Medical Institutions* (《中外合資、合作醫療機構管理暫行辦法》), the equity interest or rights held by the PRC party in a sino-foreign joint venture or cooperative medical institution must not be less than 30%, and both the PRC and foreign parties to such joint ventures are required to have direct or indirect experience in healthcare investment and management. Due to differing regional restrictions in the PRC on foreign shareholding ratios for joint venture medical institutions, and based on publicly disclosed information, the Health Commission of Yinchuan Municipality has indicated that foreign investment is prohibited from participating in the establishment of sino-foreign joint venture or cooperative internet medical institutions in Yinchuan.

In light of the foregoing foreign-investment ratio restrictions applicable to value-added telecommunications businesses and internet medical institutions under PRC laws, if this acquisition were structured such that the WFOE directly acquires not less than 51% equity interest in the Target Company, the Target Company would change from a domestic enterprise to a foreign-controlled and foreign-invested enterprise, and: (1) its foreign shareholding would exceed the maximum 50% cap permitted for value-added telecommunications services under the Administrative Provisions on Foreign-invested Telecommunications Enterprises (2022 Revision) and the 2024 Negative List; and (2) the Medical Institution Practising Licence maintained by Yinchuan Chunyu for internet hospital operations could be revoked or the entity could be required to cease its internet hospital and online diagnosis and treatment services due to the prohibition by the Yinchuan Health Commission on foreign participation in internet hospital institutions. As a result, the Group will have to conduct its operations in the PRC through the VIE Contracts.

Despite the fact that there is no indication that the VIE Contracts will be interfered or objected by any PRC regulatory authorities, the Company's PRC legal adviser has advised that there is a possibility that the Ministry of Commerce and other competent authorities may have different opinions on the interpretation of the relevant regulations and may not agree that the VIE Contracts comply with the current PRC laws, regulations or rules or those that may be adopted in the future, and the authorities may deny the validity, effectiveness and enforceability of the VIE Contracts. If the authorities deny the validity, effectiveness and enforceability of the VIE Contracts, it could have a material adverse impact on the Group's businesses, financial condition and results of operations.

The VIE Contracts may not be as effective in providing control over and entitlement to the economic interests in the Target Company as direct ownership

The VIE Contracts may not be as effective in providing the WFOE with control over and entitlement to the economic interests in the PRC Holdco or the Target Company as direct ownership. If the WFOE had direct ownership of the Target Company, it would be able to exercise its rights as a shareholder directly to effect changes in the board of directors of the Target Company. However, under the VIE Contracts, the WFOE can only look to and rely on the PRC Holdco and the PRC Holdco Shareholder to perform their contractual obligations under the VIE Contracts such that the WFOE can exercise effective control over the Target Company. The PRC Holdco Shareholder may not act in the best interests of the WFOE or may not perform their obligations under the VIE Contracts. The WFOE may replace the PRC Holdco Shareholder as registered shareholders of the PRC Holdco by its other nominees pursuant to the VIE Contracts. However, if any dispute relating to the VIE Contracts remains unresolved, the WFOE will have to enforce its rights under the VIE Contracts and seek to interpret the terms of the VIE Contracts in accordance with the PRC laws and will be subject to uncertainties in the PRC legal system.

The VIE Contracts are governed by the PRC laws. When a dispute arises under any of the VIE Contracts, the relevant parties thereto shall settle the dispute through negotiation in an amicable manner. In case the dispute is not resolved, the parties to the dispute may have to rely on legal remedies under the PRC laws. The VIE Contracts provide that dispute will be submitted to the China International Economic and Trade Arbitration Commission for arbitration to be conducted in Beijing. The decision of such arbitration is final and binding on the parties to the dispute.

Since the legal environment in the PRC is different from that in Hong Kong and other jurisdictions, the uncertainties in the PRC legal system could limit the ability of the WFOE to enforce the VIE Contracts. There is no assurance that such arbitration result will be in favour of the WFOE and/or that there will not be any difficulties in enforcing any arbitral awards granted, including specific performance or injunctive relief and the claiming of damages by the WFOE. As the WFOE may not be able to obtain sufficient remedies in a timely manner, its ability to exert effective control over the Target Company and the conduct of the Target Company's business could be materially and adversely affected, which may disrupt the WFOE's business and have a material adverse impact on the WFOE's business, prospects and results of operation.

The VIE Contracts may be subject to scrutiny of the PRC tax authorities and additional tax may be imposed

The VIE Contracts may be subject to scrutiny of the PRC tax authorities and additional tax may be imposed on the WFOE. The WFOE may face adverse tax consequences if the PRC tax authorities determine that the VIE Contracts were not entered into based on arm's length negotiations. If the PRC tax authorities determine that the VIE Contracts were not entered into on an arm's length basis, they may adjust the income and expenses of the WFOE for the PRC tax purposes, which could result in higher tax liabilities on the WFOE.

The operation results of the WFOE may be materially and adversely affected if the tax liabilities of the Target Company or those of the WFOE increase significantly, or if they are required to pay interest on late payments.

The WFOE's ability to acquire the entire equity interests in the PRC Holdco may be subject to various limitations and substantial costs

In case the WFOE exercises its exclusive purchase right to acquire all or part of the equity interests of the PRC Holdco under the Exclusive Purchase Right Agreement, the acquisition of the entire equity interests in the PRC Holdco may only be conducted to the extent permitted by the applicable PRC laws and will be subject to necessary approvals and relevant procedures under applicable PRC laws. In addition, the abovementioned acquisition may be subject to a minimum price limitation (such as an appraised value for the entire equity interests in the PRC Holdco) or other limitations imposed by applicable PRC laws. Further, a substantial amount of other costs (if any), expenses and time may be involved in transferring the ownership of the PRC Holdco, which may have a material adverse impact on the WFOE's businesses and results of operation.

Completion of the Proposed Acquisition is subject to fulfilment or waiver (as the case may be) of the conditions precedent set out therein, and therefore may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

Basis for Consideration

The Consideration for the Proposed Acquisition is approximately RMB269.0 million (equivalent to approximately HK$294.8 million) for 78.3% of the equity interest in the Target Company. The Consideration was determined by the Vendors and the PRC Holdco after arm's length negotiations with reference to, among other things, (i) the existing market penetration and leading position of the Target Company in its sector; (ii) the Valuation Report which appraised the market value of 100% equity interest in the Target Group at approximately RMB346 million as at 31 August 2025; (iii) the unaudited management account of the Target Group; (iv) the financial prospect of the Target Group and (v) the strategic fit and potential synergies that may be generated for the Group.

The Valuation

The Company has engaged Valuer, an independent valuer, to conduct valuation of the fair value of 100% equity interest in the Target Group as at 31 August 2025.

