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EASYKNIT INTERNATIONAL HOLDINGS LIMITED

永義國際集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1218)

VERY SUBSTANTIAL DISPOSAL AND NOTICE OF THE SGM

Capitalised terms used in this cover page have the same respective meaning as defined in this circular.

A letter from the Board is set out on pages 6 to 33 of this circular.

A notice convening the SGM to be held at Block A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481–483 Castle Peak Road, Cheung Sha Wan, Kowloon Hong Kong on Monday, 15 December 2025 at 10:00 a.m. is set out on pages SGM-1 to SGM-2 of this circular. A form of proxy for use at the SGM is enclosed. Whether or not the Shareholders intend to attend and vote at the SGM, Shareholders are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for holding of the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should they so wish and in such event, the form of proxy shall be deemed to be revoked.

25 November 2025

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DEFINITIONS

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

“2023 Convertible Note”	the 5% per annum coupon rate convertible note issued to Goodco by Eminence in the original principal amount of HK\$209,000,000 conferring rights to convert at any time before the fifth anniversary of the issue thereof the principal amount into Eminence Shares on the basis of a conversion price (subject to adjustments). Details of which were set out in the joint circular of the Company and Eminence dated 21 January 2023, the circular of Eminence dated 6 March 2024, the announcements of Eminence dated 17 April 2024, 3 February 2025, and the joint announcement of the Company and Eminence dated 4 June 2025
“2025 Convertible Note”	the 5% per annum coupon rate convertible note proposed to be issued by Eminence for settling the Purchase Price in the maximum principal amount of HK\$287,100,000 conferring rights to convert at any time before the fifth anniversary of the issue thereof the principal amount into Eminence Shares on the basis of an initial conversion price of HK\$0.169 per Conversion Share (subject to adjustments), pursuant to the terms and conditions of the 2025 Convertible Note
“affiliated company”	the meaning ascribed to it in the Listing Rules
“Announcement”	the announcement of the Company dated 10 October 2025 in relation to the Sale and Purchase Agreement and transactions contemplated thereunder
“associate(s)”	the meaning ascribed thereto in the Listing Rules
“Bank Loans”	the total outstanding principal amounts together with interest accrued owing to a bank by Mark Profit, being approximately HK\$302 million in aggregate as at 31 March 2025, which will be aggregated with an amount of approximately HK\$120 million after the Debt Novation and before the Completion Date
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and public holiday) on which banks in Hong Kong are open for business
“BVI”	the British Virgin Islands

DEFINITIONS

“Capital Distribution”	(without prejudice to the generality of that phrase) includes distributions in cash or specie
“Company”	Easyknit International Holdings Limited (永義國際集團有限公司), an exempted company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (Stock Code: 1218)
“Completion”	completion of the sale and purchase of Sale Shares under the Sale and Purchase Agreement
“Completion Date”	the date of Completion which will be ten Business Days after the fulfilment or waiver of the last of the Conditions Precedent, or such other date as the parties to the respective Sale and Purchase Agreement may agree in writing
“Conditions Precedent”	the conditions precedent for completion of the Sale and Purchase Agreement summarized in the sub-section headed “Conditions Precedent” in this circular
“connected person”	the meaning ascribed thereto in the Listing Rules
“Conversion Share(s)”	the Eminence Share(s) to be allotted and issued by Eminence upon the exercise of the conversion rights attached to the 2025 Convertible Note
“Director(s)”	the director(s) of the Company
“Easyknit Properties”	Easyknit Properties Holdings Limited, a company incorporated under the laws of the BVI with limited liability and a wholly-owned subsidiary of the Company, being the seller under the Sale and Purchase Agreement
“Eminence”	Eminence Enterprise Limited (高山企業有限公司), an exempted company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (Stock Code: 616)
“Eminence Board”	the board of Eminence Directors
“Eminence Director(s)”	the director(s) of Eminence
“Eminence Group”	Eminence and its subsidiaries
“Eminence Independent Shareholder(s)”	Eminence Shareholder(s), other than the Company and certain of its subsidiaries

DEFINITIONS

“Eminence SGM”	the special general meeting of Eminence to be convened and held for the purpose of considering and, if thought fit, approving, inter alia, the Sale and Purchase Agreement and the transactions contemplated thereunder and the issue of the Conversion Shares on exercise of the conversion rights attached to the 2025 Convertible Note
“Eminence Shareholder(s)”	holder(s) of Eminence Share(s)
“Eminence Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of Eminence
“Eminence Subsidiary”	a company which is for the time being and from time to time a subsidiary of Eminence
“Goodco”	Goodco Development Limited (佳豪發展有限公司), a company incorporated in the BVI with limited liability, the holder of the 2023 Convertible Note, an indirect wholly-owned subsidiary of the Company and a Eminence Shareholder
“HKFRS”	Hong Kong Financial Reporting Standards
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	an entity that is independent of the Company and its connected persons
“Issue Date”	the date of issue of the 2025 Convertible Note, which will be the Completion Date
“Latest Practicable Date”	17 November 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 December 2025 or such other date as the relevant parties may agree if additional time is required for fulfilling the Conditions Precedent
“Mark Profit”	Mark Profit Development Limited (卓益發展有限公司), a company incorporated in Hong Kong with limited liability, and an indirect wholly-owned subsidiary of the Company

DEFINITIONS

“Post-Transaction Group” or “Remaining Group”	the Group immediately after Completion
“PRC”	The People’s Republic of China
“Property”	the commercial property held by Mark Profit described in this circular
“Purchase Price”	the Sale Shares Consideration minus a sum equal to the expected total net amount due from Mark Profit’s ultimate holding company and fellow subsidiaries to Mark Profit outstanding as at the Completion Date on a dollar-for-dollar basis
“Sale and Purchase Agreement”	a conditional sale and purchase agreement dated 10 October 2025 between Easyknit Properties and Eminence for, inter alia, the sale by Easyknit Properties and purchase by Eminence of Sale Shares
“Sale Company”	Mark Profit
“Sale Shares”	the entire issued share capital of Mark Profit
“Sale Shares Consideration”	the amount payable by Eminence for Sale Shares
“SGM”	the special general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approve the Sale and Purchase Agreement and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of par value of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	a subsidiary for the purposes of the Listing Rules
“substantial shareholder(s)”	the meaning ascribed to it in the Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong, as amended from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“sq.ft.” square feet

“%” per cent.

LETTER FROM THE BOARD



EASYKNIT INTERNATIONAL HOLDINGS LIMITED

永義國際集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1218)

Executive Directors:

Ms. KOON Ho Yan Candy

(President and Chief Executive Officer)

Ms. LUI Yuk Chu *(Vice President)*

Independent non-executive Directors:

Mr. TSUI Chun Kong

Mr. LAU Chak Hang Charles

Mr. MA Man Yuet

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

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

Block A, 7th Floor

Hong Kong Spinners Building, Phase 6

481–483 Castle Peak Road

Cheung Sha Wan

Kowloon

Hong Kong

25 November 2025

To the Shareholders,

Dear Sir or Madam,

VERY SUBSTANTIAL DISPOSAL AND NOTICE OF THE SGM

INTRODUCTION

Reference is made to the Announcement. The purpose of this circular is to provide you with, among other things, (i) further details of the Sale and Purchase Agreement and the transactions contemplated thereunder; (ii) financial information on the Sale Company; (iii) financial information on the Post-Transaction Group; (iv) an independent property valuation report on the Property; (v) a notice convening the SGM; and (vi) other information as required under the Listing Rules.

LETTER FROM THE BOARD

THE SALE AND PURCHASE AGREEMENT

The Sale and Purchase Agreement is dated 10 October 2025 and made between Easyknit Properties (as the seller) and Eminence (as the buyer). Pursuant to the Sale and Purchase Agreement, amongst other things, Eminence conditionally agreed to purchase, and Easyknit Properties conditionally agreed to sell all the Sale Shares. On Completion, Mark Profit will no longer be an indirect wholly-owned subsidiary of the Company. Instead, it will be a direct wholly-owned subsidiary of Eminence. To the best of the directors' knowledge, information and belief having made all reasonable enquiry, Eminence and the ultimate beneficial owner of Eminence (save for the substantial Shareholders including Ms. Lui Yuk Chu and Magical Profits Limited, details of which are set out in the section headed "GENERAL INFORMATION – 2. DISCLOSURE OF INTERESTS – (b) Substantial Shareholders' Interest" of Appendix VI to this circular) are third parties independent of the Company and connected persons of the Company.

Key terms of the Sale and Purchase Agreement is summarized below.

Asset to be disposed of

Sale Shares : The entire issued share capital of Mark Profit.

The material asset of Mark Profit is the Property, which is Shops 1, 2, 3 on Ground Floor together with showcase on Ground Floor, Shop 1 on the First Floor and Shop 1 on the Second Floor of Fa Yuen Plaza, No. 19 Fa Yuen Street, Mong Kok, Kowloon. The gross area of the Property is 13,544 sq. ft. Other assets of Mark Profit mainly include equity securities listed in Hong Kong which include 42,308,000 shares of Best Food Holding Company Limited (stock code: 1488) and 268,000 shares of Ping An Insurance (Group) Company of China, Ltd. (stock code: 2318) with a total fair value of approximately HK\$46.3 million as at 31 March 2025. All shares of Best Food Holding Company Limited will be transferred to another wholly-owned subsidiary of the Company before the Completion (the "**Securities Transfer**").

The Property is subject to a tenancy in favour of an Independent Third Party (the "**Tenant**") as at the Latest Practicable Date for a term expiring on 17 April 2028, at a monthly rent of HK\$925,000, exclusive of Government Rates, management fees and utility charges.

The Tenant is a long-established sports goods retail operator in Hong Kong, mainly engaged in the supply and retail of sports shoes, apparel, rackets and sports accessories, which has more than fifty years of sports goods retail industry experience and has maintained long-term cooperative relationships with a number of well-known sports brands and suppliers in the world.

LETTER FROM THE BOARD

The net profit/(loss) (both before and after taxation and extraordinary items) attributable to Mark Profit for the two years ended 31 March 2025 prepared under HKFRS were as follows:

	For the year ended 31 March	
	2024	2025
	HK\$'000 (audited)	HK\$'000 (audited)
Net assets	750,767	717,700
Net profit/(loss) (before taxation)	(41,453)	(41,452)
Net profit/(loss) (after taxation)	(41,571)	(33,067)

The Property was developed by the Group, which has been held by the Group for more than twenty years. In addition to the Bank Loans owed by Mark Profit, since the Property is also pledged for another bank loan of approximately HK\$120 million by a fellow subsidiary of Mark Profit, the net asset value shown in the table above of approximately HK\$717.7 million as at 31 March 2025 will be reduced by such amount after novating the debt to Mark Profit (the “**Debt Novation**”) before the Completion Date.

Valuation

The value of the Property under Mark Profit in the books of the Company as at 31 March 2025, the date of its latest audited account, was HK\$682 million.

According to the valuation report prepared by Knight Frank Petty Limited, an Independent Third Party and a property valuer, as at 31 March 2025, the value of the Property was HK\$682 million. That valuation was determined on the basis of the “income approach”, an approach that provides an indication of value by capitalizing the amount of net income receivable under the current terms of tenancies. The property valuer was appointed by the Company for the preparation of its annual report for the year ended 31 March 2025 as the Property is owned by the Company. The rental income generated from the Property was approximately HK\$11.1 million for each of the two years ended 31 March 2025 respectively. The current rental income generated from the Property is approximately HK\$11.1 million per annum (i.e. HK\$925,000 per month). In 2022, the rental fee for the Property was reduced from HK\$2,080,000 per month to HK\$925,000 per month due to the market conditions at that time caused by the adverse impact of Covid-19 pandemic on the retail industry in Hong Kong.

The method for valuing the Property and some of the other properties of the Group for preparing the consolidated financial statements of the Company for the year ended 31 March 2025 is income approach. As set out in the valuation report prepared by Knight Frank Petty Limited, it valued the Properties by capitalising the amount of net income receivable under the current terms of tenancies. Such report was also reviewed by the independent auditor (Deloitte Touche Tohmatsu, Certified Public Accountants) of the Company for preparing its annual report for the year ended 31 March 2025. Such review of the valuation report of the Property formed part of the audit work performed by the independent auditor. As set out in Company’s annual report for the year ended 31 March 2025, the independent auditor believes that the audit evidence it obtained is sufficient and appropriate to provide a basis for its professional opinion. Moreover, in the opinion of the independent auditor, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

LETTER FROM THE BOARD

Having considered the above, the Directors are of the view that the valuation method and the use of current terms of tenancies (the terms which were effective at the time of valuation) are fair and reasonable.

Purchase Price

The Purchase Price for the sale and purchase of Sale Shares under the Sale and Purchase Agreement shall be apportioned as the consideration for the sale of Sale Shares which shall be the net asset value of Mark Profit as at the Completion Date (after taking into account the value of the Property based on the valuation report as disclosed in Appendix I to this circular prepared by a property valuer who is an Independent Third Party) after the adjustments in relation to the Securities Transfer and Debt Novation (the “**Sale Shares Consideration**”) minus a sum equal to the expected total net amount due from Mark Profit’s ultimate holding company and fellow subsidiaries to Mark Profit of approximately HK\$272.5 million outstanding as at the Completion Date on a dollar-for-dollar basis (such amount will be eliminated in the book of Mark Profit upon Completion). As at the Latest Practicable Date, the Purchase Price is expected to be approximately HK\$287.1 million. The additional amount (if any) in excess of the Purchase Price as a result of the aforesaid adjustments will be settled by cash on a dollar-for-dollar basis. Set out below is the reconciliation:

	<i>HK\$’ million</i>
Net asset value as at 31 August 2025	716.1
Debt Novation	(120.0)
Securities Transfer (<i>note</i>)	<u>(36.5)</u>
Consideration	<u>559.6</u>
Net amount due from Mark Profit’s ultimate holding company and fellow subsidiaries as at 31 August 2025	<u>(272.5)</u>
Purchase Price	<u><u>287.1</u></u>

Note: The amount of Securities Transfer of approximately HK\$36.5 million represents the 53,732,000 shares of Best Food Holding Company Limited (stock code: 1488) at the bid price of HK\$0.68 as at 31 August 2025 in the book of Mark Profit.

LETTER FROM THE BOARD

Purchase Price was determined after arm's length negotiations between the Company and Eminence, taking into account their respective perceptions of the property market and valuation of Property. The Company does not expect there will be material difference between the net asset value of Mark Profit as at the Completion Date and that as at 31 August 2025.

Mortgage

The Property is subject to mortgage(s) in favour of a bank, an Independent Third Party, to secure the Bank Loans. As at 31 March 2025, the total outstanding loan principal amount of the Bank Loans plus accrued interest owed by Mark Profit to the bank in relation to the Property was approximately HK\$302 million which will be aggregated with the aforesaid amount of approximately HK\$120 million after the Debt Novation and before the Completion Date. Arrangements will be made to repay the Bank Loans after Completion by using the new financing to be obtained by Eminence.

Completion

On Completion, Mark Profit will no longer be an indirect wholly-owned subsidiary of the Company, instead it will become a direct wholly-owned subsidiary of Eminence.

The gain or loss arising from the Completion in the book of the Company will represent the difference between the Sale Shares Consideration and the adjusted net asset value of Mark Profit as at the Completion Date. For illustration, based on the information available up to the Latest Practicable Date, it is expected to record no gain or loss (subject to the review to be performed by the Company's auditor) from the Completion since the consideration for the sale of Sale Shares shall be the adjusted net asset value of Mark Profit as at the Completion Date.

OTHER SALIENT TERMS OF THE SALE AND PURCHASE AGREEMENT

Conditions Precedent

Completion of the Sale and Purchase Agreement is conditional upon the fulfilment of the following conditions:

1. Eminence having completed its due diligence review on Mark Profit and the Property and being satisfied with the results thereof and Eminence having satisfied Mark Profit is in a position to prove and give title to the relevant Property in accordance with sections 13 and 13A of the Conveyancing and Property Ordinance (Cap.219 of the Laws of Hong Kong) subject to certain agreed encumbrances (if any);
2. Eminence having obtained the requisite approval from the Eminence Shareholders in a general meeting in relation to (i) the purchase of the Sale Shares; and (ii) the issue of the 2025 Convertible Note and issue and allotment of the Conversion Shares on conversion of the 2025 Convertible Note (if required) in the manner required under the Listing Rules;
3. the Company having obtained the requisite approval from the Shareholders in a general meeting in relation to the sale of the Sale Shares in the manner required under the Listing Rules;

LETTER FROM THE BOARD

4. the Stock Exchange having granted to Eminence a listing of, and permission to deal in, the Conversion Shares on the exercise of the conversion rights attached to the 2025 Convertible Note;
5. the consents and approvals (if any) required under security arrangements affecting Mark Profit in respect of the transactions contemplated under the Sale and Purchase Agreement having been obtained in form and substance reasonably satisfactory to Eminence; and
6. a contractual commitment from bank(s) to provide new financing to release the mortgage(s) securing the Bank Loans in favour of the bank which provides the Bank Loans in form and substance satisfactory to Eminence.

Conditions 2, 3, 4, 5 and 6 above cannot be waived. In the event condition 1 above is not fulfilled (or waived by Eminence) on or before the Long Stop Date, Eminence may elect to terminate the Sale and Purchase Agreement in which case, all rights, obligations and liabilities of the parties under the Sale and Purchase Agreement shall terminate and neither of the parties shall have any claim against the other in respect of the Sale and Purchase Agreement but without prejudice to the accrued rights and obligations of the parties before that termination.

If any of the Conditions Precedent has not been fulfilled or, where applicable, waived on or before the Long Stop Date, the Sale and Purchase Agreement will lapse and the parties thereto will be released from all obligations therein, save for liabilities for any antecedent breaches of the Sale and Purchase Agreement. As at the Latest Practicable Date, none of the Conditions Precedent is fulfilled.

Purchase Price and settlement arrangement

The Purchase Price shall be paid by Eminence to Easyknit Properties by issuing 2025 Convertible Note to Easyknit Properties or its nominee on the Completion Date. As at the Latest Practicable Date, the Purchase Price is expected to be approximately HK\$287.1 million.

Although the settlement method is not immediate cash settlement, the Company considers that the payment term is fair and reasonable because (i) there is no other buyer of the Property who provides better offer in the market at the moment and it is necessary for the Company to reduce its gearing level and cash outflows as early as possible having considered its cash and financial position; and (ii) there is liquidity for the convertible note issued by Eminence in the market as the Company has disposed part of the 2023 Convertible Note (as announced on 5 September 2025 by the Company) to Independent Third Parties at a premium. The Company confirmed that a property agent was contacted in May 2025 but no comparable offer has been received from the property agent. The Company considers that it is reasonable to rely on one sizeable agent instead of several agents because (i) there is developed stable business relationship and trust with the contacted agent; and (ii) it is believed that the number of active potential buyers with strong financial backgrounds to purchase a property with a selling price comparable to the value of the Property is limited in the market and hence it is not necessary to contact more than one agent.

LETTER FROM THE BOARD

Miscellaneous

Under the Sale and Purchase Agreement, Easyknit Properties has agreed to give certain indemnities, including in respect of tax arising from the activities of Mark Profit prior to the completion of the Sale and Purchase Agreement which is not disclosed in the account of Mark Profit, which in aggregate shall not exceed a maximum amount equivalent to the Purchase Price. To the best of the Directors' knowledge, information and belief, the amount of indemnities, if any, is expected to be minimal and settled by cash.

2025 CONVERTIBLE NOTE

The principal terms of the 2025 Convertible Note are summarized below:

Issuer	:	Eminence
Maximum principal amount	:	HK\$287,100,000 (expected as at the Latest Practicable Date)
Maturity date	:	The fifth anniversary of the Issue Date, when the entire then-outstanding principal amount, together with all outstanding accrued interest, of the 2025 Convertible Note will become due and payable by Eminence to the holder of the 2025 Convertible Note.
Redemption price at maturity	:	100% of the principal amount of the 2025 Convertible Note outstanding on the maturity date, together with all unpaid interest accrued on it.
Redemption	:	<p>Any amount of the 2025 Convertible Note which remains outstanding on the maturity date shall be redeemed in full.</p> <p>Any amount of the 2025 Convertible Note which is redeemed will be cancelled forthwith.</p>
Early redemption	:	Allowed at any time at election of the holder (with the approval of Eminence) or Eminence.
Interest	:	<p>The 2025 Convertible Note will bear interest on the outstanding principal amount thereof from the Issue Date at a rate of 5% per annum. Interest will be payable semi-yearly in arrears.</p> <p>The interest rate was determined by the parties after arm's length negotiations and with reference to (i) the prevailing market conditions; and (ii) the indicative costs of unsecured mid-term/long-term debt finance preliminarily quoted to Eminence by its bank(s) upon enquiry.</p>

LETTER FROM THE BOARD

Conversion rights : The holder of the 2025 Convertible Note will have the right to convert the whole or part of the outstanding principal amount of the 2025 Convertible Note (in amounts of not less than an integral multiple of HK\$1,000,000 on each conversion, unless the outstanding principal amount of the 2025 Convertible Note is less than HK\$1,000,000 in which case the whole (but not part only) of that amount shall be converted) into the Conversion Shares at any time during the conversion period (as detailed below) at the conversion price of HK\$0.169 per Conversion Share (subject to adjustments).

Eminence will not be obliged to issue any Conversion Shares if immediately following the conversion, (i) Eminence will be unable to meet the minimum public float requirement under the Listing Rules; or (ii) there will be a change in control of Eminence under the Takeovers Code.

Conversion period : The period from the date falling on the Issue Date up to and including the date falling on the seventh last Business Day prior to the maturity date.

Conversion price : Upon issue of the 2025 Convertible Note, the initial conversion price will be HK\$0.169 per Conversion Share (subject to adjustments) on the occurrence of the following:

- (i) If and whenever there shall be an alteration to the nominal value of the Eminence Shares as a result of consolidation or subdivision, the conversion price shall be adjusted by multiplying the conversion price in force immediately prior to such alteration by the fraction:

$$\frac{A}{B}$$

where:

A is the nominal amount of one Eminence Share immediately after alteration; and

B is the nominal amount of one Eminence Share immediately before alteration.

Such adjustment shall become effective on the date the alteration takes effect.

LETTER FROM THE BOARD

- (ii) (1) If and whenever Eminence shall issue any Eminence Shares credited as fully paid to the Eminence Shareholders by way of capitalization of profits or reserves, other than Eminence Shares issued in lieu of the whole or any part of a cash dividend (the “**Relevant Cash Dividend**”), being a dividend which the Eminence Shareholders concerned would or could otherwise have received in cash (“**Scrip Dividend**”), the conversion price shall be adjusted in the case of an issue of Eminence Shares other than by way of Scrip Dividend by multiplying the conversion price in force immediately before such issue by the fraction:

$$\frac{A}{B}$$

where:

A is the aggregate nominal amount of the issued Eminence Shares immediately before such issue; and

B is the aggregate nominal amount of the issued Eminence Shares immediately after such issue.

Such adjustment shall be effective (if appropriate retrospectively) from the commencement of the day following the record date for such issue.

- (2) in case of an issue of Eminence Shares by way of a Scrip Dividend the current market price of which Eminence Shares exceeds 105 per cent. of the amount of the Relevant Cash Dividend or the relevant part thereof and which would not have constituted a Capital Distribution, by multiplying the conversion price in force immediately before the issue of such Eminence Shares by the fraction:

$$\frac{A + B}{A + C}$$

where:

A is the aggregate nominal amount of the issued Eminence Shares immediately before such issue;

LETTER FROM THE BOARD

B is the aggregate nominal amount of Eminence Shares issued by way of such Scrip Dividend multiplied by a fraction of which (i) the numerator is the amount per Eminence Share of the whole, or the relevant part, of the Relevant Cash Dividend and (ii) the denominator is the current market price of the number of Eminence Shares issued in respect of each existing Eminence Share in lieu of the whole, or the relevant part of the Relevant Cash Dividend; and

C is the aggregate nominal amount of Eminence Shares issued by way of such Script Dividend;

or by making such other adjustment as an approved merchant bank shall certify to Eminence is fair and reasonable.

Such adjustment shall become effective on the date of issue of such Eminence Shares.

- (iii) If and whenever Eminence shall pay or make any Capital Distribution to the Eminence Shareholders (except where the conversion price falls to be adjusted under sub-paragraph (ii) above (or falls within sub-paragraph (ii) above but no adjustment falls to be made), the conversion price shall be adjusted by multiplying the conversion price in force immediately prior to such Capital Distribution by the fraction:

$$\frac{A - B}{A}$$

where:

A is the current market price of one Eminence Share on the dealing day last preceding the date on which the Capital Distribution is publicly announced; and

B is the fair market value on the date of such announcement, as determined by an approved merchant bank, of the portion of the Capital Distribution attributable to one Eminence Share.

Such adjustment shall become effective on the date that such Capital Distribution is actually made.

LETTER FROM THE BOARD

- (iv) If and whenever Eminence shall issue Eminence Shares to all or substantially all Eminence Shareholders as a class by way of rights, or shall issue or grant to all or substantially all Eminence Shareholders as a class, by way of rights, any options, warrants or other rights to subscribe for or purchase any Eminence Shares, in each case at less than 95 per cent. of the current market price per Eminence Share on the last trading day preceding the date of the announcement of the terms of the issue or grant, the conversion price shall be adjusted by multiplying the conversion price in force immediately prior to such issue or grant by the fraction:

$$\frac{A + B}{A + C}$$

where:

A is the number of Eminence Shares in issue immediately before such announcement;

B is the number of Eminence Shares which the aggregate amount (if any) payable for the rights or for the options or warrants or other rights issued by way of rights and for the total number of Eminence Shares comprised therein would purchase at such current market price per Eminence Share; and

C is the aggregate number of Eminence Shares issued or, as the case may be, comprised in the grant.

Such adjustment shall become effective on the date of issue of such Eminence Shares or issue or grant of such options, warrants or other rights (as the case may be).

LETTER FROM THE BOARD

- (v) If and whenever Eminence shall issue any securities (other than Eminence Shares or options, warrants or other rights to subscribe for or purchase Eminence Shares) to all or substantially all Eminence Shareholders as a class by way of rights or grant to all or substantially all Eminence Shareholders as a class by way of rights of any options, warrants or other rights to subscribe for or purchase any securities (other than Eminence Shares or options, warrants or other rights to subscribe for or purchase Eminence Shares), the conversion price shall be adjusted by multiplying the conversion price in force immediately prior to such issue or grant by the fraction:

$$\frac{A - B}{A}$$

where:

A is the current market price of one Eminence Share on the last trading day preceding the date on which such issue or grant is publicly announced; and

B is the fair market value on the date of such announcement as determined in good faith by an approved merchant bank, of the portion of the rights attributable to one Eminence Share.

Such adjustment shall become effective on the date of issue of the securities or grant of such rights, options or warrants (as the case may be).

LETTER FROM THE BOARD

- (vi) If and whenever Eminence shall issue (otherwise than as mentioned in sub-paragraph (iv) above) wholly for cash any Eminence Shares (other than Eminence Shares issued on the exercise of conversion rights or on the exercise of any other rights of conversion into, or exchange or subscription for, Eminence Shares) or on the issue or grant of (otherwise than as mentioned in sub-paragraph (iv) above) options, warrants or other rights to subscribe for or purchase Eminence Shares in each case at a price per Eminence Share which is less than 95 per cent. of the current market price on the trading day last preceding the date of announcement of the terms of such issue, the conversion price shall be adjusted by multiplying the conversion price in force immediately prior to such issue or grant by the fraction:

$$\frac{A + B}{C}$$

where:

A is the number of Eminence Shares in issue immediately before the issue of such additional Eminence Shares or the issue or grant of such options, warrants or other rights to subscribe for or purchase any Eminence Shares;

B is the number of Eminence Shares which the aggregate consideration receivable for the issue of such additional Eminence Shares would purchase at such current market price per Eminence Share; and

C is the number of Eminence Share in issue immediately after the issue of such additional Eminence Shares.

References to additional Eminence Shares in the above formula shall, in the case of an issue or grant by Eminence of options, warrants or other rights to subscribe or purchase Eminence Shares, mean such Eminence Shares to be issued assuming that such options, warrants or other rights are exercised in full at the initial exercise price on the date of issue of such options, warrants or other rights.

Such adjustment shall become effective on the date of issue of such Eminence Shares or, as the case maybe, the issue or grant of such options, warrants or other rights.

