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If you have sold or transferred all your shares in **Prosperity Investment Holdings Limited**, you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of Prosperity Investment Holdings Limited.



PROSPERITY INVESTMENT HOLDINGS LIMITED

嘉進投資國際有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00310)

**(1) VERY SUBSTANTIAL DISPOSAL IN RELATION TO
PROPOSED VOLUNTARY LIQUIDATION OF A SUBSIDIARY
AND
(2) PLACING OF NEW SHARES UNDER SPECIFIC MANDATE
AND
(3) NOTICE OF SPECIAL GENERAL MEETING**

Financial Adviser to the Company



Placing Agent



Capitalised terms used on this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular.

A notice convening the SGM of the Company to be held at R1, United Conference Centre, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong on Monday, 29 September 2025 at 10:00 a.m. is set out on pages SGM-1 to SGM-3 of this circular. A form of proxy for use at the SGM or any adjournment thereof (as the case may be) is enclosed with this circular.

Whether or not you are able to attend the SGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon. The form of proxy shall be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event before 10:00 a.m. on Saturday, 27 September 2025. Completion and deposit of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting (as the case may be) should you so wish and in such event, the form of proxy shall be deemed to be revoked.

The Chinese translation of this circular is for reference only and in case of inconsistency, the English version shall prevail.

12 September 2025

* For identification purpose only

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DEFINITIONS

In this circular, unless the context specifies otherwise, the following defined expressions shall have the following meanings:

“Annual Report 2023”	the annual report of the Company for the financial year ended 31 December 2023
“Annual Results 2024”	the annual results announcement of the Company for the financial year ended 31 December 2024 announced by the Company on 29 August 2025
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Audit Issue”	the Auditors stating in the Annual Report 2023 and the Annual Results 2024 that they were unable to obtain sufficient appropriate audit evidence on the fair value of the Investment, which resulted in the Disclaimer of Opinion
“Auditors”	Rongcheng (Hong Kong) CPA Limited (<i>formally known as CL Partners CPA Limited</i>), the auditors of the Company
“Board”	board of Directors
“Business Day”	a day (excluding Saturday and Sunday and any day on which “extreme conditions” is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“BVI”	British Virgin Islands
“BVI Registrar”	the BVI Registrar of Corporate Affairs
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Company”	Prosperity Investment Holdings Limited, a company incorporated in Bermuda with limited liability, with its issued Shares listed on the Main Board of the Stock Exchange

DEFINITIONS

“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Disclaimer of Opinion”	a disclaimer of opinion expressed by the Auditors on the Company’s consolidated financial statements for the years ended 31 December 2023 and 31 December 2024 in relation to the fair value measurement of the Company’s investment in Wealth Spread which was accounted for as financial assets at fair value through other comprehensive income
“Easy Ace”	Easy Ace Investments Limited, an indirect wholly owned subsidiary of the Company
“FVTPL”	fair value through profit or loss
“Genius Choice”	Genius Choice Investments Limited, the sole shareholder of Easy Ace and an indirect wholly owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owners (if applicable) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of and not connected with the Company and its connected persons
“Interest”	the 14.7% equity interests directly held by Easy Ace in Wealth Spread
“Investment”	the investment of Easy Ace in a 14.7% equity interest of Wealth Spread, which has a beneficial equity interest of 54.0% in the PRC Entity, resulting in an indirect attributable equity interest of 7.938% in the PRC Entity

DEFINITIONS

“Latest Practicable Date”	11 September 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	means any Professional Investor(s) procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares pursuant to and in accordance with the Placing Agreement
“Placing”	the placing, on a fully underwritten basis, of the Placing Shares on the terms and subject to the condition set out in the Placing Agreement
“Placing Agent”	Astrum Capital Management Limited, a licensed corporation to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 5 September 2025 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Completion”	the completion of the Placing in accordance with the terms and conditions set out in the Placing Agreement
“Placing Completion Date”	means any day falling within ten Business Days following the satisfaction of the conditions of the Placing (or such other date as the Company and the Placing Agent may agree) at which completion of the Placing shall take place pursuant to the Placing Agreement
“Placing Price”	the placing price of HK\$0.090 per Placing Share
“Placing Share(s)”	500,000,000 new Shares to be placed by or through the Placing Agent as agent for the Company pursuant to the Placing Agreement

DEFINITIONS

“Professional Investor(s)”	has the meaning as ascribed thereto in Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any rules made thereunder
“PRC”	the People’s Republic of China which, for the purpose of this circular only, does not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Entity”	貴州國鼎金實礦業有限公司(Guizhou Guoding Jinshi Mining Company Limited*), a sino-foreign joint venture enterprise established in the PRC with limited liability
“Proposed Liquidation”	the proposed placing of Easy Ace into a solvent voluntary liquidation
“Remaining Group”	the Group, excluding Easy Ace
“Resumption”	the resumption of trading in the Shares on the Stock Exchange
“Resumption Guidance”	the resumption guidance set out in the letters issued by the Stock Exchange to the Company on 18 June 2024 and 1 April 2025 (and any other additional resumption guidance(s) as the Stock Exchange may impose from time to time)
“RMB”	Renminbi, the lawful currency of the PRC
“Specific Mandate”	the specific mandate to be sought from the Shareholders at the SGM to grant the authority to the Board for the allotment and issue of the 500,000,000 Placing Shares
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, to approve the Proposed Liquidation, the Placing Agreement and the transactions contemplated thereunder including the grant of the Specific Mandate for the allotment and issue of the Placing Shares
“Share(s)”	ordinary share(s) of par value of HK\$0.001 each in the share capital of the Company

DEFINITIONS

“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“USD”	United States dollars, the lawful currency of the United States
“Wealth Spread”	Wealth Spread Investment Limited, a company incorporated in Hong Kong with limited liability, in which Easy Ace has a direct 14.7% equity interests
“%” or “per cent.”	percentage or per centum

* *In this circular, the English name of the PRC entity marked in asterisks are direct translation of its Chinese name and is included herein for identification purpose only. In the event of inconsistency, the Chinese name will prevail.*

LETTER FROM THE BOARD



PROSPERITY INVESTMENT HOLDINGS LIMITED

嘉進投資國際有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00310)

Executive Director:

Position vacant since 10 June 2021

Non-executive Director:

LAU Tom Ko Yuen (*Chairman*)

Independent non-executive Directors:

FENG Nien Shu

LUI Siu Tsuen, Richard

WONG Lai Kin, Elsa

IP Kwok Kwong

Registered office:

Clarendon

2 Church Street

Hamilton HM 11

Bermuda

Principal place of business in Hong Kong:

Suite 401, 4th Floor, Lansing House

41-47 Queen's Road Central

Central, Hong Kong

12 September 2025

To the Shareholders

Dear Sir or Madam,

**(1) VERY SUBSTANTIAL DISPOSAL IN RELATION TO
PROPOSED VOLUNTARY LIQUIDATION OF A SUBSIDIARY
AND**

**(2) PLACING OF NEW SHARES UNDER SPECIFIC MANDATE
AND**

(3) NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

Reference is made to two announcements of the Company both dated 5 September 2025 in respect of, respectively, the proposed liquidation of a wholly-owned subsidiary of the Company and the placing of new Shares under the Specific Mandate.

LETTER FROM THE BOARD

The Proposed Liquidation, which comprises a deemed proposed disposal of the asset in Easy Ace, constitutes a very substantial disposal transaction of the Company which is subject to the reporting, announcement, circular and shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules. As the Placing Shares are to be allotted and issued under the Specific Mandate, the Placing and the Specific Mandate are subject to the Shareholders' approval at the SGM.

The purpose of this circular is to provide you with, among other things, (i) further information relating to the Proposed Liquidation and Placing; (ii) the financial information of the Group; (iii) the financial information of Easy Ace; (iv) the unaudited pro forma financial information of the Remaining Group; and (v) the notice of the SGM.

THE PROPOSED LIQUIDATION

On 5 September 2025 (after trading hours), the board of directors of Easy Ace resolved that Easy Ace be placed into liquidation and that two partners from Deloitte China (Hong Kong office), namely Mr. Ho Kwok Leung Glen and Ms. Leung Siu Yin, and a partner from Deloitte Ltd. (BVI office), namely Mr. Ryan Jarvis, be appointed as the liquidator thereof, subject to and conditional upon satisfaction of the following conditions:

- (i) the passing of the relevant resolution(s) approving the Proposed Liquidation by the Shareholders at the SGM; and
- (ii) the passing of the relevant resolutions by Genius Choice (being the sole shareholder of Easy Ace) approving the Proposed Liquidation.

As at the Latest Practicable Date, none of the conditions have been fulfilled.

As at the Latest Practicable Date, Easy Ace is an indirect wholly owned subsidiary of the Company. The sole asset of Easy Ace is an investment of 14.7% equity interests in Wealth Spread, which in turn owned a beneficial 54.0% equity interest in the PRC Entity resulting in an indirect attributable equity interest of 7.938% in the PRC Entity.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the partners from Deloitte China (Hong Kong office) and Deloitte Ltd. (BVI office) proposed to be appointed as the liquidators to handle the Proposed Liquidation are Independent Third Parties. The appointed liquidators have sole discretion in relation to the disposal of the Interest, including identifying the ultimate buyer of the Interest in the event there are more than one potential buyers and the terms of the disposal.

LETTER FROM THE BOARD

INFORMATION OF THE COMPANY

The Company is an investment company listed under Chapter 21 of the Listing Rules. It is principally engaged in investment in both listed and unlisted investments and other related financial assets.

INFORMATION OF EASY ACE

Easy Ace is a company incorporated in the BVI with limited liability and wholly-owned by Genius Choice, which in turn is an indirect wholly owned subsidiary of the Company. Easy Ace is principally engaged in investment holding and its sole investment is a 14.7% equity interest in Wealth Spread.

Wealth Spread is a company incorporated in Hong Kong with limited liability and is engaged in investment holding with its sole investment being a beneficial equity interest of 54.0% in the PRC Entity, which is principally engaged in zinc and lead mining in the PRC. The equity interest of Wealth Spread in the PRC Entity is held via an entrusted agreement (代持文件). The entrustment arrangement was established in October 2018 between Ample Talent Development Group Limited (“**Ample Talent**”, the predecessor of Wealth Spread before an internal reorganisation, and in which Easy Ace also had an indirect 14.7% equity interest) and a PRC individual (“**Trustee**”) who was then also a shareholder of the PRC Entity, with a view to facilitate possible future disposal of equity interest in the PRC Entity.

Pursuant to an internal reorganisation carried out in July 2023, all of Ample Talent’s rights, title and interest in the PRC Entity were transferred to Wealth Spread. The Company was informed by the majority shareholder of Wealth Spread (“**Wealth Spread Controlling Shareholder**”) that since it was only an internal reorganisation, the Trustee was not notified of it. Accordingly, pursuant to the entrusted agreement executed by the Trustee, the Trustee continued to hold the 54% equity interests in the PRC Entity on trust for Ample Talent. On the other hand, it was a term of the internal reorganisation that Ample Talent shall take any other actions reasonably necessary to effectuate the purposes of such internal reorganisation, i.e. for Wealth Spread to obtain all of Ample Talent’s rights, title and interests in the PRC Entity.

The entrustment arrangement was established in October 2018. The Trustee confirmed in writing in March 2021 that the entrustment arrangement remained in place. However, in or around August 2023, the Trustee notified Wealth Spread Controlling Shareholder who informed the Company that the Trustee has appointed his close relative, also a PRC individual (“**Nominee**”), to hold the trust assets in his place.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, Wealth Spread Controlling Shareholder, the Trustee and the Nominee are third parties independent of the Company and its connected persons.

LETTER FROM THE BOARD

To the best of the knowledge, information and belief of the Directors, the PRC Entity has obtained the exploitation licence for a mine located in Guizhou, the PRC. However, as disclosed in the Annual Report 2023, the Company has been unable to obtain the updated production plan with specific information of the PRC Entity and the Company currently does not have such information. All information in relation to the PRC Entity and the mine had been provided by the Wealth Spread Controlling Shareholder to the Company since the Company has no direct relationship and access to the PRC Entity. In turn, since the Wealth Spread Controlling Shareholder was (and is) not a director of the PRC Entity, he has to rely on the management of the PRC Entity to provide the requisite information. The quality and quantity of the information, including production plan, depends entirely on that the PRC Entity provides to the Wealth Spread Controlling Shareholder, and that the Wealth Spread Controlling Shareholder provides to the Company at any given time. In respect of the audit process for the financial statements of the Company for the financial year ended 31 December 2023, as mentioned above, the Company has not been able to obtain an updated production plan of the PRC Entity with such specific information as required by the Auditors. Wealth Spread Controlling Shareholder expressed to the Company that he experienced difficulties in obtaining the abovementioned information relating to the PRC Entity as the PRC Entity did not have the information readily available and was unwilling to devote time and resources to prepare the same. Furthermore, the relationship between Wealth Spread Controlling Shareholder with the Trustee and the Nominee deteriorated since early 2025. He, however, cannot speculate the reason for the deteriorated relationship.

In compliance with Rule 21.04(3) of the Listing Rules which stipulates that Chapter 21 companies will not take legal, or effective, management control of its underlying investments, the Investment represents an indirect minority investment made in Wealth Spread, and the Group's management did not participate in, nor has any control or influence on, the operations of the PRC Entity, and hence the access to information is limited only to those provided by Ample Talent or, as the case may be, Wealth Spread.

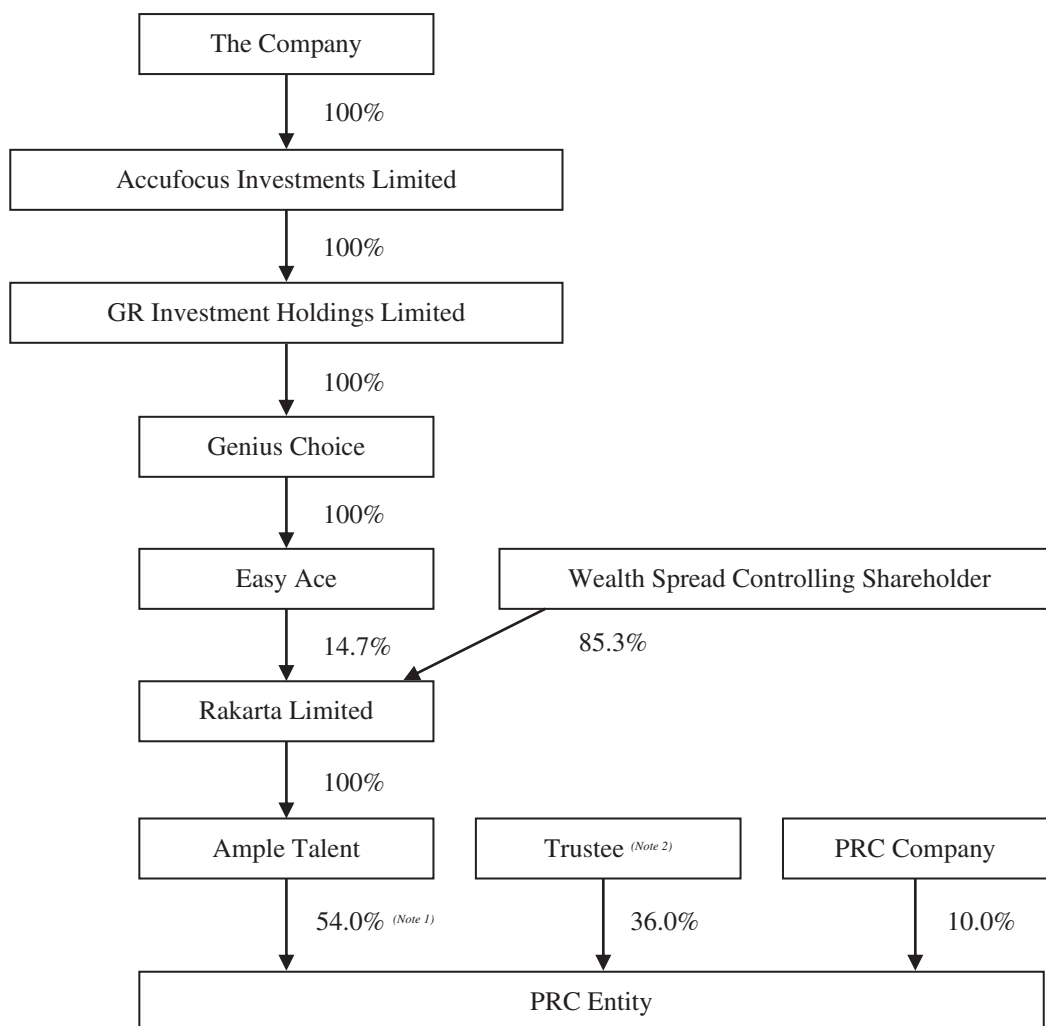
In February 2025, the Company became aware that the Nominee has ceased to be a shareholder of the PRC Entity, i.e. the Nominee no longer holds any equity interests in the PRC Entity, including the 54.0% equity interests beneficially owned by Wealth Spread under the entrustment arrangement, and made enquiries with the Wealth Spread Controlling Shareholder. The Wealth Spread Controlling Shareholder agreed to make enquiries and investigate, and subsequently indicated that it might have been due to sub-delegation or change of trustee and the entrustment arrangement has not been breached, but will take appropriate actions should it turn out that there has been unauthorised transfer by the Nominee. On 18 August 2025, the management of the Company received written notification from the Wealth Spread Controlling Shareholder that there was an unauthorised transfer by the Nominee of Wealth Spread's equity interest in the PRC Entity in breach of trust of the entrustment agreement, and that he has caused Ample Talent, which is the party to the entrusted agreement executed in October 2018, to commence legal proceedings against both the Trustee and the Nominee for the breach and seeking damages as well as a reversal of the unauthorised transfer.

