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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

**If you have sold or transferred** all your shares in **Hanvey Group Holdings Limited**, you should at once hand or forward this circular and the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, stockbroker or licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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## **HANVEY GROUP HOLDINGS LIMITED**

### **恆偉集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8219)**

**(1) VERY SUBSTANTIAL DISPOSAL AND  
CONNECTED TRANSACTION: DISPOSAL OF THE ENTIRE  
EQUITY INTEREST IN A PRC SUBSIDIARY AND  
DISPOSAL OF A HONG KONG PROPERTY;  
(2) PROPOSED AMENDMENTS TO THE SECOND AMENDED AND  
RESTATED ARTICLES OF ASSOCIATION AND THE ADOPTION OF  
THE THIRD AMENDED AND RESTATED ARTICLES OF ASSOCIATION  
AND  
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

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



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Capitalised terms used on this cover page shall have the same meanings as those defined in this circular unless otherwise stated.

A notice convening the EGM to be held at Units 3, 5 and 6, 15/F, Tower One, Ever Gain Plaza, No. 88 Container Port Road, Kwai Chung, New Territories, Hong Kong, at 11:00 a.m. on Thursday, 15 May 2025 is set out on pages EGM-1 to EGM-4 of this circular.

A form of proxy for the EGM is enclosed with this circular. If you do not intend to attend and vote at the EGM in person, you are requested to complete and return the enclosed form of proxy (together with any power of attorney or other authority) to Tricor Investor Services Limited, the Company's branch share registrar and transfer office in Hong Kong, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. The completion and delivery of a form of proxy will not preclude you from attending and voting in person at the EGM (or any adjournment thereof) should you so wish and in such event, the form of proxy shall be deemed to be revoked.

23 April 2025

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## CHARACTERISTICS OF GEM

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*GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.*

*Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.*

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## DEFINITIONS

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“Amount Due to Purchaser A”	the loans advanced by Purchaser A to the Group from time to time, which are unsecured, interest-free and repayable on demand
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	in respect of Disposal A, a day on which licensed banks in the PRC are open for general commercial business, other than a Saturday, Sunday or public holiday in the PRC in respect of Disposal B, a day on which licensed banks in Hong Kong are open for general commercial business, other than a Saturday, Sunday or public holiday in Hong Kong
“Company”	Hanvey Group Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM (Stock Code: 8219)
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“CPO”	the Conveyancing and Property Ordinance (Chapter 219 of the Laws of Hong Kong)
“Current Articles”	the Second Amended and Restated Articles of Association of the Company adopted on 16 June 2023
“Director(s)”	the director(s) of the Company
“Disposals”	Disposal A and Disposal B
“Disposal A”	the disposal of the Sale Equity Interest and the Sale Loan by Vendor A to Purchaser A under Sale and Purchase Agreement A
“Disposal A’s Completion”	the completion of Disposal A in accordance with the terms and conditions under Sale and Purchase Agreement A
“Disposal A’s Consideration”	the consideration for Disposal A payable by Purchaser A, which is RMB18.20 million (equivalent to approximately HK\$19.66 million)

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## DEFINITIONS

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“Disposal B”	the disposal of Property B by Vendor B to Purchaser B pursuant to the terms and conditions under Sale and Purchase Agreement B
“Disposal B’s Completion”	the completion of Disposal B in accordance with the terms and conditions under Sale and Purchase Agreement B
“Disposal B’s Consideration”	the consideration for Disposal B payable by Purchaser B, which is HK\$16.40 million
“Disposal Company”	Shenzhen Fujing Precision Technology Company Limited* (深圳福井精密科技有限公司), a company established in the PRC with limited company and an indirect wholly-owned subsidiary of the Company immediately before Disposal A’s Completion
“EGM”	the extraordinary general meeting of the Company to be held at Units 3, 5 and 6, 15/F, Tower One, Ever Gain Plaza, No. 88 Container Port Road, Kwai Chung, New Territories, Hong Kong at 11:00 a.m. on Thursday, 15 May 2025 for the purpose of considering and, if thought fit, approving (i) the Disposals and the transactions contemplated under the Sale and Purchase Agreements; and (ii) the Proposed Amendments and the proposed adoption of the Third Amended and Restated Articles of Association
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Financial Adviser”	Merdeka Corporate Finance Limited (領智企業融資有限公司), a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Disposals

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## DEFINITIONS

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“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons and not connected with any of them or their respective associates
“Independent Valuer”	FVA Advisory Limited, an independent professional valuer appointed by the Company for the property valuations of the Properties and the equity valuation of the Sale Equity Interest
“Latest Practicable Date”	14 April 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Long Stop Date”	30 September 2025, or such other date as may be mutually agreed upon by the parties
“Material Adverse Change”	any change, event, circumstance or other matter that, in the opinion of Purchaser A, has, or would reasonably be expected to have, either individually or in aggregate, a material adverse effect on (a) the ability of Vendor A to perform its obligations under the transaction documents in respect of Disposal A; or (b) the business, assets and liabilities, financial condition, results of operations or prospects of the Disposal Company
“Million Easy”	Million Easy Enterprises Ltd. (萬宜集團有限公司), a company incorporated in the British Virgin Islands with limited liability, which is the substantial and controlling shareholder of the Company and owned by Mr. Cheuk and Mrs. Cheuk in equal shares
“Mr. Cheuk”	Mr. Cheuk Sin Cheong Clement (卓善章), the chairman of the Board, the chief executive officer of the Company, an executive Director, the spouse of Mrs. Cheuk and one of the controlling shareholders of the Company
“Mrs. Cheuk”	Ms. Au Corona Ching Mei M.H. (歐靜美), an executive Director, the spouse of Mr. Cheuk and one of the controlling shareholders of the Company
“PRC”	the People’s Republic of China, which for the purpose of this circular excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Properties”	Property A and Property B

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## DEFINITIONS

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“Property A”	Units 801, 802 and 803 on 8th Floor, Block 1, Innovation Wisdom Port, Huangpu Nandong Ziran Village, Shajing Town, Baoan District, Shenzhen City, the PRC, with total gross floor area of approximately 1,034 sq. m.
“Property B”	House No. 20, Greenery Gardens, No. 3 Fairview Park Boulevard, Yuen Long, New Territories, Hong Kong, with a gross floor area of approximately 2,568 sq. ft.
“Proposed Amendments”	the proposed amendments to the Current Articles as set out in Appendix XII to this circular
“Purchaser A”	Billion Riches Limited (品億有限公司), a company incorporated in Hong Kong with limited liability which is indirectly owned as to 50% each by Mr. Cheuk and Mrs. Cheuk, respectively
“Purchaser B”	Multiple Yield Limited (萬茂有限公司), a company incorporated in Hong Kong with limited liability which is directly owned as to 50% each by Mr. Cheuk and Mrs. Cheuk, respectively
“Remaining Group”	the Group after completion of the Disposals
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreements”	Sale and Purchase Agreement A and Sale and Purchase Agreement B
“Sale and Purchase Agreement A”	the conditional sale and purchase agreement dated 17 December 2024 (after trading hours) entered into between the Company, Vendor A and Purchaser A in relation to Disposal A
“Sale and Purchase Agreement B”	the conditional sale and purchase agreement dated 17 December 2024 (after trading hours) entered into between Vendor B and Purchaser B in relation to Disposal B
“Sale Equity Interest”	the entire equity interest and actual paid-up registered capital of the Disposal Company

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## DEFINITIONS

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“Sale Loan”	all advances and all other sums (if any) owing by the Disposal Company to Shenzhen 3 Wells (which are unsecured, interest-free and repayable on demand) as of Disposal A’s Completion, the aggregate amount of which as at 28 February 2025 was approximately RMB15.33 million (equivalent to approximately HK\$16.56 million)
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	the holder(s) of the Share(s)
“Share(s)”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Shenzhen 3 Wells”	Shenzhen 3 Wells Watch Company Limited* (深圳三井錶業有限公司), a company established in the PRC with limited company and an indirect wholly-owned subsidiary of the Company
“sq. ft.”	square feet
“sq. m.”	square metre(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning as ascribed thereto under the GEM Listing Rules
“Third Amended and Restated Articles of Association”	the set of the Third Amended and Restated Articles of Association of the Company incorporating and consolidating all the Proposed Amendments to be considered and approved for adoption by way of special resolutions at the EGM
“Vendor A”	Creative Profit Investment Limited (意利投資有限公司), a limited liability company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company



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## DEFINITIONS

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“Vendor B”                      Cheer China Group Holdings Limited (致華集團控股有限公司), a limited liability company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company

“%”                                      per cent

\*    *For identification purposes only*

For the purpose of this circular, unless otherwise indicated, conversion of Renminbi into Hong Kong dollars is calculated at the approximate exchange rate of RMB1.00 to HKD1.08. This exchange rate is adopted for the purpose of illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rates at all.

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LETTER FROM THE BOARD

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**HANVEY GROUP HOLDINGS LIMITED**  
**恆偉集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 8219)**

*Executive Directors:*

Mr. Cheuk Sin Cheong Clement  
*(Chairman and Chief Executive Officer)*  
Ms. Au Corona Ching Mei M.H.

*Independent Non-executive Directors:*

Mr. Yu Sau Ning Homer M.H.  
Ms. Yee Wai Fong Wendy  
Mr. Yip Yat Lam

*Registered Office:*

Cricket Square  
Hutchins Drive  
PO Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head office and principal place  
of business in Hong Kong:*

Units 3, 5 and 6, 15th Floor  
Tower One, Ever Gain Plaza  
No.88 Container Port Road  
Kwai Chung, New Territories  
Hong Kong

23 April 2025

*To the Shareholders,*

Dear Sir or Madam,

**(1) VERY SUBSTANTIAL DISPOSAL AND  
CONNECTED TRANSACTION: DISPOSAL OF THE ENTIRE  
EQUITY INTEREST IN A PRC SUBSIDIARY AND  
DISPOSAL OF A HONG KONG PROPERTY;  
(2) PROPOSED AMENDMENTS TO THE SECOND AMENDED AND  
RESTATED ARTICLES OF ASSOCIATION AND THE ADOPTION OF  
THE THIRD AMENDED AND RESTATED ARTICLES OF ASSOCIATION  
AND  
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

References are made to the announcements of the Company dated 17 December 2024 and 14 April 2025 which are, respectively, relating to (i) the Disposals which in aggregate constitute a very substantial disposal and a connected transaction of the Company under Chapters 19 and 20 of the GEM Listing Rules; and (ii) the proposed adoption of the Third Amended and Restated Articles of Association.

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with (i) further information on the Disposals; (ii) a letter from the Independent Board Committee in respect of the Disposals; (iii) a letter from the Independent Financial Adviser regarding the Disposals; (iv) the property valuation reports of the Properties; (v) the equity valuation report of the Sale Equity Interest; (vi) the financial information of the Disposal Company; (vii) the unaudited pro forma financial information of the Remaining Group; (viii) other information as required under the GEM Listing Rules; (ix) the Proposed Amendments to the Current Articles and the adoption of the Third Amended and Restated Articles of Association; and (x) a notice of the EGM.

### **(1) VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION: DISPOSAL OF THE ENTIRE EQUITY INTEREST IN A PRC SUBSIDIARY AND DISPOSAL OF A HONG KONG PROPERTY**

#### **BACKGROUND**

##### **Disposal A**

As at the Latest Practicable Date:

- (i) the Group was indebted to Purchaser A (a connected person of the Company) for the Amount Due to Purchaser A, which amounted to HK\$24.71 million as at 28 February 2025;
- (ii) the Disposal Company was indebted to Shenzhen 3 Wells (an indirect wholly-owned subsidiary of the Company) for the Sale Loan, which amounted to approximately RMB15.33 million (equivalent to approximately HK\$16.56 million) as at 28 February 2025; and
- (iii) the Disposal Company is the sole legal and beneficial owner of Property A, which is its main asset.

On 17 December 2024 (after trading hours), the Company and Vendor A entered into Sale and Purchase Agreement A with Purchaser A, pursuant to which Vendor A conditionally agreed to sell, and Purchaser A conditionally agreed to purchase (i) the Sale Equity Interest (representing the entire equity interest and actual paid-up registered capital of the Disposal Company); and (ii) the Sale Loan, at the Disposal A's Consideration.

In addition, under Sale and Purchase Agreement A, upon Disposal A's Completion, the Company shall (i) enter into a deed of set-off with Purchaser A in relation to the set-off of an amount equivalent to the Disposal A's Consideration against the outstanding principal amount of the Amount Due to Purchaser A as of the date of Disposal A's Completion; and (ii) procure Shenzhen 3 Wells to enter into a deed of assignment with the Disposal Company and Purchaser A in relation to the assignment of the Sale Loan by Shenzhen 3 Wells to Purchaser A free from all encumbrances and together with all rights and benefits attaching thereto (including the right to demand repayment) as of Disposal A's Completion, such that the Disposal Company is released and discharged of all present and future liabilities and obligations owing to Shenzhen 3 wells.

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## LETTER FROM THE BOARD

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### Disposal B

On 17 December 2024 (after trading hours), Vendor B entered into Sale and Purchase Agreement B with Purchaser B, pursuant to which Vendor B conditionally agreed to sell, and Purchaser B conditionally agreed to purchase Property B at the Disposal B's Consideration.

### SALE AND PURCHASE AGREEMENT A

**Date** : 17 December 2024 (after trading hours)

**Parties** : (1) the Company;  
(2) Vendor A; and  
(3) Purchaser A.

### Assets to be disposed of

Pursuant to Sale and Purchase Agreement A, Vendor A has conditionally agreed to sell and Purchaser A has conditionally agreed to purchase (i) the Sale Equity Interest, representing the entire equity interest and actual paid-up registered capital of the Disposal Company; and (ii) the Sale Loan.

The Disposal Company is the sole legal and beneficial owner of Property A, which is its main asset.

### Consideration and payment terms

The Disposal A's Consideration is RMB18.20 million (equivalent to approximately HK\$19.66 million), which shall be settled by way of set-off of an amount equivalent to the Disposal A's Consideration against the outstanding principal amount of the Amount Due to Purchaser A as of the date of Disposal A's Completion. In the event that the outstanding principal amount of the Amount Due to Purchaser A as of the date of Disposal A's Completion is less than the equivalent of the Disposal A's Consideration, Purchaser A shall pay such a shortfall to Vendor A (or its nominee) in cash.

As at the date of the Latest Practicable Date, the Group was indebted to Purchaser A for the Amount Due to Purchaser A, which is unsecured, interest-free and repayable on demand. As at 28 February 2025, the Amount Due to Purchaser A amounted to approximately HK\$24.71 million.

## LETTER FROM THE BOARD

### Basis of consideration

The Disposal A's Consideration was arrived at arm's length negotiations between the parties on normal commercial terms with reference to:

- (i) the valuation of the Sale Equity Interest of RMB2.85 million (equivalent to approximately HK\$3.08 million) as at 31 October 2024, which was substantially derived from the value of Property A of RMB18.20 million (equivalent to approximately HK\$19.66 million) as at 31 October 2024 according to the property valuation by the Independent Valuer, net of the Disposal Company's adjusted total outstanding liabilities of approximately RMB15.35 million (equivalent to approximately HK\$16.58 million) as at 31 October 2024 after taking into consideration the subsequent events as set forth below;

	Approximate actual outstanding liabilities of the Disposal Company as at 31 October 2024 <i>RMB million</i>	Approximate figures of borrowing(s) and repayment(s) made by the Disposal Company in early November 2024 <i>RMB million</i>	Approximate adjusted outstanding liabilities of the Disposal Company as at 31 October 2024 which was adopted for the purpose of the valuation of the Sale Equity Interest <i>RMB million</i>
Amount due to Shenzhen 3 Wells	(14.36)	(0.99)	(15.35)
Amount due to a bank in the PRC	(3.46)	3.46	–
	<u>(17.82)</u>	<u>2.47</u>	<u>(15.35)</u>

- (ii) the principal of the Sale Loan in the amount of approximately RMB15.35 million (equivalent to approximately HK\$16.58 million) as at 31 October 2024;
- (iii) the prospect of having the Amount Due from Purchaser A settled in an amiable manner, thereby reducing the Company's indebtedness level and financial reliance on its controlling shareholders, namely Mr. Cheuk and Mrs. Cheuk; and
- (iv) the prevailing market conditions of the PRC real estate industry.

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## LETTER FROM THE BOARD

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The basis of valuation of the Sale Equity Interest adopted by the Independent Valuer is fair value, which is defined by the Independent Valuer as the price at which a shareholding of a business or a company would be transferred at arm's length terms between a willing buyer and a willing seller, both having reasonable knowledge of the relevant facts and neither being compelled to buy or sell. In terms of valuation methodology, considering the Disposal Company is an asset holding company, the Independent Valuer has selected the asset approach for the valuation of the Sale Equity Interest, under which fair values of the assets and liabilities held by the Disposal Company are summed up to arrive at the fair value of the Disposal Company.

### **Conditions precedent**

Disposal A is conditional upon the satisfaction (or waiver, as the case may be) of the following:

- (i) the passing of necessary resolution(s) by the Independent Shareholders at the EGM approving Disposal A and the transactions contemplated under Sale and Purchase Agreement A in accordance with Chapters 19 and 20 of the GEM Listing Rules;
- (ii) all consents, approvals and clearances necessary or expedient for the entering into, delivery and performance of the transaction documents of Disposal A having been obtained;
- (iii) the warranties provided by the parties under Sale and Purchase Agreement A remaining true, accurate and not misleading at Disposal A's Completion; and
- (iv) there having been no Material Adverse Change since the date of Sale and Purchase Agreement A.

Purchaser A may in its absolute discretion waive either in whole or in part at any time by notice in writing to Vendor A any of the conditions precedent, except paragraphs (i) and (ii) above which are not capable of being waived.

As at the Latest Practicable Date, none of the conditions has been fulfilled or waived. If any of the conditions is not fulfilled or waived by Purchaser A by the Long Stop Date, Purchaser A shall not be required to proceed with the acquisition of the Sale Equity Interest and the Sale Loan.

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## LETTER FROM THE BOARD

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### Completion

Disposal A's Completion shall take place within ten (10) Business Days from the fulfilment (or waiver, as the case may be) of all the conditions precedent for Disposal A.

Upon Disposal A's Completion:

- (i) the Company, Vendor A and Purchaser A shall enter into a deed of set-off in relation to the set-off of an amount equivalent to the Disposal A's Consideration against the outstanding principal amount of the Amount Due to Purchaser A as of the date of Disposal A's Completion; and
- (ii) the Company shall procure Shenzhen 3 Wells to enter into a deed of assignment with the Disposal Company and Purchaser A in relation to the assignment of the Sale Loan by Shenzhen 3 Wells to Purchaser A free from all encumbrances and together with all rights and benefits attaching thereto (including the right to demand repayment) as of Disposal A's Completion, such that the Disposal Company is released and discharged of all present and future liabilities and obligations owing to Shenzhen 3 wells.

The terms as set out in paragraphs (i) and (ii) above are contractually binding on the parties pursuant to Sale and Purchase Agreement A. Respective parties are obliged to enter into or procure to enter into the abovementioned deeds (as the case may be) upon Disposal A's Completion.

### SALE AND PURCHASE AGREEMENT B

**Date** : 17 December 2024 (after trading hours)

**Parties** : (1) Vendor B; and  
(2) Purchaser B.

### Asset to be disposed of

Pursuant to Sale and Purchase Agreement B, Vendor B has conditionally agreed to sell and Purchaser B has conditionally agreed to purchase Property B.

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## LETTER FROM THE BOARD

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### **Consideration and payment terms**

The Disposal B's Consideration is HK\$16.40 million and shall be paid by Purchaser B to Vendor B (or its nominee) by cash in the following manner:

- (i) the first tranche of the Disposal B's Consideration in the sum of HK\$1.64 million upon passing of necessary resolution(s) by the Independent Shareholders at the EGM approving Sale and Purchase Agreement B and the transactions contemplated thereunder; and
- (ii) the remaining balance in the sum of HK\$14.76 million upon Disposal B's Completion.

### **Basis of consideration**

The Disposal B's Consideration was arrived at arm's length negotiations between the parties on normal commercial terms with reference to (i) the valuation of Property B of HK\$16.40 million as at 31 October 2024 according to the valuation by the Independent Valuer; and (ii) the prevailing market conditions of the Hong Kong real estate industry.

### **Conditions precedent**

Disposal B's Completion is subject to the fulfilment of the following conditions precedent under Sale and Purchase Agreement B:

- (i) Vendor B having proved the good title to Property B in accordance with Section 13 of the CPO and delivered to Purchaser B title deeds and documents in accordance with Section 13A of the CPO and the terms of Sale and Purchase Agreement B;
- (ii) the passing of necessary resolution(s) by the Independent Shareholders at the EGM approving Disposal B and the transactions contemplated under Sale and Purchase Agreement B in accordance with Chapters 19 and 20 of the GEM Listing Rules;
- (iii) all consents, approvals and clearances necessary or expedient for the entering into, delivery and performance of the transaction documents of Disposal B having been obtained; and
- (iv) the warranties provided by the parties under Sale and Purchase Agreement B remaining true, accurate and not misleading at Disposal B's Completion.

Purchaser B may in its absolute discretion waive either in whole or in part at any time by notice in writing to Vendor B any of the conditions precedent, except paragraphs (i) and (ii) above which are not capable of being waived. As at the Latest Practicable Date, none of the conditions has been fulfilled or waived.



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## LETTER FROM THE BOARD

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If any of the conditions is not fulfilled or waived by Purchaser B by the Long Stop Date, Purchaser B shall not be required to proceed with the acquisition of Property B and shall be entitled to demand the return of any considerations paid.

### **Mortgage and charges**

Property B is currently subject to a mortgage in favour of a Hong Kong licensed bank as security for certain term loans and revolving loans granted to the Group. Pursuant to Sale and Purchase Agreement B, Vendor B shall at its own costs and expenses prepare and procure the execution of the release and/or discharge of the existing mortgage over Property B on or before Disposal B's Completion.

### **Completion**

Disposal B's Completion shall take place within ten (10) Business Days from the fulfilment (or waiver, as the case may be) of all the conditions precedent for Disposal B.

## **INFORMATION ON THE GROUP AND THE PARTIES**

### **The Group**

The Company is an investment holding company and the Group is principally engaged in the design and development, manufacturing and distribution of watch products on original design manufacturing basis for watch manufacturers, brand owners and watch importers across the globe.

### **Vendor A and Vendor B**

Vendor A, Creative Profit Investment Limited (意利投資有限公司), is a limited liability company incorporated in Hong Kong on 22 May 2008 and an indirect wholly-owned subsidiary of the Company with principal business of investment holding.

Vendor B, Cheer China Group Holdings Limited (致華集團控股有限公司), is a limited liability company incorporated in Hong Kong on 3 August 2011 and an indirect wholly-owned subsidiary of the Company with principal business of investment holding.

### **Purchaser A and Purchaser B**

Purchaser A, Billion Riches Limited (品億有限公司), is a company incorporated in Hong Kong with limited liability and principally engaged in investment holding. Purchaser A is wholly-owned by Propulsive Future Group Limited, a company incorporated in the British Virgin Islands, which is in turn owned by Mr. Cheuk and Mrs. Cheuk in equal shares.

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## LETTER FROM THE BOARD

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Purchaser B, Multiple Yield Limited (萬茂有限公司), is a company incorporated in Hong Kong with limited liability and principally engaged in investment holding. Purchaser B is wholly-owned by Mr. Cheuk and Mrs. Cheuk in equal shares.

Mr. Cheuk is the chairman of the Board, the chief executive officer of the Company and an executive Director. Mrs. Cheuk is an executive Director and the spouse of Mr. Cheuk.

### INFORMATION ON THE DISPOSAL COMPANY AND THE PROPERTIES

#### The Disposal Company

The Disposal Company is a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company immediately prior to Disposal A's Completion. The Disposal Company is principally engaged in the business of property investment and is the sole legal and beneficial owner of Property A, which is its main asset.

For the three financial years ended 31 December 2022, 31 December 2023 and 31 December 2024, the audited financial information of the Disposal Company is as follows:

	For the year ended 31 December		
	2024	2023	2022
	HK\$'000	HK\$'000	HK\$'000
Revenue <sup>(Note)</sup>	1,225	1,262	2,542
Loss before taxation	(9,892)	(1,622)	(649)
Loss for the year	(9,892)	(1,622)	(649)

*Note:* The revenue generated for the two financial years ended 31 December 2022 and 31 December 2023 represents the rental income from Property A, which has been leased to the Remaining Group for its office and warehouse use.

The significant increase in rental income from Property A in 2022 was substantially attributable to the Group's decision in 2021 to defer the entire year's rent payable to the Disposal Company, due to the impact of the pandemic on market conditions and the business environment. As a result, Property A's rental income for 2021 was not received by the Disposal Company until 2022. This deferred rental income from 2021 contributed to the 2022 figures instead, causing the revenue for 2022 to be about twice that of 2023.

The unaudited net assets of the Disposal Company valued at approximately RMB2.85 million (equivalent to approximately HK\$3.08 million) as at 31 October 2024.

#### Property A

Property A comprises Units 801, 802 and 803 on 8th Floor situated at Block 1, Innovation Wisdom Port, Huangpu Nandong Ziran Village, Shajing Town, Baoan District, Shenzhen City, the PRC (中國深圳市寶安區沙井鎮黃埔南洞自然村創新智慧港產業院1棟8層801, 802及803室), with total gross area of approximately 1,034 sq. m..

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## LETTER FROM THE BOARD

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Property A is currently used by the Group as its office and warehouse.

According to the property valuation reports prepared by the Independent Valuer, the market value of Property A amounted to RMB18.20 million (equivalent to approximately HK\$19.66 million) as at 31 October 2024 and 28 February 2025.

After selling the Disposal Company together with Property A to Purchaser A, the Remaining Group will consider the then market conditions and its own operational needs to decide whether to lease back Property A or relocate to another premises for office and warehouse purposes. The Company will closely monitor its position and will publish announcement(s) as and when necessary to disclose any matters that need to be brought to the attention of the Shareholders and the Stock Exchange in accordance with Chapters 19 and 20 of the GEM Listing Rules.

### Property B

Property B is a residential house unit situated at House No. 20, Greenery Gardens, No. 3 Fairview Park Boulevard, Yuen Long, New Territories, Hong Kong, with a gross floor area of approximately 2,568 sq. ft..

According to the property valuation reports prepared by the Independent Valuer, the market value of Property B amounted to HK\$16.40 million and HK\$15.90 million as at 31 October 2024 and 28 February 2025, respectively.

Property B has been held by the Group since 2012 for investment purpose and currently rented out for rental income. Property B will be sold to Purchaser B with the existing tenancy. The unaudited profit or loss generated from the rental income of Property B for each of the three financial years ended 31 December 2022, 31 December 2023 and 31 December 2024 is as follows:

	For the year ended 31 December		
	2024	2023	2022
	HK\$'000	HK\$'000	HK\$'000
Rental income	419	360	360
Loss before taxation	(415)	(684)	(459)
Loss for the year	(415)	(684)	(459)

Property B is currently subject to a mortgage in favour of a Hong Kong licensed bank as security for certain term loans and revolving loans granted to the Group. The mortgage over Property B will be discharged through repayment of the aforesaid loans by Vendor B upon receipt of the consideration from Purchaser B at Disposal B's Completion.

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## LETTER FROM THE BOARD

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### Valuation of the Properties

Based on the valuation reports prepared by the Independent Valuer for the Properties as of 31 October 2024, being the latest valuation reports available to the parties to each of Sale and Purchase Agreement A and Sale and Purchase Agreement B at the time of signing, the valuations of Property A and Property B amounted to RMB18.20 million (equivalent to approximately HK\$19.66 million) and HK\$16.40 million, respectively.

When assessing the fairness and reasonableness of the fair value of the Properties, the Directors have reviewed the valuation reports of the Properties and discussed with the Independent Valuer regarding the methodologies adopted for and the basis and assumptions used in arriving at the fair value of the Properties. During the discussion, the Directors understood that, when performing the valuations of the Properties, the Independent Valuer adopted the market approach which provides an indication of value by comparing the asset with identical or comparable assets for which price information is available. They applied the direct comparison method of valuation and made comparisons based on actual sales transactions and/or offering of comparable properties. The Directors have also reviewed the assumptions adopted in the valuations of the Properties and have been advised that the valuation assumptions adopted are usual assumptions adopted by a professional valuer for such assets or entity. For further details of the methodology and assumptions adopted by the Independent Valuer, please refer to the full text of the respective valuation reports of the Properties as set out in Appendices V, VI, VIII and IX to this circular.

After reviewing the valuation reports of the Properties and discussing with the Independent Valuer, the Directors (save for Mr. Cheuk and Mrs. Cheuk) concluded that no material factors have been identified which cause the Board to doubt the fairness and reasonableness of the principal bases and assumptions adopted for or information used in the valuation of fair value of the Properties.

In view of the aforesaid, the Directors (save for Mr. Cheuk and Mrs. Cheuk) were satisfied that the valuation reports of the Properties, including the valuation approach and assumptions adopted, are fair and reasonable.

### FINANCIAL EFFECT OF THE DISPOSALS

#### Disposal A

Upon Disposal A's Completion, the Disposal Company will cease to be a subsidiary of the Company and the financial results of the Disposal Company will no longer be consolidated into the financial statements of the Group.

Assuming the outstanding principal amount of the Amount Due to Purchaser A as at the date of Disposal A's Completion equals to or is greater than the equivalent of the Disposal A's Consideration, Disposal A will not generate any new cash funding for the Company. For illustrative purposes, taking into account (i) the Disposal A's Consideration of RMB18.20

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## LETTER FROM THE BOARD

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million (equivalent to approximately HK\$19.66 million) and net of the estimated expenses and tax expenses in relation to Disposal A of approximately HK\$0.39 million; (ii) the Sale Loan in the amount of approximately RMB15.33 million (equivalent to approximately HK\$16.56 million) as at 28 February 2025; and (iii) the unaudited net asset value of the Disposal Company as stated in the unaudited management accounts of the Disposal Company as at 31 October 2024 in the amount of approximately RMB2.85 million (equivalent to approximately HK\$3.08 million), the Group is expected to recognize a loss on Disposal A of approximately HK\$0.37 million. The actual figures will be subject to audit by the auditors of the Company and therefore may be different from the aforementioned amount.

### **Disposal B**

For illustrative purposes, taking into account (i) the consideration for Disposal B of HK\$16.40 million and net of the estimated expenses and tax expenses in relation to Disposal B of approximately HK\$0.39 million; and (ii) the carrying value of Property B as stated in the unaudited management accounts of Vendor B as at 28 February 2025 the amount of approximately HK\$15.90 million, the Group is expected to recognize a gain on Disposal B of approximately HK\$0.11 million. The actual figures will be subject to audit by the auditors of the Company and therefore may be different from the aforementioned amount.

The net proceeds from Disposal B (after expenses of approximately HK\$0.39 million) is estimated to be approximately HK\$16.01 million. The remaining of the net proceeds, after the release and discharge of the existing charge over Property B of approximately HK\$9.60 million, is estimated to be approximately HK\$6.41 million, which will be used for general working capital of the Group.

### **REASONS FOR AND BENEFITS OF THE DISPOSALS**

The Group is principally engaged in the design and development, manufacturing and distribution of watch products on original design manufacturing basis for watch manufacturers, brand owners and watch importers across the globe.

### **Financial position of the Group**

As disclosed in the Company's announcement dated 31 March 2025 of its annual results for the year ended 31 December 2024, as at 31 December 2024, the Group had outstanding borrowings (including bank overdrafts, bank borrowings and loan from a related company (under liabilities classified as held for sale)) with an aggregate amount of approximately HK\$82.2 million. As at 31 December 2024, the gearing ratio of the Group calculated by total borrowings (including bills payables, bank overdrafts, bank borrowings, loan from a related company (under liabilities classified as held for sale) and lease liabilities) less cash and bank balances as a percentage of total equity was approximately 817.34%.

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## LETTER FROM THE BOARD

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Upon completion of the Disposals, it is estimated that the Group would recognize a gain on disposal of a subsidiary and gain on disposal of a property amounting to approximately HK\$5.91 million and HK\$0.3 million, respectively, for the year ended 31 December 2024 as if Disposal A and Disposal B had been completed on 31 December 2024. The relative net cash inflows (after deducting direct transaction costs and repayment of loans) from the Disposals are in total of approximately HK\$16.32 million for the year ended 31 December 2024. The net proceeds from the Disposals will be utilized to repay part of bank borrowings and the remaining will be used for Group's working capital. As a result, the Group's liquidity position will be improved and the gearing ratio will reduce to about 142.63%.

