

10 April 2026

To: the Independent Board Committee and the Independent Shareholders

Dear Sirs,

**MAJOR TRANSACTION
AND
CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO FINANCIAL SERVICES AGREEMENT**

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee and the Independent Shareholders in respect of the deposit services contemplated under the Financial Services Agreement and the Proposed Deposit Services Annual Caps. Details of the Financial Services Agreement and the Proposed Deposit Services Annual Caps are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company to the Shareholders dated 10 April 2026 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

As at the Latest Practicable Date, SIIC Finance was a subsidiary of SIIC Shanghai, over which SIIC, the controlling shareholder of the Company, was the authorised representative exercising state-owned shareholder’s right. Therefore, SIIC Finance is an associate of SIIC and a connected person of the Company under the Listing Rules, and the deposit services contemplated under the Financial Services Agreement constitute continuing connected transactions of the Company under the Listing Rules.

Based on the applicable percentage ratios (as defined under the Listing Rules) in respect of the maximum daily outstanding balance of deposits (including accrued interests) to be placed by the Group with SIIC Finance under the Financial Services Agreement, the deposit services contemplated under the Financial Services Agreement constitute (i) non-exempt continuing connected transactions subject to the reporting, announcement, annual review, circular and Independent Shareholders' approval requirements pursuant to the Listing Rules; and (ii) a major transaction subject to the reporting, announcement, circular and Shareholders' approval requirements under the Listing Rules.

The Independent Board Committee, comprising all independent non-executive Directors, namely Mr. Doo Wai-Hoi, William, Dr. Fan Ren Da, Anthony, Mr. Li Ka Fai, David, and Dr. Chan Ho Wah, Terence, has been established to make a recommendation to the Independent Shareholders on whether (i) the deposit services contemplated under the Financial Services Agreement are entered into in the ordinary and usual course of business of the Group; (ii) the terms of deposit services contemplated under the Financial Services Agreement are on normal commercial terms, and fair and reasonable; (iii) the entering into of the Financial Services Agreement in respect of the deposit services are in the interests of the Company and the Shareholders as a whole; and (iv) the Proposed Deposit Services Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned. We, Optima Capital Limited, have been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

During the past two years from the Latest Practicable Date, we acted as the independent financial adviser to the Company in relation to the duration of three lease agreements entered into with connected persons exceeding three years (the "**Past Engagements**") and express our view whether it is normal business practice for agreements similar to these three lease agreements to be of such duration. Save for the Past Engagements which were limited to providing independent advice as disclosed above, as at the Latest Practicable Date, there had been no other relationships or interests existing between us and the Group that could reasonably be regarded as a hindrance to our independence as defined under Rule 13.84 of the Listing Rules to act as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the deposit services contemplated under the Financial Services Agreement and the Proposed Deposit Services Annual Caps as detailed in the Circular. Accordingly, we are independent under Rule 13.84 of the Listing Rules.

In formulating our opinion, we have relied on the information and facts supplied, and the opinions expressed, by the executive Directors and management of the Group (together the "**Management**"), and have assumed that the information and facts provided and opinions expressed to us are true, accurate and complete in all material aspects at the time they were provided or expressed to us and will remain so up to the time of SGM. We have also assumed that all the opinions or representations of the Management have been reasonably made after due and

careful enquiry. We have also sought and received confirmation from the Company that no material facts have been omitted from the information supplied and opinions expressed to us. We have relied on such information and consider that the information we have received is sufficient for us to reach an informed view, and have no reason to believe that any material information has been withheld, nor doubt the truth or accuracy of the information provided. We have, however, not conducted any independent investigation into the business and affairs of the Group, SIIC group, SIIC Shanghai group or SIIC Finance nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation, we have taken into account the principal factors and reasons set out below:

1. Background to and reasons for the deposit services contemplated under the Financial Services Agreement

The Group is a property developer in the PRC and is principally engaged in the businesses of property development, property investment and hotel operations in the PRC.

Cash flow is the lifeblood of a property development company because property projects are capital-intensive and front-loaded on cost, while cash inflows are typically back-ended and sensitive to market conditions. The Group recognises that without disciplined cash flow and treasury management, even profitable property projects can face funding gaps that may lead to construction delays, penalty costs, breach of covenants, or distressed asset sales. Against this backdrop, effective management of liquidity, funding structure and financing costs is critical to support the Group's long-term stability and growth.