According to the Valuation Report, the market value of 100% equity interest in the Target Group was approximately RMB346,000,000 as at 31 August 2025. The Valuer adopted the market approach, specifically the Guideline Public Company Method, as the income approach and cost approach were considered not optimal or inappropriate, the Valuer considered that the principal business of Target Group mainly consists online consultations and remote healthcare, there are several public companies have emerged in the digital health industry, providing the Guideline Public Company Method with sufficient anchors. The online consultation and diagnosis business model and the revenue stream of the Target Group align with the core business logic of the digital health industry. The valuation multiple applied was the Enterprise Value to Last-Twelve-Month Revenue (EV/LTM Revenue) multiple, with a size-adjusted average of 3.48x. After adjustments for lack of marketability (DLOM) and control premium, the enterprise value was derived and further adjusted for cash, non-operating assets, and non-operating liabilities to arrive at the equity value.

Assumptions and Consideration

The valuation assumptions are based on information provided by management, publicly available data, and generally accepted valuation practices. The assumptions reflect the conditions under which the valuation is valid and are foundational to the valuation conclusion. The valuation simulates market conditions as of the valuation date, considering industry risks, company size, and marketability.

Major Assumptions

The following are the general and specific assumptions upon which the Valuation Report is based:

General assumptions

Transaction assumption: The valuation is prepared on a market value basis, assuming an arm's length transaction between a willing buyer and a willing seller after proper marketing, without compulsion.

Open-market assumption: The valuation assumes that markets are fully developed and competitive, with parties acting knowledgeably, prudently, and with adequate information.

Continued-use of assets: Assets are assumed to continue in their current use and location under the going concern premise.

Going-concern assumption: The Target Group is assumed to continue its existing business operations in the foreseeable future.

External environment: No material change is assumed in political, taxation, legal, technological, fiscal, or economic conditions that might adversely affect the business.

Management responsibility: Competent management, key personnel, and technical staff are assumed to be maintained to support ongoing operations.

Exclusions: The valuation does not account for hidden or unexpected conditions that might adversely affect the reported value, nor for changes in market conditions after the valuation date.

Specific assumptions

Accounting policy consistency: Information provided by management is assumed to be prepared on a reasonable basis after due and careful consideration.

Stable financial structure: The valuation assumes that all licenses and permits essential for operation can be obtained and renewed upon expiry.

Even timing of cash flows: Not applicable, as the valuation used market approach rather than income approach.

Operational continuity and relationships: The valuation assumes that the Target Group will sustain its existing business model and operations.

Valuation Approach

Market Approach

Market Approach values assets based on comparison with recent market transactions of selling similar assets. Market Approach values a business entity by comparison of the prices at which other similar business nature companies or interests changed hands in arm's length transactions. The Target Group is expected to sustain its existing business operations in the foreseeable future. Therefore, market approach is the most optimal approach for valuing the Target Group.

Cost Approach

Cost Approach values assets with reference to the accumulating costs that would incur in order to replace or reproduce the assets in its current condition. This approach is not considered to be an appropriate approach to valuing income-generating assets as it generally does not capture the future expected returns to the asset.

We have considered but decided against Cost Approach as this approach disregards the future profit potentials of the Target Group. Therefore, Cost Approach is not appropriate to estimate the equity interest of the Target Group and is not adopted in this valuation.

Income Approach

Income approach values assets with reference to the capitalized value of income, cash flows or cost savings that could hypothetically be earned or achieved by a market participant owing the assets.

The principle of this approach is that the value of the asset can be measured by the present worth of the economic benefits to be received over the asset life. This approach estimates the future economic benefits and discounts these benefits to their present value using an appropriate discount rate for all risks associated with realizing those benefits. We have also considered that the income approach is not optimal to value the Target Group as this approach involves financial forecast information and the adoption of more assumptions than the other two approaches, not all of which can be easily justified or ascertained.

The premise behind the guideline public company method ("Guideline Public Company Method") is that the prices of publicly traded stocks in the same or a similar industry provide objective evidence as to the values at which investors are willing to buy and sell the interest of the companies in that industry. In applying Guideline Public Company Method, the valuer computes a valuation multiple for various benefit streams for each guideline public company. The appropriate valuation multiple is determined and adjusted for the unique aspects of the Target Group being valued. This valuation multiple is then applied to the Target Group to arrive at an estimate of value for the appropriate ownership interest. Since the purpose of the valuation is to determine the equity interest, the resulting enterprise value is then adjusted for net debt and other non-operating items to derive equity value, representing a claim on the company's assets only after all other obligations have been satisfied. A valuation multiple represents a ratio that uses a comparable company's enterprise value as at the Valuation Date as the numerator and the comparable company's operating results (or financial position) as the denominator.

Given that a valuation multiple that uses enterprise value as at the Valuation Date as the numerator and the operating results (or Last-Twelve-Month Revenue) as the denominator is adopted, the resulting product that applying this multiple to the Target Group's Last-Twelve-Month Revenue yields the Target Group's Enterprise Value, which is the value of entire business, including the portion belongs to the debt holders.

Therefore, the equity interest of the Target Group is derived from the following formula:

Equity Interest=Enterprise Value+Cash-Total Debt+Non-Operating Assets-Non-Operating Liabilities

The Non-Operating Assets consist of other receivables, other current asset and long term equity investments.

Other receivables are mainly referring to the non-operating advance payment. Given the current in nature of the other receivables, its net book value is deemed to have closely reflected its market value without any discount or premium to be applied.

Other current asset is a category of things of value that a company owns, benefits from, or uses to generate income that can be converted into cash within one business cycle. Given the current in nature of the other current asset, its net book value is deemed to have closely reflected its market value without any discount or premium to be applied.

Long term equity investments refer to investments in other companies' equity shares (stocks) that the investor intends to hold for more than one year, the net book value is deemed to have closely reflected its market value without any discount or premium to be applied.

The Non-Operating Liabilities consist of other payables and long term payables.

Other payables represent the receipts or deposits owed beyond the main business, the net book value is deemed to have reflected its market value without any discount or premium to be applied.

Long term payables refer to the accounts payable with a repayment period of more than one year, the net book value is deemed to have reflected its market value without any discount or premium to be applied.

Key Quantitative Inputs

(i) Revenue (Profitability) Forecast

The valuation is based on the Last-Twelve-Month Revenue (LTM Revenue) of the Target Group as of 31 August 2025, which amounted to RMB73,076,950.

The Target Group is still at the growth stage. The Target Group has yet to make consistent profits. The Enterprise Value to Last-Twelve-Month Revenue ("**EV/LTM Revenue**") multiple is suitable when earnings are negative. As a result, the valuer have considered EV/LTM Revenue ratio to be appropriate in this valuation.

