

17 November 2025

To: The independent board committee and the independent shareholders of Country Garden Holdings Company Limited

Dear Sir/Madam,

**(I) SHAREHOLDER LOANS CAPITALISATION;
(II) PROPOSED DISPOSAL;
AND
(III) CONTINUING CONNECTED TRANSACTIONS**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed capitalisation of part (or all) of the Shareholder Loans involving issuance of new Shares to the Controlling Shareholder under Specific Mandate (the “**Shareholder Loans Capitalisation**”), the Proposed Disposal and the continuing connected transactions as contemplated under the Management Services Framework Agreement (the “**CCTs**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 17 November 2025 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

The Proposed Restructuring

With reference to the Board Letter, the Company has obtained sufficient support from the Class 1 Creditors and Class 2 Creditors to approve the Scheme at the Scheme Meetings, which were convened on 5 November 2025. The Group has been working closely with the AHG and the CoCom to implement the Proposed Restructuring by the end of 2025. The Proposed Restructuring will involve, among others, the Shareholder Loans Capitalisation and the Proposed Disposal.

The Shareholder Loans Capitalisation

On 13 November 2025, the Company and Concrete Win entered into the Shareholder Loans Equitisation Agreement. Subject to the occurrence of the Restructuring Effective Date, approximately US\$1.098 billion in the principal amount of the Shareholder Loans (together with accrued and unpaid interest in respect of all Shareholder Loans up to (and including) 30 September 2024) shall be set-off and settled with immediate effect upon the Restructuring Effective Date (and if the Proposed Disposal fails to complete within six calendar months from the Restructuring Effective Date, the remaining US\$50 million in principal amount of the Shareholder Loans shall be set-off and settled on the date falling six calendar months after the Restructuring Effective Date), and the Company will issue the Capitalisation Shares to Concrete Win from time to time upon written request by Concrete Win. Such Capitalisation Shares will be issued under a Specific Mandate to be sought from the Shareholders at the EGM.

The Proposed Disposal

On 13 November 2025, CGRE, Beauty Humble (each an indirect wholly-owned subsidiary of the Company), Concrete Win and the Company entered into the Share Purchase Agreement, pursuant to which (i) CGRE has conditionally agreed to dispose of the CGWF Shares (including (a) approximately 96.67% of the issued ordinary shares in CGWF (the “CGWF Ordinary Shares”) and (b) the entire issued preference shares in CGWF (the “CGWF Preference Shares”), each held by CGRE as of the Latest Practicable Date) and the CIBS Preference Shares held by CGRE to Concrete Win (or its designated subsidiary) and (ii) Beauty Humble has conditionally agreed to dispose of CGPV Preference Shares and the CIBS Preference shares held by Beauty Humble to Concrete Win (or its designated subsidiary). Upon the completion of the Proposed Disposal, each of the Target Companies will cease to be a non-wholly owned subsidiary of the Company and the financial results of the Target Companies will no longer be consolidated into the consolidated financial statements of the Company.

The CCTs

On completion of the Proposed Disposal, the Company (or another entity designated by the Company) will enter into the Management Services Framework Agreement (the form of which has been agreed under and appended to the Share Purchase Agreement) with CGWF, pursuant to which the Company (or its designated entity) will provide Management Services to the Target Group for a term commencing from the completion of the Proposed Disposal until three years after the completion of the Proposed Disposal.

With reference to the Board Letter:

- (i) The Shareholder Loans Capitalisation constitutes connected transaction of the Company and is subject to, among others, announcement, circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

- (ii) The Proposed Disposal constitutes a connected transaction of the Company and is subject to, among others, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.
- (iii) The CCTs constitute continuing connected transactions of the Company and are subject to, among others, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Mr. Dr. HAN Qinchun, Mr. WANG Zhijian and Mr. TUO Tuo (being all independent non-executive Directors) has been formed to advise the Independent Shareholders on (i) whether the terms of the Shareholder Loans Capitalisation, the Proposed Disposal and the CCTs are on normal commercial terms and are fair and reasonable; (ii) whether the Shareholder Loans Capitalisation, the Proposed Disposal and the CCTs are in the interests of the Company and the Shareholders as a whole and is conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolutions to approve the Shareholder Loans Capitalisation, the Proposed Disposal and the CCTs at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

We were not aware of (i) any relationship or interest between Gram Capital Limited and the Company; or (ii) any services provided by Gram Capital Limited to the Company, during the past two years immediately preceding the Latest Practicable Date, or any other parties that could be reasonably regarded as hindrance to Gram Capital Limited's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders. Having considered the above and that none of the circumstances as set out under Rule 13.84 of the Listing Rules existed as at the Latest Practicable Date, we are of the view that we are independent to act as the Independent Financial Adviser.

BASIS OF OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone

concerning the Shareholder Loans Capitalisation, the Proposed Disposal and the CCTs. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

We have not made an independent evaluation or appraisal of the assets and liabilities of the Target Group. Since we are not experts in the valuation of assets or business, we have relied upon the valuation report in respect of the Target Group (the “**Business Valuation Report**”) prepared by Roma Appraisals Limited, an independent valuer engaged by the Company (i.e. the Valuer) as set out in Appendix IV to the Circular for the value of the Target Shares after performing our work on the Business Valuation Report as set out under the sub-section headed “Valuation” under the section headed “Share Purchase Agreement” below.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make the Circular or any statement therein 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.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, the Target Group, the Controlling Shareholder or their respective subsidiaries or associates, nor have we considered the legal requirements applicable to completion of the Shareholder Loans Capitalisation/Proposed Disposal or the taxation implication on the Group or the Shareholders as a result of the Shareholder Loans Capitalisation/Proposed Disposal. 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.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital Limited to ensure that such information has been correctly extracted from the relevant sources and such sources are reliable.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Shareholder Loans Capitalisation, the Proposed Disposal and the CCTs, we have taken into consideration the following principal factors and reasons:

I. Background

Information on the Group

With reference to the Board Letter, the Company is one of the PRC's largest residential property developers that capitalises on urbanisation. With centralised management and standardisation, the Group runs the businesses of property development, construction, interior decoration, property investment, and the development and management of hotels. The Group offers a broad range of products to cater for diverse demands, namely residential projects such as townhouses, condominiums, car parks and retail shop spaces. The Group also develops and manages hotels at some of its property projects with the aim of enhancing the properties' marketability. The Group's other businesses are robotics and light-asset entrusted management and construction services.

Set out below is a summary of the consolidated financial information of the Group for the two years ended 31 December 2024 and the six months ended 30 June 2025 (with comparative figures) as extracted from the Company's annual report for the year ended 31 December 2024 (the "2024 Annual Report") and interim report for the six months ended 30 June 2025 (the "2025 Interim Report"):

	For the six months ended 30 June 2025 ("1H2025") (<i>unaudited</i>) RMB million	For the six months ended 30 June 2024 ("1H2024") (<i>unaudited</i>) RMB million	Change from 1H2024 to 1H2025 %	For the year ended 31 December 2024 ("FY2024") (<i>audited</i>) RMB million	For the year ended 31 December 2023 ("FY2023") (<i>audited</i>) RMB million	Change from FY2023 to FY2024 %
Revenue (<i>Note</i>)	72,570	102,102	(28.92)	252,756	401,015	(36.97)
Gross loss	(6,457)	(1,704)	278.93	(1,687)	(93,609)	(98.20)
Operating loss	(13,223)	(9,025)	46.52	(17,698)	(161,946)	(89.07)
Loss attributable to owners of the Company	(19,078)	(12,842)	48.56	(32,835)	(178,400)	(81.59)

	As at 30 June 2025 (<i>unaudited</i>) RMB million	As at 31 December 2024 (<i>audited</i>) RMB million	As at 31 December 2023 (<i>audited</i>) RMB million
Net current (liabilities)/ assets	(43,657)	(25,865)	29,942
Net assets	23,918	51,254	88,609
Equity attributable to owners of the Company	(26,072)	(7,185)	25,947

Note: The Group's revenue from sales of properties represented approximately 96% to approximately 98% of the Group's revenue for each of FY2023, FY2024, 1H2024 and 1H2025.