As part of its cash flow and treasury management strategy, the Group seeks to diversify its funding sources so as to reduce dependence on any single lender. By broadening its lender base, the Group can benchmark and negotiate loan terms across different institutions, which is expected to enhance its bargaining power on interest rates, tenors and covenants. In light of (i) the Group's finance costs of approximately HK\$687.8 million, HK\$549.3 million and HK\$546.9 million for the three years ended 31 December 2023, 2024 and 2025 respectively, together with (ii) profit attributable to the Shareholders of approximately HK\$494.6 million for the year ended 31 December 2023 but losses attributable to the Shareholders of approximately HK\$331.2 million and HK\$961.9 million for the two years ended 31 December 2024 and 2025 respectively, lowering the interest rates of borrowings through diversification of its funding sources is considered

beneficial to the Group. A more competitive overall cost of funding would help to alleviate pressure on profitability and improve the Group's resilience under different market and interest rate environments.

In line with this strategy, the Group has explored the possibility of obtaining financing from SIIC Finance. SIIC Finance has expressed interest in cooperating with the Group as it is familiar with the Group's business, including its capital structure, strategic direction, operating model, funding requirements and cash-flow patterns. This familiarity is expected to facilitate more efficient credit assessment and product structuring, which may in turn support the Group in securing funding solutions that are better aligned with treasury needs of the Group.

During the course of discussion, the Group understands that SIIC Finance requires its customers to maintain a deposit account with SIIC Finance to facilitate loan drawdown. When a customer draws down a loan, SIIC Finance will credit the loan amount into the customer's deposit account maintained with SIIC Finance. To put in place the necessary framework for such arrangements, the Company has entered into the Financial Services Agreement in respect of the deposit services with SIIC Finance to facilitate potential drawdowns of loans in the event that the Company and SIIC Finance subsequently reach agreement on the detailed terms of such loans.

As approval by the Independent Shareholders in respect of the deposit services contemplated under the Financial Services Agreement and the Proposed Deposit Services Annual Caps had not yet been obtained as at the Latest Practicable Date, the Group had not conducted detailed discussion with SIIC Finance regarding potential loans except for aforesaid exploration of possibility of obtaining financing from SIIC Finance and finalisation of terms of the Financial Services Agreement. Subject to obtaining the requisite approval by the Independent Shareholders, the Group intends to proceed with more in-depth discussions with SIIC Finance regarding specific loan terms, including but not limited to principal amount, interest rate, tenor, repayment schedule and covenants.

The Management is of the view that the entering into of the deposit services contemplated under the Financial Services Agreement provides the Group with additional flexibility to manage its treasury activities. In particular, it enables the Group to place deposits with SIIC Finance and/or obtain borrowings from SIIC Finance when it is in the interests of the Company to do so. In addition, the Group can engage SIIC Finance for the provision of centralised treasury management services for the Group's treasury management. As advised by the Management, SIIC Finance can offer deposit interest rates that are higher than those offered by commercial banks for the same type of deposits, which is expected to improve the return of the Group. The Management further advises that subject to the term of fixed deposits, the Group can withdraw the deposits placed with SIIC Finance at its sole discretion.

For avoidance of doubt, the Management has confirmed that it is not necessary for the Group to place deposits with SIIC Finance in order to secure borrowings from SIIC Finance. Even if no deposits are placed, SIIC Finance may still lend funds to the Group, provided that the parties reach an agreement on the relevant credit facility and/or borrowing terms.

Furthermore, under the Financial Services Agreement, the depository services are provided by SIIC Finance on a non-exclusive basis. The Group is not obliged to place deposits with SIIC Finance and remains free to continue to (i) maintain banking relationships with, and (ii) place deposits with and obtain loans from, other commercial banks and financial institutions. This non-exclusive arrangement aligns with the Group's overall treasury objective of maintaining diversified funding channels and counterparties, while preserving the flexibility to allocate its deposits and borrowings in a manner promote the Group's interests.