LETTER FROM THE BOARD

- (vii) Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within the provisions of this sub-paragraph (vii), if and whenever Eminence or any Eminence Subsidiary (otherwise than as mentioned in sub-paragraphs (iv), (v) or (vi) above), or (at the direction or request of or pursuant to any arrangements with Eminence or any Eminence Subsidiary) any other person shall issue wholly for cash any securities (other than the 2025 Convertible Note) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Eminence Shares (or grant any such rights in respect of any existing securities so issued) to be issued by Eminence upon conversion, exchange or subscription at a consideration per Eminence Share which is less than 95 per cent. of the current market price per Eminence Share on the trading day last preceding the date of announcement of the terms of issue of such securities, the conversion price shall be adjusted, by multiplying the conversion price in force immediately prior to such issue (or grant) by the fraction:

$$\frac{A + B}{A + C}$$

where:

A is the number of Eminence Shares in issue immediately before such issue (or grant);

B is the number of Eminence Shares which the aggregate consideration receivable by Eminence for the Eminence Shares to be issued upon conversion or subscription for or exchange of or upon exercise of the right of subscription attached to such securities would purchase at such current market price per Eminence Share; and

C is the maximum number of Eminence Shares to be issued upon conversion into or subscription for exchange of such securities or upon the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate.

Such adjustment shall become effective on the date of issue (or grant) of such securities.

LETTER FROM THE BOARD

(viii) If and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in sub-paragraph (vii) above (other than in accordance with the terms applicable to such securities) so that the consideration per Eminence Share (for the number of Eminence Shares available on conversion, exchange or subscription following the modification) is less than 95 per cent. of the current market price per Eminence Share on the trading day last preceding the date of announcement of the proposals for such modification, the conversion price shall be adjusted by multiplying the conversion price in force immediately prior to such modification by the fraction:

$$\frac{A + B}{A + C}$$

where:

A is the number of Eminence Shares in issue immediately before such modification;

B is the number of Eminence Shares which the aggregate consideration receivable by Eminence for the Eminence Shares to be issued upon conversion or exchange or upon exercise of the right of subscription attached to the securities so modified would purchase at such current market price per Eminence Share or, if lower, the existing conversion, exchange or subscription price; and

C is the maximum number of Eminence Shares to be issued upon conversion or exchange of such securities or upon the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate.

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such securities.

LETTER FROM THE BOARD

- (ix) If and whenever Eminence or any Eminence Subsidiary or (at the direction or request of or pursuant to any arrangements with Eminence or any Eminence Subsidiary) any other person issues, sells or distributes any securities in connection with an offer by or on behalf of Eminence or any Eminence Subsidiary or such other person pursuant to which offer the Eminence Shareholders generally (meaning for these purposes the holders of at least 60 per cent. of the Eminence Shares outstanding at the time such offer is made) are entitled to participate in arrangements whereby such securities may be acquired by them (except where the conversion price falls to be adjusted under sub-paragraphs (iv) to (vii) above), the conversion price shall be adjusted by, multiplying the conversion price in force immediately prior to such issue by the fraction:

$$\frac{A - B}{A}$$

where:

A is the current market price of one Eminence Share on the last trading day preceding the date on which such issue is publicly announced; and

B is the fair market value on the date of such announcement, as determined in good faith by an approved merchant bank, of the portion of the relevant offer attributable to one Eminence Share.

Such adjustment shall become effective on the date of issue of such securities.

- (x) If Eminence considers that it would be appropriate for an adjustment to be made to the conversion price as a result of one or more events or circumstances not referred to above, Eminence shall request an approved merchant bank to determine what adjustment (if any) to the conversion price is fair and reasonable to take account thereof. Any adjustment under this provision is limited to downward adjustment. The Eminence Board considers that this is fair and reasonable and consistent with market norms and that holder of the 2025 Convertible Note generally would not agree to any upward adjustment, except on a consolidation, given that the matters that may give rise to adjustment are in the control of Eminence.

LETTER FROM THE BOARD

If any adjustment event other than a sub-division occurs which leads the number of Conversion Shares issuable under the 2025 Convertible Note to exceed 1,698,816,568, then the holder of the 2025 Convertible Note shall be entitled to select to convert the 2025 Convertible Note into up to 1,698,816,568 Conversion Shares based on the adjusted conversion price and any outstanding remaining principal amount of the 2025 Convertible Note shall be redeemed by Eminence on the maturity date in accordance with its terms.

- Ranking of the Conversion Shares** : The Conversion Shares, if and when allotted and issued, shall rank pari passu in all respects with all other Eminence Shares in issue as at the date of the relevant conversion notice and shall be entitled to all dividends and other distributions the record date of which falls on or after the date of the relevant conversion notice.
- Transferability** : No assignment or transfer (whether in whole or in part) of the 2025 Convertible Note except with prior written consent of Eminence, provided that no such consent is required in respect of a transfer by a holder of the 2025 Convertible Note to (i) the holding company or (ii) the subsidiaries or affiliated companies of the holder of the 2025 Convertible Note or the fellow subsidiaries or fellow affiliated companies of the holder of the 2025 Convertible Note.
- Voting** : The holder of the 2025 Convertible Note will not be entitled to attend or vote at any meetings of Eminence by reason only of being the holder of the 2025 Convertible Note.
- Others** : The conversion rights attaching to the 2025 Convertible Note shall not be exercisable if and to the extent that immediately after such exercise the number of Eminence Shares required to be held by the public as required by Rule 8.08 of the Listing Rules would be contravened.

Eminence will not be obliged to issue any Conversion Shares if immediately following the conversion there will be a change in control of Eminence under the Takeovers Code.

The initial conversion price of HK\$0.169 per Conversion Share (subject to adjustments) represents:

- (i) a slight premium of approximately 4.32% over the closing price of HK\$0.162 per Eminence Share as quoted on the Stock Exchange on 10 October 2025, being the date of Sale and Purchase Agreement;

LETTER FROM THE BOARD

- (ii) a discount of approximately 16.34% to the average closing price of approximately HK\$0.202 per Eminence Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the date of Sale and Purchase Agreement;
- (iii) a discount of approximately 15.50% to the average closing price of approximately HK\$0.200 per Eminence Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the date of Sale and Purchase Agreement;
- (iv) a discount of approximately 18.75% to the average closing price of approximately HK\$0.208 per Eminence Share as quoted on the Stock Exchange for the last thirty consecutive trading days up to and including the date of Sale and Purchase Agreement;
- (v) a premium of approximately 42.02% over the average closing price of approximately HK\$0.119 per Eminence Share as quoted on the Stock Exchange for the last ninety consecutive trading days up to and including the date of Sale and Purchase Agreement; and
- (vi) a discount of approximately 93.90% to the audited net asset value per Eminence Share of approximately HK\$2.77 as at 31 March 2025 based on the 1,014,444,348 Eminence Shares in issue as at the date of Sale and Purchase Agreement.

In determining the conversion price, the Directors have reviewed the closing prices of the Eminence Shares during the period from 1 January 2025 and up to and including 6 October 2025 (the “**Period**”). The Directors consider that the Period could reflect the most recent trend of the prevailing market price of the Eminence Shares and the closing prices of the Eminence Shares fluctuated within the range from HK\$0.068 per Eminence Share to HK\$0.350 per Eminence Share. It is observed that the closing price of HK\$0.226 per Eminence Share on the last trading day of the Period is approximately 156.8% and 232.4% higher than the closing price of HK\$0.088 per Eminence Share on the first trading day of the Period and the lowest closing price of HK\$0.068 per Eminence Share of the Period respectively.

The Directors also noticed that, during the Period, the Eminence Shares have been being traded constantly at discounts to the then net asset value per Eminence Share. The discounts to the then net asset value per Eminence Share ranged from approximately 87.39% to 99.00%, with an average of approximately 96.30%. With respect to the conversion price, the discount of approximately 91.52% over the audited net asset value per Eminence Share of approximately HK\$2.77 as at 31 March 2025 based on the 1,014,444,348 Eminence Shares in issue as at the date of Sale and Purchase Agreement is therefore smaller than the average and within the range of the discounts of the net asset value per Eminence Share during the Period.

In assessing the fairness and reasonableness of the discount of approximately 91.52% to the audited net asset value per Eminence Share of approximately HK\$2.77 as at 31 March 2025 based on the conversion price, apart from the historical Eminence Share performance, the Directors have also reviewed the historical trading volume of the Eminence Shares. During the Period, the percentage of average daily trading volume to total number of Eminence Shares issued ranged from approximately 0.0% to 15.03%, with an average of approximately 0.75%. The average daily trading volume of the Eminence Share is considered to be relatively thin.

LETTER FROM THE BOARD

Set out below is the price-to-book ratios of other companies listed on the Stock Exchange on an exhaustive basis based on the selection criteria with reference to their principal businesses which are similar to that of Eminence (i.e. principally engaged in property development and investment in Hong Kong with at least 55% of revenue generated from Hong Kong property industry for at least one of the two latest financial years) and relatively small market capitalization which is comparable to or less than the market capitalisation of Eminence.

Stock code	Name of listed company	Principal business	Price-to-book Ratio <i>(note 1)</i> <i>(approximately)</i>	Market Capitalization <i>(note 2)</i> <i>HK\$' million</i> <i>(approximately)</i>
616	Eminence	property development, property investment, investment in securities and others, and loan financing	0.08	229.3
199	ITC Properties Group Limited	property development and investment, hotel investment and management and leisure business, securities investments and loan financing	0.14	299.4
1560	Star Group Asia Limited	property development and investment	0.12	91.1

Notes:

1. The price-to-book ratio is calculated by dividing the market price per share as at 6 October 2025 (being the last trading day of the Period) by the net asset value (as extracted from the latest published annual or interim report of the respective listed company) per share as at the relevant period end date.
2. The market capitalization is calculated by multiplying the closing market price per share by the number of issued shares of the respective listed company as at 6 October 2025 (being the last trading day of the Period).

The Directors have made references to the comparable price-to-book ratios of other companies listed on the Stock Exchange based on the selection criteria of their principal businesses which are similar to that of Eminence (i.e. principally engaged in property development and investment in Hong Kong with at least 55% of revenue generated from Hong Kong property industry for at least one of the two latest financial years) and relatively small market capitalization which is comparable to or less than the market capitalisation of Eminence, and the Directors noted that the price-to-book ratio of Eminence of 0.08 disclosed in the table above and the price-to-book ratio of 0.06 implied by the conversion price of 2025 Convertible Note are lower than and not within the range of the comparables which ranged from 0.12 to 0.14.

LETTER FROM THE BOARD

The Directors consider that the price-to-book ratio should be taken as an additional reference only and the prevailing market price is a more relevant factor in determining the fairness and reasonableness of the conversion price (subject to adjustments), and the current market price of the Eminence Shares directly reflects the value of the Eminence Shares that is generally perceived by the market having taken into account all business segments of the Eminence Group as well as the prevailing market conditions.

The Directors are of the view that the track record of an issuer of convertible note is one of the key factors to consider by an investor when deciding whether to subscribe the convertible note issued by such issuer and therefore the 2023 Convertible Note is an appropriate reference.

The Directors understand that the conversion price of 2025 Convertible Note may not be directly comparable to that of 2023 Convertible Note due to the difference in market conditions at the time of issuance and hence the Company has made reference to the average closing price for the last five, ten, thirty and ninety consecutive trading days of Eminence Shares which are considered more relevant to the recent prevailing market price of Eminence Shares.

Save for the conversion price, other terms of the 2023 Convertible Note in relation to (i) redemption; (ii) early redemption; (iii) conversion rights; (iv) conversion period; (v) conversion price adjustment mechanism; (vi) ranking of conversion shares; (vii) transferability; and (viii) voting etc. are considered appropriate reference and fairly standard in the market.

Regarding the duration of five years of 2025 Convertible Note, the Directors consider that five-year duration is common and typical for convertible debt instruments in the market. It is noted that several listed companies including MMG Limited (stock code: 1208), China Pacific Insurance (Group) Co., Ltd. (stock code: 2601) and Bank of Qingdao Co., Ltd. (stock code: 3866) have recently announced issues of convertible debt instruments with durations range from five to six years. The cash and financial position (including the potential reduction in cash outlays and gearing ratio as a result of the disposal of Sale Company) is also considered to determine the acceptance of the 5-year maturity of 2025 Convertible Note. The gearing ratio of the Group (calculated as a ratio of total bank borrowings to total equity) would decrease significantly from approximately 0.74 to 0.49 after the disposal of Sale Company.

When assessing the terms of 2025 Convertible Note, the track record of the convertible debt instrument (which includes the timeliness of interest payment, redemption ability, potential capital gain and liquidity in the market) previously issued by Eminence (i.e. the 2023 Convertible Note) is one of the key factors considered by the Company. Since (i) the Company received the interest payments from Eminence for the 2023 Convertible Note on time; and (ii) a major portion of the 2023 Convertible Note (representing around 66.5% of the original principal amount) was already redeemed by Eminence, it is considered that the default risk is low. Moreover, there is a certain degree of liquidity of the 2023 Convertible Note as the Company was able to dispose part of the 2023 Convertible Note to Independent Third Parties at a premium. The Company considers that as long as 2025 Convertible Note is in the money, there will be a certain degree of liquidity. Moreover, since the Company was able to obtain consent of Eminence for disposing part of the 2023 Convertible Note, the Company believes that there is no foreseeable difficulty that hinders the Company from obtaining consent from Eminence in future.

LETTER FROM THE BOARD

Having considered that (i) the interest rate of 2025 Convertible Note is close to the interest rates quoted to Eminence by a bank according to the information received by the Company; (ii) the conversion price of 2025 Convertible Note is referenced to the average closing price for the last five, ten, thirty and ninety consecutive trading days of Eminence Shares which are considered more relevant to the recent prevailing market price of Eminence Shares; (iii) the conversion price of 2025 Convertible Note represents discounts of approximately 15.50% to 18.75% to the average closing prices of Eminence Share as quoted on the Stock Exchange for the last five, ten and thirty consecutive trading days up to and including the date of Sale and Purchase Agreement, which also represents a discount of approximately 23.18% to the closing price of Eminence Share as quoted on the Stock Exchange on the Latest Practicable Date; (iv) the five-year duration is common and typical for convertible debt instruments in the market; (v) other terms of 2025 Convertible Note are fairly standard in the market and are comparable to that of 2023 Convertible Note; and (vi) the track record of the convertible debt instrument previously issued by Eminence (i.e. the 2023 Convertible Note) was properly assessed, the terms of 2025 Convertible Note (including the initial conversion price, subject to adjustments) are considered fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Assuming that the conversion rights are exercised in full based on the maximum principal amount of HK\$287,100,000 at the initial conversion price of HK\$0.169 per Conversion Share (subject to adjustment), a maximum amount of 1,698,816,568 Conversion Shares will be allotted and issued, representing approximately 167.5% of the issued share capital of Eminence at the Latest Practicable Date and approximately 62.6% of the issued share capital of Eminence as enlarged by the allotment and issue of such Conversion Shares and assuming that save for the issue of Conversion Shares, there will be no change to the issued share capital of Eminence from the Latest Practicable Date up to and including the date of issue of such Conversion Shares. The Company may decide to exercise the conversion rights attached to the 2025 Convertible Note in the event that the market price of Eminence Share increases in future.

Application will be made by Eminence to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares. No application will be made for the listing of the 2025 Convertible Note on the Stock Exchange or any other stock exchange and no application will be made for the listing of the Conversion Shares on any other stock exchange.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE OF EMINENCE

A maximum amount of 1,698,816,568 Conversion Shares will be allotted and issued upon full conversion of the 2025 Convertible Note based on the maximum principal amount of HK\$287,100,000 at the initial conversion price of HK\$0.169 per Conversion Share (subject to adjustments). The table below sets out the current shareholding structure of Eminence and the structure as it will be on the assumptions that there is no change in the number of Eminence Shares in issue and the conversion rights attached to the 2025 Convertible Note have been fully exercised.

Eminence Shareholders	As at the		Immediately upon		Immediately upon		Immediately upon	
	Latest Practicable Date		the full exercise of the 2023		the full exercise of the 2025		the full exercise of the 2023	
			Convertible Note alone		Convertible Note alone		Convertible Note and 2025	
	<i>Number of</i>		<i>Number of</i>		<i>Number of</i>		<i>Number of</i>	
	<i>Eminence</i>	<i>Approximate</i>	<i>Eminence</i>	<i>Approximate</i>	<i>Eminence</i>	<i>Approximate</i>	<i>Eminence</i>	<i>Approximate</i>
	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
The Company and certain of its subsidiaries	82,286,811	8.11	744,786,811	36.97	1,781,103,379	65.64	2,443,603,379	65.81
Substantial shareholders of Eminence/other holders of 2023 Convertible Note								
Chu Nin Yiu, Stephen	106,325,339	10.48	106,325,339	5.28	106,325,339	3.92	106,325,339	2.86
Hu Rong	122,681,000	12.09	122,681,000	6.09	122,681,000	4.52	122,681,000	3.30
Feng Shihua	0	0	175,000,000	8.69	0	0	175,000,000	4.71
Wu Mengmeng	0	0	162,500,000	8.07	0	0	162,500,000	4.38
Other public shareholders of Eminence								
	703,151,198	69.32	703,151,198	34.90	703,151,198	25.92	703,151,198	18.94
Total	1,014,444,348	100.00	2,014,444,348	100.00	2,713,260,916	100.00	3,713,260,916	100.00

In the event that the Group becomes obliged to make a general offer to the Eminence Shareholders in compliance with Rule 26 of the Takeovers Code as a result of a conversion of the outstanding principal amount of 2023 Convertible Note and/or 2025 Convertible Note, the Group will do so.

LETTER FROM THE BOARD

INFORMATION ABOUT EMINENCE GROUP

The Eminence Group is principally engaged in property development, property investment (comprising ownership and rental of investment properties), investment in securities and others and loan financing business which property development and property investment are the core businesses.

INFORMATION ABOUT THE GROUP

The Group is principally engaged in property development, property investment, investment in securities and others and loan financing businesses which property development and property investment are the core businesses. The Group's portfolio of investment properties comprised of residential, commercial and industrial units located in Hong Kong.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE SALE AND PURCHASE AGREEMENT

The disposal of the Property through the sale of Mark Profit is part of the Company's usual strategy to prudently preserve its cash flow not to carry on paying the sums necessary to finance the related net cash outflows. The disposal of Sale Company (i) will not result in any expected loss for the Company and its Shareholders; (ii) will provide the Group with a regular income stream by way of interest on the 2025 Convertible Note; (iii) will eliminate the Group's cash outlays for the Property, which collectively exceed the rental income generated from the Property; and (iv) will reduce the gearing ratio of the Group, calculated as a ratio of total bank borrowings to total equity. It is expected that the gearing ratio of the Group (calculated as a ratio of total bank borrowings to total equity) would decrease significantly from approximately 0.74 to 0.49 after the disposal of Sale Company.

Taking into account that the disposal of the Property via the sale of the Sale Shares will not incur any one-off adverse effect on the profit and loss statement of the Company and the cash outlays of bank loan principal and interest repayment in relation to the Property of approximately HK\$42.7 million per annum collectively exceed the rental income generated from the Property of approximately HK\$11.1 million per annum, the Directors consider that the disposal of Sale Company will result in improving the cash flow and reduce cash outlays of approximately HK\$31.6 million per annum for the Company.

LETTER FROM THE BOARD

Moreover, the disposal of the 268,000 shares of Ping An Insurance (Group) Company of China, Ltd. will provide the Company with a guaranteed regular income stream by way of interest on the 2025 Convertible Note and the principal amount of which will be repaid in five years. As at 31 March 2025, the deposits and bank balances carried interest at prevailing market rates range from 0.001% to 0.375%, which are lower than the interest rate of 5% of 2025 Convertible Note. Part of the 2025 Convertible Note can be converted to conversion Shares and sold in the open market to capture capital gain if the market price of Eminence Shares increases in future, and the Company may even dispose part of the 2025 Convertible Note to other parties with or without premium to generate cash inflows if needed as the 2025 Convertible Note is transferrable. The closing prices of the Eminence Shares during the Period have been reviewed and it is considered that the Period could reflect the most recent trend of the prevailing market price of the Eminence Shares. It is observed that the closing price of HK\$0.226 per Eminence Share on the last trading day of the Period is approximately 156.8% and 232.4% higher than the closing price of HK\$0.088 per Eminence Share on the first trading day of the Period and the lowest closing price of HK\$0.068 per Eminence Share of the Period respectively, which reflects a significant growth in the market value of Eminence Shares. Having considered (i) the expected launch of upcoming residential project(s) of Eminence as set out in its annual report for the year ended 31 March 2025 which may generate profit and cash inflows to Eminence Group; (ii) the sales of around 60% of Eminence's construction project in Kennedy Town are expected to generate net proceeds of approximately HK\$242.6 million as disclosed in the announcement of Eminence dated 10 October 2025; (iii) the potential growth in the price of Eminence Shares in future; and (iv) the net proceeds (without considering the relevant transaction and tax expenses) that can be generated at the time of maturity of 2025 Convertible Note in 2030 will be around HK\$275 million by disposing the Property which is almost sufficient to cover the outstanding principal amount of 2025 Convertible Note of HK\$287.1 million, it is believed that accepting the 2025 Convertible Note for the settlement of Purchase Price is beneficial to the Company.

Furthermore, as at the Latest Practicable Date, the outstanding principal amount of 2023 Convertible Note is HK\$70,000,000 and the principal amount of 2025 Convertible Note is HK\$287,100,000. According to the information received by the Company and as disclosed in the announcement of Eminence dated 10 October 2025:

- (i) assuming the value of the Property of HK\$693 million and the amount of bank loan of HK\$418 million to be taken up by Eminence Group in relation to the Property will remain unchanged, the net proceeds (without considering the relevant transaction and tax expenses) that can be generated at the time of maturity of 2025 Convertible Note in 2030 will be around HK\$275 million by disposing the Property which is almost sufficient to cover the outstanding principal amount of 2025 Convertible Note of HK\$287.1 million; and
- (ii) proceeds will be generated from the sales of units of Project Kennedy Town (a commercial and/or residential mixed use development) with an attached construction loan of approximately HK\$733.7 million and the occupation permit of which is expected to be received by the end of 2025, and the sales of around 60% of this project are expected to generate net proceeds of approximately HK\$242.6 million (after considering the commission and marketing costs of approximately HK\$45.4 million and the repayment of related loan of approximately HK\$432.0 million) during the period from January to September 2026 according to Eminence's latest marketing plan by reference to the sales progress of two single-block buildings located in the western district of Hong Kong Island, namely THE HIGHLINE and DES VOEUX W RESIDENCE of other property developers, with an estimated average price per square foot comparable to the average selling price per square foot of the recent transactions of newly developed residential projects of other property developers in the same district or other districts nearby.

LETTER FROM THE BOARD

According to the aforesaid information, the total net proceeds that can be generated by Eminence is over HK\$500 million which is sufficient to cover the outstanding principal amount of 2023 Convertible Note and the principal amount of 2025 Convertible Note.

The terms of the Sale and Purchase Agreement has been determined after arm's lengths negotiations between the parties thereto and the Directors are of the view that the Sale and Purchase Agreement is on normal commercial terms, which are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

As at the Latest Practicable Date, the Company has no plan to change its existing principal businesses as well as engaged in property development, securities investment and loan financing businesses, it would still be engaged in property investment business after the Completion while exploring other potential projects with a view to providing steady and favorable returns for the Shareholders and bring increased growth to the Group.

Ms. Lui Yuk Chu (an executive Director and a substantial Shareholder and also an executive Eminence Director) abstained from voting on the Board resolution(s) to approve the Sale and Purchase Agreement and the transactions contemplated thereunder. No other Director abstained, or was required to abstain, from voting on the Board resolution(s) or is required to abstain from voting at the SGM.

EFFECTS OF THE DISPOSAL OF SALE SHARES ON EARNINGS AND ASSETS AND LIABILITIES OF THE REMAINING GROUP

As presented in the unaudited pro forma financial information of the Remaining Group as set out in appendix IV to this circular, assuming the Completion took place, the Remaining Group's loss for the year attributable to the Shareholders would decrease from approximately HK\$717.7 million to approximately HK\$667.8 million; bank balances and cash would decrease by approximately HK\$1.1 million; and total assets would decrease from approximately HK\$3,330.0 million to HK\$2,910.7 million and total liabilities will decrease from approximately HK\$1,603.4 million to HK\$1,177.1 million.

PUBLIC FLOAT

The 2025 Convertible Note will impose restrictions on conversions to the extent that the conversion would lead to Eminence breaching the public float requirement under the Listing Rules.

At the Latest Practicable Date, the Company and certain of its subsidiaries hold 82,286,811 Eminence Shares in aggregate, representing approximately 8.11% of the total number of Eminence Shares.

Upon full conversion of the 2025 Convertible Note at the initial conversion price of HK\$0.169 per Conversion Share (subject to adjustment), a total of 1,698,816,568 Conversion Shares would be issued, representing approximately 62.6% of the issued share capital of Eminence as enlarged by that issue and assuming no other change in the number of issued Eminence Shares.

LETTER FROM THE BOARD

The table show in the sub-section headed “SHAREHOLDING STRUCTURE OF EMINENCE” of this circular illustrates the existing shareholdings of the Company and certain of its subsidiaries in Eminence and the effect on their shareholdings in Eminence assuming full exercise at the initial conversion price of HK\$0.169 of conversion rights under the 2025 Convertible Note.

The Company is mindful of the public float requirement under the Listing Rules and the requirements of the Takeovers Code, and will comply with the relevant Listing Rules and the Takeovers Code, if and when necessary, particularly when considering whether the conversion rights under any or all of the 2025 Convertible Note should be exercised.

SPECIFIC MANDATE OF EMINENCE

The Conversion Shares will be allotted and issued under a mandate proposed to be granted to the Eminence Directors by a resolution passed at the Eminence SGM on which only Eminence Independent Shareholders are entitled to vote.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the sale of the Sale Company equal(s) to or exceed(s) 75% pursuant to Rule 14.07 of the Listing Rules, such transaction will constitute a very substantial disposal for the Company under Rule 14.06(4) of the Listing Rules and is therefore subject to the reporting, announcement and Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

The SGM will be convened for the Shareholders to consider and, if thought fit, approve the Sale and Purchase Agreement and the transactions contemplated thereunder. Ms. Lui Yuk Chu (an executive Director and a substantial Shareholder who held 9,929,664 shares representing approximately 13.51% of the total number of issued Shares as at the Latest Practicable Date and also an executive Eminence Director) and her associate(s) shall abstain from voting at the SGM. To the best knowledge, information and believe of the Directors and having made reasonable enquiries, save for Eminence Group and Ms. Lui Yuk Chu, no other Shareholder is involved in or interested in the Sale and Purchase Agreement and the transactions contemplated thereunder which requires him/her/it to abstain from voting on the proposed resolution(s) to approve the Sale and Purchase Agreement and the transactions contemplated thereunder at the SGM.

The Eminence Group (which controlled approximately voting rights of 3.03% of the total number of issued Shares at the Latest Practicable Date) will abstain from voting at the SGM on the resolution(s) approving the Sale and Purchase Agreement and the transactions contemplated thereunder.

THE SGM

The SGM will be convened and held to consider and, if thought fit, approve the Sale and Purchase Agreement and the transactions contemplated thereunder by the Shareholders by way of poll.

LETTER FROM THE BOARD

A notice convening the SGM to be held at Block A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481–483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong on Monday, 15 December at 10:00 a.m. is set out on pages SGM-1 to SGM-2 of this circular. A form of proxy for the SGM is enclosed with this circular. Whether or not the Shareholders are able to attend and vote at the SGM, they are requested to read the notice and to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should they so wish and, in such event, the form of proxy shall be deemed to be revoked.

The ordinary resolution(s) put to the SGM will be voted on by way of poll.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlement of the Shareholders to attend and vote at the SGM (the “**Entitlement to SGM**”), the register of members of the Company will be closed from Wednesday, 10 December 2025 to Monday, 15 December 2025, both dates inclusive. During such period, no Share transfers will be registered. In order to qualify to attend and vote at the SGM, all transfers of the Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Tuesday, 9 December 2025. The record date for Entitlement to SGM will be Monday, 15 December 2025.

RECOMMENDATION

The Directors consider that the terms and conditions of the Sale and Purchase Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board would recommend the Shareholders to vote in favour of the ordinary resolution(s) to approve the Sale and Purchase Agreement and the transactions contemplated thereunder to be proposed at the SGM.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the notice of the SGM and other additional information as set out in the appendices to this circular.

Whether and when the Company will proceed with the sale of the Sale Company or not will depend on a number of factors including without limitation the prevailing market sentiments and market conditions at the proposed time of executing the sale of the Sale Company. There is no assurance that the Company will proceed with the sale of the Sale Company. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Yours faithfully,
By Order of the Board
Easyknit International Holdings Limited
Koon Ho Yan Candy
President and Chief Executive Officer

The following is the text of a letter and a valuation certificate prepared for the purpose of incorporation in this circular received from Vincorn Consulting and Appraisal Limited, an independent valuer, in connection with its valuation of the property interests to be disposed of the Group. Terms defined in this appendix applies to this appendix only.