As depicted from the table above, the Group's revenue decreased by approximately 36.97% from approximately RMB401 billion for FY2023 to approximately RMB253 billion for FY2024. With reference to the 2024 Annual Report, such decrease was mainly due to decrease in gross floor area ("GFA") delivered. The Group also recorded gross loss, operating loss and loss attributable to owners of the Company for the two years ended 31 December 2024.

As depicted from the table above, the Group's revenue decreased by approximately 28.92% from approximately RMB102 billion for 1H2024 to approximately RMB73 billion for 1H2025. With reference to the 2025 Interim Report, such decrease was mainly due to decrease in GFA delivered. The Group continued to record gross loss, operating loss and loss attributable to owners of the Company for 1H2025.

As depicted from the table above, the Group recorded net current liabilities of approximately RMB26 billion as at 31 December 2024 in contrast to net current assets of approximately RMB30 billion as at 31 December 2023. The Group's net current liabilities increased to approximately RMB44 billion as at 30 June 2025. The equity attributable to owners of the Company was approximately RMB26 billion, approximately negative RMB7 billion and approximately negative RMB26 billion as at 31 December 2023, 31 December 2024 and 30 June 2025 respectively.

With reference to the 2025 Interim Report, the Company will continue to work on the strategy of "guaranteeing delivery, stabilising capital and debt, and maintaining operation". In addition, the Company will continue to focus on stabilising capital and debt and work towards a healthy and sustainable capital structure.

With reference to the 2024 Annual Report, ZHONGHUI ANDA CPA Limited, being the Company's auditor, did not express an opinion on the consolidated financial statements of the Group for FY2024 (the "Disclaimer of Opinion"). Given the significance of the matters described in the "Basis for Disclaimer of Opinion" section of the auditor's report as contained in the 2024 Annual Report (the "2024 Auditor's Report"), the auditor was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the aforesaid consolidated financial statements. With reference to the 2024 Auditor's Report, the following events or conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern and, therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business:

- (i) The Group incurred a loss attributable to owners of the Company of approximately RMB32.8 billion for FY2024.
- (ii) As at 31 December 2024, the Group had net current liabilities of approximately RMB25.9 billion and total debt of approximately RMB253.5 billion, out of which approximately RMB226.8 billion was included in current liabilities, while its total cash (including cash and cash equivalents and restricted cash) amounted to approximately RMB29.9 billion.
- (iii) As at 31 December 2024, the Group had certain indebtedness, including senior notes, corporate bonds, convertible bonds and bank and other borrowings, with an aggregated carrying amount of approximately RMB188.2 billion that were defaulted or cross-defaulted.

With reference to the Company's announcement dated 30 September 2025, during the period from 28 April 2025 (being the publication date of the 2024 Annual Report) and up to 30 September 2025, the Group had implemented certain plans and measures to resolve the Disclaimer of Opinion (including the Proposed Restructuring).

The Proposed Restructuring

With reference to the Board Letter, the Proposed Restructuring will involve, among others, the following transactions:

- (i) the implementation of the Existing HKD Convertible Bonds Consent Solicitation to change the governing law of the Existing HKD Convertible Bonds from English law to Hong Kong law to facilitate the cancellation of the Existing HKD Convertible Bonds on the Restructuring Effective Date pursuant to the Scheme;
- (ii) pursuant to the terms of the Scheme, the compromise and discharge of the obligations of the Group under the Existing Debt Instruments (except for the Existing Loans (Onshore Credit Support), in respect of

which only claims against the Company and offshore subsidiaries of the Group will be discharged) in return for Creditors receiving an entitlement to elect between several options of Scheme Consideration, including cash, the proposed MCB (A), MCB (B), MTI and LTIs;

- (iii) pursuant to the terms of the Scheme, release all of the 2023 Refinancing Credit Support obtained by the Class 1 Creditors in the 2023 refinancing exercise of the Existing Syndicated Loans in exchange for (A) the payment of cash consideration of US\$89 million and (B) the issuance of the SCA Loan in the amount of US\$89 million and the proposed SCA Warrants;
- (iv) the proposed adoption of the MIP in order to align the interests of the management team with the long-term growth prospects of the Group and incentivise management and key personnel to meet or exceed performance targets under the Group's business plan;
- (v) the Proposed Disposal; and
- (vi) the Shareholder Loans Capitalisation.

In conjunction with the Proposed Restructuring:

- (a) The Company has also agreed the CHB Bilateral Loan Resolution with the lender under the CHB Bilateral Loan under which the obligations of the Group under the CHB Bilateral Loan will be fully discharged and compromised in return for the lender receiving MCB (C). The CHB Bilateral Loan Resolution shall only take effect on the Restructuring Effective Date.
- (b) The Company has also agreed the TFB Bilateral Loan Resolution with the lender under the TFB Bilateral Loan under which the Company has entered into the TFB Standstill Deed with TFB on 29 October 2025. Pursuant to the TFB Standstill Deed, (i) the Company has agreed to exclude the TFB Bilateral from the Proposed Restructuring and the indebtedness to be compromised under the Scheme, and (ii) TFB has undertaken to the Company to standstill and forbear from taking certain enforcement actions in respect of the TFB Bilateral Loan until 31 December 2030. Additionally, the Company and TFB have agreed that (i) on and from 1 July 2025 until the expiry of the TFB Standstill Period, the applicable rate of interest in respect of the TFB Bilateral Loan shall be 2.5% per annum and no default interest shall accrue; (ii) any accrued and unpaid interest (including default interest) under the TFB Bilateral Loan from 1 October 2024 (inclusive) up to and including 30 June 2025 shall be waived; and (iii) any accrued and unpaid interest (including default interest) under the TFB Bilateral Loan up to and including 30

September 2024 shall be repaid by the Company through the issuance of the TFB Shares (with each Share valued at HK\$2.60) to TFB on the Restructuring Effective Date pursuant to the Specific Mandate.

II. The Shareholder Loans Capitalisation

Information on the Controlling Shareholder

Concrete Win is a company incorporated in the British Virgin Islands, which is ultimately controlled by Ms. YANG Huiyan, the chairlady of the Board and the executive Director. Concrete Win is principally engaged in investment holding. As at the Latest Practicable Date, Concrete Win together with its associates held approximately 48.02% of the total issued Shares of the Company.

Reasons for and benefits of the Shareholder Loans Capitalisation

On 11 April 2025, the Company announced that it entered into the RSA with members of the AHG in respect of the Proposed Restructuring, and, with the Controlling Shareholder's intention to provide significant support to the Company, the Company also entered into a memorandum of understanding with Concrete Win (the "Shareholder Warrant MOU") to document their general understanding on the previously proposed issue of warrants with initial strike price of HK\$0.60 per share to set off a substantial amount of the Shareholder Loans.

On 13 October 2025, Concrete Win further executed an irrevocable undertaking (the "Deed of Undertaking") in favour of the Company, pursuant to which Concrete Win irrevocably undertook to subscribe for the Capitalisation Shares at an issue price of HK\$0.60 per Capitalisation Share (the "Capitalisation Price") on or after the Restructuring Effective Date to set off and settle the balance of approximately US\$1.14 billion (or equivalent) of the Shareholder Loans with immediate effect upon the Restructuring Effective Date. The Shareholder Warrant MOU was superseded by the Deed of Undertaking.

On 13 November 2025, the Company and Concrete Win entered into the Shareholder Loans Equitisation Agreement. Subject to the occurrence of the Restructuring Effective Date, approximately US\$1.098 billion in principal amount of the Shareholder Loans (together with accrued and unpaid interest in respect of all Shareholder Loans up to (and including) 30 September 2024) shall be set-off and settled with immediate effect upon the Restructuring Effective Date, and the Company will issue the corresponding Capitalisation Shares at the issue price of HK\$0.60 per Capitalisation Share to Concrete Win from time to time upon written request by Concrete Win.