### **Conditions of the PRC and Hong Kong real estate markets**

During the past few years, the business environment in the PRC real estate industry has been challenging. Under the macro policy of "housing is for living rather than speculation" and "Three Red Lines", in late 2020 and early 2021, the PRC government successively introduced regulatory policies such as "Management of Concentration of Real Estate Loan" and "Two Concentrations of Land Supply" to limit the over-expansion of the real estate industry in the PRC. Being affected by the regulatory policies, the risks of high-leverage operations of some real estate companies had gradually surfaced, and the industry's financing channels were experiencing overall shrinkages. At the same time, the continued simmering of the liquidity crisis has aggravated the wait-and-see attitude of property buyers, capital market participants and other market participants, and the lack of willingness to buy property has deteriorated the real estate sales. By mid-2024, both the new and second-hand property markets remained under cold sentiment, resulting in the intensified downward pressure on property prices. While the PRC government has launched a series of measures to support the real estate industry, including speeding up of bank lending for unfinished developments and loosening of lending conditions, in September and October 2024, the actual effect of these measures will remain to be observed.

Similarly, the Hong Kong property market continues to face significant downward pressure from first-hand price reductions, high interest rates and economic uncertainty, with preowned residential property prices falling to their lowest level in eight years as of mid-2024. According to a research conducted by Knight Frank Hong Kong published in August 2024, home prices decreased by 13.1% year-on-year in June, based on data from the Rating and Valuation Department of Hong Kong. While the market briefly showed signs of recovery following the relaxation of property market controls earlier in the year, this resurgence was short-lived. The ongoing decline in transaction volumes further highlights the subdued market conditions, with significant reductions in both sales value and activity in the secondary market.

After a regular review of the Group's business operation and its investment portfolio and considering the prevailing conditions in the PRC and Hong Kong real estate markets, the Company is of the view that Property A (being use as office and warehouse) and Property B (being leased out for rental income) are non-core investments, which are expected to have limited chances of substantial value appreciation having regard to the prevailing market conditions.

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## LETTER FROM THE BOARD

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Taking into consideration (i) the Amount Due to Purchaser A which stood at approximately HK\$24.71 million as at 28 February 2025; (ii) the prevailing conditions and unstable future outlook in the property markets in the PRC and Hong Kong; and (iii) the current financial, indebtedness and liquidity position of the Group, the Board is of the opinion that the Disposals represent a good opportunity for the Group to realise the value of the Properties at a reasonable price to allow the Group to reduce its indebtedness and finance costs and mitigating its liquidity pressure. In addition, the net proceeds from the Disposals could increase the reserve of working capital in supporting the Group's operations and expansions. While the Company currently has no specific plans for the Group's expansion, it remains open to potential opportunities that may arise in the future. Should the Company decide to pursue expansion, it will carefully utilise the proceeds to ensure the alignment with the Group's long-term objectives and the overall interests of the Company and the Shareholders.

In view of the above, the Directors believe that the terms of the Disposals are fair and reasonable and in the interests of the Shareholders as a whole.

### GEM LISTING RULES IMPLICATIONS

Since the Sale and Purchase Agreements were entered into within a 12-month period (or are otherwise related) by the Group with the same parties, Disposal A and Disposal B are required to be aggregated as a series of transactions pursuant to Rules 19.22, 19.23, 20.79 and 20.80 of the GEM Listing Rules. As one or more of the applicable percentage ratio(s) (as defined under the GEM Listing Rules) in respect of the Disposals, on an aggregated basis, exceeds 75%, the Disposals constitute a very substantial disposal on the part of the Company under Chapter 19 of the GEM Listing Rules.

In addition, each of Purchaser A and Purchaser B is owned by Mr. Cheuk and Mrs. Cheuk in equal shares. Mr. Cheuk is the chairman of the Board, the chief executive officer of the Company and an executive Director. Mrs. Cheuk is an executive Director and the spouse of Mr. Cheuk. Each of Mr. Cheuk and Mrs. Cheuk owns 50% of Million Easy, which in turn holds 51.0% of the issued share capital of the Company. Accordingly, each of Mr. Cheuk and Mrs. Cheuk is a substantial shareholder and controlling shareholder (as defined under the GEM Listing Rules) of the Company. As such, under Chapter 20 of the GEM Listing Rules, each of Purchaser A and Purchaser B is a connected person of the Company. As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposals, on an aggregated basis, are greater than 5%, the Disposals constitute a connected transaction of the Company under Chapter 20 of the GEM Listing Rules. The Disposals are subject to reporting, announcement, circular and Independent Shareholders' approval requirements under the GEM Listing Rules.

Each of Mr. Cheuk and Mrs. Cheuk has abstained from voting on the relevant board resolution(s) of the Company in view of their interests in the Disposals by virtue of their respective interests and/or relationships with Purchaser A and Purchaser B. Save for the aforesaid, as at the Latest Practicable Date, no other Director had a material interest or conflict of role in the Disposals or has abstained from voting on the relevant board resolution(s).



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## LETTER FROM THE BOARD

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### INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee (comprising all independent non-executive Directors, namely, Mr. Yu Sau Ning Homer, M.H., Ms. Yee Wai Fong Wendy and Mr. Yip Yat Lam) has been established to advise the Independent Shareholders in respect of the Disposals and how to vote at the EGM. Merdeka Corporate Finance Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard. The text of the letter from the Independent Board Committee and the text of the letter from the Independent Financial Adviser are set out on pages 24 to 25, and pages 26 to 52 of this circular, respectively.

### (2) PROPOSED AMENDMENTS TO THE SECOND AMENDED AND RESTATED ARTICLES OF ASSOCIATION AND THE ADOPTION OF THE THIRD AMENDED AND RESTATED ARTICLES OF ASSOCIATION

As disclosed in the Company's announcement dated 14 April 2025, the Board proposed that the Company adopts the Third Amended and Restated Articles of Association in substitution for, and to the exclusion of, the Current Articles in order to (i) bring the Current Articles in line with the latest regulatory requirements in relation to the expanded paperless listing regime and the relevant amendments made to the GEM Listing Rules; (ii) provide the Company with more flexibility in the manner of holding general meeting by allowing general meetings to be convened and held by way of physical meetings, hybrid meetings or solely by electronic means; (iii) allow the Company to hold repurchased shares in treasury for future resale; and (iv) make some housekeeping amendments. Full particulars of the Proposed Amendments are set out in Appendix IX to this circular. The Proposed Amendments are prepared in the English language and the Chinese translation is for reference only. In case of any discrepancy or inconsistency between the English version and its Chinese translation of the Proposed Amendments, the English version shall prevail.

The legal advisers to the Company as to Hong Kong laws have confirmed that the Proposed Amendments conform with the applicable requirements under the GEM Listing Rules. The legal advisers to the Company as to the laws of the Cayman Islands have confirmed that the Proposed Amendments do not violate the applicable laws of the Cayman Islands. In addition, the Company has confirmed that there is nothing unusual in the Proposed Amendments from the perspective of a company listed on the Stock Exchange.

The proposed adoption of the Third Amended and Restated Articles of Association is subject to the approval of the Shareholders by way of special resolutions at the EGM and will become effective upon the approval by the Shareholders at EGM.

### (3) EGM

The notice convening the EGM is set out on pages EGM-1 to EGM-4 of this circular. The EGM will be held at Units 3, 5 and 6, 15/F, Tower One, Ever Gain Plaza, No. 88 Container Port Road, Kwai Chung, New Territories, Hong Kong at 11:00 a.m. on Thursday, 15 May 2025,



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## LETTER FROM THE BOARD

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during which (i) ordinary resolutions will be proposed to the Independent Shareholders to consider and, if thought fit, approve the Disposals and the transactions contemplated under the Sale and Purchase Agreements; and (ii) special resolutions will be proposed to the Shareholders to approve the Proposed Amendments and the proposed adoption of the Third Amended and Restated Articles of Association.

Pursuant to the Company's articles of association and Rule 17.47(4) of the GEM Listing Rules, all the resolutions to be proposed at the EGM will be voted by way of poll. After the conclusion of the EGM, the results of the poll will be published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.hanveygroup.com.hk](http://www.hanveygroup.com.hk).

Shareholder with a material interest in the Disposals and the transactions contemplated under the Sale and Purchase Agreements shall not vote on the relevant resolutions at the EGM. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, save for Million Easy (holding 126,225,000 Shares (representing 51.0% of the total issued Shares) as at the Latest Practicable Date) and its associates who shall abstain from voting on the relevant resolutions to approve each of the Disposals and the respective transactions contemplated under each of the Sale and Purchase Agreements, no other Shareholder is required to abstain from voting at the EGM for the relevant resolutions.

A form of proxy for use at the EGM is enclosed. To be valid, the proxy form must be completed and deposited in accordance with the instructions thereon to Tricor Investor Services Limited, the Company's branch share registrar and transfer office in Hong Kong, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the EGM or adjourned meeting (as the case may be). Completion and delivery of the proxy form shall not preclude you from attending and voting in person at the EGM, and in such event, the instrument appointing a proxy shall be deemed to be revoked.

For the purpose of determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed during the period from Monday, 12 May 2025 to Thursday, 15 May 2025 (both dates inclusive), during which period no transfer of share(s) will be effected. In order to qualify for attending and voting at the EGM, all transfer document(s), accompanied by the relevant share certificate(s), must be lodged with Tricor Investor Services Limited, the Company's branch share registrar and transfer office in Hong Kong, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Friday, 9 May 2025.

### **(4) RECOMMENDATION**

The Board (including the independent non-executive Directors) is of the view that the terms of each of the Sale and Purchase Agreements are on normal commercial terms or better, and are fair and reasonable, and that the Disposals, the Proposed Amendments and the adoption of the Third Amended and Restated Articles of Association are in the interests of the Company and the Shareholders as a whole. The Board recommends the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM to approve the Disposals and the

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## LETTER FROM THE BOARD

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transactions contemplated under each of the Sale and Purchase Agreements, and recommends the Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM to approve the Proposed Amendments and the adoption of the Third Amended and Restated Articles of Association.

### (5) ADDITIONAL INFORMATION

**Disposal A's Completion and Disposal B's Completion are conditional upon satisfaction of the conditions precedent under Sale and Purchase Agreement A and Sale and Purchase Agreement B, respectively. As such, the Disposals may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution in dealing in the securities of the Company.**

Your attention is also drawn to the letters from the Independent Board Committee and from the Independent Financial Adviser, respectively, and the appendices to this circular.

By order of the Board

**HANVEY GROUP HOLDINGS LIMITED**

**Cheuk Sin Cheong Clement**

*Chairman, Chief Executive Officer and Executive Director*

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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*The following is the text of a letter from the Independent Board Committee setting out its advice to the Independent Shareholders in respect of the Disposals and the transactions contemplated under each of the Sale and Purchase Agreements, and how to vote at the EGM, prepared for the purpose of inclusion in this circular.*

### HANVEY GROUP HOLDINGS LIMITED

### 恆偉集團控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8219)**

23 April 2025

*To the Independent Shareholders,*

Dear Sir or Madam,

**VERY SUBSTANTIAL DISPOSAL AND  
CONNECTED TRANSACTION IN RELATION TO  
(1) DISPOSAL OF ENTIRE EQUITY INTEREST  
IN A PRC SUBSIDIARY;  
AND  
(2) DISPOSAL OF A HONG KONG PROPERTY**

We refer to the circular of the Company dated 23 April 2025 (the “**Circular**”), of which this letter forms part. Capitalised terms used herein have the same meanings as those defined in the Circular unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to advise you that in our opinion after taking into account the recommendation of the Independent Financial Adviser: (i) whether the terms of the Disposals, the Sale and Purchase Agreements and the respective transactions contemplated thereunder are fair and reasonable, are on normal commercial terms or better and in the ordinary and usual course of business of the Group, and in the interests of the Company and its Shareholders as a whole; and (ii) how to vote at the EGM.

Merdeka Corporate Finance Limited has been appointed as the Independent Financial Adviser to make recommendations to us and to the Independent Shareholders on, among other things: (i) whether the terms of the Disposals, the Sale and Purchase Agreements and the respective transactions contemplated thereunder are fair and reasonable, are on normal commercial terms or better and in the ordinary and usual course of business of the Group, and in the interests of the Company and its Shareholders as a whole; and (ii) whether the Independent Shareholders should vote in favour of the Disposals, the Sale and Purchase Agreements and the transactions contemplated thereunder.

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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The text of the letter from the Independent Financial Adviser, containing its recommendation, is set out on pages 26 to 52 of the Circular. Your attention is also drawn to the letter from the Board and the additional information set out in the appendices to the Circular.

Having considered the terms of the Disposals, the Sale and Purchase Agreements and the respective transactions contemplated thereunder, and the opinion from the Independent Financial Adviser (including the reasons for its opinion, factors that the Independent Financial Adviser has taken into consideration in forming its opinion), we are of the view that the terms of the Disposals, the Sale and Purchase Agreements and the respective transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better and, although the Disposals are not in the ordinary course of business of the Group, the Disposals are in the interests of the Company and its Shareholders as a whole. We recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Disposals and the transactions contemplated under each of the Sale and Purchase Agreements.

Yours faithfully,

Independent Board Committee of

**HANVEY GROUP HOLDINGS LIMITED**

**Yu Sau Ning Homer, M. H.**

**Yee Wai Fong Wendy**

**Yip Yat Lam**

*Independent non-executive Directors*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the full text of a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Disposals, which has been prepared for the purpose of incorporation in the Circular.*



Room 1108-1110, 11/F.  
Wing On Centre  
111 Connaught Road Central  
Hong Kong

23 April 2025

*To: The Independent Board Committee and the Independent Shareholders of  
Hanvey Group Holdings Limited*

Dear Sirs/Madams,

**VERY SUBSTANTIAL DISPOSAL AND  
CONNECTED TRANSACTION IN RELATION TO  
(1) DISPOSAL OF ENTIRE EQUITY INTEREST  
IN A PRC SUBSIDIARY;  
AND  
(2) DISPOSAL OF A HONG KONG PROPERTY**

### 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 Disposals, details of which are set out in the Letter from the Board (the “**Board Letter**”) contained in the circular of Hanvey Group Holdings Limited (the “**Company**”) dated 23 April 2025 (the “**Circular**”). Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

### The Disposals

On 17 December 2024 (after trading hours), the Company and Vendor A (an indirect wholly-owned subsidiary of the Company) entered into Sale and Purchase Agreement A with Purchaser A (a connected person of the Company), pursuant to which Vendor A conditionally agreed to sell, and Purchaser A conditionally agreed to purchase (i) the Sale Equity Interest (representing the entire equity interest and actual paid-up registered capital of the Disposal Company); and (ii) the Sale Loan, at the Disposal A’s Consideration.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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In addition, under Sale and Purchase Agreement A, upon Disposal A's Completion, the Company shall (i) enter into a deed of set-off with Purchaser A in relation to the set-off of an amount equivalent to the Disposal A's Consideration against the outstanding principal amount of the Amount Due to Purchaser A as of the date of Disposal A's Completion; and (ii) procure Shenzhen 3 Wells to enter into a deed of assignment with the Disposal Company and Purchaser A in relation to the assignment of the Sale Loan by Shenzhen 3 Wells to Purchaser A.

On 17 December 2024 (after trading hours), Vendor B (an indirect wholly-owned subsidiary of the Company) and Purchaser B (a connected person of the Company) entered into Sale and Purchase Agreement B, pursuant to which Vendor B has conditionally agreed to sell, and Purchaser B has conditionally agreed to purchase Property B at the Disposal B's Consideration.

### GEM LISTING RULES IMPLICATIONS

Since the Sale and Purchase Agreements were entered into within a 12-month period (or are otherwise related) by the Group with the same parties, Disposal A and Disposal B are required to be aggregated as a series of transactions pursuant to Rules 19.22, 19.23, 20.79 and 20.80 of the GEM Listing Rules. As one or more of the applicable percentage ratio(s) (as defined under the GEM Listing Rules) in respect of the Disposals, on an aggregated basis, exceeds 75%, the Disposals constitute a very substantial disposal on the part of the Company under Chapter 19 of the GEM Listing Rules.

In addition, each of Purchaser A and Purchaser B is owned by Mr. Cheuk and Mrs. Cheuk in equal shares. Mr. Cheuk is the chairman of the Board, the chief executive officer of the Company and an executive Director. Mrs. Cheuk is an executive Director and the spouse of Mr. Cheuk. Each of Mr. Cheuk and Mrs. Cheuk owns 50% of Million Easy, which in turn holds 51.0% of the issued share capital of the Company. Accordingly, each of Mr. Cheuk and Mrs. Cheuk is a substantial shareholder and controlling shareholder (as defined under the GEM Listing Rules) of the Company. As such, under Chapter 20 of the GEM Listing Rules, each of Purchaser A and Purchaser B is a connected person of the Company. As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposals, on an aggregated basis, are greater than 5%, the Disposals constitute a connected transaction of the Company under Chapter 20 of the GEM Listing Rules. The Disposals are subject to reporting, announcement, circular and Independent Shareholders' approval requirements under the GEM Listing Rules.

Each of Mr. Cheuk and Mrs. Cheuk has abstained from voting on the relevant board resolution(s) of the Company in view of their interest in the Disposals by virtue of their respective interests and/or relationships with Purchaser A and Purchaser B. Save for the aforesaid, no other Director had a material interest or conflict of role in the Disposals or has abstained from voting on the relevant board resolution(s).

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Yu Sau Ning Homer, M.H., Ms. Yee Wai Fong Wendy and Mr. Yip Yat Lam, has been established to consider and give a recommendation to the Independent Shareholders as to whether the terms of the Sale and Purchase Agreements are on normal commercial terms or better and fair and reasonable, and are in the interests of the Company and its shareholders as a whole and to advise the Independent Shareholders as to how to vote at the EGM.

### THE INDEPENDENT FINANCIAL ADVISER

We, Merdeka Corporate Finance Limited (“**Merdeka**”), have been appointed and approved by the Independent Board Committee for the purpose of the GEM Listing Rules, our role is to give an independent opinion to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Sale and Purchase Agreements are on normal commercial terms or better and fair and reasonable, and are in the interests of the Company and its shareholders as a whole and to advise the Independent Shareholders as to how to vote at the EGM.

### OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationship with or interest in the Company or any other parties that could reasonably be regarded as relevant to our independence. During the past two years immediately preceding and up to the date of our appointment as the Independent Financial Adviser, save for this appointment as the Independent Financial Adviser in respect of the Disposals, there were no engagements between the Group or the Shareholders and Merdeka. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### BASIS OF OUR ADVICE

In formulating our opinion, we have reviewed, amongst others (i) the Sale and Purchase Agreements; (ii) the announcement of the Company dated 17 December 2024 in relation to the Disposals; (iii) the annual results announcement of the Company for the year ended 31 December 2024 (the “**2024 Annual Results Announcement**”); (iv) the annual report of the Company for the financial year ended 31 December 2023 (the “**2023 Annual Report**”); (v) the valuation report of the Disposal Company (the “**Equity Valuation Report**”) issued by the independent valuer, FVA Advisory Limited (the “**Independent Valuer**”), in respect of the Sale Equity Interest as at 31 October 2024; (vi) the valuation report of Property A (the “**Property Valuation Report A**”) issued by the Independent Valuer, in respect of the market value of Property A as at 31 October 2024; (vii) the valuation report of Property B (the “**Property Valuation Report B**”) issued by the Independent Valuer, in respect of the market value of Property B as at 31 October 2024; and (viii) other information set out in the Circular.

We have assumed that all statements, information and representations made or referred to in the Circular and all information and representations which have been provided by the Company and its advisers, the Directors and the Management, for which they are solely and wholly responsible, were true at the time they were made and continue to be true as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion and intention made by the Directors and the Management in the Circular were reasonably made after due and careful enquiry and were based on honestly-held opinions.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries that, to the best of their knowledge and belief, there are no omission of other facts that would make any statements in the Circular misleading. We have no reason to believe that any information and representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any omission of any material facts that would render the information provided and the representations made to us untrue, inaccurate or misleading. We have not, however, conducted any independent in-depth investigation into the business affairs, financial position or future prospects of the Group, nor have we carried out any independent verification of the information provided by the Directors and the Management. Our opinion is based on 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. This letter is issued to the Independent Board Committee and the Independent Shareholders, solely in connection for their consideration of the Disposals, and except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purpose without our prior written consent.



# LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

## PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion in respect of the Sale and Purchase Agreements and the transactions contemplated thereunder, we have considered the following principal factors and reasons.

### 1. Information of the group

#### *Historical financial information of the Group*

Set out below a summary of the audited financial results of the Group for the year ended 31 December 2022 (“FY2022”), 31 December 2023 (“FY2023”) and 31 December 2024 (“FY2024”) as extracted from the 2023 Annual Report and the 2024 Annual Results Announcement.

**Table 1: Summarised financial results of the Group**

	For the year ended 31 December		
	2022	2023	2024
	HK\$000	HK\$000	HK\$000
	(audited)	(audited)	(audited)
Revenue	272,555	185,667	138,695
– Finished watches	220,579	121,699	41,522
– SKD kits	46,420	58,758	83,819
– Watch parts	5,556	5,210	2,554
Cost of sales	(216,337)	(142,352)	(97,549)
<b>Gross profit</b>	<b>56,218</b>	<b>43,315</b>	<b>41,146</b>
Other income, gains and losses	1,635	(254)	(11,948)
Selling and distribution expenses	(4,176)	(4,080)	(3,672)
Administrative expenses	(57,441)	(48,595)	(37,059)
Finance costs	(6,754)	(9,124)	(7,540)
<b>Loss before tax</b>	<b>(10,518)</b>	<b>(18,738)</b>	<b>(19,073)</b>
Income tax expense	(600)	(1,194)	(160)
<b>Loss for the year</b>	<b>(11,118)</b>	<b>(19,932)</b>	<b>(19,233)</b>
<b>Attributable to:</b>			
– Owners of the Company	(10,646)	(19,764)	(19,229)
– Non-controlling interests	(472)	(168)	(4)
	<b>(11,118)</b>	<b>(19,932)</b>	<b>(19,233)</b>

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### ***FY2024 vs FY2023\_***

According to the 2024 Annual Results Announcement, the revenue of the Group decreased by approximately HK\$46.97 million or approximately 25.30% from approximately HK\$185.67 million for FY2023 to approximately HK\$138.70 million for FY2024. As disclosed in the 2024 Annual Results Announcement, the decrease was mainly due to the ongoing uncertainty across the global market.

As a result of the decrease in revenue, the gross profit of the Group decreased by approximately HK\$2.17 million or approximately 5.01% from approximately HK\$43.32 million for FY2023 to approximately HK\$41.15 million for FY2024. The total comprehensive expenses attributable to owners of the Company decreased to approximately HK\$13.73 million for FY2024 from approximately HK\$20.70 million for FY2023, representing a decrease of approximately 33.67%. The reduction was mainly due to (i) a reduction in staff cost; and (ii) a reduction in interest expenses after repayment of bank borrowings of the Group by utilising approximately HK\$5.98 million of the net proceeds from a rights issue of the Company effected during FY2024.

### ***FY2023 vs FY2022***

According to the 2023 Annual Report, the Group recorded a total revenue of approximately HK\$185.67 million for the FY2023, representing a decrease of approximately 31.88% as compared to approximately HK\$272.56 million for the FY2022. As disclosed in the 2023 Annual Report, the decrease in revenue was mainly attributable to the ongoing uncertainty across the global market for the FY2023.

Furthermore, the gross profit of the Group was approximately HK\$43.32 million for the FY2023, representing a decrease of approximately 22.95% as compared to approximately HK\$56.22 million for the FY2022. The Group also recorded an increase in loss of approximately 79.23%, from approximately HK\$11.12 million for the FY2022 to approximately HK\$19.93 million for the FY2023. As advised by the Company, the increase in loss was mainly attributable reduction of the Group's revenue during the year.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Meanwhile, the consolidated assets and liabilities of the Group as at 31 December 2023 and 31 December 2024 as extracted from 2024 Annual Results Announcement are summarized as follows:

**Table 2: Summarised financial position of the Group**

	As at 31 December 2024 <i>HK\$000</i> (audited)	As at 31 December 2023 <i>HK\$000</i> (audited)
<b>TOTAL ASSETS</b>	<b>153,341</b>	<b>202,594</b>
<b>Non-current assets</b>		
– Property, plant and equipment	12,513	55,794
– Investment properties	9,188	11,375
– Others	747	1,353
	<b>22,448</b>	<b>68,522</b>
<b>Current assets</b>		
– Inventories	11,418	12,582
– Trade receivables	34,159	17,599
– Financial assets at fair value through profit or loss	19,783	22,500
– Cash and bank balances	16,518	71,744
– Others	49,105	9,647
	<b>130,893</b>	<b>134,072</b>
<b>TOTAL LIABILITIES</b>	<b>141,747</b>	<b>184,796</b>
<b>Current liabilities</b>		
– Bank overdrafts	2,873	3,738
– Trade and bills payables	51,415	52,339
– Borrowings	56,184	62,902
– Loan from a related company	–	1,800
– Others	31,275	10,096
	<b>141,747</b>	<b>130,875</b>
<b>Non-current liabilities</b>		
– Borrowings	–	53,579
– Lease liabilities	–	342
	<b>–</b>	<b>53,921</b>
Equity attributable to owners of the Company	12,481	18,681
Non-controlling interests	(887)	(883)
<b>Total equity</b>	<b>11,594</b>	<b>17,798</b>

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As at 31 December 2024, the Group recorded total assets of approximately HK\$153.34 million. The decrease in total assets of approximately HK\$49.25 million compared to the total asset of approximately HK\$202.59 million as at 31 December 2023 was mainly due to reduction in property, plant and equipment of HK\$43.28 million.

As at 31 December 2024, the non-current assets of the Group amounted to approximately HK\$22.45 million, mainly comprised of (i) property, plant and equipment of approximately HK\$12.51 million; and (ii) investment properties of approximately HK\$9.19 million.

As at 31 December 2024, the current assets of the Group amounted to approximately HK\$130.89 million, mainly consisted of (i) inventories of approximately HK\$11.42 million; (ii) trade receivables of approximately HK\$34.16 million; (iii) financial asset at fair value through profit or loss of approximately HK\$19.78 million; and (iv) cash and bank balances of approximately HK\$16.52 million.

The Group's non-current assets and current assets as at 31 December 2024 remained stable as compared to 31 December 2023.

On the other hand, the Group recorded total liabilities of approximately HK\$141.75 million as at 31 December 2024, which was approximately HK\$184.80 million as at 31 December 2023.

As at 31 December 2024, the current liabilities of the Group amounted to approximately HK\$141.75 million mainly consisted of (i) trade and bills payables of approximately HK\$51.42 million; and (ii) borrowings of approximately HK\$56.18 million.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### 2. Information of Vendor A and Vendor B

#### *Vendor A*

Vendor A, Creative Profit Investment Limited (意利投資有限公司), is a limited liability company incorporated in Hong Kong on 22 May 2008 and an indirect wholly-owned subsidiary of the Company with principal business of investment holding.

#### *Vendor B*

Vendor B, Cheer China Group Holdings Limited (致華集團控股有限公司), is a limited liability company incorporated in Hong Kong on 3 August 2011 and an indirect wholly-owned subsidiary of the Company with principal business of investment holding.

### 3. Information of Purchaser A and Purchaser B

#### *Purchaser A*

Purchaser A, Billion Riches Limited (品億有限公司), is a company incorporated in Hong Kong with limited liability and principally engaged in investment holding. Purchaser A is wholly-owned by Propulsive Future Group Limited, a company incorporated in the British Virgin Islands, which is in turn owned by Mr. Cheuk and Mrs. Cheuk in equal shares.

#### *Purchaser B*

Purchaser B, Multiple Yield Limited (萬茂有限公司), is a company incorporated in Hong Kong with limited liability and principally engaged in investment holding. Purchaser B is wholly-owned by Mr. Cheuk and Mrs. Cheuk in equal shares.

Mr. Cheuk is the chairman of the Board, the chief executive officer of the Company and an executive Director. Mrs. Cheuk is an executive Director and the spouse of Mr. Cheuk.

### 4. Information of the Disposal Company and the Properties

#### *The Disposal Company*

The Disposal Company is a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company immediately prior to Disposal A's Completion. The Disposal Company is principally engaged in the business of property investment and is the sole legal and beneficial owner of Property A, which is its main asset.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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For the three financial years ended 31 December 2022, 31 December 2023 and 31 December 2024, the audited financial information of the Disposal Company is as follows:

	<b>For the year ended</b>		
	<b>31 December</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue ( <i>Note</i> )	1,225	1,262	2,542
Loss before taxation	(9,892)	(1,622)	(649)
Loss for the year	(9,892)	(1,622)	(649)

*Note:* The revenue generated for the two financial years ended 31 December 2022 and 31 December 2023 represents the rental income from Property A, which has been leased to the Remaining Group for its office and warehouse use.

The significant increase in rental income from Property A in 2022 was substantially attributable to the Group's decision in 2021 to defer the entire year's rent payable to the Disposal Company, due to the impact of the pandemic on market conditions and the business environment. As a result, Property A's rental income for 2021 was not received by the Disposal Company until 2022. This deferred rental income from 2021 contributed to the 2022 figures instead, causing the revenue for 2022 to be about twice that of 2023.

The unaudited net assets of the Disposal Company valued at approximately RMB2.85 million (equivalent to approximately HK\$3.08 million) as at 31 October 2024.

### ***Property A***

Property A comprises Units 801, 802 and 803 on 8th Floor situated at Block 1, Innovation Wisdom Port, Huangpu Nandong Ziran Village, Shajing Town, Baoan District, Shenzhen City, the PRC (中國深圳市寶安區沙井鎮黃埔南洞自然村創新智慧港產業院1棟8層801, 802及803室), with total gross area of approximately 1,034 sq. m..

As at the Latest Practicable Date, Property A is currently used by the Group as its office and warehouse.

According to the property valuation reports prepared by the Independent Valuer, the market value of Property A amounted to RMB18.20 million (equivalent to approximately HK\$19.66 million) as at 31 October 2024 and 28 February 2025.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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After selling the Disposal Company together with Property A to Purchaser A, the Remaining Group will consider the then market conditions and its own operational needs to decide whether to lease back Property A or relocate to another premises for office and warehouse purposes. The Company will closely monitor its position and will publish announcement(s) as and when necessary to disclose any matters that need to be brought to the attention of the Shareholders and the Stock Exchange in accordance with Chapters 19 and 20 of the GEM Listing Rules.

### ***Property B***

Property B is a residential house unit situated at House No. 20, Greenery Gardens, No. 3 Fairview Park Boulevard, Yuen Long, New Territories, Hong Kong, with a gross floor area of approximately 2,568 sq. ft.

According to the property valuation reports prepared by the Independent Valuer, the market value of Property B amounted to HK\$16.40 million and HK\$15.90 million as at 31 October 2024 and 28 February 2025, respectively.

Property B has been held by the Group since 2012 for investment purpose and currently rented out for rental income. Property B will be sold to Purchaser B with the existing tenancy. The unaudited profit or loss generated from the rental income of Property B for each of the three financial years ended 31 December 2022, 31 December 2023 and 31 December 2024 is as follows:

	<b>For the year ended</b>		
	<b>31 December</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Rental income	419	360	360
Loss before taxation	(415)	(684)	(459)
Loss for the year	(415)	(684)	(459)

Property B is currently subject to a mortgage in favour of a Hong Kong licensed bank as security for certain term loans and revolving loans granted to the Group. The mortgage over Property B will be discharged through repayment of the aforesaid loans by Vendor B upon receipt of the consideration from Purchaser B at Disposal B's Completion.

**5. Reasons for and benefits of the Disposals**

The Company is an investment holding company and the Group is principally engaged in the design and development, manufacturing and distribution of watch products on original design manufacturing basis for watch manufacturers, brand owners and watch importers across the globe.

As set out in 2024 Annual Results Announcement, the Group had outstanding borrowings (including bank overdrafts, bank borrowings and loan from a related company (under liabilities classified as held for sale)) with an aggregate amount of approximately HK\$82.2 million as at 31 December 2024. As advised by the Company, the aggregate interests on the borrowings amount to approximately HK\$0.49 million per month.

