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Attn.: Mr. Yiu Wang Lee, Director

Alliance Capital Partners Limited
Unit 03, 7/F, Worldwide House
19 Des Voeux Road Central
Hong Kong

Attn.: Sponsor team

Dear Sirs / Madams,

**REPORT FOR INDEPENDENT REVIEW ON AGREED-UPON PROCEDURES BASIS WITH EXPERT
OPINION OVER ADEQUACY AND EFFECTIVENESS OF THE ENHANCED INTERNAL CONTROL
MECHANISM OVER WORK SAFETY MANAGEMENT**

We, Forvis Mazars Risk Advisory Services Limited ("Forvis Mazars RAS") (hereafter referred to as "we", "us" or "our Firm") (formerly known as "Mazars Risk Advisory Services Limited"), have been engaged by Wing Lee Development Construction Holdings Limited (the "Company") to perform an independent review on an agreed-upon procedures basis with expert opinion (the "Independent Review") over adequacy and effectiveness of the enhanced internal control mechanism (hereafter, "ICM") of the Company and its subsidiaries (collectively, the "Group") over work safety management identified for the period 25 April 2024 to 30 June 2024 (hereafter, defined as the "Review Period"), and accordingly, assess the adequacy and effectiveness of the Group's enhanced internal control mechanism over work safety management as of 30 June 2024 as per the engagement letter between the Company and Forvis Mazars RAS dated 29 July 2024 (the "Engagement Letter").

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1. Scope of Work and Timetable

- 1.1. For scope of work of agreed-upon procedures with expert opinion over adequacy and effectiveness of the Enhanced Internal Control Mechanism over work safety management of the 6 Business Units of the Group (the "6 Business Units") as set out below:

The 6 Business Units:

- 榮利建築有限公司
- 泰山建築工程有限公司
- 榮利新能源有限公司 (前名為森興建築工程有限公司)
- 森興貿易有限公司(前名為森興工程有限公司)
- 榮利發展(國際) 有限公司
- 基碩建築工程有限公司

Agreed-upon procedures:

1. The Company to provide the "Project List" (including but not limited to the project code, contract number, contract date, project name, company name, customer name, project position, contract period, actual start work date, actual end work date etc.) for the period from 25 April 2024 to 30 June 2024 of 6 Business Units, and the Company to confirm the completeness of "Project List" in writing.
 2. The Company to provide written confirmation of the implementation date of the enhanced internal control measures over work safety management under "貴集團工作安全管理之強化內控措施詳情".
 3. Based on the "Project List" provided by the Company for the period from 25 April 2024 to 30 June 2024 of 6 Business Units, conduct samples selection from the effective date of the enhanced internal control measures of work safety management as advised by the Company as stated in point 2 above, and obtain relevant supporting documents to check whether point 2 and point 3 of the enhanced internal control measures over work safety measures under "貴集團工作安全管理之強化內控措施詳情".
 4. Check whether the relevant measures of the enhanced internal control measures of work safety management under "貴集團工作安全管理之強化內控措施詳情" have been implemented, and correspondingly update the "工程監督與管理制度".
 5. The Company to provide the "工傷列表" (including but not limited to company name, date of the work injury, reason of work injury etc.) for the period from 25 April 2024 to 30 June 2024 of 6 Business Units, and the Company to confirm the completeness of "工傷列表" in writing.
 6. Based on the "工傷列表" provided by the Company, to check whether there are work injury case occurred after the effective date of the enhance internal control measures over work safety management.
- 1.2. We conducted our work of Independent Review between 25 May 2024 and 30 June 2024 to verify the adequacy and effectiveness of the enhanced internal control mechanism over work safety management of the 6 Business Units of the Group of the abovementioned areas. No attempt has been made to update this Report for events or transactions occurring subsequent to the date of completion of our work of Independent Review.

2. Approach

2.1 According to the work approach as agreed between the Company and us, we performed the following steps:

- i. Enquired with the Group's management and/or respective process owners to obtain an understanding of the Group's current practice and existing control procedures over the processes under review, and then, identified the key internal control procedures and system design deficiencies of ICM;
- ii. Performed walkthrough tests on the internal control procedures identified in step (i) above to confirm our understanding of the processes and check if the said control procedures exist as designed;
- iii. Performed sample testing on the key internal control procedures identified in step (i) above to ascertain if the said key internal control procedures have been implemented as designed;
- iv. Communicated with management and relevant process owners to address the deficiencies identified from the abovementioned steps and recommend, if necessary, for remedial actions to be taken (if applicable); and
- v. Followed up the implementation status of the recommendations to ensure that the internal control measures as for ICM are adequate and effective (if applicable).

2.2 In this Independent Review, adequacy and effectiveness of the enhanced internal control measures as for ICM are assessed based on the criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013 (the "COSO 2013 Criteria").