Enterprise Value to Last-Twelve-Month Earnings Before Interest and Taxes ("**EV/LTM EBIT**") is inapplicable for this valuation, as the Target Group reported negative EBIT in the last twelve months period. Hence, profit-based multiples are inappropriate in this valuation.

Therefore, EV/LTM Revenue multiple is considered appropriate in this valuation.

(ii) Valuation Multiple

The size-adjusted EV/LTM Revenue multiple applied was 3.48x, derived from comparable publicly traded companies in the online medical consultation sector in Mainland China and Hong Kong.

(iii) Adjustments

Discount for Lack of Marketability (DLOM): 20.40%, based on the Stout Restricted Stock Study Companion Guide 2024 Edition.

Control Premium: 25.40%, based on the Control Premium Study published by FactSet Mergerstat as of 30 June 2025.

Size Premium Adjustment: Applied to reflect the additional risk premium for smaller company size, referenced from Kroll Cost of Capital Navigator 2023.

The lack of liquidity discount reflects the fact that there is no ready market for shares in privately held companies which are typically not readily marketable compared to similar interest in public companies. Therefore, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly held company. In this valuation, discount for lack of liquidity is referenced to the research of "Stout Restricted Stock Study Companion Guide 2024 Edition". A discount for lack of marketability of 20.40% was adopted. Control premium is an amount by which the pro rata value of a controlling interest exceeds the pro rata value of a non-controlling interest of a business enterprise that reflects the power of a control. Both factors recognize that controlling owners have rights that minority owners do not have and that the difference in those rights and, perhaps more importantly, how those rights are exercisable and to what economic benefits, cause a differential in the per-share value of a controlling ownership block versus a minority ownership block. In this valuation, control premium is made reference to the Control Premium Study published by FactSet Mergerstat. A control premium of 25.40%, representing the equity control premium in trailing 12-months as of the 30 June 2025, is adopted.

Market Comparables

The Valuer focuses on listed companies which engaged in online medical consultation since the principal business of the Target Group is mainly providing online platform for remote consultation and these companies should be listed in the stock exchange. As a result, listed companies with similar business exposure in relation to the principal activity of the Target Group are identified. As a result, the comparable companies were selected with reference to the criterias such as, (i) the comparable companies are principally engaged in online medical consultation services (i.e. more than 50% of the total revenue comes from online consultations and healthcare in the latest financial year); (ii) the comparable companies are based and operate in Mainland China and Hong Kong (i.e. more than 50% of the total revenue comes from Mainland China and Hong Kong in the latest financial year); (iii) the comparable companies are listed on Hong Kong Stock Exchange; (iv) the comparable companies have at least 3 consecutive years of publicly available audited financial statements; and (v) the financial information of the comparable companies is available to the public.

8 guideline public companies are identified to be comparable to the Target Group with the above criteria, and calculated EV/LTM Revenue ratio for each guideline public companies. The following is the list of the guideline public companies that we have selected in connection with the valuation of the Target Group. These Comparable Companies form an exhaustive list based on the selection criteria.

Details of the Comparable Companies are summarised as follows:

Company Name	**Ticker**	**Business Description**
Alibaba Health Information Technology Limited (SEHK:241)	SEHK:241	Alibaba Health Information Technology Limited, an investment holding company, engages in the pharmaceutical direct sales, pharmaceutical e-commerce platform, and healthcare and digital services businesses in Mainland China and Hong Kong. The company provides products and services to business-to-customer and business-to-business customers through offline pharmacy outlets, as well as online stores, such as Tmall, Taobao, Alipay, Ele.me, AMap, DingTalk, Freshippo, and Quark. In addition, it engages in the digital tracking business; asset management; network hospital, software technical services, healthcare related internet information and technical services and research; operation of internet hospitals, as well as Alibaba Health, flagship platform of Alibaba Group for integrated online and offline medical and healthcare resources, providing one-stop healthcare solutions. The company was formerly known as CITIC 21CN Company Limited and changed its name to Alibaba Health Information Technology Limited in September 2014. Alibaba Health Information Technology Limited was incorporated in 1998 and is based in Causeway Bay, Hong Kong.

Company Name	Ticker	Business Description
Ping An Healthcare and Technology Company Limited (SEHK:1833)	SEHK:1833	Ping An Healthcare and Technology Company Limited, together with its subsidiaries, operates an online healthcare services platform in China. It offers online medical services, such as online consultation, hospital referral and appointment, inpatient arrangement, and second opinion services; prepaid cards and health check-up services; and beauty care. The company provides advertising and health management services. In addition, it provides medicine marketing services; software and information technology services; application development and operation apps services; and internet hospital and medical services, as well as operates an insurance agency. It has strategic partnership with Medtronic (Shanghai) Management Co., Ltd. for cardiac health and chronic disease therapies. The company was incorporated in 2014 and is headquartered in Shanghai, China.
JD Health International Inc. (SEHK:6618)	SEHK:6618	JD Health International Inc., an investment holding company, engages in the operation of an online healthcare platform in the People's Republic of China. It provides online medical consultation, hospital or doctor referral, health check-ups, genetic testing, and beauty care services, as well as internet healthcare, health management, intelligent healthcare, advertising, and technical services. The company offers pharmaceutical and healthcare products through direct sales, and online marketplace and on-demand retail businesses. It serves pharmaceutical and healthcare product companies. JD Health International Inc. was founded in 2014 and is headquartered in Beijing, the People's Republic of China. JD Health International Inc. is a subsidiary of JD Jiankang Limited.

Company Name	Ticker	Business Description
Dingdang Health Technology Group Ltd. (SEHK:9886)	SEHK:9886	Dingdang Health Technology Group Ltd. provides digital healthcare services in the People's Republic of China. The company offers online medical consultation through online and supplementary services; chronic diseases management; and health portfolio management and DOT medication adherence services. It provides a range of health products through offline retail and online direct sales channels Dingdang Health Technology Group Ltd. was incorporated in 2014 and is headquartered in Beijing, China.
MedSci Healthcare Holdings Limited (SEHK:2415)	SEHK:2415	MedSci Healthcare Holdings Limited, an investment holding company, operates as an online professional physician platform service provider in the People's Republic of China and the United States. The company offers precision omni-channel marketing solutions, including precision detailing, medical content creation, and online survey services; physician platform solutions, such as medical knowledge and clinical study assistance services; and real-world study solutions comprising designing, administration, and execution of digital real-world evidence-based research. It primarily serves pharmaceutical and medical device companies, as well as hospitals and doctors. The company was founded in 2012 and is headquartered in Shanghai, the People's Republic of China.