According to 2024 Annual Results Announcement, the Group's gearing ratio as of 31 December 2024, calculated as total borrowings (including bills payable, bank overdrafts, bank borrowings, loans from a related company (under liabilities classified as held for sale), and lease liabilities) less cash and bank balances, expressed as a percentage of total equity, stood at approximately 817.34%. This represents a significant increase compared to the gearing ratio of approximately 446.54% as of 31 December 2023.

As set out in the Board Letter, upon completion of the Disposals, it is estimated that the Group would recognize a gain on disposal of a subsidiary and gain on disposal of a property amounting to approximately HK\$5.91 million and HK\$0.3 million, respectively, for the year ended 31 December 2024 as if Disposal A and Disposal B had been completed on 31 December 2024. The relative net cash inflows (after deducting direct transaction costs and repayment of loans) from the Disposals are in total of approximately HK\$16.32 million for the year ended 31 December 2024. The net proceeds from the Disposals will be utilized to repay part of bank borrowings and the remaining will be used for Group's working capital. As a result, the Group's liquidity position will be improved and the gearing ratio will reduce to about 142.63%.

In addition to the high gearing ratio as of 31 December 2024, the 2024 Annual Results Announcement highlights the uncertain business environment in overseas markets. The risk of an economic slowdown or recession in overseas markets and the economic impact of the Russo-Ukrainian War and the U.S. Tariffs poses the greatest challenge to the Group's export performance in the coming months.

Also, the Group is of the view that the equity market is likely to remain volatile because the interest rates announced by the US Federal Reserve had been high for an extended period and have only begun to show a downward trend recently. The increase in the cost of capital has created unprecedented challenges for business operations. The policies that the new president plans to implement may also introduce unknown factors into the Group's business environment. Taking into consideration the challenges faced by the Group, the Group will closely observe the market.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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For overseas markets, economic growth in Europe and the United States is projected to slow down due to the negative market outlook under high inflation. However, in the Southeast Asian market that the Group focus on, there is still a huge market demand of automatic mechanical watch and quartz watch. The Group will closely observe the market trend and provide designs that suit the customers and market needs.

Given the abovementioned situation facing by the Company, we are of the view that the Group should prioritize strengthening its financial position and actively reducing its debt levels. By doing so, the Company can better mitigate the potential risks arising from business uncertainties and navigate the challenging market conditions ahead.

Moreover, the real estate market in mainland China continues to face significant challenges in 2024, marked by sluggish demand, oversupply, and financial strain among property developers. According to the National Bureau of Statistics of PRC, property investment in the first half of 2024 declined by 7.9% year-on-year, reflecting ongoing weak sentiment among homebuyers. The central Government's easing measures, including reduced mortgage rates and relaxed home-buying restrictions in certain cities, have had limited success in spurring demand. Besides, financial difficulties among major developers, such as liquidity crises and rising defaults, have further exacerbated market instability. Despite some improvement in sales in first-tier cities, lower-tier cities continue to struggle with excess inventory and tepid demand, signalling uneven recovery prospects for the broader market.

At the same time, the residential property market in Hong Kong remains a key focus, characterized by ongoing challenges stemming from high interest rates, affordability concerns, and global economic uncertainty. According to the Rating and Valuation Department, residential property prices in Hong Kong fell by approximately 8% year-on-year as of 3rd quarter of 2024, marking one of the steepest declines in recent years. Rising mortgage rates, which have reached levels exceeding 4% per annum, have deterred potential buyers and reduced affordability for many households.

In response, the Hong Kong government has introduced several measures aimed at stabilizing the residential market. Policies such as adjustments to stamp duty for first-time buyers, increased quotas for public housing, and incentives for redevelopment of older properties aim to address affordability issues and boost supply. However, the impact of these initiatives has been constrained by broader macroeconomic headwinds, including subdued consumer sentiment and persistent concerns about job security. Moving forward, while demand for affordable housing remains strong, the luxury residential segment may experience continued softness, reflecting shifting investor preferences and the uncertain economic outlook.

Taking into account of (i) the high gearing ratio of the Group as of 31 December 2024 and the Group's liquidity position will be improved and the gearing ratio will reduce to about 142.63% upon completion of the Disposals; (ii) the business prospect of the Remaining Group remains uncertain; and (iii) the outlook of the real estate markets in the PRC and Hong Kong are facing significant challenges, making it increasingly challenging for the Company to capitalise on its investment in the Properties by selling them to potential buyers, we concur with the Board

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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that the Disposals represent a good opportunity for the Group to realise the value of the Properties at a reasonable price to allow the Group to reduce its indebtedness and finance costs and mitigating its liquidity pressure. In addition, the net proceeds from the Disposals could increase the reserve of working capital in supporting the Group's operations and expansions. While the Company currently has no specific plans for the Group's expansion, it remains open to potential opportunities that may arise in the future. Should the Company decide to pursue expansion, it will carefully utilise the proceeds to ensure the alignment with the Group's long-term objectives and the overall interests of the Company and the Shareholders.

### **6. The Sale and Purchase Agreement**

#### ***6.1 Sale and Purchase Agreement A***

As at the Latest Practicable Date:

- (i) the Group was indebted to Purchaser A (a connected person of the Company) for the Amount Due to Purchaser A, which amounted to approximately HK\$24.71 million as at 28 February 2025;
- (ii) the Disposal Company was indebted to Shenzhen 3 Wells (an indirect wholly-owned subsidiary of the Company) for the Sale Loan, which amounted to approximately RMB15.33 million (equivalent to approximately HK\$16.56 million) as at 28 February 2025; and
- (iii) the Disposal Company is the sole legal and beneficial owner of Property A, which is its main asset.

On 17 December 2024 (after trading hours), the Company and Vendor A entered into Sale and Purchase Agreement A with Purchaser A, pursuant to which Vendor A conditionally agreed to sell, and Purchaser A conditionally agreed to purchase (i) the Sale Equity Interest (representing the entire equity interest and actual paid-up registered capital of the Disposal Company); and (ii) the Sale Loan, at the Disposal A's Consideration.

#### ***Consideration and payment terms***

The Disposal A's Consideration is RMB18.20 million (equivalent to approximately HK\$19.66 million), which shall be settled by way of set-off of an amount equivalent to the Disposal A's Consideration against the outstanding principal amount of the Amount Due to Purchaser A as of the date of Disposal A's Completion. In the event that the outstanding principal amount of the Amount Due to Purchaser A as of the date of Disposal A's Completion is less than the equivalent of the Disposal A's Consideration, Purchaser A shall pay such a shortfall to Vendor A (or its nominee) in cash. As at the Latest Practicable Date, the Group was indebted to Purchaser A for the Amount Due to Purchaser A, which is unsecured, interest-free and repayable on demand. As at 28 February 2025, the Amount Due to Purchaser A amounted to approximately HK\$24.71 million.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Under Sale and Purchase Agreement A, upon Disposal A's Completion, the Company shall (i) enter into a deed of set-off with Purchaser A in relation to the set-off of an amount equivalent to the Disposal A's Consideration against the outstanding principal amount of the Amount Due to Purchaser A as of the date of Disposal A's Completion; and (ii) procure Shenzhen 3 Wells to enter into a deed of assignment with the Disposal Company and Purchaser A in relation to the assignment of the Sale Loan by Shenzhen 3 Wells to Purchaser A.

### ***Basis of consideration***

As noted from the Board Letter, the Disposal A's Consideration was arrived at arm's length negotiations between the parties on normal commercial terms with reference to (i) the valuation of the Sale Equity Interest of RMB2.85 million (equivalent to approximately HK\$3.08 million) as at 31 October 2024, which was substantially derived from the value of Property A of RMB18.20 million (equivalent to approximately HK\$19.66 million) as at 31 October 2024 according to the Property Valuation Report A, net of the Disposal Company's outstanding liabilities as at 31 October 2024) after taking into consideration of the subsequent events in early November 2024 including (a) borrowing of RMB0.99 million from Shenzhen 3 Wells and (b) repayment of RMB3.46 million to a bank in the PRC; (ii) the principal of the Sale Loan in the amount of approximately RMB15.35 million (equivalent to approximately HK\$16.58 million) as at 31 October 2024; (iii) the prospect of having the Amount Due from Purchaser A settled in an amiable manner, thereby reducing the Company's indebtedness level and financial reliance on its controlling shareholders, namely Mr. Cheuk and Mrs. Cheuk; and (iv) the prevailing market conditions of the PRC real estate industry.

### ***Valuation Report***

To assess the fairness and reasonableness of the Disposal A's Consideration, we have reviewed and considered the Equity Valuation Report which states that the valuation of the fair value of the Sale Equity Interest was approximately RMB2.85 million (equivalent to approximately HK\$3.08 million) as at 31 October 2024. According to the Equity Valuation Report, fair value is defined as "the price at which a shareholding of a business or a company would be transferred at arm's length terms between a willing buyer and a willing seller, both having reasonable knowledge of the relevant facts and neither being compelled to buy or sell".

Given that the Company had also engaged the Independent Valuer to conduct a valuation of Property A as at 31 October 2024 because Property A represented the major asset held by the Disposal Company as at the same date, we have also reviewed and considered the Property Valuation Report A. Based on the Property Valuation Report A, the market value of Property A was RMB18.20 million (equivalent to approximately HK\$19.66 million) as at 31 October 2024.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We are of the view that it is reasonable to reference to the Equity Valuation Report instead of the Property Valuation Report A when determining the Disposal A's Consideration, given that despite Property A representing the major asset held by the Disposal Company, the Disposal Company also held other assets and liabilities which should be taken into account when determining the fair value, or the Disposal A's Consideration, of the Sale Equity Interest.

We have performed the works as required under Note 1(d) to Rule 17.92(2)(b) of the GEM Listing Rules and paragraph 5.3 of the Corporate Finance Adviser Code of Conduct in respect of the Equity Valuation Report and the Property Valuation Report A, which included, among others, (i) review of the terms of engagement and the scope of work of the Independent Valuer; (ii) assessment of the Independent Valuer's qualification and experience in relation to the preparation of the Equity Valuation Report and the Property Valuation Report A and its independence; and (iii) discussion on the bases, assumptions and methodologies adopted by the Independent Valuer.

### *Independent Valuer*

For our due diligence purpose, we have reviewed and enquired into the qualifications and experience of the Independent Valuer in relation to the preparation of the Equity Valuation Report and Property Valuation Report A. We understand that Mr. Jeff Sin ("**Mr. Sin**"), the director of the Independent Valuer and the signor of the Equity Valuation Report and Property Valuation Report A, is Certified Public Accountant, Chartered Financial Analyst and chartered member of Royal Institution of Chartered Surveyors, respectively. We have also obtained information on the Independent Valuer's track records on other business and property valuations and noted that the Independent Valuer had been the valuer for a wide range of companies listed on the Stock Exchange. As such, we are of the view that the Independent Valuer and Mr. Sin are qualified, experienced and competent in performing business valuations and providing a reliable opinion in respect of the valuation of the Sale Equity Interest and Property A.

We have also enquired with the Independent Valuer as to its independence from the Group and the parties to Sale and Purchase Agreement A and were given to understand that the Independent Valuer is an independent third party of the Group and its connected persons. The Independent Valuer also confirmed to us that it was not aware of any relationship or interest between itself and the Group or any other parties that would reasonably be considered to affect its independence to act as an independent valuer for the Company. The Independent Valuer confirmed to us that apart from normal professional fees payable to it in connection with their engagement for the valuation, they had no other engagement with the Company.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Furthermore, we noted from the engagement letter entered into between the Company and the Independent Valuer that the scope of work was appropriate for the Independent Valuer to form the opinions required to be given and there were no limitations on the scope of work which might adversely impact the degree of assurance given by the Independent Valuer.

### *Valuation basis*

We have reviewed the Equity Valuation Report and understand that it was prepared based on a going concern basis to evaluate the fair value. During the course of our discussion with the Independent Valuer, we have not identified any major factors which would lead us to cast doubt on the fairness and reasonableness of the valuation methodology and the principal basis and assumptions adopted in arriving at the valuation of the Sale Equity Interest. Since no unusual matters had come to our attention that led us to believe that the Equity Valuation Report was not prepared on a reasonable basis, we believe that the valuation fairly represents the fair value of the Sale Equity Interest and forms a fair and reasonable basis for our further assessment on the Disposal A's Consideration.

### *Valuation methodologies*

We have discussed with the Independent Valuer on the methodology adopted in valuing the fair value of the Sale Equity Interest as at 31 October 2024 and noted they had considered the three generally accepted valuation approaches, namely the market approach, the income approach and the cost approach.

As understood from the Independent Valuer, the adjusted net asset value method under asset approach was considered to be the most appropriate valuation approach in the valuation. It is based on the economic principle of substitution; it essentially measures what is the net asset value as at the date of valuation and how much it would cost to replace those assets. Given the fact that the major business activity of the Disposal Company is to hold Property A, and that most of the assets/liabilities on the book of the Disposal Company are of a monetary nature, the adjusted net asset value method is adopted to estimate the current fair value of the business or its assets.

According to the discussion with the Independent Valuer, under the asset approach, fair values of the assets and liabilities held by the Disposal Company are summed up to arrive at the fair value of the Disposal Company. In determining the fair value of the Sale Equity Interest, book values of all assets and liabilities of the Disposal Company except for Property A are assumed to approximate their fair values after considering the nature of each of the assets and liabilities.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *Property Valuation Report A*

According to the Property Valuation Report A as set out in Appendix V to the Circular, the fair market valuation of Property A amounted to RMB18.20 million (equivalent to approximately HK\$19.66 million) as at 31 October 2024. To assess the fairness and reasonableness of the valuation, we have reviewed the Property Valuation Report A and discussed with the Independent Valuer in relation to (i) the methodologies, basis and assumptions used in performing the valuation on Property A; and (ii) their scope of work for conducting the valuation on Property A.

In selecting an appropriate valuation approach, we have discussed with the Independent Valuer and understood that they have adopted the direct comparison method under market approach. The market approach is based on comparing the subject asset with identical or similar assets for which price information is available, such as a comparison with market transactions in the same, or close similar, type of asset within the appropriate time horizon.

Based on the fact that there is available pricing information reflecting the current market perception of assets similar to Property A and an exhaustive list of 5 comparable transactions which has similar location and property usage (the “**Property A Comparables**”) to the subject property that were identified during a transaction period from 2018 to September 2024 to the best of the Independent Valuer’s knowledge based on the following selection criteria, we are of the same view as the Independent Valuer that, where there is sufficient relevant evidence to show the price levels that buyers are willing to pay for similar properties in the market, market approach is the most appropriate for assessing the value of Property A.

We noted from the Property Valuation Report A that the Independent Valuer has no reason to doubt the truth and accuracy of the information provided to them by the Group and they have relied on the Company’s confirmation that no material facts have been omitted from the information provided. The Independent Valuer considers that they have been provided with sufficient information for them to reach an informed view. No allowances have been made in the valuations for any charges, mortgages or amounts owing on the properties or for any expenses or taxation, which may be incurred in effecting a sale or purchase. Unless otherwise stated, it is assumed that Property A are free from encumbrances, restrictions, and outgoings of an onerous nature, which could affect their values.

Taking into account that (i) the Independent Valuer has sufficient qualification and experience to undertake the valuation of Property A; (ii) the valuation methodology adopted by the Independent Valuer is commonly adopted for assessing the value of similar properties; and (iii) the major assumptions are commonly adopted for similar valuation, we are of the view that the valuation of Property A is determined on a fair and reasonable basis.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We understand from the Independent Valuer that these assumptions adopted are commonly adopted for property valuations, and have not found any material facts that may lead us to doubt the fairness and reasonableness of the principal basis and assumptions adopted for or the information used in the valuation. In light of the above, we are of the view that the assumptions adopted by the Independent Valuer are fair and reasonable.

### *The appraised value of Property A*

In assessing the value of Property A, the Independent Valuer adopted market comparison method assuming sale of the property in its existing state by making reference to comparable sales evidence as available in the relevant market subject to appropriate adjustments including but not limited to location, size and other relevant factors.

Based on our review on the details of comparable transactions and our discussion with the Independent Valuer, set out below are the selection criteria of the comparable transactions adopted by the Independent Valuer and our assessment on each of the selection criterion:

**(i) Land use/building age – Similar in land use nature and buildings completed between 2017 to 2024;**

We noted that the comparables are of similar land use nature and were completed between 2017–2024.

**(ii) Timing – transacted since 2018 and asking price quoted from local agencies in September 2024;**

We noted that the comparables are transacted since 2018 and the asking prices are quoted in September 2024.

**(iii) Location – comparables of similar accessibility as the property within same district/comparable district; and**

We noted that the comparables are within the same/comparable district as Property A.

**(iv) Size – floor area of comparables within 400 to 2,000 square metre.**

We noted that the size range covers the size of Property A which has a total GFA of approximately 1,034.39 sq. m..



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As advised by the Independent Valuer, only 3 comparable transactions were identified in 2024. To obtain sufficient number of comparable transactions, the Independent Valuer extended the search period to include transactions since 2018. Through this extended search, 2 additional comparable transactions were identified. As referred to the Property Valuation Report A, we understood that below comparables 1 and 2 were selected because they represent actual transactions that are considered most similar to the Property A after the Independent Valuer's consideration on change in market conditions from the transaction or offer dates to 31 October 2024. The remaining comparables were also included as they are more recent and considered to be a good representation of current market conditions.

Based on the aforesaid criteria, to the Independent Valuer's best knowledge, there is an exhaustive list of 5 Property A Comparables, with locations in the same or similar district and are of similar land use right as Property A. Based on the documents provided, we noted that the underlying properties vary in size, building age, transaction date, etc.. We made further enquiries with the Independent Valuer and were advised that appropriate adjustments were made to account for the differences in these factors to reflect a reliable and fair assessment of Property A, please refer to the below paragraph for details. Based on the above assessments, we consider that the Property A Comparables are identified by the Independent Valuer based on fair and reasonable selection criteria.

After taking into account that (i) the abovementioned selection criteria for Property A Comparables are with similar nature and location as Property A; (ii) the list of the Property A Comparables is exhaustive to the best of the Independent Valuer's knowledge, and (iii) the unit rate of each Property A Comparable has been properly adjusted by accounting for differences in characteristics, conditions, and market factors between Property A and Property A Comparables, we are of the view that the Property A Comparables are comparable to Property A.

Set out below are the details of Property A Comparables that the Independent Valuer has applied to assess the value of Property A as at 31 October 2024:

No.	Location	Transaction Time	Adjusted Unit Rate (RMB per sq. m.)
1	Innovation Wisdom Port	December 2018	19,000
2	Convention Bay China Harbour Plaza	June 2021	20,064
3	Xingzhan Harbour Plaza	September 2024	13,520
4	Shenghui Century Plaza Building	September 2024	14,696
5	Fucheng Times Square	September 2024	18,497
		Weighted average	17,617
	Property A	Adopted unit rate	17,600



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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In order to assess the adjustments, we obtained and reviewed the calculation, and enquired with the Independent Valuer regarding the rationale behind, and were given to understand that adjustments were made in respect of (i) location of the comparable properties to reflect the potential discount applied to the unit rate of properties located in more remote area with relatively low accessibility, fewer facility nearby and less pedestrian flow and so on; (ii) landscape adjustment of the comparable properties to reflect potential discount applied to unit rate of properties with sea view; (iii) building age of the comparable properties to reflect potential discount applied to the unit rate of properties with higher building age in view of depreciation; (iv) transaction time of the comparable properties to reflect the change in their respective market price based on Savills office index and New Housing Price Index in 100 Cities\* (百城新建住宅價格指數) published by China Real Estate Index System; (v) size of the comparable properties to reflect the potential discount applied to the unit rate of larger properties as generally noted in the real estate market and perceived by the valuation practitioners; (vi) floor levels of the comparable properties to reflect the potential discount applied to upper floors as visibility, accessibility, and pedestrian flow usually decrease when going up from the ground floor without extra connection to other properties or transport; and (vii) asking price adjustment based on their professional judgement and market agent's advices, and vice versa. As further advised by the Independent Valuer, all the above factors are considered in equal weighting in the course of their valuation of Property A and adjustments are made to each property. After considering the above adjustments, an adjusted unit rate is concluded. The final adopted unit rate of Property A is the weighted average of the adjusted unit rate of Property A Comparables.

In order to assess the fairness of the adjustment mechanism adopted by the Independent Valuer, we have referred to the HKIS Valuation Standards 2024 issued by the Hong Kong Institute of Surveyors, it is noted that it is a key step in valuation to make adjustments to the valuation metrics to reflect any significant differences between comparable transactions and the subject asset; and (ii) common differences that could warrant adjustments include but not limited to material characteristics such as building age, size, specifications and geographical location. In addition, we discussed with the Independent Valuer and were confirmed that the adjustment was principally determined based on their experience, with all the applied adjustments conform with the market practice. Hence, we are of the view that the adjustment mechanism adopted by the Independent Valuer is in line with the standard and the adjustments are made reasonably, therefore the adjustment mechanism is fair and reasonable.

Having considered the fact that the market value of Property A as at 31 October 2024 was conducted using market approach which reflects the current market condition of similar assets, we are of the view that the market value of Property A is fairly and reasonably arrived at.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We also noted from the discussion with the Independent Valuer that, after having obtained the valuation of Property A of RMB18.20 million (equivalent to approximately HK\$19.66 million) as at 31 October 2024, the Independent Valuer had added such value to the Disposal Company's assets. Apart from taking account of the revaluation of Property A of RMB18.20 million (equivalent to approximately HK\$19.66 million), the Independent Valuer also added the book values of other receivables amounted to HK\$150,150 and bank balances and cash amounted to approximately HK\$2.32 million, and reducing income tax payable of HK\$3,990, bank loan of approximately HK\$3.46 million and sales loan to be assigned of approximately HK\$14.36 million. Upon considering the above figures, the Independent Valuer reached the valuation of the fair value of the Sale Equity Interest of RMB2.85 million (equivalent to approximately HK\$3.08 million).

Since we are not aware of any material changes regarding the underlying assumptions and factors as at the Latest Practicable Date, we maintain our opinion that the Equity Valuation Report and the Property Valuation Report A, as well as their underlying bases, methodologies and assumptions, are appropriate and that the Equity Valuation Report and the Property Valuation Report A are appropriate references for determining the valuation of the fair value of the Sale Equity Interest and market value of Property A, respectively.

### ***6.2 Sale and Purchase Agreement B***

On 17 December 2024 (after trading hours), Vendor B entered into Sale and Purchase Agreement B with Purchaser B, pursuant to which Vendor B conditionally agreed to sell, and Purchaser B conditionally agreed to purchase Property B at the Disposal B's Consideration.

#### ***Asset to be disposed of***

Pursuant to Sale and Purchase Agreement B, Vendor B has conditionally agreed to sell and Purchaser B has conditionally agreed to purchase Property B.

#### ***Consideration and payment terms***

The Disposal B's Consideration is HK\$16.40 million and shall be paid by Purchaser B to Vendor B (or its nominee) by cash in the following manner:

- (i) the first tranche of the Disposal B's Consideration in the sum of HK\$1.64 million upon passing of necessary resolution(s) by the Independent Shareholders at the EGM approving Disposal B and the transactions contemplated thereunder; and
- (ii) the remaining balance in the sum of HK\$14.76 million upon Disposal B's Completion.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *Basis of consideration*

The Disposal B's Consideration was arrived at arm's length negotiations between the parties on normal commercial terms with reference to (i) the valuation of Property B of HK\$16.40 million as at 31 October 2024 according to the valuation by the Independent Valuer; and (ii) the prevailing market conditions of the Hong Kong real estate industry.

### *Analysis on the Consideration*

#### *Valuation of the Property B*

In assessing the fairness and reasonableness of the valuation, we have reviewed the Property Valuation Report B and discussed with the Independent Valuer in relation to (i) their relevant professional qualifications as a property valuer; (ii) their scope of work for conducting the valuation; and (iii) the methodology and assumptions used in performing the valuation.

For our due diligence purpose, we have reviewed and enquired into the qualifications and experience of the Independent Valuer in relation to the preparation of the Property Valuation Report B. We understand that Mr. Sin, the director of the Independent Valuer and the signor of the Property Valuation Report B, is Certified Public Accountant, Chartered Financial Analyst and chartered member of Royal Institution of Chartered Surveyors, respectively. We have also obtained information on the Independent Valuer's track records on other business and property valuations and noted that the Independent Valuer had been the valuer for a wide range of companies listed on the Stock Exchange. As such, we are of the view that the Independent Valuer and Mr. Sin are qualified, experienced and competent in performing business valuations and providing a reliable opinion in respect of the valuation of Property B.

We have also enquired with the Independent Valuer as to its independence from the Group and the parties to the Sale and Purchase Agreement B and were given to understand that the Independent Valuer is an independent third party of the Group and its connected persons. The Independent Valuer also confirmed to us that it was not aware of any relationship or interest between itself and the Group or any other parties that would reasonably be considered to affect its independence to act as an independent valuer for the Company. The Independent Valuer confirmed to us that apart from normal professional fees payable to it in connection with their engagement for the valuation, they had no other engagement with the Company.

Furthermore, we noted from the engagement letter entered into between the Company and the Independent Valuer in respect of valuation for Property B, that the scope of work was appropriate for the Independent Valuer to form the opinions required to be given and there were no limitations on the scope of work which might adversely impact the degree of assurance given by the Independent Valuer.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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In assessing the market value of Property B, the Independent Valuer has adopted the market approach by making reference to comparable market transactions in respect of comparable properties of similar size, scale, nature, character, and location and weighed against all the respective advantages and disadvantages of comparable properties against Property B in order to arrive at a fair comparison of market value. In addition, as referred to the Property Valuation Report B, the market approach rests on the wide acceptance of the market transactions or sale asking as the best indicator and pre-supposes that evidence of relevant transactions or sale asking in the market place can be extrapolated to similar properties, subject to allowances for variable factors. In selecting appropriate valuation approach, we have discussed with the Independent Valuer and understood that the Independent Valuer has adopted the direct comparison method under market approach. Market approach is based on comparing the subject asset with identical or similar assets for which price information is available, such as a comparison with market transactions in the same, or close similar, type of asset within the appropriate time horizon. Furthermore, the Independent Valuer confirmed that the adoption of market approach is a normal industry practice for the valuation based on their expertise and experience. Given the aforesaid, we concur with the Independent Valuer's view that the adoption of market approach for the valuation is fair and reasonable.

According to the Property Valuation Report B, we understood the Independent Valuer has assumed that the owner sells Property B in the market in its existing state without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the values of Property B. No allowance has been made in the valuation for any charges, mortgages or amounts owing on the property interests valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values. As advised by the Independent Valuer, we understand that all the assumptions in the valuation are generally adopted in other valuations of similar properties and are necessary for the Independent Valuer to arrive at a reasonable estimated reference value of Property B, and we have not found any material facts that may lead us to doubt the fairness and reasonableness of the principal basis and assumptions adopted for or the information used in the valuation of Property B. Accordingly, we consider that the adoption of the assumptions in the valuation for Property B is fair and reasonable.

In arriving at the appraised market value of Property B, the Independent Valuer has made reference to 4 transactions for properties similar in size, scale, nature, character and location and in proximity to Property B (the "**Property B Comparables**"). Adjustments have been considered for the differences in certain parameters, such as time, location, building age, size, etc., between the Property B Comparables and Property B. We have obtained and reviewed the information source of the Property B Comparables and the detailed calculation for the valuation.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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In assessing the appropriateness of the 4 Property B Comparables, we have enquired with the Independent Valuer the selection criteria and were given to understand that the Property B Comparables were selected based on the following criteria that (i) the properties are of residential use that is of similar nature as Property B; (ii) the properties are suited at Yuen Long district which is in close proximity to Property B; (iii) the comparable transactions were occurred within three (3) years immediately preceding 31 October 2024; (iv) the sale and purchase agreements were registered in the Land Registry; and (v) the unit rate of the underlying property of each Property B Comparable has been properly adjusted by accounting for differences in characteristics, conditions, and market factors between Property B and Property B Comparables to reflect a reliable and fair assessment on Property B. As confirmed by the Independent Valuer, the Property B Comparables represent an exhaustive list of relevant comparables based on their best knowledge and information available.

Having considered that (i) the Property B Comparables are similar to Property B; (ii) the Property B Comparables were all transacted within three (3) years immediately preceding 31 October 2024; (iii) the Property B Comparables are all located at Yuen Long district; (iv) the Property B Comparables are exhaustive to the best of the Independent Valuer's knowledge; and (v) appropriate adjustments have been made when assessing Property B, we are therefore of the view that the aforesaid selection criteria of the Property B Comparables is sufficient, reasonable and appropriate and the Property B Comparables are comparable to Property B.

Set out below are the details of the Property B Comparables that the Independent Valuer has applied to assess the value of Property B as at 31 October 2024:

No.	Location	Transaction Time	Adjusted Unit Rate (HK\$ per sq. ft.)
1	House No. 23, Greenery Gardens	February 2024	8,006
2	House No. 21, Royal Camellia	April 2024	9,205
3	House No. 23, Royal Camellia	July 2022	7,570
4	House No. 17, Royal Camellia	June 2022	8,498
		Weighted average	8,374
	Property B	Adopted unit rate	8,400

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The Independent Valuer further advised us that with closer features shared between the Property B Comparables and Property B, fewer adjustments would be necessary for valuation of Property B. The adjusted unit rate (in effective area basis) for the Property B Comparables ranges from approximately HK\$7,570 per square feet to approximately HK\$9,205 per square feet. While the unit rate adopted to derive the Disposal B's Consideration of approximately HK\$8,400 per square feet lies within the range of those of the Property B Comparables, we consider the valuation of the Property B is a fair and reasonable reference for the determination of the Disposal B's Consideration.

Having considered that (i) the terms of engagement of the Independent Valuer with the Company for valuation of Property B; (ii) the qualifications, experience and independence of the Independent Valuer in relation to the preparation of the Property Valuation Report B; (iii) the steps and due diligence measures taken by the Independent Valuer for conducting the valuation of Property B; (iv) the methodology and assumption used by the Independent Valuer for the valuation of Property B; (v) the appropriate selection of Property B Comparables; and (vi) the Disposal B's Consideration lying within the range of those of the Property B Comparables, we consider that the valuation of Property B is fair and reasonable.

### **7. Financial effects of the Disposals on the Group**

#### ***Disposal A***

Upon Disposal A's Completion, the Disposal Company will cease to be a subsidiary of the Company and the financial results of the Disposal Company will no longer be consolidated into the financial statements of the Group.

Assuming the outstanding principal amount of the Amount Due to Purchaser A as at the date of Disposal A's Completion equals to or is greater than the equivalent of the Disposal A's Consideration, Disposal A will not generate any new cash funding for the Company. For illustrative purposes, taking into account (i) the Disposal A's Consideration of RMB18.20 million (equivalent to approximately HK\$19.66 million) and net of the estimated expenses and tax expenses in relation to Disposal A of approximately HK\$0.39 million; (ii) the Sale Loan in the amount of approximately RMB15.33 million (equivalent to approximately HK\$16.56 million) as at 28 February 2025; and (iii) the unaudited net asset value of the Disposal Company as stated in the unaudited management accounts of the Disposal Company as at 31 October 2024 in the amount of approximately RMB2.85 million (equivalent to approximately HK\$3.08 million), the Group is expected to recognize a loss on Disposal A of approximately HK\$0.37 million. The actual figures will be subject to audit by the auditors of the Company and therefore may be different from the aforementioned amount.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *Disposal B*

For illustrative purposes, taking into account (i) the consideration for Disposal B of HK\$16.40 million and net of the estimated expenses and tax expenses in relation to Disposal B of approximately HK\$0.39 million; and (ii) the carrying value of Property B as stated in the unaudited management accounts of Vendor B as at 28 February 2025 in the amount of approximately HK\$15.90 million, the Group is expected to recognize a gain on Disposal B of approximately HK\$0.11 million. The actual figures will be subject to audit by the auditors of the Company and therefore may be different from the aforementioned amount.

The net proceeds from Disposal B (after expenses of approximately HK\$0.39 million) is estimated to be approximately HK\$16.01 million. The remaining of the net proceeds, after the release and discharge of the existing charge over Property B of approximately HK\$9.60 million, is estimated to be approximately HK\$6.41 million, which will be used for general working capital of the Group.

### RECOMMENDATION

Having considered the above principal factors and reasons, we are of the view that (i) the Sale and Purchase Agreements are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) although the Disposals are not in the ordinary course of business of the Group, and as discussed in this letter, the Disposals are in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders, and we also recommend the Independent Shareholders to vote in favour of the relevant resolution(s) for approving the Disposals.