3. Responsibility of Management

- 3.1 Management is responsible for establishing and maintaining effective internal control system, including, without limitation, system designed to ensure compliance with policies, procedures, applicable laws and regulations and COSO 2013 Criteria.
- 3.2 It is understood and agreed that our services may include advice and recommendations, but all decisions in connection with the implementation of such advice and recommendations shall be the responsibility of, and made by, management.
- 3.3 Management should ensure that all records, documentation, and information we reasonably request in connection with our work will be made available to us, and that all material information will be disclosed to us, and we will have full cooperation of management personnel.
- 3.4 Management is responsible to communicate significant internal issues, if any, with our Firm, the Group's external auditors, the Audit Committee, and the relevant regulators on a timely basis, as and when necessary.

4. Limitations of Scope of Work

- 4.1 Your attention is drawn to the fact that the scope of the procedures performed in our Independent Review is limited to the areas of internal controls as specified in Section 1.1 mentioned above. As such, this Independent Review report is not a comprehensive document covering all internal control weaknesses and improvement opportunities across the Group's businesses.
- 4.2 Due to inherent limitations of the structure of any internal control system, management understands that it is impossible for us to foresee all possible risks and internal control weaknesses in relation to the ICM issues, and our deliverable is not necessarily a comprehensive document covering all possible deficiencies in internal controls in regard to ICM issues across the Group's businesses.
- 4.3 Because of the inherent limitations of an Independent Review, the Independent Review may not prevent or detect all possible ICM issues. Also, projections of any evaluation of system effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate; or that the breakdown of internal controls due to occurrence of errors and irregularities may occur and not be detected. Additionally, internal control system as for ICM cannot guarantee protection against fraudulent collusion.
- 4.4 We cannot guarantee that the regulatory authorities would not reach an alternative conclusion, as it is dependent upon their own interpretation of effective internal controls and prevailing industry practices. Further, it is the responsibility of management and the Sponsor to decide whether or not the scope of work and the result of this Independent Review are sufficient to support them in reaching a conclusion of the effectiveness of the Group's internal control system as for ICM.
- 4.5 Due to the limitation of the effective date of the implementation date of the enhanced internal control measures, which was 16 June 2024, there was no sample available for our verification for the agreed-upon procedures point A1 and A2.

5. Agreed-upon Procedures Review Result

Matters of independent review	Enhanced internal control measures	Internal control review result
Enhanced Internal Control Mechanism over work safety management	<ul style="list-style-type: none"> Update the “工程監督與管理制度” and include the enhanced internal control mechanism as below. 	<ul style="list-style-type: none"> The Company has provided a set of updated "工程監督與管理制度". The updated "工程監督與管理制度" have included the enhanced internal control mechanism, included: <ul style="list-style-type: none"> A. <u>As main contractor:</u> <ul style="list-style-type: none"> In the event of a work-related injury, the management shall hold a briefing with the relevant on-site personnel to understand the cause of the accident and any safety-related violations, and remind the on-site workers (including employees and subcontractors) to raise their awareness of occupational safety and health; To prepare a summary of the work-related injuries to record work-related injury that have occurred, and review by the management on a regular basis; and To review and assess the safety policies on a monthly basis by the management. B. <u>As subcontractor:</u> <ul style="list-style-type: none"> In the event of a work-related injury, the management shall hold a briefing with the relevant on-site personnel to understand the cause of the accident and any safety-related violations, and remind the on-site workers (including employees and subcontractors) to raise their awareness of occupational safety and health; To prepare a summary of the work-related injuries to record work-related injury that have occurred, and review by the management on a regular basis; and To review and assess the safety policies on a monthly basis by the management. Prior to commencing construction work, to evaluate the insurance coverage of the main contractor to ensure that there is adequate insurance coverage for the employees. <p>The updated "工程監督與管理制度" is approved by the Executive Director and effective since 16 June 2024.</p>

5. Agreed-upon Procedures Review Result (Cont'd)

Matters of independent review	Enhanced internal control measures	Internal control review result
Enhanced Internal Control Mechanism over work safety management (cont'd)	<p>A. <u>As main contractor</u>:</p> <ol style="list-style-type: none"> 1. In the event of a work-related injury, the management shall hold a briefing with the relevant on-site personnel to understand the cause of the accident and any safety-related violations, and remind the on-site workers (including employees and subcontractors) to raise their awareness of occupational safety and health; 2. To prepare a summary of the work-related injuries to record work-related injury that have occurred, and review by the management on a regular basis; and 3. To review and assess the safety policies on a monthly basis by the management. 	<ul style="list-style-type: none"> • The Company has provided "Project List" as at 30 June 2024 of the 6 Business Units on 30 July 2024. The Company provided written confirmation to confirm the completeness of the "Project List" as at 30 June 2024 through email on 31 July 2024. • The Company has provided "工傷列表" as at 30 June 2024 of the 6 Business Units on 25 July 2024. The Company provided written confirmation to confirm the completeness of the "工傷列表" as at 30 June 2024 through email on 31 July 2024. Based on the "工傷列表" as at 30 June 2024, there was only 1 case of work-related injury between the period from 16 June 2024 to 30 June 2024, and which the Company act as subcontractor. • During the course of our internal control review: <ol style="list-style-type: none"> 1. The Company further provided written confirmation to confirm that there was only 1 contract awarded between the period from 16 June 2024 to 30 June 2024, which the Company act as subcontractor. Due to the limitation of the effective date of the implementation date of the enhanced internal control measures, which was 16 June 2024, there was no sample available for our verification for the agreed-upon procedures point A1. 2. Based on the "工傷列表" as at 30 June 2024, there was only 1 case of work-related injury between the period from 16 June 2024 to 30 June 2024, and which the Company act as subcontractor. Due to the limitation of the effective date of the implementation date of the enhanced internal control measures, which was 16 June 2024, there was no sample available for our verification for the agreed-upon procedures point A1.