LETTER FROM THE BOARD

Shareholding structure of Easy Ace

Set out below is the shareholding structure of Easy Ace:

Before reorganisation in October 2018

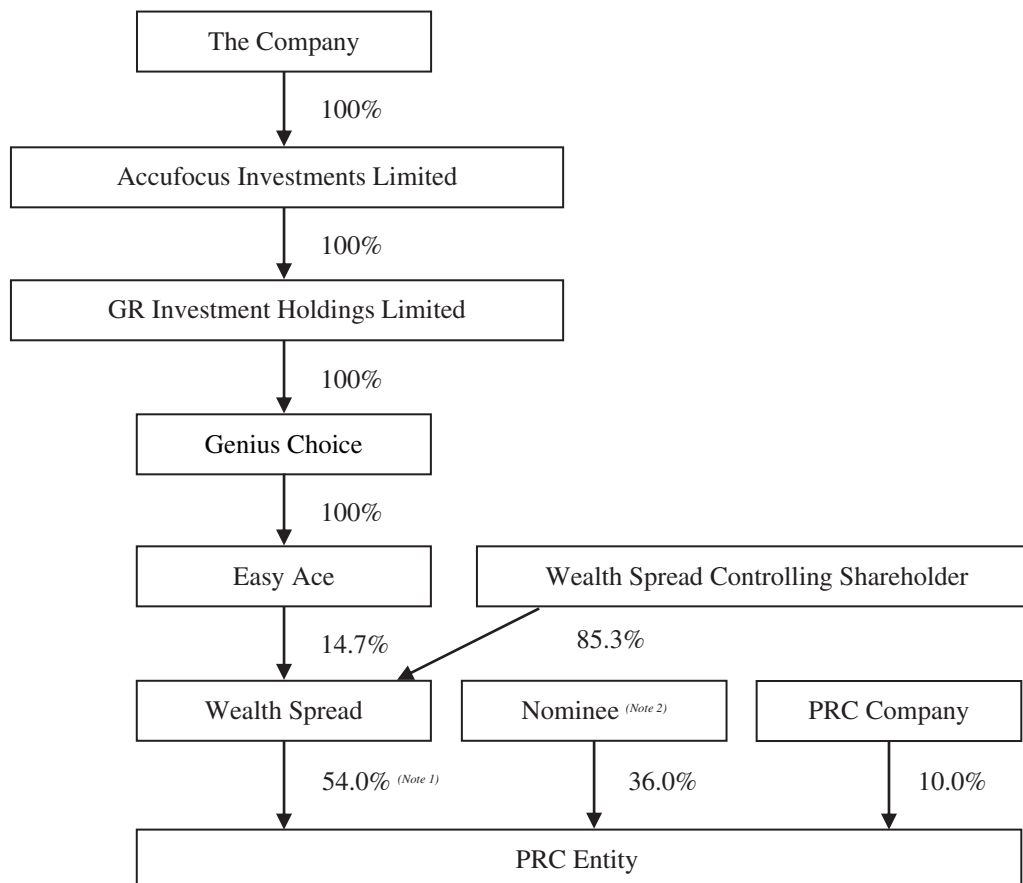


Notes:

1. Please refer to the disclosure of the entrustment arrangement above.
2. The Trustee held 90.0% equity interests in the PRC Entity, of which 54.0% equity interests was beneficially owned by Ample Talent under the entrustment arrangement.

LETTER FROM THE BOARD

After reorganisation in July 2023 and transfer by Trustee



Notes:

- Please refer to the disclosure of the entrustment arrangement above.*
- The Nominee held 90.0% equity interests in the PRC Entity, of which 54.0% equity interests was beneficially owned by Wealth Spread under the entrustment arrangement and the internal reorganisation.*

LETTER FROM THE BOARD

Financial information of Easy Ace

Set out below is the financial information of Easy Ace based on the unaudited consolidated financial statements of Easy Ace for the years ended 31 December 2023 and 2024 and six months ended 30 June 2025:

	For the year ended 31 December		For six months ended 30 June
	2023	2024	2025
	HK\$'000	HK\$'000	HK\$'000
Revenue	—	—	—
(Loss)/Profit before tax	(5,050)	(3,122)	96,547 ^(Note)
(Loss)/Profit after tax and extraordinary items	(5,050)	(3,122)	96,547

	As at 31 December		As at 30 June
	2023	2024	2025
	HK\$'000	HK\$'000	HK\$'000
Net (liabilities)/assets	(88,132)	(91,254)	5,293

Note: The profit before tax was attributable to a waiver by Genius Choice on the amount owing to it by Easy Ace of approximately HK\$96.6 million.

Based on the information the Company received from Wealth Spread, the net liabilities of the PRC Entity as at 31 December 2023 was RMB20,035,204.

REASONS FOR AND BENEFITS OF THE PROPOSED LIQUIDATION

As disclosed in the unaudited financial information of Easy Ace, Easy Ace recorded no revenue with a loss before tax and loss after tax of approximately HK\$5.0 million and HK\$3.1 million for the years ended 31 December 2023 and 31 December 2024 respectively. In fact, Ample Talent and Wealth Spread had not made any financial contributions to Easy Ace and the Company as the PRC Entity has not commenced nor scheduled to commence mining operation as at 31 December 2023 and 31 December 2024 so far as the Directors are aware as at the date hereof.

As disclosed above, Easy Ace recorded net liabilities of approximately HK\$88.1 million and HK\$91.3 million as at 31 December 2023 and 31 December 2024 respectively. Such net liabilities were mainly attributable to amounts owing to Genius Choice for the cost of the Investment totalling approximately HK\$54.0 million and annual management fee charged by the Company and a fellow subsidiary to Easy Ace which amounted to HK\$42.5 million for the provision of management services to Easy Ace, comprising corporate secretarial service, finance, tax, human resources and information technology services.

LETTER FROM THE BOARD

In the Annual Report 2023 and the Annual Results 2024, the Auditors stated that they were unable to obtain sufficient appropriate audit evidence on the fair value of the Investment, which resulted in the Disclaimer of Opinion. During the course of the audit for financial years ended 31 December 2023 and 2024, the Company was unable to obtain sufficient appropriate audit evidence, via Wealth Spread, from the management team of the PRC Entity on the latest overall development plan of the PRC Entity, such as the revised timeline, revised estimated capital expenditure, mining related cost and operating expenses, to assess the appropriateness and accuracy of the financial information, such that it did not contain material misstatement. There were no other satisfactory audit procedures that the Auditors could perform to determine whether any adjustments to the carrying value of the Investment and the related fair value loss recognised in other comprehensive expense and investment revaluation reserve balances as at and for the years ended 31 December 2023 and 2024 were necessary. Any adjustments found to be necessary could also affect the related elements making up and disclosures in the consolidated financial statements.

In the Annual Report 2023, the valuer adopted the discount cash flow method for the valuation of the Investment, which was consistently applied for prior years. The key inputs included discount rate, forecasted production volume, forecasted selling price with base price and marketability discount. The Company was unable to obtain the latest overall development plan of the PRC Entity, via Wealth Spread, from the management team of the PRC Entity during the course of the audit for financial year ended 31 December 2023. Accordingly, the valuation of the Investment as at 31 December 2023 was based on the information obtained by the Company, via Wealth Spread, from the management team of the PRC Entity during the course of audit for financial year ended 31 December 2022 and the verbal representation on certain assumptions, such as the commencement date of the operation of the underlying PRC mine. The verbal representation refer to the communication by the management of the Company to the valuer and the Auditors in March 2024 during the course of the audit for the year ended 31 December 2023. The verbal representation are assumptions that management of the Company made following its discussions with Wealth Spread Controlling Shareholder after his obtaining incomplete information from the management of the PRC Entity and that the PRC Entity was unwilling to devote time and resources to provide updated production plan with details and to the extent as required by the Auditors. Accordingly based on the valuation report of the valuer dated 30 March 2023 for the financial year ended 31 December 2022, where a major assumption used by the valuer in its valuation was that the mine is scheduled to begin operation in 2026, the management of the Company made an assumption that the scheduled operation would be postponed to 2029 due to the delay caused by COVID, and this form one of the major assumptions in the valuer preparing its valuation report dated 30 March 2024 for purpose of the audit for the financial year ended 31 December 2023.

LETTER FROM THE BOARD

As disclosed above, the Company has been unable to obtain the updated production plan with specific information of the PRC Entity. Furthermore, to the best of the knowledge, information and belief of the Directors, save for some historical preliminary trial runs, the PRC Entity has not yet commenced mining operation. In view of the aforesaid, as well as (i) the financial position of Easy Ace as at 31 December 2024; (ii) the fact that Easy Ace only has a 14.7% minority interest in Wealth Spread and does not have any control nor significant influence on the operation of Wealth Spread or the PRC Entity; (iii) the recent discovery of the breach of trust that resulted in the pursuit of legal proceedings by Ample Talent, the Directors are of the view that there are no reasonable means or prospect of making any material improvement on the financial position or operations of Easy Ace or for the Company to realise any value from the Investment. The Company had approached the Wealth Spread Controlling Shareholder to enquire whether he is interested in acquiring the Investment whose response had always been negative. Due to the complexity of the matter, the Company had not attempted to solicit other parties, and believed it would be more time and cost efficient to appoint the liquidators to handle the disposal of the Investment while the management of the Company could dedicate effort and resources in attending to the business of the Company and raising more capital in support of future growth. Accordingly, the Company proposed to place Easy Ace into the Proposed Liquidation.

Following the commencement of the Proposed Liquidation with the appointment of the liquidator, the Group will no longer have control of the Investment and accordingly the financial position and results of Easy Ace will be de-consolidated from those of the Group. Easy Ace will also cease to be a subsidiary of the Company.

By reason of the Audit Issue and the Disclaimer of Opinion, trading in the shares of the Company has been suspended since 2 April 2024. The Auditors have confirmed that with the commencement of the Proposed Liquidation when the liquidators are appointed and therefore take control of Easy Ace, the Disclaimer of Opinion would no longer be required for the financial year ending 31 December 2025 and subject to the satisfaction of the Stock Exchange, one of the conditions under the Resumption Guidance would have been satisfied.

In view of the above, the Board considers that the Proposed Liquidation is fair and reasonable, and is in the interests of the Company and its Shareholders as a whole.

PROCESS AND PROCEDURES OF THE PROPOSED LIQUIDATION

The laws applicable to the Proposed Liquidation are BVI Business Companies Act and BVI Business Companies Regulations.

LETTER FROM THE BOARD

Upon commencement of the Proposed Liquidation and appointment of liquidators to Easy Ace, the liquidators will carry out the following procedures to, *inter alia*, realise the assets of Easy Ace and settle its liabilities:

- (i) attend to the statutory requirements in the BVI, including but not limited to publishing the relevant notices in the Government Gazette and newspaper in the BVI and attending to the statutory filings with the BVI Registry;
- (ii) publish a notice to creditors in the Government Gazette and newspaper in the BVI inviting creditors to submit claims before a deadline;
- (iii) wind up the affairs of Easy Ace;
- (iv) if appropriate, (a) market for disposal of the 14.7% equity interest directly held by Easy Ace in Wealth Spread with options ranging from private sale to public tender as the liquidators deem fit; and (b) in consultation with Genius Choice, the sole member, decide to dispose of the Interest to an identified potential purchaser at the highest possible price obtainable from the market;
- (v) arrange settlement of liabilities of Easy Ace (if any);
- (vi) distribute any surplus funds of Easy Ace to Genius Choice, its sole member;
- (vii) prepare and submit to the BVI Registry a notice of completion of the liquidation of Easy Ace;
- (viii) obtain a certificate of dissolution of Easy Ace from the BVI Registry; and
- (ix) prepare and arrange for publication the relevant notice in the Government Gazette in the BVI in respect of the dissolution of Easy Ace.

If there is any proceeds obtained from disposal of the Interest, the liquidators will return any surplus proceeds to Genius Choice, after deducting liquidators' cost and all necessary expenses incurred by the liquidators in the disposal process as well as costs and expenses incurred in the administration of the liquidation of Easy Ace and paying off all of its liabilities (if any) (the "**Surplus Proceeds**").

LETTER FROM THE BOARD

FINANCIAL EFFECTS OF THE PROPOSED LIQUIDATION ON THE GROUP

Pursuant to the Annual Report 2023 and the Annual Results 2024, the auditors of the Company stated that they were unable to obtain sufficient appropriate audit evidence on the fair value of the Investment, as estimated by the Group's management as at 31 December 2023 and 2024 respectively, to assess the appropriateness and accuracy of the financial information such that it did not contain material misstatement. Accordingly, the auditors of the Company expressed a disclaimer of opinion on the Annual Report 2023 and the Annual Results 2024.

Following the commencement of the Proposed Liquidation, Easy Ace will effectively be carved out from the Group with its financial position and results being de-consolidated from those of the Group. Any gain or loss on the Proposed Liquidation would be included in the consolidated financial statements of the Group when the liquidation process commences with the appointment of the liquidator.

As Genius Choice is the sole creditor of Easy Ace, Genius Choice waived all outstanding amount owing to it from Easy Ace amounting to the total sum of approximately HK\$96.6 million (the “**Shareholder Advance**”) such that the Proposed Liquidation will be a solvent liquidation, which is a more cost and time efficient process as compared to an insolvent liquidation pursuant to the relevant BVI laws and regulations. A solvent liquidation would normally be completed within 12 months while it would take a longer period of 18 to 24 months to complete an insolvent voluntary liquidation under usual circumstances. The cost of liquidation for an insolvent voluntary liquidation could also be more than double the cost of liquidation for a solvent liquidation given there are more statutory requirements in an insolvent liquidation, including convening meetings of creditors, preparing reports to the creditors, adjudicating the claims from creditors and settling the claims if any distributions are available. In the event the Interest is successfully disposed after the Proposed Liquidation, there will be no difference in the distribution of the Surplus Proceeds to Genius Choice under solvent or insolvent liquidation.

LETTER FROM THE BOARD

The waiver is required as Easy Ace registered a net liability position of approximately HK\$91.3 million as at 31 December 2024, which was mainly attributable to the Shareholder Advance. In order for Easy Ace to proceed with a solvent liquidation, it would have to be in a net asset position. The waiver of Shareholder Advance will result in a gain of approximately HK\$96.5 million to Easy Ace but it has no effect to the consolidated financial statements of the Company since it is an elimination of inter-company balances. Pursuant to the waiver, Easy Ace also recorded a net asset of HK\$5.3 million as at 30 June 2025.