Yours faithfully,  
For and on behalf of  
**Merdeka Corporate Finance Limited**  
**Wallace So**  
*Managing Director*

*Mr. Wallace So is a licensed person registered with the Securities and Futures Commission of Hong Kong, a responsible officer of Merdeka Corporate Finance Limited to carry out type 6 (advising on corporate finance) regulated activity under the SFO and a licensed representative of Merdeka Investment Management Limited to carry out type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO. Mr. Wallace So has over 13 years of experience in corporate finance industry.*



**1. FINANCIAL INFORMATION OF THE GROUP**

The financial information of the Group for the three years ended 31 December 2022, 2023 and 2024 are disclosed in the following documents which have been published on the websites of the Stock Exchange (<https://www.hkexnews.hk/>) and the Company ([www.hanveygroup.com.hk](http://www.hanveygroup.com.hk)), respectively:

- (i) annual report of the Company for the year ended 31 December 2022 published on 30 March 2023, from pages 59 to 133:

(<https://www1.hkexnews.hk/listedco/listconews/gem/2023/0330/2023033000575.pdf>);

- (ii) annual report of the Company for the year ended 31 December 2023 published on 24 April 2024, from pages 62 to 131:

(<https://www1.hkexnews.hk/listedco/listconews/gem/2024/0424/2024042400642.pdf>);  
and

- (iii) announcement of annual results of the Company for the year ended 31 December 2024 published on 31 March 2025:

(<https://www1.hkexnews.hk/listedco/listconews/gem/2025/0331/2025033101608.pdf>).

The annual report of the Company for the year ended 31 December 2024 is expected to be published on or before 30 April 2025 in accordance with the GEM Listing Rules.

**2. INDEBTEDNESS STATEMENT**

As at the close of business on 28 February 2025, being the latest practicable date for the purpose of this indebtedness statement, the Group had the following indebtedness:

- (a) Borrowings: The Group had (i) bank overdraft of approximately HK\$4,860,000 and (ii) aggregate outstanding bank borrowings of approximately HK\$47,388,000 which were secured by the Group's certain property, plant and equipment, investment properties, key management personnel life insurance policies, bank deposits, personal guarantees provided by Mr. Cheuk and Mrs. Cheuk and a corporate guarantee provided by the Company.
- (b) Lease liabilities: The Group had lease liabilities of approximately HK\$277,000 in respect of finance lease for office equipment and leasehold building in respect of an operating lease under HKFRS 16 Leases.
- (c) Loan from a related company: The Group had outstanding loan from a related company of approximately HK\$22,922,000. The loan is unsecured and non-interest bearing.



Save as disclosed above, and apart from intra-group liabilities and normal accounts payables in the ordinary course of business of the Group, as at 28 February 2025, being the latest practicable date for the purpose of preparing this statement of indebtedness, the Group did not have any debt securities issued and outstanding, or authorised or otherwise created but unissued, any other term loans, any other borrowings or indebtedness in the nature of borrowing (including but not limited to bank overdrafts and liabilities under acceptance (other than normal trade bills)), acceptance credits, finance lease or hire purchase commitments, which are either guaranteed, unguaranteed, secured or unsecured, any other mortgages and charges or any other material contingent liabilities or guarantees.

The Directors confirmed that there has been no material change in the indebtedness and contingent liabilities of the Group since 28 February 2025 up to the Latest Practicable Date.

### **3. WORKING CAPITAL**

The Directors are satisfied, after due and careful enquiry and based on the information currently available to the Directors, that after taking into account the effects of the Sale and Purchase Agreements and the transactions contemplated thereunder respectively, the financial resources available to the Group, cash generated from future operations, the existing cash and bank balances of the Group, and available credit facilities, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of publication of this circular.

### **4. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up, and up to the Latest Practicable Date.

### **5. FINANCIAL AND TRADING PROSPECTS OF THE REMAINING GROUP**

The Group is principally engaged in the design and development, manufacturing and distribution of watch products on original design manufacturing (“ODM”) basis for watch manufacturers, brand owners and watch importers across the globe. The Group derives revenue mainly from the sale of: (i) finished watches, (ii) semi-knocked-down kits, and (iii) watch parts.

Looking ahead, the business environment in overseas markets remains uncertain, the risk of an economic slowdown or recession in overseas markets and the economic impact of the Russo-Ukrainian War and the U.S. Tariffs are the biggest challenge to the export performance in the next few months.

The watch industry faces challenges such as technological innovation, diverse consumer demands, and intensified market competition. At the same time, the solid position of traditional mechanical watches in the luxury market present great opportunities for the industry. With the Group continuing to invest in high-tech development and personalized services, the watch industry is expected to maintain steady growth in the future while further solidifying its commercial value.

For overseas markets, economic growth in Europe and the United States is projected to slow down due to the negative market outlook under high inflation. However, in the Southeast Asian market that we focus on, there is still a huge market demand of automatic mechanical watch and quartz watch. The Remaining Group will closely observe the market trend and provide designs that suit the customers and market needs.

The Remaining Group will continue to focus on the core business and to strengthen its product design and development capability in order to maximise the long term returns of the Shareholders.

**HISTORICAL FINANCIAL INFORMATION OF THE DISPOSAL COMPANY**

Set out below are the historical financial information of the Disposal Company which comprise the unaudited statements of financial position of the Disposal Company as at 31 December 2022, 2023 and 2024, the unaudited statements of profit or loss and other comprehensive income, the unaudited statements of changes in equity and the unaudited statements of cash flows for the years ended 31 December 2022, 2023 and 2024 (collectively, the “**Disposal Company Financial Information**”).

The Disposal Company Financial Information has been prepared and presented in accordance with the basis of preparation set out in note 2 to the Disposal Company Financial Information of this circular and has been prepared by the Directors solely for the purpose of inclusion in this circular in connection with the Disposals. Confucius International CPA Limited, the reporting accountant of the Company, was engaged to review the Disposal Company Financial Information of this circular in accordance with Hong Kong Standard on Review Engagements 2400 (Revised), Engagements to Review Historical Financial Statements issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and with reference to Practice Note 750, Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal issued by the HKICPA.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable the reporting accountant to obtain assurance that the reporting accountant would become aware of all significant matters that might be identified in an audit. Accordingly, the reporting accountant does not express an audit opinion on the Disposal Company Financial Information.

Based on the review of the Disposal Company Financial Information, nothing has come to the reporting accountant’s attention that causes them to believe the Disposal Company Financial Information is not prepared, in all material respects, in accordance with the basis of preparation as set out in note 2 to the Disposal Company Financial Information.

## APPENDIX II FINANCIAL INFORMATION OF THE DISPOSAL COMPANY

### UNAUDITED STATEMENT OF FINANCIAL POSITION

	As at 31 December		
	2022	2023	2024
	HK\$'000	HK\$'000	HK\$'000
<b>Non-current asset</b>			
Property, plant and equipment	33,861	30,809	19,328
<b>Current assets</b>			
Other receivables	–	56	–
Cash and bank balances	603	5,408	307
	603	5,464	307
<b>Current liabilities</b>			
Other payable	–	–	13
Amounts due to a fellow subsidiary	12,151	17,781	16,690
Borrowings	1,634	1,589	–
	13,785	19,370	16,703
<b>Net current liabilities</b>	<b>(13,182)</b>	<b>(13,906)</b>	<b>(16,396)</b>
<b>Total assets less current liabilities</b>	<b>20,679</b>	<b>16,903</b>	<b>2,932</b>
<b>Non-current liability</b>			
Borrowings	5,315	3,579	–
<b>Net assets</b>	<b>15,364</b>	<b>13,324</b>	<b>2,932</b>
<b>Capital and reserves</b>			
Share capital	20,050	20,050	20,050
Reserves	(4,686)	(6,726)	(17,118)
<b>Total equity</b>	<b>15,364</b>	<b>13,324</b>	<b>2,932</b>

## APPENDIX II FINANCIAL INFORMATION OF THE DISPOSAL COMPANY

### UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 31 December		
	2022	2023	2024
	HK\$'000	HK\$'000	HK\$'000
Revenue	–	–	–
Other income and other gain (loss), net <i>(Note)</i>	2,542	1,262	(7,431)
Administrative expenses	(2,808)	(2,630)	(2,545)
Finance costs	(383)	(254)	(166)
<b>Loss before tax</b>	(649)	(1,622)	(10,142)
Income tax expense	–	–	–
<b>Loss for the year</b>	(649)	(1,622)	(10,142)
<b>Other comprehensive expense</b>			
Exchange differences arising from translation of a foreign operation	(1,272)	(418)	(250)
<b>Total comprehensive expense for the year</b>	<u>(1,921)</u>	<u>(2,040)</u>	<u>(10,392)</u>

*Note:* The amounts included rental income from Property A, which has been leased to an intra-group company for its office and warehouse usage of approximately HK\$2,541,000, HK\$1,261,000 and HK\$1,225,000 for the years ended 31 December 2022, 2023 and 2024 respectively.

## APPENDIX II FINANCIAL INFORMATION OF THE DISPOSAL COMPANY

### UNAUDITED STATEMENT OF CHANGES IN EQUITY

	Share capital <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2022	20,050	2,048	(4,813)	17,285
Loss for the year	–	–	(649)	(649)
Other comprehensive expense for the year	–	(1,272)	–	(1,272)
Total comprehensive expense for the year	–	(1,272)	(649)	(1,921)
At 31 December 2022 and 1 January 2023	20,050	776	(5,462)	15,364
Loss for the year	–	–	(1,622)	(1,622)
Other comprehensive expense for the year	–	(418)	–	(418)
Total comprehensive expense for the year	–	(418)	(1,622)	(2,040)
At 31 December 2023 and 1 January 2024	20,050	358	(7,084)	13,324
Loss for the year	–	–	(10,142)	(10,142)
Other comprehensive expense for the year	–	(250)	–	(250)
Total comprehensive expense for the year	–	(250)	(10,142)	(10,392)
At 31 December 2024	20,050	108	(17,226)	2,932

## APPENDIX II FINANCIAL INFORMATION OF THE DISPOSAL COMPANY

### UNAUDITED STATEMENT OF CASH FLOWS

	Year ended 31 December		
	2022	2023	2024
	HK\$'000	HK\$'000	HK\$'000
<b>Loss before tax</b>	(649)	(1,622)	(10,142)
<b>Adjustments for:</b>			
Finance costs	383	254	166
Depreciation of property, plant and equipment	2,275	2,124	2,002
Interest income	(1)	(1)	(1)
Impairment loss on property, plant and equipment	—	—	8,657
<b>Operating cash flows before movements in working capital</b>	2,008	755	682
(Increase) decrease in other receivables	—	(56)	56
Increase (decrease) in amounts due to a fellow subsidiary	(582)	5,630	(1,091)
Increase in other payables	—	—	13
<b>Cash generated from (used in) operations</b>	1,426	6,329	(340)
<b>Net cash from (used in) operating activities</b>	1,426	6,329	(340)
<b>Investing activity</b>			
Interest received	1	1	1
<b>Net cash from investing activity</b>	1	1	1

## APPENDIX II FINANCIAL INFORMATION OF THE DISPOSAL COMPANY

	Year ended 31 December		
	2022	2023	2024
	HK\$'000	HK\$'000	HK\$'000
<b>Financing activities</b>			
Repayments of borrowings	(2,324)	(1,781)	(5,168)
Borrowing interest paid	(383)	(254)	(166)
<b>Net cash used in financing activities</b>	(2,707)	(2,035)	(5,334)
<b>Net increase (decrease) in cash and cash equivalents</b>	(1,280)	4,295	(5,673)
<b>Cash and cash equivalents at 1 January</b>	308	603	5,408
Effect of foreign exchange rate changes	1,575	510	572
<b>Cash and cash equivalents at 31 December</b>	603	5,408	307
<b>Analysis of the balances of cash and cash equivalents</b>			
Cash and bank balances	603	5,408	307



**NOTES TO THE DISPOSAL COMPANY FINANCIAL INFORMATION**

*For the three years ended 31 December 2022, 2023 and 2024*

**1. GENERAL INFORMATION**

The Disposal Company is a limited liability company established in the PRC. The principal activity of the Disposal Company is manufacturing of watches.

The Disposal Company is an indirect wholly-owned subsidiary of the Company.

**2. BASIS OF PREPARATION OF THE DISPOSAL COMPANY FINANCIAL INFORMATION**

The Disposal Company Financial Information of the Disposal Company for the Relevant Periods has been prepared in accordance with paragraph 19.68(2)(a) of the GEM Listing Rules, and is solely for the purposes of inclusion in the circular issued by the Company in connection with the Disposals.

The Disposal Company Financial Information has been prepared by the Directors in accordance with the same accounting policies as those adopted by the Group in the preparation of the consolidated financial statements of the Group for the Relevant Periods, which conform with Hong Kong Financial Reporting Standards (the “**HKFRSs**”) (which include all HKFRSs, Hong Kong Accounting Standards (the “**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

The Disposal Company Financial Information has been prepared under the historical cost basis.

The Disposal Company Financial Information is presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand (HK\$’000) except when otherwise indicated. The Disposal Company Financial Information are presented in HK\$ which is different from the functional currency of the Disposal Company, RMB, as the Directors consider that HK\$ is the appropriate presentation currency in view of the place of listing of the Company and for the convenience of the Shareholders.

The Disposal Company Financial Information does not contain sufficient information to constitute a complete set of financial statements as defined in HKAS 1 “Presentation of Financial Statements” issued by the HKICPA and that it should be read in conjunction with the relevant published annual reports for the year ended 31 December 2022, 2023 and 2024.

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## APPENDIX III    UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

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### A.    UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

#### Introduction

The following is the unaudited pro forma financial information of the Remaining Group, comprising the unaudited pro forma consolidated statement of financial position as at 31 December 2024, and the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2024 and related notes (collectively, the “**Unaudited Pro Forma Financial Information**”).

The Unaudited Pro Forma Financial Information presented below is prepared by the Directors in accordance with Rule 7.31 of the GEM Listing Rules and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), for the purpose of illustrating the effect of the Disposals as described in the section headed “Letter from the Board” in this circular, including (i) the consolidated statement of financial position of the Group as at 31 December 2024 as if the Disposals had been completed on 31 December 2024; and (ii) the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of cash flows of the Group for the year ended 31 December 2024 as if the Disposals had been completed on 1 January 2024.

The Unaudited Pro Forma Financial Information is based upon the audited consolidated statement of financial position as at 31 December 2024 of the Group and the audited consolidated statement of profit or loss and other comprehensive income and audited consolidated statement of cash flows for the year ended 31 December 2024 of the Group which have been derived from the Company’s published annual report for the year ended 31 December 2024, after taking into account pro forma adjustments as summarised in the accompanying notes that are clearly shown and explained, factually supportable and directly attributable to the Disposals.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and is based on certain assumptions, estimates and current available information. Accordingly, because of its nature, it may not give a true picture of the financial results and cash flows had the Disposals been completed as at 1 January 2024 or for any future period, nor the financial position of the Group had the Disposals been completed as at 31 December 2024 or any future date.

## APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

The Unaudited Pro Forma Financial Information should be read in conjunction with the historical financial information of the Group as set out in the published annual report of the Company for the year ended 31 December 2024, and other financial information included elsewhere in this circular.

### 1. Unaudited Pro Forma Consolidated Statement of Financial Position as at 31 December 2024

	Consolidated statement of financial position of the Group as at 31 December 2024 HK\$'000 (Note 1)	Pro forma adjustments			Unaudited pro forma consolidated statement of financial position of the Remaining Group as at 31 December 2024 HK\$'000
		HK\$'000 (Note 2)	HK\$'000 (Note 3)	HK\$'000 (Note 4)	
<b>Non-current assets</b>					
Property, plant and equipment	12,513				12,513
Right-of-use assets	287				287
Investment properties	9,188				9,188
Financial assets at fair value through profit or loss	460				460
	22,448				22,448
<b>Current assets</b>					
Inventories	11,418				11,418
Trade receivables	34,159				34,159
Other receivables, deposits and prepayments	14,113				14,113
Financial assets at fair value through profit or loss	19,783				19,783
Amount due from a related company	–	16,690	(16,690)		–
Cash and bank balances	16,518		12,373	6,985	35,876
	95,991				115,349
Assets classified as held for sale	34,902	(18,802)		(16,100)	–
	130,893				115,349

# APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

	Consolidated statement of financial position of the Group as at 31 December 2024 HK\$'000 (Note 1)	Pro forma adjustments			Unaudited pro forma consolidated statement of financial position of the Remaining Group as at 31 December 2024 HK\$'000
		HK\$'000 (Note 2)	HK\$'000 (Note 3)	HK\$'000 (Note 4)	
<b>Current liabilities</b>					
Bank overdrafts	2,873				2,873
Trade and bills payables	51,415				51,415
Other payables and accrued expenses	4,990				4,990
Contract liabilities	2,701				2,701
Borrowings	56,184			(9,415)	46,769
Loan from a related company	–				–
Lease liabilities	331				331
Tax payable	48				48
	118,542				109,127
Liabilities associated with assets classified as held for sale	23,205	(13)	(23,192)		–
	141,747				109,127
<b>Net current (liabilities) assets</b>	(10,854)				6,222
<b>Total assets less current liabilities</b>	11,594				28,670
<b>Net assets</b>	11,594				28,670

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**APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION  
OF THE REMAINING GROUP**

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	Consolidated statement of financial position of the Group as at 31 December 2024 <i>HK\$'000</i> <i>(Note 1)</i>	Pro forma adjustments			Unaudited pro forma consolidated statement of financial position of the Remaining Group as at 31 December 2024 <i>HK\$'000</i>
		<i>HK\$'000</i> <i>(Note 2)</i>	<i>HK\$'000</i> <i>(Note 3)</i>	<i>HK\$'000</i> <i>(Note 4)</i>	
<b>Capital and reserves</b>					
Share capital	24,750				24,750
Reserves	(17,350)	(1,991)	18,875	5,273	4,807
Amounts recognised in other comprehensive income and accumulated in equity relating to assets classified as held for sale	5,081	(108)	–	(4,973)	–
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Equity attributable to owners of the Company	12,481				29,557
Non-controlling interests	<u>(887)</u>				<u>(887)</u>
<b>Total equity</b>	<u>11,594</u>				<u>28,670</u>

## APPENDIX III    UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

### 2.    Unaudited Pro Forma Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2024

	Consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 31 December 2024 HK\$'000 (Note 1)	Pro forma adjustments			Unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Remaining Group for the year ended 31 December 2024 HK\$'000
		HK\$'000 (Note 5)	HK\$'000 (Note 6)	HK\$'000 (Note 7)	
Revenue	138,695				138,695
Cost of sales	(97,549)				(97,549)
Gross profit	41,146				41,146
Other income and other gain (loss), net	(11,948)	9,489			(2,459)
Gain on disposal of a subsidiary	–		6,694		6,694
Gain on disposal of property, plant and equipment	–			4,981	4,981
Selling and distribution expenses	(3,672)				(3,672)
Administrative expenses	(37,059)	2,545	(785)	291	(35,008)
Finance costs	(7,540)	166			(7,374)
<b>Profit (loss) before tax</b>	(19,073)				4,308
Income tax expense	(160)				(160)
<b>Profit (loss) for the year</b>	(19,233)				4,148
<b>Attributable to:</b>					
Owners of the Company	(19,229)				4,152
Non-controlling interests	(4)				(4)
	(19,233)				4,148

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**APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION  
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	Consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 31 December 2024 HK\$'000 (Note 1)	Pro forma adjustments			Unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Remaining Group for the year ended 31 December 2024 HK\$'000
		HK\$'000 (Note 5)	HK\$'000 (Note 6)	HK\$'000 (Note 7)	
<b>Other comprehensive income</b>					
<i>Item that may be reclassified subsequently to profit or loss:</i>					
Exchange differences arising on translation of foreign operations	524	(250)			274
<i>Item that will not be reclassified to profit or loss:</i>					
Gain on revaluation of property	4,973			(4,973)	–
	<u>5,497</u>				<u>274</u>
Other comprehensive income for the year, net of tax					
	<u>5,497</u>				<u>274</u>
<b>Total comprehensive income (expense) for the year</b>	<u>(13,736)</u>				<u>4,422</u>
<b>Attributable to:</b>					
Owners of the Company	(13,732)				4,426
Non-controlling interests	(4)				(4)
	<u>(13,736)</u>				<u>4,422</u>

# APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

## 3.      Unaudited Pro Forma Consolidated Statement of Cash Flows for the year ended 31 December 2024

	Consolidated statement of cash flows of the Group for the year ended 31 December 2024	Pro forma adjustments			Unaudited pro forma consolidated statement of cash flows of the Remaining Group for the year ended 31 December 2024
	HK\$'000 (Note 1)	HK\$'000 (Note 5)	HK\$'000 (Note 6)	HK\$'000 (Note 7)	HK\$'000
<b>Operating activities</b>					
Profit (loss) before tax	(19,073)	12,200	5,909	5,272	4,308
Adjustments for:					
Interest income	(1,539)	1			(1,538)
Exchange losses, net	39				39
Finance costs	7,540	(166)			7,374
Net loss arising from change in fair value of investment properties	2,187				2,187
Net loss arising from change in fair value of financial assets at fair value through profit or loss ("FVTPL")	928				928
Net realised loss on disposals of financial assets at FVTPL	507				507
Write-down of inventories	1,135				1,135
Write-off of trade receivables	214				214
Allowance for expected credit loss ("ECL") on trade receivables	832				832
Allowance for ECL on other receivables, deposits and prepayments	57				57
Depreciation of right-of-use assets	387				387
Depreciation of property, plant and equipment	4,577	(2,002)		(291)	2,284
Forfeiture of customer's deposits	(107)				(107)
Impairment loss on property, plant and equipment	8,657	(8,657)			-
Impairment loss on disposal group classified as held for sale	833				833
Gain on disposal of a subsidiary	-		(6,694)		(6,694)
Gain on disposal of property, plant and equipment	-			(4,981)	(4,981)



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**APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION  
OF THE REMAINING GROUP**

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	Consolidated statement of cash flows of the Group for the year ended 31 December 2024 <i>HK\$'000</i> <i>(Note 1)</i>	Pro forma adjustments <i>HK\$'000</i> <i>(Note 5)</i> <i>HK\$'000</i> <i>(Note 6)</i> <i>HK\$'000</i> <i>(Note 7)</i>			Unaudited pro forma consolidated statement of cash flows of the Remaining Group for the year ended 31 December 2024 <i>HK\$'000</i>
<b>Operating cash flows before movements in working capital</b>	7,174				7,765
Decrease in inventories	29				29
Increase in trade receivables	(17,606)				(17,606)
(Increase) decrease in other receivables, deposits and prepayments	(4,765)	(6,431)	21,392		10,196
Decrease in trade and bills payables	(911)				(911)
Decrease in contract liabilities	(430)				(430)
Decrease in other payables and accrued expenses	(967)	(13)			(980)
	<hr/>				<hr/>
<b>Cash used in operations</b>	(17,476)				(1,937)
Income tax paid	(322)				(322)
	<hr/>				<hr/>
<b>Net cash used in operating activities</b>	(17,798)				(2,259)
	<hr/>				<hr/>

# **APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP**

	<b>Consolidated statement of cash flows of the Group for the year ended 31 December 2024</b>	<b>Pro forma adjustments</b>			<b>Unaudited pro forma consolidated statement of cash flows of the Remaining Group for the year ended 31 December 2024</b>
	<i>HK\$'000</i> <i>(Note 1)</i>	<i>HK\$'000</i> <i>(Note 5)</i>	<i>HK\$'000</i> <i>(Note 6)</i>	<i>HK\$'000</i> <i>(Note 7)</i>	<i>HK\$'000</i>
<b>Investing activities</b>					
Purchase of property, plant and equipment	(1,141)				(1,141)
Purchase of financial assets at FVTPL	(465)				(465)
Proceeds from disposal of financial assets at FVTPL	2,045				2,045
Increase in deposits for life insurances	(298)				(298)
Withdrawal of fixed bank deposits	42,204				42,204
Proceed from disposal of a subsidiary	–		30,233		30,233
Proceed from disposal of property, plant and equipment	–			16,400	16,400
Interest received	1,539	(1)			1,538
<b>Net cash from investing activities</b>	<u>43,884</u>				<u>90,516</u>
<b>Financing activities</b>					
Repayment of lease liabilities	(547)				(547)
Borrowings interest paid	(7,186)	166			(7,020)
Overdraft interest paid	(246)				(246)
Proceeds from borrowings	144,248				144,248
Repayments of borrowings	(204,285)	5,168		(12,149)	(211,266)
Net proceeds from issue of shares	7,532				7,532
Advance from a related company	21,392		(21,392)		–
<b>Net cash used in financing activities</b>	<u>(39,092)</u>				<u>(67,299)</u>

**APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION  
OF THE REMAINING GROUP**

	Consolidated statement of cash flows of the Group for the year ended 31 December 2024 HK\$'000 (Note 1)	Pro forma adjustments			Unaudited pro forma consolidated statement of cash flows of the Remaining Group for the year ended 31 December 2024 HK\$'000
		HK\$'000 (Note 5)	HK\$'000 (Note 6)	HK\$'000 (Note 7)	
Net (decrease) increase in cash and cash equivalents	(13,006)				20,958
Cash and cash equivalents at the beginning of the year	25,802				25,802
Effect of foreign exchange rate changes	1,156	(572)			584
Cash and cash equivalents at end of the year	<u>13,952</u>				<u>47,344</u>
Analysis of balances of cash and cash equivalents					
Cash and bank balances	10,393	–	29,448	4,251	44,092
Fixed bank deposits matured within 3 months	6,125				6,125
Cash and bank balances classified as held for sale	307	(307)			–
Bank overdrafts	<u>(2,873)</u>				<u>(2,873)</u>
Cash and cash equivalents as stated in the consolidated statement of cash flows	<u>13,952</u>				<u>47,344</u>

## APPENDIX III    UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

### 4. Notes to the Unaudited Pro Forma Financial Information of the Remaining Group:

1. The amounts are extracted from the consolidated statement of financial position of the Group as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of cash flows of the Group for the year ended 31 December 2024 as set out in the published annual report of the Group for the year ended 31 December 2024.
2. The adjustment reflects the exclusion of assets and liabilities of Disposal Company as at 31 December 2024 as if the Disposal A had been completed on 31 December 2024. The amounts are extracted from the unaudited statement of financial position of the Disposal Company set out in Appendix II to this circular.
3. The adjustment represents the pro forma gain on Disposal A as if the Disposal A had been completed on 31 December 2024, which is calculated as follow:

	<i>Notes</i>	<i>HK\$'000</i>
Disposal A's Consideration	3(a)	19,660
Carrying amounts of assets and liabilities of Disposal Company as at 31 December 2024	3(b)	(2,932)
Impairment loss on disposal group classified as held for sale recognised for the year ended 31 December 2024		<u>833</u>
Disposal Company classified as held for sale as at 31 December 2024		<u>(2,099)</u>
		17,561
Exchange differences arising on translation of foreign operations		<u>108</u>
		17,669
Less: Estimated transaction costs attributable to the Disposals	3(c)	<u>(785)</u>
Estimated net gain on Disposal A	3(d)	<u><u>16,884</u></u>

## APPENDIX III    UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

	<i>Notes</i>	<i>HK\$'000</i>
Disposal A's Consideration		19,660
Less: Amount off set by the amount due to Purchaser A as at 31 December 2024	3(a)	(23,192)
Add: Amount off set by the Sale Loan due from Purchaser A as at 31 December 2024	3(a)	<u>16,690</u>
		13,158
Less: Estimated transaction costs of the Disposals	3(c)	<u>(785)</u>
		12,373
Less: Cash and cash equivalents held by the Disposal Company as at 31 December 2024		<u>(307)</u>
Net cash inflows from Disposal A		<u><u>12,066</u></u>

*Notes*

- 3(a) Pursuant to the Sale and Purchase Agreement A dated 17 December 2024, the Group has conditionally agreed to dispose (i) the entire equity interest and actual paid-up registered capital of the Disposal Company; and (ii) the Sale Loan, at RMB18.20 million (equivalent to approximately HK\$19.66 million) (Disposal A's Consideration) ("**Disposal A**"), which is assumed to be settled at 31 December 2024. The Disposal A's Consideration shall be settled by way of set-off an amount equivalent to the Disposal A's consideration against the outstanding principal amount of the Amount Due to Purchaser A as of 31 December 2024, and the Sale Loan assigned to Purchases A.
- 3(b) The amount represents the net assets of the Disposal Company amounting to approximately HK\$2,932,000 as at 31 December 2024 as set out in Appendix II to this circular.
- 3(c) The amount represents certain transaction fees directly attributable to the Disposal A and Disposal B, such as fee incurred for legal and professional services, assurance service fee and valuation fee amounting to approximately HK\$785,000 and assumed to have been settled by cash upon the Disposal A's Completion.
- 3(d) The actual gain or loss on the Disposal A may be different from the pro forma amount described above as the carrying amounts of interests in the Disposal Company on the actual date of the Disposal A will differ from their carrying amounts as at 31 December 2024. It is also subject to change as the actual transaction fees on the Disposals will differ from the assumed amounts used in the preparation of the Unaudited Pro Forma Financial Information.

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## APPENDIX III    UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

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4. Pursuant to the Sale and Purchase Agreement B dated 17 December 2024, the Group has conditionally agreed to dispose Property B to Purchaser B at a cash consideration of HK\$16.40 million. The adjustment represents the de-recognition of the carrying amount of the Property B (“**Disposal B**”) which are recognised as investment property and classified under a line item of assets classified as held for sale in the consolidated financial statements for the year ended 31 December 2024, assuming the Disposal B had been completed on 31 December 2024. The estimated transaction costs of Disposal A and Disposal B have been taken into account in Note 3.

Upon Disposal B’s Completion, the Disposal B’s Consideration will be used for the repayment of bank borrowings amounting to approximately HK\$9,415,000 as at 31 December 2024. As a result, the net cash inflow from Disposal B as at 31 December 2024 will be approximately HK\$6,985,000.

5. The adjustments represent the exclusion of the results and cash flows of the Disposal Company for the year ended 31 December 2024 and impairment loss on disposal group classified as held for sale recognised for the year ended 31 December 2024, assuming the Disposal A had been completed on 1 January 2024. The results and cash flows of the Disposal Company for the year ended 31 December 2024 are extracted from the the unaudited statement of profit or loss and other comprehensive income and the unaudited statement of cash flows of the Disposal Company set out in the Appendix II to this circular.

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**APPENDIX III    UNAUDITED PRO FORMA FINANCIAL INFORMATION  
OF THE REMAINING GROUP**

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6. The adjustments represent the pro forma gain on Disposal A as if the Disposal A had been completed on 1 January 2024, which is calculated as follow:

	<i>Notes</i>	<i>HK\$'000</i>
Disposal A's Consideration	6(a)	19,660
Carrying amounts of assets and liabilities of Disposal Company as at 1 January 2024	6(b)	<u>(13,324)</u>
		6,336
Exchange difference arising on translation of foreign operations		<u>358</u>
Gain on disposal of Disposal Company		6,694
Less: Estimated transaction costs attributable to the Disposals	6(c)	<u>(785)</u>
Estimated net gain on Disposal A	6(d)	<u><u>5,909</u></u>
Cash consideration		19,660
Less: Amount off set by the amount due from Purchaser A as at 1 January 2024	6(a)	(1,800)
Add: Amount off set by the Sale Loan due from Purchaser A as at 1 January 2024	6(a)	<u>17,781</u>
		35,641
Less: Cash and cash equivalents held by the Disposal Company as at 1 January 2024		<u>(5,408)</u>
		30,233
Less: Estimated transaction costs of the Disposals	6(c)	<u>(785)</u>
Net cash inflows from Disposal A		<u><u>29,448</u></u>

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### *Notes*

- 6(a) Pursuant to the Sale and Purchase Agreement A dated 17 December 2024, the Group has conditionally agreed to dispose (i) the entire equity interest and actual paid-up registered capital of the Disposal Company; and (ii) the Sale Loan, at RMB18.20 million (equivalent to approximately HK\$19.66 million) (Disposal A's Consideration), which is assumed to be settled at 1 January 2024. The Disposal A's Consideration shall be settled by way of set-off an amount equivalent to the Disposal A's consideration against the outstanding principal amount of the Amount Due to Purchaser A as of 1 January 2024, and the Sale Loan assigned to Purchaser A.
- 6(b) The amount represents the net assets of the Disposal Company amounting to approximately HK\$13,324,000 as at 1 January 2024 as set out in Appendix II to this circular.
- 6(c) The amount represents certain transaction fees directly attributable to the Disposal A and Disposal B, such as fee incurred for legal and professional services, assurance service fee and valuation fee amounting to approximately HK\$785,000 and assumed to have been settled by cash upon the Disposal A's Completion.
- 6(d) The actual gain or loss on the Disposal A may be different from the pro forma amount described above as the carrying amounts of interests in the Disposal Company on the actual date of the Disposal A will differ from their carrying amounts as at 1 January 2024. It is also subject to change as the actual transaction fees on the Disposals will differ from the assumed amounts used in the preparation of the Unaudited Pro Forma Financial Information.



