



18 September 2025

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

**DISCLOSEABLE TRANSACTION IN RELATION TO THE
CONSTRUCTION SERVICE CONTRACT**

A. INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Discloseable Transaction (as defined below), the details of which are set out in the “Letter from the Board” contained in the circular of the Company to the Shareholders dated 18 September 2025 (the “Circular”), of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

The Company announced on 26 May 2025 (the “DT Announcement”) that on 25 May 2025, DGC, an indirect non-wholly-owned subsidiary of the Company, has entered into the Construction Contract with Juneng Construction (as contractor), pursuant to which Juneng Construction shall provide certain construction services to DGC in respect of the Construction Facility at a total contract sum of RMB80 million (the “Discloseable Transaction”).

As stated in the DT Announcement, the Discloseable Transaction constituted a discloseable transaction of the Company and was subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. Nevertheless, the Company resolved to voluntarily follow the reporting, circular and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules for good corporate governance practice. Correspondingly, the Independent Board Committee comprising Professor Hua Qiang, Mr. Sun Mingdao and Ms. Sze Tak On (all being independent non-executive Directors) has been established to advise the Independent Shareholders on whether the terms of the Construction Contract are on normal commercial terms and are fair and reasonable, and the entering into of the Discloseable Transaction is in the interests of the Company and the Shareholders as a whole. We, Central China International Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

As at the Latest Practicable Date, we did not have any relationships or interests with the Company or any other parties that could reasonably be regarded as hindrance to our independence as defined under Rule 13.84 of the Listing Rules. Apart from normal professional fees paid or payable to us in connection with our appointment as the Independent Financial Adviser, no arrangement exists whereby we had received or will receive any fees or benefits from the Company or any other party to the transactions. Accordingly, we consider we are eligible to give independent advice in respect of the Discloseable Transaction.

B. BASIS OF OUR OPINION

In forming our opinion and recommendation, we have relied on (i) the information, facts and representations and opinions contained or referred to in the Circular, (ii) the information and facts provided by the Company, its advisers, the executive Directors and the management of the Company and its subsidiaries (the “Management”), (iii) the representations and opinions of the Directors and the Management, and (iv) our review of relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the date of the Circular, and that all such statements of belief, opinions, expectations and intention of the Directors and the Management and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have sought and received confirmation from the Company that no material facts have been withheld or omitted from the information and representations provided and the opinions expressed, and that all information, facts, representations and opinions provided/expressed to us are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the date of the Circular. We have no reason to doubt the truth, accuracy and completeness of the information, facts, representations and opinions provided to us by the Directors and the Management and/or the advisers of the Company, or that any relevant material facts have been withheld or omitted from the information provided, or the reasonableness of the opinions and representations provided/expressed to us by the Directors and the Management.

We consider that we have been provided with sufficient information currently available and have taken all reasonable steps to reach an informed view and to provide a reasonable basis for our opinion in compliance with Rule 13.80 of the Listing Rules. We however have not conducted any independent verification of the information included in the Circular and/or provided to us by the Company, its advisers, the Directors and the Management, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company or DGC or any of their respective subsidiaries or associates.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, that to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other facts the omission of which would make any statement in the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

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

C. PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion regarding the Discloseable Transaction, we have taken into consideration the principal factors and reasons as set out below.

1. Background Information

1.1 Background of the Group

The Company is an investment holding company which, through its subsidiaries, is principally engaged in the manufacture and sale of cornstarch, lysine, starch-based sweetener, modified starch and ancillary corn-based and corn-refined products in the PRC. Set out below is a summary of the consolidated statements of profit or loss of the Company for each of the three years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025, as extracted from the annual and interim reports of the Company for the corresponding financial years/periods:

	For the six months ended 30 June		For the year ended 31 December		
	2025 (unaudited) (RMB'000)	2024 (unaudited) (RMB'000)	2024 (audited) (RMB'000)	2023 (audited) (RMB'000)	2022 (audited) (RMB'000)
Revenue					
– Upstream products (cornstarch and ancillary corn-refined products)	3,149,725	3,524,090	7,007,884	8,596,863	8,705,998
– Fermented and downstream products (lysine, starch-based sweetener, modified starch and others)	<u>1,965,127</u>	<u>2,121,424</u>	<u>4,407,871</u>	<u>3,200,671</u>	<u>3,242,854</u>
	5,114,852	5,645,514	11,415,755	11,797,534	11,948,852
Cost of sales	(4,686,096)	(5,138,334)	(10,252,508)	(11,240,962)	10,758,377
Gross profit	428,756	507,180	1,163,247	556,572	1,190,475
Profit for the year/period attributable to owners of the Company	151,390	214,659	482,253	107,959	352,009

Based on publicly available information and as confirmed by the Management, the Group's cornstarch production is principally carried out by DGC and another wholly-owned subsidiary of the Company located in Shouguang, Shandong. According to the annual report of the Company for the year ended 31 December 2024, as at 31 December 2024 the Group had an aggregate annual cornstarch production capacity of 2,800,000 tonnes, in which 1,000,000 tonnes was attributed to DGC.

1.2 Background of the parties to the Construction Contract

DGC

Linqing Deneng Golden Corn Bio Limited* (“DGC”) is a company incorporated in the PRC and an indirect non-wholly-owned subsidiary of the Company. DGC is principally engaged in manufacturing and sale of cornstarch, starch-based sweetener and related products with its production base situated in Linqing City, Shangdong Province, the PRC. As previously disclosed in the announcement of the Company dated 20 February 2025 (the “**Voluntary Announcement**”), DGC operates two cornstarch production lines with annual cornstarch production capacities of 450,000 tonnes (the “**DGC 1st Production Line**”) and 550,000 tonnes, respectively.

Juneng Construction

As disclosed in the “Letter from the Board” in the Circular, Juneng Construction is a company incorporated in the PRC and is principally engaged in the construction of buildings, municipal roads, landscaping, electrical installations, pipeline and equipment installation, building decoration and the sales of building materials, hardware, electrical equipment and interior decoration materials.

Juneng Construction is a subsidiary of Juneng Group, which in turn is beneficially owned as to 26% by Mr. Tian Qixiang (Chairman of the Board and an executive Director), 8% by Mr. Yu Yingquan (an executive Director) and his associates, 4% by Mr. Gao Shijun (Chief Executive Officer of the Company and an executive Director), and 3% by Mr. Liu Xianggang (an executive Director), each also being a director of Juneng Group. The remaining 59% of the shareholding of Juneng Group is owned by 31 other companies (which are in turn held by third party individuals independent of the Company and its connected persons). Neither Juneng Construction nor Juneng Group is an associate of any connected person(s) of the Company under Chapter 14A of the Listing Rules.

As further disclosed in the “Letter from the Board” in the Circular, none of Mr. Tian Qixiang, Mr. Yu Yingquan, Mr. Gao Shijun and Mr. Liu Xianggang is (i) on the board of directors of Juneng Construction; and (ii) able to control the board of directors of Juneng Group.

2. Reasons for entering into the Construction Contract

The Company first announced its intention to increase its overall cornstarch production capacity on 20 February 2025 through the Voluntary Announcement. As disclosed in the Voluntary Announcement, DGC intends to initiate a modification and expansion of its production plant (the “**Cornstarch Production Project**”), which would involve the demolition and re-construction of certain existing production workshops, warehouses and supporting facilities, as well as the demolition of the DGC 1st Production Line to be replaced with a newly constructed production line with annual production capacity of 1,000,000 tonnes. According to the Company, upon completion of the Cornstarch Production Project, the annual cornstarch production capacity of DGC will increase to 1,550,000 tonnes.

On the back of this expansion plan, the Company announced on 26 May 2025 that DGC had entered into the Construction Contract with Juneng Construction for the construction of certain buildings and structures (including the installation of ancillary water, electricity and heating systems) (the “**Construction Facility**”), which forms an integral part of the Cornstarch Production Project, providing essential infrastructure such as modernised workshops and expanded warehouses, for supporting expanded production line and the implementation of modernised processes under the Cornstarch Production Project.