For illustrative purpose, based on the book value of Easy Ace as at 31 December 2024, there would be a loss on liquidation of the Group of approximately HK\$5.3 million following the commencement of the Proposed Liquidation and hence the deconsolidation of Easy Ace from the Group. The amount receivable by the Group from the Proposed Liquidation (the “**Amount Receivable**”) is considered to be nil after considering the current market condition, the latest circumstances and the costs (including the liquidation fees and expenses) to be incurred by the liquidators for the disposal of the Interest estimated to be approximately USD16,000. Such costs, however, exclude disbursements, valuation fees, legal fees and other professional fees that may be incurred in connection with disposal of the Interest and stamp duty payable for the disposal. The loss of HK\$5.3 million is the difference between the nil proceed from the Proposed Liquidation and the net asset value of Easy Ace totalling HK\$5.3 million as at 31 December 2024, after excluding the Shareholder Advance of Genius Choice which has no effect on the consolidated financial statements of the Group. The assets of the Group will correspondingly be reduced by approximately HK\$5.3 million, being the carrying value of the Investment, whilst there is no effect on the liabilities of the Group. The profit and loss account of the Group would register a loss on liquidation of approximately HK\$5.3 million.

In the event if the Interest is successfully disposed to a potential buyer by the liquidators in the future, the Company preserves the rights to the proceeds arising from the disposal by the liquidators. At that time, the Group will recognise the net proceeds (after deducting liquidation fees and expenses) from the disposal, and the difference between the Amount Receivable (which has been recorded as nil) and the net proceeds (if any) will be recognised in the profit and loss account of the Group. Any net proceeds which the Company receives in the event that the Interest is successfully disposed to a potential buyer will be utilised for working capital purposes and/or investment acquisitions.

Easy Ace has not contributed any revenue to the Group and the carrying value of the Investment amounted to approximately HK\$5.3 million only. The Proposed Liquidation would lead to the writing down of the Amount Receivable to nil, taking into account of the current market condition, the latest circumstances relating to Easy Ace’s deemed interest in the PRC Entity as disclosed above and the costs (including the liquidation fees and expenses) to be incurred by the liquidators for the disposal of the Interest. Although this would have a significant impact on the financial position of the Group, the Board is of the view that the Proposed Liquidation will not have any material adverse impact on the financial performance and operations of the Group.

LETTER FROM THE BOARD

THE PLACING

On 5 September 2025 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to place through the Placing Agent, 500,000,000 Placing Shares at the Placing Price of HK\$0.090 per Placing Share to not less than six Placees who and whose ultimate beneficial owner(s) (if applicable) are Independent Third Parties. The Placing is fully-underwritten by the Placing Agent.

The principal terms and conditions of the Placing Agreement are set out below:

THE PLACING AGREEMENT

Date: 5 September 2025 (after trading hours)

Parties: Issuer: The Company

Placing Agent: Astrum Capital Management Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Placees

The Placing Agent has conditionally agreed with the Company to place 500,000,000 Placing Shares to not less than six Placees whom and whose ultimate beneficial owners will be Independent Third Parties, or failing which itself as principal to subscribe for such amount of Placing Shares which have not been placed to the Placees. The Placing Agent shall procure that the Placees will be Professional Investors and none of the Placees nor their associates will become a substantial shareholder of the Company as a result of the Placing.

Placing Shares

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$100,000,000 divided into 100,000,000,000 existing shares of par value of HK\$0.001 each, of which 121,132,020 existing Shares have been issued and fully paid or credited as fully paid. Assuming there will be no change in the number of issued Shares between the Latest Practicable Date and the Placing Completion Date, the 500,000,000 Placing Shares represent (i) 412.77% of the existing issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 80.50% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the 500,000,000 Placing Shares is HK\$500,000.

LETTER FROM THE BOARD

Placing Price

The Placing Price of HK\$0.090 represents:

- (i) a discount of approximately 10.00% to the closing price of HK\$0.100 per Share as quoted on the Stock Exchange on 28 March 2024, being the last trading day prior to the suspension of trading in Shares on 2 April 2024;
- (ii) a discount of approximately 9.09% to the average closing price per Share of approximately HK\$0.099 as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to the suspension of trading in Shares on 2 April 2024;
- (iii) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 8.00%, represented by the theoretical diluted price of approximately HK\$0.092 per Share to the benchmarked price of approximately HK\$0.100 per Share which shall be the closing prices of the Shares as quoted on the Stock Exchange on 28 March 2024, which was immediately prior to the suspension of trading in Shares on 2 April 2024; and
- (iv) a cumulative theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 8.00% which is the same as the theoretical dilution effect calculated in (iii) above as the Company had not conducted any fund raising activities (rights issues, open offers and/or specific mandate placings) involving the issue of its equity securities in the 12 months immediately preceding the Latest Practicable Date.

The Placing Price was determined with reference to the prevailing market prices prior to the trading suspension of the Shares since 2 April 2024 and was negotiated on an arm's length basis between the Company and the Placing Agent, taking into account (a) the trading in the Shares that has been suspended for over 17 months; (b) the listing of the Shares may be cancelled by the Stock Exchange if the Company cannot fulfill the Resumption Guidance by 1 October 2025; and (c) a discount has to be applied in order to attract the Placees and potential investors to participate in the Placing. The Directors consider that the Placing Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Specific Mandate

The Placing Shares will be allotted and issued under the Specific Mandate to be sought and approved by the Shareholders at the SGM.

Placing Commission

The Company shall pay to the Placing Agent, in respect of the Placing, (i) if Placing Completion occurs, a placing commission of four point five per cent (4.5%) of the amount which is equal to the Placing Price multiplied by the total number of the Placing Shares; or (ii) if Placing Completion does not occur, a fixed fee of HK\$300,000. The fixed fee of HK\$300,000 shall be payable by the Company to the Placing Agent to remunerate the underwriting commitment offered as well as their time and efforts devoted to implement the Placing.

The placing commission was negotiated on an arm's length basis between the Company and the Placing Agent and determined with reference to (i) the prevailing market rates of placing commission ranging from 0.5% to 5.0% (for placing/subscription of new shares, rights issue and open offer transactions conducted by issuers listed on the Main Board of the Stock Exchange during the three-months period immediately prior to the date of the Placing Agreement); (ii) the existing condition of the Company whose Shares have been suspended from trading for over 17 months; and (iii) the Disclaimer of Opinion issued by the auditors of the Company on the Annual Report 2023 and the Annual Results 2024. Having taken into account the factors mentioned above, the Directors consider the placing commission is on normal commercial terms and the basis for determining the placing commission is fair and reasonable.

Ranking of the Placing Shares

The Placing Shares, when issued and fully paid, shall rank *pari passu* in all respects with all other fully paid Shares then in issue.

Conditions of the Placing

Completion of the Placing is conditional upon the following:

- (i) the Proposed Liquidation having commenced;
- (ii) the passing of relevant resolution(s) by the Shareholders at the SGM approving the Placing Agreement, the transactions contemplated thereunder and the grant of Specific Mandate to allot and issue the Placing Shares;

LETTER FROM THE BOARD

- (iii) the Stock Exchange having conditionally or unconditionally approved or decided to allow the Company to proceed with the Resumption and all the conditions of the Resumption Guidance to such approval or decision (if any) having been fulfilled or waived by the Stock Exchange (or the Stock Exchange indicating that subject to the fulfilment of all the Resumption Guidance in writing, the trading of the Shares will be resumed);
- (iv) the listing of and permission to deal in all of the Placing Shares to be issued under the Placing having been granted by the Stock Exchange (either unconditionally or subject to conditions) and such permission not having been subsequently revoked or withdrawn;
- (v) each of the warranties given by the Company to the Placing Agent being true and accurate in all material respects when made, and being true and accurate in all materials respects for the period from the date of the Placing Agreement and ending on the Placing Completion Date; and
- (vi) the Placing Agreement not having been terminated in accordance with its terms.

None of the above conditions could be waived. If the above conditions are not fulfilled on or before 31 October 2025 or the effective date of delisting of the Shares from the Stock Exchange, whichever is earlier, or such other date as the Placing Agent and the Company may agree in writing, the Placing will lapse and all rights, obligations and liabilities of the parties to the Placing Agreement in relation to the Placing shall cease and determine and neither of the parties shall have any claim against the others in respect of the Placing, save for any antecedent breach and/or any rights or obligations which may accrue under the Placing Agreement prior to such termination.

As at the Latest Practicable Date, none of the above conditions have been fulfilled.

The Placing is conditional on the Proposed Liquidation having commenced but not vice versa.

Application for listing

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares. Other than on the Stock Exchange, no part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

LETTER FROM THE BOARD

Placing Completion

Subject to the fulfillment of the conditions of the Placing stated above, Placing Completion shall take place on the Placing Completion Date.

Termination of the Placing Agreement

Pursuant to the Placing Agreement, the Placing Agent is entitled to terminate the Placing Agreement by giving a written notice to the Company, prior to 9:00 a.m. on the Placing Completion Date, if any of the following events occur at any time prior to 9:00 a.m. on the Placing Completion Date:

- (i) in the reasonable opinion of the Placing Agent, there shall have been since the date of the Placing Agreement such a change in national or international financial, political or economic conditions or taxation or exchange controls as would be likely to prejudice materially the consummation of the Placing; or
- (ii) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any matter whatsoever which may adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (iii) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent, or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Placing Completion Date, which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (iv) any moratorium, suspension or restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances; or
- (v) there is any adverse change in the financial position of the Company which in the reasonable opinion of the Placing Agent is material in the context of the Placing; or
- (vi) the Company would be delisted from the Stock Exchange.

In the event that the Resumption Guidance will likely not be fulfilled by the Company, in the reasonable opinion of the Placing Agent, the Placing Agent may elect, in its sole discretion, to terminate the Placing Agreement.

LETTER FROM THE BOARD

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Company is an investment holding company principally engaged in investment business. The main businesses of the Company include the investment in listed and unlisted companies, as well as the investment in other financial assets.

The gross proceeds and net proceeds from the Placing (after deducting the placing commission and other related expenses of approximately HK\$3.0 million payable by the Group) are estimated to be approximately HK\$45.0 million and HK\$42.0 million respectively and the net placing price per Placing Share is approximately HK\$0.084.

The net proceeds from the Placing will amount to approximately HK\$42.0 million, and are intended to be applied as follows:

- (a) approximately HK\$27.5 million for investments acquisition since the Company is a Chapter 21 company whose principal activity is in investing in listed and unlisted investments and other related financial assets;
- (b) approximately HK\$9.5 million for early redemption of convertible notes that were issued on 29 December 2023 and 30 April 2024 respectively, whose total principal amount was HK\$8 million together with redemption premium and accrued interests; and
- (c) the balance of approximately HK\$5.0 million for general working capital of the Group, such as rental expenses, staff costs, professional services expenses and settlement of amount payables in respect thereof.

The Company is an investment company and its principal business is restricted in making investments. Accordingly the net proceeds will be mainly used to capture potential investment opportunities in accordance with the Group's investment strategy, which is to identify and invest in both listed and unlisted investments with potential growth within their industries. In identifying potential investment, the Group will consider its business segment, operation, current value and potential of going public.

In terms of investments acquisition, the Company intends to invest HK\$18 million in Hong Kong and United States listed securities, HK\$7.5 million in fixed income products, HK\$2 million in crypto currencies and virtual assets. The Company has not identified any investment target as at the Latest Practicable Date. Nonetheless, the Company intends to select growth-stage companies in new economy sectors, such as technology, healthcare and green energy, to capture capital appreciation potential. In terms of fixed income products, the Company intends to target bonds and notes that provide high return but with acceptable investment grading in both Hong Kong and global markets. In terms of crypto currencies and virtual assets, the Company targets bitcoins trading that will generate higher returns with suitable risk assessment as compared to traditional products.

LETTER FROM THE BOARD

The Company issued two (2) tranches of convertible notes on 29 December 2023 and 30 April 2024 respectively, with the principal amount of each tranche totalling HK\$4 million. The tenure of both tranches of convertible notes is two (2) years with maturity dates being 29 December 2025 and 30 April 2026 respectively. The convertible notes carry an interest of 8% per annum, payable semi-annually in arrears. A redemption premium of 4% per annum will be applied at maturity or early redemption.

The interests for the latest period due on 30 April 2025 and 29 June 2025 respectively remained unpaid by the Company, which constituted an event of default under the notes instruments. On 1 September 2025, despite a long period of negotiation with the holders of the convertible notes, the Company received formal default notices from all noteholders. Accordingly, the principal amount together with interest accrued and the applicable redemption premium has become immediately due and payable, and interest on such total amount due will be calculated at the default rate of 18% per annum from 1 September 2025 up to date of actual payment.

A detailed breakdown of the intended use of the HK\$5 million allocated for working capital is as follows:

	<i>HK\$'000</i>
Staff costs and directors' fees	1,800
Auditors, secretarial and professional fees	630
Investment manager's fees	360
Rental and office expenses	140
Other operating expenses	140
Settlement of amounts payable to professional parties whose invoices were long outstanding	<u>1,930</u>
Total	<u><u>5,000</u></u>

The Board considers the Placing to be a suitable financing option as compared to other means of financing as it enables the Group to raise capital in an efficient manner without increasing interest burden on the Group, strengthen the financial position of the Company and represents a good opportunity to broaden the Shareholders' base and capital base of the Company. The Placing, in particular, will assist the Company to return to a positive shareholders' equity position from a net liability position as at 31 December 2024. This will also resolve the material uncertainty relating to the Group's ability to continue as a going concern.

LETTER FROM THE BOARD

The Directors have taken into account various alternative means of financing and considered that the Placing to be a suitable financing option as compared to other means of financing for the following reasons:

(a) debt financing from banks or money lenders

The Directors consider that the Company will likely encounter difficulties in obtaining loan offer of similar size and the chance of obtaining debt financing is slim, given the loss-making financial performance in the recent years and the financial position of the Company, as well as the trading suspension of the Shares for more than one (1) year. In addition, debt financing would increase interest burden on the Group.

(b) other forms of equity financing

The Company has considered other forms of equity financing such as rights issue or open offer of Shares, which the Directors considered are less feasible and favourable compared to the Placing. This is in view that (a) the timetable for the Placing is expected to be relatively shorter and usually would incur a lower transaction cost than rights issue or open offer of Shares; and (b) there is relatively higher uncertainty in the willingness or subscription by the Shareholders given the current market sentiment, the loss-making financial performance for the recent years and the financial position of the Group.

The Board considers that the terms of the Placing Agreement and the transactions contemplated thereunder (including the Placing, the Placing Price and the placing commission) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES BY THE COMPANY IN THE PAST TWELVE MONTHS

The Company had not conducted any fund raising activities involving the issue of its equity or convertible securities in the 12 months immediately preceding the Latest Practicable Date.

LETTER FROM THE BOARD

EFFECTS ON SHAREHOLDING STRUCTURE

The shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after the Placing Completion, assuming that there is no change in the issued share capital of the Company between the Latest Practicable Date and the Placing Completion Date:

	As at the Latest Practicable Date		Immediately after the Placing Completion (assuming the Placing Shares are fully placed)	
	Number of Shares	Approximate %	Number of Shares	Approximate %
All Fame Developments Limited (<i>Note</i>)	26,689,084	22.03	26,689,084	4.30
Lau Tom Ko Yuen	5,340,000	4.41	5,340,000	0.86
The Placees	–	–	500,000,000	80.50
Other public Shareholders	<u>89,102,936</u>	<u>73.56</u>	<u>89,102,936</u>	<u>14.34</u>
Total	<u>121,132,020</u>	<u>100.00</u>	<u>621,132,020</u>	<u>100.00</u>

Note:

All Fame Developments Limited, a company controlled as to 100% by Sun Matrix Limited. Sun Matrix Limited was controlled as to 50% by Mr. Lau Tom Ko Yuen and 50% by Ms. Lan Yi, the spouse of Mr. Lau Tom Ko Yuen. Mr. Lau Tom Ko Yuen is a non-executive Director and Chairman of the Company.

