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If you have sold or transferred all your shares in Prosper Construction Holdings Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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瑞港建設控股有限公司
PROSPER CONSTRUCTION HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 6816)

RECTIFICATION
OF A MAJOR ACQUISITION
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

MESSIS 大有融資
Financial adviser to the Company

Capitalised terms used on this cover shall have the same meanings as those defined in the section headed “Definitions” in this circular, unless the context requires otherwise.

A letter from the Board is set out on pages 4 to 23 of this circular.

A notice convening the EGM of the Company to be held at Rooms 03–08, 24/F, Shui On Centre, 6–8 Harbour Road, Wanchai, Hong Kong on Friday, 17 July 2026 at 10:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use by the Shareholders at the EGM is enclosed with this circular.

Whether or not you intend to attend the EGM, you are requested to complete and sign the accompanying form of proxy, in accordance with the instructions printed thereon and return the same 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 the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish and, in such event, the relevant form of proxy shall be deemed to be revoked.

* For identification purpose only

26 June 2026

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DEFINITIONS

In this circular, the following expressions have the meanings set out below unless the context requires otherwise:

“Acquisition”	the acquisition of the list of properties pursuant to the terms and conditions of the Debt Settlement Agreements
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday and other general holidays in Hong Kong and any day on which a tropical cyclone warning no.8 or above or a “black” rainstorm warning is hoisted by Hong Kong Observatory at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business
“Company”	Prosper Construction Holdings Limited (stock code: 6816), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the acquisition of the list of properties as defined under the Debt Settlement Agreements
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Consideration”	being the aggregate trade receivables due to the Purchaser by the Vendors which was settled by acquisition of the properties on a dollar-to-dollar basis as stated in the three debt settlement agreements
“Debt Settlement Agreements ”	The three respective debt settlement agreements entered into between the Purchaser and the Vendors in relation to the Acquisition for purpose of settlement of the debt due to the Purchaser by the Vendors
“Director(s)”	the director(s) of the Company, from time to time
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the Acquisition and the entering into and performance of the Debt Settlement Agreements
“Enlarged Group”	the Group and the Properties upon the Completion
“Group”	the Company and its subsidiaries from time to time

DEFINITIONS

“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected (as defined under the Listing Rules) with the Company and connected person(s) of the Company
“Independent Valuer”	Royson Valuation Advisory Limited, an independent valuer
“Latest Practicable Date”	25 June 2026, 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
“PRC”	the People’s Republic of China
“Properties”	The list of properties comprising leasehold land and buildings for commercial use located at Tower 1 of Ruiyuan Yilong International, No. 351 Wuyishan Road of Huangdao District in Qingdao City, Shandong Province in the PRC acquired under the Debt Settlement Agreements
“Purchaser”	Qingdao Honghai Green Energy Co., Ltd. (青島宏海綠能有限公司), a company incorporated in the PRC and is owned as to 34% and controlled by the Company, and the financial results of which are consolidated into the financial statements of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Vendors” (i) Vendor 1 being Qingdao Detai Construction Engineering Co., Ltd.* (青島德泰建設工程有限公司), a company incorporated in the PRC with limited liability in 2001 engaged principally in the provision of construction services, as a main contractor, to property development and investment companies in the PRC and (ii) Vendor 2 Qingdao Luze Properties Group Co., Ltd.* (青島魯澤置業集團有限公司), a company incorporated in the PRC with limited liability in 1989 and engaged principally in property development and investment in the PRC. It is a subsidiary of Ruiyuan Holdings Group Co., Ltd.* (瑞源控股集團有限公司), a company incorporated with limited liability in the PRC and engaged principally in property development and investment in Shandong Province in the PRC

“%” per cent.

Certain English translation of Chinese names or words in this circular are included for information only, and are not official English translations of such Chinese names or words.

Amounts denominated in RMB in this circular have been converted into HK\$ at the rate of RMB1.0 to HK\$1.08 for illustrative purposes only.

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LETTER FROM THE BOARD



瑞港建設控股有限公司
PROSPER CONSTRUCTION HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6816)

Executive Directors:

Mr. JIANG Hongchong (*Chairman*)
Mr. LIU Yutao
Mr. ZHOU Hongbao
Mr. LI Chunxiao
Mr. CUI Qiang

Registered office:

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Independent non-executive Directors:

Mr. CHEUNG Chi Man Dennis
Ms. CHEN Yan
Mr. LIU Junchun

*Head Office and Principal Place of
business in Hong Kong:*

Rooms 03–08, 24/F
Shui On Centre
6–8 Harbour Road, Wanchai
Hong Kong

26 June 2026

To the Shareholders

Dear Sir or Madam,

**RECTIFICATION
OF A MAJOR ACQUISITION
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

Reference is made to the announcement issued by the Company on 22 December 2025 in relation to the Acquisition. The purpose of this circular is to provide the Shareholders with, among other things, details of the Acquisition, the transactions contemplated thereunder and other information as required under the Listing Rules.

BACKGROUND

The Purchaser, a non-wholly-owned subsidiary of the Company, was engaged in the provision of construction services as a subcontractor to Vendor 1 and Vendor 2 (collectively “**Vendors**”) for various property development projects in the PRC and had established a strong business relationship with them since 2011.

LETTER FROM THE BOARD

As of end of June 2025, the value of construction service contracts between the Purchaser and the Vendors which gave rise to the past due receivable balances under the Debt Settlement Agreements as a result of provision of construction services by the Purchaser to the Vendors amounted to approximately RMB170.8 million (“**Existing Contracts**”) (equivalently to approximately HK\$184.5 million), of which approximately RMB45,246,700 and RMB32,894,700 were completed and pending settlement from Vendor 1 and Vendor 2 respectively as of 30 June 2025. Since early 2025 the Vendors began to experience liquidity difficulties and delay in settlement of trade receivables due to the Purchaser as they failed to settle fees for provision of construction services amidst a slowdown in the property development and investment sector in the regions of the PRC in which the Vendors operate. Vendor 1, being a construction service main contractor, (i) was entitled to service payment from Vendor 2 from their cooperation in property development sector in the PRC, and (ii) was indebted to the Purchaser for construction services provided as a subcontractor to Vendor 1. Vendor 2, being a property developer and investor, was the owner to a portfolio of properties, including all of the 9 properties which were to be acquired by the Purchaser under the Debt Settlement Agreements. Given the on-going commercial relationship and transactions between Vendor 1 and Vendor 2, a consensus was reached between the parties that Vendor 2 will transfer ownership of its properties, including property no. 8 and property no. 9, to Vendor 1 or its designated parties to settle certain indebtedness owed by Vendor 2 to Vendor 1. At the same time, in order to resolve the past due trade receivables due from the Vendors and prevent further deterioration in the quality of the trade receivables of the Group, the Purchaser agreed with the Vendors to take over ownership of the aforesaid 9 properties from Vendor 2 (ie. the Acquisition), whereby the consideration of the Acquisition will be satisfied by setting off against RMB34,597,610 (as a bundle) out of the past due trade receivables totalling RMB35,841,700 due from the Vendors.

To facilitate the Acquisition and the settlement of the past due trade receivables due to the Purchaser from the Vendors, the Vendors and the Purchaser entered into the Debt Settlement Agreements, further details of which are set out in the section headed “The Acquisition and Debt Settlement Agreements” below.

THE ACQUISITION AND THE DEBT SETTLEMENT AGREEMENTS

In June 2025 the Purchaser and the Vendors entered into three debt settlement agreements (collectively “**Debt Settlement Agreements**”), pursuant to which the Purchaser agreed to purchase and the Vendors agreed to sell the list of properties (below) located in Qingdao City, Shandong Province the PRC at the consideration which was settled by offsetting the past due trade receivables due to the Purchaser by the Vendors on a dollar-to-dollar basis.

Debt Settlement Agreement A

Date: 26 June 2025

Parties: (i) Vendor 1; and
(ii) Purchaser

Acquisition target: The property no. 8

LETTER FROM THE BOARD

Acquisition target price: RMB4,856,005 (approximately RMB26,617/m²), based on the asking price for selling the respective property to third party customers with an overall average 5% discount (approximately RMB1,283/m²)

Settlement consideration: RMB4,866,918 offset against the past due trade receivables due to the Purchaser by the Vendor 1 on a dollar-to-dollar basis. The settlement consideration was calculated based on floor area according to building drawing, while the acquisition target price was calculated according to actual floor area registered with the government authority.

Key terms and settlement mechanism: The Debt Settlement Agreement A stipulates that Vendor 1, the Purchaser, and Vendor 2 (who is not a party to Debt Settlement Agreement A, but as owner of property no. 8) are to enter into separate agreement, whereby Vendor 1 will be empowered to instruct Vendor 2 to enter into property sale and purchase agreement to transfer ownership of property no. 8 to Vendor 1 itself or its nominated party. At the time of the Debt Settlement Agreement A, Vendor 1 and Vendor 2 have reached consensus on the transfer of property no. 8 to the Purchaser to facilitate the transaction thereto.