As a means of validating the reason(s) for initiating the Cornstarch Production Project (of which the construction of the Construction Facility and the entering into of the Construction Contract form part), we have obtained and reviewed relevant schedule provided by the Management on DGC’s monthly cornstarch production capacity utilization in 2024, and noted that throughout the year, the monthly capacity utilization rates were either close to or already exceeded full capacity. We have also noted that the Company was ranked fourth in term of cornstarch production volume in the PRC for two consecutive years of 2022 and 2023, but fell one place to fifth in 2024, as quoted from the “2025 China Corn Market and Cornstarch Industry Annual Analysis and Projection Report*” (《2025 中國玉米市場和澱粉行業年度分析及預測報告》) jointly published by the China Cornstarch Industry Society* (中國澱粉工業協會) together with Beijing Eastern Aige Agricultural Advisory Co., Ltd.* (北京東方艾格農業諮詢有限公司) and China Everbright Futures Co., Ltd.* (光大期貨有限公司). We further understood from the Management that the DGC 1st Production Line was initially put into operation in 2006 and has been running for close to 20 years, making it increasingly technologically outdated and operationally inefficient. In this respect, we consider the Management’s view that the Cornstarch Production Project is a step for the Group to maintain its market leading position, remain sufficiently competitive to capture more market share, and to improve its operational and costing effectiveness to better withstand market demand and supply fluctuations to be reasonably substantiated.

On the basis of the foregoing, we consider that the construction of the Construction Facility (and correspondingly the entering into of the Construction Contract), which form an integral part of the Cornstarch Production Project, is supported by reasonable commercial grounds and is in the interest of the Group and the Shareholders as a whole.

3. The tendering and internal approval process

As disclosed in the DT Announcement, the Construction Contract between DGC and Juneng Construction (as contractor) was entered into after completion of the open tender process. As advised by the Management, a tender invitation with tender specifications and requirements was posted on the website of the Group to invite interested parties to participate, and a tender committee (the “**Tender Committee**”) comprising, among others, representatives from the Group’s infrastructure department and audit department, was established for the purpose of considering the tenders. Consequently a total of nine tenders were received, and the Tender Committee conducted interviews with each of the participating bidders and evaluated each respective bidding documents on both the technical and commercial aspects. After due consideration and deliberation, the Tender Committee collectively decided and selected Juneng Construction as the successful bidder, and such decision was submitted to relevant senior management designated with overall responsibility on infrastructure projects of the Group, who endorsed and approved the decision of the Tender Committee.

We have obtained and reviewed the respective bidding documents submitted by all nine bidders and noted that all bidding companies had provided documents in accordance with the requirements specified in the tender invitation. We have also obtained and reviewed the bidding comparison results of the Tender Committee and noted that all bidders were evaluated on the technical aspects including qualifications, proposed construction plan and technical applications, manpower allocation, historical safety records and track records of similar project undertakings; as well as commercial aspects including pricing quotation, payment terms and proposed construction period. We have further reviewed the collective conclusion drawn by the Tender Committee and found that unsuccessful bidders were rejected on the basis of uncompetitive pricing terms, failure to meet certain technical requirements, insufficient track records in undertaking similar projects, and/or over-reliance on subcontracting workers, while Juneng Construction was selected for reason that it has concurrently fulfilled all the technical and commercial requirements set by the Group.

In terms of internal procedural compliance, we have inspected the Group's internal Procurement Management Policy (《採購管理辦法》) and Tendering and Bidding Management Guidelines (《招投標管理辦法》) and found that the open tender process was conducted generally in line with the relevant internal procurement and bidding policies. Further, we have noted from the DT Announcement that each of Mr. Tian Qixiang, Mr. Yu Yingquan, Mr. Gao Shijun and Mr. Liu Xianggang, all being executive Directors, has abstained from the discussion and voting at the relevant Board meeting for considering and approving the Construction Contract and the transaction contemplated thereunder.