The Placing Agent has undertaken that none of the Placees (including the Placing Agent) nor their associates will become a substantial shareholder of the Company immediately upon Placing Completion.

In the event that the Placing Agent is not able to procure enough Placees for the Placing, the Placing Agent will itself subscribe, and procure sub-placing agents, to subscribe for the unplaced Placing Shares and ensure that none of the sub-placing agents will become a substantial shareholder of the Company immediately upon Placing Completion.

IMPLICATIONS UNDER THE LISTING RULES

The Proposed Liquidation would constitute a deemed disposal by the Group of the asset in Easy Ace since following the commencement of the Proposed Liquidation with the appointment of the liquidators, the Group will no longer have control of the Investment and accordingly the financial position and results of Easy Ace will be de-consolidated from those of the Group. Easy Ace will also cease to be a subsidiary of the Company.

LETTER FROM THE BOARD

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Proposed Liquidation, which constituted a deemed disposal of the asset in Easy Ace, exceed 75%, the Proposed Liquidation constitutes a very substantial disposal of the Company under Chapter 14 of the Listing Rules and is subject to reporting, announcement, circular and shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

As the Placing Shares will be allotted and issued under the Specific Mandate, the Placing and the Specific Mandate are subject to the Shareholders' approval at the SGM.

None of the Directors has a material interest in the Proposed Liquidation and the Placing. Accordingly no Director is required to abstain from voting on the relevant Board resolution(s) approving the Proposed Liquidation and the Placing.

SGM

The SGM of the Company will be held at R1, United Conference Centre, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong on Monday, 29 September 2025 at 10:00 a.m., the notice of which is set out on pages SGM-1 to SGM-3 of this circular. The form of proxy for use at the SGM is enclosed.

Whether or not you are able to attend the SGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon. The form of proxy shall be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event before 10:00 a.m. on Saturday, 27 September 2025. Completion and deposit of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting (as the case may be) should you so wish and in such event, the form of proxy shall be deemed to be revoked.

Any Shareholder with a material interest in the Proposed Liquidation and/or the Placing and his/her/its close associates shall abstain from voting on the resolutions to be proposed at the SGM to approve the Proposed Liquidation and/or the Placing. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as no Shareholder has a material interest in the Proposed Liquidation and/or the Placing, no Shareholder will be required to abstain from voting to approve the Proposed Liquidation and/or the Placing at the SGM.

Pursuant to Rule 13.39(4) of the Listing Rules, all resolution(s) at the SGM shall be taken by way of poll and an announcement will be made by the Company on the results of the SGM.

LETTER FROM THE BOARD

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Tuesday, 23 September 2025 to Tuesday, 30 September 2025 (both days inclusive) during which period no transfer of Shares will be registered which was announced on 8 September 2025. The record date is fixed on Monday, 29 September 2025. Members whose names appear on the register of members of the Company at the close of business on the record date will be entitled to attend and vote at the above meeting. In order to be eligible to attend and vote at the SGM, unregistered holders of Shares shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company, Tricor Secretaries Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Monday, 22 September 2025.

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the Proposed Liquidation and the Placing are, in the opinion of the Directors, fair and reasonable and in the interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the relevant resolution(s) approving the Proposed Liquidation and the Placing at the SGM.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the notice of the SGM.

The Proposed Liquidation is subject to the Shareholders' approval and therefore may or may not proceed.

The Placing is conditional upon satisfaction of the conditions set out in the paragraph headed "Conditions of the Placing" in this circular. Accordingly, the Placing may or may not proceed. The Placing is conditional on the Proposed Liquidation having commenced but not vice versa.

The issue of this circular does not represent that the Stock Exchange agrees that the Company has fulfilled the Resumption Guidance and fully complied with the Listing Rules to the satisfaction of the Stock Exchange.

Yours faithfully,
For and on behalf of
Prosperity Investment Holdings Limited
Lau Tom Ko Yuen
Chairman

AUDITED FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for the three years ended 31 December 2024 and the unaudited consolidated financial statements for the six months ended 30 June 2025 is disclosed in the following documents available on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (<https://www.prosperityinvestment.hk/>).

Interim Results announcement for the six months ended 30 June 2025 (pages 2 to 10):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0829/2025082902996.pdf>

Annual Report for the year ended 31 December 2024 (pages 47 to 120):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0905/2025090500611.pdf>

Annual Report for the year ended 31 December 2023 (pages 47 to 115):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0402/2024040200023.pdf>

Annual Report for the year ended 31 December 2022 (pages 48 to 119):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0428/2023042800769.pdf>

WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that, after taking into account the effect of the Proposed Liquidation and the Placing, cash flow from operations and the Remaining Group's present available financial resources, the Remaining Group will have sufficient working capital for its present requirements for the next twelve (12) months from the date of this circular, in the absence of unforeseeable circumstances.

INDEBTEDNESS

As at the close of business on 31 July 2025, being the latest practicable date for the purpose of indebtedness statement of the Group prior to the printing of this circular, the Group had the following outstanding indebtedness:

	<i>HK\$'000</i>
Other borrowings – unsecured and unguaranteed	4,703
Convertible notes – unsecured and unguaranteed	<u>8,444</u>
	<u><u>13,147</u></u>

Save as aforesaid, as at 31 July 2025, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Circular, and apart from the intra-group liabilities, the Group did not have any debt securities issued and outstanding, any authorised or otherwise created but unissued, term loans, other borrowings, indebtedness in nature of borrowings including bank overdrafts, liabilities under acceptances (other than normal trade bills) or acceptance credits, hire purchase commitments, debentures, mortgages, charges, recognised lease liabilities, which are either guaranteed, unguaranteed, secured, or unsecured, or other contingent liabilities or guarantees outstanding at the close of business.

MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that save as disclosed below, there is no material adverse change in the financial or trading position or outlook of the Group since 31 December 2024, the date to which the latest published audited consolidated financial statements of the Group were made up, and up to and including the Latest Practicable Date:

- (i) as disclosed in the interim results announcement of the Company for the six months ended 30 June 2025 published on 29 August 2025, the Group recorded a loss after tax of approximately HK\$4.3 million for the six months ended 30 June 2025, which was mainly due to (a) administrative expenses of approximately HK\$4.0 million; and (b) financial cost of approximately HK\$0.3 million; and
- (ii) as disclosed in the annual results announcement of the Company for the financial year ended 31 December 2024 published on 29 August 2025, the Group recorded a loss after tax of approximately HK\$17.3 million for the financial year ended 31 December 2024, which was mainly due to (a) a loss of approximately HK\$7.4 million arose from the change in fair value of revenue and capital in nature of listed equity investments at FVTPL as a result of the fluctuations of the stock market; and (b) administrative expenses of approximately HK\$9.0 million.

FINANCIAL AND TRADING PROSPECTUS OF THE GROUP

The Company is an investment holding company. As at the Latest Practicable Date, the Board has no plans to change the principal business of the Group. Immediately after the commencement of Proposed Liquidation and completion of the forthcoming Placing, the Remaining Group will continue to be principally engaged in making investments in both listed and unlisted investments and other related financial assets.

Amid ongoing macroeconomic volatility, prolonged and dynamic geopolitical tensions and potential financial market fluctuations, the Group foresees challenges ahead. The Group will prudently manage the business operations and financial resources going forward. The Group will exercise vigilance and resilience which are vital to navigate conditions as the market fluctuations and geopolitical uncertainties continue. With the re-capitalisation via the forthcoming Placing which is subject to the Shareholders' approval, the management will continue to explore options to raise additional equity funding in order to strengthen the Group's balance sheet to support further growth. This will enable the Group to capture investment opportunities as and when they arise for the overall benefit of the Company and Shareholders as a whole. As at the Latest Practicable Date, the Company does not have any firm plans in undertaking additional equity fundraising apart from the Placing. Nonetheless in order to gradually increase the size of the investment portfolio, the Company will continue to seek suitable opportunities to undertake fundraising exercises and/or borrowings as and when the market conditions are suitable and conducive to do so.

The investment objective of the Group is to enhance the corporate value to the Shareholders. The strategy of the Group is to identify and invest in both listed and unlisted investments with potential of growth within their industries. In identifying potential investment, the Group will consider its business segment, operation, current value, the potential of going public and other advantageous exit options.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE REMAINING GROUP

The Remaining Group will continue to carry out its existing principal business in engaging in investments in both listed and unlisted investments and other related financial assets and there will be no change to the existing principal business of the Remaining Group as a result of the Proposed Liquidation. As at the Latest Practicable Date, the Remaining Group does not have any firm plans for any material investments or acquisition of capital assets. The Remaining Group will utilise the major portion of the net proceeds from the Placing to make investments acquisition as stated in section headed "Reasons for the Placing and Use of Proceeds" in the Letter from the Board.

Set out below is the management discussion and analysis of the Remaining Group for the three years ended 31 December 2024 and six months ended 30 June 2025 prepared on the basis that Easy Ace is de-consolidated from the Group.

The pro-forma financial information in respect of the Remaining Group, for the purpose of this circular, is derived from the audited consolidated financial statements of the Company for each of the financial years ended 31 December 2022 ("FY2022") and 31 December 2023 ("FY2023"), the audited consolidated results announcement for the financial year ended 31 December 2024 ("FY2024") and the unaudited consolidated results announcement for the six months ended 30 June 2025 ("6M2025").

For the six months ended 30 June 2025

Business review

For 6M2025, the Remaining Group continued to manage the existing investments, to seek for new capital to strengthen the balance sheet to support of its principal business as well as work towards the resumption of trading of shares of the Company.

Financial results

For 6M2025, the Remaining Group recorded a loss after tax of approximately HK\$4.3 million compared to the loss of HK\$9.5 million for the six months ended 2024. The loss for 6M2025 was mainly due to the following reasons:

- (i) administrative expenses of approximately HK\$4.0 million; and
- (ii) financial cost of approximately HK\$0.3 million.

Gross proceeds from operations/revenue

For 6M2025, the Remaining Group recorded gross proceeds from operations/revenue of HK\$59,000, which was from disposal of financial assets.

Other gains, net

For 6M2025, the Remaining Group recorded other gains of HK\$5,000, which was mainly comprised of fair value loss/gains of financial asset at FVTPL.

Other income

For 6M2025, the Remaining Group recorded other income of HK\$6,000, which was from the forfeited contribution of ex-employee from Mandatory Provident Fund.

Administrative expenses

For 6M2025, among the administrative expenses of the Remaining Group, staff remuneration of HK\$2.9 million was the largest item of expenses which represented approximately 72.6% of the total administrative expenses. Employees are regarded as the most valuable asset and the Group aims to reward the staff with competitive remuneration package.

Investment management expenses

For 6M2025, the Remaining Group had no investment management expenses as the Company did not have an investment manager during the period.

Finance costs

For 6M2025, the Remaining Group had interest expenses of the convertible notes which was approximately HK\$322,000.

Investments/Significant Investments

For 6M2025, the Remaining Group did not make any significant investment and had no specific industry focus on potential investment.

As at 30 June 2025, the Remaining Group had no significant investment.

Liquidity and financial resources

As at 30 June 2025, the Remaining Group had: (i) cash and cash equivalent of approximately HK\$96,000; (ii) a loan from a director of HK\$2,800,000; and (iii) a loan from a director of a subsidiary company of HK\$1,288,000. All loans mentioned in (ii) and (iii) above were non-interest bearing, due on demand and with the Company as the direct debtor.

Gearing ratio

As at 30 June 2025, the gearing ratio (total liabilities/total assets) of the Remaining Group was 5,288.0%.

Capital structure

As at 30 June 2025, the Remaining Group had convertible notes with an aggregate principal amount of HK\$8,000,000 being: (i) the convertible notes with an aggregate principal amount of HK\$4,000,000 issued on 29 December 2023, with maturity date on 29 December 2025, bearing interest at 8% per annum calculated on a 360-day year; and (ii) the convertible notes with an aggregate principal amount of HK\$4,000,000 issued on 30 April 2024, with maturity date on 30 April 2026, bearing interest at 8% per annum calculated on a 360-day year.

Charges on assets

As at 30 June 2025, the Remaining Group had no charge on assets.

Litigation

As at 30 June 2025, the Remaining Group had no outstanding litigation.

Contingent liabilities

As at 30 June 2025, the Remaining Group had no contingent liabilities.

Exposure to fluctuations in exchange rates and related hedges

For 6M2025, the investments of the Remaining Group were mainly denominated in HK\$, USD and RMB. Since HK\$ is pegged to USD, significant exposure is not expected in USD transactions and balances. During 6M2025, the bank and cash balances in RMB were not significant and the exposure to RMB is insignificant.

The Remaining Group does not have foreign exchange hedging policy. However, management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

Material acquisitions and disposals of subsidiaries, associates and joint ventures

During 6M2025, the Remaining Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures.

Major customers and suppliers

Due to the business nature, the Remaining Group has no major customer and supplier. Therefore, there is no ageing analysis of the accounts receivable and accounts payable.

Employee and remuneration policies

As at 30 June 2025, the Remaining Group had 6 employees and 5 Directors. The remuneration packages of the employees and Directors for Remaining Group include monthly salary, contribution to MPF Scheme, overtime payment, discretionary bonus and directors' fee. Remuneration policies of the Remaining Group is to reward the employees and the Directors with remuneration packages in accordance with the market situation and their performance from time to time.

For the year ended 31 December 2024***Business review***

For FY2024, the Remaining Group continued to manage the existing investments, to seek for new capital to strengthen the balance sheet in support of its principal business as well as resumption of trading of Shares of the Company.

Financial results

For FY2024, the Remaining Group recorded a loss after tax of approximately HK\$17.3 million compared to the loss of HK\$22.4 million for FY2023. The loss for FY2024 was mainly due to the following reasons:

- (i) a loss of approximately HK\$7.4 million arose from the change in fair value of revenue and capital in nature of listed equity investments at FVTPL as a result of the fluctuations of the stock market; and
- (ii) administrative expenses of approximately HK\$9.0 million.

Other comprehensive (expense)/income

For FY2024, the Remaining Group recorded a fair value loss of HK\$Nil, which was recognised as other comprehensive expense.

Gross proceeds from operations/revenue

For FY2024, the Remaining Group recorded gross proceeds from operations/revenue of approximately HK\$4.3 million, which was from disposal of financial assets.

Other losses, net

For FY2024, the Remaining Group recorded other losses of approximately HK\$7.4 million, which was mainly comprised of fair value loss/gains of financial asset at FVTPL.

Other income

For FY2024, the Remaining Group recorded other income of HK\$240,000 due to over-provision of previous auditor.

Administrative expenses

For FY2024, among the administrative expenses of the Remaining Group, staff remuneration of HK\$6.0 million was the largest item of expenses which represented approximately 67% of the total administrative expenses. Employees are regarded as the most valuable asset and the Group aims to reward the staff with competitive remuneration package.

Investment management expenses

For FY2024, the Remaining Group had the investment management expenses of HK\$480,000, represented expenses paid to Opus Capital Management Limited for the provision of investment management services to the Group.

Finance costs

As at 31 December 2024, the Remaining Group had the margin loan from a securities broker amounted to approximately HK\$Nil and the related interest expenses were approximately HK\$162,000. The interest expenses of the convertible notes amounted to approximately HK\$544,000.

Investments/Significant Investments

For FY2024, the investment objective of the Remaining Group was to enhance the corporate value to the Shareholders. The investment strategy for significant investment of the Remaining Group was to identify and invest in both listed and unlisted investments with potential of growth within their industries. In identifying potential investment, the Remaining Group considered its business segment, operation, current value and the potential of going public. For FY2024, the Remaining Group had no specific industry focus on the potential investments.

As at 31 December 2024, the Remaining Group had no significant investment.

Liquidity and financial resources

As at 31 December 2024, the Remaining Group had: (i) cash and cash equivalent of approximately HK\$334,000; (ii) a loan from a director of HK\$1,000,000; and (iii) a loan from a director of a subsidiary company of HK\$1,160,000. All loans mentioned in (ii) and (iii) above were non-interest bearing, due on demand and with the Company as the direct debtor.

Gearing ratio

As at 31 December 2024, the gearing ratio (total liabilities/total assets) of the Remaining Group was 1,980.8%.