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7. The adjustments represent the exclusion of operating results directly attributable to the Property B, assuming the Disposal B had been completed on 1 January 2024, the decrease in administrative expenses of approximately HK\$291,000 is related to depreciation expenses:

	<i>Note</i>	<i>HK\$'000</i>
Disposal B's Consideration		16,400
Carrying amounts of Property B as at 1 January 2024		<u>(11,419)</u>
Gain on disposal of Property B		4,981
Add: decrease in administrative expenses		<u>291</u>
Net effect on the profit or loss for the year and attributable to owners of the Company		<u><u>5,272</u></u>
Cash consideration		16,400
Less: Bank borrowings as at 1 January 2024 to be repaid		<u>(12,149)</u>
Net cash inflow from Disposal B	7(a)	<u><u>4,251</u></u>

*Note*

- 7(a) The mortgage over Property B will be discharged through repayment of the bank borrowings upon the receipt of the Disposal B's Consideration at Disposal B's Completion.

The adjustments also exclude the gain on revaluation of Disposal Property of approximately HK\$4,973,000 which was resulted from the transfer from property, plant and equipment to investment property during the year ended 31 December 2024.

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8. The conversion of RMB into HK\$ for the purpose of the unaudited pro forma consolidated statement of financial position is based on the closing rate as at 31 December 2024 of RMB1.00 = HK\$1.0755, and for the purpose of the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and unaudited pro forma consolidated statement of cashflows, the conversion is based on the average rate for the year ended 31 December 2024 of RMB1.00 = HK\$1.0964.
9. No adjustments have been made to reflect any trading results or other transactions of the Remaining Group entered into subsequent to 31 December 2024.

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### B. ACCOUNTANT'S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

*The following is the text of a report received from Confucius International CPA Limited, Certified Public Accountants, Hong Kong, the independent reporting accountants of the Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this circular.*



天健國際會計師事務所有限公司

Confucius International CPA Limited    Certified Public Accountants

香港灣仔莊士敦道181號大有大廈15樓1501-08室  
Rooms 1501-8, 15/F., Tai Yau Building,  
181 Johnston Road, Wanchai, Hong Kong  
電話 Tel: (852) 3103 6980  
傳真 Fax: (852) 3104 0170  
電郵 Email: info@pccpa.hk

### Independent Reporting Accountant's assurance report on the compilation of unaudited pro forma financial information

#### The Board of Directors of Hanvey Group Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Hanvey Group Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company for illustrative purposes only. The unaudited pro forma consolidated statement of financial position as at 31 December 2024, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024 and the unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2024, and related notes (the “**Unaudited Pro Forma Financial Information**”) as set out on pages 1 to 17 of Appendix III of the Company's circular dated 23 April 2025 (the “**Circular**”) in connection with the proposed disposals of Shenzhen Fujing Precision Technology Company Limited and a property located in Hong Kong (the “**Disposals**”). The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described on pages 1 to 17 of Appendix III of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the directors of the Company to illustrate the impact of the Disposals on the Group's consolidated financial position as at 31 December 2024 and the Group's consolidated financial performance and cash flows for the year ended 31 December 2024 as if the Disposals had taken place on 31 December 2024 and 1 January 2024 respectively. As part of this process, information about the Group's consolidated financial position, financial performance and cash flows has been extracted by the directors of the Company from the Group's annual report for the year ended 31 December 2024, on which an audit report have been published respectively.

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## **APPENDIX III    UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP**

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### **Directors' Responsibility for the Unaudited Pro Forma Financial Information**

The directors of the Company are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

### **Our Independence and Quality Management**

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

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

### **Reporting Accountant's Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the directors of the Company have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to AG 7 issued by the HKICPA.

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

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## APPENDIX III    UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

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The purpose of unaudited pro forma financial information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Disposals at 31 December 2024 or 1 January 2024 would have been as presented.

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

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

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

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

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

### **Opinion**

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and

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**APPENDIX III    UNAUDITED PRO FORMA FINANCIAL INFORMATION  
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- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

**Confucius International CPA Limited**

*Certified Public Accountants*

**Wong Kam Hing**

Hong Kong, 23 April 2025

For the purpose of this circular and for illustration purpose only, the management discussion and analysis of the Remaining Group below is made with the exclusion of the Disposal Company and the Properties.

There will be no change to the principal business of the Remaining Group as a result of the Disposals. The Remaining Group will continue to carry out its existing principal business in the design and development, manufacturing and distribution of watch products on original design manufacturing (“ODM”) basis for watch manufacturers, brand owners and watch importers across the globe.

Set out below are the management discussion and analysis on the Remaining Group for the three years ended 31 December 2022 (“FY2022”), 31 December 2023 (“FY2023”), and 31 December 2024 (“FY2024”):

## **BUSINESS REVIEW**

### **FY2022**

For FY2022, HKTDC used to conduct a survey every quarter, which involves interviewing 500 local exporters from six major industries that include machinery, electronics, jewellery, watches and clocks, toys and clothing to gauge their business confidence on near-term export prospects. According to the HKTDC’s research entitled: “HKTDC Export Index 4Q22: Local Exporter Confidence Falters in Face of Global Economic Slowdown” dated 15 December 2022, the Index fell from 37.2 in 4Q21 to 29.7 in the fourth quarter of 2022 (“4Q22”).

The HKTDC reported that, overall, a downturn in the economy is evident across all the major industry sectors, with timepieces falling from 37.5 in 4Q21 to 36.8 in 4Q22. This suggests that exporters see continued downward pressure on prices.

In addition to the continued negative impact from the Pandemic, increased transportation costs and logistics disruptions remain the primary challenges, although the number of adversely affected cases is notably down. Following the lifting of quarantine measures for arrivals in Hong Kong as of September 2022, the problem of communicating with overseas buyers/suppliers become less of a concern in 4Q22.

Looking ahead, the risks of an economic slowdown and recession in many of the major markets has become the primary concern of the exporters.

**FY2023**

For FY2023, the HKTDC used to conduct a survey every quarter, which involves interviewing 500 local exporters from six major industries that include machinery, electronics, jewellery, watches and clocks, toys and clothing to gauge their business confidence on near-term export prospects. According to the HKTDC's research entitled: "HKTDC Export Index 4Q23: Soft Export Sentiment amid Rising Concern of Economic Risk" dated 14 December 2023, the Index increase from 29.7 in 4Q22 to 35.0 in the fourth quarter of 2023 ("4Q23").

The **Trade Value Index**, which tracks the movement of unit export prices, slightly improved by 5.8 point from 39.2 in 4Q22 to 45.0 in 4Q23, yet, remained in contractionary territory. The downward pressure on export prices eased across all sectors. Timepieces improved to 47.5 (up 2.9) in 4Q23 from 44.6 in 4Q22.

With the economic gradually recovering from the COVID-19 pandemic, the Remaining Group will adopt a prudent approach, and continue exercising stringent control over operating costs, aiming to enhance operating efficiency and improve profitability.

**FY2024**

For FY2024, the HKTDC used to conduct a survey every quarter, which involves interviewing 500 local exporters from six major industries that include machinery, electronics, jewellery, watches and clocks, toys and clothing to gauge their business confidence on near-term export prospects. According to the HKTDC's research entitled: "HKTDC Export Confidence Index 4Q24: Heightened Uncertainties Trigger Exporter Caution" dated 12 December 2024, the Current Performance Index (the "**Index**") increase from 35.0 in the fourth quarter of 2023 ("4Q23") to 50.3 in the fourth quarter of 2024 ("4Q24").

For 4Q24, the findings of the HKTDC Export Confidence Index indicate a significantly improved current performance, as well as a more optimistic business outlook overall. Reassuringly, all of this is underpinned by rising sales, new orders, higher prices and a likely increase in procurement activity. In timepieces sector increased to 49.1 (up 1.6) in 4Q24 from 47.5 in 4Q23.

The Group will adopt a prudent approach, and continue exercising stringent control over operating costs, aiming to enhance operating efficiency and improve profitability.

**FINANCIAL REVIEW**

During FY2022, the Remaining Group recorded revenue of approximately HK\$272.56 million and gross profit of approximately HK\$56.22 million.

During FY2023, the Remaining Group recorded revenue of approximately HK\$185.67 million and gross profit of approximately HK\$43.32 million.



During FY2024, the Remaining Group recorded revenue of approximately HK\$138.70 million and gross profit of approximately HK\$41.15 million.

During FY2022, FY2023 and FY2024, the Remaining Group was principally engaged in the design and development, manufacturing and distribution of watch products on ODM basis for watch manufacturers, brand owners and watch importers across the globe.

## **CAPITAL STRUCTURE**

References are made to the announcements of the Company dated 20 October 2021 and 17 November 2021 and the circular of the Company dated 1 November 2021 regarding a share consolidation on the basis of every ten (10) issued and unissued shares of par value of HK\$0.01 each into one (1) consolidated share of par value of HK\$0.10 each (the “**Share Consolidation**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the abovesaid announcements and circular.

The resolution which approved the Share Consolidation was duly passed by the Shareholders by way of poll as an ordinary resolution at the extraordinary general meeting of the Company held on 17 November 2021 and became effective from 19 November 2021.

After the Share Consolidation which became effective on 19 November 2021 and before the Rights Issue which became effective on 28 February 2022 (please refer to the paragraph headed “Subsequent Events” on page 10 of 2021 annual report for details), the number of authorized shares amounted to 1,000,000,000 of HK\$0.1 per Share and the issued share capital amounted HK\$100,000,000.

There has been no change in the Company’s capital structure for FY2022, FY2023 and FY2024. The capital structure of the Remaining Group comprises issued share capital and reserves. The Directors review the Remaining Group’s capital structure regularly.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 31 December 2022, the Remaining Group had cash and bank balances of approximately HK\$71.06 million. The current ratios (current asset divided by current liabilities) of the Remaining Group were approximately 1.13 times as at 31 December 2022.

As at 31 December 2023, the Remaining Group had cash and bank balances of approximately HK\$66.34 million. The current ratios (current asset divided by current liabilities) of the Remaining Group were approximately 0.99 times as at 31 December 2023.

As at 31 December 2024, the Remaining Group had cash and bank balances of approximately HK\$16.21 million. The current ratios (current assets divided by current liabilities) of the Remaining Group were 0.92 times as at 31 December 2024.

The Directors are of the view that as at 31 December 2022, 2023 and 2024, respectively, the Remaining Group's financial resources had been sufficient to support its business and operations.

### **COMMITMENTS**

As at 31 December 2022, 31 December 2023 and 30 June 2024, the Remaining Group had no capital commitments.

The Company had entered into a non-legally binding memorandum of understanding (the "MOU") with Yangshuo County Xingyuan Lead-Zinc Mining Co. Ltd.\* (陽朔縣興源鉛鋅礦有限責任公司) in relation to the acquisition of a non-ferrous metal mining business. Please refer to the announcement of the Company dated 3 March 2025 for further details.

### **CHARGES ON ASSETS**

As at 31 December 2022, assets with carrying value of HK\$104.23 million were pledged as security for banking facilities in the Remaining Group.

As at 31 December 2023, assets with carrying value of HK\$105.00 million were pledged as security for banking facilities in the Remaining Group.

As at 31 December 2024, assets with carrying value of HK\$45.20 million were pledged as security for banking facilities in the Remaining Group.

### **FOREIGN EXCHANGE EXPOSURE**

During FY2022, FY2023 and FY2024, the Remaining Group's purchases are denominated in Hong Kong Dollars. The sales of the Remaining Group are predominantly in US Dollars, Renminbi and Hong Kong Dollars. The Remaining Group will continue to review and monitor from time to time the risk relating to foreign exchanges.

During FY2022, FY2023 and FY2024, the Remaining Group neither took part in any derivatives activities nor entered into any hedging activities in respect of foreign exchange risk.

### **CONTINGENT LIABILITIES**

The Remaining Group had no material contingent liabilities as at 31 December 2022, 31 December 2023 and 31 December 2024, respectively.

### **EMPLOYEES, REMUNERATION POLICIES AND SHARE OPTION SCHEME**

As at 31 December 2022, the Remaining Group had a total of 111 employees.

As at 31 December 2023, the Remaining Group had a total of 110 employees.

As at 31 December 2024, the Remaining Group had a total of 101 employees.

The Company determines employee salaries based on each employee's qualifications, position and seniority. The Remaining Group has established an annual review system to assess the performance of our employees, which forms the basis of our decisions with respect to salary raises, bonuses and promotions.

The emoluments of the Directors are decided by the Board with the recommendation from the remuneration committee of the Company, having considered factors such as the Remaining Group's financial performance, the achievement of special targets and the individual performance of the Directors, etc.

The Company has adopted a share option scheme (the **"Share Option Scheme"**) as an incentive to Directors and eligible employees, which was approved and adopted by the Shareholders by way of written resolutions passed on 20 June 2018.

No share options have been granted/exercised/cancelled/lapsed under the Share Option Scheme during FY2022, FY2023 and FY2024.

As at 31 December 2022, the Company has no outstanding share option under the Share Option Scheme. The total number of shares available for grant under the Share Option Scheme as at 1 January 2022 and 31 December 2022 were 100,000,000 shares. As at 31 December 2022, the total number of shares of the Company available for issue under the Share Option Scheme was 100,000,000 shares, representing 10% of the issued shares of the Company.

As at 31 December 2023, the Company has no outstanding share option under the Share Option Scheme. The total number of shares available for grant under the Share Option Scheme as at 1 January 2023 and 31 December 2023 were 100,000,000 shares. As at 31 December 2023, the total number of shares of the Company available for issue under the Share Option Scheme was 100,000,000 shares, representing 10% of the issued shares of the Company.

As at 31 December 2024, the Company has no outstanding share option under the Share Option Scheme. The total number of shares available for grant under the Share Option Scheme as at 1 January 2024 and 31 December 2024 were 100,000,000 shares. As at 31 December 2024, the total number of shares of the Company available for issue under the Share Option Scheme was 100,000,000 shares, representing 10% of the issued shares of the Company.

#### **SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE**

Save as disclosed in the annual reports of the Company for the year ended 31 December 2022 and 2023, respectively, and the Company's announcement dated 31 March 2025 of its

annual results for the year ended 31 December 2024, there was no significant investment, material acquisition and disposal of subsidiaries, associates and joint ventures by the Company for FY2022, FY2023 and FY2024.

### **GEARING RATIO**

As at 31 December 2022, the gearing ratio of the Remaining Group calculated by total borrowings (including bills payables, bank overdrafts, bank borrowings and lease liabilities) less cash and bank balances as a percentage of total equity was approximately 356.07%.

As at 31 December 2023, the gearing ratio of the Remaining Group calculated by total borrowings (including bills payables, bank overdrafts, bank borrowings, loan from a related company and lease liabilities) less cash and bank balances as a percentage of total equity was approximately 1,741.53%.

As at 31 December 2024, the gearing ratio of the Remaining Group calculated by total borrowings (including bills payables, bank overdrafts, bank borrowings, loan from a related company and lease liabilities) less cash and bank balances as a percentage of total equity was approximately 675.92%.

Upon the completion of the Disposals, the gearing ratio will be decreased to 142.63% as if the Disposals had been completed on 31 December 2024.

### **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

Save as disclosed in the annual reports of the Company for the year ended 31 December 2022 and 2023, respectively, and the Company's announcement dated 31 March 2025 of its annual results for the year ended 31 December 2024, the Remaining Group did not have other plans for material investments or capital assets for the coming year.

*The following text is the text of a letter and property valuation report prepared for the purpose of incorporation in this circular received from FVA Advisory Limited, an independent valuer, in connection with its opinion of the value of Property A as at 31 October 2024.*



Date: 28 November 2024

**Hanvey Group Holdings Limited**

Units 1503-6, 15th Floor  
Tower 1, Ever Gain Plaza  
No. 88 Container Port Road  
Kwai Chung  
New Territories, Hong Kong

Dear Sirs,

**Re: Units 801, 802 and 803, 8th Floor, Block 1, Innovation Wisdom Port, Huangpu Nandong Ziran Village, Shajing Town, Baoan District, Shenzhen City, the PRC (the “Property”)**

**1. INSTRUCTIONS**

In accordance with the instruction from Hanvey Group Holdings Limited (the “**Company**”) for us to value the Property located at Units 801, 802 and 803, 8th Floor, Block 1, Innovation Wisdom Port, Huangpu Nandong Ziran Village, Shajing Town, Baoan District, Shenzhen City, the PRC, we confirm that we have carried out inspection of the exterior of the Property and the general locale, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property as at 31 October 2024 (the “**Valuation Date**”) for your financial reporting purposes.

This letter which forms part of our valuation report explains the basis and methodology of valuation, clarifying assumptions and limiting conditions of this valuation.

## **2. BASIS OF VALUATION**

Our valuation of the property interest is made on the basis of **Market Value** as defined by IVSC and adopted by HKIS and RICS, set out as follows:

*“the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”*

The valuation presented in this report represents the 100% interest of the Property and not the shareholdings of the Company holding the property interest thereof.

## **3. VALUATION METHODOLOGY**

In the course of our valuation, we have adopted the Direct Comparison Method as the primary valuation method.

The Direct Comparison Method is a method of valuation based on comparing the Property with the prices realized on actual sales and/or asking prices of comparable properties. Comparable properties are generally located in the surrounding areas or in other sub-markets which are comparable to the Property. However, because of the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative and quantitative difference that may affect the price likely to be achieved by the Property under consideration.

## **4. VALUATION ASSUMPTIONS**

Our valuation has been made on the assumption that the owner sells the Property on the market without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which could serve to affect the capital value of the Property.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Property nor for any expenses or taxation that may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free of legal complications and encumbrances, restrictions, outgoings of an onerous nature that could affect its capital value.

## **5. TITLE INVESTIGATION**

We have been provided with copies of the title documents relating to the Property. However, we have not examined the original documents to verify ownership or to ascertain the existence of any lease amendments which may not appear on the copies handed to us. All documents and leases have been used for reference only.

**6. NATURE AND SOURCE OF INFORMATION**

In arriving at our valuation, we have received information from yourself, public and subscription websites, other estate agents and valuers and from our own records. We have applied professional scepticism and have checked the information where reasonably possible. In the absence of evidence to the contrary, we have assumed that information used in the valuation is correct.

**7. LIMITING CONDITIONS**

We have inspected exterior of the Property and the general locale in October 2024 by Philemon Hui (MRICS). However, we have not carried out detailed onsite measurements to verify the correctness of the areas in respect of the Property but have assumed that the areas shown on the documents are correct. All documents have been used as reference only and all dimensions, measurements and areas are approximations.

We have relied to a considerable extent on information provided by you and have accepted advice given to us on such matters, in particular, but not limited to, the tenure, statutory notices, easements, particulars of occupancy, floor areas and all other relevant matters in the identification of the Property.

We have no reason to doubt the truth and accuracy of the information provided to us. We have also been advised by you that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on any property or any expenses and taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values. We have prepared our valuation on the basis that transferable land use rights in respect of the Properties for its specific term at nominal annual land use fees have been granted and that any premium payable has already been fully paid.

Liability in connection with this valuation report is limited to the client to whom this report is addressed and for the purpose for which it is carried out only. We will accept no liability to any other parties or any other purposes.

**8. REMARKS**

This report is to be used only for the purpose stated herein, any use or reliance for any other purpose, by you or third parties, is invalid. Neither the whole nor any part of this report can be published, disclosed or referred to in any public document without our written consent.

We enclose herewith the summary of values and the valuation certificates.

Yours faithfully,

**Jeff Sin, MRICS**

*Director*

For and on behalf of

**FVA Advisory Limited**

Room 2302, 23/F, Lee Garden Two,  
28 Yun Ping Road, Causeway Bay,  
Hong Kong



## VALUATION CERTIFICATE

	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 October 2024
1.	Units 801, 802 and 803, 8th Floor, Block 1, Innovation Wisdom Port, Huangpu Nandong Ziran Village, Shajing Town, Baoan District, Shenzhen City, the PRC (as known as the “Property”)	<p>The Property comprises three industrial units on 8th floor of an 18-storey industrial building with three basement levels. The subject building is constructed of reinforced concrete with aluminum curtained external elevations.</p> <p>The total gross floor area of the Property is 1,034.39 sq. m..</p> <p>The Property is held for a term on 50 years commencing from 25 December 1993 and expiring on 24 December 2043 for industrial purpose.</p>	As advised by the company, the Property was self-occupied as of the Valuation Date	RMB18,200,000 (Renminbi Eighteen Million Two Hundred Thousand)

## Notes:

- As per the Real Estate Right Certificate Nos. 0096932, 0096945 and 0096941, the Property is held by 深圳福井精密科技有限公司, an indirect wholly-owned subsidiary of the Company, for a term 50 years expiring on 24 December 2043.
- As per the request from the Company, the market rent applicable to the Property is RMB61,000 per month.
- The estimated Market Value correspond to 1) Land and building; 2) Leasehold improvements; and 3) Furniture, fixture and office equipment on the book of 深圳福井精密科技有限公司.
- The Property was originally purchased on date and at cost below:

*Unit 801: 13 May 2020, RMB9,462,150 (plus tax paid RMB283,865)*

*Unit 802: 18 May 2020, RMB9,661,950 (plus tax paid RMB289,859)*

*Unit 803: 18 May 2020, RMB8,804,430 (plus tax paid RMB264,132)*

5. In undertaking our valuation of the Property, we have made reference to various market comparables. All comparables have the same usage of the Property and are situated in close proximity or a similar location to the Property, with different transaction or offering dates. Market comparables were selected based on available information in the market, as well as discussions with market consultants to verify the validity of the comparable transactions or asking prices. The selection criteria included (1) **Similarity**: properties that are similar in size, location, condition, and features to the subject property; and (2) **Proximity**: properties that are geographically close to the subject property. Adjustments are then made to account for differences between the Property and the comparables, ensuring an accurate and fair valuation. Based on our analysis, only 5 comparable transactions or asking prices met the abovementioned requirements and were selected with details below:

	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Address	Innovation Wisdom Port	會展灣中港廣場	星展廣場	盛薈世紀薈大廈	福城時代廣場
Year Built	2017	2020	2016	2022	2024
Gross Floor Area (sq.m.)	560	236	400	1,828	2,000
Transaction/offer Date	12/1/2018	6/5/2021	9/30/2024	9/30/2024	9/30/2024
Nature	Average asking price	Average asking price	Asking Price	Asking Price	Asking Price
Unit Rate (RMB/sq.m.)	28,000	30,000	16,800	14,000	23,000
Adjusted Unit Rate (RMB/sq.m.)	19,000	20,064	13,520	14,696	18,497
View	Open City	Sea View	Open City	Open City	Open City
Floor	mid zone	mid zone	mid zone	high zone	mid zone

Although the transaction or offer dates of comparables 1 and 2 are relatively earlier, comparables 1 and 2 were selected because they are actual transactions that took place and are considered to be most similar to the Property (we have reviewed changes in market conditions from the transaction dates to Valuation Date and considered both of them still relevant). Comparables 3, 4 and 5 were also included as they are more recent and considered to be a good representation of current market conditions.

We have compared the factors and made adjustments on location, view, age, time, size, floor and asking discount. Time adjustment is made to reflect the changes in market condition over time. Size adjustment is made to account for the difference in marketability and affordability of properties in different sizes. Age adjustment is made to reflect the difference in physical condition as a result of wear and tear. Downward adjustment on asking price is made to reflect the general discount between asking price and transaction price due to negotiation. View and floor adjustments are made to reflect the difference in view, privacy and noise level.

After taking into account the above-mentioned adjustments, the adjusted unit rates for the Property is RMB17,600 per sq.m. on RMB18,200,000.

*The following text is the text of a letter and property valuation report prepared for the purpose of incorporation in this circular received from FVA Advisory Limited, an independent valuer, in connection with its opinion of the value of Property B as at 31 October 2024.*



28 November 2024

**Cheer China Group Holdings Limited**

Units 1503–6, 15th Floor  
Tower 1, Ever Gain Plaza  
No. 88 Container Port Road  
Kwai Chung  
New Territories, Hong Kong

Dear Sirs,

**Re: House No. 20, Greenery Gardens, 3 Fairview Park Boulevard, Remaining Portion of Lot No. 4767 in DD104, Yuen Long, New Territories (the “Property”)**

**1. INSTRUCTIONS**

In accordance with your instruction for us to value the Property located at House No. 20, Greenery Gardens, 3 Fairview Park Boulevard, Remaining Portion of Lot No. 4767 in DD104, Yuen Long, New Territories, we confirm that we have carried out inspection of the exterior of the Property and the general locale, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property as at 31 October 2024 (the “**Valuation Date**”) for your financial reporting purposes.

This letter which forms part of our valuation report explains the basis and methodology of valuation, clarifying assumptions and limiting conditions of this valuation.

## **2. BASIS OF VALUATION**

Our valuation of the property interest is made on the basis of **Market Value** as defined by IVSC and adopted by HKIS and RICS, set out as follows:

*“the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”*

The valuation presented in this report represents the 100% interest of the Property and not the shareholdings of the Company holding the property interest thereof.

## **3. VALUATION METHODOLOGY**

In the course of our valuation, we have adopted the Direct Comparison Method as the primary valuation method.

The Direct Comparison Method is a method of valuation based on comparing the Property with the prices realized on actual sales and/or asking prices of comparable properties. Comparable properties are generally located in the surrounding areas or in other sub-markets which are comparable to the Property. However, because of the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative and quantitative difference that may affect the price likely to be achieved by the Property under consideration.

## **4. VALUATION ASSUMPTIONS**

Our valuation has been made on the assumption that the owner sells the Property on the market without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which could serve to affect the capital value of the Property.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Property nor for any expenses or taxation that may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free of legal complications and encumbrances, restrictions, outgoings of an onerous nature that could affect its capital value.

## **5. TITLE INVESTIGATION**

We have not been provided with copies of the title documents relating to the Property but we have conducted land search at the Land Registry. However, we have not examined the original documents to verify ownership or to ascertain the existence of any lease amendments which may not appear on the copies handed to us. All documents and leases have been used for reference only.

**6. NATURE AND SOURCE OF INFORMATION**

In arriving at our valuation, we have received information from yourself, public and subscription websites, other estate agents and valuers and from our own records. We have applied professional scepticism and have checked the information where reasonably possible. In the absence of evidence to the contrary, we have assumed that information used in the valuation is correct.

**7. LIMITING CONDITIONS**

We have inspected exterior of the Property and the general locale in October 2024 by Philemon Hui (MRICS). However, we have not carried out detailed onsite measurements to verify the correctness of the areas in respect of the Property but have assumed that the areas shown on the documents are correct. All documents have been used as reference only and all dimensions, measurements and areas are approximations.

We have relied to a considerable extent on information provided by you and have accepted advice given to us on such matters, in particular, but not limited to, the tenure, statutory notices, easements, particulars of occupancy, floor areas and all other relevant matters in the identification of the Property.

We have no reason to doubt the truth and accuracy of the information provided to us. We have also been advised by you that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on any property or any expenses and taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

Liability in connection with this valuation report is limited to the client to whom this report is addressed and for the purpose for which it is carried out only. We will accept no liability to any other parties or any other purposes.

**8. REMARKS**

This report is to be used only for the purpose stated herein, any use or reliance for any other purpose, by you or third parties, is invalid. Neither the whole nor any part of this report can be published, disclosed or referred to in any public document without our written consent.

We enclose herewith the summary of values and the valuation certificates.

Yours faithfully,

**Jeff Sin, MRICS,**

*Director*

For and on behalf of

**FVA Advisory Limited**

Room 2302, 23/F, Lee Garden Two,

28 Yun Ping Road, Causeway Bay,

Hong Kong

## VALUATION CERTIFICATE

				Market Value in as at 31 October 2024
Property	Description and tenure	Particulars of occupancy		
1. House No. 20, Greenery Gardens, 3 Fairview Park Boulevard, Remaining Portion of Lot No. 4767 in DD104, Yuen Long, New Territories (as known as the “Property”)	The Property is a 2-storey garden house of reinforced concrete structure completed in 2004.  The gross floor area of the Property is 2,568 sq. ft. or thereabout and the saleable area of the Property is 1,659 sq. ft..  The Property is held under New Grant No. YL4557 for a term of 50 years commencing on 17 August 2000.	As advised by the company, the Property was leased for a monthly rental of HK\$44,800 till 19 September 2026 as at valuation date	HK\$16,400,000 (Hong Kong Dollars Sixteen Million Four Hundred Thousand)	
217/10191 equal and undivided shares of and in Lot 4767 in DD104 (the “Lot”)	The current ground rent payable for the lot is an amount equal to 3% of the rateable value per annum.			

## Notes:

1. As per the Land Registry search record, the registered owner of the Property is Cheer China Group Holdings Limited.
2. The Property is falling within an area zoned “Commercial/Residential” under the Approved Mai Po and Fairview Park Outline Zoning Plan No. S/YL-MP/8.
3. The following major encumbrances were registered against the Property as per the Land Search Record:
  - i. Certificate of Compliance dated 7 January 2004 vide Memorial No. YL1068055.
  - ii. Deed of Mutual Covenant and Management Agreement with Plan dated 1 March 2004 vide Memorial No. YL1076840.
  - iii. Deed of Grant of Right of Way with Plan dated 20 December 2023 vide Memorial No. 24011000290017.
  - iv. Deed of Grant of Utilities Access with Plan dated 20 December 2023 vide Memorial No. 24011000290028.

4. In the course of our valuation, we have identified and considered transactions of houses within Greenery Gardens and Royal Camellia, in between 28 June 22 and 10 April 24.

Details of the comparables are listed below:

	<b>Comparable 1</b>	<b>Comparable 2</b>	<b>Comparable 3</b>	<b>Comparable 4</b>
Address	House No. 23, Greenery Gardens	House No. 21, Royal Camellia	House No. 23, Royal Camellia	House No. 17, Royal Camellia
Year Built	2003	1998	1998	1998
Saleable Area (sq. ft.)	2,420	1,290	1,290	1,290
Transaction Date	2024-02-16	2024-04-10	2022-07-15	2022-06-28
Nature of Transaction	Agreement of Sales and Purchase	Agreement of Sales and Purchase	Agreement of Sales and Purchase	Agreement of Sales and Purchase
Consideration (HK\$)	29,800,000	14,500,000	13,780,000	14,780,000
Adjusted Unit Rate (HK\$/sq. ft.)	8,006	9,205	7,570	8,498

The four comparables above form an exhaustive list of transactions based on the selection criteria.

We have compared the factors and made adjustments on time, size and age. Adjustment on time is made to reflect the market condition. A downward adjustment on unit rate is made for increase in size to reflect the marketability and affordability of the total amount, and vice versa. Age adjustment is made to reflect the difference in physical condition.

Details on the adjustment mechanism for each of the adjustment factors for the valuation are set out below.

	<b>Comparable 1</b>	<b>Comparable 2</b>	<b>Comparable 3</b>	<b>Comparable 4</b>
Time	Downward Adjustment	Downward Adjustment	Downward Adjustment	Downward Adjustment
Size	Upward Adjustment	Downward Adjustment	Downward Adjustment	Downward Adjustment
Age	Nil	Upward Adjustment	Upward Adjustment	Upward Adjustment

After making the above due adjustments, the adjusted unit rates for the Property is HK\$8,400 per sq. ft. on effective saleable area basis (i.e., 1,958 sq. ft., which also included part of the ancillary area). Thus the market value of the Property is estimated of HK\$16,400,000.