Having considered that (i) open tender process is generally considered to be an acceptable and relatively fair mechanism for corporate procurement activities and in line with commercial practice; (ii) the open tender process had successfully attracted a total of nine bidders to participate, which is relatively acceptable in terms of facilitating a competitive bidding process; (iii) Juneng Construction was selected through the collective decision of the Tender Committee on the back of a substantive evaluation against multiple factors encompassing both technical and commercial aspects; (iv) the open tender was conducted in accordance with the Group's internal policies, and all executive Directors have proactively abstained from voting at the relevant Board meeting to consider and approve the Construction Contract in view of their respective minority interests in Juneng Group, we consider that the open tender process, in which Juneng Construction was consequently selected, was reasonably conducted and is in the interest of the Company and the Shareholders as a whole.

4. The Construction Contract

Set out below are selected principal commercial terms of the Construction Contract as extracted/paraphrased from the "Letter from the Board" in the Circular:

Scope of work:	Construction of certain buildings and structures in respect of the Construction Facility, including the installation of ancillary water, electricity and heating systems.
Construction period:	Commencing from 1 July 2025 and expected to complete by 30 June 2026.
Warranty period:	Two years commencing from completion, examination and acceptance of the construction work.

Contract sum:

The contract sum of HK\$80,000,000 as specified in the Construction Contract was arrived at with reference to the average per square metre overall construction cost (inclusive of construction materials and labour, among other things) of production facilities previously undertaken by independent third party contractors for the Group, having considered the scope and terms of construction under the open tender, a 14% contract rebate offered by Juneng Construction under its bid for the open tender, and upon arm's length negotiations with Juneng Construction. The 14% contract rebate was one of the terms proposed by Juneng Construction when submitting their bids in response to DGC's open tender. The contract rebate is a necessary bidding term that all bidders are required to submit in their respective bids, as specified in the tender document issued by DGC for the construction services in respect of the Construction Facility.

The Construction Contract provides (i) that prices of construction materials to be benchmarked against market prices and/or pricing standards published by relevant pricing regulatory authorities and (ii) for standard charge rates for construction labour. Acceptable adjustments to the contract sum include the application of the agreed contract rebate and other factors such as (i) changes in PRC laws, regulations and policies affecting the contract sum; (ii) changes in pricing standards published by relevant pricing regulatory authorities; and (iii) changes in construction design, construction materials specifications and additional construction scope and technical implementations as required/accepted by DGC. A qualified cost consultant as designated by DGC will be engaged to conduct a cost audit to ascertain the final total settlement amount of the Construction Contract.

Based on the planned scope and scale of the Cornstarch Production Project, the Directors currently do not envisage any material changes to the construction design or additions to the construction scope which may result in the final total amount payable by DGC under the Construction Contract to be materially above the contract sum as specified in the Construction Contract. Premised on the above, the Board considers the contract sum to be fair and reasonable.

Payment terms:

Monthly progress payments:

- 70% of the actual construction work progress during the month, to be paid on or before the 20th day of the following month; with the remaining 30% to be withheld and settled in accordance with the following final payment arrangements;

Final payments (of the remaining 30%):

- up to 20% upon completion of the project settlement review and issuance of VAT invoice, with the remaining balance (10%) retained as quality guarantee deposit without interest;
- 5% after one year of normal operation of the Construction Facility; and
- balance 5% within 30 days after the expiration of the two-year warranty period, provided that the quality of the Construction Facility is satisfactory and there is no issue as to the quality of the Construction Facility.

We have reviewed the Construction Contract and noted that the scope of work would include, among other things, civil construction works for the construction of, among other things, a total of five multi-storey buildings for production, packaging, warehousing and electricity control, and six single-storey buildings/structures for storage purposes.