Company Name	Ticker	Business Description
HealthyWay Inc. (SEHK:2587)	SEHK:2587	HealthyWay Inc., an investment holding company, provides corporate and digital marketing, and health and medical services in the People's Republic of China. It offers wellness content services, including online general wellness content and real-time answers to health-related questions; health-related articles, question and answer, or video-clips through cooperation with external physicians, as well as releases, such as health-related articles or video-clips; and real-world study support services by assisting companies and institutions in the pharmaceutical industry. In addition, it offers healthcare service packages, such as nutritional supplements and transdermal patch, and health membership schemes; operates Yihu.com, a health and medical platform; and sells medicines and medical devices. The company serves individual users, pharmaceutical companies, hospitals, insurance companies, local health authorities, and physicians. HealthyWay Inc. was founded in 2001 and is headquartered in Fuzhou, the People's Republic of China.
Xikang Cloud Hospital Holdings Inc. (SEHK:9686)	SEHK:9686	Xikang Cloud Hospital Holdings Inc., an investment holding company, primarily provides cloud hospital platform services in the People's Republic of China and internationally. It operates through Medical Services, Nursing Services, and Health Management Services segments. The company offers platform construction and connection services for local governments, medical institutions, insurers, and enterprises; and internet medical services, such as online hospital services and remote medical services through the cloud-based information infrastructure to the medical institutions, individual customers, and enterprises. The company was formerly known as Neusoft Xikang Holdings Inc. and changed its name to Xikang Cloud Hospital Holdings Inc. in May 2024. Xikang Cloud Hospital Holdings Inc. was incorporated in 2011 and is headquartered in Ningbo, the People's Republic of China.

Company Name	Ticker	Business Description
Medlive Technology Co., Ltd. (SEHK:2192)	SEHK:2192	Medlive Technology Co., Ltd. operates an online professional physician platform in Mainland China and internationally. The company's precision marketing and corporate solution provides digital marketing, digital detailing, digital marketing consultation, digital content creation, application software development, and other relevant services. Its medical knowledge solution offers medical education and clinical decision support, including licensing software to physicians and other registered users, such as other healthcare professionals and pharmaceutical companies. The company was formerly known as Kingyee Co., Limited and changed its name to Medlive Technology Co., Ltd. in 2021. The company was founded in 1996 and is headquartered in Beijing, China.

Source: S&P Capital IQ and financial reports of the Comparable Companies

The above Comparable Companies, together with the Target Group, are similar in terms of principal business and geographical location of operation. Thus, the valuer consider they are confronted with similar industry risks and returns.

Detailed Calculations of Valuation Multiples of Comparable Companies:

Stock Ticker	Reporting Currency	Enterprise Value (Reporting Currency million)[2]	Revenue from Online Consultation and Healthcare in Last Fiscal Year (Reporting Currency million)[1]	The percentage of revenue contribution from online medical consultation services business	LTM Revenue (Reporting Currency million)[1]	EV/LTM Revenue Ratio[3]	Adopted Size Premium Adjustment	Size Adjusted EV/LTM Revenue Ratio
SEHK:241	RMB	64,814.77	30,598.3	100.00%	30,598.29	2.12x	4.09%	1.95x
SEHK:1833	RMB	32,582.69	4,525	94.12%	5,216.83	6.25x	4.06%	4.98x
SEHK:6618	RMB	118,172.81	58,159.9	100.00%	65,105.97	1.82x	4.24%	1.69x
SEHK:9886	RMB	(181.53)	3,274.6	70.13%	4,728.09	N/A	0.00%	N/A
SEHK:2415	RMB	(401.20)	260.6	100.00%	275.20	N/A	0.00%	N/A
SEHK:2587	RMB	7,013.16	1,200.6	99.98%	1,107.14	6.33x	3.56%	5.17x
SEHK:9686	RMB	427.60	445.4	88.80%	500.89	0.85x	0.00%	0.85x
SEHK:2192	RMB	4,946.34	558.5	100.00%	627.05	7.89x	3.31%	6.26x
						Average	**3.48x**	

Notes:

1. The figures are rounded to the nearest ten thousand.

2. The Enterprise Value is derived from the following formula:

   Enterprise Value = Market Capitalization – Cash –Marketable Securities – Short Term Investments – Long Term Investments + Total Debt + Non Controlling Interests + Preferred Equity

3. The EV/LTM Revenue multiples are calculated by dividing Enterprise Value of the Comparable Companies by its respective LTM Revenue as of the Valuation Date as extracted from S&P Capital IQ.

   It is the Valuer's view that the Comparable Companies identified based on the selection criteria represent the most relevant publicly traded online consultation and healthcare entities operating in PRC and Hong Kong, which facing the same medical policies and environment as the Target Group. The PRC and Hong Kong markets share the fundamental characteristics with the Target Group such as the medical policies, business model, revenue driver and especially the market dynamics which is the similar regulatory environment and competitive landscape in the industry.

   There are limited number of public companies under the selection criteria that operate exclusively at the Target Group's specific revenue scale in this sector. Therefore, to derive a market-based indication of value, the Valuer looked at different scale companies as those companies represent the available market evidence for the industry. Besides, the valuation does not assume that the Target Group is directly equivalent to the Comparable Companies. The difference in scale is quantitatively addressed through a size adjustment to the selected multiples one by one. The size adjusted multiple is considered fair and reasonable to be adopted for valuing the Target Group.

Since the comparable companies may have different size from the Target Group, a size premium is adopted for adjusting the multiples. The size premium differential reflects the additional risk premium required by investors for companies that are relatively smaller. Smaller companies are perceived as riskier in relation to business operation and financial performance, resulting in lower valuation multiple. The valuer has taken into account the impact of the difference in the market capitalization between the Comparable Companies and the Target Group. Set out below is the proposed adjustment to the EV/LTM Revenue ratio (the "Size adjusted EV/LTM Revenue Ratio") considering the impact of the size difference:

$$\text{Size Adjusted } \frac{\text{EV}}{\text{LTM Revenue}} \text{ Ratio} = \frac{1}{\frac{1}{\text{EV/LTM Revenue}} \text{ Ratio+Adopted Size Premium Adj.}}$$

The adopted size premium adjustment for each of the Comparable Companies is derived as below:

Stock Ticker	**Market Capitalisation (USD million)**	**Target Group's size premium (a)[1]**	**Size Premium (b)[1]**	**Adopted Size Premium Adjustment (a)-(b)**
SEHK:241	11,287	4.70%	0.61%	4.09%
SEHK:1833	5,729	4.70%	0.64%	4.06%
SEHK:6618	25,792	4.70%	0.46%	4.24%
SEHK:9886	135	4.70%	4.70%	0.00%
SEHK:2415	114	4.70%	4.70%	0.00%
SEHK:2587	1,008	4.70%	1.14%	3.56%
SEHK:9686	105	4.70%	4.70%	0.00%
SEHK:2192	1,328	4.70%	1.39%	3.31%

Note:

1. In this exercise, the size premium for the companies were referenced from the CRSP Deciles Size Premium Studies by Kroll Inc..