Completion: The contemplated transactions under Debt Settlement Agreement A are conditional on the transfer of ownership of property no. 8 to the Purchaser. The settlement of trade receivables were completed on signing of the Debt Settlement Agreement A, while the acquisition of the property no. 8 was completed on 28 July 2025, being the date when the Purchaser obtained title to the property under the Debt Settlement Agreement A.

Debt Settlement Agreement B

Date: 26 June 2025

Parties: (i) Vendor 1; and
(ii) Purchaser

Acquisition target: The property no. 9

Acquisition target price: RMB3,274,617 (approximately RMB27,817/m²), based on the asking price for selling the respective property to third party customers with an overall average of 5% discount (approximately RMB1,283/m²)

LETTER FROM THE BOARD

Settlement consideration: RMB3,203,806 offset against the past due trade receivables due to the Purchaser by the Vendor 1 on a dollar-to-dollar basis. The settlement consideration was calculated based on floor area according to building drawing, while the acquisition target price was calculated according to actual floor area registered with the government authority.

Key terms and settlement mechanism: The Debt Settlement Agreement B stipulates that Vendor 1, the Purchaser, and Vendor 2 (who is not a party to Debt Settlement Agreement B, but as owner of property no. 9) are to enter into separate agreement, whereby Vendor 1 will be empowered to instruct Vendor 2 to enter into property sale and purchase agreement to transfer ownership of property no. 9 to Vendor 1 itself or its nominated party. At the time of the Debt Settlement Agreement B, Vendor 1 and Vendor 2 have reached consensus on the transfer of property no. 9 to the Purchaser to facilitate the transaction thereto.

Completion: The contemplated transactions under Debt Settlement Agreement B are conditional on the transfer of ownership of property no. 9 to the Purchaser. The settlement of trade receivables were completed on signing of the Debt Settlement Agreement B, while the acquisition of the property no. 9 was completed on 28 July 2025, being the date when the Purchaser obtained title to the property under the Debt Settlement Agreement B.

Debt Settlement Agreement C

Date: 24 June 2025

Parties: (i) Vendor 2; and
(ii) Purchaser

Acquisition target: The property no. 1, 2, 3, 4, 5, 6, 7

Acquisition target price: RMB26,466,988 (approximately RMB27,231/m²), based on the asking prices for selling the respective properties to third party customers with an overall average 5% discount (approximately RMB1,283/m²)

LETTER FROM THE BOARD

Settlement consideration: RMB26,526,886 offset against the past due trade receivables due to the Purchaser by the Vendor 2 on a dollar-to-dollar basis. The settlement consideration was calculated based on floor area according to building drawing, while the acquisition target price was calculated according to actual floor area registered with the government authority.

Completion: The contemplated transactions under Debt Settlement Agreement C are conditional on the transfer of ownership of property no. 1 to property no. 7 to the Purchaser. The settlement of trade receivables were completed on signing of the Settlement Agreement C, while the acquisition of the property no. 1 to no. 7 was completed on 26 June 2025, being the date when the Purchaser obtained title to the properties under the Debt Settlement Agreement C.

THE LIST OF PROPERTIES CONSTITUTING THE ACQUISITION

Purchaser acquired from the Vendors of the Debt Settlement Agreements the following nine properties comprising leasehold land and buildings for commercial use located at Tower 1 of Ruiyuan Yilong International, No. 351 Wuyishan Road of Huangdao District in Qingdao City, Shandong Province in the PRC encompassing gross floor area in aggregate of approximately 1,281.39 m².

No.	Property	Units	Gross floor area <i>m</i> ²	Usage	Acquisition target price <i>RMB</i>	Valuation as of dates of debt
						settlement agreements <i>RMB</i>
1	Tower 1 of Ruiyuan Yilong International, No. 351 Wuyishan Road	Unit 2-53	143.98	Commercial	3,875,510.00	4,000,000
2	Tower 1 of Ruiyuan Yilong International, No. 351 Wuyishan Road	Unit 2-55	177.21	Commercial	4,716,799.00	4,800,000
3	Tower 1 of Ruiyuan Yilong International, No. 351 Wuyishan Road	Unit 2-58	135.99	Commercial	3,742,037.00	3,700,000
4	Tower 1 of Ruiyuan Yilong International, No. 351 Wuyishan Road	Unit 2-59	100.28	Commercial	2,759,405.00	2,800,000

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No.	Property	Units	Gross floor area <i>m</i> ²	Usage	Acquisition target price <i>RMB</i>	Valuation as of dates of debt settlement agreements
						<i>RMB</i>
5	Tower 1 of Ruiyuan Yilong International, No. 351 Wuyishan Road	Unit 2-52	235.61	Commercial	6,082,743.00	6,400,000
6	Tower 1 of Ruiyuan Yilong International, No. 351 Wuyishan Road	Unit 2-61	94.08	Commercial	2,645,247.00	2,600,000
7	Tower 1 of Ruiyuan Yilong International, No. 351 Wuyishan Road	Unit 2-62	94.08	Commercial	2,645,247.00	2,600,000
8	Tower 1 of Ruiyuan Yilong International, No. 351 Wuyishan Road	Unit 2-56	182.44	Commercial	4,856,005.00	5,000,000
9	Tower 1 of Ruiyuan Yilong International, No. 351 Wuyishan Road	Unit 2-60	117.72	Commercial	3,274,617.00	3,300,000
Total			<u>1,281.39</u>		<u>34,597,610</u>	<u>35,200,000</u>

The above properties were valued in aggregate at approximately RMB35,200,000 as of dates of the respective debt settlement agreements and as of 31 March 2026 by the Independent Valuer. The Tower 1 of Ruiyuan Yilong International is a 24-storey residential commercial complex building completed in about 2024. Taxis and buses are accessible to the properties, and Jinggangshan metro station is within 15 minutes walk.

The Independent Valuer adopted market approach as the valuation method for the valuation of the above list of properties by reference to comparable market transactions or sale listings in the market place in the vicinity of such properties.

It is noted that all the above properties were newly constructed and had never been occupied, been leased or generated any income as of the time of the transaction. There is no ground or government rent payable on the above properties.

LETTER FROM THE BOARD

The Board has reviewed the market comparables presented in the valuation report, which are similar to the Properties and considered them suitable for the purpose of the valuation. Furthermore, the Board was unaware of any existing circumstances as at the valuation dates which would render any of the assumptions undertaken by the Independent Valuer being false or may be invalidated. The Independent Valuer has complied with all the requirements set out in Chapter 5 of the Listing Rules, the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors, the RICS Valuation — Global Standards published by the Royal Institution of Chartered Surveyors and the International Valuation Standards published by the International Valuation Standards Council. Accordingly, the Board considers the methodology, inputs and assumptions adopted by the Independent Valuer are fair, reasonable and appropriate for the valuation of the Properties.

CONSIDERATION

The consideration of the Acquisition will be settled by setting off against the past due trade receivables in aggregate of RMB34,597,610 due to the Purchaser by the Vendors on a dollar-to-dollar basis under the Debt Settlement Agreements as agreed between the parties.

The Consideration is slightly lower than the total appraised value of the list of properties as of dates of the respective debt settlement agreements by the Independent Valuer.

BASIS OF CONSIDERATION

The Consideration was determined after arm's length negotiation between the Purchaser and the Vendors on normal commercial terms with reference to, among others, (i) the aggregate market value of the properties under the Debt Settlement Agreements, (ii) liquidity issue faced by the Vendors and the past due trade receivables due to Purchaser by the Vendors; and (iii) the importance to settle the past due trade receivables and avoid the deterioration of the quality of the trade receivables of the Group.

Having considered the liquidity issues faced by the Vendors and the risk of past due trade receivables due to the Purchaser from the Vendors, the general management and the prevention of further deterioration of the trade receivables of the Group, the Directors (including the independent non-executive Directors) are of the view that the acquisition of the list of properties located in Qingdao City, Shandong Province in the PRC by offsetting the past due trade receivables due to the Purchaser from the Vendors is fair and reasonable and in the interests of the Company and Shareholders as a whole.

COMPLETION

The property acquisition under Debt Settlement Agreement A and Debt Settlement Agreement B were both completed on 28 July 2025 and the transaction under Debt Settlement Agreement C was completed 26 June 2025, being the date when the Purchaser obtained title to the properties under each of the respective agreement. According to legal adviser to the Purchaser as to PRC law, the Purchaser owns all rights to the above list of properties and can legally dispose of them at its sole discretion.

LETTER FROM THE BOARD

INFORMATION ON THE VENDORS

Vendor 1 was established with limited liability in PRC in 2001 and is engaged principally in the provision of construction services, as a main contractor, to property development and investment companies such as Vendor 2 in the PRC.

Vendor 2 was established with limited liability in 1989 and is engaged principally in property development and investment in the PRC. It is a subsidiary of Ruiyuan Holdings Group Co., Ltd., a company incorporated with limited liability in the PRC and principally engaged in property development and investment in Shandong Province in the PRC.