Capital structure

As at 31 December 2024, the Remaining Group had convertible notes with an aggregate principal amount of HK\$8,000,000 being: (i) the convertible notes with an aggregate principal amount of HK\$4,000,000 issued on 29 December 2023, with maturity date on 29 December 2025, bearing interest at 8% per annum calculated on a 360-day year; and (ii) the convertible notes with an aggregate principal amount of HK\$4,000,000 issued on 30 April 2024, with maturity date on 30 April 2026, bearing interest at 8% per annum calculated on a 360-day year.

Charges on assets

As at 31 December 2024, the Remaining Group had no charge on assets.

Litigation

As at 31 December 2024, the Remaining Group had no outstanding litigation.

Contingent liabilities

As at 31 December 2024, the Remaining Group had no contingent liabilities.

Exposure to fluctuations in exchange rates and related hedges

For FY2024, the investments of the Remaining Group were mainly denominated in HK\$, USD and RMB. Since HK\$ is pegged to USD, significant exposure is not expected in USD transactions and balances. During FY2024, the bank and cash balances in RMB were not significant and the exposure to RMB is insignificant.

The Remaining Group does not have foreign exchange hedging policy. However, management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

Material acquisitions and disposals of subsidiaries, associates and joint ventures

During FY2024, the Remaining Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures.

Major customers and suppliers

Due to the business nature, the Remaining Group has no major customer and supplier. Therefore, there is no ageing analysis of the accounts receivable and accounts payable.

Employee and remuneration policies

As at 31 December 2024, the Remaining Group had 6 employees and 5 Directors. The remuneration packages of the employees and Directors for Remaining Group include monthly salary, contribution to MPF Scheme, overtime payment, discretionary bonus and directors' fee. Remuneration policies of the Remaining Group is to reward the employees and the Directors with remuneration packages in accordance with the market situation and their performance from time to time.

For the year ended 31 December 2023***Business review***

For FY2023, the Remaining Group continued its investment activities in both listed and unlisted investments as well as other related financial assets.

Financial results

For FY2023, the Remaining Group recorded a loss after tax of approximately HK\$22.4 million compared to the loss of HK\$4.8 million for FY2022. The loss for FY2023 was mainly due to the following reasons:

- (i) a loss of approximately HK\$11.5 million arose from the change in fair value of revenue and capital in nature of listed equity investments at FVTPL as a result of the fluctuations of the stock market; and
- (ii) administrative expenses of approximately HK\$9.4 million due to increase in directors' emolument.

Other comprehensive (expense)/income

For FY2023, the Remaining Group recorded a fair value loss of HK\$Nil, which was recognised as other comprehensive expense.

Gross proceeds from operations/revenue

For FY2023, the Remaining Group recorded gross proceeds from operations/revenue of HK\$16.5 million, which was from disposal of financial assets.

Other gains, net

For FY2023, the Remaining Group recorded other gains of HK\$11.5 million, which was mainly comprised of fair value loss/gains of financial asset at FVTPL.

Other income

For FY2023, the Remaining Group recorded other income of HK\$10,000, including HK\$9,000 from car insurance claim over 5 years ago and HK\$1,000 from forfeited contribution of ex-employee from Mandatory Provident Fund.

Administrative expenses

For FY2023, among the administrative expenses of the Remaining Group, staff remuneration of HK\$5.5 million, was the largest item of expenses which represented approximately 58% of the total administrative expenses. Employees are regarded as the most valuable asset and the Group aims to reward the staff with competitive remuneration package.

Investment management expenses

For FY2023, the Remaining Group had the investment management expenses of HK\$560,000, represented expenses paid to Opus Capital Management Limited for the provision of investment management services to the Group.

Finance costs

As at 31 December 2023, the Remaining Group had the margin loan from a securities broker amounted to approximately HK\$2,415,000 and the related interest expenses were approximately HK\$994,000.

Investments/Significant Investments

For FY2023, the investment objective of the Remaining Group was to enhance the corporate value to the Shareholders. In terms of the significant investment of the Remaining Group as stated below, the Remaining Group has been holding the investment in ITC Properties Group Ltd (“ITC”) as at 31 December 2010. The investment strategy of the Company for this listed investment is for medium to long term in view of the growth strategy of ITC and potential capital appreciation as the principal activities of ITC, when the investment was first acquired in 2010, comprised of property development and investment, golf resort and leisure operations, security trading and loan financing services in Hong Kong, Macau and the PRC, as extracted from the annual report of ITC for the financial year ended 31 March 2010.

As at 31 December 2023, the Remaining Group had the following significant investment:

ITC Properties Group Ltd (00199.HK)

Information for this investment:

- (i) as at 31 December 2023, the fair value was HK\$9.51 million.
- (ii) during FY2023, realised loss was HK\$17,508,000 and the unrealised loss at 31 December 2023 amounted to HK\$36,253,000.
- (iii) as at 31 December 2023, number and percentage of shares held were 14,635,763 shares and 1.61% respectively.
- (iv) as at 31 December 2023, its size relative to the Group’s total assets was 45.79%.

ITC will focus on the sale of the remaining units in Macau and other redevelopment projects to secure revenue and maximise returns for their shareholders. In addition, they will consider disposing of certain properties in order to realise the tied-up capital and value. Apart from businesses in the PRC, Macau, Canada and the United Kingdom, they will cautiously explore potential property development projects and closely assess and select attractive opportunities to replenish their Group’s portfolio.

Liquidity and financial resources

As at 31 December 2023, the Remaining Group had: (i) cash and cash equivalent of approximately HK\$4,017,000; (ii) a loan of approximately HK\$2,415,000 from a securities broker for margin financing of listed equity investments of the Group; and (iii) a loan from a director of HK\$600,000; and (iv) a loan from a director of a subsidiary company of HK\$1,140,000. All loans mentioned in (iii) and (iv) above were non-interest bearing, due on demand and with the Company as the direct debtor.

Gearing ratio

As at 31 December 2023, the gearing ratio (total liabilities/total assets) of the Remaining Group was 89.0%.

Capital structure

As at 31 December 2023, the Remaining Group had the margin loan from a securities broker secured by a portfolio of financial assets at FVTPL under the margin account, with a total market value of approximately HK\$9,513,000. The Remaining Group's margin loan had no determined maturity date and was subject to interest specified from time to time by the securities broker. The maximum amount of the margin loan granted by the securities broker depended on the market value of the assets pledged with the securities broker. During FY2023, the daily interest rate ranged from 9.252% to 20.000% calculated on 365 days.

As at 31 December 2023, the Remaining Group had the convertible notes with an aggregate principal amount of HK\$4,000,000. The convertible notes will mature on 29 December 2025, bearing interest at 8% per annum calculated on a 360-day year.

Charges on assets

As at 31 December 2023, the Remaining Group had the margin loan from a securities broker secured by a portfolio of financial assets at FVTPL held under the margin account, with a total market value of approximately HK\$9,513,000.

Litigation

As at 31 December 2023, the Remaining Group had no outstanding litigation.

Contingent liabilities

As at 31 December 2023, the Remaining Group had no contingent liabilities.

Exposure to fluctuations in exchange rates and related hedges

For FY2023, the investments of the Remaining Group were mainly denominated in HK\$, USD and RMB. Since HK\$ is pegged to USD, significant exposure is not expected in USD transactions and balances. During FY2023, the bank and cash balances in RMB were not significant and the exposure to RMB is insignificant.

The Remaining Group does not have foreign exchange hedging policy. However, management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

Material acquisitions and disposals of subsidiaries, associates and joint ventures

During FY2023, the Remaining Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures.

Major customers and suppliers

Due to the business nature, the Remaining Group has no major customer and supplier. Therefore, there is no ageing analysis of the accounts receivable and accounts payable.

Employee and remuneration policies

As at 31 December 2023, the Remaining Group had 6 employees and 5 Directors. The remuneration packages of the employees and Directors for Remaining Group include monthly salary, contribution to MPF Scheme, overtime payment, discretionary bonus and directors' fee. Remuneration policies of the Remaining Group is to reward the employees and the Directors with remuneration packages in accordance with the market situation and their performance from time to time.

For the year ended 31 December 2022***Business review***

For FY2022, the Remaining Group continued its investment activities in both listed and unlisted investments as well as other related financial assets.

Financial results

For FY2022, the Remaining Group recorded a loss after tax of approximately HK\$4.8 million compared to the loss of HK\$16.0 million for FY2021. The loss for FY2022 was mainly due to the administrative expenses of approximately HK\$7.1 million despite gross proceeds from operations/revenues of HK\$4.3 million.

Other comprehensive (expense)/income

For FY2022, the Remaining Group recorded a fair value loss of HK\$Nil, which was recognised as other comprehensive expense.

Gross proceeds from operations/revenue

For FY2022, the Remaining Group recorded gross proceeds from operations/revenue of HK\$4.3 million, which was from disposal of financial assets of HK\$3.1 million and dividend income of HK\$1.2 million.

Other (losses) and gains, net

For FY2022, the Remaining Group recorded other (losses) and gains, net of HK\$2.9 million, which was mainly comprised of fair value loss/gains of financial asset at FVTPL.

Other income

For FY2022, the Remaining Group recorded other income of HK\$295,000, including HK\$192,000 from wage subsidies granted from Hong Kong Government's Employment Support Scheme under Anti-Epidemic Fund and HK\$103,000 from proceeds on disposal of automobiles previously written off.

Administrative expenses

For FY2022, among the administrative expenses of the Remaining Group, staff remuneration of HK\$4.3 million, was the largest item of expenses which represented approximately 60.6% of the total administrative expenses. Employees are regarded as the most valuable asset and the Group aims to reward the staff with competitive remuneration package.

Investment management expenses

For FY2022, the Remaining Group had the investment management expenses of HK\$960,000, represented expenses paid to Opus Capital Management Limited for the provision of investment management services to the Group.

Finance costs

As at 31 December 2022, the Remaining Group had the margin loan from a securities broker amounted to approximately HK\$10,505,000 and the related interest expenses were approximately HK\$1,106,000.

Investments/Significant Investments

For FY2022, the investment objective of the Remaining Group was to enhance the corporate value to the Shareholders. In terms of the significant investments of the Remaining Group as stated below:

- (i) the Remaining Group has been holding the investment in ITC as at 31 December 2010. The investment strategy of the Company for this listed investment is for medium to long term in view of the growth strategy of ITC and potential capital appreciation as the principal activities of ITC, when the investment was first acquired in 2010, comprised of property development and investment, golf resort and leisure operations, security trading and loan financing services in Hong Kong, Macau and the PRC, as extracted from the annual report of ITC for the financial year ended 31 March 2010; and
- (ii) The Remaining Group has been holding the investment in Greater Bay Area Dynamic Growth Holding Limited (“**Dynamic Growth**”) as at 31 December 2010. The investment strategy for this listed investment is for medium to long term in view of the growth strategy of Dynamic Growth and potential capital appreciation as it was engaged in operation of hotel business in Hong Kong and the PRC when the investment was first acquired in 2010. The potential of the investment originated from the central government of the PRC unveiling the development plan for the Guangdong-Hong Kong-Macao Greater Bay Area during 2019, as disclosed in the annual report of the Company for FY2019.

As at 31 December 2022, the Remaining Group had the following significant investments:

ITC Properties Group Ltd (00199.HK)

Information for this investment:

- (i) as at 31 December 2022, the fair value was HK\$22.94 million.
- (ii) during FY2022, realised loss was HK\$0 and the unrealised loss at 31 December 2022 amounted to HK\$49,185,000 which was after the impairment loss of HK\$1,284,000 before the adoption of HKFRS 9.
- (iii) as at 31 December 2022, number and percentage of shares held were 22,940,763 shares and 2.51% respectively.
- (iv) as at 31 December 2022, its size relative to the Group’s total assets was 38.48%.

ITC will focus on the presale of the remaining blocks in Macau and the remaining units in Hong Kong and the other local redevelopment projects in Hong Kong to secure the revenue for the coming few years. In addition to stepping their businesses further to the PRC, Macau, Canada and the United Kingdom, ITC will keep on improving earnings and enhancing the Shareholders' value by working hard on the projects on hand and at the same time, be selective and cautious on replenishing the ITC's portfolio when suitable opportunities arise.

Greater Bay Area Dynamic Growth Holding Limited (01189.HK)

Information for this investment:

- (i) as at 31 December 2022, the fair value was HK\$4.06 million.
- (ii) during FY2022, realised loss was HK\$0 and the unrealised loss at 31 December 2022 amounted to HK\$11,349,000 which was after the impairment loss of HK\$19,725,000 before the adoption of HKFRS 9.
- (iii) as at 31 December 2022, number and percentage of shares held were 39,000,000 shares and 4.94% respectively.
- (iv) as at 31 December 2022, its size relative to the Group's total assets was 6.80%.

The hotel sector is moving forward towards a 'new normal', with unprecedented health and safety measures in place. Thus, Dynamic Growth have begun consolidating internal operational efficiency in response to change in the markets. Given the dynamic nature of these circumstances, the revenue of Dynamic Growth will continue to be impacted during a period when Dynamic Growth is taking strict precautionary measures to ensure the health and safety of its employees, and supporting the steps taken by the governments to control the further spread of COVID. However, the widespread occurrence of COVID should not cause long-term damage to hotel sector but will inevitably be a short-term impact to their performance and prospects. Dynamic Growth will attempt to stay vigilant and be proactive in responding to these extraordinary with shareholders about the significance for operating results.

Liquidity and financial resources

As at 31 December 2022, the Remaining Group had: (i) cash and cash equivalent of approximately HK\$455,000; (ii) a loan of approximately HK\$10,505,000 from a securities broker for margin financing of listed equity investments of the Group; and (iii) a loan from a director of HK\$1,010,000; and (iv) a loan from an independent third party of HK\$400,000. All loans mentioned in (iii) and (iv) above were non-interest bearing, due on demand and with no guarantee provided by the Company.)

Gearing ratio

As at 31 December 2022, the gearing ratio (total liabilities/total assets) of the Remaining Group was 38.9%.

Capital structure

As at 31 December 2022, the Remaining Group had the margin loan from a securities broker secured by a portfolio of financial assets at FVTPL under the margin account, with a total market value of approximately HK\$26,997,000. The Remaining Group's margin loan had no determined maturity date and was subject to interest specified from time to time by the securities broker. The maximum amount of the margin loan granted by the securities broker depended on the market value of the assets pledged with the securities broker. During FY2022, the daily interest rate ranged from 9.252% to 20.000% calculated on 365 days.

Charges on assets

As at 31 December 2022, the Remaining Group had the margin loan from a securities broker secured by a portfolio of financial assets at FVTPL held under the margin account, with a total market value of approximately HK\$26,997,000.

Litigation

As at 31 December 2022, the Remaining Group had no outstanding litigation.

Contingent liabilities

As at 31 December 2022, the Remaining Group had no contingent liabilities.

Exposure to fluctuations in exchange rates and related hedges

For FY2022, the investments of the Remaining Group were mainly denominated in HK\$, USD and RMB. Since HK\$ is pegged to USD, significant exposure is not expected in USD transactions and balances. During FY2022, the bank and cash balances in RMB were not significant and the exposure to RMB is insignificant.

The Remaining Group does not have foreign exchange hedging policy. However, management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

Material acquisitions and disposals of subsidiaries, associates and joint ventures

During FY2022, the Remaining Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures.

Major customers and suppliers

Due to the business nature, the Remaining Group has no major customer and supplier. Therefore, there is no ageing analysis of the accounts receivable and accounts payable.

Employee and remuneration policies

As at 31 December 2022, the Remaining Group had 8 employees and 4 Directors. The remuneration packages of the employees and Directors for Remaining Group include monthly salary, contribution to MPF Scheme, overtime payment, discretionary bonus and directors' fee. Remuneration policies of the Remaining Group is to reward the employees and the Directors with remuneration packages in accordance with the market situation and their performance from time to time.