Calculation details of the market value of the Target Group as at the Valuation Date are as follows:

	RMB
Equity Interest Derived from:	
Size Adjusted EV/LTM Revenue Multiple	3.48x
LTM Revenue as of 31 August 2025	73,076,950
100% Enterprise Value (before DLOM)	254,486,328
Less: DLOM (20.40% discount)	(51,915,211)
100% Enterprise Value (after DLOM)	202,571,117
Add: Control Premium (25.40% premium)	51,453,064
100% Enterprise Value (after DLOM and Control Premium)	254,024,181
Add: Cash	56,076,209
Less: Debt	–
Add: Non-Operating Assets	38,713,662
Less: Non-Operating Liabilities	(3,193,327)
Market value of the Target Group	345,620,725
Market value of the Target Group (Rounded)	**346,000,000**

Confirmations

The valuation was conducted by the Valuer, who confirmed their independence from the Company and the Target Group. The valuation is prepared in accordance with the International Valuation Standards effective from 31 January 2025. The report is strictly confidential and intended solely for the addressee and the stated purpose of a discloseable transaction.

Board's assessment on the fairness and reasonableness of the Valuation Report

In assessing whether the Valuation Report is fair and reasonable for the purpose of determining the Consideration, the Board reviewed and evaluated (i) the valuation approach and methodology, (ii) the key assumptions and inputs, (iii) the selection and relevance of market comparables, and (iv) the independence and competence of the Valuer, having regard to the nature of the Target Group's business and prevailing market practice for valuing digital healthcare and platform-based businesses.

The Board noted that the Valuer adopted the market approach, specifically the Guideline Public Company Method, and applied an EV/LTM Revenue multiple. The Board considers this approach appropriate because (a) the Target Group operates an asset-light, platform-based digital medical services business where short-term profitability may be affected by scaling and investment, and (b) revenue-based valuation metrics are commonly used for assessing companies in the online medical consultation/digital healthcare sector. The Board also noted that the Valuer considered the income approach and cost approach not optimal or inappropriate, and the Board agreed with such assessment given that (i) the Target Group recorded losses for the relevant track record periods disclosed in the circular, and (ii) the cost approach would not adequately capture the value of the Target Group's platform attributes, network scale, user base and operating licences.

The Board reviewed the major valuation assumptions disclosed in the circular, including the market value/arm's length transaction assumption, going concern assumption, open-market assumption, no material adverse change in the external environment, and assumptions relating to operational continuity and the continued validity/renewal of licences and permits required for operation. The Board considers these assumptions to be reasonable for a market valuation conducted as at 31 August 2025, as they are standard assumptions adopted in valuation reports prepared for comparable transactions and are consistent with valuing a business on a going concern basis. The Board also reviewed the key quantitative inputs disclosed, including the LTM revenue of the Target Group of RMB73,076,950 as at 31 August 2025 used as the revenue base for the EV/LTM revenue multiple, and noted that such input is objective, historical and derived from the Target Group's operational performance during the relevant period, rather than relying on aggressive forward-looking projections.

With respect to the valuation multiple, the Board reviewed that the Valuer applied a size-adjusted EV/LTM revenue multiple of 3.48x, which was derived from comparable publicly traded companies in the online medical consultation sector in Mainland China and Hong Kong. The Board considered the use of listed comparables to be a reasonable market reference for benchmarking valuation, and noted that the Valuer further applied customary adjustments including a discount for lack of marketability (DLOM) of 20.40% (referencing the Stout restricted stock study), a control premium of 25.40% (referencing the FactSet Mergerstat control premium study), and a size premium adjustment (referencing Kroll Cost of Capital Navigator) to reflect differences in liquidity, control, and scale between the Target Group and the selected guideline companies. The Board considers that the adoption of such adjustments is consistent with market practice and enhances the robustness of the valuation by addressing key differences between the Target Group and publicly traded peers.

In assessing the reliability of the Valuation Report, the Board also considered the independence and competence of the Valuer. The Board noted the confirmation in the circular that the Valuer is independent of the Company and the Target Group, and that the valuation was prepared in accordance with the International Valuation Standards effective from 31 January 2025. The Board further reviewed the Valuer's scope of work and the basis of information used (including management-provided information and publicly available market data) and is satisfied that the Valuer possesses relevant professional experience in conducting valuations for corporate transactions and that the valuation was prepared using generally accepted methodologies.

Taking the above into account, the Board considers that the Valuation Report provides a fair and reasonable basis for determining the Consideration and is fair and reasonable and in the interests of the Company and Shareholders as a whole.

REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION

The Group is principally engaged in (i) property development and investments in the PRC, the United States of America and the United Kingdom; and (ii) the provision of property management services in Beijing and Hebei Province, the PRC. As disclosed in the Voluntary Announcement, the Group has been actively exploring opportunities to diversify its business portfolio, broaden its income sources and enhance long-term shareholder returns. The Proposed Acquisition represents a continuation of such strategy through entry into the digital medical services sector in the PRC.

According to the Company's annual report for the year ended 31 December 2024 (the "**2024 Annual Report**"), the Group's revenue from property management services decreased from approximately HK$204.6 million for the year ended 31 December 2023 to approximately HK$169.8 million for the year ended 31 December 2024, representing a decline of about HK$34.8 million, or approximately 17%. At the same time, the Group's property segment has experienced pronounced fair-value volatility in recent periods. As set out in the 2024 Annual Report, the Group recorded a net fair-value loss of approximately HK$934.8 million on investment properties for the year ended 31 December 2024, reflecting a weaker external valuation environment across key assets, and resulting in a consolidated loss for the year of approximately HK$919.3 million. This reduction in property management revenue, together with the volatility in the Group's investment property valuations, underlines the need for the Group to further diversify its income base and to develop new, resilient and scalable revenue streams.

In contrast, the digital medical services industry in the PRC continued to grow steadily in 2024. According to publicly available industry research, the market size of digital healthcare in the PRC exceeded RMB300 billion in 2024, with an estimated compound annual growth rate of around 20% to 25% in recent years. Growth has been driven by increasing penetration of online consultations, internet hospital services and digital health management, demographic ageing, the rising prevalence of chronic diseases, the continued implementation of "Internet + Healthcare" policies, and greater patient acceptance of online diagnosis, follow-up and long-term health management. Against this macro backdrop, the Board considers it prudent and strategically necessary for the Group to accelerate its diversification into non-cyclical, asset-light and data-driven sectors with recurring revenues, in order to mitigate the impact of periodic property revaluations on earnings and equity, broaden and rebalance the Group's revenue mix and enhance the Group's risk-adjusted returns over the long term.