Vendor 1 is beneficially owned as to approximately 39.6% by Mr. Yu Yaping, approximately 29.7% by Mr. Yu Cong, approximately 29.7% by Mr. Yu Wentao and approximately 1.0% by Hainan Ruijude Trading Co. Ltd. 海南瑞聚德商貿有限公司 (which is beneficially owned by numerous individuals who are independent of Vendor 1, Vendor 2, the Group, and their respective associates) based on public information.

Vendor 2 is a subsidiary of and owned as to approximately (i) 99.0% by Ruiyuan Holdings Group Co., Ltd. which in turn is beneficially owned as to approximately 49.6% by Mr. Yu Ruisheng, approximately 19.9% by Mr. Yu Ruijian, approximately 19.5% by Ms. Pan Caihong approximately 0.1% by Mr. Yu Yaping, 0.1% by Mr. Yu Cong, 0.1% by Mr. Yu Wentao, and approximately 10.7% by numerous individuals, each holding approximately 1% of interest or less, who are independent of Vendor 1, Vendor 2, the Group, and their respective associates based on public information; and (ii) 1.0% by Qingdao Huihuiyuan Investment Limited Partnership 青島匯慧源投資合夥企業(有限合夥), which is owned as to 89.0% by Ruiyuan Holdings Group Co. Ltd.

Mr. Yu Ruisheng is a director of Vendor 2 and the founder, chairman of the board and general manager of Ruiyuan Holdings Group Co. Ltd. Mr. Yu Ruijian is the deputy chairman and manager of Ruiyuan Holdings Group Co. Ltd. Ms. Pan Caihong is the deputy chairman and manager of Ruiyuan Holdings Group Co. Ltd. and a director of Vendor 2. Mr. Yu Yaping is a director of Ruiyuan Holdings Group Co. Ltd. Each of them is a member of the core management team of Ruiyuan Holdings Group Co. Ltd. and its affiliated companies and actively engaged in the management and operation of these companies. Mr. Yu Cong and Mr. Yu Wentao are distant relatives of Mr. Yu Ruisheng and Mr. Yu Ruijian; they do not hold any executive position in Vendor 1 or Vendor 2 or its affiliated companies.

Mr. Yu Yaping is a son of Mr. Yu Ruisheng. Mr. Yu Ruijian is a brother of Mr. Yu Ruisheng. Mr. Yu Cong is a son of Mr. Yu Ruijian and nephew of Mr. Yu Ruisheng. Mr. Yu Wentao is a distant family member of Mr. Yu Ruisheng. Ms. Pan Caihong is a senior management of Ruiyuan Holdings Group Co., Ltd. and not related to Mr. Yu Ruisheng or his family.

To the best of the directors' knowledge, information and belief having made all reasonable enquiry, the Vendors and the ultimate beneficial owner of the Vendors are third parties independent of the Company and its connected persons.

LETTER FROM THE BOARD

Each of the Directors has confirmed that, to the best of the Director's knowledge, information and belief having made all reasonable enquiry, there is, and in the past twelve months, there has been, no material loan arrangement between (a) the Vendors, any of its directors and legal representatives and/or any ultimate beneficial owner(s) of the Vendors; and (b) the Company, any connected person at the Company's level and/or any connected person of the Company's subsidiaries involved in the Acquisition and transactions under the Debt Settlement Agreements.

FINANCIAL EFFECTS OF THE ACQUISITION

Settlement of Trade Receivables and Status of the Existing Contracts

As of the respective dates of the Debt Settlement Agreements, trade receivables of approximately RMB24,648,400 and RMB11,193,300 due from Vendor 1 and Vendor 2 (totalling RMB35,841,700) to the Purchaser respectively were past due. In order to settle the past due trade receivables, the parties entered into the Debt Settlement Agreements to offset the past due trade receivables due to Purchaser by the Vendors through the acquisition of the properties located in Qingdao City, Shandong Province, the PRC.

The amount due from Vendor 1 and Vendor 2 to the Purchaser for completed contract works immediately after completion of the Debt Settlement Agreements was RMB37.1 million and RMB6.4 million respectively. Subsequent to the Debt Settlement Agreements and up to the Latest Practicable Date, the value of further construction works completed on the Existing Contracts by the Purchaser amounted to RMB26.4 million, and the amount received by the Purchaser from Vendors for settlement of works on the Existing Contracts amounted to RMB34.7 million, which comprised settlement by cash of RMB7.6 million and by contra-charge with trade payables of the Purchaser in the amount of RMB27.1 million. As at the Latest Practicable Date, the balance of trade receivables due from the Vendors was RMB11.0 million which has become past due for within 30 days, and the value of work from the Existing Contracts pending final account certification and adjustment was RMB24.2 million.

The Purchaser continued to provide construction services to the Vendors subsequent to the Debt Settlement Agreements to complete the remaining contract works from the Existing Contracts, despite the Vendors' inability to settle the contract sum as (i) the Purchaser is obliged to do so by contract or would otherwise commit a breach on its part and jeopardise its rights against the Vendors, including but not limited to recovery of the outstanding contract sum; and (ii) the completion of the remaining contract works would facilitate easier and more favourable realisation of cash flow from the projects under construction by the Vendors and also the outstanding contract sum due to the Purchaser. The Group did not enter into any new construction service contracts with the Vendors other than the Existing Contracts.

As at the Latest Practicable Date, all the Existing Contracts were completed (save for minimal administrative and possible remedial works) and all the contract works by the Purchaser as subcontractor had been inspected and taken possession by the project employer. Other than the RMB11.0 million trade receivables pending settlement for completed contract works already certified, the remaining amount of completed contract works not yet certified from the Vendors as

LETTER FROM THE BOARD

at that date amounted to RMB24.2 million, but is subject to potential final account adjustment. A summary of the contract sum of the Existing Contracts, the amount of contract works completed, the outstanding trade receivables balances and the settlement status of trade receivables are set out in the table below.

	Immediately before Debt Settlement Agreements <i>RMB million</i>	Amount settled by Debt Settlement Agreements <i>RMB million</i>	Immediately after Debt Settlement Agreements <i>RMB million</i>	Subsequent work done and certification <i>RMB million</i>	Subsequent settlement <i>RMB million</i>	As at Latest Practicable Date <i>RMB million</i>
Value of Existing Contracts	170.8		170.8			170.8
Value of work completed	<u>143.1</u>		<u>143.1</u>	26.4		<u>169.5</u>
Remaining contract value	<u><u>27.7</u></u>		<u><u>27.7</u></u>			<u><u>1.3</u></u>
Certified value of work already settled	65.0	34.6	99.6		34.7	134.3
Value of completed contract sum pending settlement which are:						
already certified (ie. trade receivables)	35.8	(34.6)	1.2	44.5	(34.7)	11.0
not yet certified	42.3		42.3	(18.1)		24.2
	<u>78.1</u>		<u>43.5</u>			<u>35.2</u>
	<u><u>143.1</u></u>		<u><u>143.1</u></u>			<u><u>169.5</u></u>
Trade receivables already settled	65.0	34.6	99.6		34.7	134.3
Trade receivables past due	35.8	(34.6)	1.2	11.0	(1.2)	11.0
Trade receivables not yet due	0.0		0.0	33.5	(33.5)	0.0
	100.8		100.8			145.3
Value of completed work not yet certified	<u>42.3</u>		<u>42.3</u>			<u>24.2</u>
Value of work completed	<u><u>143.1</u></u>		<u><u>143.1</u></u>			<u><u>169.5</u></u>

The outstanding contract sum of RMB35.2 million as at the Latest Practicable Date comprised (i) RMB11.0 million of trade receivables for works already certified and due, which has become past due for within 30 days; and (ii) RMB24.2 million of completed contract work which is not yet due and subject to final account adjustment and retention amounts according to the respective construction service contracts. The remaining contract value of RMB1.3 million will be subject to final account adjustment. The Purchaser is persistently pressing for payment of the RMB11.0 million of past due receivables from the Vendors and also exploring alternatives with the Vendors to expedite settlement of the remaining trade receivable balance, but has yet to agree on any solid repayment plan.

As of the date of this circular, the Board is of the view that Vendors will be financially capable to settle the outstanding contract sum of RMB35.2 million given that (i) subsequent to the Debt Settlement Agreements and up to the Latest Practicable Date the Vendors have further settled RMB34.7 million of trade receivables as they became due; (ii) the close monitoring of the business status of the property development sector in the PRC; (iii) the project manager of the Purchaser

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responsible for the underlying project is closely monitoring the settlement status in accordance with the repayment schedule and the business status of the Vendors; (iv) the Purchaser is aware that the Vendors had been actively liquidating its assets and reducing its indebtedness.

Earnings

As of the Latest Practicable Date, the properties acquired under the Debt Settlement Agreements were not leased to third parties for rental income or deployed for any particular commercial use and there was no particular impact on the earnings of the Company.