If the Proposed Disposal completes, the remaining US\$50 million in principal amount of the Shareholder Loans will be set-off as part of the Proposed Disposal. Otherwise, if the Proposed Disposal fails to complete within six calendar months from the Restructuring Effective Date (i.e. there is no set-off of US\$50 million in

principal amount of Shareholder Loans pursuant to the Proposed Disposal), the remaining US\$50 million in principal amount of the Shareholder Loans shall be set-off and settled on the date falling six calendar months after the Restructuring Effective Date, and the Company will issue the corresponding Capitalisation Shares at the issue price of HK\$0.60 per Capitalisation Share to Concrete Win from time to time upon written request by Concrete Win.

All accrued and unpaid interest in respect of the Shareholder Loans which has accrued (and remains unpaid) after (and excluding) 30 September 2024 shall be fully waived and cancelled.

With reference to the Board Letter, the Shareholder Loans Capitalisation through the issuance of the Capitalisation Shares to Concrete Win will have an immediate and significant impact on the Group's financial profile and enable the Company to further extinguish up to approximately US\$1.148 billion in principal amount of the Group's debt (plus any accrued and unpaid interest) as soon as the Proposed Restructuring becomes effective, achieving immediate deleveraging and strengthening the Group's balance sheet. The Controlling Shareholders' agreement to convert this substantial loan (originally extended voluntarily in response to the industry-wide liquidity crunch since 2021) into equity demonstrates their ongoing commitment to the Company's long-term success and stability. The Capitalisation Shares will be issued at a price higher than the prevailing market price when the restructuring framework was first agreed, further reflecting the Controlling Shareholder's confidence in the Company's long-term prospects. In addition, this capitalisation is expected to encourage other creditors to consider equitising their own debt holdings by electing the relevant MCB options, supporting further deleveraging and a more sustainable capital structure in the longer term. Concrete Win may be issued up to 15,519,049,697 Capitalisation Shares (subject to agreed adjustments) at its written request(s) from time to time to maintain its control. This approach enhances stability of the ownership structure and aligns the Group's capital structure with the interests of all stakeholders.

Having considered that (i) the Shareholder Loans Capitalisation will enable the Company to set off a substantial amount of the Shareholder Loans without deploying the Group's financial resources; (ii) the Shareholder Loans Capitalisation demonstrates the Controlling Shareholder's confidence in the Company's long-term business value; and (iii) the Shareholder Loans Capitalisation forms part of the Proposed Restructuring which enable the Group to achieve significant deleveraging and have a more sustainable capital structure, we are of the view that although the Shareholder Loans Capitalisation is not conducted in the ordinary and usual course of business of the Group, it is in the interest of the Company and the Shareholders as a whole.

Principal terms of the Shareholder Loans Capitalisation

The principal terms of the Shareholder Loans Capitalisation under the Shareholder Loan Equitisation Agreement are summarised as follows:

Issuer:	The Company
Number of Capitalisation Shares:	(A) Up to 15,519,049,697 new Shares if the Proposed Disposal fails to complete within six calendar months from the Restructuring Effective Date; or (B) Up to 14,869,049,697 new Shares if the Proposed Disposal completes within six calendar months from the Restructuring Effective
Issue price:	The issue price for each Capitalisation Share is HK\$0.6 per Share (the “Capitalisation Price”). The aggregate Issue Price of all Capitalisation Shares payable by Concrete Win shall be satisfied by capitalising and setting off against up to approximately US\$1.148 billion in the principal amount of the Shareholder Loans upon the occurrence of the Restructuring Effective Date.
Issue period (the “Issue Period”):	At any time during the period commencing from (and including) the Restructuring Effective Date up to (and including) the maturity date of the MCB (B) to be issued in connection with the Scheme, upon delivery by Concrete Win of an issue notice, the Company undertakes to issue new Shares to Concrete Win pursuant to the terms of the Shareholder Loans Equitisation Agreement.
Adjustment mechanism:	Subject to the terms of the Shareholder Loans Equitisation Agreement, the Capitalisation Price shall be subject to adjustment upon the occurrence of certain adjustment events as stated in the Board Letter.
Ranking of the Capitalisation Shares:	The Capitalisation Shares will rank <i>pari passu</i> with all Shares.

The Capitalisation Price

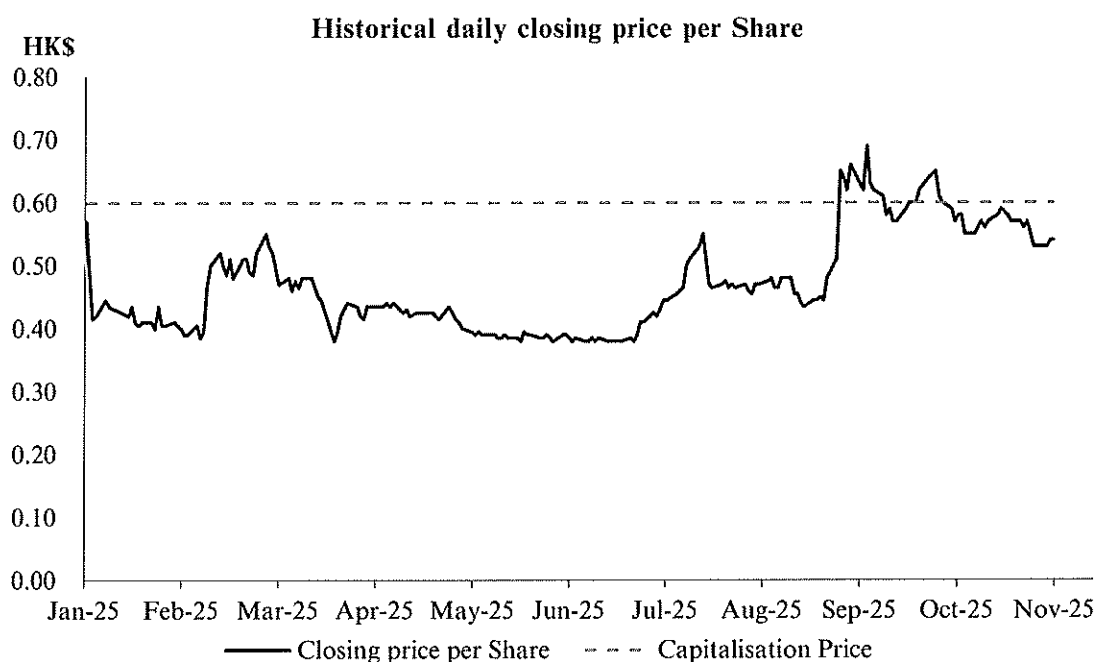
The Capitalisation Price of HK\$0.6 per Capitalisation Share represents:

- (i) a premium of approximately 13.21% over the closing price of HK\$0.530 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of approximately 11.11% over the closing price of HK\$0.540 per Share as quoted on the Stock Exchange on the date of the Shareholder Loan Equitisation Agreement (the “**Agreement Date**”);
- (iii) a premium of approximately 39.53% (the “**Initial Premium**”) over the closing price of HK\$0.430 per Share as quoted on the Stock Exchange on 10 April 2025 (being the date of the Shareholder Warrant MOU when the initial strike price of the previously proposed issue of warrants was determined to be HK\$0.6 per share (the “**Initial Price Determination Date**”);
- (iv) a premium of approximately 1.69% (the “**Determination Date Premium**”) over the closing price of HK\$0.590 per Share as quoted on the Stock Exchange on 13 October 2025 (being the date of the Deed of Undertaking when the Capitalisation Price of HK\$0.6 was determined (the “**Determination Date**”); and
- (v) a discount of approximately 3.85% to the average of the closing price of HK\$0.624 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the Determination Date.