On this basis and given that the deposit services contemplated under the Financial Services Agreement will be conducted on normal commercial terms (as more particularly discussed in the sub-section headed "Principal terms of deposit services contemplated under the Financial Services Agreement" below), we consider that the entering into of the deposit services contemplated under the Financial Services Agreement is in the interests of the Company and the Shareholders as a whole. In light of the Group's need for treasury management and nature of deposit services to be provided by SIIC Finance, we also consider that the deposit services contemplated under the Financial Services Agreement are conducted in the ordinary and usual course of business of the Group.

2. Principal terms of the deposit services contemplated under the Financial Services Agreement

Set out below is a summary of principal terms of the deposit services contemplated under the Financial Services Agreement. Further details of the terms of the Financial Services Agreement in respect of the deposit services are set out in the Letter from the Board.

Duration

The term of the Financial Services Agreement shall not exceed 3 years commencing from the Effective Date until 31 December 2028, subject to (i) the Company and SIIC Finance having obtained the necessary authorisations or approvals in accordance with their respective constitutional documents, applicable laws and regulations (including but not limited to the Listing Rules); and (ii) SIHL (as the Company's controlling shareholder) having obtained any required approval from its independent shareholders in relation to transactions contemplated under the financial services agreement entered into between SIHL and SIIC Finance dated 14 January 2026 as required under the Listing Rules.

Deposit Services

Pursuant to the Financial Services Agreement, the Group will engage SIIC Finance for the provision of deposit services. We understand from the Management that SIIC Finance can provide the Group with various types of deposit services, including demand deposits, time deposits and call deposits etc.

Interest rate

The interest rates for the deposits to be placed with SIIC Finance by the Group shall be determined on a fair basis in compliance with the interest rate policies of the People's Bank of China, taking into account the prevailing market interest rates whilst offering preferential terms to the Group. Under the same conditions, such rates shall not be lower than those offered by other major commercial banks in the PRC for the same type of deposits during the same period, nor shall they be lower than the rates offered by SIIC Finance for the same type of deposits accepted from third parties during the same period.

We note from the Financial Services Agreement that SIIC Finance is to provide the Group with depository services on a non-exclusive basis, indicating that SIIC Finance provides an additional choice of depository services for the Group to choose from. Accordingly, the Group can place deposits with banks or other financial institutions after signing the Financial Services Agreement.

In view of that (i) the Group can utilize the depository services of SIIC Finance on a voluntary and non-exclusive basis (i.e. SIIC Finance representing an additional choice for the Group); and (ii) the deposit interest rates will not to be lower than (a) those offered by other major commercial banks in the PRC for the same type of deposits during the same period, and (b) the rates offered by SIIC Finance for the same type of deposits accepted from third parties during the same period mentioned above, we are of the view that the terms of the deposit services contemplated under the Financial Services Agreement are on normal commercial terms.

3. Information on SIIC Finance

(a) Business of SIIC Finance

SIIC Finance is a non-bank financial institution with financial license, under industrial regulation by the NFRA, and its customers are restricted to members of its group. Services provided by SIIC Finance include but not limited to deposit-taking, money-lending, bond underwriting, non-financial guarantees, financial consulting, credit verification and advisory agency services. Further details of SIIC Finance are set out in the Letter from the Board.

Moreover, SIIC Finance is a subsidiary of SIIC Shanghai, over which SIIC (the controlling shareholder of the Company) is the authorised representative exercising state-owned shareholder's right. SIIC is wholly-owned by State-owned Assets Supervision and Administration Commission of Shanghai Municipal Government.

(b) Financial information of SIIC Finance

Set out below is a summary of financial information of SIIC Finance as extracted from its 2023, 2024 and 2025 audited financial statements for the three years ended 31 December 2023, 2024 and 2025 prepared in accordance with the PRC accounting principles:

	For the year ended 31 December		
	2023	2024	2025
	(audited)	(audited)	(audited)
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Turnover	121.1	130.6	126.6
Profit after taxation	55.2	60.5	61.3

As shown in the table above, the financial results of SIIC Finance was relatively stable for the past three financial years.

The audited net assets of SIIC Finance attributable to its shareholder amounted to approximately RMB1.4 billion as at 31 December 2025.