The Target Group operates a leading mobile internet medical and health platform in the PRC, known as Doctor Chunyu* (春雨醫生), which was founded in 2011. Doctor Chunyu provides mobile doctor–patient interaction and digital medical services via its app, mini-programs and web portal, with service offerings that include online consultation, health management, digital internet hospital services, health-related content, digital marketing solutions for pharmaceutical and healthcare enterprises, as well as innovative health insurance products. As at June 2025, the platform had approximately 180 million registered users and 690,000 contracted doctors, handled around 330,000 health-related inquiries per day and accumulated about 400 million health records. It has progressively developed into a comprehensive ecosystem covering digital internet hospital services, an open platform, community health services and integrated "insurance + health management" offerings.

The Directors are of the view that the Proposed Acquisition is fair and reasonable taking into account that the Target Group recorded a revenue of RMB73,076,950 in the 12-month period ending 31 August 2025, representing approximately 24% of the Company's revenue for the year ended 31 December 2024, the Company's current financial position, and the dilution impact arising from the issuance of Consideration Shares (e.g. approximately 4.58% of the total number of issued Shares as at the Latest Practicable Date and approximately 4.38% of the total number of issued Shares as enlarged by the issue of the issuance of Consideration Shares) and 20% of the Consideration in cash. As at 30 June 2025, the Company had cash and cash equivalents of approximately HK$99,422,000, which is sufficient to settle the 20% of the Consideration in cash in respect of both the Cat A Subscribers and the Cat B Subscribers (amounting to approximately RMB53.8 million, equivalent to approximately HK$59.0 million) and the 80% of the Consideration in cash for the Cat B Subscribers (amounting to approximately RMB17.1 million, equivalent to approximately HK$18.8 million). The settlement of the 80% of the Consideration in Shares for the Cat A Subscribers effectively mitigates the Company's immediate financial burden of a full cash settlement of the total Consideration (amounting to approximately RMB198.1 million, equivalent to approximately HK$217.1 million) and avoids the additional financing costs that would otherwise be incurred if the Company were to raise additional cash through debt/equity financing or borrowing to fund the full Consideration. The Directors consider that settling the consideration by issuing shares helps preserve the Company's cash resources and financial flexibility while reducing reliance on external financing, with the Consideration Shares representing approximately 4.58% of the issued share capital as at the Latest Practicable Date and approximately 4.38% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares, and such arrangement is in the interests of the Company and its Shareholders as a whole given the strategic enhancement to the Group's revenue scale and operational diversity expected from the Proposed Acquisition.

Save for the terms set out under "**THE CASH SPA – Consideration**", the Proposed Acquisition by way of the Cash SPA is planned to be funded by a bridge loan to be obtained from a licensed bank in Hong Kong or the Company's Controlling Shareholder, Mr. Wei Chunxian. Save from above the Company has no other fundraising plans in respect of the Proposed Acquisition. However, the Board does not rule out the possibility of the Company conducting debt and/or equity fundraising exercises. The Company will make a further announcement in respect of the above matters in accordance with the Listing Rules as and when appropriate.

The Target Group operates a highly scalable, asset-light business model centered on value-added telecommunications services (including internet information services) and internet hospital/online diagnosis and treatment services delivered through duly licensed medical institutions with the requisite regulatory licences (including ICP permits and Medical Institution Practising Licences). This model is poised to deliver a robust, counter-cyclical revenue stream that directly complements the Group's existing cyclical, asset-heavy real estate businesses. By diversifying into a high-growth vertical, the Group aims to reduce concentration risk arising from traditional real estate cycles and enhance the resilience of its overall business.

The Target Group brings a strong user base and extensive experience in the digital medical services sector in the PRC, while the Company offers an established customer base, extensive community footprint, and proven property management platform. The Company intends to leverage its existing offline resources, market presence and relationships to support the Target Group in expanding its service coverage, acquiring new users and corporate clients, and further scaling the Target Group's business and revenue. In particular, the Group's established property management platform provides a ready ecosystem for rolling out community-based health management services, resident value-added services, and cross-marketing initiatives, enabling seamless enterprise cooperation and regional service expansion for the Target Group's online medical services.

From a strategic perspective, the Board considers the Target Group's digital medical services business as highly complementary, rather than unrelated, to the Group's core competencies in developing, operating and managing physical urban communities and providing on-going services to residents, tenants and corporate clients. These communities create stable and recurring touchpoints with households and corporate users. Pairing this with the Target Group's strengths in digital medical services, internet hospital operations and health data capabilities allows the Group to enhance traditional property management with comprehensive community health and lifestyle services. This integration advances the Group's longer-term strategic evolution from "building properties" to "operating healthy communities", and transforms it from a pure real estate developer to a broader lifestyle and community service operator.

Another key advantage of the Proposed Acquisition lies in pivoting the Company from the traditional real estate model, which is largely one-off in nature with limited post-sale monetisation beyond management fees, to recurring digital medical and health management services.

By embedding digital medical and health management services into its communities, the Group can convert one-time purchasers into long-term users of recurring health and life-service packages (including family health plans, elder care programmes and chronic disease management services), thereby extending the economic life-cycle of its projects and gradually building a base of recurring, service-based revenues which are less correlated with property cycles.

Moreover, purely online medical platforms like Doctor Chunyu often face user trust and engagement challenges due to a lack of physical presence. By anchoring Doctor Chunyu's services in the Group's professionally managed community spaces and utilising property management staff to facilitate triage, guidance and follow-up, the Group can enhance user confidence in the reliability and legitimacy of online medical services, reduce barriers to access and support long-term care continuity. This O2O hybrid approach is expected to drive higher utilisation of telemedicine, improve user retention and deepen monetisation of the Target Group's existing user base.

The Group has already identified several concrete synergy pathways following Completion, including (i) the joint development of community health centres and O2O service points in selected projects, (ii) the co-design of tiered health membership programmes that can be bundled into new property offerings or offered as optional upgrades to existing residents, and (iii) the exploration, over time, of data- and AI-driven services such as city-level AI health services, "insurance plus health management" products and integrated rehabilitation and long-term care offerings. These potential services are expected to be asset-light and scalable, complementing the Group's asset-heavy business and, if successfully executed, improving the Group's overall margin and growth profile. At the same time, projects that incorporate high-quality health and medical services generally exhibit stronger occupancy, more resilient cash flows and, in some cases, valuation premiums. The Board therefore expects that such integration, over the medium to long term, may help support value preservation and a potential re-rating of the Group's property portfolio.