FINANCIAL INFORMATION OF THE DISPOSAL COMPANY

Set out below are the unaudited statements of financial position of Easy Ace Investments Limited (the “**Disposal Company**”) as at 31 December 2022, 31 December 2023 and 31 December 2024 and 30 June 2025, unaudited statements of profit or loss and other comprehensive income, unaudited statements of changes in equity and unaudited statements of cash flows of the Disposal Company for the years ended 31 December 2022, 31 December 2023 and 31 December 2024 and each of the six months ended 30 June 2024 and 2025 (the “**Relevant Periods**”) and explanatory notes, which have been reviewed by the Company’s auditor, Rongcheng (Hong Kong) CPA Limited, in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” 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 Hong Kong Institute of Certified Public Accountants.

In addition, the auditor has included basis of disclaimer of conclusion in the review report on the financial information of the Disposal Company which comprises the unaudited statements of financial position as at 31 December 2023 and 31 December 2024 and 30 June 2025 and the unaudited statements of profit or loss and other comprehensive income, unaudited statements of changes in equity and unaudited statements of cash flows of the Disposal Company for the years ended 31 December 2023 and 31 December 2024 and each of the six months ended 30 June 2024 and 2025 (the “**Disclaimer Periods**”).

Because of the significance of the matters described in the “Basis of Disclaimer of Conclusion” section of the review report, the auditor were unable to carry out sufficient review procedures to provide a basis for a conclusion on the financial information of the Disposal Company for the Disclaimer Periods. Accordingly, the auditor does not express a conclusion on the financial information of the Disposal Company for the Disclaimer Periods. Details of the disclaimer is set out in the auditors’ review report below.

APPENDIX II**FINANCIAL INFORMATION OF EASY ACE****UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Year ended 31 December 2022 HK\$'000	Year ended 31 December 2023 HK\$'000	Year ended 31 December 2024 HK\$'000	Six months ended 30 June 2024 2025 HK\$'000 HK\$'000	
Recharge from group entities	(2,800)	(4,440)	(3,111)	–	–
Wavier of amount due to immediate holding company	–	–	–	–	96,549
Administrative expenses	<u>(262)</u>	<u>(610)</u>	<u>(11)</u>	<u>(4)</u>	<u>(2)</u>
(Loss) profit before tax	(3,062)	(5,050)	(3,122)	(4)	96,547
Income tax expense	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
(Loss) profit for the year/period	<u><u>(3,062)</u></u>	<u><u>(5,050)</u></u>	<u><u>(3,122)</u></u>	<u><u>(4)</u></u>	<u><u>96,547</u></u>
Other comprehensive expense:					
Item that will not be reclassified subsequently to profit or loss					
Fair value gain (loss) on financial assets at fair value through other comprehensive income	<u>169</u>	<u>(14,894)</u>	<u>–</u>	<u>–</u>	<u>–</u>
Total comprehensive (expense) income for the year/period	<u><u>(2,893)</u></u>	<u><u>(19,944)</u></u>	<u><u>(3,122)</u></u>	<u><u>(4)</u></u>	<u><u>96,547</u></u>

APPENDIX II**FINANCIAL INFORMATION OF EASY ACE****UNAUDITED STATEMENTS OF FINANCIAL POSITION**

	At 31 December 2022 HK\$'000	At 31 December 2023 HK\$'000	At 31 December 2024 HK\$'000	At 30 June 2025 HK\$'000
Non-current asset				
Financial assets at fair value through other comprehensive income	<u>20,187</u>	<u>5,293</u>	<u>5,293</u>	<u>5,293</u>
	<u>20,187</u>	<u>5,293</u>	<u>5,293</u>	<u>5,293</u>
Current liabilities				
Other payables	42	510	9	–
Amount due to immediate holding company	<u>88,333</u>	<u>92,915</u>	<u>96,538</u>	<u>–</u>
	<u>88,375</u>	<u>93,425</u>	<u>96,547</u>	<u>–</u>
Net current liabilities	<u>(88,375)</u>	<u>(93,425)</u>	<u>(96,547)</u>	<u>–</u>
Total assets less current liabilities	<u>(68,188)</u>	<u>(88,132)</u>	<u>(91,254)</u>	<u>5,293</u>
NET (LIABILITIES) ASSETS	<u>(68,188)</u>	<u>(88,132)</u>	<u>(91,254)</u>	<u>5,293</u>
Capital and reserves				
Capital	8	8	8	8
Reserves	<u>(68,196)</u>	<u>(88,140)</u>	<u>(91,262)</u>	<u>5,285</u>
TOTAL (DEFICIT) EQUITY	<u>(68,188)</u>	<u>(88,132)</u>	<u>(91,254)</u>	<u>5,293</u>

UNAUDITED STATEMENTS OF CHANGES IN EQUITY

	Attributable to the Owners of the Disposal Company			
	Capital	Investment	Accumulated	Total
	HK\$'000	revaluation	losses	
		reserve	(retained	
		HK\$'000	profits)	HK\$'000
As at 1 January 2022	8	(34,028)	(31,275)	(65,295)
Total comprehensive income (loss) for the year	—	169	(3,062)	(2,893)
As at 31 December 2022	8	(33,859)	(34,337)	(68,188)
As at 1 January 2023	8	(33,859)	(34,337)	(68,188)
Total comprehensive loss for the year	—	(14,894)	(5,050)	(19,944)
As at 31 December 2023	8	(48,753)	(39,384)	(88,132)
As at 1 January 2024	8	(48,753)	(39,387)	(88,132)
Total comprehensive loss for the year	—	—	(3,122)	(3,122)
As at 31 December 2024	8	(48,753)	(42,509)	(91,254)
As at 1 January 2024	8	(48,753)	(39,387)	(88,132)
Total comprehensive loss for the period	—	—	(4)	(4)
As at 30 June 2024	8	(48,753)	(39,391)	(88,136)
As at 1 January 2025	8	(48,753)	(42,509)	(91,254)
Total comprehensive income for the period	—	—	96,547	96,547
As at 30 June 2025	8	(48,753)	54,038	5,293

APPENDIX II**FINANCIAL INFORMATION OF EASY ACE****UNAUDITED STATEMENTS OF CASH FLOWS**

	Year ended 31 December 2022 HK\$'000	Year ended 31 December 2023 HK\$'000	Year ended 31 December 2024 HK\$'000	Six months ended 30 June 2024 2025 HK\$'000 HK\$'000	
Cash flows from operating activities					
(Loss) profit before tax	(3,062)	(5,050)	(3,122)	(4)	96,547
Change in other payables	–	468	(501)	4	2
Wavier of amount due to immediate holding company	–	–	–	–	(96,549)
Net cash (used in)/generated from operating activities	<u>(3,062)</u>	<u>(4,582)</u>	<u>(3,623)</u>	<u>–</u>	<u>–</u>
Cash flows from financing activities					
Advance from immediate holding company	<u>3,062</u>	<u>4,582</u>	<u>3,623</u>	<u>–</u>	<u>–</u>
Net cash generated from financing activities	<u>3,062</u>	<u>4,582</u>	<u>3,623</u>	<u>–</u>	<u>–</u>
Net change in cash and cash equivalents	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Cash and cash equivalents at the beginning of the year/period	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Cash and cash equivalents at the end of the year/period	<u><u>–</u></u>	<u><u>–</u></u>	<u><u>–</u></u>	<u><u>–</u></u>	<u><u>–</u></u>
Analysis of cash and cash equivalents					
Bank and cash balances	<u><u>–</u></u>	<u><u>–</u></u>	<u><u>–</u></u>	<u><u>–</u></u>	<u><u>–</u></u>

NOTES TO THE UNAUDITED FINANCIAL INFORMATION**1. GENERAL INFORMATION**

The Disposal Company was incorporated as a limited liability company in the British Virgin Islands (“**BVI**”) on 22 July 2011. The registered office of the Disposal Company is located at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands.

In the opinion of the Directors, as at 30 June 2025, Prosperity Investment Holdings Limited (the “**Company**”), a company established in Bermuda, is the ultimate holding company of the Disposal Company.

Upon commencement of the Proposed Liquidation, the Disposal Company will cease to be subsidiary of the Company.

The unaudited financial information are presented in Hong Kong Dollars (“**HK\$**”) unless otherwise stated.

2. BASIS OF PREPARATION AND PRESENTATION OF UNAUDITED FINANCIAL INFORMATION

The unaudited financial information of the Disposal Company has been prepared in accordance with Rule 14.68(2)(a)(i)(A) of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and is solely for the purpose of inclusion in the circular issued by the Company in connection with the Proposed Liquidation. It does not contain sufficient information to constitute a complete set of financial statements as described in Hong Kong Accounting Standard 1 “Presentation of Financial Statements” nor a set of condensed financial statements as defined in Hong Kong Accounting Standards 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants and should be read in connection with the annual report of the Company for the year ended 31 December 2024 and the interim results announcement of the Company for the six months ended 30 June 2025.

The unaudited financial information has been prepared in accordance with the accounting policies adopted by the Company and its subsidiaries (the “**Group**”) as set out in the annual report of the Company for the year ended 31 December 2024. These policies have been consistently applied to all the periods presented.

3. NEW AND REVISED HKFRS ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Disposal Company has not applied the new and revised HKFRS Accounting Standards (“**HKFRSs**”) that have been issued but are not yet effective. The application of these new HKFRSs will not have material impact on the unaudited financial information. The Disposal Company has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

The following is the text of a report, prepared for the sole purpose of inclusion in this circular, from the independent reporting accountant, Rongcheng (Hong Kong) CPA Limited, Certified Public Accountants, Hong Kong.

INDEPENDENT REVIEW REPORT

TO THE BOARD OF DIRECTORS OF EASY ACE INVESTMENTS LIMITED

(Incorporated in the British Virgin Islands with limited liability)

Introduction

We were engaged to review the financial information of Easy Ace Investments Limited (the “**Disposal Company**”) set out on pages II-2 to II-6 which comprises the unaudited statements of financial position as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025 and the unaudited statements of profit or loss and other comprehensive income, unaudited statements of changes in equity and unaudited statements of cash flows of the Disposal Company for the years ended 31 December 2022, 31 December 2023 and 31 December 2024 and each of the six months ended 30 June 2024 and 2025 (the “**Relevant Periods**”) and explanatory notes. The financial information has been prepared solely for the purpose of inclusion in the circular issued by Prosperity Investment Holdings Limited (the “**Company**”) dated 12 September 2025 in connection with the Proposed Liquidation of the Disposal Company in accordance with the Rule 14.68(2)(a)(i)(A) of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The directors of the Company are responsible for the preparation and presentation of the financial information of the Disposal Company in accordance with the basis of preparation set out in note 2 to the financial information and Rule 14.68(2)(a)(i)(A) of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The directors are also responsible for such internal control as management determines is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error. The financial information does not contain sufficient information to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard 1 “Presentation of Financial Statements” or an interim financial report as defined in Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. Our responsibility is to express a conclusion on this financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We planned to conduct our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” 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 Hong Kong Institute of Certified Public Accountants. A review of financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Unaudited Financial Information of the Disposal Company for the year ended 31 December 2022 is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2 to the Unaudited Financial Information.

However, because of the matters described in the “Basis for Disclaimer of Conclusion” section of our report, we were not able to carry out sufficient review procedures to provide a basis for a conclusion on the financial information of the Disposal Company which comprises the unaudited statements of financial position as at 31 December 2023, 31 December 2024 and 30 June 2025 and the unaudited statements of profit or loss and other comprehensive income, unaudited statements of changes in equity and unaudited statements of cash flows of the Disposal Company for the years ended 31 December 2023 and 31 December 2024 and each of the six months ended 30 June 2024 and 2025 (the “**Disclaimer Periods**”).

Basis of Disclaimer of Conclusion

The Disposal Company’s investment in Wealth Spread (the “**Investment**”) is classified and accounted for as financial assets at fair value through other comprehensive income (“**FVOCI**”) and carried in the unaudited statements of financial position of the Disposal Company at its fair value as at 31 December 2023, 31 December 2024 and 30 June 2025 of approximately HK\$5,293,000, HK\$5,293,000 and HK\$5,293,000, respectively, which resulted in a fair value loss of approximately HK\$14,894,000, HK\$Nil and HK\$Nil recognised as other comprehensive expense in the unaudited statements of profit or loss and other comprehensive income of the Disposal Company for the years ended 31 December 2023 and 31 December 2024 and the six months ended 30 June 2025, respectively. The fair value of the Investment as at 31 December 2023, 31 December 2024 and 30 June 2025 was determined by management based on limited financial and other information of Wealth Spread and the PRC entity made available to the Disposal Company and a valuation performed by an independent external valuer (the “**Valuer**”) engaged by management of the Company for the purpose of the audit of the financial statements of the Group for the year ended 31 December 2023.

The Valuer's work in estimating the fair value of the Investment (the "**Valuation**") involved significant use of source data, and significant assumptions, these assumptions and inputs primarily including the future cash flows of the PRC entity, such as the commencement date of mining, forecasted production volume and associated costs to be incurred.

We were unable to be satisfied about the relevance, completeness and accuracy of the source data used in the Valuation, as well as the relevance and reasonableness of the significant assumptions adopted in the Valuation because neither the Valuer nor we were provided with the most recent production plan containing specific information, including but not limited to, annual production volume and corresponding costs to support the Valuation.

Therefore, we were unable to obtain sufficient appropriate audit evidence that the fair value of the Investment as estimated by the Disposal Company's management as at 31 December 2023, 31 December 2024 and 30 June 2025, including the latest overall development plan of the PRC entity, such as the revised timeline, the revised estimated capital expenditure, mining related cost and operating expenses to access the appropriateness and accuracy of the financial information, as such did not contain material misstatement. There were no other satisfactory audit procedures that we could perform to determine whether any adjustments to the carrying value of Wealth Spread and the related fair value loss recognised in other comprehensive expense and investment revaluation reserve balances as at and for the years ended 31 December 2023 and 31 December 2024 and the six months ended 30 June 2025 were necessary. Any adjustments found to be necessary could also affect the related elements making up and disclosures in the financial information.

Conclusion for the financial information for the Disclaimer Periods

Because of the significance of the matters described in the "Basis of Disclaimer of Conclusion" section of our report, we were unable to carry out sufficient review procedures to provide a basis for a conclusion on the financial information of the Disposal Company for the Disclaimer Periods. Accordingly, we do not express a conclusion on the financial information of the Disposal Company for the Disclaimer Periods.

RONGCHENG (HONG KONG) CPA Limited

Certified Public Accountants

Hong Kong

12 September 2025

**INTRODUCTION TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF
THE REMAINING GROUP**

The accompanying unaudited pro forma financial information of the Remaining Group has been prepared to illustrate the effect of the Proposed Liquidation and the Placing might have affected the financial information of the Group.

The unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Remaining Group for the six months ended 30 June 2025 are prepared based on the condensed consolidated statement of profit or loss and other comprehensive income of the Group for the six months ended 30 June 2025 as extracted from the interim results announcement of the Company for the six months ended 30 June 2025 as if the Proposed Liquidation had been commenced and the Placing had been completed on 1 January 2025.

The unaudited pro forma consolidated statement of financial position of the Remaining Group as at 30 June 2025 is prepared based on the condensed consolidated statement of financial position of the Group as at 30 June 2025 as extracted from the interim results announcement of the Company for the six months ended 30 June 2025 as if the Proposed Liquidation had been commenced and the Placing had been completed on 30 June 2025.

The unaudited pro forma financial information of the Remaining Group is prepared based on a number of assumptions, estimates, uncertainties and currently available information, and is provided for illustrative purposes only. Accordingly, as a result of the nature of the unaudited pro forma financial information of the Remaining Group, it may not give a true picture of the actual financial position of the Remaining Group that would have been attained had the commencement of the Proposed Liquidation and the completion of the Placing actually occurred on the dates indicated herein. Furthermore, the unaudited pro forma financial information of the Remaining Group does not purport to predict the Remaining Group's future financial position.

The unaudited pro forma financial information of the Remaining Group should be read in conjunction with the financial information of the Group as set out in Appendix I and other financial information included elsewhere in this circular.

No unaudited pro forma consolidated statement of cash flows for the six months ended 30 June 2025 are prepared as all transactions of the Disposal Company are by the group entities.