(c) Regulatory environment of SIIC Finance

SIIC Finance is subject to compliance with relevant rules and regulations as promulgated by relevant PRC governmental bodies such as NFRA and the People's Bank of China. Pursuant to 《企業集團財務公司管理辦法》 (Management Measures for Finance Companies of Enterprise Groups), SIIC Finance has to comply with certain ratio requirements. As advised by the Management, SIIC Finance has to meet the following major regulatory ratios:

	Requirements	Minimum amount of ratio during the year ended 31 December		
		2023	2024	2025
Capital adequacy ratio	Not lower than 10.5%	21.62%	20.49%	19.57%
Liquidity ratio	Not lower than 25%	39.06%	47.71%	46.39%

As set out in the Letter from the Board, SIIC Finance has no non-performing loans since its establishment in 2014.

As illustrated above, SIIC Finance has been maintaining the requisite ratios at a higher standard than the regulatory requirements during the three years ended 31 December 2023, 2024 and 2025. Moreover, as confirmed by the Management, NFRA has not taken any disciplinary actions, or imposed penalties or fines on SIIC Finance since 1 January 2022.

(d) Compliance and risk management function of SIIC Finance

We are advised by the Management that SIIC Finance has established stringent internal control measures to ensure compliance with laws and regulations and management of risk. A risk management committee is established under the board of directors of SIIC Finance and responsible for, among other things, (i) reviewing and amending the overall objectives, policies and procedures of SIIC Finance's risk management work; (ii) conducting research on SIIC Finance's internal control system and proposing amendments; (iii) reviewing risk management strategies and major risk management solutions; (iv) submitting risk management report; and (v) reporting major risk events to the board of directors of SIIC Finance and submitting relevant solution. The risk management committee comprises three members, all of whom are directors of SIIC Finance. One member has 22 years of working experience, while each of the other two members has more than 30 years of working experience.

The risk and compliance department of SIIC Finance is primarily responsible for, among other things, (i) developing risk management system; (ii) identifying, assessing, monitoring and reporting major risks; (iii) reviewing and evaluating the compliance of various policies,

procedures, and operational processes; (iv) continuously monitoring the latest development in laws, regulations, and standards, and understanding their impact on operations; and (v) providing necessary compliance reviews and tests for the development of new products and new businesses. The head of the risk and compliance department (風控主管) has served in this position for 12 years and has over 30 years of experience in the finance industry.

Given that (i) SIIC Finance has continued to record profits for the three years ended 31 December 2023, 2024, and 2025; (ii) SIIC Finance has maintained key financial ratios above the regulatory requirements over the past three financial years mentioned above; (iii) no disciplinary actions, penalties, or fines have been imposed on SIIC Finance by NFRA since 1 January 2022; and (iv) SIIC has established a risk management committee and a risk and compliance department to ensure regulatory compliance and effective risk management, we concur with the Management's view that SIIC Finance has implemented appropriate measures to address and mitigate its compliance and risk exposure.

SIIC Finance faces concentration risk with respect to its business as all of its customers are members of the group of SIIC and SIIC Shanghai. However, the Management considers such concentration risk to be low given that SIIC Finance has access to detailed financial and operational information of its customers (all being members of group of SIIC and SIIC Shanghai) and is familiar with their businesses, thereby allowing for more informed credit assessments. This is further supported by the fact that SIIC Finance has not recorded any non-performing loans since its establishment in 2014.

We review the articles of association of SIIC Finance and note from the articles of association that the controlling shareholder of SIIC Finance shall replenish capital to SIIC Finance when necessary. We further note from the undertaking given by SIIC Shanghai that SIIC Shanghai undertakes that it will not withdraw its investment from SIIC Finance in the event that SIIC Finance encounters liquidity difficulties, and will, as far as practicable, provide liquidity support to SIIC Finance. SIIC Shanghai has also undertaken to make additional capital contributions to SIIC Finance as and when necessary. We note from the unaudited consolidated financial statement of SIIC Shanghai that the consolidated cash and bank balance, and consolidated net assets attributable to its shareholder of SIIC Shanghai amounted to approximately RMB41.6 billion and RMB36.2 billion, respectively, as at 30 September 2025.