Vincorn Consulting and Appraisal Limited
Units 1602-4, 16/F
No. 308 Des Voeux Road Central
Hong Kong

**The Board of Directors**

Easyknit International Holdings Limited
Block A, 7th Floor,
Hong Kong Spinners Industrial Building Phase 6,
Nos. 481-483 Castle Peak Road,
Cheung Sha Wan, Kowloon, Hong Kong

25 November 2025

Dear Sirs,

INSTRUCTION AND VALUATION DATE

We refer to your instructions for us to assess the Market Value of the property interests located in Hong Kong to be disposed by Easyknit International Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter together referred to as the “**Group**”) for the purposes of public disclosure. We confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary in order to provide you with our opinion of the Market Value of the property interests as at 31 August 2025 (the “**Valuation Date**”).

VALUATION STANDARDS

The valuation has been prepared in accordance with the HKIS Valuation Standards 2024 published by The Hong Kong Institute of Surveyors effective from 31 December 2024 with reference to the International Valuation Standards published by the International Valuation Standards Council effective from 31 January 2025; and the requirements set out in the Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

VALUATION BASIS

Our valuation has been undertaken on the basis of Market Value. Market Value is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

No allowances have been made for any charges, mortgages or amounts owing on the property interests, nor for any expenses or taxations which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect the values of the property interests.

As the property interests are held under long term leasehold interests, we have assumed that the owner has free and uninterrupted rights to use the property interests for the whole of the unexpired term of the leasehold interests.

VALUATION METHODOLOGY

When valuing the property interests to be disposed by the Group, we have adopted Market Approach. The valuation results have been cross-checked by Income Approach – Term and Reversion Analysis.

Market Approach is universally considered as the most accepted valuation approach for valuing most forms of property. This involves the analysis of recent market evidence of similar properties to compare with the subject under valuation. Each comparable is analysed on the basis of its unit rate; each attribute of the comparables is then compared with the subject and where there are any differences, the unit rate is adjusted in order to arrive at the appropriate unit rate for the subject. This is done by making percentage adjustments to the unit rate for various factors, such as time, location, building age, building quality and so on.

Income Approach is a valuation approach commonly adopted for income producing properties such as industrial units, offices, shops and arcades. The technique used in this valuation by Income Approach is Term and Reversion Analysis.

Term and Reversion Analysis is a common and suitable technique for the valuation of the properties subject to existing tenancies. This technique is used when the passing rent of a property differs from the market rent. It estimates the capital value of a property by capitalising rental income on a fully leased basis having regard to the current passing rental income from existing tenancy and the potential reversionary rental income at market level.

In Term and Reversion Analysis, the total rental income of a property is divided into the current passing rental income over the existing lease term, namely the term income, and the potential reversionary rental income after the expiry of the existing lease term, known as the reversionary income. The term value involves the capitalisation of the term income over the existing lease term. The reversionary value involves the capitalisation of the reversionary income after the expiry of existing lease term and it is then discounted back to the valuation date.

Market Approach should be applied and afforded significant weight when there are frequent and/or recent observable transactions of comparable properties in the market. Therefore, when valuing the property interests to be disposed of the Group, we have adopted Market Approach as the principal approach, since sufficient market comparables are identified.

LAND TENURE AND TITLE INVESTIGATION

We have made enquires and relevant searches at the Hong Kong Land Registry. However, we have not searched the original documents nor have we verified the existence of any amendments, which do not appear in the documents available to us. All documents have been used for reference only.

All legal documents disclosed in this letter and the valuation certificate are for reference only. No responsibility is assumed for any legal matters concerning the legal titles to the property interests set out in this letter and the valuation certificate.

INFORMATION SOURCES

We have relied to a considerable extent on the information provided by the Group. We have also accepted advice given to us on matters such as identification of the property, particulars of occupancy, areas and all other relevant matters. Dimensions, measurements and areas included in the valuation are based on information contained in the documents provided to us and are, therefore, only approximations.

We have also been advised by the Group that no material factors or information have been omitted or withheld from information supplied and consider that we have been provided with sufficient information to reach an informed view. We believe that the assumptions used in preparing our valuation are reasonable and have had no reason to doubt the truth and accuracy of information provided to us by the Group which is material to the valuation.

INSPECTION AND INVESTIGATIONS

The property was inspected externally and internally. Although not all areas were accessible for viewing at the time of inspection, we have endeavored to inspect all areas of the property. Investigations were carried out as necessary. Our investigations have been conducted independently and without influence from any third party in any manner.

We have not tested any services of the property and are therefore unable to report on their present conditions. We have not undertaken any structural surveys of the property and are therefore unable to comment on the structural conditions. We have not carried out any investigations on site to determine the suitability of the ground conditions for any future developments. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be required.

We have not carried out any on-site measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the documents or deduced from the plans are correct. All documents and plans have been used as reference only and all dimensions, measurements and areas are therefore approximations.

CURRENCY

Unless otherwise stated, all monetary figures stated in this report are in Hong Kong Dollars (“HKD”).

The valuation certificate is attached hereto.

Yours faithfully,
For and on behalf of
Vincorn Consulting and Appraisal Limited

Kit Cheung
BSc(Hons) FHKIS MRICS R.P.S.(GP)
MCIREA MHIREA
RICS Registered Valuer
Registered Real Estate Appraiser PRC
Certified ESG Planner CEP®
Executive Director

Vincent Cheung
BSc(Hons) MBA FHKIS FRICS R.P.S.(GP)
MCIREA MHKSI MISC MHIREA FHKIoD
RICS Registered Valuer
Registered Real Estate Appraiser & Agent PRC
Certified ESG Planner CEP®
Managing Director

Note:

Vincent Cheung is a fellow of the Hong Kong Institute of Surveyors, a fellow of the Royal Institution of Chartered Surveyors, a Registered Professional Surveyor (General Practice) under the Surveyors Registration Ordinance (Cap. 417) in Hong Kong, a member of China Institute of Real Estate Appraisers and Agents, a member of Hong Kong Securities and Investment Institute, a member of Institute of Shopping Centre Management, a member of Hong Kong Institute of Real Estate Administrators, a fellow of the Hong Kong Institute of Directors, a Registered Valuer of the Royal Institution of Chartered Surveyors and a Registered Real Estate Appraiser, Agent People’s Republic of China and a Certified ESG Planner CEP®. He is suitably qualified to carry out the valuation and has over 28 years of experience in the valuation of fixed and intangible assets of this magnitude and nature in the subject region.

Kit Cheung is a fellow of the Hong Kong Institute of Surveyors, a member of the Royal Institution of Chartered Surveyors, a Registered Professional Surveyor (General Practice) under the Surveyors Registration Ordinance (Cap. 417) in Hong Kong, a member of China Institute of Real Estate Appraisers and Agents, a member of Hong Kong Institute of Real Estate Administrators, a Registered Valuer of the Royal Institution of Chartered Surveyors, a Registered Real Estate Appraiser People’s Republic of China and a Certified ESG Planner CEP®. He is suitably qualified to carry out the valuation and has over 16 years of experience in the valuation of fixed and intangible assets of this magnitude and nature in the subject region.

VALUATION CERTIFICATE

Property Interests Held for Investment to be Disposed by the Group in Hong Kong

Property	Description and Tenure	Occupancy Particulars	Market Value in the Existing State as at 31 August 2025										
Showcase and Shops 1, 2 & 3 on Ground Floor, Shop 1 on 1st Floor, Shop 1 on 2nd Floor and Staircase & Observation Lift Areas, Fa Yuen Plaza, No 19 Fa Yuen Street, Kowloon, Hong Kong (962/4,655 shares of and in subject lot)	<p>The property comprises Showcase and Shops 1, 2 & 3 on Ground Floor, Shop 1 on 1st Floor, Shop 1 on 2nd Floor and Staircase & Observation Lift Areas of a 20-storey composite building, namely Fa Yuen Plaza, located in Yau Tsim Mong District.</p> <p>As per our scale-off measurement on the assignment plans, the property has saleable area (“SA”) of approximately 9,966.00 square feet (“sq.ft.”). As per the Occupation Permit No. KN6/2003(OP), it was completed in about 2003. The breakdown of the areas is as follows:–</p> <table><thead><tr><th>Floor</th><th>SA (sq.ft.)</th></tr></thead><tbody><tr><td>Ground Floor</td><td>3,213.00</td></tr><tr><td>First Floor</td><td>3,527.00</td></tr><tr><td>Second Floor</td><td>3,226.00</td></tr><tr><td>Total</td><td>9,966.00</td></tr></tbody></table> <p>The subject lot, Kowloon Inland No. 11123, is held under Conditions of Exchange No. UB12634 for a term of 50 years commencing 8 October 2002.</p>	Floor	SA (sq.ft.)	Ground Floor	3,213.00	First Floor	3,527.00	Second Floor	3,226.00	Total	9,966.00	<p>As per our on-site inspection and information provided by the Group, the Ground Floor, 1st Floor and 2nd Floor of the property is currently tenanted for a term of 3 years commencing from 18 April 2025 to 17 April 2028 at a monthly rent of HKD925,000 exclusive of government rates, management fees and utility charges.</p>	<p>HKD693,000,000 (HONG KONG DOLLARS SIX HUNDRED AND NINETY THREE MILLION)</p>
Floor	SA (sq.ft.)												
Ground Floor	3,213.00												
First Floor	3,527.00												
Second Floor	3,226.00												
Total	9,966.00												

Notes:

- The property was inspected by Jeff Liu *BSc(Hons)* on 26 August 2025.
- The valuation and this certificate were prepared by Vincent Cheung *BSc (Hons) MBA FHKIS FRICS R.P.S.(GP) MCIREA MHKSI MISCM MHIREA FHKIoD RICS Registered Valuer Registered Real Estate Appraiser & Agent PRC Certified ESG Planner CEP®*, Kit Cheung *BSc (Hons) FHKIS MRICS R.P.S.(GP) MCIREA MHIREA RICS Registered Valuer Registered Real Estate Appraiser PRC Certified ESG Planner CEP®* and Iverson Chan *BSc (Hons) MHKIS MRICS R.P.S.(GP) RICS Registered Valuer CAIA*.
- The details of the land search records of the property dated 20 August 2025 are summarised below:-

Item	Details
Registered Owner:	Mark Profit Development Limited by Conditions of Exchange No. UB12634 of KIL 11123
Government Rent:	3% of rateable value

Item	Details
Major Encumbrances:	<ul style="list-style-type: none"> • Occupation Permit No. KN6/2003 (OP) dated 14 February 2003, registered vide Memorial No. UB8886904; • Certificate of Compliance dated 3 March 2003, registered vide Memorial No. UB8924155; • Deed of Mutual Covenant and Management Agreement with Plans in favour of Easyknit Properties Management Limited “Manager” dated 19 June 2003, registered vide Memorial No. UB8962820; • Mortgage in favour of Hang Seng Bank Limited for all moneys in respect of general banking facilities (pt.) dated 24 September 2015, registered vide Memorial No. 15101402420103; and • Second Mortgage in favour of Hang Seng Bank Limited for all moneys in respect of general banking facilities (pt.) dated 11 June 2020, registered vide Memorial No. 20061902460069.
4. The property is erected on Kowloon Inland Lot No. 11123, which is held under Conditions of Exchange No. UB12634. The salient conditions are summarised below:-	

Item	Details
Lot Numbers:	Kowloon Inland Lot No. 11123
Lease Term:	50 years commencing 8 October 2002
Site Area:	About 4,830.88 sq.ft.
Major Special Conditions:	<ul style="list-style-type: none"> • Any building or any part of any building erected or to be erected on the lot shall not be used for any purpose other than the following: <ul style="list-style-type: none"> • The lowest three floors for non-industrial (excluding hotel, cinema, petrol filling station and godown) purposes. • The remaining floors for private residential purposes. • Notwithstanding sub-clause (b)(i) of this Special Condition, any basement level or levels (if erected), shall not be used for any purpose other than for non-industrial (excluding residential, hotel, cinema, petrol filling station and godown) purposes. • Subject to sub-clause (d) of this Special Condition, each basement level (if erected) shall be counted as one of the lowest three floors referred to in sub-clause (b)(i) of this Special Condition.
5. The property falls within an area zoned “Other Specified Uses (Mixed Use)” under Kowloon Planning Area No. 3 – Approved Mong Kok Outline Zoning Plan No. S/K3/38 approved on 8 November 2024.	
6. The general description and market information of the property are summarized below:	
Location:	The property is located at No. 19 Fa Yuen Street, Kowloon, Hong Kong.
Transportation:	Hong Kong International Airport and Mong Kok MTR Station are located approximately 31.8 kilometres and 350 metres away from the property respectively.
Nature of Surrounding Area:	The area is predominately a commercial and residential area in Yau Tsim Mong District.

7. In the course of our valuation of the property by Market Approach, we have considered and analysed the ground floor retail and upper floor retail sale comparables.

The ground floor retail sale comparables have been collected on an exhaustive basis subject to the following selection criteria:

Property Type:	Ground floor retail unit not situated within a tenement building
Location:	Located within Yau Tsim Mong District and along a major pedestrian street without disturbance of on-street stalls
Time:	Entered into Agreement for Sale & Purchase within 18 months from the valuation date
Building Age:	Completed after 1960

Based on the above selection criteria, a total of four relevant ground floor retail sale comparables with unit rates ranging from HKD143,704 to HKD218,121 per sq.ft. on the basis of SA as tabled below have been collected for the assessment of the ground floor portion of the property.

	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Development	Savoy Mansions	Fook Tai Building	Bo Fung Building	106 Prince Edward Road West
Address	49 Carnarvon Road	24-26 Soy Street	34 Haiphong Road	106 Prince Edward Road West
District	Yau Tsim Mong	Yau Tsim Mong	Yau Tsim Mong	Yau Tsim Mong
Year of Completion	1966	1978	1974	1974
Property Type	Retail	Retail	Retail	Retail
Floor	G/F	G/F	G/F	G/F
Unit	Unit C	Unit 3 & 4	Unit D	Portion A
SA (sq.ft.)	295.00	270.00	596.00	186.00
Nature	Agreement for Sale & Purchase	Agreement for Sale & Purchase	Agreement for Sale & Purchase	Agreement for Sale & Purchase
Date of Instrument	10 June 2025	6 March 2025	18 April 2024	19 March 2024
Consideration (HKD)	45,000,000	38,800,000	130,000,000	30,000,000
Saleable Unit Rate (HKD/sq.ft.)	152,542	143,704	218,121	161,290
Adjustment				
Time	(0.7%)	(3.2%)	(10.1%)	(10.8%)
Location	5.0%	Nil	Nil	10.0%
Building Age	7.4%	5.0%	5.8%	5.8%
Size	(2.9%)	(2.9%)	(2.6%)	(3.0%)
Total Adjustment	8.7%	(1.3%)	(7.4%)	0.7%
Adjusted Saleable Unit Rate (HKD/sq.ft.)	165,774	141,775	202,087	162,354

The above comparables are considered relevant to the subject in terms of location since they are located within the same district as the property and both the comparables and the property are fronting major pedestrian streets without disturbance of on-street stalls. Due to limited transaction of sizable retail units and retail units completed after 2000 in the vicinity, we have to refer to the comparables with smaller sizes and higher building ages. In order to address the variances, appropriate adjustments in terms of size have been applied to the comparables.

In addition to size and building age, adjustments in terms of other aspects, including time and location, have been made to the unit rates of the comparables. After due adjustments in terms of the aforesaid aspects, the adjusted unit rates of the comparables arrive at a range of HKD141,775 to HKD202,087 per sq.ft. on the basis of SA. The adjusted unit rates of the sale comparables are weighted equally to derive an average of HKD167,998 per sq.ft. on the basis of SA, which has been applied to the valuation of the ground floor portion of the property.

The upper floor retail sale comparables have been collected on an exhaustive basis subject to the following selection criteria:

Property Type:	1st floor retail unit not situated within a tenement building
Location:	Located within Yau Tsim Mong District and along a major pedestrian street without disturbance of on-street stalls
Time:	Entered into Agreement for Sale & Purchase within 6 months from the valuation date
Building Age:	Completed after 1960

Based on the above selection criteria, a total of three relevant first floor retail sale comparables with unit rates ranging from HKD21,127 to HKD23,256 per sq.ft. on the basis of SA as tabled below have been collected for the assessment of the first floor portion of the property.

	Comparable 1	Comparable 2	Comparable 3
Development	The Capital Park Hotel	Sin Tat Square	Beverly Commercial Centre
Address	61-65 Chatham Road South	83 Argyle Street	87-105 Chatham Road South
District	Yau Tsim Mong	Yau Tsim Mong	Yau Tsim Mong
Year of Completion	1961	1963	1982
Property Type	Retail	Retail	Retail
Floor	1/F	1/F	1/F
Unit	Unit F134	Unit F23	Unit 22 & 23
SA (sq.ft.)	43.00	71.00	178.00
Nature	Agreement for Sale & Purchase	Agreement for Sale & Purchase	Agreement for Sale & Purchase
Date of Instrument	4 July 2025	20 June 2025	11 April 2025
Consideration (HKD)	1,000,000	1,500,000	3,968,000
Saleable Unit Rate (HKD/sq.ft.)	23,256	21,127	22,292
Adjustment			
Time	0.0%	(0.7%)	(2.4%)
Location	Nil	6.0%	Nil
Building Age	8.4%	8.0%	4.2%
Floor Level	Nil	Nil	Nil
Size	(3.5%)	(3.5%)	(3.3%)
Total Adjustment	4.6%	9.7%	(1.7%)
Adjusted Saleable Unit Rate (HKD/sq.ft.)	24,331	23,178	21,915

The above comparables are considered relevant to the subject in terms of location since they are located within the same district as the property and both the comparables and the property are fronting major pedestrian streets without disturbance of on-street stalls. Due to limited transaction of sizable retail units and retail units completed after 2000 in the vicinity, we have to refer to the comparables with smaller sizes and higher building ages. In order to address the variances, appropriate adjustments in terms of size and building age have been applied to the comparables.

In addition to size and building age, adjustments in terms of other aspects, including time and location, have been made to the unit rates of the comparables. After due adjustments in terms of the aforesaid aspects, the adjusted unit rates of the comparables arrive at a range of HKD21,915 to HKD24,331 per sq.ft. on the basis of SA. The adjusted unit rates of the sale comparables are weighted equally to derive an average of HKD23,141 per sq.ft. on the basis of SA, which has been applied to the valuation of the first floor portion of the property.

Since the second floor portion of the property has different floor level and size compared with the first floor portion, further adjustments in terms of floor level and size have been made to the unit rate of the first floor portion to derive the unit rate for the second floor portion as shown below:

Floor Level:	-4.0%
Size:	+0.3%
Saleable Unit Rate for Second Floor:	HKD22,282 per sq.ft. on the basis of SA

By applying the aforesaid unit rates to each floor of the property, we have arrived at the valuation of circa HKD693,000,000 by Market Approach.

8. In the course of our valuation of the property by Income Approach – Term and Reversion Analysis for cross-checking purposes, we have capitalized the passing rental incomes and market rental income by appropriate term yield and reversionary yield respectively. The parameters adopted in our valuation are listed below:

Reversionary Yield :	3.50%
Term Yield :	3.25%
Market Rent :	Ground Floor Retail: HKD546.4 per sq.ft. per month on the basis of SA Upper Floor Retail: HKD54.8 per sq.ft. per month on the basis of SA

The market rents have been derived by analyzing relevant leasing transactions in the vicinity, of which the ground floor and upper floor unit rents are fetched from HKD546.2 to HKD658.8 and HKD56.5 to HKD68.2 per sq.ft. per month on the basis of SA respectively. Compared to the market rental income, the passing rental income is considered as relatively low due to the potential anchor discount offered for the existing single en bloc tenancy.

The reversionary yield of 3.50% has been adopted by making reference to prevailing retail property market yields published by the Rating and Valuation Department of the Government of the Hong Kong Special Administrative Region. For the term yield, it has been derived by applying a downward adjustment of 25 basis points to the prevailing market yield to reflect the rental security during the term period with existing tenancy.

The valuation derived from Income Approach – Term and Reversion Analysis is circa HKD693,000,000. Since the valuation results from Income Approach – Term and Reversion Analysis is consistent with that from Market Approach, we consider that the valuation conclusion is fair and reasonable.

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the financial years ended 31 March 2023, 2024 and 2025 are disclosed in the following documents which have been published both on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (<https://www.easyknit.com>):

- (i) Annual report of the Group for the year ended 31 March 2025 (pages 96 to 253)
<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0721/2025072100672.pdf>
- (ii) Annual report of the Group for the year ended 31 March 2024 (pages 103 to 254)
<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0722/2024072200399.pdf>
- (iii) Annual report of the Group for the year ended 31 March 2023 (pages 99 to 273)
<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0721/2023072100459.pdf>

2. WORKING CAPITAL

The Directors are of the opinion that, taking into consideration the Group's present financial resources and the potential effect of the sale of the Sale Company, the Group has sufficient working capital for its present requirements for at least the next twelve months from the date of this circular. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

3. STATEMENT OF INDEBTEDNESS

As at 30 September 2025, being the latest practicable date for the purpose of ascertaining information contained in this indebtedness statement set out in this circular, the Group had outstanding bank borrowings amounted to approximately HK\$1,296,391,000, which were guaranteed by the Company and were secured by certain properties of the Group. The bank borrowings are secured by charges over leasehold properties, investment properties and properties held for sale of the Group with carrying amounts of approximately HK\$93,586,000, HK\$831,000,000, and HK\$1,726,047,000 respectively at 30 September 2025.

Apart from as disclosed above, the Group did not have any debt securities authorised or created but unissued, issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance leases, hire purchase commitments, guaranteed, unguaranteed, secured and unsecured borrowing and debt, or other material contingent liabilities as at the close of business on 30 September 2025.

4. FINANCIAL AND TRADING PROSPECTS OF THE REMAINING GROUP

The Group is principally engaged in property development, property investment, investment in securities and others and loan financing business which property development and property investment are the core businesses of the Group.

The Group shares the view of the government of Hong Kong that the Hong Kong economy still faces a very challenging external environment for 2025, but there are quite a few positive factors at the same time. The Group anticipates that when the interest rates begin to ease due to the gradual easing of monetary policies by major central banks to support their economic growth, the market confidence towards the property sector in Hong Kong will gradually restore although the economic and trade policies of the US have brought uncertainties to the pace of rate cuts in 2025. The European Central Bank also indicated that it would lower interest rates further if inflation broadly trends towards its target level. According to the International Monetary Fund's latest projections, the global economy will grow by 3.3% for 2025, slightly higher than last year.

For property development, the residential project "Ayton" located at Inverness Road, Kowloon Tong, continued for its sales during the year ended 31 March 2025. As at the date of the Company's annual report for the year ended 31 March 2025, 52 units and 5 carparks released were sold and the aggregate contracted sales amounted to approximately HK\$968,397,000. The Group also launched its sales of another residential project "Garden Crescent" located at Waterloo Road, Ho Man Tin, in November 2023. As at the date of the Company's annual report for the year ended 31 March 2025, 22 units released were sold and the aggregate contracted sales amounted to approximately HK\$220,953,000. The Remaining Group will continue the sales of the remaining units in "Ayton" and "Garden Crescent". For Project Chatham Road North, occupation permit was obtained in March 2025.

For property investment, the Group's portfolio comprised of residential, commercial and industrial units located in Hong Kong. For the year ended 31 March 2025, the rental and building management income of the Group from continuing operations was approximately HK\$17,152,000, representing an increase of approximately 12.0%. The occupancy rate of the Group's investment properties remained satisfactory, being 0.0%, 98.7% and 75.6% for residential, commercial and industrial units respectively as at 31 March 2025. The Remaining Group is committed to deliver high-quality property management services, the income of which will also contribute to the Remaining Group's results.

For investment in securities, the Group invested and will invest in a diversified portfolio of investments including listed equity securities and convertible note based on (i) potential return on investment in terms of capital appreciation and dividend payment for the targeted holding period; (ii) risks exposure in comparison with the Group's risk tolerance level at the prevailing time; and (iii) diversification of the existing investment portfolio.

For loan financing, the target customer groups are generally individuals and corporate entities that have short-term funding needs and can provide collaterals for their borrowings at their best endeavour. The Group's clientele is primarily acquired through business referrals and introductions from the Company's directors, senior management, business partners or clients. The Group generally provides short-term loans. For the new and renewal loans during the year ended 31 March 2025, approximately 97% was with a term within 1 year, and approximately 3% was more than 1 year but not more than 3 years. The repayment terms and conditions are determined from the factors including the liquidity needs of the borrowers, the Group's funding and cash flows management strategies, and the terms and rates of the prevailing market.

Looking ahead, the Remaining Group will continue to focus its efforts in the development of its existing principal businesses and will exercise prudent capital management and approach in its operations. The Remaining Group will continue to monitor the market changes closely and strengthen the principal segments of its businesses while exploring other potential opportunities with a view to providing steady and favorable returns for the Shareholders and bringing increased values to the Remaining Group's stakeholders.

5. MATERIAL ADVERSE CHANGE

The Directors confirm that as at the Latest Practicable Date, there has been no material adverse change in the financial or trading position or outlook of the Group since 31 March 2025, the date to which the latest published audited financial statements of the Company were made up, up to and including the Latest Practicable Date.

Set out below are the unaudited statements of financial position of Mark Profit Development Limited (the “**Mark Profit**”) as at 31 March 2023, 2024 and 2025 and 31 August 2025 and the unaudited statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Mark Profit for each of the three years ended 31 March 2025 and the five months ended 31 August 2024 and 2025 (the “**Relevant Periods**”) and explanatory notes, which have been reviewed by the reporting accountants, ZHONGHUI ANDA CPA Limited, in accordance with Hong Kong Standard on Review Engagements 2400 (Revised) “Engagements to Review Historical Financial Statements” 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. Accordingly, the reporting accountant does not express an audit opinion. The reporting accountant has issued an unmodified review report.