From a financial standpoint, while the Target Group's current revenue is modest relative to the Group, its business model is inherently scalable and oriented towards recurring and platform-based income streams, including consultation fees, health management services and digital marketing solutions for pharmaceutical and healthcare clients. With appropriate investment, integration into the Group's ecosystem and the leveraging of the Group's community and corporate client resources, the Board believes the Target Group has the potential to become a meaningful contributor of more stable, counter-cyclical revenue to the Group over time, thereby enhancing revenue visibility, improving margin quality, and smoothing the Group's earnings profile as compared with more cyclical development income.

The Directors confirm that, as at the Latest Practicable Date, the Board and the senior management of the Company are primarily experienced in the Group's existing businesses (including property development, property investment and property management) and do not have material prior working experience or professional qualifications that are directly and specifically related to the operation of digital medical services platforms, internet hospital services or value-added telecommunications services.

The Company has identified a current Group employee as a candidate for appointment as a Director of the Company, with prior experience as a healthcare industry analyst and assistant general manager at a renowned investment firm, since 2020, the identified candidate has been specialising in healthcare investment and strategic management., this candidate will play a core role in supporting the Company to discharge its oversight responsibilities for the Target Group, and will take the lead in driving and overseeing the design, formulation and effective implementation of the Target Group's internal control and risk management measures, tailoring such measures to the Target Group's business characteristics and industry risk profile.

Leveraging the candidate's medical industry expertise, the Company will integrate their insights into the full operationalisation of the oversight and monitoring, the candidate will provide industry specific guidance for the Board's exercise of control over the Target Group, assist in defining the scope, frequency and key industry metrics of the Target Group's regular operational and financial reporting lines, and lead the alignment of the Target Group's internal control and risk management measures with both the Company's overall corporate standards and the regulatory and operational requirements of the medical sector. This arrangement effectively addresses the current gap in relevant industry experience within the Board and senior management, and ensures the Company has a robust, industry-informed framework to duly discharge all oversight and monitoring duties in respect of the Target Group's operations post-Completion.

To maintain the existing business scale of the Target Group and to further expand its business following completion of the Proposed Acquisition, the Company intends to retain the existing management team of the Target Group, while engaging additional industry experts and professionals to assist in the operation and management of the Target Group's digital medical services business. The operation of the Target Group will be overseen and monitored by the Company through (i) the Buyer's control over the Target Group's board and senior management appointment rights upon Completion and, where applicable, the governance and control mechanisms under the VIE Contracts (including the WFOE's ability to appoint directors/senior management of the PRC Holdco and to review its books and records), (ii) establishment of clear reporting lines requiring the Target Group's management to provide regular operational and financial reports (including KPIs such as user growth, consultation volume, revenue mix, customer acquisition cost and compliance incidents) to the Board and designated management committee of the Company, (iii) implementation of internal control and risk management measures (including approval matrices for material expenditures, contracts, investments, financing, data/security matters and related-party transactions (if any)), and (iv) ongoing compliance monitoring with the assistance of external professional advisers (including PRC legal advisers and compliance consultants) in respect of sector-specific regulatory requirements such as ICP/value-added telecommunications permits, internet hospital licences, medical advertising/marketing rules and personal information/data protection requirements. The Board believes that preserving the Target Group's existing operational knowhow, while introducing additional expertise and leveraging the Group's resources, will facilitate a smooth integration and support the long-term growth of the Target Group.

In line with the Group's strategy and to maximise synergistic value, the Company is in discussions with two of the remaining shareholders of the Target Company (the "**Remaining Shareholders**"), who collectively hold approximately 12.76% of the Target Company (the "**Remaining Shares**"). The Company and the Remaining Shareholders have expressed an intention to enter into a separate sale and purchase agreement for the Remaining Shares, with terms and conditions substantially consistent with those of the Share SPA and/or the Cash SPA (as applicable). The Company will make a further announcement to inform its Shareholders in compliance with the Listing Rules as and when appropriate or required.

Having considered the foregoing, the Directors are of the view that (i) the terms of the Agreements are fair and reasonable; and (ii) the Proposed Acquisition is consistent with the Group's strategic development plan, will broaden the Group's revenue base and enhance its long-term competitiveness, and is therefore in the interests of the Company and its Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there will be no change in the share capital of the Company between the Latest Practicable Date and the Completion, set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after the Completion.

Controlling Shareholder, Substantial Shareholders and Directors	As at the Latest Practicable Date and immediately before the completion of the Proposed Acquisition		Immediately following the completion of the Proposed Acquisition	
	No. of Shares	*Approximate % of Shares in issue*	*No. of Shares*	*Approximate % of Shares in issue*
Wintime Company Limited *(Note 1)*	1,434,421,537	44.56%	1,434,421,537	42.61%
Gang Rui International Investment (HK) Limited *(Note 2)*	381,738,927	11.86%	381,738,927	11.34%
Sun Zhongmin	136,752,350	4.25%	136,752,350	4.06%
Public Shareholders				
Vendor 1	–	–	18,401,113	0.55%
Vendor 2	–	–	8,837,580	0.26%
Vendor 3	–	–	9,184,930	0.27%
Vendor 4	–	–	12,047,138	0.36%
Vendor 5	–	–	706,186	0.02%
Vendor 6	–	–	784,692	0.02%
Vendor 7	–	–	3,531,493	0.10%
Vendor 8	–	–	2,354,454	0.07%
Vendor 9	–	–	9,546,401	0.28%
Vendor 10	–	–	26,344,430	0.78%
Vendor 11	–	–	12,808,297	0.38%
Vendor 12	–	–	3,246,081	0.10%
Vendor 13	–	–	1,081,964	0.03%
Vendor 14	–	–	26,789,490	0.80%
Vendor 15	–	–	9,777,968	0.29%
Vendor 16	–	–	1,950,812	0.06%
sub-total	–	–	147,393,029.00	4.38%
Other Public Shareholders	1,266,461,172	39.34%	1,266,461,172	37.62%
Total	3,219,373,986	100.00%	3,366,767,015	100.00%

Notes:

1. Wintime Company Limited is interested in 1,434,421,537 shares and 1,322,317,340 underlying shares pursuant to convertible bonds in the principal amount of HK$1,057,853,872 issued by the Company at conversion price of HK$0.80 per share on 17 August 2018 and 31 December 2021. Wintime Company Limited is wholly-owned by Widewealth Company Limited, the holding vehicle incorporated in the British Virgin Islands used by Trident Trust Company (B.V.I.) Limited, the trustee of a discretionary trust, namely St. Heliers Trust, of which Mr. Wei Chunxian is the settlor and a beneficiary. Accordingly, each of Widewealth Company Limited and Mr. Wei Chunxian is deemed to be interested in the shares and underlying shares held by Wintime Company Limited under the SFO.