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## APPENDIX VII EQUITY VALUATION REPORT OF THE SALE EQUITY INTEREST AS AT 31 OCTOBER 2024

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*The following text is the text of a letter and equity valuation report prepared for the purpose of incorporation in this circular received from FVA Advisory Limited, an independent valuer, in connection with its opinion of the value of the Sale Equity Interest as at 31 October 2024.*



Date: 28 November 2024

**Hanvey Group Holdings Limited**

Units 1503–6, 15th Floor  
Tower 1, Ever Gain Plaza  
No. 88 Container Port Road  
Kwai Chung  
New Territories, Hong Kong

Dear Sirs,

**Re: Fair value analysis of 100% equity value of 深圳福井精密科技有限公司**

### 1. INSTRUCTIONS

This report (“**Report**”) has been prepared solely for Hanvey Group Holdings Limited (“**Hanvey**” or “**you**”) in connection with the valuation analysis performed for 深圳福井精密科技有限公司 (the “**Subject**”). We have been requested to estimate the fair value of 100% equity interest of the Subject as of 31 October 2024 (the “**Valuation Date**”) and this report has been prepared in accordance with our letter of engagement dated 3 October 2024.

Our valuation analysis was conducted based on information generally available in the market as well as provided by you. We have not performed any procedures (unless otherwise stated) to verify the accuracy of information provided to us.

This Report has been prepared exclusively for Hanvey and for financial reporting purpose only. It has been prepared with only the interests of Hanvey in mind, and is not planned or carried out in contemplation of any use by any other party. To the fullest extent permitted by law, we accept no duty of care to any third party in connection with the provision of this Report and/or any related information or explanation. Accordingly, regardless of the form of action, whether in contract, tort (including, without limitation, negligence) or otherwise, and to the extent permitted by applicable law, we accept no liability of any kind to any third party and disclaims all responsibility for the consequences of any third party acting or refraining to act in reliance on the information.

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## APPENDIX VII EQUITY VALUATION REPORT OF THE SALE EQUITY INTEREST AS AT 31 OCTOBER 2024

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By its very nature, valuation work cannot be regarded as an exact science and the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgement. There is, therefore, no indisputable single value and we normally show the midpoint of an acceptable range as our valuation opinions.

### 2. BASIS OF VALUATION

The basis of our valuation is fair value. We define fair value as the price at which a shareholding of a business or a company would be transferred at arms length terms between a willing buyer and a willing seller, both having reasonable knowledge of the relevant facts and neither being compelled to buy or sell. The fair value does not reflect any premium which may be paid by a special purchaser who is acting for specific strategic or other reasons.

We also assumed that each of the Valuation Subjects will continue to operate as a going concern.

### 3. VALUATION METHODOLOGY

In selecting an appropriate valuation to adopt for valuing the Subject Interest, we have discussed with you and selected commonly used valuation method based on the business nature, financial performance as well as availability of information provided to us.

Considering the business nature of the Subject, which is an asset holding company, we have selected the asset approach in our analysis. Under the asset approach, fair values of the assets and liabilities held by the Subject are summed up to arrive at the fair value of the Subject. In this exercise specifically, book values of all assets and liabilities of the Subject except for the property held (Units 801, 802 and 803, 8th Floor, Block 1, Innovation Wisdom Port, Huangpu Nandong Ziran Village, Shajing Town, Baoan District, Shenzhen City, the PRC, the “**Property**”) are assumed to approximate their fair values after considering the nature of each of the assets and liabilities. While the Property was revalued based on direct comparison approach, details of which is covered in another report issued by us.

### 4. LIMITING CONDITIONS

Our valuation calculations are subject to specific representations and assumptions which Management considers necessary and appropriate. Specifically, our valuation calculations have been carried out with reference to the following principal assumptions.

- The Information provided and representations made by Management with regard to the Subject are accurate and reliable. There are no material information which are relevant and important to the valuation of the Valuation Subjects that have been withheld by Management.

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## APPENDIX VII EQUITY VALUATION REPORT OF THE SALE EQUITY INTEREST AS AT 31 OCTOBER 2024

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- The valuation analysis does not take into consideration potential withholding taxes which may arise from any potential repatriations of dividend or share/asset sale transactions.
- There are no undisclosed actual or contingent assets or liabilities, no unusual obligations or substantial commitments, other than in the ordinary course of business and as reflected in the financials, nor any litigation pending or threatened, which would have a material impact on the values of the Subject.
- There are no material changes, after the date of this Report, in the market, political, legal and economic conditions under which the Subject operates.
- Most of the market data we referenced to are obtained from public sources. We assumed the data obtained is accurate and we have no performed any procedure to verify its accuracy. We should not be held responsible for using erroneous or inaccuracy obtained from these sources.
- The other assumptions specifically outlined in this Report hold true.

### 5. VALUATION RESULT

Based on our analysis, the fair value of the Subject is estimated to be RMB2.85 million as of the Valuation Date.

### 6. REMARKS

This report is to be used only for the purpose stated herein, any use or reliance for any other purpose, by you or third parties, is invalid. Neither the whole nor any part of this report can be published, disclosed or referred to in any public document without our written consent.

We enclose herewith the summary of valuation results.

Yours faithfully,

**Jeff Sin, Director**

For and on behalf of

**FVA Advisory Limited**

Room 2302, 23/F, Lee Garden Two,  
28 Yun Ping Road, Causeway Bay,  
Hong Kong

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**APPENDIX VII    EQUITY VALUATION REPORT OF THE SALE EQUITY  
INTEREST AS AT 31 OCTOBER 2024**

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**SUMMARY OF VALUATION RESULTS**

<b>As of 31 October 2024</b>		<b>RMB</b>
Property, plant and equipment (re-valued)	<i>Note 1</i>	18,200,000
Other receivables	<i>Note 2</i>	150,150
Bank balances and cash	<i>Note 2</i>	2,324,425
Income tax payable	<i>Note 2</i>	(3,990)
Bank loan	<i>Note 2</i>	<u>(3,455,000)</u>
 Fair value of Subject before loan assignment		 17,215,585
Sales loan to be assigned	<i>Note 3</i>	<u>(14,363,610)</u>
 <b>Fair value of Subject after loan assignment</b>		 <b><u><u>2,851,975</u></u></b>

*Notes:*

1. Value based on separate valuation performed for the Property located in Shenzhen, PRC (Units 801, 802 and 803, 8th Floor, Block 1, Innovation Wisdom Port, Huangpu Nandong Ziran Village, Shajing Town, Baoan District, Shenzhen City).
2. Based on respective book values.
3. Amount provided by the management of Hanvey.

*The following text is the text of a letter and property valuation report prepared for the purpose of incorporation in this circular received from FVA Advisory Limited, an independent valuer, in connection with its opinion of the value of Property A as at 28 February 2025.*



26 March 2025

**Hanvey Group Holdings Limited**

Units 1503–6, 15th Floor  
Tower 1, Ever Gain Plaza  
No. 88 Container Port Road  
Kwai Chung  
New Territories, Hong Kong

Dear Sirs,

**Re: Units 801, 802 and 803, 8th Floor, Block 1, Innovation Wisdom Port, Huangpu Nandong Ziran Village, Shajing Town, Baoan District, Shenzhen City, the PRC (the “Property”)**

**1. INSTRUCTIONS**

In accordance with the instruction from Hanvey Group Holdings Limited (the “**Company**”) for us to value the Property located at Units 801, 802 and 803, 8th Floor, Block 1, Innovation Wisdom Port, Huangpu Nandong Ziran Village, Shajing Town, Baoan District, Shenzhen City, the PRC, we confirm that we have carried out inspection of the exterior of the Property and the general locale, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property as at 28 February 2025 (the “**Valuation Date**”) for your financial reporting purposes.

This letter which forms part of our valuation report explains the basis and methodology of valuation, clarifying assumptions and limiting conditions of this valuation.

## **2. BASIS OF VALUATION**

Our valuation of the property interest is made on the basis of **Market Value** as defined by IVSC and adopted by HKIS and RICS, set out as follows:

*“the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”*

The valuation presented in this report represents the 100% interest of the Property and not the shareholdings of the Company holding the property interest thereof.

## **3. VALUATION METHODOLOGY**

In the course of our valuation, we have adopted the Direct Comparison Method as the primary valuation method.

The Direct Comparison Method is a method of valuation based on comparing the Property with the prices realized on actual sales and/or asking prices of comparable properties. Comparable properties are generally located in the surrounding areas or in other sub-markets which are comparable to the Property. However, because of the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative and quantitative difference that may affect the price likely to be achieved by the Property under consideration.

## **4. VALUATION ASSUMPTIONS**

Our valuation has been made on the assumption that the owner sells the Property on the market without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which could serve to affect the capital value of the Property.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Property nor for any expenses or taxation that may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free of legal complications and encumbrances, restrictions, outgoings of an onerous nature that could affect its capital value.

## **5. TITLE INVESTIGATION**

We have been provided with copies of the title documents relating to the Property. However, we have not examined the original documents to verify ownership or to ascertain the existence of any lease amendments which may not appear on the copies handed to us. All documents and leases have been used for reference only.

**6. NATURE AND SOURCE OF INFORMATION**

In arriving at our valuation, we have received information from yourself, public and subscription websites, other estate agents and valuers and from our own records. We have applied professional scepticism and have checked the information where reasonably possible. In the absence of evidence to the contrary, we have assumed that information used in the valuation is correct.

**7. LIMITING CONDITIONS**

We have inspected exterior of the Property and the general locale in October 2024 by Philemon Hui (MRICS). However, we have not carried out detailed onsite measurements to verify the correctness of the areas in respect of the Property but have assumed that the areas shown on the documents are correct. All documents have been used as reference only and all dimensions, measurements and areas are approximations.

We have relied to a considerable extent on information provided by you and have accepted advice given to us on such matters, in particular, but not limited to, the tenure, statutory notices, easements, particulars of occupancy, floor areas and all other relevant matters in the identification of the Property.

We have no reason to doubt the truth and accuracy of the information provided to us. We have also been advised by you that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on any property or any expenses and taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values. We have prepared our valuation on the basis that transferable land use rights in respect of the Properties for its specific term at nominal annual land use fees have been granted and that any premium payable has already been fully paid.

Liability in connection with this valuation report is limited to the client to whom this report is addressed and for the purpose for which it is carried out only. We will accept no liability to any other parties or any other purposes.

**8.    REMARKS**

This report is to be used only for the purpose stated herein, any use or reliance for any other purpose, by you or third parties, is invalid. Neither the whole nor any part of this report can be published, disclosed or referred to in any public document without our written consent.

We enclose herewith the summary of values and the valuation certificates.

Yours faithfully,

**Jeff Sin, MRICS,**

*Director*

For and on behalf of

**FVA Advisory Limited**

Room 2302, 23/F, Lee Garden Two,

28 Yun Ping Road, Causeway Bay,

Hong Kong



## VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 28 February 2025
1. Units 801, 802 and 803, 8th Floor, Block 1, Innovation Wisdom Port, Huangpu Nandong Ziran Village, Shajing Town, Baoan District, Shenzhen City, the PRC (as known as the “Property”)	<p>The Property comprises three industrial units on 8th floor of an 18-storey industrial building with three basement levels. The subject building is constructed of reinforced concrete with aluminum curtained external elevations.</p> <p>The total gross floor area of the Property is 1,034.39 sq. m..</p> <p>The Property is held for a term on 50 years commencing from 25 December 1993 and expiring on 24 December 2043 for industrial purpose.</p>	As advised by the company, the Property was self-occupied as of the Valuation Date	RMB18,200,000 (Renminbi Eighteen Million Two Hundred Thousand)

## Notes:

- As per the Real Estate Right Certificate Nos. 0096932, 0096945 and 0096941, the Property is held by 深圳福井精密科技有限公司, an indirect wholly-owned subsidiary of the Company, for a term 50 years expiring on 24 December 2043.
- As per the request from the Company, the market rent applicable to the Property is RMB61,000 per month.
- The estimated Market Value correspond to 1) Land and building; 2) Leasehold improvements; and 3) Furniture, fixture and office equipment on the book of 深圳福井精密科技有限公司.
- The Property was originally purchased on date and at cost below:

*Unit 801: 13 May 2020, RMB9,462,150 (plus tax paid RMB283,865)*

*Unit 802: 18 May 2020, RMB9,661,950 (plus tax paid RMB289,859)*

*Unit 803: 18 May 2020, RMB8,804,430 (plus tax paid RMB264,132)*

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## APPENDIX VIII      PROPERTY VALUATION REPORT OF PROPERTY A AS AT 28 FEBRUARY 2025

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5. In undertaking our valuation of the Property, we have made reference to various market comparables. All comparables have the same usage of the Property and are situated in close proximity or a similar location to the Property, with different transaction or offering dates. Market comparables were selected based on available information in the market, as well as discussions with market consultants to verify the validity of the comparable transactions or asking prices. The selection criteria included (1) **Similarity**: properties that are similar in size, location, condition, and features to the subject property; and (2) **Proximity**: properties that are geographically close to the subject property. Adjustments are then made to account for differences between the Property and the comparables, ensuring an accurate and fair valuation. Based on our analysis, only 5 comparable transactions or asking prices met the abovementioned requirements and were selected with details below:

	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Address	Innovation Wisdom Port	會展灣中港廣場	星展廣場	盛薈世紀薈大廈	福城時代廣場
Year Built	2017	2020	2016	2022	2024
Gross Floor Area (sq.m.)	560	236	400	1,828	2,000
Transaction/offer Date	12/1/2018	6/5/2021	9/30/2024	9/30/2024	9/30/2024
Nature	Average asking price	Average asking price	Asking Price	Asking Price	Asking Price
Unit Rate (RMB/sq.m.)	28,000	30,000	16,800	14,000	23,000
Adjusted Unit Rate (RMB/sq.m.)	19,000	20,064	13,520	14,696	18,497
View	Open City	Sea View	Open City	Open City	Open City
Floor	mid zone	mid zone	mid zone	high zone	mid zone

Although the transaction or offer dates of comparables 1 and 2 are relatively earlier, comparables 1 and 2 were selected because they are actual transactions that took place and are considered to be most similar to the Property (we have reviewed changes in market conditions from the transaction dates to Valuation Date and considered both of them still relevant). Comparables 3, 4 and 5 were also included as they are more recent and considered to be a good representation of current market conditions.

We have compared the factors and made adjustments on location, view, age, time, size, floor and asking discount. Time adjustment is made to reflect the changes in market condition over time. Size adjustment is made to account for the difference in marketability and affordability of properties in different sizes. Age adjustment is made to reflect the difference in physical condition as a result of wear and tear. Downward adjustment on asking price is made to reflect the general discount between asking price and transaction price due to negotiation. View and floor adjustments are made to reflect the difference in view, privacy and noise level.

After taking into account the above-mentioned adjustments, the adjusted unit rates for the Property is RMB17,600 per sq.m. on RMB18,200,000.

*The following text is the text of a letter and property valuation report prepared for the purpose of incorporation in this circular received from FVA Advisory Limited, an independent valuer, in connection with its opinion of the value of Property B as at 28 February 2025.*



26 March 2025

**Cheer China Group Holdings Limited**

Units 1503–6, 15th Floor  
Tower 1, Ever Gain Plaza  
No. 88 Container Port Road  
Kwai Chung  
New Territories, Hong Kong

Dear Sirs,

**Re: House No. 20, Greenery Gardens, 3 Fairview Park Boulevard, Remaining Portion of Lot No. 4767 in DD104, Yuen Long, New Territories (the “Property”)**

**1. INSTRUCTIONS**

In accordance with your instruction for us to value the Property located at House No. 20, Greenery Gardens, 3 Fairview Park Boulevard, Remaining Portion of Lot No. 4767 in DD104, Yuen Long, New Territories, we confirm that we have carried out inspection of the exterior of the Property and the general locale, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property as at 28 February 2025 (the “**Valuation Date**”) for your financial reporting purposes.

This letter which forms part of our valuation report explains the basis and methodology of valuation, clarifying assumptions and limiting conditions of this valuation.

## 2. BASIS OF VALUATION

Our valuation of the property interest is made on the basis of **Market Value** as defined by IVSC and adopted by HKIS and RICS, set out as follows:

*“the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”*

The valuation presented in this report represents the 100% interest of the Property and not the shareholdings of the Company holding the property interest thereof.

## 3. VALUATION METHODOLOGY

In the course of our valuation, we have adopted the Direct Comparison Method as the primary valuation method.

The Direct Comparison Method is a method of valuation based on comparing the Property with the prices realized on actual sales and/or asking prices of comparable properties. Comparable properties are generally located in the surrounding areas or in other sub-markets which are comparable to the Property. However, because of the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative and quantitative difference that may affect the price likely to be achieved by the Property under consideration.

## 4. VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the owner sells the Property on the market without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which could serve to affect the capital value of the Property.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Property nor for any expenses or taxation that may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free of legal complications and encumbrances, restrictions, outgoings of an onerous nature that could affect its capital value.

**5. TITLE INVESTIGATION**

We have not been provided with copies of the title documents relating to the Property but we have conducted land search at the Land Registry. However, we have not examined the original documents to verify ownership or to ascertain the existence of any lease amendments which may not appear on the copies handed to us. All documents and leases have been used for reference only.

**6. NATURE AND SOURCE OF INFORMATION**

In arriving at our valuation, we have received information from yourself, public and subscription websites, other estate agents and valuers and from our own records. We have applied professional scepticism and have checked the information where reasonably possible. In the absence of evidence to the contrary, we have assumed that information used in the valuation is correct.

**7. LIMITING CONDITIONS**

We have inspected exterior of the Property and the general locale in October 2024 by Philemon Hui (MRICS). However, we have not carried out detailed onsite measurements to verify the correctness of the areas in respect of the Property but have assumed that the areas shown on the documents are correct. All documents have been used as reference only and all dimensions, measurements and areas are approximations.

We have relied to a considerable extent on information provided by you and have accepted advice given to us on such matters, in particular, but not limited to, the tenure, statutory notices, easements, particulars of occupancy, floor areas and all other relevant matters in the identification of the Property.

We have no reason to doubt the truth and accuracy of the information provided to us. We have also been advised by you that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on any property or any expenses and taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property are free from encumbrances, restrictions and outgoing of an onerous nature which could affect their values.

Liability in connection with this valuation report is limited to the client to whom this report is addressed and for the purpose for which it is carried out only. We will accept no liability to any other parties or any other purposes.

**8. REMARKS**

This report is to be used only for the purpose stated herein, any use or reliance for any other purpose, by you or third parties, is invalid. Neither the whole nor any part of this report can be published, disclosed or referred to in any public document without our written consent.

We enclose herewith the summary of values and the valuation certificates.

Yours faithfully,

**Jeff Sin, MRICS,**

*Director*

For and on behalf of

**FVA Advisory Limited**

Room 2302, 23/F, Lee Garden Two,

28 Yun Ping Road, Causeway Bay,

Hong Kong

## VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 28 February 2025
1. House No. 20, Greenery Gardens, 3 Fairview Park Boulevard, Remaining Portion of Lot No. 4767 in D0104, Yuen Long, New Territories (as known as the “Property”) 217/10191 equal and undivided shares of and in Lot 4767 in DD104 (the “Lot”)	<p>The Property is a 2-storey garden house of reinforced concrete structure completed in 2004.</p> <p>The gross floor area of the Property is 2,568 sq. ft. or thereabout and the saleable area of the Property is 1,659 sq. ft..</p> <p>The Property is held under New Grant No. YL4557 for a term of 50 years commencing on 17 August 2000.</p> <p>The current ground rent payable for the lot is an amount equal to 3% of the rateable value per annum.</p>	<p>As advised by the company, the Property was leased for a monthly rental of HK\$44,800 till 19 September 2026 as at the Valuation Date.</p>	<p>HK\$15,900,000 (Hong Kong Dollars Fifteen Million Nine Hundred Thousand)</p>

## Notes:

1. As per the Land Registry search record, the registered owner of the Property is Cheer China Group Holdings Limited.
2. The Property is falling within an area zoned “Commercial/Residential” under the Approved Mai Po and Fairview Park Outline Zoning Plan No. S/YL-MP/8.
3. The following major encumbrances were registered against the Property as per the Land Search Record:
  - i. Certificate of Compliance dated 7 January 2004 vide Memorial No. YL1068055.
  - ii. Deed of Mutual Covenant and Management Agreement with Plan dated 1 March 2004 vide Memorial No. YL1076840.
  - iii. Deed of Grant of Right of Way with Plan dated 20 December 2023 vide Memorial No. 24011000290017.
  - iv. Deed of Grant of Utilities Access with Plan dated 20 December 2023 vide Memorial No. 24011000290028.

4. In the course of our valuation, we have identified and considered transactions of houses within Greenery Gardens and Royal Camellia, in between 28 June 22 and 10 April 24.

Details of the comparables are listed below:

	<b>Comparable 1</b>	<b>Comparable 2</b>	<b>Comparable 3</b>	<b>Comparable 4</b>
Address	House No. 23, Greenery Gardens	House No. 21, Royal Camellia	House No. 23, Royal Camellia	House No. 17, Royal Camellia
Year Built	2003	1998	1998	1998
Saleable Area (sq. ft.)	2,420	1,290	1,290	1,290
Transaction Date	2024-02-16	2024-04-10	2022-07-15	2022-06-28
Nature of Transaction	Agreement of Sales and Purchase	Agreement of Sales and Purchase	Agreement of Sales and Purchase	Agreement of Sales and Purchase
Consideration (HK\$)	29,800,000	14,500,000	13,780,000	14,780,000
Adjusted Unit Rate (HK\$/sq. ft.)	7,817	9,071	7,460	8,374

The four comparables above form an exhaustive list of transactions based on the selection criteria.

We have compared the factors and made adjustments on time, size and age. Adjustment on time is made to reflect the market condition. A downward adjustment on unit rate is made for increase in size to reflect the marketability and affordability of the total amount, and vice versa. Age adjustment is made to reflect the difference in physical condition.

Details on the adjustment mechanism for each of the adjustment factors for the valuation are set out below.

	<b>Comparable 1</b>	<b>Comparable 2</b>	<b>Comparable 3</b>	<b>Comparable 4</b>
Time	Downward Adjustment	Downward Adjustment	Downward Adjustment	Downward Adjustment
Size	Upward Adjustment	Downward Adjustment	Downward Adjustment	Downward Adjustment
Age	Nil	Upward Adjustment	Upward Adjustment	Upward Adjustment

After making the above due adjustments, the adjusted unit rates for the Property is HK\$8,100 per sq. ft. on effective saleable area basis (i.e., 1,958 sq. ft., which also included part of the ancillary area). Thus the market value of the Property is estimated of HK\$15,900,000.



*The following text is the text of a letter and equity valuation report prepared for the purpose of incorporation in this circular received from FVA Advisory Limited, an independent valuer, in connection with its opinion of the value of the Sale Equity Interest as at 28 February 2025.*



26 March 2025

**Hanvey Group Holdings Limited**

Units 1503–6, 15th Floor  
Tower 1, Ever Gain Plaza  
No. 88 Container Port Road  
Kwai Chung  
New Territories, Hong Kong

Dear Sirs,

**Re: Fair value analysis of 100% equity value of 深圳福井精密科技有限公司**

**1. INSTRUCTIONS**

This report (“**Report**”) has been prepared solely for Hanvey Group Holdings Limited (“**Hanvey**” or “**you**”) in connection with the valuation analysis performed for 深圳福井精密科技有限公司 (the “**Subject**”). We have been requested to estimate the fair value of 100% equity interest of the Subject as of 28 February 2025 (the “**Valuation Date**”) and this report has been prepared in accordance with our letter of engagement dated 3 October 2024.

Our valuation analysis was conducted based on information generally available in the market as well as provided by you. We have not performed any procedures (unless otherwise stated) to verify the accuracy of information provided to us.

This Report has been prepared exclusively for Hanvey and for financial reporting purpose only. It has been prepared with only the interests of Hanvey in mind, and is not planned or carried out in contemplation of any use by any other party. To the fullest extent permitted by law, we accept no duty of care to any third party in connection with the provision of this Report and/or any related information or explanation. Accordingly, regardless of the form of action, whether in contract, tort (including, without limitation, negligence) or otherwise, and to the extent permitted by applicable law, we accept no liability of any kind to any third party and disclaims all responsibility for the consequences of any third party acting or refraining to act in reliance on the information.

By its very nature, valuation work cannot be regarded as an exact science and the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgement. There is, therefore, no indisputable single value and we normally show the midpoint of an acceptable range as our valuation opinions.

## **2. BASIS OF VALUATION**

The basis of our valuation is fair value. We define fair value as the price at which a shareholding of a business or a company would be transferred at arms length terms between a willing buyer and a willing seller, both having reasonable knowledge of the relevant facts and neither being compelled to buy or sell. The fair value does not reflect any premium which may be paid by a special purchaser who is acting for specific strategic or other reasons.

We also assumed that each of the Valuation Subjects will continue to operate as a going concern.

## **3. VALUATION METHODOLOGY**

In selecting an appropriate valuation to adopt for valuing the Subject Interest, we have discussed with you and selected commonly used valuation method based on the business nature, financial performance as well as availability of information provided to us.

Considering the business nature of the Subject, which is an asset holding company, we have selected the asset approach in our analysis. Under the asset approach, fair values of the assets and liabilities held by the Subject are summed up to arrive at the fair value of the Subject. In this exercise specifically, book values of all assets and liabilities of the Subject except for the property held (Units 801, 802 and 803, 8th Floor, Block 1, Innovation Wisdom Port, Huangpu Nandong Ziran Village, Shajing Town, Baoan District, Shenzhen City, the PRC, the “**Property**”) are assumed to approximate their fair values after considering the nature of each of the assets and liabilities. While the Property was revalued based on direct comparison approach, details of which is covered in another report issued by us.

**4. LIMITING CONDITIONS**

Our valuation calculations are subject to specific representations and assumptions which Management considers necessary and appropriate. Specifically, our valuation calculations have been carried out with reference to the following principal assumptions.

- The Information provided and representations made by Management with regard to the Subject are accurate and reliable. There are no material information which are relevant and important to the valuation of the Valuation Subjects that have been withheld by Management.
- The valuation analysis does not take into consideration potential withholding taxes which may arise from any potential repatriations of dividend or share / asset sale transactions.
- There are no undisclosed actual or contingent assets or liabilities, no unusual obligations or substantial commitments, other than in the ordinary course of business and as reflected in the financials, nor any litigation pending or threatened, which would have a material impact on the values of the Subject.
- There are no material changes, after the date of this Report, in the market, political, legal and economic conditions under which the Subject operates.
- Most of the market data we referenced to are obtained from public sources. We assumed the data obtained is accurate and we have no performed any procedure to verify its accuracy. We should not be held responsible for using erroneous or inaccuracy obtained from these sources.
- The other assumptions specifically outlined in this Report hold true.

**5. VALUATION RESULTS**

Based on our analysis, the fair value of the Subject is estimated to be RMB3.08 million as of the Valuation Date.

**6. REMARKS**

This report is to be used only for the purpose stated herein, any use or reliance for any other purpose, by you or third parties, is invalid. Neither the whole nor any part of this report can be published, disclosed or referred to in any public document without our written consent.

We enclose herewith the summary of valuation results.

Yours faithfully,

**Jeff Sin, *Director***

For and on behalf of

**FVA Advisory Limited**

Room 2302, 23/F, Lee Garden Two,  
28 Yun Ping Road, Causeway Bay,  
Hong Kong

## SUMMARY OF VALUATION RESULTS

As of 28 February 2025

RMB

Property, plant and equipment (re-valued)	<i>Note 1</i>	18,200,000
Other receivables	<i>Note 2</i>	150
Bank balances and cash	<i>Note 2</i>	220,057
Income tax payable	<i>Note 2</i>	(7,920)
Amounts due to holding, fellow subsidiaries	<i>Note 2</i>	<u>(15,328,067)</u>

Fair value of Subject after loan assignment

3,084,220*Notes:*

1. Value based on separate valuation performed for the Property located in Shenzhen, PRC (Units 801, 802 and 803, 8th Floor, Block 1, Innovation Wisdom Port, Huangpu Nandong Ziran Village, Shajing Town, Baoan District, Shenzhen City).
2. Based on respective book values.

## 1. RESPONSIBILITY STATEMENT

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

## 2. DISCLOSURE OF INTEREST IN SECURITIES

### Directors and chief executives' interests in the Company and its associated corporations

As at the Latest Practicable Date, the interests or short positions of the Directors and the chief executives of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Name of Director	Nature of interest	Number of Shares directly and beneficially held	Percentage of the issued share capital
Mr. Cheuk Sin Cheong, Clement (“ <b>Mr. Cheuk</b> ”) <i>(Note)</i>	Interest in controlled corporation	126,225,000	51%
Ms. Au Corona Ching Mei M.H. (“ <b>Mrs. Cheuk</b> ”) <i>(Note)</i>	Interest in controlled corporation	126,225,000	51%

*Note:* 126,225,000 Shares are registered in the name of Million Easy Enterprises Ltd. (“**Million Easy**”), the entire issued share capital of which are legally and beneficially owned by Mr. Cheuk and Mrs. Cheuk in equal shares. Under the SFO, both Mr. Cheuk and Mrs. Cheuk are deemed to be interested in all the Shares held by Million Easy.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors or chief executive of the Company or their associates had any interests and short positions in any shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which each of them has taken or deemed to have taken under the provisions of the SFO); or which were required, pursuant to section 352 of the SFO, to be entered into the register referred to therein; or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

### **Substantial shareholders and other persons' interests in Shares and underlying Shares**

As at the Latest Practicable Date, the following interests and short positions of 5% or more of the issued share capital and share options of the Company were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholder	Nature of interest	Number of Shares directly and beneficially held	Percentage of the issued share capital
Million Easy	Beneficial owner	126,225,000	51%

Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware of any other person had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

### **3. DIRECTORS' SERVICE CONTRACT(S)**

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

### **4. COMPETING INTERESTS**

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or controlling shareholders of the Company or their respective associates had any business or interest which competes or may compete with the business of the Group, or have or may have any other conflicts of interest with the Group.

**5. DIRECTORS' INTERESTS IN THE ASSETS AND CONTRACTS**

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2024, the date to which the latest published audited consolidated financial statements of the Company were made up.

There was no contract or arrangement entered into by any member of the Group, subsisting as at the Latest Practicable Date, in which any of the Directors was materially interested and which was significant in relation to the business of the Group as a whole.

**6. LITIGATION**

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

**7. EXPERTS**

The following are the qualifications of the experts who have given opinions or advice, which are contained or referred to in this circular:

<b>Name</b>	<b>Qualifications</b>
Merdeka Corporate Finance Limited	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO
Confucius International CPA Limited	Certified Public Accountants
FVA Advisory Limited	Independent valuer

Each of the experts above has confirmed that as of the Latest Practicable Date (i) it did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and (ii) it did not have any interests, direct or indirect, in any assets acquired or disposed of by or leased to any of member of the Group, or are proposed to be acquired or disposed of by or leased to any of member of the Group which had been since 31 December 2024 (being the date to which the latest published audited consolidated financial statements of the Company were made up).



Each of the experts above has given and has not withdrawn its written consent to the issue of this circular with its statement and reference to its name in the form and context in which they are included.

## 8. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within two years immediately preceding the date of this circular and are or may be material:

- (i) the placing agreement dated 27 June 2024 (the “**Placing Agreement**”) entered into between the Company and Astrum Capital Management Limited (“**Astrum**”) as placing agent in relation to the placing on a best effort basis of the unsubscribed rights shares and excluded shareholders’ unsold rights shares derived from the rights issue proposed by the Company in June 2024 (the “**Rights Issue**”), pursuant to which the Company shall pay Astrum a placing commission equivalent to (i) a fixed fee of HK\$100,000; or (ii) 3.5% of the amount which is equal to the placing price multiplied by the total number of the rights shares which are successfully placed by Astrum, whichever is higher. For further details, please refer to the Company’s announcement and prospectus in relation to the Rights Issue dated 27 June 2024 and 29 July 2024, respectively; and
- (ii) the supplemental placing agreement dated 18 July 2024 entered into between the Company and Astrum in relation to the changes of relevant dates of the Rights Issue as a result of the revisions to the expected timetable as set out in the Company’s announcement dated 15 July 2024.

## 9. GENERAL

- (a) the English texts of this circular shall prevail over the Chinese texts in case of any inconsistency;
- (b) the registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands;
- (c) the head office and principal place of business of the Company is at Units 3, 5 and 6, 15th Floor, Tower One, Ever Gain Plaza, No. 88 Container Port Road, Kwai Chung, New Territories, Hong Kong;
- (d) the Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong;

- (e) the company secretary of the Company is Ms. Pang Yuk Fong, who is a practising certified public accountant in Hong Kong, and a fellow member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, the Institute of Chartered Accountants in England and Wales, The Hong Kong Chartered Governance Institute and the Chartered Governance Institute; and
- (f) as at the Latest Practicable Date, the audit committee of the Board (the “**Audit Committee**”) comprised all of the independent non-executive Directors, namely Mr. Yu Sau Ning Homer M.H. (the chairman of the Audit Committee), Ms. Yee Wai Fong Wendy and Mr. Yip Yat Lam. The primary duties of the Audit Committee are to assist the Board in providing an independent view of the effectiveness of the Company’s financial reporting process, internal control and risk management system, to monitor the independence and objectivity of the external auditor, to oversee the audit process, to perform the corporate governance function and other duties and responsibilities as assigned by the Board.