FINANCIAL INFORMATION

A. STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 31 March			Five months ended 31 August	
	2023	2024	2025	2024	2025
	HK\$	HK\$	HK\$	HK\$	HK\$
Revenue	11,754,500	11,100,000	11,100,000	4,625,000	4,625,000
Other income	3,890,775	1,357,914	881,631	536,468	436,922
Gain/(loss) arising from change in fair value of investment properties	53,000,000	(27,000,000)	(11,000,000)	–	11,000,000
(Loss)/gain on change in fair value of financial assets at fair value through profit or loss (“ FVTPL ”)	(12,992,756)	7,478,840	(7,238,493)	(21,242,540)	(6,226,545)
(Impairment loss)/reversal of impairment loss on other debt instrument at amortised cost	(148,650)	716,800	–	–	–
Administrative expenses	(14,000,748)	(16,456,137)	(18,497,890)	(8,947,261)	(6,953,802)
Finance costs	(13,965,409)	(18,650,265)	(16,696,929)	(7,446,488)	(4,474,657)
Profit/(loss) before tax	27,537,712	(41,452,848)	(41,451,681)	(32,474,821)	(1,593,082)
Income tax credit/(expense)	24,527	(118,272)	8,384,460	–	–
Profit/(loss) and total comprehensive income/(expense) for the year/period	<u>27,562,239</u>	<u>(41,571,120)</u>	<u>(33,067,221)</u>	<u>(32,474,821)</u>	<u>(1,593,082)</u>

APPENDIX III

FINANCIAL INFORMATION OF THE SALE COMPANY

B. STATEMENTS OF FINANCIAL POSITION

	As at 31 March			As at
	2023	2024	2025	31 August
	HK\$	HK\$	HK\$	2025
				HK\$
Non-current assets				
Property, plant and equipment	—	—	—	—
Investment properties	720,000,000	693,000,000	682,000,000	693,000,000
Other debt instrument at amortised cost	12,083,200	—	—	—
Deferred tax assets	118,272	—	—	—
	<u>732,201,472</u>	<u>693,000,000</u>	<u>682,000,000</u>	<u>693,000,000</u>
Current assets				
Financial assets at FVTPL	63,996,660	71,475,500	46,254,800	51,626,160
Prepayments, deposits and other receivables	373,574	181,382	181,298	191,834
Amount due from the ultimate holding company	389,142,420	325,192,106	313,636,946	294,289,008
Amount due from a fellow subsidiary	999,874	901,073	946,109	959,874
Bank balances	833,391	860,081	14,211	10,339
	<u>455,345,919</u>	<u>398,610,142</u>	<u>361,033,364</u>	<u>347,077,215</u>
Current liabilities				
Rental deposits received and rental received in advance	3,146,121	3,146,121	3,146,121	3,098,820
Accruals and other payables	1,698,843	1,398,007	1,240,648	978,410
Amounts due to fellow subsidiaries	10,556,694	9,389,070	19,087,772	22,708,117
Tax payable	8,384,460	8,384,460	—	—
Secured bank borrowings	107,914,025	231,977,070	227,549,005	222,538,617
	<u>131,700,143</u>	<u>254,294,728</u>	<u>251,023,546</u>	<u>249,323,964</u>
Net current assets	<u>323,645,776</u>	<u>144,315,414</u>	<u>110,009,818</u>	<u>97,753,251</u>
Total assets less current liabilities	<u>1,055,847,248</u>	<u>837,315,414</u>	<u>792,009,818</u>	<u>790,753,251</u>
Non-current liabilities				
Secured bank borrowings	263,509,051	86,548,337	74,309,962	74,646,477
NET ASSETS	<u>792,338,197</u>	<u>750,767,077</u>	<u>717,699,856</u>	<u>716,106,774</u>
Capital and reserves				
Share capital	2	2	2	2
Retained earnings	792,338,195	750,767,075	717,699,854	716,106,772
TOTAL EQUITY	<u>792,338,197</u>	<u>750,767,077</u>	<u>717,699,856</u>	<u>716,106,774</u>

C. STATEMENTS OF CHANGES IN EQUITY

	Share Capital <i>HK\$</i>	Retained earnings <i>HK\$</i>	Total equity <i>HK\$</i>
At 1 April 2022	2	764,775,956	764,775,958
Profit and total comprehensive income for the year	—	27,562,239	27,562,239
At 31 March 2023 and 1 April 2023	2	792,338,195	792,338,197
Loss and total comprehensive expenses for the year	—	(41,571,120)	(41,571,120)
At 31 March 2024 and 1 April 2024	2	750,767,075	750,767,077
Loss and total comprehensive expenses for the year	—	(33,067,221)	(33,067,221)
At 31 March 2025 and 1 April 2025	2	717,699,854	717,699,856
Loss and total comprehensive expenses for the period	—	(1,593,082)	(1,593,082)
At 31 August 2025	<u>2</u>	<u>716,106,772</u>	<u>716,106,774</u>
At 1 April 2024	2	750,767,075	750,767,077
Loss and total comprehensive expenses for the period	—	(32,474,821)	(32,474,821)
At 31 August 2024	<u>2</u>	<u>718,292,254</u>	<u>718,292,256</u>

D. STATEMENTS OF CASH FLOWS

	Year ended 31 March			Five months ended 31 August	
	2023	2024	2025	2024	2025
	HK\$	HK\$	HK\$	HK\$	HK\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(loss) before tax	27,537,712	(41,452,848)	(41,451,681)	(32,474,821)	(1,593,082)
Adjustments for:					
Dividend income from listed investments	(2,649,026)	(851,232)	(836,580)	(516,736)	(423,154)
Depreciation of property, plant and equipment	1,935	–	–	–	–
Interest income	(1,241,749)	(506,682)	(45,051)	(19,732)	(13,768)
Finance costs	13,965,409	18,650,265	16,696,929	7,446,488	4,474,657
(Gain)/loss arising from change in fair value of investment properties	(53,000,000)	27,000,000	11,000,000	–	(11,000,000)
Impairment loss/(reversal of impairment loss) on other debt instrument at amortised cost	148,650	(716,800)	–	–	–
Loss/(gain) on fair value change of financial assets at FVTPL	12,992,756	(7,478,840)	7,238,493	21,242,540	6,226,545
Operating cash flows before working capital changes	(2,244,313)	(5,356,137)	(7,397,890)	(4,322,261)	(2,328,802)
Change in prepayments, deposits and other receivables	4,258,955	7,293	84	(46,140)	(10,536)
Change in accruals and other payables	(592,999)	–	83,519	148,654	280,235
Change in rental deposits received and rental received in advance	(3,591,750)	–	–	–	(47,301)
Cash used in operations	(2,170,107)	(5,348,844)	(7,314,287)	(4,219,747)	(2,106,404)
Dividend received	2,649,026	851,232	836,580	516,736	423,154
Net cash generated from/(used in) operating activities	478,919	(4,497,612)	(6,477,707)	(3,703,011)	(1,683,250)

APPENDIX III
FINANCIAL INFORMATION OF THE SALE COMPANY

	Year ended 31 March			Five months ended 31 August	
	2023	2024	2025	2024	2025
	HK\$	HK\$	HK\$	HK\$	HK\$
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from disposal of financial assets at FVTPL	24,826,830	–	17,982,207	–	–
Proceeds from repayment of debt instruments at amortised cost	3,200,000	12,800,000	–	–	–
Acquisition of financial assets at FVTPL	(6,000,000)	–	–	–	(11,597,905)
Interest received	1,427,355	691,581	15	9	3
Repayment from a fellow subsidiary	13,654,970	98,801	–	–	–
Repayment from the ultimate holding company	25,779,824	63,950,314	11,555,160	12,666,580	19,347,938
Net cash generated from investing activities	62,888,979	77,540,696	29,537,382	12,666,589	7,750,036
CASH FLOWS FROM FINANCING ACTIVITIES					
Bank borrowings raised	6,000,000	–	–	–	–
Repayment to bank borrowings	(65,010,970)	(52,897,669)	(16,666,440)	(4,698,577)	(4,673,873)
Interest paid	(12,404,566)	(18,951,101)	(16,907,140)	(7,520,815)	(4,978,797)
Payment of loan arrangement fee	–	–	(30,667)	–	(38,333)
Advance from/(repayment to) fellow subsidiaries	8,811,316	(1,167,624)	9,698,702	4,606,130	3,620,345
Net cash used in financing activities	(62,604,220)	(73,016,394)	(23,905,545)	(7,613,262)	(6,070,658)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	763,678	26,690	(845,870)	1,350,316	(3,872)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR/PERIOD	69,713	833,391	860,081	860,081	14,211
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD, REPRESENTED BY BANK BALANCES	833,391	860,081	14,211	2,210,397	10,339

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

On 10 October 2025, Easyknit Properties Holdings Limited (the “**Easyknit Properties**”) entered into the Sale and Purchase Agreement with Eminence Enterprise Limited (the “**Eminence**”), pursuant to which amongst other things, Easyknit Properties (as the seller) conditionally agreed to sell, and Eminence (as the buyer) conditionally agreed to purchase, the entire issued share capital of Mark Profit (an indirect wholly-owned subsidiary of the Company) at a consideration less a sum equal to the expected total amount due from the Mark Profit’s ultimate holding company and fellow subsidiaries to Mark Profit outstanding as at the Completion Date on a dollar-for-dollar basis (the “**Disposal**”). Upon completion of the Disposal, Mark Profit will cease to be a subsidiary of the Company.

2. BASIS OF PREPARATION OF THE UNAUDITED FINANCIAL INFORMATION

The unaudited financial information of Mark Profit 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 Disposal.

The amounts included in the unaudited financial information for each of the three years ended 31 March 2025 and the five months ended 31 August 2024 and 2025 have been recognised and measured in accordance with the relevant accounting policies of the Company adopted in the preparation of the Company’s annual financial statements, which conform with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants.

The unaudited 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 and should be read in conjunction with the Company’s annual financial statements.

INTRODUCTION

The accompanying unaudited pro forma financial information of the Post-Transaction Group has been prepared to illustrate the effect of the disposal of the entire issued share capital of Mark Profit subject to the terms and conditions of the Sale and Purchase Agreements (the “**Disposal**”) on the Group’s financial position as at 31 March 2025, as if the Disposal had been taken place on 31 March 2025, and on the Group’s financial performance and cash flows for the year ended 31 March 2025, as if the Disposal had been taken place on 1 April 2024.

The unaudited pro forma consolidated statement of profit or loss and other comprehensive income and unaudited pro forma consolidated statement of cash flows of the Post-Transaction Group for the year ended 31 March 2025 are prepared based on the audited consolidated statement of profit or loss and other comprehensive income and audited consolidated statement of cash flows of the Group for the year ended 31 March 2025 as extracted from the annual report of the Group for the year ended 31 March 2025 and the unaudited statements of profit or loss and other comprehensive income and unaudited statements of cash flows of Mark Profit for the year ended 31 March 2025 as extracted from the financial information of Mark Profit set out in Appendix III to this circular as if the Disposal had been completed on 1 April 2024.

The unaudited pro forma consolidated statement of financial position of the Post-Transaction Group as at 31 March 2025 is prepared based on the audited consolidated statement of financial position of the Group as at 31 March 2025 as extracted from the annual report of the Group for the year ended 31 March 2025 and the unaudited statements of financial position of Mark Profit as at 31 March 2025 as extracted from the financial information of Mark Profit set out in Appendix III to this circular as if the Disposal had been completed on 31 March 2025.

The unaudited pro forma financial information of the Post-Transaction 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 Post-Transaction Group, it may not give a true picture of the actual financial position, results of operation or cash flows of the Post-Transaction Group that would have been attained had the Disposal actually occurred on the dates indicated herein. Furthermore, the unaudited pro forma financial information of the Post-Transaction Group does not purport to predict the Post-Transaction Group’s future financial position, results of operation or cash flows.

The unaudited pro forma financial information of the Post-Transaction Group should be read in conjunction with the financial information of the Group as set out in Appendix II, the financial information of Mark Profit as set out in Appendix III and other financial information included elsewhere in this circular.

APPENDIX IV	UNAUDITED PRO FORMA FINANCIAL INFORMATION OF POST-TRANSACTION GROUP
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**A. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
OF THE POST-TRANSACTION GROUP**

	The Group as at 31 March 2025	Pro forma adjustments			Unaudited pro forma total for the Post- Transaction Group
	HK\$'000 (Note 1)	HK\$'000 (Note 2)	HK\$'000 (Note 3)	HK\$'000 (Note 4)	HK\$'000
NON-CURRENT ASSETS					
Property, plant and equipment	96,041	–	–	–	96,041
Right-of-use assets	598	–	–	–	598
Intangible assets	500	–	–	–	500
Investment properties	899,100	(682,000)	–	–	217,100
Interest in an associate	228,279	–	–	6,788	235,067
Interests in joint ventures	91	–	–	–	91
Financial assets at fair value through profit or loss (“FVTPL”)	69,993	–	269,555	–	339,548
Loans receivables	3,000	–	–	–	3,000
Deposits	285	–	–	–	285
	<u>1,297,887</u>	<u>(682,000)</u>	<u>269,555</u>	<u>6,788</u>	<u>892,230</u>
Total non-current assets	<u>1,297,887</u>	<u>(682,000)</u>	<u>269,555</u>	<u>6,788</u>	<u>892,230</u>
CURRENT ASSETS					
Properties held for development for sale	696,000	–	–	–	696,000
Properties held for sale	1,120,130	–	–	–	1,120,130
Trade and other receivables	38,961	(181)	–	–	38,780
Financial assets at FVTPL	69,571	(46,255)	33,846	–	57,162
Loans receivables	89,102	–	–	–	89,102
Debt instruments at amortised cost	2,206	–	–	–	2,206
Debt instruments at fair value through other comprehensive income (“FVTOCI”)	463	–	–	–	463
Amount due from the ultimate holding company	–	(313,637)	313,637	–	–
Amount due from a fellow subsidiary	–	(946)	946	–	–
Cash and cash equivalents	15,638	(14)	(1,040)	–	14,584
	<u>2,032,071</u>	<u>(361,033)</u>	<u>347,389</u>	<u>–</u>	<u>2,018,427</u>
Total current assets	<u>2,032,071</u>	<u>(361,033)</u>	<u>347,389</u>	<u>–</u>	<u>2,018,427</u>

APPENDIX IV
**UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF POST-TRANSACTION GROUP**

	The Group as at 31 March 2025	Pro forma adjustments			Unaudited pro forma total for the Post- Transaction Group
	HK\$'000 (Note 1)	HK\$'000 (Note 2)	HK\$'000 (Note 3)	HK\$'000 (Note 4)	HK\$'000
CURRENT LIABILITIES					
Trade and other payables	96,821	(4,386)	–	–	92,435
Contract liabilities	19,066	–	–	–	19,066
Amount due to a non-controlling shareholder	174,568	–	–	–	174,568
Amounts due to fellow subsidiaries	–	(19,088)	19,088	–	–
Tax payables	37,159	–	–	–	37,159
Lease liabilities	574	–	–	–	574
Secured bank borrowings	1,112,302	(227,549)	(120,000)	–	764,753
Total current liabilities	<u>1,440,490</u>	<u>(251,023)</u>	<u>(100,912)</u>	<u>–</u>	<u>1,088,555</u>
NET CURRENT ASSETS	<u>591,581</u>	<u>(110,010)</u>	<u>448,301</u>	<u>–</u>	<u>929,872</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>1,889,468</u>	<u>(792,010)</u>	<u>717,856</u>	<u>6,788</u>	<u>1,822,102</u>
NON-CURRENT LIABILITIES					
Secured bank borrowings	161,935	(74,310)	–	–	87,625
Lease liabilities	52	–	–	–	52
Deferred tax liabilities	916	–	–	–	916
Total non-current liabilities	<u>162,903</u>	<u>(74,310)</u>	<u>–</u>	<u>–</u>	<u>88,593</u>
NET ASSETS	<u>1,726,565</u>	<u>(717,700)</u>	<u>717,856</u>	<u>6,788</u>	<u>1,733,509</u>
Capital and reserves					
Share capital	7,399	–	–	–	7,399
Reserves	<u>1,720,997</u>	<u>(717,700)</u>	<u>717,856</u>	<u>6,788</u>	<u>1,727,941</u>
Equity attributable to owners of the Company	1,728,396	(717,700)	717,856	6,788	1,735,340
Non-controlling interests	<u>(1,831)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(1,831)</u>
TOTAL EQUITY	<u>1,726,565</u>	<u>(717,700)</u>	<u>717,856</u>	<u>6,788</u>	<u>1,733,509</u>

Notes to the unaudited pro forma consolidated statement of financial position:

1. The figures are extracted from the audited consolidated statement of financial position of the Group as at 31 March 2025 as set out in the annual report of the Group for the year ended 31 March 2025.
2. The adjustment represents the exclusion of assets and liabilities of Mark Profit as at 31 March 2025, as if the Disposal has taken place on 31 March 2025. The financial information of Mark Profit is extracted from the unaudited statement of financial position of Mark Profit as at 31 March 2025 as set out in the financial information of Mark Profit set out in Appendix III to this circular.
3. For pro forma purpose, it is assumed that, upon the Disposal has been completed on 31 March 2025, the Group has lost control of Mark Profit and ceased to account for Mark Profit as a subsidiary. The Purchase Price will be settled through the 2025 Convertible Note issued by Eminence. The details of the calculation are set out as follows:

HK\$'000

Consideration received for disposal of:

2025 Convertible Note (fair value assumed as at 30 September 2025)*	269,555
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Net assets disposed of:

Net assets of Mark Profit as at 31 March 2025	717,700
Less:	
– Debt Novation to Mark Profit	(120,000)
– Securities Transfer	(33,846)
– Amounts due balance of Mark Profit (being a net debit amount)	(295,495)

	268,359
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Gain on the Disposal:

Consideration received	269,555
Net assets disposed of	(268,359)
Estimated transaction costs directly attributable to the Disposal:	
– Stamp duty on transfer of shares	(718)
– Professional fees and other transaction costs	(322)

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- * The valuation approach adopted on the 2025 Convertible Note is Black-Scholes model. The methodology adopted is consistent with 2023 Convertible Note. Management believes that determining the fair value of the 2025 Convertible Note with valuation dated as at 30 September 2025 (the last practical date) is more appropriate for pro forma purpose, which using latest available inputs such as spot stock price, risk-free rate and volatility to the valuation of the 2025 Convertible Note.

The adjustment represents:

- (i) as set out in the Sale and Purchase Agreement, the Sale Shares Consideration (equal to the net asset value of Mark Profit as at 31 March 2025) of approximately HK\$717,700,000 is subject to adjustment by way of deduction of a sum equal to (i) the Debt Novation to Mark Profit for another bank loan of approximately HK\$120,000,000 from another wholly-owned subsidiary of the Company before the Disposal; (ii) the 42,308,000 shares of Best Food Holding Company Limited will be transferred to another wholly-owned subsidiary of the Company before the Disposal of approximately HK\$33,846,000 and (iii) the amount due from the Company of approximately HK\$313,637,000, the amount due from a subsidiary of the Company of approximately HK\$946,000 and the amount due to other subsidiaries of the Company of approximately HK\$19,088,000, amounting to an aggregate debit balance of approximately HK\$295,495,000 as at 31 March 2025, are disposed of to Eminence.

The Purchase Price after the adjustments above is approximately HK\$268,359,000, which shall be settled through the 2025 Convertible Note issued by Eminence;

- (ii) derecognize the amounts due balance of Mark Profit (being a net debit amount) disposed to Eminence and the bank loan of approximately HK\$120,000,000 after the Debt Novation;
- (iii) the fair value of 2025 Convertible Note issued by Eminence as the Purchase Price paid as at 31 March 2025, which classified as financial assets at FVTPL. It is assumed to be the fair value of approximately HK\$269,555,000 which carried out as at 30 September 2025 by the independent valuer, Fairdex Valuation Advisory Limited, for pro forma purpose;
- (iv) the payment of the estimated transaction costs directly attributable to the Disposal of approximately HK\$1,040,000; and
- (v) the gain on the Disposal of approximately HK\$156,000 recognised in profit or loss.
4. As at 31 March 2025, 8.11% of the Eminence shares then in issue were held by the Group and Eminence as an associate of the Group using the equity method. The adjustment represents the increase of the interest in an associate of approximately HK\$6,788,000, which resulted by the change in net assets of Eminence Group after the Disposal. The details of the calculation of the increase of interest in an associate are set out as follows:

As at 31 March 2025	HK\$'000
Change in net assets of Eminence Group (<i>note</i>):	
Net assets acquired from Mark Profit (see net assets disposed of in note 3)	268,359
Consideration – 2025 Convertible Note liability component	(183,506)
Estimated transaction costs directly attributable to the acquisition by Eminence Group	(1,160)
	<u>83,693</u>

Note:

The change in net assets of Eminence Group after the Disposal of approximately HK\$83,693,000 is arrived at the net assets acquired from Mark Profit of approximately HK\$268,359,000 minus the Purchase Price (liability component of the 2025 Convertible Note only, which recorded as convertible note in Eminence Group's non-current liabilities) of approximately HK\$183,506,000 and the estimated transaction costs of approximately HK\$1,160,000 paid by Eminence.

As set out in the Sale and Purchase Agreement, the Purchase Price shall be settled through the 2025 Convertible Note issued by Eminence. The fair value of 2025 Convertible Note issued by Eminence as the Purchase Price paid as at 31 March 2025. It is assumed to be the fair value of approximately HK\$269,555,000 which carried out as at 30 September 2025 by the independent valuer, Fairdex Valuation Advisory Limited, for pro forma purpose (contains liability component and equity component of approximately HK\$183,506,000 and HK\$86,049,000, respectively).

As at 31 March 2025

HK\$'000

Carrying amount of the Group's interest
in the Eminence Group:

Net assets attributable to owners of
the Eminence Group (before the Disposal)

2,814,785

Change in net assets of Eminence Group

83,693

Net assets attributable to owners of
the Eminence Group (after the Disposal)

2,898,478

Proportion of the Group's equity interest
in the Eminence Group

8.11%

235,067

Change in interest of an associate:

Carrying amount of the Group's interest
in the Eminence Group (after the Disposal)

235,067

Carrying amount of the Group's interest
in the Eminence Group (before the Disposal)

(228,279)

6,788

5. No adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 March 2025.

APPENDIX IV
**UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF POST-TRANSACTION GROUP**
**B. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME OF THE POST-TRANSACTION GROUP**

	The Group for the year ended 31 March 2025				Pro forma adjustments				Unaudited pro forma total for the Post- Transaction Group
	HK\$'000 (Note 1)	HK\$'000 (Note 2)	HK\$'000 (Note 3)	HK\$'000 (Note 4)	HK\$'000 (Note 5)	HK\$'000 (Note 6)	HK\$'000 (Note 7)	HK\$'000 (Note 8)	HK\$'000
Continuing operations									
Revenue									
Sales of properties	466,837	-	-	-	-	-	-	-	466,837
Rental income	16,009	(11,100)	-	-	-	-	-	-	4,909
Interest income from loan financing	4,500	-	-	-	-	-	-	-	4,500
Building management	1,143	-	-	-	-	-	-	-	1,143
	488,489	(11,100)	-	-	-	-	-	-	477,389
Cost of properties sold and services rendered	(505,541)	-	-	-	-	-	-	-	(505,541)
Gross loss	(17,052)	(11,100)	-	-	-	-	-	-	(28,152)
Other income, gains and losses	16,360	(882)	-	45	13,420	-	-	-	28,943
Distribution and selling expenses	(51,791)	-	-	-	-	-	-	-	(51,791)
Administrative expenses	(47,706)	18,498	-	-	-	-	-	-	(29,208)
Write-down on properties held for development for sale, net	(10,200)	-	-	-	-	-	-	-	(10,200)
Write-down on properties held for sales	(18,307)	-	-	-	-	-	-	-	(18,307)
Loss on changes in fair value of investment properties	(17,130)	11,000	-	-	-	-	-	-	(6,130)
Loss on partial redemption of convertible note	(13,825)	-	-	-	-	-	-	-	(13,825)
Gain on modification of terms of convertible note	33,154	-	-	-	-	-	-	-	33,154
Gain on disposal of a subsidiary	-	-	14,360	-	-	-	-	-	14,360
Net loss on changes in fair value of financial assets at FVTPL	(14,361)	7,238	-	-	-	(11,155)	-	-	(18,278)
Reversal of impairment loss on financial assets, net:									
- Loans receivable	2,013	-	-	-	-	-	-	-	2,013
Gain on bargain purchases at date of deemed acquisition of an associate	244,996	-	-	-	-	-	-	-	244,996
Share of result of an associate	(27,803)	-	-	-	-	-	(5,734)	-	(33,537)
Share of result of a joint venture	(5)	-	-	-	-	-	-	-	(5)
Finance costs	(69,565)	16,697	-	-	5,894	-	-	-	(46,974)
Profit before taxation	8,778	41,451	14,360	45	19,314	(11,155)	(5,734)	-	67,059
Taxation credit/(expense)	6,790	(8,384)	-	-	-	-	-	-	(1,594)
Profit for the year from continuing operations	15,568	33,067	14,360	45	19,314	(11,155)	(5,734)	-	65,465

APPENDIX IV

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF POST-TRANSACTION GROUP

	The Group for the year ended 31 March 2025	Pro forma adjustments							Unaudited pro forma total for the Post- Transaction Group
	HK\$'000 (Note 1)	HK\$'000 (Note 2)	HK\$'000 (Note 3)	HK\$'000 (Note 4)	HK\$'000 (Note 5)	HK\$'000 (Note 6)	HK\$'000 (Note 7)	HK\$'000 (Note 8)	HK\$'000
Discontinued operation									
Loss for the year from discontinued operation	(733,263)	-	-	-	-	-	-	-	(733,263)
Loss for the year	(717,695)	33,067	14,360	45	19,314	(11,155)	(5,734)	-	(667,798)
Other comprehensive income									
<i>Items that will not be reclassified subsequently to profit or loss:</i>									
Fair value gain on a leasehold property upon transfer to an investment property	8,986	-	-	-	-	-	-	-	8,986
<i>Items that may be reclassified subsequently to profit or loss:</i>									
Change in fair value of debt instruments at FVTOCI	153	-	-	-	-	-	-	-	153
Share of other comprehensive income for an associate	525	-	-	-	-	-	-	6,979	7,504
Reclassification of translation reserve to profit or loss upon deemed disposal of subsidiaries	12,981	-	-	-	-	-	-	-	12,981
Reclassification of FVTOCI reserve to profit or loss upon deemed disposal of subsidiaries	9,898	-	-	-	-	-	-	-	9,898
Reclassification of treasury shares to profit or loss upon deemed disposal of subsidiaries	6,468	-	-	-	-	-	-	-	6,468
Other comprehensive income for the year	39,011	-	-	-	-	-	-	6,979	45,990
Total comprehensive expenses for the year	(678,684)	33,067	14,360	45	19,314	(11,155)	(5,734)	6,979	(621,808)
Profit/(loss) for the year attributable to owners of the Company:									
- from continuing operation	15,595	33,067	14,360	45	19,314	(11,155)	(5,734)	-	65,492
- from discontinued operation	(733,263)	-	-	-	-	-	-	-	(733,263)
Loss for the year attributable to owners of the Company	(717,668)	33,067	14,360	45	19,314	(11,155)	(5,734)	-	(667,771)

APPENDIX IV
**UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF POST-TRANSACTION GROUP**

	The Group for the year ended 31 March 2025							Unaudited pro forma total for the Post- Transaction Group	
	HK\$'000 (Note 1)	HK\$'000 (Note 2)	HK\$'000 (Note 3)	Pro forma adjustments				HK\$'000 (Note 8)	HK\$'000
				HK\$'000 (Note 4)	HK\$'000 (Note 5)	HK\$'000 (Note 6)	HK\$'000 (Note 7)		
Loss for the year attributable to non-controlling interests:									
– from continuing operation	(27)	-	-	-	-	-	-	-	(27)
– from discontinued operation	-	-	-	-	-	-	-	-	-
	<u>(27)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(27)</u>
Loss for the year attributable to non-controlling interests	<u>(27)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(27)</u>
Loss for the year	<u>(717,695)</u>	<u>33,067</u>	<u>14,360</u>	<u>45</u>	<u>19,314</u>	<u>(11,155)</u>	<u>(5,734)</u>	<u>-</u>	<u>(667,798)</u>
Total comprehensive expense attributable to owners of the Company:									
– from continuing operation	25,259	33,067	14,360	45	19,314	(11,155)	(5,734)	6,979	82,135
– from discontinued operation	(703,916)	-	-	-	-	-	-	-	(703,916)
	<u>(678,657)</u>	<u>33,067</u>	<u>14,360</u>	<u>45</u>	<u>19,314</u>	<u>(11,155)</u>	<u>(5,734)</u>	<u>6,979</u>	<u>(621,781)</u>
Total comprehensive expense attributable to owners of the Company	<u>(678,657)</u>	<u>33,067</u>	<u>14,360</u>	<u>45</u>	<u>19,314</u>	<u>(11,155)</u>	<u>(5,734)</u>	<u>6,979</u>	<u>(621,781)</u>
Total comprehensive expense attributable to non-controlling interests:									
– from continuing operation	(27)	-	-	-	-	-	-	-	(27)
– from discontinued operation	-	-	-	-	-	-	-	-	-
	<u>(27)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(27)</u>
Total comprehensive expense attributable to non-controlling interests	<u>(27)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(27)</u>
Total comprehensive expense for the year	<u>(678,684)</u>	<u>33,067</u>	<u>14,360</u>	<u>45</u>	<u>19,314</u>	<u>(11,155)</u>	<u>(5,734)</u>	<u>6,979</u>	<u>(621,808)</u>

Notes to the unaudited pro forma consolidated statement of profit or loss and other comprehensive income:

1. The figures are extracted from the audited consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 31 March 2025 as set out in the annual report of the Group for the year ended 31 March 2025.
2. The adjustment represents the exclusion of the results of Mark Profit for the year ended 31 March 2025, as if the Disposal has taken place on 1 April 2024. The financial information of Mark Profit is extracted from the unaudited statement of profit or loss and other comprehensive income of Mark Profit for the year ended 31 March 2025 as set out in the financial information of Mark Profit which is contained in Appendix III to this circular.
3. For pro forma purpose, it is assumed that, upon the Disposal has been completed on 1 April 2024, (i) the Group has lost control of Mark Profit and ceased to account for Mark Profit as a subsidiary; and (ii) 8.11% of the Eminence shares then in issue were held by the Group and Eminence as an associate of the Group since 1 April 2024. The Purchase Price will be settled through the 2025 Convertible Note issued by Eminence. The details of the calculation are set out as follows:

HK\$'000

Consideration received for disposal of:

2025 Convertible Note (fair value assumed as at 30 September 2025)	269,555
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Net assets disposed of:

Net assets of Mark Profit as at 1 April 2024	750,767
Less:	
– Debt Novation to Mark Profit	(120,000)
– Securities Transfer	(59,908)
– Amounts due balance of Mark Profit (being a net debit amount)	(316,704)
	254,155

Gain on the Disposal:

Consideration received	269,555
Net assets disposed of	(254,155)
Estimated transaction costs directly attributable to the Disposal	(1,040)
	14,360

Net cash outflow arising on the Disposal:

Cash and cash equivalents disposed of	860
Cash paid for estimated transaction costs directly attributable to the Disposal	1,040
	1,900

The adjustment represents:

- (i) as set out in the Sale and Purchase Agreement, the Sale Shares Consideration (equal to the net asset value of Mark Profit as at 1 April 2024) of approximately HK\$750,767,000 is subject to adjustment by way of deduction of a sum equal to (i) the Debt Novation to Mark Profit for another bank loan of approximately HK\$120,000,000 from another wholly-owned subsidiary of the Company before the Disposal; (ii) the 59,908,000 shares of Best Food Holding Company Limited will be transferred to another wholly-owned subsidiary of the Company before the Acquisition of approximately HK\$59,908,000; and (iii) the amount due from the Company of approximately HK\$325,192,000, the amount due from a subsidiary of the Company of approximately HK\$901,000 and the amount due to other subsidiaries of the Company of approximately HK\$9,389,000, amounting to an aggregate debit balance of approximately HK\$316,704,000 as at 1 April 2024, are disposed of to Eminence.