In order to assess the fairness and reasonableness of the Capitalisation Price, we conducted the following analysis:

Share price performance

Set out below is a chart showing the movement of the closing prices of the Shares during the period from 21 January 2025 (being the date of resumption in trading of the Shares after a long suspension from 2 April 2024 (the “Resumption Date”) to 13 November 2025, being the period from the Resumption Date up to and including the Agreement Date (the “Review Period”), to illustrate the general trend and level of movement of the closing prices of the Shares:



Source: the Stock Exchange's website

During the Review Period, the highest and lowest closing prices of Shares as quoted on the Stock Exchange were HK\$0.690 per Share recorded on 17 September 2025 and HK\$0.380 recorded in April, June and July 2025.

From the Resumption Date to 24 January 2025, the closing prices of the Shares dropped significantly from HK\$0.570 per Share to HK\$0.420 per Share. After fluctuation and further decrease to HK\$0.385 per Share on 25 February 2025, the closing prices of the Shares recovered and reached HK\$0.550 per Share on 17 March 2025. Subsequently, the closing prices of the Shares formed a general decreasing trend and reached HK\$0.380 per Share on 8 July 2025 before it started another recovery. From July to September 2025, the closing prices of the Shares fluctuated and reached HK\$0.690 per Share on 17 September 2025. Thereafter, the closing prices of the Shares kept fluctuating and reached HK\$0.540 per Share on the Agreement Date.

The Capitalisation Price of HK\$0.6 (i) falls within the closing price range of the Shares during the Review Period; and (ii) is higher than the closing prices of the Shares on 184 out of 201 trading days during the Review Period.

Loan Capitalisation Comparables

As part of our analysis, we also identified loan capitalisation by way of issuing new shares under specific mandate conducted and announced by Hong Kong listed companies during the period from 1 April 2025 up to and including the Agreement Date, which were not lapsed/terminated up to the Agreement Date (the “**Loan Capitalisation Comparables**”). To the best of our knowledge and as far as we are aware of, we identified 11 transactions which met the said criteria and they are exhaustive. We consider the Loan Capitalisation Comparables to be sufficient, fair and representative as they were announced during a period close to the Determination Date and the Agreement Date (i.e. approximately six months prior to and including the Determination Date, together with the period from the Determination Date up to the Agreement Date) and we did not carve out any transaction which met the said criteria. Shareholders should note that the businesses, operations and prospects of the Company are not the same as the subject companies of the Loan Capitalisation Comparables.

Company name (stock code)	Date of announcement	Premium/ (discount) of the issue price to closing price per share on the last trading day prior to or the date of agreement in relation to the transaction (%)	Connected transaction
Regent Pacific Group Limited (575)	7 April 2025	Nil	Yes
China HK Power Smart Energy Group Limited (931)	17 April 2025	Nil	Yes
Sunshine Oilsands Ltd. (2012)	28 April 2025	2.27	No
GoFintech Quantum Innovation Limited (290)	29 April 2025	4.92	Yes
SuperRobotics Holdings Limited (8176)	7 May 2025	Nil	Yes
New City Development Group Limited (456)	18 June 2025	(4.95)	Yes
New Concepts Holdings Limited (2221)	25 August 2025	13.64 (Note 1)	Yes
Sheng Tang Holdings Limited (8305)	26 September 2025	(24.00)	Yes

Company name (stock code)	Date of announcement	Premium/ (discount) of the issue price to closing price per share on the last trading day prior to or the date of agreement in relation to the transaction (%)	Connected transaction
CIFI Holdings (Group) Co. Ltd. (884)	16 October 2025	6.67	Yes
Zhonghua Gas Holdings Limited (8246)	20 October 2025	8.89	Yes
JX Energy Ltd. (3395)	31 October 2025	(1.64)	Yes
Maximum		13.64	
Minimum		(24.00)	
Average		0.53	
Median		Nil	
The Shareholder Loans Capitalisation	13 November 2025	Initial Premium — 39.53 (Note 2) Determination Date Premium — 1.69	

Notes:

1. Based on theoretical closing price per consolidated share after taking into account the effect of share consolidation.
2. We also consider the Initial Premium in our analysis as it represents the premium of the initially determined “issue price” over the closing price of the Share on the date when it was determined.

We noted from the above table that the issue prices of the Loan Capitalisation Comparables represented a discount of approximately 24.00% to a premium of approximately 13.64% to/over the respective closing prices of their shares on the last trading day prior to or the date of agreement in relation to the respective transaction (the “Loan Capitalisation

Discount/Premium Market Range"). Accordingly, the Initial Premium of approximately 39.53% is higher than the Loan Capitalisation Discount/Premium Market Range and the Determination Date Premium of approximately 1.69% falls within the Loan Capitalisation Discount/Premium Market Range.

Having considered that:

- (i) the Capitalisation Price falls within the closing price range of the Shares during the Review Period;
- (ii) the Capitalisation Price is higher than the closing prices of the Shares on 184 out of 201 trading days during the Review Period;
- (iii) the Initial Premium of approximately 39.53% is higher than the Loan Capitalisation Discount/Premium Market Range; and
- (iv) the Determination Date Premium of approximately 1.69% falls within the Loan Capitalisation Discount/Premium Market Range,

we consider the Capitalisation Price to be fair and reasonable.

Difference between the Capitalisation Price and the Conversion Price

We noticed that the Capitalisation Price is substantially lower than the MCB (A) Conversion Price of initially HK\$2.60 per Share, MCB (B) Conversion Price of initially HK\$10.00 per Share and MCB (C) Conversion Price of initially HK\$1.10 per Share. Upon our enquiry, the Directors advised us that the difference between the Capitalisation Price and the Conversion Price was mainly due to different consideration when determining the Capitalisation Price and the Conversion Price, including:

- (i) the Capitalisation Price was determined based on arm's length negotiations among the Company, the AHG, the CoCom and Concrete Win, taking into account, *inter alia*, the prevailing market price of the Shares at the time when the negotiations were undergoing and the Controlling Shareholder's ownership in the Company after the Proposed Restructuring is completed; and
- (ii) the Conversion Price was determined based on arm's length negotiations among the Company, the AHG and the CoCom or CHB (as the case may be), taking into account, *inter alia*, the assessment of acceptability of the Creditors towards the terms of the Proposed Restructuring with a view to achieving a sustainable capital structure and consideration of economic compensation and recovery rate for the Creditors.

With reference to the Board Letter, the Board considers that it is fair and reasonable for the issue price of the Capitalisation Shares to be lower than the Conversion Price of the MCBs. This is because Creditors acknowledge the contribution of the Controlling Shareholder by way of Shareholder Loans to alleviate the liquidity pressure of the Group before the announcement of pursuit of a holistic solution to address the Group's material offshore indebtedness and while Creditors were entitled to elect from five different options of Scheme Consideration (including receiving debt instruments without any substantial reduction on their original holdings of the Existing Debt), the Controlling Shareholder will only be entitled to compromise the Shareholder Loans in exchange for Capitalisation Shares pursuant to the terms of the Shareholder Loans Equitisation Agreement.

Having also considered:

- (i) that there was different consideration when the Company determining the Capitalisation Price and the Conversion Price;
- (ii) the factors that we considered before concluding the fairness and reasonableness of the Capitalisation Price as set out above;
- (iii) the Capitalisation Price equals to the SCA Warrant Exercise Price (in respect of the SCA Warrants proposed to be issued to the original lenders of the SCA Loan who are Independent Third Parties); and
- (iv) the Capitalisation Price is higher than the corresponding prices of each Work Fee Share (i.e. HK\$0.50 or HK\$0.55) to be issued to the AHG, the CoCom and the CB Holder Group which are Independent Third Parties,

we are of the view that the difference between the Capitalisation Price and the Conversion Price would not affect fairness and reasonableness of the Capitalisation Price.

The Issue Period

With reference to the Board Letter, Concrete Win may be issued up to 15,519,049,697 Capitalisation Shares (subject to agreed adjustments) at its written request(s) from time to time to maintain its control. This approach enhances stability of the ownership structure and aligns the Group's capital structure with the interests of all stakeholders.