The background, directorship and past directorship (if any) of each of the members of the Audit Committee are set out below:

Mr. Yu Sau Ning Homer M.H. (余壽寧) (“**Mr. Yu**”), aged 71, is an independent non-executive Director and responsible for supervising and providing independent judgment to the Board and the audit committee, remuneration committee and nomination committee of the Company.

Mr. Yu has 45 years of experience in the wholesale and retail markets of wine and spirit, skincare and household products. He has been the chief executive officer of Cheong Hing Store Ltd., Cheong Hing (1917) Limited, Youthful Technology International Ltd. and Youthful Wonder Limited since 1981, 1981, 1989 and 2014 respectively. In June 2016, he founded and became the director of One Belt One Road Eurasia Centre (HK) Limited.

Mr. Yu was awarded the Chevalier de l’ordre national du Merite by the Government of France in June 1996 and was awarded the medal of honour by the Government of the HKSAR in 1999. He was appointed as a member of the eleventh and twelfth National People’s Congress HKSAR Representative Elective Committee and was appointed as a committee member of the first Chinese People’s Political Consultative Conference of Huangpu, Guangzhou in August 2015. He was also appointed as a member by the Consumer Council for the period between 2003 and 2008. In December 2008, he received the honorary decoration award from the Chamber of Beauty Culture & Cosmetics of All-China Federation of Industry & Commerce. He is a vice chairman of the Customer Consultative Group of CLP Power Hong Kong Limited since October 2023. He is also a member of the Customer Consultative Group of CLP Power Hong Kong Limited since 2010. He was an elected member of the retailer category of Quality Tourism Services Association Governing Council (QTSA) from December 2003 to December 2017, and an appointed member of the QTSA from December 2017

to December 2023, and the chairman of the Better Business Environment Committee of QTSA from December 2003 to December 2023. He has been the chairman of the seventh Professional's Committee of Kowloon Federation of Association since June 2015. He has been an honorary life president of the Cosmetic & Perfumery Association of Hong Kong Ltd. since 1996.

Mr. Yu obtained a Degree of Master of Science from the National University of Ireland in April 2003 and a Diploma in Strategy and Innovation from the University of Oxford in June 2022. He was admitted as honorary senior fellow by the Professional Validation Centre of Hong Kong Business Sector (PVCBS) in November 2005, and was the president of the 6th session of the executive committee of PVCBS.

Ms. YEE Wai Fong Wendy (余惠芳) (“**Ms. Yee**”), aged 58, is an independent non-executive Director and responsible for supervising and providing independent judgment to the Board and the audit committee and nomination committee of the Company.

Ms. Yee has more than 30 years of experience in finance and accounting areas in the Asia Pacific. Prior to joining the Group, she was a senior auditor of Deloitte Touche Tohmatsu from July 1988 to April 1993. From July 1993 to November 2006, she has served a number of positions in the Motorola Asia Pacific Limited, a multinational telecommunications company listed in the United States, with her last position as a controller for Hong Kong, the Philippines and the business development team of its networks and enterprise business. From December 2006 to April 2010, she has served a number of position in Ecolab Limited, a subsidiary of Ecolab Inc., a company listed in the United States, with her last position as Asia control director. From May 2010 to July 2012, she served as a vice president of finance in Active-Semi International, Inc. From July 2012 to June 2013, she worked as a senior director of finance and accounting, Asia, at Mikli Asia Limited. She then served as a director of finance from April 2014 to June 2017 at Targus Asia Pacific Limited.

Ms. Yee obtained a Degree of Bachelor of Social Sciences from the University of Hong Kong in November 1988 and a Degree of Bachelor of Science from the University of London in August 2002. She further obtained a Degree of Master of Business Administration from the University of Dubuque in December 2002. She has been admitted as a member of the Institute of Chartered Accountants in England and Wales in February 2006, and as an associate of the Hong Kong Institute of Certified Public Accountants since April 1992.

Mr. Yip Yat Lam (葉溢霖) (“**Mr. Yip**”), aged 39, is an independent non-executive Director and responsible for supervising and providing independent judgment to the Board and the audit committee and remuneration committee of the Company.

Mr. Yip has over 16 years of experience in strategic planning on sale of fabric and wine, providing advice and services on migration, financial management, client liaison and retirement of staff. Since 2009, Mr. Yip serves as the General Manager of Guangzhou Jianxing Fabric Co. Limited responsible for strategic planning on sale of fabric, financial management, client liaison and recruitment of staff. From 2015 to 2022, he was a Financial Advisor of Prudential Hong Kong Limited. Since 2019, Mr. Yip is also the General Manager of Guangzhou Yiming Cultural Communication Co. Limited responsible for strategic planning on sale of wine, financial management, client liaison and recruitment of staff. Mr. Yip serves as a Senior Sales Manager, AIA Hong Kong since 2022. Since 2023, Mr. Yip serves as the General Manager of Guangzhou Requs Overseas Consulting Service Co. Limited responsible for providing advice and services on migration, financial management, client liaison and recruitment of staff.

Mr. Yip obtained a Bachelor's Degree in Law from the China University of Political Science and Law in June 2008.

## **10. DOCUMENTS ON DISPLAY**

Copies of the following documents will be on display on the website of the Stock Exchange at ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company at ([www.hanveygroup.com.hk](http://www.hanveygroup.com.hk)) for a period of not less than 14 days from the date of this circular up to and including the date of the EGM:

- (a) Sale and Purchase Agreement A;
- (b) Sale and Purchase Agreement B;
- (c) the letter from the Board, the text of which is set out on pages 7 to 23 of this circular;
- (d) the letter from the Independent Board Committee, the text of which is set out on pages 24 to 25 of this circular;
- (e) the letter from the Independent Financial Adviser, the text of which is set out on 26 to 52 of this circular;
- (f) the report on the unaudited pro forma financial information of the Remaining Group, the text of which is set out in Appendix III to this circular;
- (g) the property valuation report of Property A as at 31 October 2024 prepared by the Independent Valuer, the text of which is set out in Appendix V to this circular;
- (h) the property valuation report of Property B as at 31 October 2024 prepared by the Independent Valuer, the text of which is set out in Appendix VI to this circular;

- (i) the equity valuation report of the Sale Equity Interest as at 31 October 2024 prepared by the Independent Valuer, the text of which is set out in Appendix VII to this circular;
- (j) the property valuation report of Property A as at 28 February 2025 prepared by the Independent Valuer, the text of which is set out in Appendix VIII to this circular;
- (k) the property valuation report of Property B as at 28 February 2025 prepared by the Independent Valuer, the text of which is set out in Appendix IX to this circular;
- (l) the equity valuation report of the Sale Equity Interest as at 28 February 2025 prepared by the Independent Valuer, the text of which is set out in Appendix X to this circular;
- (m) the written consents referred to in the section headed “7. Experts” in this appendix;
- (n) the material contracts referred to in the section headed “8. Material contracts” in this appendix; and
- (o) this circular.

## APPENDIX XII      PROPOSED AMENDMENTS TO THE CURRENT ARTICLES

The following are the Proposed Amendments to the Current Articles introduced by the Third Amended and Restated Articles of Association. Unless otherwise specified, clauses and articles referred to herein are clauses and articles of the Third Amended and Restated Articles of Association. If the serial numbering of the clauses of the Current Articles is changed due to the addition, deletion or re-arrangement of certain clauses made in these amendments, the serial numbering of the clauses of the Current Articles as so amended shall be changed accordingly, including cross-references.

Unless otherwise specified, all capitalised terms in the Proposed Amendments contained in this appendix are terms defined in the Current Articles or the Third Amended and Restated Articles of Association (as the case may be) which shall have the corresponding meanings ascribed to them in the Current Articles or the Third Amended and Restated Articles of Association (as the case may be).

*Note:* The Third Amended and Restated Articles of Association is prepared in English with no official Chinese version. Chinese translation is for reference only. In the event of any inconsistency, the English version shall prevail.

Articles	Provisions in the Third Amended and Restated Articles of Association (only showing those provisions with changes to the Current Articles)		Remarks
1	The regulations in Table A in the Schedule to the Companies Act ( <del>As Revised</del> as defined in Article 2) do not apply to the Company.		
2(1)	<u>“actionable corporate communication”</u>	<u>shall have the meaning given to it in the Listing Rules.</u>	new definition
	<u>“announcement”</u>	<u>an official publication of a Notice or document of the Company, including a publication, subject to and to such extent permitted by the Listing Rules, by electronic communication or by advertisement published in the newspapers or in such manner or means ascribed and permitted by the Listing Rules and applicable laws.</u>	new definition
	<u>“corporate communication”</u>	<u>shall have the meaning given to it in the Listing Rules.</u>	new definition
	<u>“electronic communication”</u>	<u>a communication sent, transmitted, conveyed and received by wire, by radio, by optical means, by electronic means or by other similar means in any form through any medium.</u>	new definition

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**APPENDIX XII      PROPOSED AMENDMENTS TO THE CURRENT ARTICLES**

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<b>Articles</b>	<b>Provisions in the Third Amended and Restated Articles of Association (only showing those provisions with changes to the Current Articles)</b>	<b>Remarks</b>
	<div> <div>“electronic means”</div> <div>includes sending or otherwise making available to the intended recipients of the communication in electronic format.</div> </div>	new definition
	<div> <div>“electronic meeting”</div> <div>a general meeting held and conducted wholly and exclusively by virtual attendance and participation by Members and/or proxies by means of electronic facilities.</div> </div>	new definition
	<div> <div>“Electronic Transactions Act”</div> <div>the Electronic Transactions Act (as revised) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted thereof.</div> </div>	new definition
	<div> <div>“hybrid meeting”</div> <div>a general meeting convened for (i) physical attendance by Members and/or proxies at the Principal Meeting Place and where applicable, one or more Meeting Locations and (ii) virtual attendance and participation by Members and/or proxies by means of electronic facilities.</div> </div>	new definition
	<div> <div>“Meeting Location”</div> <div>has the meaning given to it in Article 64A.</div> </div>	new definition
	<div> <div>“physical meeting”</div> <div>a general meeting held and conducted by physical attendance and participation by Members and/or proxies at the Principal Meeting Place and/or where applicable, one or more Meeting Locations.</div> </div>	new definition
	<div> <div>“Principal Meeting Place”</div> <div>shall have the meaning given to it in Article 59(2).</div> </div>	new definition
	<div> <div>“Subsidiary — and Holding Company”</div> <div>has the meanings attributed to them in the rules of the Designated Stock Exchange.</div> </div>	
	<div> <div>“treasury shares”</div> <div>share(s) purchased or redeemed by, or surrendered to, the Company and classified and held by the Company as treasury share(s).</div> </div>	new definition

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**APPENDIX XII                      PROPOSED AMENDMENTS TO THE CURRENT ARTICLES**

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<b>Articles</b>	<b>Provisions in the Third Amended and Restated Articles of Association (only showing those provisions with changes to the Current Articles)</b>	<b>Remarks</b>
2(2)(e)	expressions referring to writing shall, unless the contrary intention appears, be construed as including printing, lithography, photography and other modes of representing <u>or reproducing</u> words or figures in a <u>legible and non-transitory form or, to the extent permitted by and in accordance with the Statutes and other applicable laws, rules and regulations, any visible substitute for writing (including an electronic communication), or modes of representing or reproducing words partly in one visible form and partly in another visible form,</u> and including where the representation takes the form of electronic display, provided that <del>both the mode of service of the relevant document or n</del> <u>Notice and the Member's election complies</u> with all applicable Statutes, rules and regulations;	
2(2)(h)	references to a document (including, but without limitation, a resolution in writing) being signed or executed include references to it being signed or executed under hand or under seal or by electronic signature or by <u>electronic communication or by</u> any other method and references to a Notice or document include a Notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not;	
2(2)(i)	<del>where a Member is a corporation, any reference in these Articles to a Member shall, where the context requires, refer to a duly authorized representative of such Member; and</del>	
2(2)(i)	Section 8 and Section 19 of the Electronic Transactions Act <del>of the Cayman Islands, as amended from time to time,</del> shall not apply to these Articles to the extent it imposes obligations or requirements in addition to those set out in these Articles.;	Re-number Article 2(2)(j) as Article 2(2)(i)



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**APPENDIX XII                      PROPOSED AMENDMENTS TO THE CURRENT ARTICLES**

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<b>Articles</b>	<b>Provisions in the Third Amended and Restated Articles of Association (only showing those provisions with changes to the Current Articles)</b>	<b>Remarks</b>
<u>2(2)(j)</u>	<u>references to the right of a Member to speak at an electronic meeting or a hybrid meeting shall include the right to raise questions or make statements to the chairman of the meeting, verbally or in written form, by means of electronic facilities. Such a right shall be deemed to have been duly exercised if the questions or statements may be heard or seen by all or only some of the persons present at the meeting (or only by the chairman of the meeting) in which event the chairman of the meeting shall relay the questions raised or the statements made verbatim to all persons present at the meeting, either orally or in writing using electronic facilities;</u>	new Article
<u>2(2)(k)</u>	<u>a reference to a meeting: (a) shall mean a meeting convened and held in any manner permitted by these Articles and any Member or Director attending and participating at a meeting by means of electronic facilities shall be deemed to be present at that meeting for all purposes of the Statutes and these Articles, and attend, participate, attending, participating, attendance and participation shall be construed accordingly, and (b) shall, where the context is appropriate, include a meeting that has been postponed or changed by the Board pursuant to Article 64E;</u>	new Article
<u>2(2)(l)</u>	<u>references to a person's participation in the business of a general meeting include without limitation and as relevant the right (including, in the case of a corporation, through a duly authorised representative) to speak or communicate, vote, be represented by a proxy and have access in hard copy or electronic form to all documents which are required by the Statutes or these Articles to be made available at the meeting, and participate and participating in the business of a general meeting shall be construed accordingly;</u>	new Article
<u>2(2)(m)</u>	<u>references to electronic facilities include, without limitation, website addresses, webinars, webcast, video or any form of conference call systems (telephone, video, web or otherwise); and</u>	new Article
<u>2(2)(n)</u>	<u>where a Member is a corporation, any reference in these Articles to a Member shall, where the context requires, refer to a duly authorised representative of such Member.</u>	new Article

## APPENDIX XII      PROPOSED AMENDMENTS TO THE CURRENT ARTICLES

Articles	Provisions in the Third Amended and Restated Articles of Association (only showing those provisions with changes to the Current Articles)	Remarks
3(2)	Subject to the Act, the Company's Memorandum and Articles of Association and, where applicable, the Listing Rules and/or the rules and regulations of any competent regulatory authority, the Company shall have the power to purchase or otherwise acquire its own shares and such power shall be exercisable by the Board in such manner, upon such terms and subject to such conditions as it in its absolute discretion thinks fit and any determination by the Board of the manner of purchase shall be deemed authorised by these Articles for purposes of the Act. The Company is hereby authorised to make payments in respect of the purchase of its shares out of capital or out of any other account or fund which can be authorised for this purpose in accordance with the Act. <u>Shares purchased or redeemed by, or surrendered to, the Company may be cancelled or (subject to the rules and regulations of the Designated Stock Exchange or any stock exchange on which the shares of the Company are listed and any other relevant regulatory authority) classified and held as treasury shares.</u>	
3(4)	<u>The Board may accept the surrender for no consideration of any fully paid share.</u>	new article
3(45)	No share shall be issued to bearer.	Renumber Article 3(4) as Article 3(5)
3(6)	<p><u>Subject to the rules and regulations of the Designated Stock Exchange or any stock exchange on which the shares of the Company are listed and any other relevant regulatory authority, the Board may by a resolution of the Directors at any time</u></p> <p>(a) <u>cancel any one or more treasury shares; or</u></p> <p>(b) <u>transfer any one or more treasury shares to any person, whether or not for valuable consideration (including at a discount to the nominal or par value of such shares).</u></p>	new article

Articles	Provisions in the Third Amended and Restated Articles of Association (only showing those provisions with changes to the Current Articles)	Remarks
16	Every share certificate shall be issued under the Seal or a facsimile thereof or with the Seal printed thereon and shall specify the number and class and distinguishing numbers (if any) of the shares to which it relates, and the amount paid up thereon and may otherwise be in such form as the Directors may from time to time determine. The seal of the Company may only be affixed <u>or imprinted</u> to a share certificate with the authority of the Directors, or be executed under the signature of appropriate officials with statutory authority, unless otherwise determined by the Directors. No certificate shall be issued representing shares of more than one class. The Board may by resolution determine, either generally or in any particular case or cases, that any signatures on any such certificates (or certificates in respect of other securities) need not be autographic but may be affixed to such certificates by some mechanical means or may be printed thereon.	
17(2)	Where a share stands in the names of two or more persons, the person first named in the Register shall as regards service of <del>n</del> Notices and, subject to the provisions of these Articles, all or any other matters connected with the Company, except the transfer of the shares, be deemed the sole holder thereof.	
22	The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share. The Company shall also have a first and paramount lien on every share (not being a fully paid share) registered in the name of a Member (whether or not jointly with other Members) for all amounts of money presently payable by such Member or his estate to the Company whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such <del>m</del> Member, and whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such Member or his estate and any other person, whether a Member or not. The Company's lien on a share shall extend to all dividends or other moneys payable thereon or in respect thereof. The Board may at any time, generally or in any particular case, waive any lien that has arisen or declare any share exempt in whole or in part, from the provisions of this Article.	

Articles	Provisions in the Third Amended and Restated Articles of Association (only showing those provisions with changes to the Current Articles)	Remarks
23	Subject to these Articles, the Company may sell in such manner as the Board determines any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged nor until the expiration of fourteen (14) clear days after a <del>n</del> Notice in writing, stating and demanding payment of the sum presently payable, or specifying the liability or engagement and demanding fulfilment or discharge thereof and giving <del>n</del> Notice of the intention to sell in default, has been served on the registered holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.	
25	Subject to these Articles and to the terms of allotment, the Board may from time to time make calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium), and each Member shall (subject to being given at least fourteen (14) clear days' Notice specifying the time and place of payment) pay to the Company as required by such <del>n</del> Notice the amount called on his shares. A call may be extended, postponed or revoked in whole or in part as the Board determines but no Member shall be entitled to any such extension, postponement or revocation except as a matter of grace and favour.	
45	<p>Subject to the Listing Rules, notwithstanding any other provision of these Articles the Company or the Directors may fix any date as the record date for:</p> <p>(a) determining the Members entitled to receive any dividend, distribution, allotment or issue <del>and such record date may be on, or at any time not more than thirty (30) days before or after, any date on which such dividend, distribution, allotment or issue is declared, paid or made;</del></p> <p>(b) determining the Members entitled to receive <del>n</del>Notice of and to vote at any general meeting of the Company.</p>	

Articles	Provisions in the Third Amended and Restated Articles of Association (only showing those provisions with changes to the Current Articles)	Remarks
46	<p>(1) Subject to these Articles, any Member may transfer all or any of his shares by an instrument of transfer in the usual or common form or in a form prescribed by the Designated Stock Exchange or in any other form approved by the Board and may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time.</p> <p>(2) <u>Notwithstanding the provisions of subparagraph (1) above, for so long as any shares are listed on the Designated Stock Exchange, titles to such listed shares may be evidenced and transferred in accordance with the laws applicable to and the Listing Rules that are or shall be applicable to such listed shares. The register of members of the Company in respect of its listed shares (whether the Register or a branch register) may be kept by recording the particulars required by Section 40 of the Act in a form otherwise than legible if such recording otherwise complies with the laws applicable to and the Listing Rules that are or shall be applicable to such listed shares.</u></p>	Renumber Article 46 as Article 46(1)
55(2)(c)	<p>the Company, if so required by the Listing Rules, has given notice <u>of its intention to sell such shares</u> to, and caused advertisement <del>in both in daily newspapers and in a newspaper circulating in the</del> <u>area of the last known address of such Member or any person entitled to the share under Article 54 and where applicable, in each case</u> in accordance with the requirements of, the Designated Stock Exchange <del>to be made of its intention to sell such shares in the manner required by the Designated Stock Exchange,</del> and a period of three (3) months or such shorter period as may be allowed by the Designated Stock Exchange has elapsed since the date of such advertisement.</p>	
57	<p>Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting. <u>All Ggeneral meetings (including an annual general meeting, any adjourned meeting or postponed meeting) may be held as a physical meeting</u> in any part of the world <u>and at one or more locations as provided in Article 64A, as a hybrid meeting or as an electronic meeting,</u> as may be determined by the Board <u>in its absolute discretion.</u></p>	

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**APPENDIX XII                      PROPOSED AMENDMENTS TO THE CURRENT ARTICLES**

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<b>Articles</b>	<b>Provisions in the Third Amended and Restated Articles of Association (only showing those provisions with changes to the Current Articles)</b>	<b>Remarks</b>
58	<p>The Board may whenever it thinks fit call extraordinary general meetings. Any one or more Member(s) holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company, on a one vote per share basis, shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) <del>may do so in the same manner</del> <u>convene a physical meeting at only one location which will be the Principal Meeting Place</u>, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.</p>	
59(2)	<p>The Notice shall specify <u>(a) the time and date of the meeting, (b) save for an electronic meeting, the place of the meeting and if there is more than one meeting location as determined by the Board pursuant to Article 64A, the principal place of the meeting (the “Principal Meeting Place”), (c) if the general meeting is to be a hybrid meeting or an electronic meeting, the Notice shall include a statement to that effect and with details of the electronic facilities for attendance and participation by electronic means at the meeting or where such details will be made available by the Company prior to the meeting, and (d) particulars of resolutions to be considered at the meeting and, in case of special business, the general nature of the business.</u> The <del>n</del>Notice convening an annual general meeting shall specify the meeting as such. Notice of every general meeting shall be given to all Members other than to such Members as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such Notices from the Company, to all persons entitled to a share in consequence of the death or bankruptcy or winding-up of a Member and to each of the Directors and the Auditors.</p>	

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**APPENDIX XII                      PROPOSED AMENDMENTS TO THE CURRENT ARTICLES**

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<b>Articles</b>	<b>Provisions in the Third Amended and Restated Articles of Association (only showing those provisions with changes to the Current Articles)</b>	<b>Remarks</b>
61(1)(g)	the granting of any mandate or authority to the Directors to repurchase securities of the Company <u>representing not more than ten per cent (10%) of the total number of issued shares of the Company.</u>	
61(2)	No business other than the appointment of a chairman of a meeting shall be transacted at any general meeting unless a quorum is present at the commencement of the business. Two (2) Members entitled to vote and present in person <del>(in the case of a Member being a corporation)</del> by its duly authorised representative or by proxy or, for quorum purposes only, two persons appointed by the clearing house as authorised representative or proxy shall form a quorum for all purposes.	
62	If within thirty (30) minutes (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) after the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and <del>place</del> <u>(where applicable) same place(s)</u> or to such time and <del>place as the Board may</del> <u>(where applicable) such place(s) and in such form and manner referred to in Article 57 as the chairman of the meeting (or in default, the Board) may absolutely</u> determine. If at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the meeting shall be dissolved.	

Articles	Provisions in the Third Amended and Restated Articles of Association (only showing those provisions with changes to the Current Articles)	Remarks
63	<p>(1) The chairman of the Company or if there is more than one chairman, any one of them as may be agreed amongst themselves or failing such agreement, any one of them elected by all the Directors present shall preside as chairman at a general meeting. If at any meeting no chairman, is present within fifteen (15) minutes after the time appointed for holding the meeting, or is willing to act as chairman, the deputy chairman of the Company or if there is more than one deputy chairman, any one of them as may be agreed amongst themselves or failing such agreement, any one of them elected by all the Directors present shall preside as chairman. If no chairman or deputy chairman is present or is willing to act as chairman of the meeting, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, or if the chairman chosen shall retire from the chair, the Members present in person or <del>(in the case of a Member being a corporation) by its duly authorised representative or</del> by proxy and entitled to vote shall elect one of their number to be chairman of the meeting.</p> <p>(2) <u>If the chairman of a general meeting held in any form is participating in the general meeting using an electronic facility or facilities which is hereby permitted and becomes unable to participate in the general meeting using such electronic facility or facilities, another person (determined in accordance with Article 63(1) above) shall preside as chairman of the meeting unless and until the original chairman of the meeting is able to participate in the general meeting using the electronic facility or facilities.</u></p>	Renumber Article 63 as Article 63(1)



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<b>Articles</b>	<b>Provisions in the Third Amended and Restated Articles of Association (only showing those provisions with changes to the Current Articles)</b>	<b>Remarks</b>
64	<p><del>The Subject to Article 64C, the chairman may, with (without the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) or shall at the direction of the meeting, adjourn the meeting from time to time (or indefinitely) and/or from place to place(s) and/or from one form to another (a physical meeting, a hybrid meeting or an electronic meeting) as the meeting shall determine, but no business shall be transacted at any adjourned meeting other than the business which might lawfully have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen (14) days or more, at least seven (7) clear days' nNotice of the adjourned meeting shall be given specifying the time and place of the adjourned meeting details set out in Article 59(2) but it shall not be necessary to specify in such nNotice the nature of the business to be transacted at the adjourned meeting and the general nature of the business to be transacted. Save as aforesaid, it shall be unnecessary to give nNotice of an adjournment.</del></p>	
64A	<p>(1) <u>The Board may, at its absolute discretion, arrange for persons entitled to attend a general meeting to do so by simultaneous attendance and participation by means of electronic facilities at such location or locations ("Meeting Location(s)") determined by the Board at its absolute discretion. Any Member or any proxy attending and participating in such way or any Member or proxy attending and participating in an electronic meeting or a hybrid meeting by means of electronic facilities is deemed to be present at and shall be counted in the quorum of the meeting.</u></p>	new Article

Articles	Provisions in the Third Amended and Restated Articles of Association (only showing those provisions with changes to the Current Articles)	Remarks
	<p>(2) <u>All general meetings are subject to the following and, where appropriate, all references to a “Member” or “Members” in this sub-paragraph (2) shall include a proxy or proxies respectively:</u></p> <p>(a) <u>where a Member is attending a Meeting Location and/or in the case of a hybrid meeting, the meeting shall be treated as having commenced if it has commenced at the Principal Meeting Place;</u></p> <p>(b) <u>Members present in person or by proxy at a Meeting Location and/or Members attending and participating in an electronic meeting or a hybrid meeting by means of electronic facilities shall be counted in the quorum for and entitled to vote at the meeting in question, and that meeting shall be duly constituted and its proceedings valid provided that the chairman of the meeting is satisfied that adequate electronic facilities are available throughout the meeting to ensure that Members at all Meeting Locations and Members participating in an electronic meeting or a hybrid meeting by means of electronic facilities are able to participate in the business for which the meeting has been convened;</u></p> <p>(c) <u>where Members attend a meeting by being present at one of the Meeting Locations and/or where Members participating in an electronic meeting or a hybrid meeting by means of electronic facilities, a failure (for any reason) of the electronic facilities or communication equipment, or any other failure in the arrangements for enabling those in a Meeting Location other than the Principal Meeting Place to participate in the business for which the meeting has been convened or in the case of an electronic meeting or a hybrid meeting, the inability of one or more Members or proxies to access, or continue to access, the electronic facilities despite adequate electronic facilities having been made available by the Company, shall not affect the validity of the meeting or the resolutions passed, or any business conducted thereat or any action taken pursuant to such business provided that there is a quorum present throughout the meeting; and</u></p>	

Articles	Provisions in the Third Amended and Restated Articles of Association (only showing those provisions with changes to the Current Articles)	Remarks
	(d) <u>if any of the Meeting Locations is not in the same jurisdiction as the Principal Meeting Place and/or in the case of a hybrid meeting, the provisions of these Articles concerning the service and giving of Notice for the meeting, and the time for lodging proxies, shall apply by reference to the Principal Meeting Place; and in the case of an electronic meeting, the time for lodging proxies shall be as stated in the Notice for the meeting.</u>	
64B	<u>The Board and, at any general meeting, the chairman of the meeting may from time to time make arrangements for managing attendance and/or participation and/or voting at the Principal Meeting Place, any Meeting Location(s) and/or participation in an electronic meeting or a hybrid meeting by means of electronic facilities (whether involving the issue of tickets or some other means of identification, passcode, seat reservation, electronic voting or otherwise) as it shall in its absolute discretion consider appropriate, and may from time to time change any such arrangements, provided that a Member who, pursuant to such arrangements, is not entitled to attend, in person or by proxy, at any Meeting Location shall be entitled so to attend at one of the other Meeting Locations; and the entitlement of any Member so to attend the meeting or adjourned meeting or postponed meeting at such Meeting Location or Meeting Locations shall be subject to any such arrangement as may be for the time being in force and by the Notice of meeting or adjourned meeting or postponed meeting stated to apply to the meeting.</u>	new Article

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**APPENDIX XII      PROPOSED AMENDMENTS TO THE CURRENT ARTICLES**

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<b>Articles</b>	<b>Provisions in the Third Amended and Restated Articles of Association (only showing those provisions with changes to the Current Articles)</b>	<b>Remarks</b>
64C	<p><u>If it appears to the chairman of the general meeting that:</u></p> <p>(a) <u>the electronic facilities at the Principal Meeting Place or at such other Meeting Location(s) at which the meeting may be attended have become inadequate for the purposes referred to in Article 64A(1) or are otherwise not sufficient to allow the meeting to be conducted substantially in accordance with the provisions set out in the Notice of the meeting; or</u></p> <p>(b) <u>in the case of an electronic meeting or a hybrid meeting, electronic facilities being made available by the Company have become inadequate; or</u></p> <p>(c) <u>it is not possible to ascertain the view of those present or to give all persons entitled to do so a reasonable opportunity to communicate and/or vote at the meeting; or</u></p> <p>(d) <u>there is violence or the threat of violence, unruly behaviour or other disruption occurring at the meeting or it is not possible to secure the proper and orderly conduct of the meeting;</u></p> <p><u>then, without prejudice to any other power which the chairman of the meeting may have under these Articles or at common law, the chairman may, at his/her absolute discretion, without the consent of the meeting, and before or after the meeting has started and irrespective of whether a quorum is present, interrupt or adjourn the meeting (including adjournment for indefinite period). All business conducted at the meeting up to the time of such adjournment shall be valid.</u></p>	new Article

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<b>Articles</b>	<b>Provisions in the Third Amended and Restated Articles of Association (only showing those provisions with changes to the Current Articles)</b>	<b>Remarks</b>
64D	<p>The Board and, at any general meeting, the chairman of the meeting may make any arrangement and impose any requirement or restriction the Board or the chairman of the meeting, as the case may be, considers appropriate to ensure the security and orderly conduct of a meeting (including, without limitation, requirements for evidence of identity to be produced by those attending the meeting, the searching of their personal property and the restriction of items that may be taken into the meeting place, determining the number and frequency of and the time allowed for questions that may be raised at a meeting). Members shall also comply with all requirements or restrictions imposed by the owner of the premises at which the meeting is held. Any decision made under this Article shall be final and conclusive and a person who refuses to comply with any such arrangements, requirements or restrictions may be refused entry to the meeting or ejected (physically or electronically) from the meeting.</p>	new Article

Articles	Provisions in the Third Amended and Restated Articles of Association (only showing those provisions with changes to the Current Articles)	Remarks
64E	<p><u>If, after the sending of Notice of a general meeting but before the meeting is held, or after the adjournment of a meeting but before the adjourned meeting is held (whether or not Notice of the adjourned meeting is required), the Directors, in their absolute discretion, consider that it is inappropriate, impracticable, unreasonable or undesirable for any reason to hold the general meeting on the date or at the time or place or by means of electronic facilities specified in the Notice calling the meeting, they may change or postpone the meeting to another date, time and/or place and/or change the electronic facilities and/or change the form of the meeting (a physical meeting, an electronic meeting or a hybrid meeting) without approval from the Members. Without prejudice to the generality of the foregoing, the Directors shall have the power to provide in every Notice calling a general meeting the circumstances in which a postponement of the relevant general meeting may occur automatically without further notice, including without limitation where a number 8 or higher typhoon signal, black rainstorm warning or other similar event is in force at any time on the day of the meeting. This Article shall be subject to the following:</u></p> <p>(a) <u>when a meeting is so postponed, the Company shall endeavour to post a Notice of such postponement on the Company's website or the website of the Designated Stock Exchange as soon as practicable (provided that failure to post such a Notice shall not affect the automatic postponement of a meeting);</u></p> <p>(b) <u>when only the form of the meeting or electronic facilities specified in the Notice are changed, the Board shall notify the Members of details of such change in such manner as the Board may determine;</u></p>	new Article

Articles	Provisions in the Third Amended and Restated Articles of Association (only showing those provisions with changes to the Current Articles)	Remarks
	<p>(c) <u>when a meeting is postponed or changed in accordance with this Article, subject to and without prejudice to Article 64, unless already specified in the original Notice of the meeting, the Board shall fix the date, time, place (if applicable) and electronic facilities (if applicable) for the postponed or changed meeting and shall notify the Members of such details in such manner as the Board may determine; further all proxy forms shall be valid (unless revoked or replaced by a new proxy) if they are received as required by these Articles not less than 48 hours before the time of the postponed or changed meeting; and</u></p> <p>(d) <u>Notice of the business to be transacted at the postponed or changed meeting shall not be required, nor shall any accompanying documents be required to be recirculated, provided that the business to be transacted at the postponed or changed meeting is the same as that set out in the original Notice of general meeting circulated to the Members.</u></p>	
64F	<u>All persons seeking to attend and participate in an electronic meeting or a hybrid meeting shall be responsible for maintaining adequate facilities to enable them to do so. Subject to Article 64C, any inability of a person or persons to attend or participate in a general meeting by way of electronic facilities shall not invalidate the proceedings of and/or resolutions passed at that meeting.</u>	new Article
64G	<u>Without prejudice to other provisions in Article 64, a physical meeting may also be held by means of such telephone, electronic or other communication facilities to permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.</u>	new Article

Articles	Provisions in the Third Amended and Restated Articles of Association (only showing those provisions with changes to the Current Articles)	Remarks
66	<p>(1) Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Articles, at any general meeting on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. A resolution put to the vote of a meeting shall be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every Member present in person (or being a corporation, is present by a duly authorised representative); or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. For purposes of this Article, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its Members; and (ii) relate to the chairman's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Members a reasonable opportunity to express their views. <u>Votes (whether on a show of hands or by way of poll) may be cast by such means, electronic or otherwise, as the Directors or the chairman of the meeting may determine.</u></p>	



Articles	Provisions in the Third Amended and Restated Articles of Association (only showing those provisions with changes to the Current Articles)	Remarks
	<p>(2) Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded:</p> <p>(a) by at least three Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or</p> <p>(b) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or</p> <p>(c) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.</p> <p>A demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by the Member.</p>	

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**APPENDIX XII                      PROPOSED AMENDMENTS TO THE CURRENT ARTICLES**

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<b>Articles</b>	<b>Provisions in the Third Amended and Restated Articles of Association (only showing those provisions with changes to the Current Articles)</b>	<b>Remarks</b>
72(1)	A Member who is a patient for any purpose relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, by his receiver, committee, curator bonis or other person in the nature of a receiver, committee or curator bonis appointed by such court, and such receiver, committee, curator bonis or other person may vote by proxy, and may otherwise act and be treated as if he were the registered holder of such shares for the purposes of general meetings, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office, head office or Registration Office, as appropriate, not less than forty-eight (48) hours before the time appointed for holding the meeting, or adjourned meeting, <u>or postponed meeting</u> , as the case may be.	
72(2)	Any person entitled under Article 53 to be registered as the holder of any shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight (48) hours at least before the time of the holding of the meeting or adjourned meeting <u>or postponed meeting</u> , as the case may be, at which he proposes to vote, he shall satisfy the Board of his entitlement to such shares, or the Board shall have previously admitted his right to vote at such meeting in respect thereof.	
73(3)	Where the Company has knowledge that any Member is, under the <u>Listing r</u> <del>Rules of the Designated Stock Exchange</del> , required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.	