The Purchase Price after the adjustments above is approximately HK\$254,155,000, which shall be settled through the 2025 Convertible Note issued by Eminence;

- (ii) the fair value of 2025 Convertible Note issued by Eminence as the Purchase Price paid as at 1 April 2024, which classified as financial assets at FVTPL. It is assumed to be the fair value of approximately HK\$269,555,000 which carried out as at 30 September 2025 by the independent valuer, Fairdex Valuation Advisory Limited, for pro forma purpose (contains liability component and equity component of approximately HK\$183,506,000 and HK\$86,049,000, respectively);
 - (iii) the gain on the Disposal of approximately HK\$14,360,000 recognised in profit or loss; and
- 4. When assuming the Disposal took place on 1 April 2024, the Group has ceased to account for Mark Profit as a subsidiary and the amounts due balance of Mark Profit disposed to Eminence. Note 2 mentioned above included the intercompany loan interest income derived by Mark Profit. Therefore, this adjustment represents elimination of the intercompany loan interest income of approximately HK\$45,000 on the amount due from a subsidiary of the Company of approximately HK\$901,000 which is disposed to Eminence at the completion date.
 - 5. As set out in the Sale and Purchase Agreement, (i) the Purchase Price shall be settled through the 2025 Convertible Note issued by Eminence at a rate of 5% per annum and the interest will be payable semi-yearly in arrears; and (ii) the Debt Novation from a subsidiary of the Company to Mark Profit for another bank loan of approximately HK\$120,000,000. When assuming the Disposal took place on 1 April 2024, the issuance of the 2025 Convertible Note and the Debt Novation are also assumed to have occurred on 1 April 2024. The adjustment represents (i) the 5% coupon interest income from the 2025 Convertible Note (for pro forma purpose, the principal amount of the 2025 Convertible Note assumed as HK\$268,400,000) of approximately HK\$13,420,000; and (ii) reversal of bank loan interest expenses related to the Debt Novation to Mark Profit of approximately HK\$5,894,000 which is assumed carry interest at HIBOR plus 1% per annum with effective interest rate at 4.91% per annum, during the year ended 31 March 2025.
 - 6. When assuming the Disposal took place on 1 April 2024, the 59,908,000 shares of Best Food Holding Company Limited mentioned in note 3(i) are also assumed to have been transferred by that date. Reference to note 2, net loss on changes in fair value of financial assets at FVTPL includes the changes in fair value of the 59,908,000 shares of Best Food Holding Company Limited. The adjustment represents add-back the net loss on changes in fair value of financial assets at FVTPL of approximately HK\$11,155,000, which related to the Securities Transfer of the 59,908,000 shares of Best Food Holding Company Limited.

7. For pro forma purpose, it is assumed that 8.11% of the Eminence shares then in issue were held by the Group and Eminence as an associate of the Group since 1 April 2024. The adjustment represents the share of result of an associate of approximately HK\$5,734,000 from the date of Disposal to the year ended 31 March 2025. The details of the calculation are set out as follows:

For the year ended 31 March 2025	HK\$'000
Total comprehensive expense for the year attributable to owners of Eminence (after the Disposal) (<i>Note (i)</i>)	(428,006)
Less:	
Total comprehensive expense for the year attributable to owners of Eminence (before the Disposal)	357,307
	(70,699)
Proportion of the Group's equity interest in the Eminence Group	8.11%
Share of result of an associate	(5,734)

Notes:

- (i) Breakdown of total comprehensive expense for the year attributable to owners of Eminence (after the Disposal):

	HK\$'000
Total comprehensive expense for the year attributable to owners of Eminence (before the Disposal)	(357,307)
Total comprehensive expense for the year attributable to owners of Mark Profit	(33,067)
Loss on the acquisition of Mark Profit by Eminence Group (<i>Note (ii)</i>)	(16,560)
Finance costs (<i>Note (iii)</i>)	(32,182)
Net loss on changes in fair value of financial assets at FVTPL (<i>Note (iv)</i>)	11,155
Other income (<i>Note (v)</i>)	(45)
	(428,006)

- (ii) Calculation of loss on the acquisition of Mark Profit by Eminence Group:

HK\$'000

Total identifiable net assets at fair value	
Net assets recognised from Mark Profit	750,767
Less:	
– Debt Novation to Mark Profit	(120,000)
– Securities Transfer	(59,908)
– Amounts due owed by Mark Profit to the Group (being a net debit amount) disposed to Eminence	(316,704)
	<u>254,155</u>
Less: Purchase Price	
– 2025 Convertible Note (fair value assumed as at 30 September 2025)	(269,555)
	<u>(1,160)</u>
Less: Estimated transaction costs directly attributable to the acquisition	(1,160)
	<u>(16,560)</u>

- (iii) Reference to note 5, Eminence would issue the 2025 Convertible Note and take up the Debt Novation. As the 2025 Convertible Note meets the fixed-for-fixed criteria, Eminence is classified separately as liability component and equity component. At the date of issue, the fair value of the liability component (assumed as HK\$183,506,000 in note 3(ii)) is estimated by measuring the fair value of similar liability that does not have an associated equity component. Subsequently, the liability component is carried at amortised cost, with finance cost recognised using the effective interest rate method in profit or loss. The effective interest rate is calculated by backing out the implied interest rate using a present value table from the issue date to maturity date of the 2025 Convertible Note. The difference between the effective interest expense and 5% coupon interest paid is added to the carrying amount of the liability component of the 2025 Convertible Note.

It represents (i) the effective interest expense of approximately HK\$26,288,000 on the 2025 Convertible Note with the effective interest rate of the liability component of 14.09% per annum; and (ii) the interest expenses of approximately HK\$5,894,000 on the Debt Novation to Mark Profit for another bank loan of approximately HK\$120,000,000 recognised in profit or loss which is assumed carry interest at Hong Kong Interbank Offered Rate (“HIBOR”) plus 1% per annum, with effective interest rate at 4.91% per annum.

- (iv) Reference to note 6, it represents add-back the net loss on changes in fair value of financial assets at FVTPL of approximately HK\$11,155,000, which related to the Securities Transfer of the 59,908,000 shares of Best Food Holding Company Limited.
- (v) Reference to note 4, it represents elimination of the loan interest income of approximately HK\$45,000 related to the amount due from a subsidiary of the Company of approximately HK\$901,000 which is disposed to Eminence at the completion date.
8. For pro forma purpose, it is assumed that 8.11% of the Eminence shares then in issue were held by the Group and Eminence as an associate of the Group since 1 April 2024. It is assumed the equity component of 2025 Convertible Note recognised in Eminence of approximately HK\$86,049,000 (see note 3(ii)) which resulted the share of other comprehensive income for an associate of approximately HK\$6,979,000.
9. For pro forma purpose, it is assumed that, no changes on the fair value of the 2025 Convertible Note held by the Company from the date of Disposal to the year ended 31 March 2025.
10. All the adjustments have no continuing effect except for Notes 5, 7 and 9 above.
11. No adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 March 2025.

C. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF THE
POST-TRANSACTION GROUP

	The Group for the year ended 31 March 2025							Unaudited pro forma total for the Post- Transaction Group
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Note 1)	(Note 2)	(Note 3)	(Note 4)	(Note 5)	(Note 6)	(Note 7)	
Cash flows from operating activities								
Loss before taxation	(724,485)	41,451	14,360	45	19,314	(11,155)	(5,734)	(666,204)
Adjustments for:								
Interest income	(9,881)	45	–	(45)	(13,420)	–	–	(23,301)
Interest expense	69,565	(16,697)	–	–	(5,894)	–	–	46,974
Depreciation of property, plant and equipment	2,894	–	–	–	–	–	–	2,894
Depreciation of right-of-use assets	499	–	–	–	–	–	–	499
Dividend income from investments	(1,799)	837	–	–	–	–	–	(962)
Loss on changes in fair value of investment properties	17,130	(11,000)	–	–	–	–	–	6,130
Loss on disposal/write-off of property, plant and equipment	12	–	–	–	–	–	–	12
Loss on partial redemption of convertible note	13,825	–	–	–	–	–	–	13,825
Gain on disposal of a subsidiary	–	–	(14,360)	–	–	–	–	(14,360)
Gain on modification of terms of convertible note	(33,154)	–	–	–	–	–	–	(33,154)
Gain on bargain purchase at date of deemed acquisition of an associate	(244,996)	–	–	–	–	–	–	(244,996)
Loss on deemed disposal of subsidiaries	733,263	–	–	–	–	–	–	733,263
Write-down on properties held for development for sale, net	10,200	–	–	–	–	–	–	10,200
Write-down on properties held for sale	18,307	–	–	–	–	–	–	18,307
Net loss on changes in fair value of financial assets at FVTPL	14,361	(7,238)	–	–	–	11,155	–	18,278
Reversal of impairment loss on loans receivable, net	(2,013)	–	–	–	–	–	–	(2,013)
Share of result of an associate	27,803	–	–	–	–	–	5,734	33,537
Share of results of joint ventures	5	–	–	–	–	–	–	5

APPENDIX IV

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF POST-TRANSACTION GROUP

	The Group for the year ended 31 March 2025							Unaudited pro forma total for the Post- Transaction Group
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Note 1)	(Note 2)	(Note 3)	(Note 4)	(Note 5)	(Note 6)	(Note 7)	
Operating cash flows before movements in working capital	(108,464)	7,398	-	-	-	-	-	(101,066)
Increase in properties held for development for sale	(141,645)	-	-	-	-	-	-	(141,645)
Decrease in properties held for sale	503,987	-	-	-	-	-	-	503,987
Decrease in financial assets at FVTPL	33,974	(17,982)	-	-	-	14,906	-	30,898
Increase in trade and other receivables	(3,355)	-	-	-	-	-	-	(3,355)
Decrease in loans receivable	50,305	-	-	-	-	-	-	50,305
Increase in trade and other payables	34,105	(83)	-	-	-	-	-	34,022
Decrease in contract liabilities	(16,274)	-	-	-	-	-	-	(16,274)
Cash from operations	352,633	(10,667)	-	-	-	14,906	-	356,872
Dividend received	1,799	(837)	-	-	-	-	-	962
Interest received from loan financing	4,500	-	-	-	-	-	-	4,500
Net cash from operating activities	358,932	(11,504)	-	-	-	14,906	-	362,334
Cash flows from investing activities								
Proceeds from disposal/maturity of financial assets at FVTPL	59,000	-	-	-	-	-	-	59,000
Other interest received	5,381	-	-	-	13,420	-	-	18,801
Release of time deposits over three months	1,400	-	-	-	-	-	-	1,400
Net cash outflow arising on deemed disposal of subsidiaries	(299,717)	-	-	-	-	-	-	(299,717)
Acquisition of additional equity interest in an associate	(5,048)	-	-	-	-	-	-	(5,048)
Purchase of property, plant and equipment	(85)	-	-	-	-	-	-	(85)
Repayment from the ultimate holding company	-	(11,555)	-	11,555	-	-	-	-
Net cash outflow of the Disposal	-	-	(1,900)	-	-	-	-	(1,900)
Net cash used in investing activities	(239,069)	(11,555)	(1,900)	11,555	13,420	-	-	(227,549)

APPENDIX IV
**UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF POST-TRANSACTION GROUP**

	The Group for the year ended 31 March 2025						Unaudited pro forma total for the Post- Transaction Group	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Note 1)	(Note 2)	(Note 3)	(Note 4)	(Note 5)	(Note 6)	(Note 7)	
Cash flows from financing activities								
Bank borrowings raised	121,066	-	-	-	-	-	-	121,066
Loan from an associate	50,000	-	-	-	-	-	-	50,000
Repayment of bank borrowings	(451,667)	16,666	-	-	-	-	-	(435,001)
Interest paid	(92,323)	16,907	-	-	5,894	-	-	(69,522)
Advance from fellow subsidiaries	-	(9,699)	-	9,699	-	-	-	-
Repayment to a non-controlling shareholder	(37,963)	-	-	-	-	-	-	(37,963)
Repayment of lease liabilities	(487)	-	-	-	-	-	-	(487)
Payment of loan arrangement fee	(239)	31	-	-	-	-	-	(208)
Net cash used in financing activities	(411,613)	23,905	-	9,699	5,894	-	-	(372,115)
Net decrease in cash and cash equivalents	(291,750)	846	(1,900)	21,254	19,314	14,906	-	(237,330)
Cash and cash equivalents at beginning of the year	307,435	-	-	-	-	-	-	307,435
Effect of foreign exchange rate changes	(47)	-	-	-	-	-	-	(47)
Cash and cash equivalents at end of the year, represented by bank balances and cash	15,638	846	(1,900)	21,254	19,314	14,906	-	70,058

Notes to the unaudited pro forma consolidated statement of cash flows:

1. The figures are extracted from the audited consolidated statement of cash flows of the Group for the year ended 31 March 2025 as set out in the annual report of the Group for the year ended 31 March 2025.
2. The adjustment represents the exclusion of the cash flows of Mark Profit for the year ended 31 March 2025, as if the Disposal has taken place on 1 April 2024. The financial information of Mark Profit is extracted from the unaudited statement of cash flows of Mark Profit for the year ended 31 March 2025 as set out in the financial information of Mark Profit which is contained in Appendix III to this circular.
3. For pro forma purpose, it is assumed that, upon the Disposal has been completed on 1 April 2024, (i) the Group has lost control of Mark Profit and ceased to account for Mark Profit as a subsidiary; and (ii) 8.11% of the Eminence shares then in issue were held by the Group and Eminence as an associate of the Group since 1 April 2024.

Reference to note 3 under unaudited pro forma consolidated statement of profit or loss and other comprehensive income, the adjustment represents (i) recognised the gain on the Disposal of approximately HK\$14,360,000 and (ii) net cash outflow of the Disposal of approximately HK\$1,900,000 for the payment of estimated transaction costs directly attributable to the Disposal of approximately HK\$1,040,000 and cash and cash equivalents of approximately HK\$860,000 disposed of Mark Profit.

4. Reference to note 4 under unaudited pro forma consolidated statement of profit or loss and other comprehensive income, the adjustment represents elimination of: (i) "Bank and other interest income" of approximately HK\$45,000; (ii) "Repayment from the ultimate holding company" of approximately HK\$11,555,000; and (iii) "Advance from fellow subsidiaries" of approximately HK\$9,699,000, which related to the amounts due balance of Mark Profit disposed to Eminence at the completion date.
5. Reference to note 5 under unaudited pro forma consolidated statement of profit or loss and other comprehensive income, the adjustment represents (i) the 5% coupon interest income received from the 2025 Convertible Note (for pro forma purpose, the principal amount of the 2025 Convertible Note assumed as HK\$268,400,000) of approximately HK\$13,420,000; and (ii) reversal of the payment of bank loan interest expenses related to the Debt Novation to Mark Profit of approximately HK\$5,894,000 which is assumed carry interest at HIBOR plus 1% per annum with effective interest rate at 4.91% per annum, during the year ended 31 March 2025.
6. Reference to note 6 under unaudited pro forma consolidated statement of profit or loss and other comprehensive income, the adjustment represents (i) add-back "Loss on changes in fair value of financial assets at FVTPL" of approximately HK\$11,155,000, which related to the Securities Transfer of the 59,908,000 shares of Best Food Holding Company Limited; and (ii) add-back "Decrease in financial assets at FVTPL" of HK\$14,906,000, which related to the proceeds from the disposal of the shares of Best Food Holding Company Limited during the year ended 31 March 2025.
7. Reference to note 7 under unaudited pro forma consolidated statement of profit or loss and other comprehensive income, the adjustment represents the share of result of an associate of approximately HK\$5,734,000 from the date of Disposal to the year ended 31 March 2025. Details are set out in Note 7 of the unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Post-Transaction Group.
8. The 2025 Convertible Note issued by Eminence is classified as financial assets at FVTPL, which measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. For pro forma purpose, it is assumed that, no changes on the fair value of the 2025 Convertible Note held by the Company from the date of Disposal to the year ended 31 March 2025.
9. All the adjustments have no continuing effect except for Notes 5, 7 and 8 above.
10. No adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 March 2025.

D. ACCOUNTANT'S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

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



25 November 2025

The Board of Directors

Easyknit International Holdings Limited

Dear Sirs,

We have completed our assurance engagement to report on the compilation of pro forma financial information of Easyknit International Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company for illustrative purposes only. The pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 31 March 2025, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2025, the unaudited pro forma consolidated statement of cash flows for the year ended 31 March 2025 and related notes as set out on pages IV-2 to IV-17 of the circular issued by the Company dated 25 November 2025. The applicable criteria on the basis of which the directors have compiled the pro forma financial information are described on page IV-1.

The pro forma financial information has been compiled by the directors to illustrate the impact of the disposal of the entire issued share capital of Mark Profit Development Limited subject to the terms and conditions of the sale and purchase agreements (the “**Disposal**”) on the Group’s financial position as at 31 March 2025 and on the Group’s financial performance and cash flows for the year ended 31 March 2025 as if the Disposal had been taken place at 31 March 2025 and 1 April 2024 respectively. As part of this process, information about the Group’s financial position, financial performance and cash flows has been extracted by the directors from the Group’s audited consolidated financial statements for the year ended 31 March 2025, on which an auditor’s report has been published.

Directors’ Responsibility for the Pro Forma Financial Information

The directors are responsible for compiling the pro forma financial information in accordance with paragraph 29 of Chapter 4 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 (“**AG**”) 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” 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 Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the 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 pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountant plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" 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 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 pro forma financial information.

The purpose of pro forma financial information included in the circular issued by the Company 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 31 March 2025 and 1 April 2024 would have been as presented.

A reasonable assurance engagement to report on whether the 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 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 pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

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

The engagement also involves evaluating the overall presentation of the 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 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 pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,

ZHONGHUI ANDA CPA Limited
Certified Public Accountants
Hong Kong

Set out below is the management discussion and analysis of the Group's business and performance for the financial years ended 31 March 2025 ("FY2025"), 2024 ("FY2024") and 2023 ("FY2023"), respectively, as extracted from the audited consolidated financial statements of the Group for each of the FY2025, FY2024 and FY2023, respectively.

FOR THE YEAR ENDED 31 MARCH 2025**FINANCIAL RESULTS**

For FY2025, the Group's revenue from continuing operations amounted to approximately HK\$488,489,000 as compared with FY2024 of approximately HK\$196,421,000 (restated), which represented an increase of approximately HK\$292,068,000 or approximately 148.7% mainly due to increase in sales of properties. The gross profit margin of FY2025 was not applicable due to gross loss (FY2024: approximately 15.7%). For FY2025, the Group's revenue from discontinued operation amounted to nil as compared with the FY2024 of approximately HK\$30,693,000 (restated), which represented a decrease of approximately HK\$30,693,000 or 100%.

For FY2025, the Group's consolidated loss attributable to the Shareholders was approximately HK\$717,668,000 as compared with the FY2024 of a loss of HK\$253,235,000 (restated). The increase in net loss was primarily attributable to, among other things, the loss on deemed disposal of subsidiaries, which was partially offset by (i) the decrease in write-down on properties held for sale; (ii) the decrease in loss on change in fair value of investment properties; (iii) gain on modification of terms of convertible note; and (iv) gain on bargain purchase at date of deemed acquisition of an associate.

The consolidated profit from continuing operations for FY2025 was approximately HK\$15,568,000 as compared with loss of approximately HK\$228,435,000 (restated) in FY2024. The consolidated loss from discontinued operation was HK\$733,263,000, as compared with a loss of approximately HK\$180,124,000 (restated) for the FY2024.

The basic loss per share from continuing and discontinued operations amounted to HK\$9.71 for FY2025 and the diluted loss per share from continuing and discontinued amounted to HK\$10.09 for FY2025. The basic and diluted loss per share from continuing and discontinued operations amounted to HK\$3.50 (restated) and HK\$4.20 (restated) respectively for the FY2024.

FINAL DIVIDEND

The Board does not recommend the payment of final dividend for FY2025 (FY2024: nil).

BUSINESS REVIEW

The review of each business segment of the Group is set out below.

Property Development

The property development segment consists of Hong Kong residential properties.

Revenue from continuing operations recognised in this business segment during FY2025 amounted to approximately HK\$466,837,000 (FY2024: approximately HK\$169,971,000 (restated)). Review on existing major projects of the Group is set out below:

Project Waterloo Road – “Garden Crescent”

The Group launched sales of this residential project located at No. 93 Waterloo Road, Ho Man Tin, Kowloon, Hong Kong namely “Garden Crescent”, in November 2023. Garden Crescent is located in Ho Man Tin, a prestigious residential area, which is bound by a vast network of transportation and enjoys an extensive top education network. Boasting 56 luxurious apartments ranging from 260 square feet to 2,597 square feet (saleable area), this 20-storey development with 2 levels of basement for carparking spaces is designed to be a modern and stylish building for those seeking a bespoke residence. The property offers recreational facilities, including a fully-equipped gym (The Solace), a children playroom (The Forest) and a multi-function room with flat roof (Great Room) for residents to host gatherings with family and friends and a lounge in purpose.

As at the date of the annual report for FY2025, 22 units released were sold and the aggregate contracted sales amounted to approximately HK\$220,953,000. During FY2025, 17 units among the transactions have been completed (FY2024: 5) and a revenue of approximately HK\$169,442,000 (FY2024: approximately HK\$51,511,000) has been recorded for sale of properties.

Project Chatham Road North

The Group, through its wholly-owned subsidiary, owns the site located at Nos. 470, 472, 474, 476 and 478 Chatham Road North, Kowloon, Hong Kong with a total site area of approximately 4,653 square feet.

Project Chatham Road North will be redeveloped into a composite building with residential and commercial use. The estimated gross floor area after redevelopment is expected to be approximately 41,747 square feet. Occupation permit was obtained in March 2025. In light of the current market condition, change of development plan may be considered.

Inverness Road Property – “Ayton”

“Ayton” is a completed residential project located at Nos. 14-20 Inverness Road, Kowloon Tong, Kowloon, Hong Kong developed and wholly-owned by the Group. It consists of two 8-storey residential blocks comprising 60 residential units, 29 car parking spaces and 3 motor parking spaces.

As at the date of the annual report for FY2025, 52 units and 5 carpark released were sold and the aggregate contracted sales amounted to approximately HK\$968,397,000. During FY2025, 12 units and 1 carpark among the transactions have been completed (FY2024: 5 units and 1 carpark) and a revenue of approximately HK\$297,395,000 (FY2024: approximately HK\$118,460,000) has been recorded for sale of properties.

Property Investment

As at 31 March 2025, the Group's portfolio of investment properties comprised of residential, commercial and industrial units located in Hong Kong.

For FY2025, the rental and building management income of the Group from continuing operations was approximately HK\$17,152,000 (FY2024: approximately HK\$15,319,000 (restated)), representing an increase of approximately 12.0%. For FY2025, the rental income of the Group from discontinued operation was nil (FY2024: HK\$28,751,000 (restated)).

As at 31 March 2025, the occupancy rate of residential unit, commercial units and industrial units of the Group's investment properties were 0.0%, 98.7% and 75.6% (FY2024: 100.0%, 99.2% and 95.0%) respectively. A loss on changes in fair value of investment properties from continuing operations of approximately HK\$17,130,000 (FY2024: approximately HK\$37,770,000 (restated)) was recognised during FY2025. The segment reported a loss from continuing operations of approximately HK\$22,047,000 for FY2025 (FY2024: approximately HK\$37,409,000 (restated)), representing a decrease of approximately HK\$15,362,000 or approximately 41.1% as compared to the FY2024.

The Group acts as a principal and is primarily responsible for providing building management services to property owners in Hong Kong. To meet the statutory requirements under the property management licensing regime, which became mandatory on 1 August 2023, the Group's related residential and commercial property management companies have obtained the required licences, reinforcing the Group's commitment to delivering high-quality property management services.

Investment in Securities and Others

The Group invested in a diversified portfolio of investments including listed equity securities and convertible note based on (i) potential return on investment in terms of capital appreciation and dividend payment for the targeted holding period; (ii) risks exposure in comparison with the Group's risk tolerance level at the prevailing time; and (iii) diversification of the existing investment portfolio.

As at 31 March 2025, the Group's financial assets at fair value through profit or loss amounted to approximately HK\$139,564,000 (FY2024: approximately HK\$211,854,000). The Group recorded a loss in the securities investment segment from continuing operations of approximately HK\$1,490,000 during FY2025 (FY2024: profit of approximately HK\$6,160,000 (restated)).

As at 31 March 2025, details of the Group's financial assets are set out as follows:

Nature of investments	As at 31 March 2025				For FY2025		
	Number of shares held	Investment Cost HK\$'000	Fair value HK\$'000	Approximate percentage to Group's total assets	Dividend/ Interest income HK\$'000	Fair value gain/(loss) HK\$'000	Realised loss HK\$'000
Equity Investments							
Best Food Holding Company Limited (stock code: 1488)	59,036,000	41,996	49,571	1.5%	–	(9,465)	(2,694)
Ping An Insurance (Group) Company of China, Ltd. (stock code: 2318)	268,000	23,253	12,408	0.4%	1,753	3,551	3,805
Others	N/A	11,988	7,592	0.2%	46	(1,335)	473
Convertible note	N/A	70,000	69,993	2.1%	5,239	(3,462)	–
Total:		147,237	139,564	4.2%	7,038	(10,711)	1,584

As at 1 April 2024, the total outstanding principal amount of 2023 Convertible Note held by a wholly-owned subsidiary of the Company (the “**Holder**”) is as follow:

Issue date	Outstanding principal amount HK\$	Number of conversion shares	Conversion price HK\$	Annual interest	Maturity date
2023.02.20	209,000,000	1,971,698,113	0.106	5%	2028.02.19

On 23 January 2024, the Holder entered into a deed of amendment (the “**Deed of Amendment**”) with Eminence to amend the terms of the 2023 Convertible Note mainly to (i) change the conversion price and (ii) alter the early redemption provision, to give Eminence and the Holder the right to redeem the 2023 Convertible Note at any time, in whole or in part. The Deed of Amendment and the transactions contemplated thereunder were approved at a special general meeting by the independent shareholders of Eminence held on 27 March 2024. The total number of conversion shares of Eminence (the “**Conversion Share(s)**”) and conversion price had been adjusted to 1,161,111,111 Conversion Shares at HK\$0.18 per Conversion Share respectively on 17 April 2024 pursuant to the Deed of Amendment subsequent to the completion of Eminence Placing II (as defined below).

Upon (i) completion of the rights issue of Eminence on 4 February 2025, the conversion price of the 2023 Convertible Note was adjusted from HK\$0.18 to HK\$0.14 per Conversion Share; and (ii) completion of partial redemptions during FY2025, the outstanding principal amount of 2023 Convertible Note was reduced to HK\$70,000,000. Based on the adjusted current conversion price of the 2023 Convertible Note of HK\$0.14 per Conversion Share, the number of Conversion Shares decreased to 500,000,000.

Loan Financing

The loan financing business of the Group is operated by Planetic International Limited (“**Planetic**”, a wholly-owned subsidiary of the Company) which is a licensed money lenders carrying on business under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).

For FY2025, the Group recorded an interest income from the loan financing business from continuing operations amounted to approximately HK\$4,500,000 (FY2024: approximately HK\$11,131,000 (restated)), representing a decrease of approximately 59.6% as compared with the FY2024. The decrease in interest income was primarily due to the repayments of loans receivable. Profit derived from the loan financing segment from continuing operations was approximately HK\$212,000 for FY2025 (FY2024: approximately HK\$88,000 (restated)).

The target customer groups of the loan financing business are generally individuals and corporate entities that have short-term funding needs and can provide collaterals for their borrowings at their best endeavour. The Group’s clientele is primarily acquired through business referrals and introductions from the Company’s directors, senior management, business partners or clients. As at 31 March 2025, the Group had a total of 8 borrowers under its loan portfolio. The source of funds for the loan financing business is funded by the internal resources of the Group.

As at 31 March 2025, the gross carrying amount of loans receivable amounting to HK\$114,492,000 (FY2024: HK\$195,657,000) of which 31% (FY2024: 52%) were secured by marketable securities with fair values of HK\$28,200,000 (FY2024: HK\$30,000,000) or properties with fair values of HK\$16,950,000 (FY2024: HK\$96,345,000). The Group is not permitted to sell or repledge the collaterals, if any, in the absence of default by the borrower. In addition, the gross carrying amount of unsecured loans receivable amounting to HK\$60,392,000 (FY2024: HK\$91,357,000). The largest borrower of the Group by itself and together with the other four largest borrowers of the Group accounted for approximately 37% and 93% respectively (FY2024: approximately 21% and 67% respectively) of the Group’s loans receivable as at 31 March 2025.

During FY2025, the range of interest rate on the Group’s fixed-rate loans receivable was 2.5% to 6.5% (FY2024: 0% to 16%) per annum and the range of interest rate on the Group’s variable-rate loans receivable was prime rate less 1% (FY2024: prime rate less 1%) per annum. The Group has credit policies, guidelines and procedures in place which cover key internal controls of a loan transaction including due diligence, credit appraisal, proper execution of documentations, continuous monitoring and collection and recovery. The due diligence procedures included conducting research on the borrowers’ background, evaluating its current business operations and financial conditions, market reputation and creditability, and conducting financial analysis and recoverability analysis. To minimise credit or investment risks, the Group will seek securities and/or guarantees, including collaterals with expected realised value exceeding the loan or investment amount, and/or personal guarantees and corporate guarantees.