Assets and liabilities

Upon Completion, the Group will record a gain of approximately RMB602,390 (or equivalent to approximately HK\$650,581), being the difference between (i) unaudited carrying value of the past due trade receivables due from the Vendors of approximately RMB34,597,610 as of 30 June 2025 being settled (assuming Completion had not yet taken place then) ; and (ii) the valuation of the properties of RMB35,200,000 as of the valuation date by the Independent Valuer. The properties will be subject to subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of the properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight line method.

As the Consideration was settled by offsetting against the past due trade receivables due to the Purchaser from the Vendors on a dollar-to-dollar basis, there was no immediate cash inflow or outflow arising from the Acquisition.

The properties acquired under the Debt Settlement Agreements were classified as “Investment Properties” in the Company’s financial statements as at 31 December 2025. It is the intention of the Group that the properties will be held for rental or for sale at prices deemed to be favourable for generation of cash flow.

REASONS FOR AND BENEFITS OF THE ACQUISITION

Since 2011 the Group through the Purchaser as a subcontractor has engaged in the provision of construction services to Vendor 1 and Vendor 2 in relation to property construction in the PRC and the parties have maintained a mutually beneficial commercial relationship. As business continued to grow over the years the trade receivables between the parties increased. The value of construction service contracts between the Purchaser and the Vendors which gave rise to the past due receivable balances under the Debt Settlement Agreements as a result of the provision of construction services by the Purchaser to the Vendors amounted to approximately RMB170.8 million (equivalently to approximately HK\$184.5 million).

However, Vendor 1 and Vendor 2 began to experience liquidity difficulties and delay in settlement of trade receivables due to the Purchaser as their property development projects and/or their respective clients also experienced liquidity difficulties amidst a slowdown in the property

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development and investment in regions of the PRC in which the Vendors operate. In order to resolve the past due trade receivables due to the Purchaser from the Vendors and prevent further deterioration in the quality of the trade receivables of the Group, the parties entered into the Debt Settlement Agreements. The Purchaser was of the view that such arrangement was in the ordinary course of business and was not uncommon in the PRC and therefore did not alert the management at the time in this regard.

The Directors are of the view that the Debt Settlement Agreements allow the relevant parties to manage the growing concern of risks arising from the delay in settlement of the trade receivables and potential further deterioration of the financial positions of the relevant parties amidst the slow-down in the property development and investment sector in the region in which the Vendors operate. The acquisition of the list of properties from the Vendors allows the Company to settle past due trade receivables and therefore avoid further accounting treatment such as the setting aside provision or writing off of bad debts and avoid the resulting negative impact on its financial statements. The Purchaser had considered other alternatives such as selling of the relevant past due trade receivables to third parties or lengthening the repayment schedule of the past due trade receivables due from the Vendors and however note that both methods were not ideal as there were not many parties willing to take up such past due trade receivables at reasonable consideration and the lengthening of the repayment schedule would likely result in accounting treatment that could negatively impact the financial statements of the Company.

The properties acquired under the Debt Settlement Agreements were classified as “Investment Properties” in the Company’s financial statements as at 31 December 2025. It is the intention of the Group that the properties will be held for rental or for sale at prices deemed to be favourable for generation of cash flow.

Having considered the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Debt Settlement Agreements are fair and reasonable and in the interests of the Company and Shareholders as a whole.

As at the Latest Practicable Date, two of the properties acquired under Debt Settlement Agreements (property 6 and 9 on the list of properties) had been sold to independent third parties at a profit while the remaining seven properties acquired under Debt Settlement Agreements are currently vacant and being put on the market for lease.

LISTING RULES IMPLICATIONS AND NON-COMPLIANCE

As the highest applicable percentage ratio as defined under the Listing Rules is more than 25% but less than 100%, the Acquisition constitutes a major transaction of the Company and is subject to the announcement, circular and Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

The Debt Settlement Agreements were entered into by the parties and the Acquisition was completed without fulfilling with the announcement, circular and Shareholders approval requirements under and constituted a non-compliance with Chapter 14 of the Listing Rules.

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The chronology of event leading to the entering into of the Debt Settlement Agreements is as follow.

Dates	Descriptions of events	Parties
2025 January to February	Vendor 1 and Vendor 2 began delaying in payment of construction service fees to the Purchaser per service contract.	Project manager Mr. Wu of Purchaser
April to May	Purchaser noticed Vendors faced with liquidity issues and the increasing of past due trade receivables, it proceeded to consider various settlement methods for past due trade receivables such as taking over of properties, selling of the past due trade receivables to third parties or lengthening the repayment schedule of the past due trade receivables due from the Vendors and however note that there were not many parties willing to take up such past due trade receivables at reasonable consideration and the lengthening of the repayment schedule would likely result in accounting treatment that could negatively impact the financial statements of the Company.	Project manager Mr. Wu, head of finance Mr. Ling and head of legal Mr. Wei of Purchaser

As time progressed and seeing no improvement in liquidity condition of the Vendors, the Purchaser initiated discussion with the Vendors on possible settlement of past due trade receivables with properties. The initial proposal involved transferring title of certain real estate properties from the Vendors to the Purchaser, with an option for the Vendors to buy back the said properties after three years.

The initial proposal did not lead to a conclusion owing to complexities involved, such as the buyback mechanism, pricing, and burden of furnishing, maintenance or potential loss of the relevant properties prior to the buyback.

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Dates	Descriptions of events	Parties
1 to 23 June	<p>During negotiation of the initial proposal until the time hereof, the liquidity of the Vendors did not show any improvement, nor would be for the next year. Having considered and in order to mitigate risks of loss from the past due trade receivables from the Vendors, the parties thereto reached the consensus to proceed with the settlement transaction as soon as practicable, which involved the Purchaser taking over ownership of real estate properties from the Vendors as settlement against past due trade receivables due from the Vendors.</p> <p>Detailed transaction terms, including the properties to be transferred and the pricing thereof, were further discussed amongst the parties.</p> <p>Until the time hereof, the contemplated debt settlement arrangements were not notified to the management or the directors of the Company, as the Purchaser was of the view that settlement of past due trade receivables by taking over properties was in the ordinary course of business and would not trigger reporting and approval requirements under the Listing Rules.</p>	Project manager Mr. Wu, head of finance Mr. Ling and head of legal Mr. Wei of Purchaser
24 June	Execution of debt settlement agreement C; execution of 7 property transfer agreements on 25 June; property title transfer registration completed on 26 June.	Legal representative of Purchaser, Mr. Zhao.
26 June	Execution of debt settlement agreements A & B; execution of 2 property transfer agreements on 27 June; property title transfer registration completed on 28 July.	Legal representative of Purchaser, Mr. Zhao.

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Completion without knowledge of the Directors

The Purchaser was of the view that settlement of past due trade receivables by taking over of properties was conducted in the ordinary course of business.

The Purchaser was aware that some construction service providers operating in the region had also adopted similar settlement arrangement as their clients also experienced liquidity difficulties amidst a slowdown in the property development and investment in regions of the PRC in which the Vendors operated.

As a result, the legal representative of the Purchaser, having determined that the debt settlement arrangement with properties being a commonly acceptable market practice, decided that such is simply a settlement method of past due trade receivables arising from ordinary course of business and did not constitute an acquisition and therefore did not follow the procedures that would be required for acquisition/disposal of properties, plant and equipment, which required notification to the Company and fulfilling the reporting and approval requirements under the Listing Rules for the applicable transaction classification.

Existing internal controls policies

The approval procedures of the Purchaser in respect of transactions involving properties, plant and equipment require the legal representative to notify and obtain the necessary approval from the Company and compliance with Listing Rules prior to entering into of agreements. However, as the legal representative, in a lapse of judgement, determined that the Debt Settlement Agreements were pertained to the ordinary business operation of the Purchaser, namely the settlement of past due trade receivables, and as such did not seek the approval of the Directors of the Company prior to entering into the Debt Settlement Agreements. Consequently, the Debt Settlement Agreements were executed and Completion took place without knowledge of the Company's Directors.

On Completion, the Acquisition and the corresponding settlement were recorded as additional to property, plant and equipment (and it was subsequently determined that the properties will be held for generation of rental income and capital appreciation and will not be used by the Group, and thus they were reclassified to investment properties in the audited financial statements for the year ended 31 December 2025) and a reduction in trade receivables. The monthly financial updates provided to the Board during June 2025 to August 2025 did not contain detailed breakdown of movements in property, plant and equipment; accordingly the Directors were unable to pinpoint that the Acquisition was in fact one transaction and of a scale and nature having triggered compliance requirements under the Listing Rules. The chief financial officer of the Group first became aware of the Acquisition when the Purchaser submitted detailed movement in property, plant and equipment in August 2025 for preparation of interim financial statements of the Group for the six months ended 30 June 2025, who noted that the addition to property, plant and equipment during the six months period ended actually comprised (amongst others) one aggregated bundle of properties constituting the Acquisition, and which had in fact constituted a major acquisition of the Company under Chapter 14 of the Listing Rules. The chief financial officer of the Group then brought the Acquisition and non-compliance incident to the attention of the Board. The Board had on 28

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August 2025 resolved to investigate the circumstances leading to the non-compliance and engage external consultant(s), including financial adviser, to rectify the non-compliance. During the period from 28 August 2025 to 22 December 2025, the Company spent considerable time to gather the background information leading to the transaction, reviewing the transaction documents, seek out various professional parties and conduct pre-engagement due diligence, finalising engagement of financial adviser, valuer and lawyer, arranging site visit, devising the enhanced transaction approval and internal control procedures, preparing of reports by professional parties, and drafting of transaction announcement, etc. As part of the rectification procedure, the announcement of the Acquisition, which contained preliminary outcome of works by various parties as aforesaid, was published on 22 December 2025.