5. Agreed-upon Procedures Review Result (Cont'd)

Matters of independent review	Enhanced internal control measures	Internal control review result
Enhanced Internal Control Mechanism over work safety management (cont'd)	B. <u>As main contractor</u> :	3. We have obtained a “安全政策審查及評估”. The “安全政策審查及評估” recorded the content reviewed, reason of review and the follow-up action after the review. The “安全政策審查及評估” is signed by the Executive Director on 30 June 2024 as written evidence of review.

5. Agreed-upon Procedures Review Result (Cont'd)

Matters of independent review	Enhanced internal control measures	Internal control review result
Enhanced Internal Control Mechanism over work safety management (cont'd)	<p>C. <u>As subcontractor:</u></p> <ol style="list-style-type: none"> 1. In the event of a work-related injury, the management shall hold a briefing with the relevant on-site personnel to understand the cause of the accident and any safety-related violations, and remind the on-site workers (including employees and subcontractors) to raise their awareness of occupational safety and health; 2. To prepare a summary of the work-related injuries to record work-related injury that have occurred, and review by the management on a regular basis; and 3. To review and assess the safety policies on a monthly basis by the management. 4. Prior to commencing construction work, to evaluate the insurance coverage of the main contractor to ensure that there is adequate insurance coverage for the employees. 	<ul style="list-style-type: none"> • The Company has provided "Project List" as at 30 June 2024 of the 6 Business Units on 30 July 2024. The Company provided written confirmation to confirm the completeness of the "Project List" as at 30 June 2024 through email on 31 July 2024. The Company further provided written confirmation to confirm that there was only 1 contract awarded between the period from 16 June 2024 to 30 June 2024, which the Company act as subcontractor. • The Company has provided "工傷列表" as at 30 June 2024 of the 6 Business Units on 25 July 2024. The Company provided written confirmation to confirm the completeness of the "工傷列表" as at 30 June 2024 through email on 31 July 2024. Based on the "工傷列表" as at 30 June 2024, there was only 1 case of work-related injury between the period from 16 June 2024 to 30 June 2024, and which the Company act as subcontractor. • During the course of our internal control review: <ol style="list-style-type: none"> 1. We have obtained a safety training attendance record of Wing Lee Construction Company Limited dated 17 June 2024. It shown that a safety training was conducted by the Safety Supervisor on 17 June 2024 with the relevant on-site personnel to understand the cause of the accident and any safety-related violations, and remind the on-site workers to raise their awareness of occupational safety and health.

5. Agreed-upon Procedures Review Result (Cont'd)

Matters of independent review	Enhanced internal control measures	Internal control review result
Enhanced Internal Control Mechanism over work safety management (cont'd)	D. <u>As subcontractor:</u>	<ul style="list-style-type: none"> • During the course of our internal control review: (cont'd) 2. We have obtained a “工傷事故編制匯總”. The “工傷事故編制匯總” included the name of the injured staff, the date of injuries, the type of injuries, the cause of the accident, any safety-related violations, the follow-up action to be performed, the responsible personnel for the follow-up action and the status of the follow-up action. The “工傷事故編制匯總” is signed by the Executive Director and dated 20 June 2024 as written evidence of review. 3. We have obtained a “總承辦商保險評估表”. The “總承辦商保險評估表” included the assessment over the term of the insurance acquired by the main contractor, the insurance coverage and the relevant compensation. The “總承辦商保險評估表” is signed by the Executive Director and dated 20 June 2024 as written evidence of review. 4. We have obtained a “安全政策審查及評估”. The “安全政策審查及評估” recorded the content reviewed, reason of review and the follow-up action after the review. The “安全政策審查及評估” is signed by the Executive Director on 30 June 2024 as written evidence of review.

6. Conclusion

- 6.1. Based on the results of our Independent Review with respect to the enhanced internal control mechanism as for ICM under review, we conclude that, as of 30 June 2024, we did not identify any material internal control deficiencies of the enhanced internal control mechanism over work safety management of the 6 Business Units of the Group.

Yours faithfully,



Adele Yim, Director and Head of Risk Advisory Services, for and on behalf of
Forvis Mazars Risk Advisory Services Limited