We note that as disclosed in the “Letter from the Board” in the Circular, the contract sum was arrived at with reference to the average per square metre overall construction cost (inclusive of construction materials and labour, among other things) of production facilities previously undertaken by independent third party contractors for the Group. In this connection, we have discussed with the Management on the selection of production facilities for comparison purpose and found them to be reasonable. We have further obtained and reviewed the Construction Settlement Document (工程決算書) (as verified by an external cost consultant firm) and the General Notes of Architectural Design (建築設計總說明) of the comparable structures to ascertain the identity and independence of the relevant contractors, as well as the calculation of the average per square metre overall construction cost used for comparison. In addition, we have obtained from the Management and reviewed the calculation of the average per square metre overall construction cost of the Construction Facility based on the contract sum of the Construction Contract, and found it to be relatively comparable to that of the comparable structures which were constructed by independent third party contractors. We also noted, from our review of the bidding documents submitted by the nine bidders (including Juneng Construction) and the bidding comparison results of the Tender Committee, that the 14% contract rebate offered by Juneng Construction as one of the required bidding terms lies within the range of rebates offered by the other bidders (which ranged from -12% (ie., a surcharge) to 22.6%), is higher than the average (of 11.8%) and is reasonably close to the median (of 15.2%). On such basis we consider the contract sum of the Construction Contract to be fair and reasonable, on normal commercial terms and in the interest of the Company and Shareholders as a whole.

We also noted that the Group intends to fund the contract sum by internal resources. We have accordingly reviewed the annual and interim reports of the Company for the recent two financial years ended 30 December 2023 and 2024 and the six months ended 30 June 2025, particularly its operating cashflow and cash and cash equivalents position, and consider that bar any unforeseen adverse circumstances, the Group should have sufficient cash and cash equivalence to support funding of the full contract sum.

To further assess the fairness and reasonableness of the contract terms of the Construction Contract, we have sample checked a number of discloseable transactions with comparable subject matter as announced by Hong Kong listed companies in the eight months of January to August 2025 (the “**Review Period**”). In this connection, we have conducted an exhaustive search for announcements posted on the website of the Stock Exchange under “Discloseable Transaction” with the headline keyword “construction” during the Review Period, and yielded a total of 31 discloseable transactions concerning construction contracts/projects which were first announced and/or entered into within the Review Period (i.e., excluding supplemental announcements of previously announced transactions and rectification announcements of previously undisclosed transactions that were entered into prior to the Review Period). Out of these 31 discloseable transactions, 21 were of subject matter considered to be incompatible with that of the Construction Contract (such as shipbuilding, new energy EPC projects, infrastructure construction, hotel and casino construction and interior work which concern considerably different work scopes, construction cycles, technical requirements, complexity and/or specifications) and were accordingly excluded from our comparison exercise. Of the remaining 10 discloseable transactions (the “**Comparable Transactions**”) considered to be relevant for our comparison (in terms of structural nature and usage), it is noted that while they share largely similar or comparable scope of commercial terms, certain of the Comparable Transactions have commercial terms considered to be less favourable to that of the Construction Contract, such as requirement for upfront or advanced partial payment, or a shorter or no stated warranty period, or has lesser or no retention money for a stated warranty period. We consider the Comparable Transactions to be relatively sufficient in facilitating the said assessment. On the basis of the above analyses, we consider the terms of the Construction Contract to be fair and reasonable and on normal commercial terms, and are in the interest of the Company and the Shareholders as a whole.

The following table sets out the key terms of the Comparable Transactions as disclosed in their respective announcements:

Company	Announcement Date	Subject Matter	Construction Period	Contract Price	Payment Terms	Warranty/Quality Guarantee
1 Silver Grant International Holdings Group Limited (171.HK)	28 Jul 2025	Design, on-site survey and construction of 153 days energy storage facilities at the petroleum and petrochemical product production plant	Expected to be completed on or before 31 October 2026	RMB14.2 million	Monthly basis based on progress and completion of construction work, subject to 3% of the contract price to be paid one year after the passing of final acceptance of the construction work	1 year
2 Chaoju Eye Care Holdings Limited (2219.HK)	28 Jul 2025	Construction of the Phase I of an integrated medical complex, including but not limited to architectural works, installation works, civil air defense works, ancillary facilities, reserved and embedded openings for air conditioning systems, and embedded components for curtain walls	Expected to be completed on or before 31 October 2026	RMB222.84 million	<ul style="list-style-type: none"> • Advance payment of RMB20 million within 28 days after construction contract coming into effect; • Monthly interim payments representing 75% of the assessed value of construction work completed for each month; • 85% of assessed value of the construction work upon satisfactory completion and acceptance of main body; • Up to 97% upon completion of project audit settlement and acceptance and delivery of project; • Remaining 3% as quality guarantee deposit to be released 24months after project completion and acceptance 	24 months
3 Wuhan Youji Holdings Ltd. (2881.HK)	8 Jul 2025	Construction works for an industrial park, including but not limited to the construction of factory buildings, steel structures, roads, and drainage systems	From date of construction contract to June 2026	Maximum of RMB75 million (final amount to be determined by the principal or its designated cost consultant based on fixed quota pricing issued by relevant governmental pricing standard with maximum discount of 15% applied to all components excluding major materials)	<ul style="list-style-type: none"> • Monthly interim payment representing 70% of the assessed value of construction works completed to date; • Up to 80% upon completion and acceptance to the satisfaction of the principal; • Up to 97% upon completion of final settlement of both parties; • Remaining 3% as quality guarantee to be released two years after project completion and acceptance 	2 years (waterproof works subject to a five-year warranty)

Company	Announcement Date	Subject Matter	Construction Period	Contract Price	Payment Terms	Warranty/Quality Guarantee
4 Tuya Inc. (2391.HK)	27 May 2025	Four construction contracts on underground construction works, earthwork and stonework, drainage and water discharge, structural engineering, building construction, rough finishing, fire door installation and integrated electromechanical works on two parcels of land	800-1087 calendar days from date of commencement of construction work under relevant construction contracts	Aggregate sum of RMB472.8 million	Monthly interim payment representing 70% of the assessed value of construction works completed to date; • Up to 80% of assessed value upon completion of construction works; • Up to 84% of assessed value upon completion of examination and receipt of acceptance certificate issued by the principal; • Up to 84% of assessed value upon the principal approving the complete set of settlement documents; • Up to 97% of contract sum upon the principal receiving final payment request form and VAT invoice;; • Remaining 3% of contract sum as maintenance bond, to be released as to 1.5% one year following start of warranty period, and 1.5% two years following start of warranty period	2 years

	Company	Announcement Date	Subject Matter	Construction Period	Contract Price	Payment Terms	Warranty/Quality Guarantee
5	Tristate Holdings Limited (458.HK)	2 Apr 2025	Construction of a 3-storey logistics building (including earthwork and foundation engineering, concrete structure construction, steel structure fabrication and installation, fabrication and installation of colour steel plates for roofs and walls, masonry works, aluminium alloy doors and windows, and the installation of hydropower systems)	240 calendar days	RMB45.1 million	<ul style="list-style-type: none">• Advance payment of 20% of contract sum in the form of bank guarantee, to be recouped proportionally against monthly progress payments;• Monthly progress payments representing 80% of the assessed value of construction work completed in the preceding month;• 85% of contract sum upon completion acceptance of main body;• 95% upon completion of settlement procedures;• Remaining 5% as quality warranty to be released after expiry of two years from date of completion acceptance	2 years
6	Sun Hing Vision Group Holdings Limited (125.HK)	28 Feb 2025	Design and construction of a factory premises and its ancillary facilities in Vietnam, including (i) piling and foundation works, (ii) structural works (iii) architectural works; (iv) fire fighting system and (v) external works	Expected to be completed by end of September 2025	VND32.2 million (or HK\$9.8 million)	<ul style="list-style-type: none">• Advance payment of 30% of contract price within 7 days from receipt of bank issued guarantee certificate and tax invoice provided by the contractor;• Interim payment of 40% of contract price within 7 days from receipt of tax invoice from the contractor;• Final payment of 30% of contract price within 30 days from project acceptance and handover	Not mentioned