As aforementioned, under the Shareholder Loans Capitalisation:

- (i) Subject to the occurrence of the Restructuring Effective Date, approximately US\$1.098 billion in principal amount of the Shareholder Loans (together with accrued and unpaid interest in

respect of all Shareholder Loans up to (and including) 30 September 2024) shall be set-off and settled with immediate effect upon the Restructuring Effective Date, and the Company will issue the corresponding Capitalisation Shares to Concrete Win from time to time upon written request by Concrete Win.

- (ii) If the Proposed Disposal completes, the remaining US\$50 million in principal amount of the Shareholder Loans will be set-off as part of the Proposed Disposal. Otherwise, if the Proposed Disposal fails to complete within six calendar months from the Restructuring Effective Date, the remaining US\$50 million in principal amount of the Shareholder Loans shall be set-off and settled on the date falling six calendar months after the Restructuring Effective Date, and the Company will issue the corresponding Capitalisation Shares to Concrete Win from time to time upon written request by Concrete Win.

Given the above, we consider that the arrangement in respect of the Issue Period is justifiable.

Detailed terms and conditions of the Shareholder Loans Capitalisation are set out under the section headed “7. THE PROPOSED CAPITALISATION OF SHAREHOLDER LOANS INVOLVING ISSUANCE OF NEW SHARES TO THE CONTROLLING SHAREHOLDER UNDER SPECIFIC MANDATE” of the Board Letter.

Dilution

With reference to the shareholding table in the section headed “11. EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY” of the Board Letter and based on 15,519,049,697 Capitalisation Shares to be issued, the shareholding interests held by the existing public Shareholders would be diluted by approximately 18.39 percentage points as a result of the Shareholder Loans Capitalisation. In this regard, taking into account (i) the aforementioned reasons for and benefits of the Shareholder Loans Capitalisation; and (ii) the terms of the Shareholder Loans Capitalisation being fair and reasonable, we are of the view that the said level of dilution to the shareholding interests of the existing public Shareholders as a result of the Shareholder Loans Capitalisation is acceptable.

Recommendation on the Shareholder Loans Capitalisation

Having taken into account the above factors and reasons, we are of the opinion that (i) the terms of the Shareholder Loans Capitalisation are on normal commercial terms and are fair and reasonable; and (ii) although the Shareholder Loans Capitalisation is not conducted in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be

proposed at the EGM to approve the Shareholder Loans Capitalisation and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

III. The Proposed Disposal

Information on the sellers

Each of CGRE and Beauty Humble is an indirect wholly-owned subsidiary of the Company. They are principally engaged in investment holding.

Information on the purchaser

Concrete Win is a company incorporated in the British Virgin Islands, which is ultimately controlled by Ms. YANG Huiyan, the chairlady of the Board and the executive Director. Concrete Win is principally engaged in investment holding. As at the Latest Practicable Date, Concrete Win together with its associates held approximately 48.02% of the total issued Shares of the Company.

Information on the Target Group

With reference to the Board Letter:

- (i) CGWF is a company incorporated in Malaysia with limited liability. It is principally engaged in investment holding. As of the Latest Practicable Date and prior to the completion of the Proposed Disposal, the issued ordinary shares of the CGWF are held by CGRE, Active Builder Enterprise Sdn. Bhd. and Teo Chee Yow as to approximately 96.67%, 3.31% and 0.02%, respectively, and the entire issued preference shares of CGWF are held by CGRE.
- (ii) CGPV is a company incorporated in Malaysia with limited liability. It is principally engaged in property development, and the operation of hotels, clubs, restaurants, golf and putting courses.
- (iii) As of the Latest Practicable Date and prior to the completion of the Proposed Disposal, the issued ordinary shares of CGPV are held by CGWF and Esplanade Danga 88 Sdn. Bhd. as to 60% and 40%, respectively, and the entire issued preference shares of CGPV are held by Beauty Humble.
- (iv) CIBS is a company incorporated in Malaysia with limited liability. It is principally engaged in manufacture of precast concrete and business of construction. As of the Latest Practicable Date and prior to the completion of the Proposed Disposal, the issued ordinary shares of CIBS are wholly owned by CGPV, and the issued preference shares of CIBS are held by CGRE and Beauty Humble, respectively.

- (v) The Target Group is primarily engaged in the development of the integrated property development and special financial zone located in Johor, Malaysia named “Forest City”.

Further information on the Target Group is set out in the section headed “Information about the Target Companies and the Target Group” of the Board Letter.

Set out below is the unaudited consolidated financial information of the Target Group for FY2023, FY2024 and the eight months ended 31 August 2025 (“8M2025”) as extracted from the Board Letter:

	For the year ended 31 December 2023 MYR million	For the year ended 31 December 2024 MYR million	For the eight months ended 31 August 2025 MYR million
Net profit/(loss) before taxation	(543)	204	512
Net profit/(loss) after taxation	(543)	204	494

According to the Board, unaudited consolidated net liabilities of the Target Group was approximately MYR224 million as at 31 August 2025.

With reference to the Board Letter and as advised by the Directors, FC Project has encountered considerable adversity over recent years, stemming the COVID-19 pandemic, persistent negative media coverage, and intensifying competition within the sector. As of 31 August 2025, the Target Group had substantial net liabilities. The Target Group’s net profit for FY2024 and 8M2025 was mainly attributable to non-recurring and extraordinary items (including (i) unrealized foreign exchange gain of approximately MYR238 million for FY2024; and (ii) reversal of excess accrual for project development costs of approximately MYR338 million for 8M2025 and unrealized foreign exchange gain of approximately MYR400 million for 8M2025).

Reasons for and benefits of the Proposed Disposal

With reference to the Board Letter:

- (i) The FC Project has encountered considerable adversity over recent years, stemming the COVID-19 pandemic, persistent negative media coverage, and intensifying competition within the sector. As of 31 August 2025, the fair value of the Target Group’s consolidated net asset was approximately negative MYR1,998 million (equivalent to approximately negative US\$454 million) according to the Business Valuation Report, with residential sales being sluggish. The long-term

sustainability and commercial viability of the FC Project are dependent on substantial, immediate capital investment to overhaul ageing facilities, upgrade core infrastructure, and reposition the project to attract customers in an evolving market environment. Without this reinvestment, the value of the FC Project will likely continue to decline. Currently, the Group is not in a position to provide the required capital, due to ongoing liquidity constraints and cash flow challenges. The Group has not committed further resources to the FC Project since 2021. Meanwhile, the Target Group also face significant obstacles in independently securing new financing. The operational challenges of the underlying project are compounded by the Group's own weakened credit profile, further limiting external funding options.

- (ii) The Group has explored potential sales to independent third parties. There were considerable obstacles. Due diligence by potential buyers is practically impossible given the confidentiality obligations and restrictions in the joint venture arrangements. There are significant challenges in obtaining required third-party consents. Importantly, certain security provided by the Target Group in support of project financings for Group entities outside the Target Group could not be released, as the Group lacks the resources to repay all such indebtedness, and an incoming purchaser cannot independently discharge such security without lenders' consent. As a result, the Company believes that there is little likelihood of disposing of the Target Group to an independent third party. If the Target Group's assets and business were to further deteriorate, the value of the security they provide could be negatively affected, increasing the risks for the Group.
- (iii) The Group has held extensive discussions with the AHG and CoCom regarding the possible outcome for the Target Group post-Proposed Restructuring. Both the AHG and CoCom have been unequivocal, and the Company concurs, that the Group should not allocate further resources to the Target Group. Certain creditors are concerned that if the Target Group remains within the Group, the FC Project may continue to deteriorate, potentially becoming a financial and operational burden. These creditors strongly urge the Company to dispose of the FC Project, considering it a key factor in their support for the Proposed Restructuring.
- (iv) In response to these creditors' demands, the Company had no option but to request the Controlling Shareholder acquire the Target Group in order to remove obstacles to the Proposed Restructuring with the aim to complete the Proposed Restructuring by the end of 2025. In order to further support the Company, the Controlling Shareholder ultimately agreed to assume full responsibility for the FC Project once all conditions precedents have been satisfied, despite the considerable

strategic challenges and the substantial negative equity value. The Proposed Disposal will proceed on an “as-is” basis, with Concrete Win assuming all business, operational, and financial risks of the Target Group, inclusive of existing encumbrances and liabilities, and with no recourse to the Company. The consideration will consist of a set-off of US\$50,000,000 of Shareholder Loans, directly reducing the Group’s outstanding obligations. The Proposal Disposal eliminates the risks associated with the Target Group remaining in the Group and alleviates creditor concerns.