2. 381,738,927 shares are held by Gang Rui International Investment (HK) Limited. Gang Rui International Investment (HK) Limited is owned as to 90% and 10% by Beijing Guorui Real Estate Development Co. Limited* (北京國銳房地產開發有限公司) and Future Glow Ventures Inc. respectively. Future Glow Ventures Inc. is wholly-owned by Mr. Wei Chunxian. Beijing Guorui Real Estate Development Co. Limited* (北京國銳房地產開發有限公司) is directly wholly-owned by Beijing Guorui Holdings Company Limited* (北京國銳控股有限公司), which is in turn wholly-owned by Beijing Qingquan Ruiyuan Business Management Co., Ltd.* (北京清泉銳遠商業管理有限公司), which is in turn wholly-owned by Beijing Ruilong Business Management Co., Ltd.* (北京銳隆商業管理有限公司), which is in turn wholly-owned by Beijing Guorui Enterprise Management Group Co., Ltd.* (北京國銳 企業管理集團有限公司), which is in turn wholly-owned by Beijing Gangrui Enterprise Management Development Co., Ltd.* (北京港銳企業管理發展有限公司), which is in turn wholly-owned by Beijing Guorui Chuangxiang Business Management Co., Ltd.* (北京國銳創享商業管理有限公 司), which is in turn wholly-owned by GR CREATIVITY LIMITED (國銳創享有限公司), which is in turn wholly-owned by Wish Diligence Ltd (望勤有限公司), which is ultimately owned by Mr. Wei Chunxian (through Fair Development Holdings Ltd, a company wholly-owned by Mr. Wei Chunxian), Mr. Sun Zhongmin and an independent third party as to 82%, 9% and 9%, respectively. Each of Wish Diligence Ltd (望勤有限公司), Fair Development Holdings Ltd and Mr. Wei Chunxian is deemed to be interested in the Shares held by Gang Rui International Investment (HK) Limited under the SFO.

APPLICATION FOR LISTING

Applications will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under of the Listing Rules) in respect of the Proposed Acquisition exceed 5% but are less than 25%, the Proposed Acquisition constitutes a discloseable transaction of the Company under the Listing Rules and is therefore subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

SPECIFIC MANDATE AND THE EGM

The Company will seek the approval of the Specific Mandate from the Shareholders at the EGM to issue the Consideration Shares.

The Company will convene the EGM at 7/F, Wheelock House, 20 Pedder Street, Central, Hong Kong on Monday, 11 May 2026 at 4:00 p.m. to consider and, if thought fit, grant of the Specific Mandates to allot and issue the Conversion Shares. The EGM Notice is set out on pages EGM-1 to EGM-2 of this circular.

As at the Latest Practicable Date, to the best knowledge of the Directors and having made all reasonable enquiries, no Shareholder has any material interest in the Proposed Acquisition and the transactions contemplated thereunder (including the grant of the Specific Mandate to allot and issue the Consideration Shares). As such, no Shareholder is required to abstain from voting on the resolution in relation thereto at the EGM.

A form of proxy for the EGM is enclosed. Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and deposit the same at the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM (i.e. not later than Saturday, 9 May 2026 at 4:00 p.m.). Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM, or any adjournment thereof, should you so wish. The Company strongly advises Shareholders to appoint the chairman of the EGM as their proxy to vote on the relevant resolution as an alternative to attending the EGM in person.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll, except where the chairman of the EGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, all resolutions proposed at the EGM shall be voted by poll.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 6 May 2026 to Monday, 11 May 2026, both days inclusive, for the purpose of ascertaining Shareholders' entitlement to attend and vote at the EGM. In order to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than Tuesday, 5 May 2026 at 4:30 p.m. The record date for determining the eligibility of the Shareholders for attending and voting at the EGM is Monday, 11 May 2026.

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the terms of the Proposed Acquisition and the transactions contemplated thereunder (including the issue of the grant of the Specific Mandate to allot and issue the Consideration Shares) are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend Shareholders to vote in favour of the resolutions to be proposed at the EGM.

By order of the Board
GR Life Style Company Limited
Wei Chunxian
Chairman

GR Life Style
国锐生活

GR LIFE STYLE COMPANY LIMITED
國銳生活有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 108)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of GR Life Style Company Limited (the "**Company**") will be held at 7/F, Wheelock House, 20 Pedder Street, Central, Hong Kong on Monday, 11 May 2026 at 4:00 p.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolution:

ORDINARY RESOLUTION

"**THAT** upon the Listing Committee of the Stock Exchange granting and not having withdrawn or revoked the approval for the listing of, and permission to deal in the Consideration Shares prior to settlement of the Consideration Shares, the Directors be and are hereby granted a specific mandate to allot and issue the Consideration Shares in accordance with the terms of the Agreements (as defined in the Circular), provided that this specific mandate shall be in addition to, and shall not prejudice nor revoke any existing or such other general or specific mandates which may from time to time be granted to the Directors prior to the passing of this resolution"

By order of the Board
GR Life Style Company Limited
Wei Chunxian
Chairman

Hong Kong, 20 April 2026

Registered Office and the Principal Place of Business in Hong Kong:
Unit 1802, 18/F, Ruttonjee House,
Ruttonjee Centre,
11 Duddell Street, Central,
Hong Kong

Notes:

(1) The resolutions put to vote at the meeting will be taken by poll except where the chairman of the Meeting, in good faith, decides to allow a resolution which relates to purely a procedural or administrative matter to be voted on by a show of hands in accordance with 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) Any member of the Company entitled to attend and vote at the meeting (or any adjournment thereof) is entitled to appoint one or more proxies to attend and, on a poll, vote in his stead in accordance with the articles of association of the Company. A proxy needs not be a member of the Company.

(3) In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, at the Company's share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not later than Saturday, 9 May 2026 at 4:00 p.m. (Hong Kong Time) (i.e. at least 48 hours (excluding any part of a day that is a public holiday) before the time appointed for holding this Meeting or adjourned meeting (as the case may be)). Completion and return of a form of proxy will not preclude a member from attending in person and voting at the meeting or any adjournment thereof, should he/she/it so wish and in such event, the form of proxy shall be deemed to be revoked.

(4) In the case of joint holders of Share(s) of the Company, any one of such holders may vote at the meeting, either personally or by proxy, in respect of such Share(s) as if he/she/it was solely entitled thereto, but if more than one of such joint holders are present at the Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Share(s) shall alone be entitled to vote in respect thereof.

(5) For determining the entitlement to attend and vote at the above Meeting, the register of members of the Company will be closed from Wednesday, 6 May 2026 to Monday, 11 May 2026, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 5 May 2026.