The Group generally provides short-term loans. For the new and renewal loans during FY2025, approximately 97% was with a term within 1 year, and approximately 3% was more than 1 year but not more than 3 years. The repayment terms and conditions are determined from the factors including the liquidity needs of the borrowers, the Group’s funding and cash flows management strategies, and the terms and rates of the prevailing market.

After drawdown of loan, the loan agreement will be filed with the loan documents properly. The Group maintains regular contact with the borrowers and carries out periodical review to assess the recovery of the loan based on the business development, financial status, repayment ability of the borrowers such as recent settlement record of the borrowers and whether there are any litigations and bankruptcy orders against the borrowers. The Group will take all necessary legal actions against the relevant clients to follow up the settlement of the outstanding loans.

The Group performs impairment assessment under expected credit loss (“ECL”) model on loans receivable which are subject to impairment assessment under Hong Kong Financial Reporting Standard 9 “Financial Instruments”. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition. In particular, the following information is being considered when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the loans receivable’s external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the borrower;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the borrower’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the borrower;
- an actual or expected significant adverse change in the regulatory, economic, or technological environments of the borrower that results in a significant decrease in the borrower’s ability to meet its debt obligations.

During the year ended 31 March 2025, the reversal of impairment loss recognised in profit or loss amounted to approximately HK\$2,013,000 (FY2024: approximately HK\$2,202,000 (restated)) in its loan financing business from continuing operations.

LIQUIDITY AND FINANCIAL RESOURCES

The Group financed its operations through internally generated cash flow and bank borrowings. As at 31 March 2025, the Group had aggregate bank borrowings amounted to approximately HK\$1,274,237,000 (FY2024: approximately HK\$3,671,861,000). The gearing ratio of the Group, calculated as a ratio of total bank borrowings to total equity, for FY2025 was approximately 0.7 (FY2024: approximately 0.8).

As at 31 March 2025, the Group has net current assets of approximately HK\$591,581,000 (FY2024: approximately HK\$3,546,059,000). Current ratio was approximately 1.4 (FY2024: approximately 2.3). The cash and cash equivalents as at 31 March 2025 was approximately HK\$15,638,000 (FY2024: approximately HK\$307,435,000), representing a decrease of approximately 94.9% or approximately HK\$291,797,000 compared to 31 March 2024, which was mainly due to the repayment of bank borrowings and the fact that the financial information of Eminence Group is not consolidated in the consolidated financial statements of the Group.

The maturity profile of the Group's secured bank borrowings is set out below:

	As at 31 March	
	2025	2024
	HK\$'000	HK\$'000
Carrying amount repayable as follows (based on the scheduled repayment dates set out in the loan agreements):		
– within a period not exceeding one year	1,112,302	2,323,047
– within a period of more than one year but not exceeding two years	16,196	1,115,397
– within a period of more than two years but not exceeding five years	52,681	100,408
– within a period of more than five years	93,058	133,009
	1,274,237	3,671,861
Less: Amount due within one year shown under current liabilities	(1,112,302)	(2,323,047)
Amount due after one year shown under non-current liabilities	161,935	1,348,814

At 31 March 2025, the Group's secured bank borrowings carry interest ranging from the Hong Kong Inter-Bank Offered Rate (“**HIBOR**”) plus 1.0% to 1.825% and the Secured Overnight Financing Rate (“**SOFR**”) plus 1.0% (FY2024: HIBOR plus 1.0% to 1.825%, SOFR plus 0.8% to 1.0%) per annum, with effective interest ranging from 4.8% to 5.6% (FY2024: 4.4% to 6.1%) per annum. The loans are secured by certain assets. The proceeds were mainly used to finance development of properties and acquisition of financial products.

CHARGES OF ASSETS

As at 31 March 2025, bank loans of the Group in the aggregate amount of approximately HK\$1,274,237,000 (31 March 2024: approximately HK\$3,671,861,000) which were secured by leasehold properties, investment properties, properties held for development for sale, properties held for sale and listed equity securities in Hong Kong and overseas of the Group having a net book value of approximately HK\$2,718,406,000 (31 March 2024: approximately HK\$7,119,902,000). In addition, a credit facility granted by a bank for a property development project in Hong Kong was secured by pledge of 7,500,000 Eminence shares with fair value of HK\$728,000 (31 March 2024: 7,500,000 Eminence shares with fair value of HK\$1,643,000) held by a subsidiary of the Group.

TREASURY POLICY

The Group diversifies its source of funds including internal generated cash flow and interest-bearing bank borrowings during FY2025 to generate source of funds for its business operations. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

EXPOSURE ON FOREIGN EXCHANGE FLUCTUATIONS

All bank borrowings are denominated in Hong Kong dollars. The revenue and payments of the Group, being mostly denominated in Hong Kong dollars, matches the currency requirements of the Group's operating expenses. The Group therefore has not engaged in any hedging activities during FY2025 under review. Management of the Group is of the opinion that the Group has no material foreign exchange exposure in the usual course of the Group's daily operation.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 March 2025 (31 March 2024: nil).

CAPITAL EXPENDITURE

For FY2025, the Group invested approximately HK\$85,000 (FY2024: approximately HK\$1,443,000) in the acquisition of property, plant and equipment, and did not invest in additions of investment properties for FY2025 and FY2024.

CAPITAL COMMITMENTS

As at 31 March 2025, the Group had no capital commitment in respect of capital expenditure contracted for but not provided (FY2024: approximately HK\$4,418,000).

CHANGES SINCE 31 MARCH 2024**Very substantial disposal – deemed disposal of interest in Eminence**

Upon completion of the placing of a maximum of up to 235,000,000 new Eminence shares at a placing price of HK\$0.18 per placing share to not less than six allottees who and whose beneficial owners are independent third parties (the “**Eminence Placing II**”) on 17 April 2024, the Group held an aggregate of 27,428,937 shares of Eminence, representing approximately 8.11% of the total issued share capital of Eminence. As a result, Eminence's financial results and financial positions shall no longer be consolidated in the consolidated financial statements of the Group. Further information can be found in the Company's announcements dated 23 January 2024 and 17 April 2024, and the Company's circular dated 29 February 2024.

Discloseable transaction – subscription of listed securities

On 16 August 2024, the Group through a placing agent agreed to subscribe for 18,580,000 shares in Pacific Legend Group Limited, a company incorporated in the Cayman Islands as an exempted company with limited liability and the issued shares of which are listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**” or “**HKEx**”) (stock code: 8547), at a consideration of approximately HK\$3,066,000 (exclusive of transaction cost), representing HK\$0.165 per share. The subscription was completed on 28 August 2024. Further information can be found in the Company’s announcement dated 16 August 2024.

Discloseable transaction – disposal of listed securities

On 10 September 2024, the Group disposed in a series of transactions for a total of 17,600,000 shares in Best Food Holding Company Limited (“**Best Food Share(s)**”), a company incorporated in the Cayman Islands with limited liability and its issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 1488), (representing approximately 1.11% of the total issued Best Food Shares) on the open market with an aggregate gross sales proceeds of HK\$14,960,000 (exclusive of expenses) (equivalent to an average price of HK\$0.85 per Best Food Share). Further information can be found in the Company’s announcement dated 10 September 2024.

Discloseable transaction – disposal of listed securities

On 23 September 2024, the Group disposed a total of 302,000 shares in Ping An Insurance (Group) Company of China, Ltd. (“**Ping An Share(s)**”), a joint stock limited company incorporated in the PRC with limited liability and its H shares are listed on the Main Board of the Stock Exchange (stock code: 2318), (representing approximately 0.0041% of the total issued Ping An Shares) on the open market with an aggregate gross sales proceeds of approximately HK\$11,355,000 (exclusive of expenses) (equivalent to an average price of approximately HK\$37.60 per Ping An Share). Further information can be found in the Company’s announcement dated 23 September 2024.

Discloseable transaction – disposal of listed securities

On 10 December 2024, the Group disposed in a series of transactions for a total of 163,460 Ping An Shares (representing approximately 0.0022% of the total issued Ping An Shares) on the open market with an aggregate gross sales proceeds of approximately HK\$7,879,000 (exclusive of expenses) (equivalent to an average price of approximately HK\$48.20 per Ping An Share). Further information can be found in the Company’s announcement dated 16 December 2024.

Change of Hong Kong Branch Share Registrar and Transfer office

On 26 February 2025, the Company announced the change of the Company’s Hong Kong branch share registrar and transfer office with effect from 31 March 2025. Further information can be found in the Company’s announcement dated 26 February 2025.

EVENTS AFTER THE END OF THE REPORTING PERIOD**Discloseable Transaction – acquisitions of listed securities**

It was announced on 16 May 2025 that the Group acquired (i) in a series of transactions for a total of 3,004,000 Best Food Shares (representing approximately 0.19% of the total issued Best Food Shares) on the open market on 12 May 2025 and 13 May 2025; and (ii) 12,000,000 Best Food Shares (representing approximately 0.76% of the total issued Best Food Shares) by way of cross trade from a vendor on 16 May 2025 with an aggregate consideration of approximately HK\$15,003,960 (exclusive of expenses) (equivalent to an average purchase price of approximately HK\$1.00 per acquired Best Food Share). Further information can be found in the Company's announcement dated 16 May 2025.

Amendment to 2023 Convertible Note

On 4 June 2025, after trading hours, the Group (as the Holder) entered into a second deed of amendment with Eminence pursuant to which both parties conditionally agreed to amend the conversion price of the 2023 Convertible Note from HK\$0.14 per Conversion Share to HK\$0.07 per Conversion Share. Pursuant to Rule 28.05 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), any alterations in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alterations take effect automatically under the existing terms of such convertible debt securities. As a result, Eminence applied for the approval of the Stock Exchange for the aforesaid amendment pursuant to Rule 28.05 of the Listing Rules. Further information can be found in the Company's announcement dated 4 June 2025.

PROSPECTS

The geopolitical tensions, sustained high interest rates, underperforming stock market returns, and below-expectation GDP growth have been dragging on the economy and property market in Hong Kong.

With a view to stabilising the property market and stimulating the economy in Hong Kong, the Financial Secretary of Hong Kong announced in his Budget Speech in February 2025 a number of support measures which include rates concession for both domestic and non-domestic properties for the first quarter of 2025/26, reduction in salaries tax and tax under personal assessment for the assessment year 2024/25, reduction in profits tax for the assessment year 2024/25 and raising the maximum value of properties chargeable to a stamp duty of HK\$100 from HK\$3 million to HK\$4 million.

The trend of Mainland talents and professionals working and buying their own homes in Hong Kong is still expected for 2025. It is also observed that a number of new property developments which were launched in 2024 for sale, after the withdrawal of the restrictions on the sale of properties in early 2024 as well as the suspension of the mortgage stress test and the relaxation of the loan-to-value ratios of certain types of properties announced by the Hong Kong Monetary Authority at around the same time, achieved satisfactory sales performance.

The Group shares the view of the Government of Hong Kong that the Hong Kong economy still faces a very challenging external environment for 2025, but there are quite a few positive factors at the same time. The Group anticipates that when the interest rates begin to ease due to the gradual easing of monetary policies by major central banks to support their economic growth, the market confidence towards the property sector in Hong Kong will gradually restore although the economic and trade policies of the US have brought uncertainties to the pace of rate cuts in 2025. The European Central Bank also indicated that it would lower interest rates further if inflation broadly trends towards its target level. According to the International Monetary Fund's latest projections, the global economy will grow by 3.3% for 2025, slightly higher than last year.

Along with the revival of inbound tourism, Hong Kong's retail market is expected to recover despite the fact that some discretionary categories, such as jewelry and other retailers in the luxury retail segment, struggled amidst the tough economic landscape in 2024. The changes in the spending patterns of tourists and intense competition from neighbouring regions that create new challenges to the office and retail leasing business in Hong Kong are observed. As a result, tenants have remained cautious and delayed their relocation or expansion plans for leases. The Group is confident that the resumption of multiple entry Individual Visit Endorsements for Shenzhen permanent residents and the expansion of the arrangement to Shenzhen residence permit holders at the end of 2024 by the Government of the PRC, which attracted over 700,000 visitors travelling to Hong Kong during the period from the date of implementation to February 2025, would enhance the demand for office and retail leasing in Hong Kong in the long term.

Looking ahead, the Group will continue to focus its efforts in the development of its existing principal businesses and will exercise prudent capital management and approach in its operations. The Group will continue to monitor the market changes closely and strengthen the principal segments of its businesses while exploring other potential opportunities with a view to providing steady and favourable returns for the Shareholders and bringing increased values to the Group's stakeholders.

EMPLOYEES

As at 31 March 2025, the Group had 18 employees (FY2024: 22). Staff costs (including Directors' emoluments) amounted to approximately HK\$26,204,000 for FY2025 (FY2024: approximately HK\$33,195,000 (restated)). The Group remunerates its employees based on individual performance, experience and prevailing industry practice. The Group provides a defined contribution to Mandatory Provident Fund as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all eligible employees of the Group in Hong Kong.

FOR THE YEAR ENDED 31 MARCH 2024**FINANCIAL RESULTS**

For FY2024, the Group's revenue from continuing operations amounted to approximately HK\$227,114,000 as compared with FY2023 of approximately HK\$86,762,000, which represented an increase of approximately HK\$140,352,000 or approximately 161.8%. This year's gross profit margin was approximately 25.6% (FY2023: approximately 68.0%). For FY2024, the Group's revenue from discontinued operation amounted to HK\$nil as compared with FY2023 of approximately HK\$15,912,000, which represented a decrease of approximately HK\$15,912,000 or 100%.

For FY2024, the Group's consolidated loss attributable to Shareholders was approximately HK\$253,235,000 as compared with FY2023 of a profit of HK\$13,280,000. The consolidated loss from continuing operations for FY2024 was approximately HK\$414,214,000 as compared with profit of approximately HK\$25,341,000 in FY2023. The loss was mainly attributable to, among other things, (i) the write-down on properties held for sale, (ii) the write-down on properties held for development for sale, (iii) loss on change in fair value of investment properties and (iv) increase in finance costs. The consolidated profit from discontinued operation was approximately HK\$5,655,000, as compared with a profit of approximately HK\$4,602,000 for FY2023.

The basic loss per share and diluted loss per share from continuing and discontinued operations amounted to HK\$3.50 and HK\$4.20 respectively for FY2024, as compared with an earnings per share of HK\$0.18 and HK\$0.18 respectively for FY2023.

The basic loss per share and diluted loss per share from continuing operations amounted to HK\$3.52 and HK\$4.24 respectively for FY2024, as compared with earnings per share of HK\$0.15 and HK\$0.15 respectively for FY2023.

FINAL DIVIDEND

The Board does not recommend the payment of final dividend for FY2024 (FY2023: nil).

BUSINESS REVIEW

The review of each business segment of the Group is set out below.

Property Development

Revenue from continuing operations recognised in this business segment during FY2024 amounted to approximately HK\$169,971,000 (FY2023: HK\$28,647,000). Review on existing major projects of the Group is set out below:

Inverness Road Property – “Ayton”

“Ayton” is a completed residential project located at Nos. 14-20 Inverness Road, Kowloon Tong, Kowloon, Hong Kong developed and wholly-owned by the Group. It consists of two 8-storey residential blocks comprising 60 residential units, 29 car parking spaces and 3 motor parking spaces.

As at the date of the annual report for FY2024, 49 units and 3 carpark released were sold and the aggregate contracted sales amounted to approximately HK\$862,981,000. During FY2024, 5 units and 1 carpark among the transactions have been completed (FY2023: 2 units) and a revenue of approximately HK\$118,460,000 (FY2023: HK\$28,647,000) has been recorded for sale of properties.

Waterloo Road Property – “Garden Crescent”

The Group has launched sales of its new residential project located at No. 93 Waterloo Road, Ho Man Tin, Kowloon, Hong Kong namely “Garden Crescent”, in November 2023. Garden Crescent is located in Ho Man Tin, a prestigious residential area, which is bound by a vast network of transportation and enjoys an extensive top education network. Boasting 56 luxurious apartments ranging from 260 square feet to 2,597 square feet (saleable area), this 20-storey development with 2 levels of basement for carparking spaces is designed to be an modern and stylish building for those seeking a bespoke residence. The property offers recreational facilities, including a fully-equipped gym (The Solace), a children playroom (The Forest) and a multi-function room with flat roof (Great Room) for residents to host gatherings with family and friends and a lounge in purpose.

As at the date of the annual report for FY2024, 17 units released were sold and the aggregate contracted sales amounted to approximately HK\$208,303,000. During FY2024, 5 units among the transactions have been completed (FY2023: nil) and a revenue of approximately HK\$51,511,000 (FY2023: nil) has been recorded for sale of properties.

Project Chatham Road North

The Group, through its wholly-owned subsidiary, owns the site located at Nos. 470, 472, 474, 476 and 478 Chatham Road North, Kowloon, Hong Kong with a total site area of approximately 4,653 square feet.

Project Chatham Road North will be redeveloped into a composite building with residential and commercial use. The estimated gross floor area after redevelopment is expected to be approximately 41,747 square feet. The superstructure works are currently undergoing at the site. This project is expected to be completed in late 2024.

Property Investment

As at 31 March 2024, the Group’s portfolio of investment properties comprised of residential, commercial and industrial units located in Hong Kong and Singapore.

For FY2024, the rental income of the Group from continuing operations was approximately HK\$43,101,000 (FY2023: approximately HK\$43,255,000), representing a decrease of approximately 0.4%. For FY2024, the rental income of the Group from discontinued operation was HK\$nil (FY2023: approximately HK\$4,602,000). For FY2024, the building management income of the Group from continuing operations was approximately HK\$981,000 (FY2023: approximately HK\$1,636,000). The decrease in building management income from continuing operations was primarily since sub-contracted certain building management services.

As at 31 March 2024, the occupancy rate of residential units, commercial units and industrial units of the Group's investment properties were 100.0%, 99.2% and 95.0% (FY2023: 100.0%, 99.2% and 90.6%) respectively. A loss on changes in fair value of investment properties of approximately HK\$47,333,000 (FY2023: gain of approximately HK\$191,361,000) was recognised during FY2024. The segment reported a loss of approximately HK\$60,725,000 for FY2024 (FY2023: gain of approximately HK\$190,515,000), representing a decrease of approximately HK\$251,240,000 compared to FY2023.

The Group acts as a principal and is primarily responsible for providing building management services to property owners in Hong Kong. To meet the statutory requirements under the property management licensing regime, which became mandatory on 1 August 2023, the Group's related residential and commercial property management companies have obtained the required licences, reinforcing the Group's commitment to delivering high-quality property management services.

Disposal of property in Singapore by subsidiary of Eminence

On 14 April 2023, the purchaser (an independent third party) accepted and exercised the option granted by Grow Well Profits Limited ("**Grow Well**") (a wholly-owned subsidiary of Eminence, as seller) to purchase a residential apartment in Singapore at a sale price of S\$13,009,000 (equivalent to approximately HK\$75,323,000). The disposal constitutes a major transaction for the Company and a very substantial disposal for Eminence under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**"). The disposal was approved by the Shareholders pursuant to Rule 14.44 of the Listing Rules and the Eminence shareholders at a special general meeting held on 31 May 2023. Details of this transaction were set out in the joint announcement dated 14 April 2023 and the joint circular dated 8 May 2023 published by the Company and Eminence and the announcement dated 31 May 2023 published by Eminence.

The completion of the disposal took place on 7 July 2023. A gain on the disposal of approximately S\$1,366,000 (equivalent to approximately HK\$7,900,000) was recognised.

Land resumption in the PRC by subsidiary of Eminence

On 5 October 2022, a land resumption agreement was entered into between the People's Government of Zhili Town, Wuxing District, Huzhou City, Zhejiang Province, The People's Republic of China (the "**PRC**") (the "**Huzhou Government**", each of itself and its ultimate beneficial owners are independent third parties), and a wholly-owned subsidiary of Eminence, pursuant to which, among other things, the Huzhou Government shall resume, and the Eminence subsidiary shall surrender, an industrial complex in Huzhou City, Zhejiang Province, the PRC (the "**Huzhou Properties**") with the compensation amount of RMB386,982,000 (equivalent to approximately HK\$439,752,000) (the "**Compensation Amount**"). An exemption has been granted by the Stock Exchange that the entering into the land resumption agreement does not constitute a transaction for the Company and Eminence.

The financial results of the property investment in the PRC were classified as discontinued operation during FY2024 (FY2023: same). In February 2024, the Compensation Amount has been received by the Group in full, and the Huzhou Properties have been resumed by the Huzhou Government, and accordingly, the Huzhou Properties were no longer accounted for in the financial statements of the Group as at 31 March 2024.

For further details, please refer to the announcement jointly published by the Company and Eminence dated 5 October 2022.

Investment in Securities and Others

The Group invested in a diversified portfolio of investments including listed and unlisted equity securities, equity-linked notes, bonds and other investment products based on (i) potential return on investment in terms of capital appreciation and dividend payment for the targeted holding period; (ii) risks exposure in comparison with the Group's risk tolerance level at the prevailing time; and (iii) diversification of the existing investment portfolio.

As at 31 March 2024, the Group's financial assets at fair value through profit or loss amounted to approximately HK\$211,854,000 (FY2023: approximately HK\$191,160,000). There were no investments held by the Group of which value was more than 5% of the total assets of the Group. The Group recorded a loss in the securities investment segment from continuing operations of approximately HK\$1,992,000 during FY2024 (FY2023: loss of approximately HK\$71,940,000).

As at 31 March 2024, details of the Group's financial assets are set out as follows:

Nature of investments	As at 31 March 2024			For FY2024			
	Number of shares held	Investment		Approximate percentage to Group's total assets	Dividend/ Interest income	Fair value gain/(loss)	Realised loss
		Cost	Fair value				
		HK\$'000	HK\$'000		HK\$'000	HK\$'000	HK\$'000
Equity Investments							
Best Food Holding Company Limited (stock code: 1488)	109,762,000	101,886	109,762	1.3%	–	18,772	–
Ping An Insurance (Group) Company of China, Ltd. (stock code: 2318)	733,460	55,510	24,241	0.3%	1,784	(13,202)	–
Others	N/A	29,432	14,158	0.1%	27	(6,333)	–
Investment in limited partnership	N/A	34,555	42,732	0.5%	1,317	(705)	–
Others	N/A	20,961	20,961	0.2%	56	(491)	–
Total:		242,344	211,854	2.4%	3,184	(1,959)	–

Loan Financing

The loan financing business of the Group is operated by Planetic International Limited (“**Planetic**”, a wholly-owned subsidiary of the Company) and City China International Limited (“**City China**”, a wholly-owned subsidiary of Eminence), which are both licensed money lenders carrying on business under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).

For FY2024, the Group recorded an interest income from the loan financing business from continuing operations amounted to approximately HK\$13,061,000 (FY2023: approximately HK\$13,224,000), while the interest income from the loan financing from discontinued operation amounted to HK\$nil (FY2023: approximately HK\$503,000). The decrease in interest income was primarily due to decrease in loan receivable balance of borrowings for FY2024. Profit derived from loan financing business from continuing operations was approximately HK\$151,000 for FY2024 (FY2023: loss of approximately HK\$12,302,000).

The target customer groups of the business are generally individuals and corporate entities that have short-term funding needs and can provide collaterals for their borrowings at their best endeavour. The Group’s clientele is primarily acquired through business referrals and introductions from the Company’s directors, senior management, business partners or clients. The source of funds for the loan financing business is funded by the internal resources of the Group.

As at 31 March 2024, the gross carrying amount of loans receivable amounting to HK\$195,657,000 (FY2023: HK\$300,807,000) of which 53% (FY2023: 39%) were secured by marketable securities with fair values of HK\$30,000,000 (FY2023: HK\$35,670,000) or properties with fair values of HK\$96,345,000 (FY2023: HK\$98,245,000). The Group is not permitted to sell or repledge the collaterals, if any, in the absence of default by the borrower. In addition, the gross carrying amount of unsecured loans receivable amounting to HK\$nil (FY2023: HK\$57,309,000) are with personal guarantees. The largest borrower of the Group by itself and together with the other four largest borrowers of the Group accounted for approximately 21% and 67% respectively (FY2023: 26% and 52% respectively) of the Group’s loans receivable as at 31 March 2024.

During FY2024, the range of interest rate on the Group’s fixed-rate loans receivable was 0% (a one-off upfront fee being paid in lump sum at drawdown date, representing 9% of the loan principal amount for a term of 3-year) to 14% (FY2023: 0% to 16%) per annum and the range of interest rate on the Group’s variable-rate loans receivable was prime rate less 1% to prime rate (FY2023: prime rate less 1% to prime rate) per annum.

The Group has credit policies, guidelines and procedures in place which cover key internal controls of a loan transaction including due diligence, credit appraisal, proper execution of documentations, continuous monitoring and collection and recovery. The due diligence procedures included conducting research on the borrowers’ background, evaluating its current business operations and financial conditions, market reputation and creditability, and conducting financial analysis and recoverability analysis. To minimise credit or investment risks, the Group will seek securities and/or guarantees, including collaterals with expected realised value exceeding the loan or investment amount, and/or personal guarantees and corporate guarantees.

The Group generally provides short-term loans of maturity of not more than three (3) years. The repayment terms and conditions are determined by the factors including, among others, the liquidity needs of the borrowers, the Group's funding and cash flows management strategies, and the terms and rates of the prevailing market.

After drawdown of loan, the loan agreement will be filed with the loan documents properly. The Group maintains regular contact with the borrowers and carries out periodical review to assess the recovery of the loan based on the business development, financial status, repayment ability of the borrowers such as recent settlement record of the borrowers and whether there are any litigations and bankruptcy orders against the borrowers. The Group will take all necessary legal actions against the relevant clients to follow up the settlement of the outstanding loans.

The Group performs impairment assessment under expected credit loss (“ECL”) model on loans receivable which are subject to impairment assessment under Hong Kong Financial Reporting Standard 9 “Financial Instruments”. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition. In particular, the following information is being considered when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the loans receivable's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the borrower;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the borrower's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the borrower;
- an actual or expected significant adverse change in the regulatory, economic, or technological environments of the borrower that results in a significant decrease in the borrower's ability to meet its debt obligations.

During the year ended 31 March 2024, the reversal of impairment loss recognised in profit or loss amounted to HK\$2,675,000 (FY2023: impairment loss of HK\$11,562,000) in its loan financing business.

Below were the disclosable transactions of the Group on loan financing business during FY2024:

(I) Extensions of financial assistance to an individual borrower

On 7 December 2023, Planetic as lender entered into a supplemental agreement with an individual borrower to extend the repayment date of a loan in the principal amount of HK\$35,400,000 for a further 2 years to 7 December 2025 at an interest rate of 5% per annum. The loan is secured by a share charge in favour of Planetic in respect of 30,000,000 ordinary issued shares of a company whose shares are listed on the main board of the Stock Exchange.

The extension of the Loan constitutes a discloseable transaction under the Listing Rules for the Company, details of which were set out in the announcement of the Company dated 7 December 2023.

(II) Extensions of financial assistance to a corporate borrower

On 29 December 2023, Planetic (as lender) and a corporate borrower, (as borrower) entered into a supplemental agreement pursuant to which the principal amount of a loan be adjusted to HK\$45,800,000 (after repayment of principal amount of HK\$4,200,000) at an interest rate of 14% per annum and the repayment date be further extended for 1 month to 29 January 2024. The loan is secured by a share charge over the then entire issued share capital of such corporate borrower, a first legal charge over all the title, rights and interest in commercial properties located in Mongkok, Kowloon, Hong Kong owned by such corporate borrower and a personal guarantee by the sole director and the sole shareholder of the wholly-owned beneficial owner of such corporate borrower. After 29 January 2024, the borrower repaid HK\$10,000,000 to the lender before 31 March 2024 and further repaid HK\$12,000,000 as at the date of the annual report for FY2024.

The extension of the loan constitutes a discloseable transaction under the Listing Rules for the Company, details of which were set out in the announcements of the Company dated 12 November 2021, 11 May 2022, 30 December 2022 and 29 December 2023 respectively.

EMINENCE ENTERPRISE LIMITED

Eminence Group is engaged in property development, property investment comprising the ownership and rental of investment properties, investment in securities and others and loan financing businesses. For FY2024, the financial results and positions of Eminence Group had been consolidated in the consolidated financial statements of the Group.

Investment in Eminence Shares

As at 1 April 2023, the Group held an aggregate of 1,097,157,506 shares of Eminence, representing approximately 51.60% of the then total issued share capital of Eminence.