Taking into consideration (i) SIIC Finance's ability to maintain key financial ratios at levels higher than the regulatory requirements for the three years ended 31 December 2023, 2024 and 2025 mentioned above; (ii) the continuous profitability of SIIC Finance over the past three financial years; (iii) SIIC Finance being regulated by NFRA and having to comply with relevant rules and regulations including the Management Measures for Finance Companies of Enterprise Groups (《企業集團財務公司管理辦法》); (iv) the undertaking given by SIIC Shanghai to provide

liquidity support to SIIC Finance as far as practicable and make additional capital contributions to SIIC Finance as necessary discussed above; and (v) the internal control and risk management measures to be taken by the Group on the deposit services as set out in the Letter from the Board, we consider that the credit risk associated with the deposit services contemplated under the Financial Services Agreement is mitigated.

(e) Internal control and risk management measures of the Group on the deposit services

It is stated in the Letter from the Board that the Group will adopt certain internal control measures regarding the deposit services to be provided by SIIC Finance. The Group will compare the interest rates offered by SIIC Finance with the interest rates offered by at least two major commercial banks in PRC before placing a deposit with SIIC Finance. Furthermore, the Company will (i) on an ongoing basis, monitor any enforcement actions issued by the relevant authorities in respect of SIIC Finance and will report to management as appropriate; (ii) conduct risk assessments and reviews of SIIC Finance on a regular quarterly basis to assess its financial standing and creditworthiness, as well as the credit risk and/or default risk associated with the transactions contemplated under the Financial Services Agreement; (iii) review SIIC Finance's financial statements, to the extent available, on a regular quarterly basis in order to monitor its performance and assess the safety of the deposits placed by the Group with SIIC Finance; and (iv) take proper and appropriate measures to protect deposits of the Group, including early withdrawal of deposits or discontinuation of further deposits placed with SIIC Finance in the event that SIIC Finance fails to comply with any regulatory requirement which may have a material adverse impact on the deposits placed by the Group with SIIC Finance. Independent non-executive Directors and auditor of the Company will conduct annual reviews of the transactions contemplated under the Financial Services Agreement and ensure compliance with the Proposed Deposit Services Annual Caps in accordance with the Listing Rules. Moreover, the Board will review annually the Group's internal control system and its effectiveness. Further details of the internal control and risk management measures are set out in the Letter from the Board. We have discussed these internal control and risk management measures with the Management, who has confirmed that they will be consistently applied. Having considered the internal control and risk management measures to be implemented by the Group, we concur with the Directors' view that appropriate measures will be in place to mitigate the credit risk associated with the deposit services contemplated under the Financial Services Agreement. Subject to proper implementation of these internal control and risk management measures, we consider that interests of the Group can be properly safeguarded.

4. The Proposed Deposit Services Annual Caps

The placement of deposits (including accrued interests) by the Group with SIIC Finance during the term of the Financial Services Agreement is subject to a limit. It is stated in the Letter from the Board that the daily outstanding balance of deposits (including accrued interests) to be placed by the Group with SIIC Finance on any given day during the term of the Financial Services Agreement will not exceed the following caps:

	For the period from the Effective Date to 31 December 2026	For the year ended 31 December	
	<i>RMB million</i>	2027 <i>RMB million</i>	2028 <i>RMB million</i>
Maximum daily outstanding balance of deposits (including accrued interests)	3,000	3,000	3,000

Note: The deposits of the Group to be placed with SIIC Finance may be denominated in multiple currencies.

In assessing the reasonableness of the Proposed Deposit Services Annual Caps for the deposit services contemplated under the Financial Services Agreement, we have discussed with the Management the basis and underlying assumptions adopted in determining the cap amount.

As there was no historical record of deposits placed with, or borrowings obtained from, SIIC Finance, the Management referred to the Group’s historical cash flow pattern to determine the Proposed Deposit Services Annual Caps.

As a property developer, the Group’s daily cash balance may fluctuate significantly because both its cash inflows and outflows are large in size, irregular in timing, and linked to project milestones rather than being evenly distributed over time. On the inflow side, cash is mainly received in sizeable tranches from, among others, land and construction loan drawdowns, pre-sales, and final settlements upon completion of units. On the outflow side, material payments for land acquisition, contractor progress claims, construction materials, professional fees, interest and taxes also occur in substantial blocks, usually on specified dates or upon certification of work completed.