APPENDIX III

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

UNAUDITED PRO FORMA STATEMENT OF FINANCIAL POSITION OF THE REMAINING GROUP

	The Group as at 30 June 2025 HK\$'000 (Note 1)	The Disposal Company as at 30 June 2025 HK\$'000 (Note 2)	Unaudited pro forma adjustments HK\$'000 (Note 3) HK\$'000 (Note 4)		Unaudited pro forma total for the Remaining Group HK\$'000
Non-current assets					
Plant and equipment	205	–	–	–	205
Financial assets at fair value through other comprehensive income	5,293	(5,293)	–	–	–
	<u>5,498</u>	<u>(5,293)</u>	<u>–</u>	<u>–</u>	<u>205</u>
Current assets					
Financial assets at fair value through profit or loss	80	–	–	–	80
Other receivables	2	–	–	–	2
Cash held by securities broker	5	–	–	–	5
Bank balances and cash	91	–	45,000	–	45,091
	<u>178</u>	<u>–</u>	<u>45,000</u>	<u>–</u>	<u>45,178</u>
Current liabilities					
Other payables and accruals	8,165	–	3,000	1,000	12,165
Borrowings	4,088	–	–	–	4,088
Convertible notes	4,000	–	–	–	4,000
	<u>16,253</u>	<u>–</u>	<u>3,000</u>	<u>1,000</u>	<u>20,253</u>
Net current (liabilities) assets	<u>(16,075)</u>	<u>–</u>	<u>42,000</u>	<u>(1,000)</u>	<u>24,925</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>(10,577)</u>	<u>(5,293)</u>	<u>42,000</u>	<u>–</u>	<u>25,130</u>
Non current liabilities					
Convertible notes	4,000	–	–	–	4,000
	<u>4,000</u>	<u>–</u>	<u>–</u>	<u>(1,000)</u>	<u>4,000</u>
Net (liabilities) assets	<u>(14,577)</u>	<u>(5,293)</u>	<u>42,000</u>	<u>(1,000)</u>	<u>21,130</u>

APPENDIX III**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE REMAINING GROUP****UNAUDITED PRO FORMA STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME OF THE REMAINING GROUP**

	The Group as at 30 June 2025 HK\$'000 (Note 1)	The Disposal Company as at 30 June 2025 HK\$'000 (Note 2)	Unaudited pro forma adjustments			Unaudited pro forma total for the Remaining Group HK\$'000
			HK\$'000 (Note 3)	HK\$'000 (Note 4)	HK\$'000 (Note 5)	
Revenue	3	–	–	–	–	3
Other gains and income, net	11	(96,549)	–	–	96,549	11
Administrative expenses	(3,977)	2	(3,000)	(1,000)	–	(7,975)
Finance costs	(322)	–	–	–	–	(322)
Loss before income tax	(4,285)	(96,547)	(3,000)	(1,000)	96,549	(8,283)
Income tax expense	–	–	–	–	–	–
Loss for the period attributable to owners of the Company	(4,285)	(96,547)	(3,000)	(1,000)	96,549	(8,283)
Other comprehensive expense: Item that will not be reclassified subsequently to profit or loss: Fair value loss on financial assets at fair value through other comprehensive income	–	–	–	–	–	–
Total comprehensive expense for the period attributable to owners of the Company	(4,285)	(96,547)	(3,000)	(1,000)	96,549	(8,283)

APPENDIX III

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

- Note 1* The amounts are extracted from the condensed consolidated statement of financial position as at 30 June 2025 and condensed consolidated statement of profit or loss and other comprehensive income of the Group for the six months ended 30 June 2025 as set out in the published interim results announcement of the Company for the six months ended 30 June 2025.
- Note 2* The balances are extracted from the unaudited statement of financial position of Easy Ace as at 30 June 2025 and unaudited statement of profit or loss and other comprehensive income of Easy Ace for the six months ended 30 June 2025 as set out in Appendix II to the Circular.
- Note 3* The gross proceeds and net proceeds (after deducting the placing commission and other related expenses) of the Placing are estimated to be approximately HK\$45.0 million and HK\$42.0 million respectively.
- Note 4* The adjustment represents the payment of estimated transaction costs of approximately HK\$1,000,000 that are directly attributable to the Proposed Liquidation would have been charged to profit or loss.
- Note 5* The adjustment represents the elimination of intercompany transaction of the Group for the six months ended 30 June 2025.
- Note 6* No adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2025.

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

The following is the text of the independent reporting accountants' assurance report received from Rongcheng (Hong Kong) CPA Limited, Certified Public Accountants, Hong Kong, the reporting accountants of Company, in respect of the unaudited pro forma financial information prepared for the purpose of incorporation in this circular.

To the Directors of Prosperity Investment Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Prosperity Investment Holdings Limited (the **"Company"**) and its subsidiaries (hereinafter collectively referred to as the **"Group"**) by the directors of the Company (the **"Directors"**) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of financial position as at 30 June 2025, the unaudited pro forma statement of profit or loss and other comprehensive income for the six months ended 30 June 2025 and related notes as set out on pages III-1 to III-4 of the circular issued by the Company dated 12 September 2025 (the **"Circular"**). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages III-1 to III-4 of the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of Proposed Liquidation and the Placing as if the transactions had taken place at 30 June 2025. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the six months ended 30 June 2025, on which an interim results announcement has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **"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 requirements 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.

The firm applies Hong Kong Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the 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 accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the 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.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group 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 event or transaction at 30 June 2025 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 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 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 accountants' judgment, having regard to the reporting accountants' 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 on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Rongcheng (Hong Kong) CPA Limited

Certified Public Accountants

Hong Kong

12 September 2025

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and is 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 INTERESTS

(a) Interest of Directors

Save as disclosed below, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company had any interests and short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which (a) 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 they were taken or deemed to have under such provisions of the SFO); or (b) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules; or (c) were required pursuant to section 352 of the SFO to be entered in the register referred to therein:

Long position in the Shares

Name of Director	Personal Interests ¹	Family Interests ²	Corporate Interests ³	Total Interests	Percentage of issued share capital of the Company
Mr. Lau Tom Ko Yuen	5,340,000	26,689,084	26,689,084	32,029,084	26.44%

Notes:

1. Beneficial owner
2. Interests of spouse
3. Interests beneficially held by the Company itself or through companies controlled by it. 26,689,084 Shares were held by All Fame Developments Limited, a company controlled as to 100% by Sun Matrix Limited. Sun Matrix Limited was controlled as to 50% by Mr. Lau Tom Ko Yuen and 50% by Ms. Lan Yi, the spouse of Mr. Lau Tom Ko Yuen.

(b) Interest of Shareholders

As at the Latest Practicable Date, so far as was known to the Directors and the chief executive of the Company in accordance with disclosure by the Shareholders under Part XV of the SFO, the following substantial shareholders (within the meaning of the Listing Rules) of the Company and other persons (in each case other than the Directors and the chief executive of the Company) had an interest or a short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Long position in the Shares

Substantial shareholders	Personal Interests	Family Interests ¹	Corporate Interests ²	Total Interests	Percentage of issued share capital of the Company
ALL Fame Developments Limited ³	–	–	26,689,084	26,689,084	22.03%
Sun Matrix Limited ³	–	–	26,689,084	26,689,084	22.03%
Lau Tom Ko Yuen	5,340,000	26,689,084	26,689,084	32,029,084	26.44%
Lan Yi ¹	–	32,029,084	26,689,084	32,029,084	26.44%

Notes:

- Interests of spouse
- Interests beneficially held by the Company itself or through companies controlled by it.
- ALL Fame Developments Limited was controlled as to 100% by Sun Matrix Limited. Sun Matrix Limited was controlled as to 50% by Mr. Lau Tom Ko Yuen and 50% by Ms. Lan Yi, the spouse of Mr. Lau Tom Ko Yuen.

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executive of the Company were not aware of any person (in each case other than a Director or the chief executive of the Company) who had, as at the Latest Practicable Date, an interest or a short position in the Shares or underlying Shares which was required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO.

As at the Latest Practicable Date, the Group or any member of the Group has no capital which is under option, or agreed conditionally or unconditionally to be put under option.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

4. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors nor their respective close associates (as defined in the Listing Rules) was interested in any business apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with the business of the Group.

5. DIRECTORS' INTEREST IN CONTRACTS OR ARRANGEMENTS

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to any business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been since 31 December 2024 (being the date to which the latest published audited financial statements of the Group were made up) 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.

6. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation, arbitration nor was claim of material importance known to the Directors to be pending or threatened against any member of the Group.

7. MATERIAL CONTRACTS

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

1. placing agreement dated 5 September 2025 entered into between the Company and Astrum Capital Management Limited, as the placing agent, in relation to the placing of 500,000,000 Placing Shares at the Placing Price of HK\$0.090 per Placing Share on a fully-underwritten basis;

2. subscription agreement dated 30 April 2024 entered into between the Company and Mr. KWAN Wai Ming as the subscriber in relation to the subscription of convertible notes in an aggregate principal amount of HK\$4,000,000; and
3. placing agreement dated 16 November 2023 entered into between the Company and Opus Securities Limited as the placing agent in relation to the placing of convertible notes in an aggregate principal amount of up to HK\$5,000,000.

8. EXPERT AND CONSENT

The following is the qualifications of the expert who has given opinions or advice which are contained or referred to in this circular:

Name	Qualifications
Rongcheng (Hong Kong) CPA Limited	Certified Public Accountants

As at the Latest Practicable Date, the above-named expert had given and had not withdrawn its written consent to the issue of this circular with the inclusion of its letter or report and the reference to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, the above-named expert does not had any shareholding, directly or indirectly, 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.

As at the Latest Practicable Date, the above-named expert does not had any direct or indirect interest in any assets which have been, since 31 December 2024 (being the date to which the latest published audited accounts of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

9. CORPORATE INFORMATION OF THE GROUP AND PARTIES INVOLVED

Registered office	Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda
Head office and principal place of business in Hong Kong	Suite 401, 4th Floor, Lansing House, 41-47 Queen's Road Central, Central, Hong Kong

Principal share registrar and transfer agent	Conyers Corporate Services (Bermuda) Limited Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda
Hong Kong branch share registrar and transfer office	Tricor Secretaries Limited 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong
Company secretary	WAN Tat Kay Dominic Savio
Principal bankers	Bank of China (Hong Kong) Limited Bank of East Asia, Limited
Auditor and reporting accountant	Rongcheng (Hong Kong) CPA Limited <i>Certified Public Accountants</i> 3203A-05, Tower 2, Lippo Centre Admiralty Hong Kong

10. INVESTMENT PORTFOLIO

Set out below are the details of all listed investments and all other investments with a value of more than 5% of the Company's gross assets, and details of at least the ten largest investments as at 30 June 2025. Save for the investments disclosed herein, there are no other listed investments or other investments with a value of more than 5% of the Company's gross assets as at 30 June 2025.

Name of investee company	Proportion of investee's capital owned	Cost HK\$ million	Fair values of listed/unlisted equity securities HK\$ million	Dividend income during the period HK\$ million	Dividend Cover	Net assets attributable to the investment HK\$ million	Principal activities/ places of operation
Power Assets Holdings Ltd. (00006.HK)	0.00002%	0.03	0.03	0.001	1.02	0.02	Investment in and operation of energy infrastructure in Hong Kong, United Kingdom, Australia, New Zealand, PRC, etc.
AIA Group Limited (01299.HK)	0.000002%	0.01	0.01	0.0003	2.93	0.006	Insurance
Alibaba Group Holding Limited (09988.HK)	0.000001%	0.01	0.01	0.0002	4.45	0.006	Engaged in two core businesses: e-commerce and cloud computing

APPENDIX IV

GENERAL INFORMATION

Name of investee company	Proportion of investee's capital owned	Cost HK\$ million	Fair values of listed/unlisted equity securities HK\$ million	Dividend income during the period HK\$ million	Dividend Cover	Net assets attributable to the investment HK\$ million	Principal activities/ places of operation
China Construction Bank Corporation (00939.HK)	0.0000004%	0.01	0.01	0.0004	3.13	0.015	Banking and financial services/global operation
HK & China Gas Co Ltd (00003.HK)	0.00001%	0.01	0.01	0.0002	0.87	0.004	Production, transmission and sale of gas; supply of gas appliances; development of renewable energy projects, etc./Hong Kong, China; PRC
HSBC Holdings plc (00005.HK)	0.0000004%	0.004	0.01	0.0002	1.51	0.0008	Banking and financial services/global operation
Link Real Estate Investment Trust (00823.HK)	0.000004%	0.005	0.004	–	–	0.006	Engaged in property development and investment/Hong Kong, PRC, United Kingdom, Australia
Meituan (3690.HK)	0.0000003%	0.001	0.003	–	–	0.0006	Operates an e-commerce platform for lifestyle services, mainly including food delivery, in-store, hotel & travel, and bike sharing/PRC
JD.com, Inc. (9618.HK)	0.0000006%	0.002	0.002	0.0001	5.01	0.002	Self-operated e-commerce business, logistics services, technology services, etc./ primarily in PRC
Wealth Spread Investment Limited	14.7%	54.05	5.29	–	–	N/A	Investments in a subsidiary principally engaged in zinc and lead mining/PRC

Note:

For listed equity securities, net assets attributable to the investments are based on latest published financial information of the relevant investment. For unlisted investment, net assets attributable to investment could not be obtained by the Company, via Wealth Spread, from the PRC Entity.

Dividend coverage is calculated with the numerator being (i) the profit for the year available from the latest annual report; less (ii) (where applicable) dividends paid on preferred shares during the fiscal year, and the denominator being the dividend declared and/or paid during the fiscal year.

11. PROVISION FOR DIMINUTION IN VALUE OF INVESTMENTS

During the six months period ended 30 June 2025, as the fair value of Wealth Spread is HK\$5,293,000, which remained the same as at 31 December 2024, therefore no provision for diminution in value was made. For details please refer to the section headed “Reasons for and Benefits of the Proposed Liquidation” of the Letter from the Board. As at 30 June 2025, the number and percentage of shares held by the Group were 147 shares and 14.70% respectively, while its size relative to the Group’s total assets was 93.25%. During the period from 1 July 2025 to the Latest Practicable Date, there is no further updates.

Save as disclosed above, there is no other outstanding matter as at the Latest Practicable Date.

12. PARTICULARS OF DIRECTORS**(a) Name and address of Directors**

Name	Address
<i>Non-executive Director</i>	
LAU Tom Ko Yuen	House 3, No.1 Oxford Road, Kowloon Tong, Kowloon, Hong Kong
<i>Independent Non-executive Directors</i>	
FENG Nien Shu	Floor 23, Unit B, Block 5, 63 Mei Tin Road, Shatin, New Territories, Hong Kong
LUI Siu Tsuen, Richard	Flat 11H, Hilltop Mansion, 60 Cloud View Road, North Point, Hong Kong
WONG Lai Kin, Elsa	Flat C, 21/F., Rowen Court, 25 Babington Path, Sai Ying Pun, Hong Kong
IP Kwok Kwong	2/F., House No. 10, Chung Shan Terrace, Lai Chi Kok, Kowloon, Hong Kong

(b) Profiles of Directors***Non-executive Director***

Mr. Lau Tom Ko Yuen, aged 74, was appointed as non-executive Director and subsequently re-designated as executive Director and appointed as chairman of the Company in 2009. In 2010, he was re-designated as non-executive Director and deputy chairman of the Company. He has redesignated as executive Director and appointed as Chairman and Managing Director of the Company on 21 May 2021. He was re-designated as non-executive Director and remained as Chairman on 10 June 2021. He is a member of the remuneration committee and a director of the subsidiaries of the Company. He has over 45 years of international corporate development and management experience in infrastructure developments as well as construction and engineering services involving the road, rail, port, power, telecommunications, mining and resources sectors in the Asia Pacific Region.

Independent Non-executive Directors

Mr. Lui Siu Tsuen, Richard, aged 69, was appointed as an independent non-executive Director in 2009. He is the chairman of the audit committee and a member of the remuneration committee of the Company. He is a fellow member of both HKICPA and The Chartered Institute of Management Accountants in the United Kingdom. He holds a Master of Business Administration degree from the University of Adelaide in Australia. He has over 30 years of experience in property investment, corporate finance and media and entertainment business.