(I) Eminence capital reorganisation and change in board lot size

The capital reorganisation of Eminence has become effective on 19 July 2023 (the “**Eminence Capital Reorganisation**”) which involved (i) a consolidation of every forty (40) issued and unissued existing shares of Eminence of par value of HK\$0.01 each into one (1) consolidated share of Eminence (the “**Eminence Consolidated Share(s)**”) of par value of HK\$0.40 each (the “**Eminence Share Consolidation**”); (ii) following the capital reduction of Eminence having become effective (the “**Eminence Capital Reduction**”), the par value of each issued Eminence Consolidated Share would be reduced from HK\$0.40 to HK\$0.01 by (a) eliminating any fraction of a Eminence Consolidated Share in the issued share capital of Eminence arising from the Eminence Share Consolidation in order to round down the total number of the Eminence Consolidated Shares to a whole number; and (b) cancelling HK\$0.39 of the paid-up capital of Eminence on each issued Eminence Consolidated Share so that each issued new share of Eminence (the “**New Eminence Share(s)**”) will be treated as one (1) fully paid-up share of par value of HK\$0.01 each in the share capital of Eminence immediately following the Eminence Capital Reduction and the credit arising from the Eminence Capital Reduction to be transferred to the contributed surplus account of Eminence within the meaning of the Companies Act 1981 of Bermuda; and (iii) following the Eminence Share Consolidation and the Eminence Capital Reduction having become effective, each authorised but unissued Eminence Consolidated Share (including those authorised unissued Eminence Consolidated Shares arising from the Eminence Capital Reduction) has been subdivided into forty (40) authorised but unissued New Eminence Shares of par value of HK\$0.01 each.

Upon the completion of the Eminence Capital Reorganisation on 19 July 2023, the board lot size of Eminence shares for trading on the Stock Exchange has been changed from 20,000 shares to 5,000 shares.

For more details, please refer to Eminence’s announcements dated 29 May 2023, 16 June 2023, 17 July 2023 and 19 July 2023, and circular dated 23 June 2023 respectively.

(II) Major Transaction – Deemed disposal of interest in Eminence

On 29 May 2023, Eminence entered into a placing agreement (the “**Eminence Placing Agreement I**”) with a placing agent for a placing of a maximum of up to 50,000,000 new Eminence shares at a placing price of HK\$0.50 per placing share to not less than six allottees who and whose beneficial owners are independent third parties (the “**Eminence Placing I**”) subject to the Eminence Capital Reorganisation becoming effective and a specific mandate being granted by the Eminence shareholders. The Eminence Placing I constituted a major transaction and a deemed disposal transaction (the “**MT-Deemed Disposal**”) of the Company under the Listing Rules.

The MT-Deemed Disposal and the Eminence Placing Agreement I and the transactions contemplated thereunder were approved at the separate special general meetings by the Shareholders and the Eminence shareholders both held on 24 July 2023. The completion of the Eminence Placing I took place on 3 August 2023 in which the shareholding interest of the Group in Eminence had been diluted from approximately 51.60% to approximately 26.59%. Eminence’s financial results and financial positions remained to be consolidated in the consolidated financial statements of the Group.

For more details of the MT-Deemed Disposal, please refer to Company's announcements dated 30 May 2023, 14 June 2023, 17 July 2023 and 24 July 2023, and circular dated 27 June 2023 respectively.

(III) Very Substantial Disposal – Deemed disposal of interest in Eminence

On 23 January 2024, Eminence entered into a placing agreement (the “**Eminence Placing Agreement II**”) with a placing agent for a placing of a maximum of up to 235,000,000 new Eminence shares at a placing price of HK\$0.18 per placing share to not less than six allottees who and whose beneficial owners are independent third parties (the “**Eminence Placing II**”). The Eminence Placing II constituted a very substantial disposal and a deemed disposal transaction (the “**VSD-Deemed Disposal**”) of the Company under the Listing Rules.

The VSD-Deemed Disposal and the Eminence Placing Agreement II and the transactions contemplated thereunder were approved at the separate special general meetings by the Shareholders and the independent Eminence shareholders both held on 21 March 2024. The completion of the Eminence Placing II took place on 17 April 2024 in which the shareholding interest of the Group in Eminence had been diluted from approximately 26.59% to approximately 8.11%. Upon completion of the Eminence Placing II, Eminence's financial results and financial positions has no longer be consolidated in the consolidated financial statements of the Group.

For more details of the VSD-Deemed Disposal, please refer to the Company and Eminence's joint announcements dated 23 January 2024 and 17 April 2024 and joint circular dated 29 February 2024, and the Company's announcement dated 21 March 2024.

(IV) Deed of Amendment to Eminence Convertible Notes

As at 1 April 2023, the total outstanding principal amount of 2023 Convertible Note held by a wholly-owned subsidiary of the Company (the “**Holder**”) is as follow:

Issue date	Outstanding principal amount HK\$	Number of conversion shares	Conversion price HK\$	Annual interest	Maturity date
2023.02.20 (“ 2023 Convertible Note ”)	209,000,000	1,971,698,113	0.106	5%	2028.07.25

On 23 January 2024, the Holder entered into a deed of amendment (the “**Deed of Amendment**”) with Eminence to amend the terms of the 2023 Convertible Note mainly to (i) change the conversion price and (ii) alter the early redemption provision, to give Eminence and the Holder the right to redeem the 2023 Convertible Note at any time, in whole or in part. The Deed of Amendment and the transactions contemplated thereunder were approved at a special general meeting by the independent Eminence shareholders held on 27 March 2024. The total number of conversion shares and conversion price had been adjusted to 1,161,111,111 conversion shares at HK\$0.18 per conversion share respectively on 17 April 2024 pursuant to the Deed of Amendment subsequent to the completion of Eminence Placing II.

Details of the Deed of Amendment were set out in the Company and Eminence's joint announcements dated 23 January 2024 and 17 April 2024; the circular of Eminence dated 6 March 2024 and the announcement of Eminence dated 27 March 2024.

Performance of Eminence Group during FY2024

The financial results of Eminence Group during FY2024 are highlighted as below:

	For the year ended 31 March		
	2024	2023	Change
	<i>HK\$'000</i>	<i>HK\$'000</i>	
Continuing operations			
Revenue			
Rental income	28,751	24,408	17.8%
Building management fee income	12	–	N/A
Interest income from loan financing	1,930	2,786	(30.7)%
Total revenue	30,693	27,194	12.9%
Gross profit	27,173	24,225	12.2%
(Loss) profit for FY2024 from continuing operations	(218,804)	58,970	N/A
Discontinued operation			
Profit for FY2024	5,655	4,602	22.9%
(Loss) profit attributable to owners of Eminence	(213,149)	63,572	N/A
	<i>HK\$</i>	<i>HK\$</i>	
(Loss) earnings per share			
From continuing and discontinued operations			
– Basic	(2.47)	1.50	N/A
– Diluted	(2.47)	1.37	N/A
From continuing operations			
– Basic	(2.54)	1.39	N/A
– Diluted	(2.54)	1.27	N/A

As at 31 March 2024 and up to the date of the annual report for FY2024, the development land portfolio held by Eminence Group as below:

Location	Usage	Approximate site area (square feet)	Year of completion
No. 121 King Lam Street, Kowloon, Hong Kong	Industrial	5,483	May 2024
No. 11 Matheson Street, Causeway Bay, Hong Kong	Commercial	2,857	February 2024

Location	Intended usage	Approximate site area (square feet)	Anticipated year of completion
Nos. 646, 648, 648A Castle Peak Road, Kowloon, Hong Kong	Industrial	9,206	2026
Nos. 1B–1E Davis Street and Nos. 93 and 95 Catchick Street, Kennedy Town, Hong Kong	Residential	7,122	2026

As at 31 March 2024, Eminence Group's portfolio of investment properties comprised of residential, commercial and industrial units located in Hong Kong and Singapore. During FY2024, Eminence Group recorded rental income from continuing operations of approximately HK\$28,751,000 (FY2023: approximately HK\$24,408,000) and fair value loss from continuing operations of approximately HK\$9,563,000 (FY2023: gain of approximately HK\$78,967,000) arising from change in fair value of investment properties.

For more detailed portfolio of property development and property investment projects, as well as business and financial performance of Eminence Group, please refer to its annual report for the year ended 31 March 2024 dated 27 June 2024.

LIQUIDITY AND FINANCIAL RESOURCES

The Group financed its operations through internally generated cash flow and bank borrowings. As at 31 March 2024, the Group had aggregate bank borrowings amounted to approximately HK\$3,671,861,000 (FY2023: approximately HK\$3,529,177,000). The gearing ratio of the Group, calculated as a ratio of total bank borrowings to total equity, for FY2024 was approximately 0.8 (FY2023: approximately 0.7).

As at 31 March 2024, the Group has net current assets of approximately HK\$3,546,059,000 (FY2023: approximately HK\$4,404,437,000). Current ratio was approximately 2.3 (FY2023: approximately 3.0). The cash and cash equivalents as at 31 March 2024 was approximately HK\$307,435,000 (FY2023: approximately HK\$398,894,000), representing a decrease of approximately 22.9% or approximately HK\$91,459,000 compared to 31 March 2023.

The maturity profile of the Group's secured bank borrowings is set out below:

	As at 31 March	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Carrying amount repayable as follows (based on the scheduled repayment dates set out in the loan agreements):		
– within a period not exceeding one year	2,323,047	1,615,464
– within a period of more than one year but not exceeding two years	1,115,397	884,750
– within a period of more than two years but not exceeding five years	100,408	876,325
– within a period of more than five years	133,009	152,638
	<u>3,671,861</u>	<u>3,529,177</u>
Less: Amount due within one year shown under current liabilities	<u>(2,323,047)</u>	<u>(1,615,464)</u>
Amount due after one year shown under non-current liabilities	<u>1,348,814</u>	<u>1,913,713</u>

At 31 March 2024, the Group's secured bank borrowings carry interest ranging from the Hong Kong Inter-Bank Offered Rate (“**HIBOR**”) plus 1.0% to 1.825%, the Secured Overnight Financing Rate (“**SOFR**”) plus 0.8% to 1.05% (FY2023: HIBOR plus 1.0% to 1.825%, London Inter-Bank Offered Rate (“**LIBOR**”) plus 0.8% to 1.0%) per annum, with effective interest ranging from 4.375% to 6.785% (FY2023: 4.21% to 5.86%) per annum.

CHARGES OF ASSETS

As at 31 March 2024, bank loans of the Group in the aggregate amount of approximately HK\$3,671,861,000 (FY2023: approximately HK\$3,529,177,000) which were secured by leasehold properties, investment properties, properties held for development for sale, properties held for sale, life insurance policies and listed equity securities in Hong Kong and overseas of the Group having a net book value of approximately HK\$7,341,709,000 (FY2023: approximately HK\$7,851,249,000). In addition, a credit facility granted by a bank for a property development project in Hong Kong was secured by pledge of 7,500,000 Eminence shares (after Eminence Capital Reorganisation) with fair value of approximately HK\$1,643,000 (FY2023: 300,000,000 Eminence shares (before Eminence Capital Reorganisation) with fair value of HK\$11,400,000) held by a subsidiary of the Group.

TREASURY POLICY

The Group diversifies its source of funds including internal generated cash flow and interest-bearing bank borrowings during FY2024 to generate source of funds for its business operations. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

EXPOSURE ON FOREIGN EXCHANGE FLUCTUATIONS

All bank borrowings are denominated in Hong Kong dollars. The revenue and payments of the Group, being mostly denominated in Hong Kong dollars, matches the currency requirements of the Group's operating expenses. The Group therefore has not engaged in any hedging activities during FY2024 under review. Management of the Group is of the opinion that the Group has no material foreign exchange exposure in the usual course of the Group's daily operation.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 March 2024 (31 March 2023: nil).

CAPITAL EXPENDITURE

For FY2024, the Group invested approximately HK\$1,443,000 (FY2023: approximately HK\$578,000) on the acquisition of property, plant and equipment, and no additions of investment properties for FY2024 and FY2023.

CAPITAL COMMITMENTS

As at 31 March 2024, the Group had capital commitments in respect of capital expenditure contracted for but not provided of approximately HK\$4,418,000 (FY2023: approximately HK\$19,635,000).

EVENTS AFTER REPORTING PERIOD

Upon completion of the Eminence Placing II on 17 April 2024, the Group held an aggregate of 27,428,937 shares of Eminence, representing approximately 8.11% of the total issued share capital of Eminence. As a result, Eminence's financial results and financial positions shall no longer be consolidated in the consolidated financial statements of the Group, details of which disclosed in the section headed "Very Substantial Disposal – Deemed disposal of interest in Eminence" above.

PROSPECTS

The geopolitical tensions, sustained high interest rates, underperforming stock market returns, and below-expectation GDP growth caused a drag on the economy and property market in Hong Kong. With a view to stabilising the property market in Hong Kong, the Financial Secretary of Hong Kong announced in his Budget Speech at the end of February 2024 that all the restrictions on the sale of properties which have been implemented for over a decade are lifted immediately, and at the same time, the Hong Kong Monetary Authority also announced the suspension of the mortgage stress test and the relaxation of the loan-to-value ratios of certain types of properties. Both initiatives were conducive to the purchase of new and replacement homes for local residents and encouraged Mainland talents and professionals to work and buy their own homes in Hong Kong. A number of new property developments which were launched for sale after the withdrawal of the restrictions achieved satisfactory sales performance. The Group anticipates that when the interest rates begin to ease, the market confidence towards the property sector in Hong Kong will gradually restore.

Along with the revival of inbound tourism, Hong Kong's retail market continued to recover. However, the changes in the spending patterns of tourists and intense competition from neighbouring regions create new challenges to the office and retail leasing business in Hong Kong. Tenants remained cautious and delayed their relocation or expansion plans for leases. The Group had been coping with the changing market trends and the evolving operating environment by continuing to optimise the tenants mix.

Looking ahead, the Group would continue to focus its efforts in the development of its existing principal businesses and would exercise prudent capital management and approach in its operations. The Group would continue to monitor the market changes closely and strengthen the principal segments of its businesses while exploring other potential opportunities with a view to providing steady and favourable returns for the Shareholders and bringing increased values to the Group's stakeholders.

EMPLOYEES

As at 31 March 2024, the Group had 62 employees (FY2023: 65). Staff costs (including Directors' emoluments) amounted to approximately HK\$73,399,000 for FY2024 (FY2023: approximately HK\$71,261,000). The Group remunerates its employees based on individual performance, experience and prevailing industry practice. The Group provides a defined contribution to Mandatory Provident Fund as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all eligible employees of the Group in Hong Kong.

FOR THE YEAR ENDED 31 MARCH 2023**FINANCIAL RESULTS**

For FY2023, the Group's revenue from continuing operations amounted to approximately HK\$86,762,000 as compared with the year ended 31 March 2022 ("FY2022") of approximately HK\$323,390,000, which represented a decrease of approximately HK\$236,628,000 or approximately 73.2%. FY2023's gross profit margin was approximately 68.0% (FY2022: approximately 45.6%). For FY2023, the Group's revenue from discontinued operation amounted to approximately HK\$15,912,000 as compared with FY2022 of approximately HK\$27,394,000, which represented a decrease of approximately HK\$11,482,000 or approximately 41.9%.

For FY2023, the Group's consolidated profit attributable to Shareholders was approximately HK\$29,943,000 as compared with FY2022 of HK\$1,009,500,000. The consolidated profit from continuing operations for FY2023 was approximately HK\$25,341,000 as compared with the FY2022 of approximately HK\$979,576,000. The decrease in net profit was mainly attributable to, among other things, (i) the absence of a one-off gain on bargain purchase on acquisition of Eminence (FY2022: a one-off gain of approximately HK\$1,676,151,000 and offset by loss on remeasurement of interest in Eminence of approximately HK\$656,380,000); and (ii) the consolidated profit from discontinued operation was approximately HK\$4,602,000, as compared with FY2022 of approximately HK\$29,924,000.

The basic and diluted earnings per share from continuing and discontinued operations amounted to HK\$0.18 for FY2023, as compared with HK\$12.46 for FY2022.

FINAL DIVIDEND

The Board does not recommend the payment of final dividend for FY2023 (FY2022: nil).

BUSINESS REVIEW

The review of each business segment of the Group is set out below.

Property Development

Revenue from continuing operations recognised in this business segment during FY2023 amounted to approximately HK\$28,647,000 (FY2022: HK\$248,576,000). Review on existing major projects of the Group is set out below:

Project Waterloo Road

A wholly-owned property development project of the Group located at Nos. 93, 93A, 95 and 95A Waterloo Road, Kowloon, Hong Kong will launch sales in third to fourth quarter of 2023.

This project is developed into a luxurious residential accommodation with club house facilities and car parks. This project offers a total of 56 units comprises diversified unit layouts including special units, duplex units and studio flats to 4-bedroom flats.

Project Chatham Road North

The Group, through its wholly-owned subsidiary, owns the site located at Nos. 470, 472, 474, 476 and 478 Chatham Road North, Kowloon, Hong Kong with a total site area of approximately 4,653 square feet (“**Chatham Road North Project**”).

The Chatham Road North Project will be redeveloped into a composite building with residential and commercial use. The estimated gross floor area after redevelopment is expected to be approximately 41,747 square feet. The superstructure works are currently undergoing at the site. This project is expected to be completed in late 2024.

Inverness Road Property – “Aytan”

“Aytan” is a completed residential project located at Nos. 14-20 Inverness Road, Kowloon Tong, Kowloon, Hong Kong developed and wholly-owned by the Group. It consists of two 8-storey residential blocks comprising 60 residential units, 29 car parking spaces and 3 motor parking spaces.

As at the date of the annual report for FY2023, 34 units and 2 car parks released were sold and the aggregate contracted sales amounted to approximately HK\$552,542,000. During FY2023, 2 units among the transactions have been completed (FY2022: 9 units and 2 car parks) and a revenue of approximately HK\$28,647,000 (FY2022: HK\$248,576,000) has been recorded for sale of properties.

Property Investment

As at 31 March 2023, the Group’s portfolio of investment properties comprised of residential, commercial and industrial units located in Hong Kong, the PRC and Singapore.

For FY2023, the rental income of the Group from continuing operations was approximately HK\$43,255,000 (FY2022: approximately HK\$57,073,000), representing a decrease of approximately 24.2%. For FY2023, the rental income of the Group from discontinued operation was approximately HK\$4,602,000 (FY2022: approximately HK\$8,210,000), representing a decrease of approximately 43.9%. The decrease in rental income was primarily attributable to certain properties held for development were demolished for redevelopment as well as decrease in market rent.

As at 31 March 2023, the occupancy rate of residential units, commercial units and industrial units of the Group’s investment properties were 100.0%, 99.2% and 90.6% (FY2022: 100.0%, 99.2% and 97.6%) respectively. A gain on changes in fair value of investment properties from continuing operations of approximately HK\$191,361,000 (FY2022: approximately HK\$22,198,000) was recognised during FY2023. The segment reported a gain from continuing operations of approximately HK\$190,515,000 for FY2023 (FY2022: approximately HK\$49,157,000), representing an increase of approximately HK\$141,358,000 compared to FY2022.

Land resumption in the PRC by subsidiary of Eminence

On 5 October 2022, a land resumption agreement was entered into between the People's Government of Zhili Town, Wuxing District, Huzhou City, Zhejiang Province, the PRC ("**Huzhou Government**"), its own and its ultimate beneficial owners are independent third parties), and a wholly-owned subsidiary of Eminence, pursuant to which, among other things, the Huzhou Government shall resume, and the Eminence subsidiary shall surrender, an industrial complex in Huzhou City, Zhejiang Province, the PRC with the compensation amount of RMB386,982,000 (equivalent to approximately HK\$439,752,000). An exemption has been granted by The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") that the entering into the land resumption agreement does not constitute a transaction for the Company and Eminence, details of which were set out in the announcement jointly published by the Company and Eminence dated 5 October 2022.

Disposal of property in Singapore by subsidiary of Eminence

On 4 November 2022, the purchasers, independent third parties, accepted and exercised the option granted by Grow Well Profits Limited ("**Grow Well**", a wholly-owned subsidiary of Eminence and a non-wholly owned subsidiary of the Company) as vendor, to purchase a residential apartment in Singapore at S\$12,500,000 (equivalently to approximately HK\$68,150,000). The disposal constitutes a discloseable transaction for the Company and a major transaction for Eminence under the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), details of which were set out in the announcement jointly published by the Company and Eminence dated 4 November 2022 and the circular of Eminence dated 25 November 2022. The disposal was completed on 16 December 2022. A gain of S\$1,190,000 (equivalent to approximately HK\$6,545,000) was recognised on the disposal of this property.

Very Substantial Disposal of investment properties to Eminence Group

On 30 November 2022, the seller (a wholly-owned subsidiary of the Company) entered into four (4) sale and purchase agreements (collectively the "**Sale and Purchase Agreements**") with Eminence pursuant to which, amongst other things (i) the seller agreed to sell, and Eminence agreed to acquire, the entire issued share capital of four (4) indirect wholly-owned subsidiaries of the Company (the "**Sale Companies**"); and (ii) the seller agreed to procure the assignment of the shareholders' loans owning by each of the Sale Companies to the Group to Eminence or its nominee, at an aggregate consideration of HK\$340,000,000 less a sum equal to the amount of two bank loans owing to a bank by the Group outstanding at the completion date. The sole material asset of each of the Sale Companies is a separate commercial property in Hong Kong.

The net purchase price of HK\$214,000,000 shall be settled by (i) cash in the sum of HK\$5,000,000 in aggregate and (ii) a 5% per annum coupon rate convertible note issued by Eminence in the principal amount of HK\$209,000,000 conferring rights to convert at any time before the fifth (5th) anniversary of the issue thereof the principal amount into Eminence shares on the basis of an initial conversion price of HK\$0.106 per conversion share (subject to adjustments) (2023 Convertible Note).

The Sale and Purchase Agreements and the transactions contemplated thereunder were approved at separate special general meetings by the Shareholders and by the Eminence independent shareholders both held on 15 February 2023 respectively. The completion took place on 20 February 2023.

Details of the transactions were set out in (i) the announcements dated 14 December 2022 and 20 February 2023 and circular dated 21 January 2023 jointly published by the Company and Eminence; and (ii) the announcement of poll results of the special general meeting of the Company dated 15 February 2023.

Investment in Securities and Others

The Group invested in a diversified portfolio of investments including listed and unlisted equity securities, equity-linked notes, bonds and other investment products based on (i) potential return on investment in terms of capital appreciation and dividend payment for the targeted holding period; (ii) risks exposure in comparison with the Group's risk tolerance level at the prevailing time; and (iii) diversification of the existing investment portfolio.

As at 31 March 2023, the Group's financial assets at fair value through profit or loss amounted to approximately HK\$191,160,000 (FY2022: approximately HK\$405,674,000). There were no investments held by the Group of which value was more than 5% of the total assets of the Group. The Group recorded a loss in the securities investment segment from continuing operations of approximately HK\$71,940,000 during FY2023 (FY2022: approximately HK\$72,253,000).

As at 31 March 2023, details of the Group's financial assets are set out as follows:

Nature of investments	Number of shares held	As at 31 March 2023		Approximate percentage to Group's total assets	For FY2023		
		Investment Cost HK\$'000	Fair value HK\$'000		Dividend/ Interest income HK\$'000	Fair value gain/(loss) HK\$'000	Realised loss HK\$'000
Equity Investments							
Best Food Holding Company Limited (stock code: 1488)	97,254,000	87,378	76,358	0.8%	-	(3,974)	-
Ping An Insurance (Group) Company of China, Ltd. (stock code: 2318)	733,460	55,510	37,443	0.4%	1,884	(3,374)	-
Others	N/A	18,698	13,829	0.2%	7,159	9,919	(40,923)
Investment in limited partnership	N/A	28,230	28,230	0.3%	-	-	-
Others	N/A	89,880	35,300	0.4%	5,079	(1,832)	(12,774)
Total:		279,696	191,160	2.1%	14,122	739	(53,697)

Loan Financing

The loan financing business of the Group is operated by Planetec International Limited (“Planetec”, a wholly-owned subsidiary of the Company) and City China International Limited (a wholly-owned subsidiary of Eminence and a non-wholly owned subsidiary of the Company), which are both a licensed money lender carrying on business under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). For FY2023, the Group recorded an interest income from the loan financing business from continuing operations amounted to approximately HK\$13,224,000 (FY2022: approximately HK\$16,085,000), while the interest income from the loan financing from discontinued operation amounted to approximately HK\$503,000 (FY2022: approximately HK\$1,177,000). The decrease in interest income was primarily due to decrease in loans receivable balance of borrowings. Loss derived from loan financing business from continuing operations was approximately HK\$12,302,000 for FY2023 (FY2022: gain of approximately HK\$8,845,000).

The target customer groups of the business are individuals and corporate entities that have short-term funding needs and could provide sufficient collaterals for their borrowings. The Group’s clientele is primarily acquired through business referrals and introductions from the Company’s directors, senior management, business partners or clients.

As at 31 March 2023, the gross carrying amount of loans receivable amounting to HK\$300,807,000 (FY2022: HK\$345,332,000) of which 39% (FY2022: 45%) were secured by marketable securities with fair values of HK\$35,670,000 (FY2022: HK\$36,900,000) or properties with fair values of HK\$98,245,000 (FY2022: HK\$251,707,000) or guaranteed money of nil (FY2022: HK\$10,000,000). The Group is not permitted to sell or repledge the collaterals, if any, in the absence of default by the borrower. In addition, the gross carrying amount of unsecured loans receivable amounting to HK\$57,309,000 (FY2022: HK\$60,158,000) are with personal guarantees. The largest borrower of the Group by itself and together with the other four largest borrowers of the Group accounted for approximately 26% and 52% respectively (FY2022: 20% and 56% respectively) of the Group’s loans receivable as at 31 March 2023.

During FY2023, the range of interest rate on the Group’s fixed-rate loans receivable was 0% to 16% (FY2022: 2.3% to 16%) per annum and the range of interest rate on the Group’s variable-rate loans receivable was prime rate less 1% to prime rate (FY2022: prime rate less 1% to prime rate) per annum.

The Group has credit policies, guidelines and procedures in place which cover key internal controls of a loan transaction including due diligence, credit appraisal, proper execution of documentations, continuous monitoring and collection and recovery. The due diligence procedures included conducting research on the borrowers’ background, evaluating its current business operations and financial conditions, market reputation and creditability, and conducting financial analysis and recoverability analysis. To minimise credit or investment risks, the Group will typically require guarantees, including collaterals with expected realised value exceeding the loan or investment amount, post-dated cheques, and/or personal guarantees and corporate guarantees.

The Group generally provides short-term loans of maturity of not more than two (2) years. The repayment terms and conditions are determined from the factors including the liquidity needs of the borrowers, the Group’s funding and cash flows management strategies, and the terms and rates of the prevailing market.

After drawdown of loan, the loan agreement will be filed with the loan documents properly. The Group maintains regular contact with the borrowers and carries out periodical review to assess the recovery of the loan based on the business development, financial status, repayment ability including such as recent settlement record and any litigations and bankruptcy orders against borrowers. The Group will take all necessary legal actions against the relevant clients to follow up the settlement of the outstanding loans.

The Group performs impairment assessment under expected credit loss (“ECL”) model on loans receivable which are subject to impairment assessment under Hong Kong Financial Reporting Standard 9 “Financial Instruments”. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition. In particular, the following information is being considered when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the loans receivable’s external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the borrower;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the borrower’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the borrower;
- an actual or expected significant adverse change in the regulatory, economic, or technological environments of the borrower that results in a significant decrease in the borrower’s ability to meet its debt obligations.

During FY2023, the impairment loss recognised in profit or loss amounted to HK\$11,562,000 (FY2022: HK\$27,224,000) in its loan financing business.

Included in the gross amount of loans receivable are HK\$83,854,000 (FY2022: HK\$86,702,000), net of accumulated impairment allowances of HK\$83,854,000 (FY2022: HK\$70,702,000) due from a group of borrowers including an individual (the “**Borrower**”) with gross amount of HK\$32,397,000 (FY2022: HK\$32,397,000) and other individuals (with personal guarantee from that Borrower) with gross amount of HK\$51,457,000 (FY2022: HK\$54,305,000). In prior years, the management assessed, taking into account the relevant information from public domain, such balances became credit-impaired and has taken various actions to recover the balances. The management has requested the borrowers to make settlement of the loans and total settlements of HK\$49,474,000 were received from the borrowers by way of cash or properties during the FY2022. During the FY2022, no allowance for impairment was made for a loan receivable newly granted with gross amount of HK\$16,000,000 since the value of pledged asset is higher than the value of amount borrowed. During FY2023, there is a negotiation between the Borrower and the Group on settlements which consist of (i) a change in the pledged asset and (ii) the Borrower’s commitment on pursuing the repayment of certain other borrowers’ credit-impaired loans. Subsequently, during FY2023, HK\$6,799,000 was received. As the pledged asset has been multiple-mortgaged, an impairment loss of HK\$16,000,000 was provided.