- (v) Through the Upside Sharing Agreement and ListCo CVR, the Group preserves an interest in the future success of the FC Project, should it be successfully redeveloped and operated by the Controlling Shareholder. Additionally, the Management Services Framework Agreement creates an avenue for the Group to provide ongoing management, operational, and marketing services in exchange for service fees, establishing a potential revenue stream.

Having considered:

- (i) the reasons and benefits of the Proposed Disposal as set out above; and
- (ii) the conditions and financial positions of the Target Group and the FC Project as mentioned above,

we consider that, although the Disposal is not conducted in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole.

Principal terms of the Proposed Disposal

Set out below is the principal terms of the Proposed Disposal, details of which are set out under the section headed “9. CONNECTED TRANSACTION IN RELATION TO THE PROPOSED DISPOSAL OF EQUITY INTEREST IN CERTAIN SUBSIDIARIES AND SETTING OFF OF SHAREHOLDER LOANS AND THE RELATED CONTINUING CONNECTED TRANSACTIONS” of the Board Letter.

Share Purchase Agreement

Date

13 November 2025

Parties

- (a) CGRE, Beauty Humble (each an indirect wholly-owned subsidiary of the Company, as sellers);

(b) Concrete Win (as purchaser); and

(c) the Company

Assets to be disposed of

The Target Shares, being the CGWF Shares, the CGPV Preference Shares and the CIBS Preference Shares, on an “as-is” basis. CGWF and Beauty Humble in turn owns 60% of the ordinary shares and the entire preference shares of CGPV, the Malaysian project company of the FC Project, respectively.

Consideration

The fixed consideration for the Proposed Disposal (the “Consideration”) shall be satisfied by Concrete Win releasing and discharging the obligation of the Company to repay part of the Shareholder Loans in the amount of US\$50,000,000 on a dollar-for-dollar basis upon completion of the Proposed Disposal, and such payment shall constitute a full and complete discharge of Concrete Win’s obligation to pay the fixed consideration for the Proposed Disposal. In addition, contingent consideration in respect of the Proposed Disposal may be payable under the Upside Sharing Agreement and the ListCo CVR.

Valuation

To assess the fairness and the reasonableness of the Consideration, we obtained the Business Valuation Report prepared by the Valuer. According to the Business Valuation Report:

- (i) the fair value of the Target Group’s consolidated net asset was approximately negative MYR1,998 million (equivalent to approximately negative US\$454 million) as at 31 August 2025; and
- (ii) there was no commercial value on the CGWF Ordinary Shares as at 31 August 2025 and it is reasonable to assume that there was no commercial value on the CGWF Preference Shares, the CGPV Preference Shares and the CIBS Preference Shares as at the Latest Practicable Date.

For our due diligence purpose, we reviewed and enquired into (i) the terms of engagement of the Valuer with the Company; (ii) the Valuer’s qualification and experience in relation to the preparation of the Business Valuation Report; and (iii) the steps and due diligence measures taken by the Valuer for preparation of the Business Valuation Report. Based on the information provided by the Valuer, we noted that (i) the Valuer is registered as a firm regulated by the Royal Institution of Chartered Surveyors (the “RICS”) and the signatory of the Business Valuation Report is a chartered surveyor and registered valuer with the RICS; and (ii) the Valuer and the signatory of the Business Valuation Report are experienced in conducting business valuation and property valuation for listed

companies in Hong Kong. From the mandate letter and relevant information provided by the Valuer and based on our interview with them, we are satisfied with the terms of engagement of the Valuer as well as their qualification and experience for preparation of the Business Valuation Report. The Valuer also confirmed that they are independent to the Group and the Purchaser.

We also reviewed the Business Valuation Report and enquired with the Valuer on the methodology, bases and assumptions adopted in order for us to understand the Business Valuation Report. With reference to the Business Valuation Report:

- (a) The market-based approach was not adopted in this case as the Valuer could not identify comparable transactions with publicly disclosed or readily available information, after considering the nature and conditions of the CGWF Group and the FC Project. The limited availability of such data made it difficult to establish meaningful market benchmarks, rendering this approach unsuitable.
- (b) The income-based approach was not adopted as the CGWF Group was unable to provide concrete development plans and reliable financial forecasts. The use of this approach would require numerous assumptions, and any inaccuracy in these assumptions could materially distort the valuation outcome.
- (c) The Valuer therefore considered the adoption of the asset-based approach for the valuation.

In light of (i) the aforesaid limitations in respect of market-based approach and income-based approach associated with this case; (ii) the significance of the CGWF Group stems from its holding of the FC Project; and (iii) the Valuer assessed the fair value of the Property-related Assets (as defined below) with three recognized and accepted approaches as appropriate, we consider that the adoption of the asset-based approach for the valuation to be fair and reasonable and we did not adopt additional methodology to assess the fair value of the Target Group's net asset.

By adoption of the asset-based approach, the Valuer assessed the fair value of the Target Group's net asset as at 31 August 2025 based on the Target Group's consolidated balance sheet as at 31 August 2025. Under the Valuer's assessment, except for the lands and properties under the "property, plant and equipment", "land held for property development", "investment property", "property development costs", "completed properties held for sale" and "inventories" (all together, the "Property-related Assets"), the Valuer adopted the book values of the Target Group's assets and liabilities as fair value.

For the Valuer's assessment of the fair value of the Property-related Assets, the adopted three recognized and accepted approaches, namely, direct comparison approach, investment approach and depreciated replacement cost approach/cost approach as appropriate. The approaches adopted for the Property-related Assets are summarized below:

Property-related Assets	Valuation approach adopted
— Fisherman wharf, sales gallery, commercial units of transportation hub, industrial bare land, hotels	Direct comparison approach With reference to the Business Valuation Report and as confirmed by the Valuer, given that direct comparison approach could reflect market conditions based on actual transactions, direct comparison approach is considered as the most appropriate method of valuation when comparable information is adequate. In respect of the subject lands and properties, the Valuer could identify and obtain adequate comparable information. Accordingly, direct comparison approach was adopted for the subject lands and properties.
— Forest city bare land and golf resort bare land	
— Unsold properties including residential units, retail premises and office spaces	
— Golf course	Investment approach With reference to the Business Valuation Report and as confirmed by the Valuer, the investment approach provides a more reliable indication of the asset's value over time based on its income-generating potential. As the golf course was under operation as at the valuation date and the Valuer could obtain adequate operational data of the golf course, the investment approach was adopted for the golf course.

Property-related Assets	Valuation approach adopted
— Industrial buildings	Depreciated replacement cost approach/cost approach
— International school	With reference to the Business Valuation Report and as confirmed by the Valuer, due to lack of comparable market evidence and the specialized nature of the subject properties, depreciated replacement cost approach/cost approach was adopted for the subject properties.

After considering the reasons for adoption of different approaches for the Valuer's assessment of the fair value of the Property-related Assets as stated above, we are of the view that the adoption of such approaches to be fair and reasonable and we did not adopt additional methodology to assess the fair value of the Property-related Assets.

During our discussion with the Valuer, we did not identify any major factor which caused us to doubt the reasonableness of the methodology, principal bases, assumptions and parameters used in the Business Valuation Report.

Having considered our work performed on the Business Valuation Report as set out above and that:

- (i) the fair value of the Target Group's consolidated net asset was approximately negative MYR1,998 million (equivalent to approximately negative US\$454 million) as at 31 August 2025; and
- (ii) there was no commercial value on the CGWF Ordinary Shares as at 31 August 2025 and it is reasonable to assume that there was no commercial value on the CGWF Preference Shares, the CGPV Preference Shares and the CIBS Preference Shares as at the Latest Practicable Date,

we are of the view that the Consideration is fair and reasonable.