REMEDIAL ACTIONS

The Company would like to emphasize that the above was an unintentional one-off non-compliance incident. At the time of the execution of the Debt Settlement Agreements, the legal representative (法人代表) of the Purchaser was unaware of the particular requirements under the Listing Rules and in a temporary lapse of judgement, considered that the transactions under the Debt Settlement Agreements were being undertaken in the ordinary course of business. The Acquisition took place and completed without the knowledge of the Directors.

Notwithstanding the Completion of the Acquisition, the Company intends to set out in this circular relevant details and seek approval of Shareholders to ratify the Acquisition in an extraordinary general meeting with a view to complying with the relevant requirement under Chapter 14 of the Listing Rules. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, no Shareholder is required to abstain from voting in the extraordinary general meeting.

Should the resolutions approving the Debt Settlement Agreements be not approved by Shareholders in the relevant meeting of the Company, the Directors would then proceed with alternative plan namely to dispose of the list of properties to third parties as soon as practicable. There is no concrete timetable at the current stage in this regard.

Should the resolutions be approved by Shareholders, the current intention is to have the properties acquired under the Debt Settlement Agreements be a combination of (i) sold for cash, (ii) leased for rental income or (iii) applied to settle amounts payable by the Group.

The Company implemented enhanced internal control procedures with steps to identify, handle, approve and report all potential notifiable transactions to the Board before execution as follows:

Policy applicable to all the following types of transactions or potential transactions

1. Acquisition, disposal or dealing in assets (other than revenue in nature in the ordinary and usual course of business of the Company) amounting to over HK\$1 million.

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2. Transactions involving non-cash settlement or consideration of any amount.
3. Transaction involving issuance of or dealing in shares of Prosper Construction Holdings Limited.
4. Transactions involving new business or financial undertaking or dealing of any amount.

Policy and control responsibility

1. At least one executive director of the Company (“ED”) will take up directorship at each key operating entity at the subsidiary level and oversee the compliance with Chapter 14 of the Listing Rules.
2. All transactions falling under this policy will be subject to approval by directors at the subsidiary, which must involve participation of the said ED.
3. The chairman of the board of the subsidiary or the legal representative (if not the same individual) of the subsidiary will oversee this policy is being followed and also act as secondary check on the compliance with Chapter 14 of the Listing Rules.
4. The said ED will monitor and ensure staff member(s)
 - (a) taking up position that involved compliance with Listing Rules (including head of finance/accounting, general manager, chairman of the board of the subsidiary and the legal representative) must complete training on the requirements of Chapter 14 of the Listing Rules at the time of taking up of the said position and
 - (b) the relevant staff members are kept aware of significant changes to Chapter 14 of the Listing Rules and provided with update training thereon if required.

Transaction approval procedures

1. Manager of projects department or relevant user department initiate transaction by submission of “Approval Request Form”. Content and basis of approval include financial information, risk assessment and commercial viability.

Finance/accounting department at the subsidiary level will analyze and assess the submitted financial information on their accuracy, whether the pricing is reasonable, and overall financial impacts.

2. Head of finance/accounting at the subsidiary level will identify the types of transactions falling under this policy by reference to Chapter 14 of the Listing Rules and the relevant size test calculation and alert general manager of the subsidiary entity accordingly.

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3. General manager of the subsidiary entity to assess Listing Rules implication based on the nature, value and applicable size test of the transaction. The assessment by general manager will be documented in the “Approval Request Form”, stating whether and which Chapter 14 transaction category the proposed transaction fits into and the basis of such conclusion, including but not limited to the results of the size test. The “Transaction Approval Form” will be subject to further review, verification and update in procedures 4, 5 and 6 below.
4. The transaction is presented to the subsidiary directors for approval where the ED will review the basis and conclusion of procedure (3). Where the ED concurs with the conclusion that Listing Rules requirements are not triggered, he will countersign on the “Approval Request Form” and the transaction will proceed to procedure (6). Where it was determined that Listing Rules requirements are triggered, the general manager or the ED will alert chief financial officer of the Company, who shall further communicate with the company secretary of the Company and convene a meeting of the Directors of the Company (procedure (5)) to consider the matter.
5. The Directors of the Company will determine the necessary procedures to follow and engage the appropriate advisers to ensure compliance with Listing Rules, including but not limited to reviewing the transaction announcement and ensuring the transaction terms comprised the necessary condition precedents. When the transaction and announcement were approved by the Directors, the ED will countersign on the “Approval Request Form” and notify the general manager and legal representative of the subsidiary on the decision of the Directors, and the transaction will proceed to procedure (6).
6. The general manager will coordinate with the responsible personnel to finalise execution of the transaction documents. On the day of document execution, legal representative of the subsidiary (or anyone in same capacity who is to execute the transaction documents on behalf of the subsidiary) will ensure the “Approval Request Form” is countersigned by the ED, and will perform update size test to ensure no change in transaction classification, prior to execution of transaction document(s). The “Approval Request Form” together with the results of the final size test to be reviewed by chief financial officer of the Company who, if determined there is no change to the Chapter 14 transaction categories and all the compliance procedures are in order, will countersign on the "Approval Request Form and notify the general manager and the legal representative, and the document execution will proceed.
7. Immediately following execution of transaction document(s), the legal representative or general manager of the subsidiary will report to the ED who, by authority conferred to him by the Directors of the Company under procedure (5), will then authorise the publication of the required announcement and, if required, preparation of circular.

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8. Where approval from shareholders of the Company is required, the Company secretary will notify the ED of the results of shareholders' meeting and arrange announcement on results of shareholders' meeting; the ED will then notify the legal representative and general manager of the subsidiary whether this specific condition precedent has been fulfilled before execution of any proposed transactions.
9. General manager and legal representative of the subsidiary will jointly monitor the fulfillment of condition precedents prior to transaction completion.

Senior management members at the subsidiary levels including legal representatives, chairman of its board, general manager, head of finance/accounting and each ED who will assume supervisory role over potential Chapter 14 transaction at subsidiary level have completed training given internally on the aforesaid enhanced internal control procedures and by an external training service provider on 2 March 2026, which focused on Chapter 14 of the Listing Rules including but not limited to the following topics:

- Definition of notifiable transactions and their classifications
- Reporting requirements of notifiable transactions
- Approval requirements of notifiable transactions
- Reviewing checklists for size tests and regulatory requirements for relevant announcements & circulars
- Proper books and records for identifying, handling, approving and reporting notifiable transactions

The Board is of the view that the enhanced internal control procedures are sufficient to identify, handle, approve and report all potential notifiable transactions to its attention before execution as such procedures effectively address major causes for breaches in Listing Rules namely, inadvertent oversight, insufficient technical knowledge of the relevant personnel, insufficient counter-check and balance by setting up a robust mechanism capable of identifying and reporting potential notifiable transaction and relevant regulatory requirements that is supervised by senior management members with on-going training and when necessary recourse to professional advice.

EGM

The EGM will be held for the Shareholders to consider and, if thought fit, approve the Debt Settlement Agreements and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder will be required to abstain from voting in relation to the resolution(s) to approve the Debt Settlement Agreements and the transactions contemplated thereunder at the EGM.

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The notice convening the EGM to be held at 10:00 a.m. on Friday, 17 July 2026 at Rooms 03–08, 24/F, Shui On Centre, 6–8 Harbour Road, Wanchai, Hong Kong is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of the power of attorney or authority, to the Company's Hong Kong branch share registrar and transfer office, 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 the holding of the EGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof (as the case may be) and, in such event, the form of proxy shall be deemed to be revoked.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 14 July 2026 to Friday, 17 July 2026, both days inclusive, during which period no transfer of Shares will be effected. The record date for determining the eligibility of Shareholders to attend and vote at the EGM will be 17 July 2026. In order to qualify to attend and vote at the EGM, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 13 July 2026.

RECOMMENDATIONS

The Board believes that the terms of the Debt Settlement Agreements are on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends all Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Debt Settlement Agreements and the transactions contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
By order of the Board
Prosper Construction Holdings Limited
ZHOU Hongbao
Executive Director

1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements, together with the accompanying notes to the financial statements, of the Group for the years ended 31 December 2023 and 2024 and 2025 were set out in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.prosperch.com).