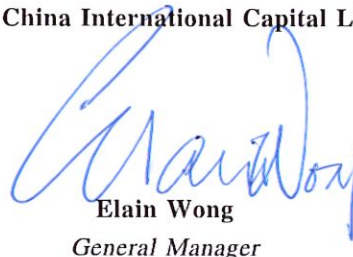
Company	Announcement Date	Subject Matter	Construction Period	Contract Price	Payment Terms	Warranty/Quality Guarantee
7 Legion Consortium Limited (2129.HK)	10 Jan 2025	Design and construction of a 3-storey single user industrial building comprising of 2 level of workshops and 1 level of ancillary office in Singapore (including (i) piling/foundation works, (ii) structural works, (iii) architectural works, (iv) external works and (v) mechanical and electrical services)	No reference to time duration	S\$5.4 million	Payment of interim payment shall be 30 days from receipt of tax invoice issued by the contractor	Not mentioned
8 China Nuclear Energy Technology Corporation Limited (611.HK)	4 August 2025	Installation and construction of an energy storage power station including, among other things, all preliminary procedures, procurement of relevant equipment and materials, installation, construction, grid connection, testing and acceptance works	No reference to time duration	RMB63.4 million (no adjustment allowed)	<ul style="list-style-type: none"> 10% advance payment after provision of bank performance guarantee by the contractor; Up to 97% as settlement payment based on progress of the construction and upon receipt of relevant invoice(s); Remaining 3% as quality assurance fund to be released upon expiry of a two-year warranty period 	2 years

Company	Announcement		Subject Matter	Construction Period	Contract Price	Payment Terms	Warranty/Quality Guarantee
	Date						
9 Briston Technology Co., Ltd. (1333.HK)	15 August 2025		Earthwork and foundation engineering, building decoration engineering, electrical engineering, weak-current engineering, water supply and drainage engineering, fire protection engineering, heating ventilation engineering, seismic supports, outdoor engineering, roads, integrated pipe networks	450 calendar days	RMB99.5 million	<ul style="list-style-type: none"> • Advance payment of 10% within 7 days after entering into contract; • 35% upon completion and acceptance of foundations for factory, office and dormitory, deducting 30% of the advance payment; • 25% upon completion and acceptance of (i) installation of main steel structure and (ii) office building and dormitory frameworks, deducting 30% of the advance payment; • 20% upon completion and acceptance of installation of steel structure doors, windows, external panels and outdoor works, deducting 40% of the advance payment; • 10% upon satisfactory completion and final acceptance of all works; • 7% upon final settlement for completion of all works; • Remaining 3% shall be retained and pay upon expiry of the maintenance period 	2-5 years for various sections of works
10 Kontafarma China Holdings Limited (1312.HK)	18 August 2025		Construction of an R&D complex, including but not limited to foundation and substructure, main structure, fitting out and decoration, roof, plumbing and heating, electrical works, ventilation and air conditioning, and elevators	20 days	RMB33.7 million	Payable on monthly basis based on construction progress	Not mentioned

D. RECOMMENDATION

Having considered the above principal factors and reasons, we are of the opinion that (i) the terms of the Construction Contract are on normal commercial terms and are fair and reasonable; and (ii) the entering into of the Discloseable Transaction is in the interests of the Company and the Shareholders as a whole. Moreover, while we do not consider the Discloseable Transaction to be of the Group's ordinary and usual course of business, it nonetheless relates integrally to the Group's conduct of ordinary and usual course of business. Accordingly we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favor of the resolution to be proposed at the EGM to approve the Discloseable Transaction and we recommend the Independent Shareholders to vote in favor of the resolution in this regard.

Yours faithfully,
For and on behalf of
Central China International Capital Limited



Elain Wong
General Manager

Note: Ms. Elaine Wong is a responsible officer of Central China International Capital Limited registered with the SFC to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has over 24 years of experience in securities industry.