Mr. Lui was previously an executive director of eSun Holdings Limited (00571.HK), a company listed on the Main Board of the Stock Exchange, and resigned on 3 October 2023. He was also an executive director of Media Asia Group Holdings Limited (formerly 08075.HK) which has been withdrawn from listing on 20 March 2023 after merged with eSun Holdings Limited under a share exchange offer.

Mr. Feng Nien Shu, aged 59, was appointed as an independent non-executive Director in 2009. He is the chairman of the remuneration committee and a member of the audit committee and nomination committee of the Company. He holds a Master of Business Administration degree from the University of Windsor in Canada and a Bachelor of Arts degree from the York University in Canada. He has over 27 years of experience in investment, merger and acquisition in China and South East Asia.

Ms. Wong Lai Kin, Elsa, aged 59, was appointed as an independent non-executive Director in 2009. She is a member of the audit committee and nomination committee of the Company. She holds a Bachelor and Master degree in Law from The University of Hong Kong, as well as a Master degree in Corporate Finance from The Hong Kong Polytechnic University. Ms. Wong is a solicitor of the Supreme Court of Hong Kong and Supreme Court of England and Wales, a member of the Hong Kong Law Society and Hong Kong Society for Financial Analysts. She also holds the Chartered Financial Analyst designation.

Ms. Wong has over 30 years of experience in the legal profession, primarily working as corporate counsel and company secretary of Hong Kong listed companies.

Mr. IP Kwok Kwong, aged 64, was appointed as an independent non-executive Director on 31 May 2023 by the Shareholders at the annual general meeting of the Company. He is a Chartered Valuation Surveyor, a Registered Professional Surveyor (General Practice) under the Surveyors Registration Ordinance of Hong Kong and a Registered Business Valuer of the Hong Kong Business Valuation Forum. Mr. Ip was appointed as a committee member of the People's Political Consultative Conference of Harbin, the PRC in the second half of 2011 after having received the Outstanding Entrepreneurship Award from the Enterprise Asia, a non-governmental organisation for entrepreneurship in mid-2011.

He has over 30 years of experience in valuation, surveying and corporate development. Mr. Ip is currently the executive director and the managing director of Asia Pac Financial Investment Company Limited (8193.HK).

13. THE INVESTMENT MANAGER

To the best of knowledge, information and belief of the Directors, as at 31 December 2024, there was no common investments made by the Company and Opus Capital Management Limited (“**OCML**”), being the investment manager of the Company up to 31 December 2024; there was no common directorship between the Company and OCML; and there was no common directorship between the Company's top ten investments and OCML.

The Company proposed to appoint Sinolink Securities (Hong Kong) Company Limited (“**Sinolink**”) as the investment manager of the Company commencing upon resumption in trading of the Shares.

Sinolink, a company incorporated in Hong Kong with limited liability, is a wholly-owned subsidiary of Sinolink Securities Co., Ltd. It is a corporation licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activity under the SFO. Sinolink is principally engaged in the business of provision of (i) securities and futures trading; (ii) securities investment advisory services; (ii) corporate finance services; and (iv) asset management services.

The Board is of the view that the investment experience of Sinolink and its responsible officers is relevant to the investment strategies of the Company and that its investment experience and expertise will be beneficial to the Company and its Shareholders as a whole. Further announcement will be published by the Company in relation to such appointment.

14. THE CUSTODIAN

Since all the available-for-sale assets held by the Company are listed and unlisted equity and debt securities or unlisted convertible debt securities, the Company did not appoint any custodian to provide custodian services.

The Directors confirm that none of the Directors, OCML, any investment adviser or any distribution company, or any associate of any of those persons, is or will become entitled to receive any part of any brokerage charged to the Company, or any re-allowance of other types on purchases charged to the Company.

15. RISKS RELATING TO THE COMPANY

The principal activity of the Company is highly affected by the volatility and uncertainty of the worldwide economies which in turn affect the earning power of business enterprises and the fluctuation in stock markets. Investors should also be aware that the Company is subject to the risk of decrease in the price and value of its investments measured at fair value through profit or loss and fair value through other comprehensive income. As a result, the income of the Company and its net asset value may therefore go down as well as go up, subject to the prevailing market conditions.

16. INVESTMENT OBJECTIVES

The investment objective of the Group is to enhance the corporate value to the Shareholders. The strategy of the Group is to identify and invest in both listed and unlisted investments with potential of growth within their industries. In identifying potential investment, the Group will consider its business segment, operation, current value and the potential of going public. Currently, the Group has no specific industry focus on potential investment.

The Company's investment objectives above may be altered without Shareholders' approval.

17. INVESTMENT POLICIES

The Company has adopted a diversified investment approach. A substantial portion of the assets is invested in equity securities, convertible bonds and debt securities issued by listed and unlisted companies in Hong Kong as well as the PRC or such other types of investment that provide reasonable returns. The Company has also adopted, among others, the following investment policies:

- (i) When considering potential investments, the Company will seek to identify entities with a record of positive profit growth, strong management, high levels of expertise and/or research and development capabilities as well as management commitment to long-term growth. At the same time, the Company is also flexible in considering investments in companies or other entities which are considered by the Board and the investment manager as being special or in recovery situations with return potential.
- (ii) As to the period of investment, the investments are usually intended to be held for short-term to long-term capital appreciation. The actual holding period will depend on the return from investment and the potential of listing on the Stock Exchange or other internationally recognised stock exchanges. The Company will, however, realise investments believes the realisation would be in the best interests of the Company or where the terms on which such realisation can be made are as particularly favourable to the Company.

Investment limit exercisable by the investment committee of the Company for any single investment is the lower of 20 per cent of the net asset value or HK\$5 million or such other amount may be resolved by the Board from time to time.

The Company's investment policies above may be altered without Shareholders' approval.

18. INVESTMENT RESTRICTIONS

Under the Bye-laws and the Listing Rules relating to the listing of investment companies, certain restrictions on investments are imposed on the Company. Among others, that the Company may/should not:

- 1. either itself or through its wholly-owned subsidiaries or in conjunction with any connected person take legal, or effective, management control of underlying investments and in no event will the Company itself or through its wholly-owned subsidiaries own or control more than 30% (or such other percentage as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer) of the voting rights such company or other entity;

2. invest in any company or entity other than wholly-owned subsidiaries of the Company if such investment will result in more than 20% of the net asset value being invested in such company or entity as at the date the investment is made;
3. short selling of any securities; and
4. invest in futures contract; short positions in call/put option contracts; accumulated options contract; and commodities (except for shares of companies engaged in the production, processing or trading of goods).

Pursuant to Rules 21.04 (3)(a) and (b) of the Listing Rules, the Company has to comply with investment restrictions (1) and (2) above at all times while it remains listed as an investment company under Chapter 21 of the Listing Rules. The abovementioned investment restrictions will not be altered unless approved by the Shareholders.

The Board has no present intention to change any of the above-mentioned investment restrictions.

Save for the unlisted securities, as at the Latest Practicable Date, the Company has no present intention to invest in options, warrants, commodities, futures contracts or precious metals.

19. BORROWING POWER

Pursuant to the provision of the Bye-laws, the Company may exercise all the powers of the Company to raise or borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the provision of the Bye-laws, to issue debentures, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

20. DISTRIBUTION POLICY

It is the Board's intention to distribute any excess balance by way of dividend to the extent permitted by law, the memorandum of continuance of the Company and the Bye-laws. The Board may declare dividend from time to time. The Board has absolute discretion in the declaration of dividend after taking into account the following factors: (i) reserves of the Group available for distribution; (ii) performance of the Group; (iii) anticipation of future outlook of the economy; (iv) liquidity position and capital requirements of the Group; and (v) any other matters considered appropriate by the Board.

Dividends will only be paid to the extent that they are covered by net income received from underlying investments. Distribution, if any, will be made annually after the annual accounts of the Company are approved by the Shareholders but interim distribution may be made from time to time to Shareholders as appeared to the Board to be justified by the position of the Company. Distributions will be made in Hong Kong Dollars.

21. WORKING CAPITAL MANAGEMENT POLICY

The Company's objectives when managing capital are to safeguard its ability to continue its operations in a stable manner in order to provide positive returns for Shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce its cost of capital. The working capital management policies aim to manage the current assets (generally, cash and cash equivalents, and debtors) and the short term financing, such that cash flows and returns are satisfactory. In order to effectively manage cash flow, the Group maintains the sufficient cash levels which allow for the business to meet day to day expenses.

Furthermore, the Group manages liquidity risk by holding sufficient liquidity and financial resources (e.g. cash and cash equivalents, and loan from a securities broker for margin financing of the listed equity investments of the Company) of appropriate quality to ensure sufficient cash flows to meet all financial commitments and to capitalise on opportunities for business expansion.

The Group had no bank borrowings and did not pledge any assets to obtain collateral overdrafts and other loan facilities during the period ended 30 June 2025.

22. FOREIGN CURRENCY MANAGEMENT AND EXCHANGE CONTROL

The investments of the Company were mainly denominated in HK\$, United States Dollar and Renminbi. The Company currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The Company does not have a significant exposure to foreign currency risk as HK\$ is pegged to United States Dollar, significant exposure is not expected in United States Dollar transactions and balances, and currently the bank and cash balances in Renminbi were not significant and the exposure to Renminbi is insignificant.

To the best knowledge, information and belief of the Directors, there are no foreign exchange controls in force in Hong Kong and United States.

23. TAXATION

The taxation of income and capital gains of the Company are subject to the fiscal law and practice of Hong Kong. Prospective investors should consult their own professional advisers on the tax implications of investing, holding or disposing of Shares under the laws of the jurisdiction in which they are liable to taxation.

24. FEES AND EXPENSES

The Company will pay the fees of the investment manager, as described below. In addition, the Company will pay certain other costs and expenses incurred in its operation, including taxes, expenses for legal, auditing and consulting services, registration fees and other expenses due to supervisory authorities in various jurisdictions, insurance, interest and brokerage cost.

25. INVESTMENT MANAGEMENT FEES

Pursuant to the investment management agreement dated 18 December 2018, a supplemental agreement dated 20 July 2021, a new investment manager agreement dated 26 January 2022 and a supplemental agreement dated 21 March 2023, the Company will pay to OCML a management fee and a performance fee as described below:

Management and Performance Fees

According to the supplemental agreement dated 21 March 2023, the Company shall pay a fixed sum fee of HK\$40,000 per month from 1 March 2023 to 31 December 2024. According to the new investment manager agreement dated 26 January 2022, OCML may also be paid a discretionary bonus, which will be capped at HK\$200,000 for each financial year, as determined by the Company. For details, please refer to the Company's announcement dated 26 January 2022.

Annual Cap for the Investment Manager's Fees

According to the supplemental agreement dated 21 March 2023, the maximum annual aggregate amount of the management fee and the discretionary bonus shall not exceed a total sum of HK\$760,000 and HK\$680,000 for the financial year ended 31 December 2023 and 31 December 2024 respectively.

The investment management agreement with OCML expired on 31 December 2024 and was not renewed. The Company proposed to appoint Sinolink as the investment manager of the Company for a term of 3 years with effect upon the resumption in trading of the Shares at a monthly fee of HK\$40,000. Further announcement will be made by the Company in relation to such appointment.

26. MISCELLANEOUS

The company secretary of the Group is Mr. Wan Tat Kay, Dominic Savio. He is an associate member of the Hong Kong Institute of Certified Public Accountants and a practising certified public accountant in Hong Kong.

The Company's authorised representatives for the purpose of Rule 3.05 of the Listing Rules are Mr. Lau Tom Ko Yuen and Mr. Wan Tat Kay, Dominic Savio.

27. DOCUMENTS AVAILABLE FOR DISPLAY

Copies of the following documents will be displayed on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.prosperityinvestment.hk in accordance with the Listing Rules for a period of not less than 14 days from the date of this circular:

- (a) the Placing Agreement;
- (b) the unaudited financial information of Easy Ace, the text of which is set out in Appendix II to this circular;
- (c) 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;
- (d) the written consent referred to in the paragraph headed "Expert and Consent" in this appendix; and
- (e) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix.

NOTICE OF SGM



PROSPERITY INVESTMENT HOLDINGS LIMITED

嘉進投資國際有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00310)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “SGM”) of Prosperity Investment Holdings Limited (the “**Company**”), by way of physical meeting only, will be held at R1, United Conference Centre, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong on Monday, 29 September 2025 at 10:00 a.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolutions which will be proposed as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT** the Proposed Liquidation (as defined in the circular of the Company dated 12 September 2025 (the “**Circular**”)) and the procedures and transactions contemplated thereunder be and are hereby approved and the board of directors of the Company (the “**Board**”), the board of directors of Easy Ace Investments Limited and the board of directors of Genius Choice Investments Limited be and are hereby authorized to do such acts or things, including waivers, and execute such documents as each of them may in their respective opinion may be necessary, desirable or expedient to carry out or to give effect to the Proposed Liquidation.”
2. “**THAT**:
 - (a) the conditional placing agreement (the “**Placing Agreement**”) dated 5 September 2025 and entered into between the Company as issuer and Astrum Capital Management Limited as the placing agent in relation to the placing of 500,000,000 shares of the Company (the “**Placing Shares**”) at the placing price of HK\$0.090 per Placing Share (a copy of the Placing Agreement having been produced to the SGM and marked “A” and initialed by the chairman of the SGM for the purpose of identification), and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Placing Shares) be and are hereby approved, confirmed and ratified;

NOTICE OF SGM

- (b) the Board be and is hereby granted a specific mandate to exercise all the powers of the Company to allot and issue the Placing Shares; and
- (c) the Board be and is hereby authorised to implement and take all steps and do all acts and things and execute all such documents (including under seal, where applicable) which it considers necessary, desirable or expedient to give effect to the Placing Agreement and the transactions contemplated thereunder and to agree to such variation, amendment or waiver as, in the opinion of the Board, is in the interests of the Company and its shareholders as a whole.”

By Order of the Board
Prosperity Investment Holdings Limited
Wan Tat Kay Dominic Savio
Company Secretary

Hong Kong, 12 September 2025

Notes:

1. The register of members of the Company will be temporarily closed from Tuesday, 23 September 2025 to Tuesday, 30 September 2025 (both days inclusive) during which no transfer of Shares will be registered in order to determine the list of Shareholders for attending the SGM which was announced on 8 September 2025. During the closure of the register of members of the Company, no transfer of Shares will be effected. For determining the entitlement of members to attend and vote at the SGM, the record date is fixed on Monday, 29 September 2025. Members whose names appear on the register of members of the Company at the close of business on the record date will be entitled to attend and vote at the above meeting. In order to qualify for attending and voting at the SGM (or any adjournment thereof), all transfer of Shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Secretaries Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Monday, 22 September 2025.
2. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
3. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a certified copy thereof, must be deposited with the Company’s branch share registrar in Hong Kong, Tricor Secretaries Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong before 10:00 a.m. on Saturday, 27 September 2025.
4. In compliance with Rule 13.39(4) of the Listing Rules, voting on all proposed resolutions set out in this notice will be decided by way of a poll.

NOTICE OF SGM

5. If a Typhoon Signal No. 8 or above is hoisted, or a Black Rainstorm Warning Signal or “extreme conditions” announced by the HKSAR Government is/are in force at or at any time after 9:00 a.m. on the date of the meeting, the meeting will be automatically postponed or adjourned in accordance with the bye-laws of the Company. The Company will post an announcement on the websites of the Company (www.prosperityinvestment.hk) and the Stock Exchange (www.hkexnews.hk) to notify Shareholders of the date, time and place of the rescheduled meeting.

The meeting will be held as scheduled when an Amber or a Red Rainstorm Warning Signal is in force. Shareholder should decide on their own whether they would attend the meeting in person under bad weather condition bearing in mind their own situations.

6. If Shareholders have any particular access request or special needs for participating in the meeting, please contact the Company’s branch share registrar in Hong Kong, Tricor Secretaries Limited (telephone: +852 2980 1333) on or before Tuesday, 23 September 2025.