The quick links to the relevant documents as are below:

- (a) Annual report of the Company for the year ended 31 December 2023 published on 29 April 2024
<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0429/2024042900697.pdf>
- (b) Annual report of the Company for the year ended 31 December 2024 published on 29 April 2025
<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0429/2025042900475.pdf>
- (c) Annual report of the Company for the year ended 31 December 2025 published on 29 April 2026
<https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0429/2026042900607.pdf>

2. INDEBTEDNESS STATEMENT

As at the close of business on 30 April 2026, being the latest practicable date for the purpose of the indebtedness statement prior to the printing of this circular, the Group had the following indebtedness:

	<i>Notes</i>	<i>HK\$ million</i>
Secured and guaranteed		
Bank borrowings	<i>1</i>	1,454.1
Unsecured and guaranteed		
Loans from an intermediate holding company	<i>2</i>	180.4
Unsecured and unguaranteed		
Bank borrowings	<i>1</i>	2.4
Corporate bonds	<i>3</i>	286.5
Amount due to ultimate holding company		286.5
Amounts due to a fellow subsidiary		328.2
Amounts due to related parties		19.3
		<u>2,557.4</u>

Notes:

1. As at 30 April 2026, the Group has outstanding bank borrowings of HK\$1,456.5 million, which were denominated in HK\$ and RMB.

As at 30 April 2026, banking facilities of HK\$2,233.0 million were granted by banks to the Group, of which HK\$1,456.5 million have been utilised by the Group. The Group's loan facilities are secured or guaranteed by:

- (i) guarantees provided by the ultimate holding company, the Company and certain subsidiaries;
- (ii) deposits of not less than HK\$20.0 million; and
- (iii) the Group's properties, plant and equipment, right-of-use assets and investment properties.

As at 30 April 2026, certain bank borrowings with outstanding principal amounting to HK\$74.5 million contained financial covenants and required the Group to meet certain financial ratio requirements.

2. As at 30 April 2026, the Group has loans from an intermediate holding company of approximately HK\$180.4 million, which are non-trade in nature, with fixed interest rate at 5.7% per annum and are guaranteed by the Company.
3. As at 30 April 2026, the Group has issued corporate bonds in the principal amounts of HK\$286.5 million, and bearing interest at 4.95% per annum.
4. For the purpose of preparation of the indebtedness statement, the exchange rate adopted as at 30 April 2026 is RMB1 = HK\$1.14612.

Lease liabilities

The Group leases various staff quarters. These lease liabilities were measured at net present value of the lease payments during the lease terms that are not yet paid. As at 30 April 2026, lease liabilities were approximately HK\$0.8 million, of which approximately HK\$0.7 million would be due within one year and approximately HK\$0.1 million would be due after one year.

Contingent liabilities*Contingent liabilities in relation to performance bonds of construction contracts*

As of 30 April 2026, a performance bond amounted to HK\$8,616,000 was given by a subsidiary of the Group in respect of a construction contract in the ordinary course of business. The performance bond is expected to be released in accordance with the terms of the respective construction contract for the customer.

Involvement in litigation

The subsidiaries of the Group are the two of the three defendants to a litigation in which they are alleged to have caused damage to certain facilities of the plaintiff during a typhoon in 2018. The plaintiff is claiming damages for HK\$112 million subject to adjustments. As

advised by the Group's independent legal advisor, the case is at the stage of exchanging evidence and it is not possible to give a firm evaluation of the likelihood of the outcome or estimate the possible amount of loss, if any. Consequently, no provision in relation to the litigation has been made in the consolidated financial statements as of 31 December 2025.

Disclaimer

Save as aforesaid and apart from intra-group liabilities and normal trade payables in the ordinary course of business, at the close of business on 30 April 2026, the Group did not have any other loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans, debt securities issued and outstanding, and authorised or otherwise created but unissued and term loans of other borrowings, indebtedness in the nature of borrowings, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, which are either guaranteed, unguaranteed, secured or unsecured, guarantees or other contingent liabilities. The Directors confirmed that there has been no material change in the indebtedness and contingent liabilities of the Group since 30 April 2026 up to the date of this circular.

3. WORKING CAPITAL SUFFICIENCY

In assessing the working capital sufficiency of the Group, the directors of the Company (the "Directors") have prepared a cash flow forecast covering a period of not less than twelve months from the date of this circular (the "Cash Flow Forecast"). When preparing the Cash Flow Forecast, the directors of the Company have given careful consideration of the Group's future liquidity, performance and sources of financing, and taking into account the following plans and measures:

- (i) As at 30 April 2026, the Group was in breach of certain financial covenants on bank borrowings with an aggregate outstanding principal amount of HK\$74.5 million. The Group has been actively negotiating with a bank to obtain waiver in respect of HK\$57 million of breached financial covenants in order to mitigate the risk of immediate repayment demand from the relevant bank, and agreed with another bank on a repayment plan for HK\$17.5 million of other breached facility. As of the date of this circular, the Group has remained in breach of certain financial covenants, and no waivers have been obtained from the banks. Notwithstanding this, the Group has fulfilled all payment obligations in accordance with the repayment schedule of the relevant loans. No demand for immediate repayment has been made by the relevant banks as a result of such breach;
- (ii) By reference to the fact stated in point (i), it is assumed that no immediate repayment would be demanded by the relevant banks in respect of such breach during the forecast period. The Group is able to renew its certain existing banking facilities of totalling HK\$1,269.1 million, which will be expired during the forecast period, by full amount upon maturity for a term of at least 12 months during the forecast period;
- (iii) The Group had unutilised banking facilities of HK\$776,521,000 as at 30 April 2026; and

- (iv) The Group continues to closely monitor the market developments, actively review the collection status of trade, retention and notes receivables, and enhance its collection capability in order to improve its cash flow position.

The Directors, after due and careful consideration, are of the opinion that, taking into account the Acquisition and assuming the successful implementation of plans and measures described above, the Group will have sufficient financial resources to meet its financial obligations as and when they fall due and will have sufficient working capital for its present requirements for at least the next 12 months from the date of this circular.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Company and its subsidiaries (together, the “Group”) are engaged in marine construction works, provision of auxiliary marine related services, general construction contracting services and trading.

The national government announced a series of economic stabilisation measures since year 2024, including optimizing policies on the regulation of real estate sector, which are expected to help stabilise the real estate market and improve market predictability. Albeit the China Real Estate Climate Index indicated improvement from the previous year, overall market performance remained unfavourable during year 2025, especially in the secondary market. It is expected more time is required for the market to absorb the existing supply and take in the impact of economic policies.

In response to market uncertainties, the Group’s general construction business segment had been actively expanding its geographic coverage and attuning its products and services to meet customers’ needs. Such strategy yielded positive results and the general construction business recorded revenue growth of approximately 10% for the financial year ended 31 December 2025 (“FY2025” or “Year”). Two of the top three revenue-contributing projects in FY2025 were located in newly expanded geographic locations, including one in southern China and one in Central Asia, each brought in over HK\$100 million of revenue.

Furthermore, we noted certain of the Group’s customers began to encounter liquidity issue and default in settlement of contract payments. In order to safeguard the Group’s interest and contain exposure to bad debts, we negotiated with selected customers to take over quality properties for settlement of past due receivable balances during FY2025. The Group intends that the properties acquired in receivables settlement will be held for rental and for sale (at prices determined to be favourable) with a view to enhance liquidity and limit asset deterioration. The Group will consider plan to acquire further quality real estate properties in settlement of past due receivable balances in circumstances deemed fit and appropriate.

Marine construction activities in Hong Kong and Macao remained at relatively low level and with fierce competition. The Group focused on developing overseas markets, mainly targeting business opportunities associated with projects by state-owned enterprises located abroad, including

in the Middle East and the Belt and Road region in Southeast Asia. In FY2025, while there were increased business opportunities in overseas market, majority of revenue were sourced from a key project Hong Kong.

The Group also commenced a new trading business segment during FY2025 which involve domestic and import/export trades of industrial and consumer products. The profit margin from the trading business is relatively low at the current stage and scale of operation, but the Group will actively expand its distribution networks and optimise supply chain efficiency, and aim to become a cross-border supply chain and diversified import and export service provider. The Group noted that the government of Qingdao city is promulgating to establish Qingdao as an international shipping hub serving the Yellow River Basin, synergising eastern, central and western regions, facing the Asia-Pacific, and connecting with countries along the Belt and Road region. It is envisaged that the Group's trading business segment will synergise with the development plan of its controlling shareholder — the Qingdao Haifa State-owned Capital Investment and Operation Group Co. Ltd.* (“Haifa Group”) and be in an advantageous position to take on opportunities in relation thereto.

Business of the Group is expected to continue the upward trend for the year 2026 according to the progress of key construction projects and the growth of the new trading business. Furthermore, it is hopeful that as effects of economic policies set in, the real estate and construction market overall will continue to pick up and bring about further growth opportunities to the Group.