Articles	Provisions in the Third Amended and Restated Articles of Association (only showing those provisions with changes to the Current Articles)	Remarks
74	<p>If:</p> <p>(a) any objection shall be raised to the qualification of any voter; or</p> <p>(b) any votes have been counted which ought not to have been counted or which might have been rejected; or</p> <p>(c) any votes are not counted which ought to have been counted;</p> <p>the objection or error shall not vitiate the decision of the meeting or adjourned meeting <u>or postponed meeting</u> on any resolution unless the same is raised or pointed out at the meeting or, as the case may be, the adjourned meeting <u>or postponed meeting</u> at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.</p>	
76	<p>The instrument appointing a proxy shall be in <u>such form as the Board may determine and in the absence of such determination, shall be in writing</u> <del>under the hand of</del> <u>signed by</u> the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or <del>under the hand of</del> <u>signed by</u> an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the facts.</p>	

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**APPENDIX XII                      PROPOSED AMENDMENTS TO THE CURRENT ARTICLES**

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<b>Articles</b>	<b>Provisions in the Third Amended and Restated Articles of Association (only showing those provisions with changes to the Current Articles)</b>	<b>Remarks</b>
77(1)	<p>The Company may, at its absolute discretion, provide an electronic address for the receipt of any document or information relating to proxies for a general meeting (including any instrument of proxy or invitation to appoint a proxy, any document necessary to show the validity of, or otherwise relating to, an appointment of proxy (whether or not required under these Articles) and notice of termination of the authority of a proxy). If such an electronic address is provided, the Company shall be deemed to have agreed that any such document or information (relating to proxies as aforesaid) may be sent by electronic means to that address, subject as hereafter provided and subject to any other limitations or conditions specified by the Company when providing the address. Without limitation, the Company may from time to time determine that any such electronic address may be used generally for such matters or specifically for particular meetings or purposes and, if so, the Company may provide different electronic addresses for different purposes. The Company may also impose any conditions on the transmission of and its receipt of such electronic communications including, for the avoidance of doubt, imposing any security or encryption arrangements as may be specified by the Company. If any document or information required to be sent to the Company under this Article is sent to the Company by electronic means, such document or information is not treated as validly delivered to or deposited with the Company if the same is not received by the Company at its designated electronic address provided in accordance with this Article or if no electronic address is so designated by the Company for the receipt of such document or information.</p>	new Article

**APPENDIX XII      PROPOSED AMENDMENTS TO THE CURRENT ARTICLES**

<b>Articles</b>	<b>Provisions in the Third Amended and Restated Articles of Association (only showing those provisions with changes to the Current Articles)</b>	<b>Remarks</b>
77(2)	<p>The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the Notice convening the meeting (or, if no place is so specified at the Registration Office or the Office, as may be appropriate), <u>or if the Company has provided an electronic address in accordance with the preceding paragraph, shall be received at the electronic address specified,</u> not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting <u>or postponed meeting</u> at which the person named in the instrument proposes to vote. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution, except at an adjourned meeting <u>or postponed meeting</u> in cases where the meeting was originally held within twelve (12) months from such date. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting <del>in person</del> at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.</p>	<p>Re-number Article 77 as Article 77(2)</p>
78	<p>Instruments of proxy shall be in any common form or in such other form as the Board may approve (provided that this shall not preclude the use of the two-way form) and the Board may, if it thinks fit, send out with the Notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment <u>or postponement</u> of the meeting as for the meeting to which it relates. <u>The Board may decide, either generally or in any particular case, to treat a proxy appointment as valid notwithstanding that the appointment or any of the information required under these Articles has not been received in accordance with the requirements of these Articles. Subject to aforesaid, if the proxy appointment and any of the information required under these Articles is not received in the manner set out in these Articles, the appointee shall not be entitled to vote in respect of the shares in question.</u></p>	

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**APPENDIX XII                      PROPOSED AMENDMENTS TO THE CURRENT ARTICLES**

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<b>Articles</b>	<b>Provisions in the Third Amended and Restated Articles of Association (only showing those provisions with changes to the Current Articles)</b>	<b>Remarks</b>
79	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument of proxy or of the authority under which it was executed, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office or the Registration Office (or such other place as may be specified for the delivery of instruments of proxy in the Notice convening the meeting or other document sent therewith) two (2) hours at least before the commencement of the meeting or adjourned meeting <u>or postponed meeting</u> , at which the instrument of proxy is used.	
81(2)	If a clearing house (or its nominee(s)), being a corporation, is a Member, it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Members provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Article shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) <u>including the right to speak and vote and</u> , where a show of hands is allowed, the right to <del>speak and</del> vote individually on a show of hands.	
82	A resolution in writing signed (in such manner as to indicate, expressly or impliedly, unconditional approval) by or on behalf of all persons for the time being entitled to receive <del>n</del> Notice of and to attend and vote at general meetings of the Company shall, for the purposes of these Articles, be treated as a resolution duly passed at a general meeting of the Company and, where relevant, as a special resolution so passed. Any such resolution shall be deemed to have been passed at a meeting held on the date on which it was signed by the last Member to sign, and where the resolution states a date as being the date of his signature thereof by any Member the statement shall be prima facie evidence that it was signed by him on that date. Such a resolution may consist of several documents in the like form, each signed by one or more relevant Members.	

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**APPENDIX XII                      PROPOSED AMENDMENTS TO THE CURRENT ARTICLES**

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<b>Articles</b>	<b>Provisions in the Third Amended and Restated Articles of Association (only showing those provisions with changes to the Current Articles)</b>	<b>Remarks</b>
83(4)	Neither a Director nor an alternate Director shall be required to hold any shares of the Company by way of qualification and a Director or alternate Director (as the case may be) who is not a Member shall be entitled to receive <del>n</del> Notice of and to attend and speak at any general meeting of the Company and of all classes of shares of the Company.	
97(c)	continue to be or become a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of any other company promoted by the Company or in which the Company may be interested as a vendor, shareholder or otherwise and (unless otherwise agreed) no such Director shall be accountable for any remuneration, profits or other benefits received by him as a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of or from his interests in any such other company. Subject as otherwise provided by these Articles the Directors may exercise or cause to be exercised the voting powers conferred by the shares in any other company held or owned by the Company, or exercisable by them as Directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them <u>as</u> directors, managing directors, joint managing directors, deputy managing directors, executive directors, managers or other officers of such company) or voting or providing for the payment of remuneration to the director, managing director, joint managing director, deputy managing director, executive director, manager or other officers of such other company and any Director may vote in favour of the exercise of such voting rights in manner aforesaid notwithstanding that he may be, or about to be, appointed a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer of such a company, and that as such he is or may become interested in the exercise of such voting rights in manner aforesaid.	

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**APPENDIX XII                      PROPOSED AMENDMENTS TO THE CURRENT ARTICLES**

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<b>Articles</b>	<b>Provisions in the Third Amended and Restated Articles of Association (only showing those provisions with changes to the Current Articles)</b>	<b>Remarks</b>
111	The Board may meet for the despatch of business, adjourn <u>or postpone</u> and otherwise regulate its meetings as it considers appropriate. Questions arising at any meeting shall be determined by a majority of votes. In the case of any equality of votes the chairman of the meeting shall have an additional or casting vote.	
112	A meeting of the Board may be convened by the Secretary on request of a Director or by any Director. The Secretary shall convene a meeting of the Board whenever he shall be required so to do by any Director. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to such Director in writing or verbally (including in person or by telephone) or <del>via</del> <u>by electronic mail means to an electronic address from time to time notified to the Company by such Director or (if the recipient consents to it being made available on a website) by making it available on a website</u> or by telephone or in such other manner as the Board may from time to time determine.	
<u>113(2)</u>	Directors may participate in any meeting of the Board by means of a conference telephone, <u>electronic</u> or other communications equipment through which all persons participating in the meeting can communicate with each other simultaneously and instantaneously and, for the purpose of counting a quorum, such participation shall constitute presence at a meeting as if those participating were present in person.	



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**APPENDIX XII                      PROPOSED AMENDMENTS TO THE CURRENT ARTICLES**

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<b>Articles</b>	<b>Provisions in the Third Amended and Restated Articles of Association (only showing those provisions with changes to the Current Articles)</b>	<b>Remarks</b>
<u>119</u>	A resolution in writing signed by all the Directors except such as are temporarily unable to act through ill-health or disability, and all the alternate Directors, if appropriate, whose appointors are temporarily unable to act as aforesaid shall (provided that such number is sufficient to constitute a quorum and further provided that a copy of such resolution has been given or the contents thereof communicated to all the Directors for the time being entitled to receive notices of Board meetings in the same manner as notices of meetings are required to be given by these Articles) be as valid and effectual as if a resolution had been passed at a meeting of the Board duly convened and held. <u>A notification of consent to such resolution given by a Director in writing to the Board by any means (including by means of electronic communication) shall be deemed to be his/her signature to such resolution in writing for the purpose of this Article.</u> Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Directors or alternate Directors and for this purpose a facsimile signature of a Director or an alternate Director shall be treated as valid. Notwithstanding the foregoing, a resolution in writing shall not be passed in lieu of a meeting of the Board for the purposes of considering any matter or business in which a substantial shareholder of the Company or a Director has a conflict of interest and the Board has determined that such conflict of interest to be material.	
132(1)(b)	any dividend mandate or any variation or cancellation thereof or any notification of change of name or address at any time after the expiry of two (2) years from the date such mandate, variation, cancellation or notification was recorded by the Company;	

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**APPENDIX XII                      PROPOSED AMENDMENTS TO THE CURRENT ARTICLES**

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<b>Articles</b>	<b>Provisions in the Third Amended and Restated Articles of Association (only showing those provisions with changes to the Current Articles)</b>	<b>Remarks</b>
139	<p><del>Any</del> Unless otherwise directed by the Board, <del>any</del> dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first in the Register in respect of the shares at his address as appearing in the Register or addressed to such person and at such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the Register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders. <u>For the avoidance of doubt, any dividend, interest, or other sum payable in cash may also be paid by electronic funds transfer on such terms and conditions as the Directors may determine.</u></p>	

Articles	Provisions in the Third Amended and Restated Articles of Association (only showing those provisions with changes to the Current Articles)	Remarks
144(1)	The Company may, upon the recommendation of the Board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including a share premium account and capital redemption reserve and the profit and loss account) whether or not the same is available for distribution and accordingly that such amount be set free for distribution among the Members or any class of Members who would be entitled thereto if it were distributed by way of dividend and in the same proportions, on the footing that the same is not paid in cash but is applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by such Members respectively or in paying up in full unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid up among such Members, or partly in one way and partly in the other, and the Board shall give effect to such resolution provided that, for the purposes of this Article, a share premium account and any capital redemption reserve or fund representing unrealised profits, may be applied only in paying up in full unissued shares of the Company to be allotted to such Members credited as fully paid.	Rename Article 144 as Article 144(1)
144(2)	<u>Notwithstanding any provisions in these Articles, the Board may resolve to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including a share premium account and the profit and loss account) whether or not the same is available for distribution by applying such sum in paying up unissued shares to be allotted to (i) employees (including directors) of the Company and/or its affiliates (meaning any individual, corporation, partnership, association, joint-stock company, trust, unincorporated association or other entity (other than the Company) that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, the Company) upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Members at a general meeting, or (ii) any trustee of any trust to whom shares are to be allotted and issued by the Company in connection with the operation of any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Members at a general meeting.</u>	new Article

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**APPENDIX XII                      PROPOSED AMENDMENTS TO THE CURRENT ARTICLES**

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<b>Articles</b>	<b>Provisions in the Third Amended and Restated Articles of Association (only showing those provisions with changes to the Current Articles)</b>	<b>Remarks</b>
149	Subject to Article 150, a <del>printed</del> copy of the Directors' report, accompanied by the balance sheet and profit and loss account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company under convenient heads and a statement of income and expenditure, together with a copy of the Auditors' report, shall be sent to each person entitled thereto at least twenty-one (21) days before the date of the <del>general meeting and at the same time as the notice of annual general meeting</del> and laid before the Company at the annual general meeting held in accordance with Article 56 provided that this Article shall not require a copy of those documents to be sent to any person whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.	
150	Subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the Listing Rules, and to obtaining all necessary consents, if any, required thereunder, the requirements of Article 149 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, summarised financial statements derived from the Company's annual accounts and the directors' report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors' report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete <del>printed</del> copy of the Company's annual financial statements and the directors' report thereon.	

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**APPENDIX XII            PROPOSED AMENDMENTS TO THE CURRENT ARTICLES**

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<b>Articles</b>	<b>Provisions in the Third Amended and Restated Articles of Association (only showing those provisions with changes to the Current Articles)</b>	<b>Remarks</b>
151	The requirement to send to a person referred to in Article 149 the documents referred to in that article or a summary financial report in accordance with Article 150 shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the Listing Rules, the Company publishes copies of the documents referred to in Article 149 and, if applicable, a summary financial report complying with Article 150, on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication); <del>and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents.</del>	
153	Subject to the Act, the accounts of the Company shall be audited at least once in every year.	

Articles	Provisions in the Third Amended and Restated Articles of Association (only showing those provisions with changes to the Current Articles)	Remarks
158	<p>(1) Any Notice or document (including any “corporate communication”<del>within the meaning ascribed thereto under the Listing Rules</del>and “actionable corporate communication”), whether or not, to be given or issued under these Articles <del>from</del><u>by</u> the Company <del>to a Member</del> shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or <u>electronic communication</u> and, <u>subject to compliance with the Listing Rules</u>, any such Notice and document may be <del>served or delivered by the Company on or to any Member either personally or given or issued by the following means:</del></p> <p>(a) <u>by serving it personally on the relevant person;</u></p> <p>(b) by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose <del>or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied;</del></p> <p>(c) <u>by delivering or leaving it at such address as aforesaid;</u></p> <p>(d) <del>by him to the Company for the giving of Notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or may also be served by</del><u>placing an advertisement in appropriate newspapers or other publication and where applicable,</u> in accordance with the requirements of the Designated Stock Exchange <del>or, to the extent permitted;</del></p> <p>(e) <u>by sending or transmitting it as an electronic communication to the relevant person at such electronic address as he may provide under Article 158(3);</u></p>	Re-number Article 158 as Article 158(1)

Articles	Provisions in the Third Amended and Restated Articles of Association (only showing those provisions with changes to the Current Articles)	Remarks
	<p>(f) <del>by the applicable laws, by placing</del>publishing it on the Company's website <del>or</del>and the website of the Designated Stock Exchange, <del>and giving to the member a notice stating that the notice or other document is available there (a "notice of availability"). The notice of availability may be given to the Member by any of the means set out above other than by posting it on a website.; or</del></p> <p>(g) <u>by sending or otherwise making it available to such person through such other means, whether electronically or otherwise, to the extent permitted by and in accordance with the Statutes and other applicable laws, rules and regulations.</u></p> <p>(2) In the case of joint holders of a share all <del>n</del>Notices shall be given to that one of the joint holders whose name stands first in the Register and <del>n</del>Notice so given shall be deemed a sufficient service on or delivery to all the joint holders.</p> <p>(3) <u>Every Member or a person who is entitled to receive notice from the Company under the provisions of the Statutes, any other applicable laws, rules and regulations from time to time in force, or these Articles may register with the Company an electronic address to which Notices can be served upon him.</u></p> <p>(4) <u>Subject to any applicable laws, rules and regulations and the terms of these Articles, any Notice, document or publication, including but not limited to the documents referred to in Articles 149, 150 and 158 may be given in the English language only or in both the English language and the Chinese language or, with the consent of or election by any Member, in the Chinese language only to such Member.</u></p>	

Articles	Provisions in the Third Amended and Restated Articles of Association (only showing those provisions with changes to the Current Articles)	Remarks
159	<p><del>Any</del> Subject to compliance with the Listing Rules, any Notice or other document:</p> <p>(a) if served or delivered by post, shall where appropriate be sent by airmail and shall be deemed to have been served or delivered on the day following that on which the envelope containing the same, properly prepaid and addressed, is put into the post; in proving such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board that the envelope or wrapper containing the Notice or other document was so addressed and put into the post shall be conclusive evidence thereof;</p> <p>(b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A Notice, <u>documents or publication</u> placed on the Company's website <del>or</del> <u>and</u> the website of the Designated Stock Exchange, is deemed given <u>or served</u> by the Company <del>to a Member</del> on the day following that on which a <del>notice of availability is deemed served on the Member;</del> <u>it first so appears on the relevant website, unless the Listing Rules specify a different date. In such cases, the deemed date of service shall be as provided or required by the Listing Rules;</u></p> <p>(c) if served or delivered in any other manner contemplated by these Articles, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch or transmission; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the act and time of such service, delivery, despatch or transmission shall be conclusive evidence thereof; and</p>	



Articles	Provisions in the Third Amended and Restated Articles of Association (only showing those provisions with changes to the Current Articles)	Remarks
	(d) <del>may be given to a Member either in the English language or the Chinese language, subject to due compliance with all applicable Statutes, rules and regulations.</del> <u>if published as an advertisement in a newspaper or other publication permitted under these Articles, shall be deemed to have been served on the day on which the advertisement first so appears.</u>	
160(1)	Any Notice or other document delivered or sent <del>by post to or left at the registered address of any Member in pursuance of</del> <u>in any manner permitted by</u> these Articles shall, notwithstanding that such Member is then dead or bankrupt or that any other event has occurred, and whether or not the Company has notice of the death or bankruptcy or other event, be deemed to have been duly served or delivered in respect of any share registered in the name of such Member as sole or joint holder unless his name shall, at the time of the service or delivery of the Notice or document, have been removed from the Register as the holder of the share, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such Notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.	
160(2)	A Notice may be given by the Company to the person entitled to a share in consequence of the death, mental disorder or bankruptcy of a Member by sending it <del>through the post in a prepaid letter, envelope or wrapper</del> <u>in any manner permitted by these Articles</u> addressed to him by name, or by the title of representative of the deceased, or trustee of the bankrupt, or by any like description, at the <u>electronic or postal</u> address, if any, supplied for the purpose by the person claiming to be so entitled, or (until such <del>an</del> <u>electronic or postal</u> address has been so supplied) by giving the Notice in any manner in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.	
160(3)	Any person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every <del>n</del> Notice in respect of such share which prior to his name and address being entered on the Register shall have been duly given to the person from whom he derives his title to such share.	

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**APPENDIX XII                      PROPOSED AMENDMENTS TO THE CURRENT ARTICLES**

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<b>Articles</b>	<b>Provisions in the Third Amended and Restated Articles of Association (only showing those provisions with changes to the Current Articles)</b>	<b>Remarks</b>
161	For the purposes of these Articles, a facsimile or electronic transmission message purporting to come from a holder of shares or, as the case may be, a Director or alternate Director, or, in the case of a corporation which is a holder of shares from a director or the secretary thereof or a duly appointed attorney or duly authorised representative thereof for it and on its behalf, shall in the absence of express evidence to the contrary available to the person relying thereon at the relevant time be deemed to be a document or instrument in writing signed by such holder or Director or alternate Director in the terms in which it is received. <u>The signature to any Notice or document to be given by the Company may be written, printed or in electronic form.</u>	
163(1)	Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares (i) if the Company shall be wound up and the assets available for distribution amongst <del>the</del> Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed <i>pari passu</i> amongst such Members in proportion to the amount paid up on the shares held by them respectively and (ii) if the Company shall be wound up and the assets available for distribution amongst the Members as such shall be insufficient to repay the whole of the paid-up capital such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.	

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**APPENDIX XII                      PROPOSED AMENDMENTS TO THE CURRENT ARTICLES**

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<b>Articles</b>	<b>Provisions in the Third Amended and Restated Articles of Association (only showing those provisions with changes to the Current Articles)</b>	<b>Remarks</b>
163(3)	<p><del>In the event of winding-up of the Company in Hong Kong, every Member who is not for the time being in Hong Kong shall be bound, within fourteen (14) days after the passing of an effective resolution to wind up the Company voluntarily, or the making of an order for the winding-up of the Company, to serve notice in writing on the Company appointing some person resident in Hong Kong and stating that person's full name, address and occupation upon whom all summonses, notices, process, orders and judgements in relation to or under the winding-up of the Company may be served, and in default of such nomination the liquidator of the Company shall be at liberty on behalf of such Member to appoint some such person, and service upon any such appointee, whether appointed by the Member or the liquidator, shall be deemed to be good personal service on such Member for all purposes, and, where the liquidator makes any such appointment, he shall with all convenient speed give notice thereof to such Member by advertisement as he shall deem appropriate or by a registered letter sent through the post and addressed to such Member at his address as appearing in the register, and such notice shall be deemed to be service on the day following that on which the advertisement first appears or the letter is posted.</del></p>	

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**APPENDIX XII                      PROPOSED AMENDMENTS TO THE CURRENT ARTICLES**

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<b>Articles</b>	<b>Provisions in the Third Amended and Restated Articles of Association (only showing those provisions with changes to the Current Articles)</b>	<b>Remarks</b>
164(1)	The Directors, Secretary and other officers and every Auditor <del>for the time being</del> of the Company <u>at any time, whether at present or in the past,</u> and the liquidator or trustees (if any) <del>for the time being</del> acting <u>or who have acted</u> in relation to any of the affairs of the Company and <del>everyone</del> <u>one</u> of them, and <del>everyone</del> <u>one</u> of their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts; and none of them shall be answerable for the acts, receipts, neglects or defaults of the other or others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto; PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons.	
165	Unless otherwise determined by the Directors, the financial year of the Company shall end on the <del>31st</del> <u>31st</u> day of December in each year.	
167	No Member shall be entitled to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interests of the Members <del>of the Company</del> to communicate to the public.	

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## NOTICE OF EGM

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# HANVEY GROUP HOLDINGS LIMITED

## 恆偉集團控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8219)**

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the extraordinary general meeting (the “EGM”) of Hanvey Group Holdings Limited (the “Company”) will be held at Units 3, 5 and 6, 15/F, Tower One, Ever Gain Plaza, No. 88 Container Port Road, Kwai Chung, New Territories, Hong Kong at 11:00 a.m. on Thursday, 15 May 2025 for the purpose of considering and, if thought fit, passing (with or without amendments) the ordinary resolutions and special resolutions as follows:

#### ORDINARY RESOLUTIONS

1. **“THAT:**

- (a) the sale and purchase agreement dated 17 December 2024 entered into between (i) the Company; (ii) Creative Profit Investment Limited (a wholly-owned subsidiary of the Company) as vendor; and (iii) Billion Riches Limited as purchaser in relation to the sale and purchase of the entire equity interest and actual paid-up registered capital of Shenzhen Fujing Precision Technology Company Limited\* (深圳福井精密科技有限公司) (“**Sale and Purchase Agreement A**”), a copy of which is produced to the EGM marked “A” and initialled by the chairman of the EGM for the purpose of identification, and the transactions contemplated thereunder and in connection therewith be and are hereby approved, confirmed and ratified; and
- (b) any director of the Company be and is hereby authorised to sign, execute, perfect and deliver all such documents and, where necessary, to affix the common seal of the Company on any such document as and when necessary, to do all such deeds, acts, matters and things as he or she may in his or her discretion consider necessary or desirable for the purposes of or in connection with the implementation of Sale and Purchase Agreement A and the transactions contemplated thereunder, and to agree to and to make such variations, amendments or waiver of any of the matters relating to or in connection with Sale and Purchase Agreement A; and any actions taken by any directors of the Company in connection with the foregoing prior to the date of this resolution be and are hereby approved, confirmed and ratified.”

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## NOTICE OF EGM

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2. **“THAT:**

- (a) the sale and purchase agreement dated 17 December 2024 entered into between Cheer China Group Holdings Limited (a wholly-owned subsidiary of the Company) as vendor and Multiple Yield Limited as purchaser in relation to the sale and purchase of a property located at House No. 20, Greenery Gardens, No. 3 Fairview Park Boulevard, Yuen Long, New Territories, Hong Kong (**“Sale and Purchase Agreement B”**), a copy of which is tabled at the EGM and marked “B” and initialled by the chairman of the EGM for the purpose of identification, and the transactions contemplated thereunder and in connection therewith be and are hereby approved, confirmed and ratified; and
- (b) any director of the Company be and is hereby authorised to sign, execute, perfect and deliver all such documents and, where necessary, to affix the common seal of the Company on any such document as and when necessary, to do all such deeds, acts, matters and things as he or she may in his or her discretion consider necessary or desirable for the purposes of or in connection with the implementation of Sale and Purchase Agreement B and the transactions contemplated thereunder, and to agree to and to make such variations, amendments or waiver of any of the matters relating to or in connection with Sale and Purchase Agreement B; and any actions taken by any directors of the Company in connection with the foregoing prior to the date of this resolution be and are hereby approved, confirmed and ratified.”

### SPECIAL RESOLUTIONS

3. **“THAT:**

- (a) the proposed amendments (the **“Proposed Amendments”**) to the Second Amended and Restated Articles of Association of the Company (the **“Current Articles”**), the details of which are set forth in Appendix XII to the circular of the Company dated 23 April 2025 (the **“Circular”**), be and are hereby approved;
- (b) the Third Amended and Restated Articles of Association of the Company (incorporating the Proposed Amendments) (the **“Third Amended and Restated Articles of Association”**) in the form of the document marked “A” and produced to this meeting and for the purpose of identification initialled by the chairman of the meeting, be and are hereby approved and adopted in substitution for, and to the exclusion of, the Current Articles with immediate effect after the close of the meeting; and
- (c) any one Director, Secretary or registered office provider of the Company be and is hereby authorised to do all such acts and things and execute all such documents, deeds and make all such arrangements that he/she shall, in his/her

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## NOTICE OF EGM

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absolute discretion, deem necessary or expedient to give effect to the Proposed Amendments and the adoption of the Third Amended and Restated Articles of Association and to make relevant registrations and filings in accordance with the relevant requirements of the applicable laws, rules and regulations in the Cayman Islands and Hong Kong.”

\* *For identification purpose only*

By order of the Board  
**HANVEY GROUP HOLDINGS LIMITED**  
**Cheuk Sin Cheong Clement**  
*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 23 April 2025

*Head office and principal place of business  
in Hong Kong:*

Units 3, 5 and 6, 15th Floor  
Tower One, Ever Gain Plaza  
No.88 Container Port Road  
Kwai Chung, New Territories  
Hong Kong

*Registered Office:*

Cricket Square  
Hutchins Drive  
PO Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Notes:*

1. Any member of the Company entitled to attend and vote at the EGM shall be entitled to appoint another person as his proxy to attend and vote instead. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote in his stead. A proxy need not be a member of the Company.
2. For joint registered holders of any share, any one of such joint holders may vote at the EGM (or any adjournment thereof), either in person or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders are present at the EGM (or any adjournment thereof) in person or by proxy, that one of the said joint holders so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at Tricor Investor Services Limited, the Company's branch share registrar and transfer office in Hong Kong, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting or any adjournment thereof and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. Pursuant to the articles of association of Company and the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), voting for all the resolutions set out in this notice will be taken by poll at the EGM.
5. For the purpose of determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed during the period from Monday, 12 May 2025 to Thursday, 15 May 2025 (both dates inclusive), during which period no transfer of share(s) will be effected. In order to qualify for attending and voting at the EGM, all transfer

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## NOTICE OF EGM

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document(s), accompanied by the relevant share certificate(s), must be lodged with Tricor Investor Services Limited, the Company's branch share registrar in Hong Kong, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Friday, 9 May 2025.

6. Changes introduced by the Third Amended and Restated Articles of Association are set out in Appendix XII to the circular of the Company dated 23 April 2025.
7. If at any time after 7:00 a.m. on the date of the EGM, typhoon signal number 8 or above or a black rainstorm warning is hoisted or remains hoisted, or "extreme conditions" caused by super typhoons as announced by the Government of Hong Kong is in forced, the EGM will be postponed or adjourned in accordance with the articles of association of the Company. The Company will post an announcement on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.hanveygroup.com.hk](http://www.hanveygroup.com.hk)) to notify shareholders of the Company of the date, time and place of the re-scheduled meeting.
8. The Chinese translation of this notice is for reference only and in case of any consistency, the English version shall prevail.
9. All times and dates specified herein refer to Hong Kong local times and dates.

*As at the date of this notice, the Executive Directors of the Company are Mr. Cheuk Sin Cheong Clement and Ms. Au Corona Ching Mei, M.H., and the Independent Non-executive Directors of the Company are Mr. Yu Sau Ning Homer, M.H., Ms. Yee Wai Fong Wendy and Mr. Yip Yat Lam.*

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

*This notice will remain on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) on the "Latest Listed Company Information" page for at least 7 days from the date of its posting and on the website of the Company at "[www.hanveygroup.com.hk](http://www.hanveygroup.com.hk)".*