Having regard to this business nature, we have reviewed the Group’s month-end bank balances and cash (including restricted and pledged bank deposits) for the two years ended 31 December 2024 and 2025, and noted that such month-end balances fluctuated within a range of

approximately HK\$2.0 billion (equivalent to approximately RMB1.8 billion at an exchange rate of HK\$1.13/RMB) to HK\$6.2 billion (equivalent to approximately RMB5.5 billion at the same exchange rate), with an average month-end balance of approximately HK\$4.8 billion (equivalent to approximately RMB4.3 billion at an exchange rate of HK\$1.13/RMB). The Management has further advised us that approximately 98% of these month-end balances were maintained in the PRC because the Group's business operations are primarily conducted in the PRC.

As at 31 December 2024 and 2025, the Group's bank and other borrowings amounted to approximately HK\$17.8 billion (equivalent to approximately RMB15.8 billion at an exchange rate of HK\$1.13/RMB) and HK\$19.4 billion (equivalent to approximately RMB17.1 billion at the same exchange rate), respectively. The Management has advised us that SIIC Finance expressed interest in providing a loan of approximately RMB2.5 billion to the Group for refinancing its existing debt when the Group explored potential funding from SIIC Finance and negotiated the terms of the Financial Services Agreement. Furthermore, the Management has indicated that the Group is not expected to be required to place deposits of RMB2.5 billion with SIIC Finance prior to the grant of such loan for debt refinancing purposes. Subject to Independent Shareholders' approval of the deposit services contemplated under the Financial Services Agreement, the Group intends to further negotiate this RMB2.5 billion loan with SIIC Finance. If an agreement is reached, such amount would form part of the Group's deposits maintained with SIIC Finance upon drawdown.

As advised by the Management, the Group focuses on improving sales collection and cash flow management, with a dual emphasis on optimising debt structure and increasing revenue, while facilitating asset mobilisation, reducing costs and enhancing efficiency. In response to this, the Group intends to negotiate with SIIC Finance for additional loan facilities over the next three years to meet its business needs, diversify its funding sources and optimise debt structure. We understand from the Management that the Group will consider borrowing from SIIC Finance if such arrangements are deemed to be in the Group's interests. With the ongoing implementation of supportive government policies and the gradual refinement of market mechanisms, the Management expects the property market to maintain a steady recovery that will benefit the Group's operations. Accordingly, a buffer has been included in the caps to cater for the Group's business growth and the potential additional loans from SIIC Finance. We consider such buffer to be reasonable because (i) it is in line with the focus of the Company to optimise debt structure and increase revenue; and (ii) it would provide the Group with flexibility to capture opportunities to place deposits with SIIC Finance and borrow money from SIIC Finance when it is in the interests of the Group to do so.

On this basis, taking into account (i) the Group's historical month-end bank balances and cash (including restricted and pledged bank deposits) for the two years ended 31 December 2024 and 2025 mentioned above; (ii) the expression of interest to lend approximately RMB2.5 billion to the Group by SIIC Finance for the Group's existing debt refinancing and such amount to form part

of the Group's deposits maintained with SIIC Finance upon drawdown (if an agreement can be reached among parties); and (iii) a buffer to cater for the business growth of the Group and the potential additional loans from SIIC Finance, the Proposed Deposit Services Annual Caps for the deposit services contemplated under the Financial Services Agreement have been set at RMB3,000 million by the Management.

Whilst the approval of the Proposed Deposit Services Annual Caps gives the Group the flexibility to place deposits with SIIC Finance, the Company is not committed to do so, nor does the approval obviate the need for a competitive comparison process to be carried out (i.e. comparing the interest rates offered by SIIC Finance with the interest rates offered by at least two major commercial banks in PRC before placing a deposit with SIIC Finance), as outlined in the paragraph headed "Internal control and risk management measures of the Group on the deposit services" under the sub-section headed "Information on SIIC Finance" above.