Overall, while the Group noted signs of recovery in the construction market in the PRC and Hong Kong, competition remained fierce. We shall continue the current strategy of expansion into overseas market, while simultaneously be vigilant of local projects with reasonable profit margin. Furthermore, we endeavour to safeguard the Group's liquidity exposure and shall steer clear of cut-throat competition and exert further effort on recovery of receivables. At the same time, we shall dedicate utmost effort to expand our newly established trading business from all aspects, including personnel expertise, range of products offering, logistic solution, supply source and sales network.

5. MATERIAL ADVERSE CHANGE

As of the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2025 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

The following is the text of letter and valuation report, prepared for the purpose of incorporation in this circular, received from Royson Valuation Advisory Limited, an independent property valuer, in connection with their valuation as at 31 March 2026 of the property interests by the Group in the People's Republic of China.



Royson Valuation Advisory Limited
Unit 1503, 15/F, The L. Plaza
367–375 Queen's Road Central
Hong Kong

26 June 2026

The Board of Directors
Prosper Construction Holdings Limited
Rooms 03–08, 24/F,
Shui On Centre,
6–8 Harbour Road,
Wanchai, Hong Kong

Dear Sirs and Madams,

Re: Valuation of 9 retail units located at Tower 1 of Ruiyuan Yilong International, No. 351 Wuyishan Road, Huangdao District, Qingdao City, Shandong Province, the People's Republic of China 中國山東省青島市黃島區武夷山路351號瑞源怡隆國際1號樓9個商舖 (the “**Property**”)

INSTRUCTIONS

We refer to your instruction for us to value the property interests held by Prosper Construction Holdings Limited (the “**Company**”) or its subsidiaries (together referred as the “**Group**”) located in the People's Republic of China (the “**PRC**”). We confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property in existing state as at 31 March 2026 (the “**Valuation Date**”) for the purpose of incorporation into the circular issued by the Company on the date hereof.

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

BASIS OF VALUATION

The valuation is our opinion of the market value which is defined by the Hong Kong Institute of Surveyors 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 METHODOLOGY(IES)

According to the RICS Valuation — Global Standards (Effective on 31 January 2025), there are three generally accepted valuation approaches: market approach, income approach and cost approach.

Market approach is an approach that provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available.

Income approach is an approach that provides an indication of value by converting future cash flows to a single current capital value.

Cost approach is an approach that provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or construction.

In valuing the Property, we have adopted the market approach as there is sufficient market information of the similar assets in the locality. We have made reference to comparable market transactions or sale listing in our assessment of the market value of a property interest. This approach rests on the wide acceptance of the market transactions or sale listing as the best indicator and pre-supposes that evidence of relevant transactions or sale listings in the market place can be extrapolated to similar properties, subject to allowances for variable factors.

Income approach is not adopted as there is insufficient stabilized income data. Cost approach is not adopted as it is usually adopted for special property where market and income data are both unavailable.

VALUATION STANDARDS

In valuing the property interests, we have complied with all the requirements contained in Chapter 5 of the Listing Rules to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited, the HKIS Valuation Standards (2024 Edition) published by the Hong Kong Institute of Surveyors (HKIS), the RICS Valuation — Global Standards (Effective on 31 January 2025) published by the Royal Institution of Chartered Surveyors and the International Valuation Standards (Effective on 31 January 2025) published by the International Valuation Standards Council (IVSC).

VALUATION ASSUMPTION

In valuing the property interests, we have assumed that the owner has free and uninterrupted rights to use the property interest for the whole of the unexpired term as granted and is entitled to transfer the property interest with the residual term without payment of any further premium to the government authorities or any third parties.

Our valuation has been made on the assumption that the owner sells the property interests of the Property on the open market in its existing state without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the values of the property interests. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the property and no forced sale situation in any manner is assumed in our valuation.

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

All consents, approvals and license from relevant government authorities for the property interests have been granted without any onerous conditions or undue time delay which might affect their values. All the required licenses, consents, or other legislative or administrative authority from any local, provincial, or national government, private entity or organization either have been or can be obtained or renewed for any use which the valuation report covers.

All applicable zoning and use regulations and restrictions have been complied with unless nonconformity has been stated, defined, and considered in the valuation report. However, we have assumed that the utilization of the property interest and improvements are within the boundaries of the property interest described and that no encroachment or trespass exists, unless noted in the valuation report.

TITLE INVESTIGATION

We have been shown copies of various documents relating to the property interest. However, we have not examined the original documents to verify the existing title to the property interest or any amendment which does not appear on the copies handed to us. We have relied considerably on the information given by the Group's PRC legal advisers, Grandall Law Firm (Qingdao), concerning the validity of the title to the property interest located in the PRC.

LIMITING CONDITIONS

We have inspected the exteriors and where possible, the interiors of the Property. In the course of our inspections, we did not note any serious structural defects. However, no structural survey has been made and we are therefore unable to report whether the Property is free from rot infestation or any other defects. No tests were carried out on any of the services.

Moreover, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Nor did we undertake archaeological, ecological or environmental surveys for the Property. Our valuation has been prepared on the assumption that these aspects are satisfactory and that no extraordinary expense or delay will be incurred during the construction period. Should it be discovered that contamination, subsidence or other latent defects exists in the Property or on adjoining or neighbouring land or that the Property had been or are being put to contaminated use, we reserve right to revise our opinion of value.

We have not carried out detailed on-site measurement to verify the correctness of the areas in respect of the Property but have assumed that the areas shown on the documents handed to us are correct. All documents have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

Our valuation has been made on the basis that there is no substantial change in the physical conditions of the Property between the Valuation Date and the date of our inspection.

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

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

This valuation is to be used only for the purpose stated herein, any use or reliance for any other purpose, by you or third parties, is invalid. No reference to our name or our valuation report in whole or in part, in any document you prepare and/or distribute to third parties may be made without written consent.

REMARKS

Unless otherwise stated, all money amounts stated are in Renminbi (**RMB**).

We hereby confirm that we are independent of and not connected with the Group, and have neither present nor prospective interests in the Group, or the values reported.

We enclose herewith the valuation report.

Yours faithfully,

For and on behalf of

Royson Valuation Advisory Limited

Sr Lawrence Chan Ka Wah

MRICS, MHKIS, R.P.S. (GP), MCIREA, RICS Registered Valuer

Director

Sr Lawrence Chan Ka Wah is a member of the Royal Institution of Chartered Surveyors, a member of the Hong Kong Institute of Surveyors, Registered Professional Surveyors in the General Practice Section, a RICS Registered Valuer and a member of the China Institute of Real Estate Appraisers and Agents, who has over 20 years' experience in the valuation of properties in Hong Kong, Macau, the PRC and the Asia-Pacific Rim.

VALUATION REPORT

Property interests held by the Group in the PRC

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2026
Shop Nos. 2-52, 2-53, 2-55, 2-56, 2-58, 2-59, 2-60, 2-61 and 2-62 located at Tower 1 of Ruiyuan Yilong International, No. 351 Wuyishan Road, Huangdao District, Qingdao City, Shandong Province, the PRC	<p>The Property comprises 9 retail units on Level 1 of a 24-storey residential complex building completed in about 2024.</p> <p>The total gross floor area of the Property is approximately 1,281.39 sq.m..</p> <p>The land use rights of the Property were granted for a term expiring on 26 September 2061 for commercial use.</p>	The Property was vacant as at the Valuation Date.	RMB35,200,000
中國山東省青島市黃島區武夷山路351號瑞源怡隆國際1號樓2-52、2-53、2-55、2-56、2-58、2-59、2-60、2-61及2-62商舖			

Notes:

- Pursuant to 9 Real Estate Ownership Certificates, the ownership of the Property with a total gross floor area of approximately 1,281.39 sq.m. is vested in Qingdao Honghai Green Energy Co., Ltd. (青島宏海綠能有限公司). The details are as follows:

Real Estate Ownership Certificates (Lu (2025) Qing Dao Shi Bu Dong Chan Quan Nos.)	Unit	Permitted Uses	Tenure Expiry Dates	Approximate Gross Floor Area (sq.m.)
0653826	2-52	Commercial	26 September 2061	235.61
0653837	2-53	Commercial	26 September 2061	143.98
0653838	2-55	Commercial	26 September 2061	177.21
0659159	2-56	Commercial	26 September 2061	182.44
0653817	2-58	Commercial	26 September 2061	135.99
0653824	2-59	Commercial	26 September 2061	100.28
0659158	2-60	Commercial	26 September 2061	117.72
0653836	2-61	Commercial	26 September 2061	94.08
0653818	2-62	Commercial	26 September 2061	94.08
Total:				<u>1,281.39</u>

- The property is situated at Wuyishan Road of Huangdao District, Qingdao City, buildings in the locality are medium-rise residential buildings. Taxis and buses are accessible to the property. Metro station Jinggangshan station is within 15-minutes walk.
- The average adjusted unit rate of the property of similar usage in the locality as at the Valuation Date is in the range of RMB19,932 per sq.m. to RMB30,928 per sq.m..