Conditions precedent and completion

The completion of the Proposed Disposal will be conditional upon satisfaction of the conditions as set out under the subsection headed "Conditions precedent" of the section headed "9. CONNECTED TRANSACTION IN RELATION TO THE PROPOSED DISPOSAL OF EQUITY INTEREST IN CERTAIN SUBSIDIARIES AND SETTING OFF OF SHAREHOLDER LOANS AND THE RELATED CONTINUING

CONNECTED TRANSACTIONS” under the Board Letter. Completion of the Proposed Disposal shall occur on the fifth business day following the fulfilment of the conditions precedent. The aforesaid conditions precedent include, among others:

“(i) all intercompany payables owed by the Group (excluding the Target Group) to the Target Group having been set off in full, such that there shall be no liability owed by the Group (excluding the Target Group) to the Target Group; and (ii) a total of approximately MYR4,320 million (equivalent to approximately US\$982 million) of the net intercompany payables owed by the Target Group to the Group (excluding the Target Group) having been subject to a standstill and forbearance arrangement for a period of 30 years from the completion of the Proposed Disposal.”

According to the Board Letter, with respect to the above condition, as of the Latest Practicable Date, the Group (excluding the Target Group) has set off all liabilities owed by the Group (excluding the Target Group) to the Target Group, and the net intercompany payables from the Target Group to the Group (excluding the Target Group) was approximately MYR5,135 million (equivalent to approximately US\$1,167 million). In connection with the Proposed Disposal, the Group (excluding the Target Group) will undertake to the Target Group to standstill and forbear from taking certain enforcement actions in respect of a total of approximately MYR4,320 million (equivalent to approximately US\$982 million) of such intercompany payables for a period of 30 years from the completion of the Proposed Disposal (the “TG Payables Forbearance”). Such forbearance arrangement is designed to relieve the Target Group from immediate financial pressure and provide the Target Group with necessary financial and operational flexibility to develop and monetize the FC Project, a complex large-scale integrated property development project, over the long term, ultimately enhancing the return that the Company may receive under the Upside Sharing Agreement, the ListCo CVR and the Management Services Framework Agreement.

In light of the following factors:

- (i) the condition of the Target Group and the FC Project as stated above;
- (ii) the TG Payables Forbearance shall relieve the Target Group from immediate financial pressure and provide the Target Group with necessary financial and operational flexibility to develop and monetize the FC Project over the long term. Such relief and flexibility provided to the Target Group could be considered as a balance for Concrete Win to acquire the Target Shares at the Consideration of US\$50,000,000 (together with agreeing to enter into the Upside Sharing Agreement and issue the ListCo CVR/Scheme Creditor CVR) whereas the fair value of

the Target Group's consolidated net asset was approximately negative MYR1,998 million (equivalent to approximately negative US\$454 million) as at 31 August 2025;

- (iii) the above relief and flexibility provided to the Target Group may ultimately enhance the return that the Company may receive under the Upside Sharing Agreement, the ListCo CVR and the Management Services Framework Agreement,

we considered the TG Payables Forbearance to be justifiable.

Upside Sharing Agreement

On completion of the Proposed Disposal, the Company will enter into the Upside Sharing Agreement (the form of which has been agreed under and appended to the Share Purchase Agreement) with Concrete Win, pursuant to which the Company shall be entitled to share a portion of the upside of the FC Project received by Concrete Win in consideration of the Proposed Disposal. From the date of completion of the Proposed Disposal until three years thereafter, the Company shall be entitled to an upside sharing fee comprising an amount equal to 15% of the excess return that Concrete Win receives from the Target Group over an internal rate of return ("IRR") of 12% per annum, which shall be calculated at the time of each distribution by the Target Group and payable within 15 business days of the delivery of a notice in relation to such distribution. The return that Concrete Win receives from the Target Group will be calculated taking into account any and all dividends, bonus issues or any other distribution or payment made by the Target Group to Concrete Win in its capacity as a direct or an indirect shareholder of any member of the Target Group, including any repayment of any principal or interest of shareholder loans (if any), minus any amount paid or payable under the ListCo CVR and the Scheme Creditor CVR.

ListCo CVR and Scheme Creditor CVR

In addition, Concrete Win will issue (i) the ListCo CVR to the Company on completion of the Proposed Disposal; and (ii) the Scheme Creditor CVR pursuant to the terms of the Scheme and as part of the Scheme Consideration, in each case, in connection with the completion of the Proposed Disposal on the basis of the principal terms set out under the sub-section headed "ListCo CVR and Scheme Creditor CVR" of the Board Letter. Under such principal terms, in the event that any of the Trigger Events occur, Concrete Win shall pay each of the Company/counterparty of the Scheme Creditor CVR an amount equal up to (i) 15% (from the issuance date of the ListCo CVR to 30 June 2028), (ii) 8% (from 1 July 2028 to 30 June 2031 or (iii) 5% (from 1 July 2031 to 31 December 2034), in each case, of the Company Upside Amount (being (i) the total net cash consideration (after deducting taxes and other transaction expenses) attributable to the distributions from or disposal of the Target Shares (or disposal of the assets of the FC Project) following the occurrence of any of the Trigger Events (plus, without doubling counting, any dividends or other

distributions derived from the shares in CGWF, CGPV and CIBS from the issuance date of the ListCo CVR and Scheme Creditor CVR until the occurrence of such Trigger Event), which are received by the Concrete Win (and/or its affiliates, excluding the Target Group); less the aggregate of (ii) US\$50,000,000 (or the relevant pro rata amount if only a portion (instead of all)) of the relevant assets are being disposed) and (iii) any outstanding investments advanced by the Controlling Shareholder to the FC Project and the outstanding costs incurred in advancing such investments (without taking into account any prior returns actually received by Concrete Win and/or its affiliates)).

With reference to the Board Letter, the Company has agreed with Concrete Win that the total amount of contingent consideration that the Company may receive under the Upside Sharing Agreement and the ListCo CVR shall not exceed MYR134 million.

We consider that the Upside Sharing Agreement and the ListCo CVR enable the Group to enjoy further benefits (in addition to the Consideration) from the future development of the Target Group (if any). Accordingly, we consider the Upside Sharing Agreement and the ListCo CVR to be fair and reasonable.

Taking into account the above principal terms of the Proposed Disposal, we consider that the terms of the Disposal are fair and reasonable.

Possible financial effects of the Proposed Disposal

With reference to the Board Letter, upon completion of the Proposed Disposal, each of the Target Companies will cease to be a subsidiary of the Company and the financial results of the Target Companies will no longer be consolidated into the consolidated financial statements of the Company. The Proposed Disposal will not generate any new cash funding for the Company. For illustrative purpose, based on management's estimate, taking into account (i) the consolidated net liabilities of the Target Group as at 31 August 2025 of approximately MYR224 million (equivalent to approximately RMB381 million); and (ii) the Consideration of US\$50 million (equivalent to approximately RMB360 million), it is expected that, upon completion of the Proposed Disposal, the Company will record a gain on the Proposed Disposal of approximately RMB741 million.

It should be noted that the aforementioned analyses are for illustrative purposes only and do not purport to represent how the financial position of the Group will be upon completion of the Proposed Disposal.

Recommendation on the Proposed Disposal

Having taken into account the above factors and reasons, we are of the opinion that (i) the terms of the Proposed Disposal are on normal commercial terms and are fair and reasonable; and (ii) although the Proposed Disposal is not conducted in the ordinary and usual course of business of the Group, it is in the

interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Proposed Disposal and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

IV. The CCTs

Reasons for and benefits of the CCTs

On completion of the Proposed Disposal, the Company (or another entity designated by the Company) will enter into the Management Services Framework Agreement (the form of which has been agreed under and appended to the Share Purchase Agreement) with CGWF, pursuant to which the Company (or its designated entity) will provide Management Services to the Target Group for a term commencing from the completion of the Proposed Disposal until three years after the completion of the Proposed Disposal.