Having considered (i) our review of the Group's month-end bank balances and cash (including restricted and pledged bank deposits) for the two years ended 31 December 2024 and 2025; (ii) the focus of the Group to optimise debt structure and increase revenue; (iii) the flexibility to capture opportunities to place deposits with SIIC Finance and/or borrow money from SIIC Finance when it is in the interests of the Group to do so; and (iv) the expression of interest to lend approximately RMB2.5 billion to the Group by SIIC Finance for the Group's existing debt refinancing and such amount to form part of the Group's deposits maintained with SIIC Finance upon drawdown (if an agreement can be reached among parties), we are of the view that the Proposed Deposit Services Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned.

5. Conditions of the continuing connected transactions

In compliance with the Listing Rules, the deposit services contemplated under the Financial Services Agreement are subject to a number of conditions which include, among other things:

- (i) the Proposed Deposit Services Annual Caps for the deposit services contemplated under the Financial Services Agreement will not be exceeded;
- (ii) the independent non-executive Directors must, in accordance with the Listing Rules, review annually the deposit services contemplated under the Financial Services Agreement and confirm in the Company's annual report whether the deposit services contemplated under the Financial Services Agreement have been entered into (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms or better; and (c) according to the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole;

- (iii) the auditors of the Company must, in accordance with the Listing Rules, review annually the deposit services contemplated under the Financial Services Agreement and they must confirm in a letter to the Board whether anything has come to their attention that causes them to believe that the deposit services contemplated under the Financial Services Agreement:
 - (a) have not been approved by the Board;
 - (b) were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group;
 - (c) were not entered into, in all material respects, in accordance with the relevant agreement governing the deposit services contemplated under the Financial Services Agreement; and
 - (d) have exceeded the Proposed Deposit Services Annual Caps;
- (iv) the Company must promptly notify the Stock Exchange and publish an announcement if the independent non-executive Directors and/or the auditors cannot confirm the matters set out in the points (ii) and/or (iii) above respectively;
- (v) the Company must allow, and ensure that SIIC Finance allows, the auditors of the Company sufficient access to their respective records of the deposit services contemplated under the Financial Services Agreement for the purpose of the auditors' reporting on the deposit services contemplated under the Financial Services Agreement; and
- (vi) the Company must re-comply with the applicable provisions of the Listing Rules governing the continuing connected transactions in the event that the maximum daily amount of the deposit services contemplated under the Financial Services Agreement exceeds the Proposed Deposit Services Annual Caps, or that there is any material amendment to the terms of agreement governing the deposit services contemplated under the Financial Services Agreement.

In light of the conditions imposed on the deposit services contemplated under the Financial Services Agreement, in particular, (1) the limit of the value of the deposit services contemplated under the Financial Services Agreement by way of the Proposed Deposit Services Annual Caps; (2) the on-going review by the independent non-executive Directors and auditors of the Company regarding the terms of the deposit services contemplated under the Financial Services Agreement; and (3) the aforesaid on-going review by the auditors of the Company regarding the deposit

services contemplated under the Financial Services Agreement, we are of the view that appropriate measures will be in place to govern the conduct of the deposit services contemplated under the Financial Services Agreement and safeguard the interests of the Independent Shareholders.

OPINION

Having taken into account the above principal factors, we consider that (i) the deposit services contemplated under the Financial Services Agreement are entered into in the ordinary and usual course of business of the Group; (ii) the terms of the deposit services contemplated under the Financial Services Agreement are on normal commercial terms, and fair and reasonable; (iii) the entering into of the deposit services contemplated under the Financial Services Agreement is in the interests of the Company and the Shareholders as a whole; and (iv) the Proposed Deposit Services Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend, and ourselves recommend, the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the deposit services contemplated under the Financial Services Agreement and the Proposed Deposit Services Annual Caps.

Yours faithfully,
for and on behalf of
OPTIMA CAPITAL LIMITED



Ng Ka Po
Managing Director
Corporate Finance



Richard Leung
Senior Director
Corporate Finance

Mr. Ng is a responsible officer of Optima Capital Limited and a licensed person registered with the Securities and Futures Commission to carry out Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO. Mr. Ng has participated in the provision of independent financial advisory services for various transactions involving companies listed on the Stock Exchange.

Mr. Leung is a responsible officer of Optima Capital Limited and a licensed person registered with the Securities and Futures Commission to carry out Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO. Mr. Leung has participated in the provision of independent financial advisory services for various transactions involving companies listed on the Stock Exchange.