Below were the disclosable transactions of the Group on loan financing business during FY2023:

Extensions of financial assistance to Supreme Sino

On 13 September 2021, Planetic as lender entered into a loan agreement with Supreme Sino Holdings Limited (“**Supreme Sino**”) as borrower (a company incorporated in Hong Kong with limited liability), pursuant to which Planetic had agreed to provide a loan in a principal amount of HK\$8,500,000 to Supreme Sino for a term of 3 months at an interest rate of 3% per annum (the “**SS Loan I**”).

On 12 November 2021, Planetic entered into another loan agreement with Supreme Sino, pursuant to which Planetic had agreed to provide a loan in an aggregate principal amount of HK\$50,000,000 to Supreme Sino (comprising the principal and accrued interest of SS Loan I) for a term of 6 months at an interest rate of 9% per annum (the “**SS Loan II**”). The SS Loan II is secured by a share charge over the then entire issued share capital of Supreme Sino, a first legal charge over all the title, rights and interest in commercial properties located in Mongkok, Kowloon, Hong Kong (with the then market value of approximately HK\$91,000,000) owned by Supreme Sino and a personal guarantee by the sole director and the sole shareholder of the wholly-owned beneficial owner of Supreme Sino. On 11 May 2022, the parties entered into a supplemental loan agreement to extend the repayment date of the SS Loan II to 29 December 2022 at the same interest rate. On 30 December 2022, the parties entered into a supplemental loan agreement to further extend the repayment date of the SS Loan II to 29 December 2023 at an interest rate of 12% per annum.

The provision and the extension of the SS Loan II constitute discloseable transaction under the Listing Rules for the Company, details of which were set out in the announcements of the Company dated 12 November 2021, 11 May 2022 and 30 December 2022 respectively.

LISTED SUBSIDIARY

Eminence, the major listed subsidiary of the Company, and its subsidiaries (collectively the “**Eminence Group**”), is engaged in property development, property investment comprising the ownership and rental of investment properties, investment in securities and others and loan financing businesses.

Investment in Eminence Shares

As at 1 April 2022, the Group, through Ace Winner Investment Limited, Landmark Profits Limited and Goodco Development Limited (“**Goodco**”) (all of which were wholly-owned subsidiaries of the Company), held an aggregate of 696,370,840 shares of Eminence, representing approximately 74.76% of the then total issued share capital of Eminence.

(a) Eminence Placing completed in April 2022

On 20 April 2022, Eminence completed a placing of a total of 186,280,000 Eminence shares at the placing price of HK\$0.10 per placing share to not less than six (6) allottees who and whose beneficial owners are independent third parties (the “**Eminence Placing I**”). For more details, please refer to the announcements of Eminence dated 30 March 2022 and 20 April 2022 respectively.

Immediately upon the completion of the Eminence Placing I, the shareholding percentage of the Group in Eminence was decreased from 74.76% to 62.30%.

(b) Adjustment of conversion price and exercise of Eminence Convertible Notes

As at 1 April 2022, the total outstanding principal amount of convertible notes held by Goodco was HK\$97,280,000 which entitled Goodco to convert into a total of 389,120,000 Eminence shares, details as follows:

Issue date	Outstanding principal amount HK\$	Number of Shares	Conversion price HK\$	Annual Interest	Annual Interest
2017.05.11	16,000,000	64,000,000	0.25	4%	2024.08.28
2017.09.26	11,280,000	45,120,000	0.25	4%	2024.08.28
2019.08.28 (“2019 CN”)	70,000,000	280,000,000	0.25	4%	2024.08.28
Total	97,280,000	389,120,000			

Following the completion of Eminence Placing I, Eminence has issued shares for cash at a price which is less than 95% of its current market price. Pursuant to the terms and conditions of the 2019 CN, the conversion price of 2019 CN has been adjusted from HK\$0.25 to HK\$0.24 per Eminence share and the total number of Eminence shares would be allotted and issued upon full conversion of the 2019 CN increased from 280,000,000 Eminence shares to 291,666,666 Eminence shares.

Goodco fully exercised the conversion rights under the aforesaid Eminence convertible notes which was completed on 25 July 2022. Immediately upon the completion of the conversion of the Eminence convertible notes, the Group held an aggregate of 1,097,157,506 shares of Eminence, representing approximately 72.25% of the total issued share capital of Eminence.

(c) Eminence Placing completed in September 2022

On 26 September 2022, Eminence completed a placing of a total of 607,400,000 Eminence shares at the placing price of HK\$0.068 per placing share to not less than six (6) allottees who and whose beneficial owners are independent third parties (the “**Eminence Placing II**”). For more details, please refer to the announcements of Eminence dated 27 July 2022, 16 August 2022, 26 September 2022 and the circular dated 23 August 2022 respectively.

Immediately upon completion of the Eminence Placing II, the shareholding percentage of the Group in Eminence was decreased from 72.25% to 51.60%. Eminence remains as a subsidiary of the Company.

(d) 2023 Convertible Note

On 20 February 2023, the Sale and Purchase Agreements and the transactions contemplated thereunder was completed and a total of 1,971,698,113 Eminence conversion shares with par value of HK\$0.01 at an initial conversion price of HK\$0.106 per Eminence conversion share (subject to adjustments) shall be allotted and issued to Goodco upon exercise of the conversion rights pursuant to the terms and conditions of the 2023 Convertible Note. Details of which was disclosed in the above section headed “Very Substantial Disposal of investment properties to Eminence Group”.

Performance of Eminence Group during FY2023

The financial results of Eminence Group during FY2023 are highlighted as below:

	For the year ended 31 March		
	2023	2022	
		(Restated)	Change
Continuing operations			
Revenue (<i>HK\$'000</i>)			
Rental income	24,408	30,528	(20.0)%
Interest income from loan financing	2,786	6,553	(57.5)%
Total revenue	27,194	37,081	(26.7)%
Gross profit (<i>HK\$'000</i>)	24,225	34,171	(29.1)%
Profit for the FY2023 from continuing operations (<i>HK\$'000</i>)	58,970	86,523	(31.8)%
Discontinued operation			
Profit for the FY2023 (<i>HK\$'000</i>)	4,602	29,924	(84.6)%
Profit attributable to owners of Eminence (<i>HK\$'000</i>)	63,572	116,447	(45.4)%
Earnings per share (<i>HK cents</i>)			
From continuing and discontinued operations			
– Basic	3.75	12.50	(70.0)%
– Diluted	3.43	9.77	(64.9)%
From continuing operations			
– Basic	3.48	9.29	(62.5)%
– Diluted	3.19	7.51	(57.5)%

As at 31 March 2023 and the date of the annual report for FY2023, the development land portfolio held by Eminence Group as below:

Location	Intended usage	Approximate site area (square feet)	Anticipated year of completion
Nos. 646, 648, 648A Castle Peak Road, Kowloon, Hong Kong	Industrial	9,206	2026
No. 121 King Lam Street, Kowloon, Hong Kong	Industrial	5,483	2023
Nos. 11, 13 and 15 Matheson Street, Causeway Bay, Hong Kong	Commercial	2,857	2023
Nos. 1B-1E Davis Street and Nos. 93 and 95 Catchick Street, Kennedy Town, Hong Kong	Residential	7,122	2025

As at 31 March 2023, Eminence Group's portfolio of investment properties comprised of residential, commercial and industrial units located in Hong Kong, the PRC and Singapore. During FY2023, Eminence Group recorded rental income from continuing operations of approximately HK\$24,408,000 (FY2022: approximately HK\$30,528,000) and fair value gain from continuing operations of approximately HK\$78,967,000 (FY2022: approximately HK\$48,188,000) arising from change in fair value of investment properties.

For more detailed business and financial performance of Eminence Group, please refer to its annual report for the year ended 31 March 2023.

LIQUIDITY AND FINANCIAL RESOURCES

The Group financed its operations through internally generated cash flow and bank borrowings. As at 31 March 2023, the Group had aggregate bank borrowings amounted to approximately HK\$3,529,177,000 (FY2022: approximately HK\$3,562,704,000). The gearing ratio of the Group, calculated as a ratio of total bank borrowings to total equity, for FY2023 was approximately 0.71 (FY2022: approximately 0.72).

As at 31 March 2023, the Group has net current assets of approximately HK\$4,404,437,000 (FY2022: approximately HK\$4,491,434,000). Current ratio was approximately 3.0 (FY2022: approximately 3.8). The cash and cash equivalents as at 31 March 2023 was approximately HK\$398,894,000 (FY2022: approximately HK\$184,425,000), representing an increase of approximately 1.2 times or approximately HK\$214,469,000 compared to FY2022.

The maturity profile of the Group's secured bank borrowings is set out below:

	As at 31 March	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Carrying amount repayable as follows (based on the scheduled repayment dates set out in the loan agreements):		
– within a period not exceeding one year	1,615,464	1,206,455
– within a period of more than one year but not exceeding two years	884,750	888,846
– within a period of more than two years but not exceeding five years	876,325	1,237,338
– within a period of more than five years	152,638	230,065
	<u>3,529,177</u>	<u>3,562,704</u>
<i>Less:</i> Amount due within one year shown under current liabilities	<u>(1,615,464)</u>	<u>(1,206,455)</u>
Amount due after one year shown under non-current liabilities	<u>1,913,713</u>	<u>2,356,249</u>

As at 31 March 2023, the Group's secured bank borrowings carry interest at HIBOR plus 1.0% to HIBOR plus 1.825%, LIBOR plus 0.8% to LIBOR plus 1.0% (FY2022: HIBOR plus 1.0% to HIBOR plus 1.825%, LIBOR plus 0.8% to LIBOR plus 1.0%) per annum, with effective interest ranging from 4.21% to 5.86% (FY2022: 1.24% to 2.11%) per annum.

CHARGES OF ASSETS

As at 31 March 2023, bank loans of the Group in the aggregate amount of approximately HK\$3,529,177,000 (FY2022: approximately HK\$3,562,704,000) which were secured by leasehold properties, investment properties, properties held for development for sale, properties held for sale, life insurance policies and listed equity securities in Hong Kong and overseas of the Group having a net book value of approximately HK\$7,851,249,000 (FY2022: approximately HK\$7,464,811,000). In addition, a credit facility granted by a bank for a property development project in Hong Kong was secured by pledge of 300,000,000 Eminence shares with fair value of HK\$11,400,000 (FY2022: 300,000,000 Eminence shares with fair value of HK\$37,200,000) held by a subsidiary of the Group.

TREASURY POLICY

The Group diversifies its source of funds including internal generated cash flow and interest-bearing bank borrowings during FY2023 to generate source of funds for its business operations. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

EXPOSURE ON FOREIGN EXCHANGE FLUCTUATIONS

All bank borrowings are denominated in Hong Kong dollars. The revenue and payments of the Group, being mostly denominated in Hong Kong dollars, matches the currency requirements of the Group's operating expenses. The Group therefore has not engaged in any hedging activities during FY2023 under review. Management of the Group is of the opinion that the Group has no material foreign exchange exposure in the usual course of the Group's daily operation.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 March 2023 (FY2022: nil).

CAPITAL EXPENDITURE

For FY2023, the Group invested approximately HK\$578,000 (FY2022: approximately HK\$1,924,000) on the acquisition of property, plant and equipment, and no additions of investment properties (FY2022: HK\$41,433,000).

CAPITAL COMMITMENTS

As at 31 March 2023, the Group had capital commitments in respect of capital expenditure contracted for but not provided of approximately HK\$19,635,000 (FY2022: HK\$20,339,000).

EVENTS AFTER REPORTING PERIOD**(1) Further disposal of property in Singapore by a subsidiary of Eminence**

On 14 April 2023, the purchaser (an independent third party) accepted and exercised the option granted by Grow Well to purchase a residential apartment in Singapore at a sale price of S\$13,008,888 (equivalent to approximately HK\$76,752,400) subject to the terms and conditions of the option to purchase entered into between Grow Well and the purchaser. The disposal constitutes a major transaction for the Company and a very substantial disposal for Eminence under the Listing Rules. The disposal was approved by the Shareholders pursuant to Rule 14.44 of the Listing Rules and the Eminence shareholders at a special general meeting held on 31 May 2023. Details of this transaction were set out in the joint announcement dated 14 April 2023 and joint circular dated 8 May 2023 published by the Company and Eminence and the announcement dated 31 May 2023 published by Eminence.

The completion of the disposal shall take place on 7 July 2023. The Group is expected to recognise a gain on the disposal of approximately S\$1,808,888 (equivalent to approximately HK\$10,672,400).

(2) Deemed disposal in relation to placing of new shares by Eminence

On 29 May 2023, Eminence entered into a placing agreement with a placing agent pursuant to which, Eminence has conditionally agreed to issue, and the placing agent has conditionally agreed to procure not less than six (6) allottees (who and whose beneficial owners are independent third parties) to subscribe for a maximum of up to 50,000,000 new Eminence shares at the placing price of HK\$0.50 per placing share (assuming the Eminence capital reorganisation has become effective) subject to the terms and conditions set out in the placing agreement.

Assuming all the placing shares are successfully placed, the shareholding interest of the Company in Eminence will be diluted from approximately 51.60% to approximately 26.59%. Such dilution of shareholding interest in Eminence of the Company constitutes a deemed disposal transaction and a major transaction of the Company under the Listing Rules. A special general meeting of the Company shall be held on 17 July 2023 for the Shareholders to consider and, if thought fit, approve the placing agreement and transactions contemplated thereunder. Details of which were set out in the Company's announcements dated 30 May 2023, 14 June 2023 and the circular dated 27 June 2023.

The placing shares will be allotted and issued under a specific mandate which are subject to the approval of the Eminence shareholders at a special general meeting to be convened on 17 July 2023, assuming the capital reorganisation be approved at the same meeting and has become effective. Details of the Eminence capital reorganisation and placing of new shares were set out in two announcements both dated 29 May 2023 and the circular dated 23 June 2023 of Eminence.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's businesses, financial condition, results of operations and growth prospects may be affected by risks and uncertainties directly or indirectly pertaining to the Group's businesses, including the following highlighted risks of (i) Hong Kong economic conditions which may directly affect the property market; (ii) availability of suitable land bank for future development; (iii) the continuous escalation of construction cost in Hong Kong in recent years; (iv) business cycle for property under development may be influenced by a number of factors and the Group's revenue will be directly affected by the mix of properties available for sale and delivery; (v) all construction works were outsourced to independent third parties and they may fail to provide satisfactory services adhering to the Group's quality and safety standards or within the timeline required by the Group; (vi) fluctuations of fair value gain or loss incurred on financial assets and investment properties; (vii) credit risk and recoverability of provision of loans which may incur bad debts during the downturn of economy; and (viii) credit risk on resulting from loan borrowers' failure to repay or default contractual obligations which may result in an interruption of cash flows and increased costs for collection.

In response to the abovementioned possible risks, the Group has a series of internal control and risk management system to cope with the possible risks and has serious scrutiny over the selection of quality customers and suppliers. The Group keeps developing and reviewing strategies, policies and guidelines on risk control, which enable the Group to monitor and response to risk effectively and promptly. The Group also actively proposes solutions to lower the impact of the possible risks on the businesses of the Group.

PROSPECTS

Anti-pandemic measures have been relaxed, economic and social activities have gradually resumed. In addition, new measures such as adjustment to the value bands of Ad Valorem Stamp Duty for First-home buyers have been introduced to support the development of the property market and are expected to have a stimulating effect on the economy.

The resumption of quarantine-free travel around the world is expected to revive the growth momentum of Hong Kong in 2023 by providing more opportunities for economic activities. While the Hong Kong property market has been under pressure due to rate hikes and inflation, the sector is still underpinned by solid demand. The reopening of borders has undoubtedly encouraged domestic consumption, the return of travellers to Hong Kong will support further retail recovery. The retail market is expected to recover gradually towards FY2023, with a significant growth in 2024 which the demand for commercial space is expected to increase.

The Group would continue to focus its efforts in the development of its existing principal businesses while exploring other opportunities with a view to providing steady and favourable returns for its shareholders and strengthen every segment of its businesses.

EMPLOYEES

As at 31 March 2023, the Group had 65 employees (FY2022: 89). Staff costs (including Directors' emoluments) amounted to approximately HK\$71,261,000 for FY2023 (FY2022: approximately HK\$57,970,000). The Group remunerates its employees based on individual performance, experience and prevailing industry practice. The Group provides a defined contribution to Mandatory Provident Fund as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all eligible employees of the Group in Hong Kong. The share option scheme adopted by the Company on 5 July 2012 was expired on 4 July 2022 (the “**2012 Share Option Scheme**”). Following the expiry of the 2012 Share Option Scheme, the Company has no other share option schemes as at the date of the annual report for FY2023.

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, after having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' Interest in the Shares, Underlying Shares and Debentures

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were required to be entered in the register kept by the Company pursuant to Section 352 of the SFO, or which 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 as set out in Appendix C3 to the Listing Rules (the “Model Code”) were as follows:

Long positions in the Shares and the underlying Shares

Name of Director	Personal Interest	Corporate Interest	Other Interest	Number of Shares Held		Approximate % of Shareholding (Note v)
				Total		
Koon Ho Yan Candy (“ Ms. Koon ”)	73,000 (Note i)	–	29,179,480 (Note ii)	29,252,480		39.53%
Lui Yuk Chu (“ Ms. Lui ”)	73,000 (Note iii)	9,929,664 (Note iv)	–	10,002,664		13.51%

Notes:

- (i) These interests represent options granted to Ms. Koon as beneficial owner under the share option scheme of the Company adopted on 5 July 2012.
- (ii) As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, 29,179,480 Shares are registered in the name of and are beneficially owned by Magical Profits Limited which is wholly-owned by Accumulate More Profits Limited which in turn is wholly-owned by Delacroix Limited and beneficially owned by The Winterbotham Trust Company Limited in its capacity as the trustee of The Magical 2000 Trust (the beneficiaries include Ms. Koon). As a result, Ms. Koon is deemed to be interested in the shares by virtue of her capacity as one of the beneficiaries of The Magical 2000 Trust.
- (iii) These interests represent options granted to Ms. Lui as beneficial owner under the share option scheme of the Company adopted on 5 July 2012.
- (iv) 9,929,664 Shares are owned by Sea Rejoice Limited which is wholly and beneficially owned by Ms. Lui.
- (v) The percentage represented the number of Shares over the total issued share capital of the Company as at the Latest Practicable Date was 73,988,403 Shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were required to be entered in the register kept by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Substantial Shareholders' Interest***Substantial Shareholders' Interest in the Shares and Underlying Shares***

As at the Latest Practicable Date, so far as is known to the Directors and the chief executives of the Company, the following persons or corporations (other than a Director or the chief executives of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be entered in the register kept by the Company under Section 336 of the SFO:

Long positions in the Shares and the underlying Shares

Name of Shareholder	Notes	Capacity	Number of Shares Held	Approximate % of Shareholding (Note iii)
Magical Profits Limited	<i>i</i>	Beneficial owner	29,179,480	39.43%
Accumulate More Profits Limited	<i>i</i>	Interest of controlled corporation	29,179,480	39.43%
The Winterbotham Trust Company Limited	<i>i</i>	Trustee	29,179,480	39.43%
Winterbotham Holdings Limited	<i>i</i>	Interest of controlled corporation	29,179,480	39.43%
Christopher Geoffrey Douglas Hooper	<i>i</i>	Interest of controlled corporation	29,179,480	39.43%
Markson International Holding Limited	<i>i</i>	Interest of controlled corporation	29,179,480	39.43%
Ivan Geoffrey Douglas Hooper	<i>i</i>	Interest of controlled corporation	29,179,480	39.43%
Koon Wing Yee	<i>ii</i>	Interest of spouse	10,002,664	13.51%
Sea Rejoice Limited	<i>ii</i>	Beneficial owner	9,929,664	13.42%

Notes:

- (i) As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, 29,179,480 Shares are registered in the name of and are beneficially owned by Magical Profits Limited, which is wholly-owned by Accumulate More Profits Limited which in turn is wholly-owned by Delacroix Limited and beneficially owned by The Winterbotham Trust Company Limited in its capacity as the trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Koon, an executive Director of the Company). The Winterbotham Trust Company Limited is owned as to 60% by Winterbotham Holdings Limited and 40% by Markson International Holding Limited. Winterbotham Holdings Limited is owned as to approximately 99.99% by Mr. Christopher Geoffrey Douglas Hooper. Markson International Holding Limited is owned as to approximately 99.99% by Mr. Ivan Geoffrey Douglas Hooper.
- (ii) 9,929,664 Shares are owned by Sea Rejoice Limited which is wholly and beneficially owned by Ms. Lui, an executive Director of the Company. On 30 August 2021, Ms. Lui was granted 73,000 share options of the Company under the 2012 Share Option Scheme. Mr. Koon Wing Yee, being the spouse of Ms. Lui, is deemed to be interested in 10,002,664 Shares of the Company by virtue of the SFO.
- (iii) The percentage represented the number of Shares over the total issued share capital of the Company as at the Latest Practicable Date was 73,988,403 Shares.

Save as disclosed above, as at the Latest Practicable Date, the Company had not been notified by any persons (other than the Directors or chief executives of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register kept by the Company under Section 336 of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

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

4. DIRECTORS' INTEREST IN COMPETING BUSINESS

Name of Director	Name of company	Nature of competing business	Nature of interest
Lui Yuk Chu	Eminence	Property development, property investment, investment in securities and others and loan financing	Eminence Director

Save as disclosed in this circular, at the Latest Practicable Date, in so far as the Directors are aware, none of the Directors or any of their respective associates had an interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group which required to be disclosed under Rule 8.10 of the Listing Rules.

5. 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 or claim of material importance was known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

6. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, save as disclosed in this circular:

- (a) none of the Directors was materially interested in any contract or arrangement, which was subsisting and was significant in relation to the business of the Group; and
- (b) none of the Directors had any direct or indirect interest in any assets which have been, since 31 March 2025 (being the date to which the latest published audited consolidated 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.

7. MATERIAL CONTRACTS

The following material contracts, not being contracts in the ordinary course of business of the Group, were entered into by the Group within two years immediately preceding and including the Latest Practicable Date:

- (a) the supplemental agreement entered into by Planetic International Limited (“**Planetic**”) (the lender), an indirect wholly-owned subsidiary of the Company, with a borrower on 7 December 2023, pursuant to which the lender agreed to extend the repayment date of the loan in the principal amount of HK\$35,400,000 for further two years to 7 December 2025 at an interest rate of 5% per annum with the other terms and conditions of the loan agreements remaining unchanged save for consequential amendments;
- (b) the supplemental agreement entered into by Planetic and a borrower on 29 December 2023, pursuant to which the principal amount of the loan be adjusted to HK\$45,800,000 (after repayment of principal amount of HK\$4,200,000) at an interest rate of 14% per annum and the repayment date be further extended for one month to 29 January 2024, with the other terms and conditions of the loan agreements remaining unchanged save for consequential amendments;
- (c) the deed of amendment dated 23 January 2024 entered into between Eminence and Goodco, an indirect wholly-owned subsidiary of the Company, in relation to the proposed alterations of certain terms of the 2023 Convertible Note;
- (d) the irrevocable undertaking dated 15 October 2024 from Goodco to Eminence;
- (e) the second deed of amendment entered into between Eminence and Goodco on 4 June 2025 pursuant to which Eminence and Goodco conditionally agreed to amend the conversion price of the 2023 Convertible Note;

(f) the agreements entered into by Goodco and the purchasers, Feng Shihua (封世華) and Wu Mengmeng (吳萌萌), on 5 September 2025 regarding the disposal of part of the 2023 Convertible Note. According to the agreements, Goodco agreed to sell in total of 33.75% of the outstanding principal amount of the 2023 Convertible Note to the purchasers, and the purchasers agreed to purchase 33.75% of the outstanding principal amount of the 2023 Convertible Note for a total consideration of HK\$27,000,000 representing a premium of HK\$3,375,000; and

(g) the Sale and Purchase Agreement.

8. EXPERTS AND CONSENTS

The following are the qualifications of the experts who are named in this circular or have given their opinions or advice which are contained in this circular:

Name	Qualification
ZHONGHUI ANDA CPA Limited	Certified Public Accountants
Vincorn Consulting and Appraisal Limited	Independent Professional Valuer

As at the Latest Practicable Date, the above experts did not have:

- (a) any direct or indirect interest in any assets which have been, since 31 March 2025 (being the date to which the latest published audited consolidated 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; and
- (b) any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

The above experts have given and have not withdrawn their respective written consents to the issue of this circular with the inclusion of their letters, reports and references to their names in the form and context in which they appear.

9. GENERAL

- (a) The company secretary of the Company is Mr. Lee Po Wing, a practising solicitor since 1994.
- (b) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the principal place of business of the Company in Hong Kong is at Block A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481–483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong.
- (c) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (d) In the event of any inconsistency, the English language text of this circular shall prevail over the Chinese language text.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.easyknit.com) for 14 days from the date of this circular:

- (i) the annual reports of the Company for the years ended 31 March 2023, 2024 and 2025 respectively;
- (ii) the valuation report on the Property prepared by Vincorn Consulting and Appraisal Limited as set out in Appendix I to this circular;
- (iii) the accountants' report on unaudited pro forma financial information of Post-Transaction Group issued by ZHONGHUI ANDA CPA Limited as set out in Appendix IV to this circular;
- (iv) the letter from ZHONGHUI ANDA CPA Limited, the reporting accountant, in respect of the review report on unaudited financial information of the Sale Company as set out in Appendix III to this circular;
- (v) the written consents referred to in the paragraph headed “8. Experts and Consents” in this Appendix to this circular; and
- (vi) the material contract disclosed in the paragraph under the heading “7. Material Contracts” in this Appendix to this circular.

NOTICE OF THE SGM



EASYKNIT INTERNATIONAL HOLDINGS LIMITED

永義國際集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1218)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “SGM”) of Easyknit International Holdings Limited (the “Company”) will be held at Block A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481–483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong on Monday, 15 December 2025 at 10:00 a.m. for the following purposes of considering and, if thought fit, passing with or without amendments, the following resolution as an ordinary resolution of the Company.

Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the circular dated 25 November 2025 issued by the Company (the “Circular”).

ORDINARY RESOLUTION

“THAT:

- (a) the Sale and Purchase Agreement dated 10 October 2025 entered into between Easyknit Properties Holdings Limited, a direct wholly-owned subsidiary of the Company as seller, and Eminence Enterprise Limited, as purchaser in relation to the conditional disposal of the entire issued share capital of Mark Profit Development Limited be and are hereby approved, confirmed and ratified; and
- (b) any one or more Directors be and is or are hereby authorised for and on behalf of the Company and in its name to sign and execute or procure the signature and execution of all such documents, instruments and agreements, and do all such acts, matters and things as he or she or they may in his or her or their absolute discretion consider(s) necessary, desirable or expedient for the purposes of or in connection with executing, implementing, completing and giving effect to the Sale and Purchase Agreement and the transactions contemplated thereunder.”

By Order of the Board
Easyknit International Holdings Limited
Koon Ho Yan Candy
President and Chief Executive Officer

Hong Kong, 25 November 2025

NOTICE OF THE SGM

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place of
business in Hong Kong:*
Block A, 7th Floor
Hong Kong Spinners Buildings, Phase 6
481–483 Castle Peak Road
Cheung Sha Wan
Kowloon
Hong Kong

Notes:

1. For the purpose of ascertaining entitlement to attend and vote at the SGM (the “**Entitlement to SGM**”), the register of members of the Company (the “**Register of Members**”) will be closed from Wednesday, 10 December 2025 to Monday, 15 December 2025, both days inclusive, during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the SGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 9 December 2025. The record date for Entitlement to SGM will be Monday, 15 December 2025.
2. A member entitled to attend and vote at the SGM by the above notice is entitled to appoint another person as his proxy to attend and vote on his behalf. A member who is the holder of two or more Shares may appoint more than one proxy to represent him and vote on his behalf at the SGM. A proxy need not be a member of the Company. If more than one proxy is appointed, the appointment shall specify the number of Shares in respect of which each such proxy is appointed.
3. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power of attorney or authority, must be deposited at the office of the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time for holding the SGM or any adjournment thereof (as the case may be).
4. Where there are joint holders of a Share, any one of such joint holders may vote at the SGM either personally or by proxy, in respect of such Share as if he/she/it was solely entitled thereto, but if more than one of such joint holders be present at the SGM personally or by proxy, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members in respect of such joint holding.
5. If a tropical cyclone warning signal No. 8 or above is expected to be hoisted or a black rainstorm warning signal is expected to be in force at any time after 6:00 a.m. on the date of the SGM, the SGM will be postponed and Shareholders will be informed of the date, time and venue of the postponed SGM by a supplementary notice, posted on the respective website(s) of the Company and The Stock Exchange of Hong Kong Limited.

If a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is cancelled at or before 6:00 a.m. on the date of the SGM and where conditions permit, the SGM will be held as scheduled.

The SGM will be held as scheduled when an amber or red rainstorm warning signal is in force.

After considering their own situations, Shareholders should decide whether they would attend the SGM under bad weather condition and if they do so, they are advised to exercise care and caution.

6. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.