As aforementioned, the Group may provide support and receive service fees in the form of the Management Services to the Target Group for its development, operation and marketing of the FC Project after completion of the Proposed Disposal under the Management Service Framework Agreement.

As the Group is a sizeable property developer and possesses extensive experience in the FC Project, it is beneficial for the Group to provide support to Target Group and receive service fees under the Management Service Framework Agreement. This will also enhance to revenue source of the Group.

Given the above, we are of the view that the CCTs are conducted in the ordinary and usual course of business of the Group and are in the interest of the Company and the Shareholders as a whole.

Principal terms of the CCTs

Set out below is the principal terms of the CCTs, details of which are set out under the sub-section headed “(2) Management Services Framework Agreement” of the Board Letter:

Date:	Date of completion of the Proposed Disposal
Parties:	the Company (or another entity designated by the Company); and CGWF
Term:	From date of completion of the Proposed Disposal until three years after the date of completion of the Proposed Disposal

Subject Matter:

Provision of Management Services to the Target Group, including, amongst others:

- (a) provision of construction services to the FC Project, including but not limited to building, installing, maintaining and altering construction works; reviewing and assessing design documents; project maintenance services, and project technical services;
- (b) provision of landscaping services to the FC Project, including but not limited to design and installation services, and maintenance services; and
- (c) provision of any other matters in relation to the development and management of the FC Project as reasonably requested by the Target Group.

Pricing policy:

Fees to be charged for the Management Services to be provided by the Group shall be determined after arm's length negotiation between the relevant parties on a "cost-plus" basis, namely the aggregate of (i) the cost incurred or reasonably estimated to be incurred by the Company (or another entity designated by the Company) or its affiliates arising recurrently in the course of the provision of the Management Services (including material costs, equipment costs, labour costs, internal overheads and out of pocket expenses) and (ii) an additional mark-up rate of 5%, or such other rate as determined after arm's length negotiation between the relevant parties, which shall be no less favourable to the Group (excluding the Target Group) than those available from other Independent Third Parties (to the extent practicable) for similar services in comparable property projects during the same period.

The Group will consider the prevailing market prices of other real estate companies for the provision of services in respect of properties of similar scale, location, quality, and the content, quality and standard of services required.

Payment arrangement: CGWF will deliver, or cause the relevant Target Group company to deliver, to the Company (or another entity designated by the Company) a work order each time it requests for a Management Service. The Company (or another entity designated by the Company) may accept such work order by countersigning it. Fees for the Management Services shall be paid in accordance with a payment schedule to be agreed between the parties through arm's length negotiation.

The Group will negotiate payment terms by reference to the standard terms offered by the Group to Independent Third Parties under similar conditions and the market practice.

Pricing policies

Given that "cost-plus" basis is commonly adopted for services pricing and the service fees shall be no less favourable to the Group (excluding the Target Group) than those available from other Independent Third Parties, we consider the pricing policies for the Management Services to be fair and reasonable.

With reference to the Board Letter, to ensure individual transactions will be conducted in accordance with the Management Services Framework Agreement and the aforesaid pricing policy, the Group will adopt the internal control measures as set out under the sub-section headed "(2) Management Services Framework Agreement" of the Board Letter. We consider that the effective implementation of such internal control measures will ensure fair pricing of the Management Services.

Proposed annual caps

Set out below are proposed annual caps (exclusive of tax) for fees payable to the Group by the Target Group under the Management Services Framework Agreement (the “Proposed Annual Cap(s)”) for each of the three years after the Proposed Disposal:

	From completion of the Proposed Disposal to 31 December 2026 (the “2026 Period”)	For the year ending 31 December 2027 (“FY2027”)	For the year ending 31 December 2028 (“FY2028”)
Fees receivable by the Group from the Target Group in respect of the Group’s provision of Management Services	MYR65 million	MYR470 million	MYR280 million

With reference to the Board Letter, in determining the annual caps for the Management Services Framework Agreement mentioned above, the Directors have considered a number of factors including, without limitation, (i) the type, variety and nature of the Management Services, in particular in relation to construction services, landscaping services and ancillary services required by the Target Group from the Group; (ii) the expected development plan of the FC Project by the Target Group, including the continuing development of ongoing projects, and the expected development of new transportation infrastructure and large-scale shopping malls; and (iii) the expected volume of construction services required by the Target Group in relation to its current plans for the FC Project; (iv) around 20% expected annual increase of landscaping services required by the FC Project.

For our due diligence purpose, we obtained the calculation of the Proposed Annual Caps from the Company and noted that the Proposed Annual Caps principally cover:

- (i) estimated construction services fees in respect of construction of infrastructures and a shopping mall under the FC Project (i.e. approximately MYR52 million for 2026 Period, approximately MYR450 million for FY2027 and approximately MYR258 million for FY2028);

- (ii) estimated landscaping services fees for the FC Project (i.e. approximately MYR10 million for 2026 Period, approximately MYR12 million for FY2027 and approximately MYR14 million for FY2028); and
- (iii) top-up buffer to cater for other possible services to be provided under the Management Services Framework Agreement and any unforeseeable circumstances (i.e. approximately MYR3 million for 2026 Period, approximately MYR8 million for FY2027 and approximately MYR8 million for FY2028).

In respect of the above estimated construction services fees, we obtained from the Company corresponding budgeting and development schedule which formed the basis of such estimated construction services fees for 2026 Period, FY2027 and FY2028.

In respect of the above estimated landscaping services fees, the Company advised us that the highest amount of landscaping services provided by the landscaping services provider for the FC Project on an inter-group basis was approximately MYR8 million per annum for the two years ended 31 December 2024. In anticipation of further development of the FC Project, the Company expects such amount to increase continuously for 2026 Period, FY2027 and FY2028.

In addition, we noted that the top-up buffer represented less than 10% of the Proposed Annual Cap for each of 2026 Period, FY2027 and FY2028. We noted from other Hong Kong listed companies' circulars regarding continuing connected transactions that the incorporation of buffer of 10% or less in the proposed annual caps is not uncommon. Therefore, we consider the top-up buffer to be justifiable.

In light of the above, we consider the proposed annual caps for the period ending 31 December 2028 are fair and reasonable.

Shareholders should note that as the Proposed Annual Caps are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2028, and they do not represent forecasts of revenue to be generated from the CCTs. Consequently, we express no opinion as to how closely the actual costs to be incurred from revenue to be generated from the CCTs will correspond with the Proposed Annual Caps.

Having considered the principal terms of the CCTs above, we are of the view that the terms of the CCTs (including the Proposed Annual Caps) are on normal commercial terms and are fair and reasonable.

Listing Rules requirements on the CCTs

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the value of the CCTs must be restricted by the Proposed Annual Caps; (ii) the terms of the CCTs (including the Proposed Annual Caps) must be reviewed by the independent non-executive Directors annually; and (iii) details of the independent non-executive Directors' annual review on the terms of the CCTs must be included in the Company's subsequent published annual reports. Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the CCTs (i) have not been approved by the Board; (ii) were not, in all material aspects, in accordance with the pricing policies of the Group; (iii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iv) have exceeded the Proposed Annual Caps. In the event that the total amount of the CCTs is anticipated to exceed the Proposed Annual Caps, or that there is any proposed material amendment to the terms of the CCTs, as confirmed by the Directors, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transactions.

Given the above stipulated requirements for the continuing connected transactions pursuant to the Listing Rules by the Company, we are of the view that there are adequate measures in place to monitor the CCTs (together with the Proposed Annual Caps) and hence the interest of the Independent Shareholders would be safeguarded.

Recommendation on the CCTs

Having taken into account the above factors and reasons, we are of the opinion that (i) the terms of the CCTs are on normal commercial terms and are fair and reasonable; and (ii) the CCTs are conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the CCTs and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited



Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 30 years of experience in investment banking industry.