4. We have identified and analysed various comparable listing obtained from hz.58.com (58.同城房產), a reputable nationwide online real estate portal that offers broad listing coverage and wide agent participation. It is considered as a suitable source for listing information. The comparables selected were based on the following criteria, representing the exhaustive and representative samples for valuation purpose:

- (a) Situated at Wuyishan Road, Huangdao District, Qingdao City;
- (b) Commercial usage; and
- (c) The listing dates of the comparables are listed within 6 months from or before the Valuation Date:

Address	Comparable 1 No. 618 Wuyishan Road, Huangdao District, Qingdao City	Comparable 2 Ruiyuan Yilong International, No. 351 Wuyishan Road, Huangdao District, Qingdao City	Comparable 3 Ruiyuan Yilong International, No. 351 Wuyishan Road, Huangdao District, Qingdao City
Gross floor area (sq.m.)	340	142	173
Usage	Commercial	Commercial	Commercial
Listing date	Oct 2025	Nov 2025	Nov 2025
Listing price (RMB)	6,980,000	4,540,000	5,720,000
Unit rate (RMB/sq.m.)	20,529	31,972	32,987
Adjustment Factors			
Time	0.0%	0.0%	0.0%
Location	0.0%	0.0%	0.0%
Listing	-5.0%	-5.0%	-5.0%
Size (Make reference to No. 2-52, reference property)	2.1%	-1.9%	-1.2%
Total adjustment	-2.9%	-6.9%	-6.2%
Adjusted unit rate (RMB/sq.m.)	19,932	29,775	30,928

Average adjusted unit rate of the comparables (RMB/sq.m.) 26,878

Adopted unit rate of Shop No. 2-52 (RMB/sq.m.) 27,000

Shop No.	Gross Floor Area (sq.m.)	Size adjustment	Adopted unit rate (RMB/sq.m.)	Market Value (RMB)
2-52 (reference property)	235.61	0%	27,000	6,400,000
2-53	143.98	1.8%	27,495	4,000,000
2-55	177.21	1.2%	27,315	4,800,000
2-56	182.44	1.1%	27,287	5,000,000
2-58	135.99	2.0%	27,538	3,700,000
2-59	100.28	2.7%	27,731	2,800,000
2-60	117.72	2.4%	27,637	3,300,000
2-61	94.08	2.8%	27,764	2,600,000
2-62	94.08	2.8%	27,764	2,600,000
				35,200,000

Adjustment Factors:

Time: Time adjustment reflects differences in market conditions between the Valuation Date and the listing date of comparables. According to our site inspection with local real estate brokers, the commercial market condition in the property locality is stable in these few months. Therefore, no adjustment is made in this factor.

Location: Location is adjusted based on the surroundings and accessibility of the property and comparables. The property enjoys similar accessibility as the comparables and therefore no adjustment is made in this factor.

Listing: All comparables are listing by willing sellers, downward adjustments are made to reflect the room for negotiation between a willing seller and a willing buyer. We have made enquiries with the local real estate brokers and was given to understand that the listing prices of above listings are negotiable to a small degree, say about 5%.

Size: In general, the unit rate of a property with a small area is higher that of a property with a larger area and vice versa. We have adopted 1% adjustment per 50 sq.m. larger than the reference property and vice versa. A reference property 2-52 was adopted base on a random basis. Should the other unit was selected as a reference unit, it would achieve the same result.

5. Our Mr. Ivan Mak (CFA) inspected the Property on 12 November 2025, the external and internal conditions of the Property were reasonable.
6. We have been provided with a legal opinion on the Property prepared by the Company's PRC legal adviser, Grandall Law Firm (Qingdao), which contains, *inter alia*, the following information:
 - (a) Qingdao Honghai Green Energy Co., Ltd is the current registered owner of the Property and is entitled to occupy, transfer, lease and mortgage the Property;
 - (b) the Property is free from any mortgage, charges and legal encumbrances which may cause adverse effects on the ownership of the Property; and
 - (c) the following legal documents were obtained:
 - i. Real Estate Ownership Certificate

1. RESPONSIBILITY STATEMENT

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

2. DIRECTORS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As of the Latest Practicable Date, no Directors had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”) as recorded in the register required to be kept under section 352 of the SFO, or as 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 10 of the Listing Rules.

3. SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As of the Latest Practicable Date, so far as was known to the Directors, the following persons (other than the Directors of the Company) had, or were deemed to have, interests or short positions in the Shares or underlying Shares of the Company (i) which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or (ii) which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Shareholder	Number of shares/Position	Percentage of shareholding	Capacity
Qingdao West Coast Holdings (International) Limited	498,000,000 Long position	62.25%	Beneficial owner
Qingdao Haifa Assets Investment Holding Limited* 青島海發產業投資控股有限公司 (Note 1)	498,000,000 Long position	62.25%	Interest of a controlled corporation
Qingdao Haifa State-owned Capital Investment and Operation Group Co. Ltd.* 青島海發國有資本投資運營集團有限公司 (Note 1)	498,000,000 Long position	62.25%	Interest of a controlled corporation

Shareholder	Number of shares/Position	Percentage of shareholding	Capacity
Qingdao State-owned Assets Supervision and Administration Commission of the State Council	498,000,000 Long position	62.25%	Interest of a controlled corporation
Herofield Limited (<i>Note 2</i>)	61,200,000 Long position	7.65%	Interest of a controlled corporation
Mr. Cui Qi (<i>Note 2</i>)	61,200,000 Long position	7.65%	Interest of a controlled corporation
Ms. Mu Zhen (<i>Note 3</i>)	61,200,000 Long position	7.65%	Interest of spouse

Notes:

1. Each of these entities was wholly owned and controlled by the Qingdao State-owned Assets Supervision and Administration Commission of the State Council and was deemed under the SFO to be interested in all the Share which are directly and beneficially owned by Qingdao West Coast Holdings (International) Limited.
2. Mr. Cui Qi is deemed or taken to be interested in all the Shares which are beneficially owned by Herofield Limited, which is wholly-owned and controlled by Mr. Cui Qi, under the SFO.
3. Ms. Mu Zhen is the spouse of Mr. Cui Qi and she is deemed or taken to be interested in all the Shares which are beneficially owned by Mr. Cui Qi under the SFO.

* *For identification purpose only*

Save as disclosed above, so far as was known to the Directors, as of the Latest Practicable Date, no person had, or were deemed to have, an interest or short position in the Shares or underlying Shares of the Company (i) which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or (ii) which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or was a substantial shareholder of the Company.

4. DIRECTORS' INTERESTS IN ASSETS, CONTRACTS AND OTHER INTERESTS

(a) Directors' interests in contracts

As of the Latest Practicable Date, there is no contract or arrangement entered into by any member of the Group subsisting at the date of this circular in which any Director is materially interested and which is significant to the business of the Group.

(b) Directors' interests in assets

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired, disposed of by or leased to, or which were proposed to be acquired, disposed of by or leased to, any member of the Group since 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up.

(c) Competing business

As at the Latest Practicable Date, none of Directors and their respective associates were interested in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

5. DIRECTORS' SERVICE CONTRACTS

As of the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group which does not expire or is not terminable by the relevant member of the Group within one year without payment of compensation, other than statutory compensation.

6. LITIGATION

As of the Latest Practicable Date, save for the litigation disclosed under "Contingent liabilities — Involvement in litigation" under Appendix I to this circular, there were no litigation or claims of material importance pending or threatened against any member of the Group.

7. MATERIAL CONTRACTS

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

- (i) the debt settlement agreement entered into between Vendor 1 and the Purchaser on 26 June 2025 in respect of the acquisition of the property to offset against the past due trade receivables in the amount of RMB4,866,918 on a dollar-to-dollar basis
- (ii) the debt settlement agreement entered into between Vendor 1 and the Purchaser on 26 June 2025 in respect of the acquisition of the property to offset against the past due trade receivables in the amount of RMB3,203,806 on a dollar-to-dollar basis
- (iii) the debt settlement agreement entered into between Vendor 2 and the Purchaser on 24 June 2025 in respect of the acquisition of the list of properties to offset against the past due trade receivables in the amount of RMB26,526,886 on a dollar-to-dollar basis

8. EXPERTS AND CONSENTS

The following is the qualification of the experts who have given opinions or advice, which is contained in this circular:

Name	Qualifications
Royson Valuation Advisory Limited	Independent valuer
Grandall Law Firm (Qingdao)	Legal adviser

As of the Latest Practicable Date, each of the above experts had given and had not withdrawn their respective written consent to the issue of this circular with the inclusion herein of their letters or names in the form and context in which they appear.

As of the Latest Practicable Date, the above experts did not have 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.

As of the Latest Practicable Date, the above experts did not have any interest, either directly or indirectly, in any assets which had been since 31 December 2025 (being the date to which the latest published audited financial statements of the Company were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

9. MISCELLANEOUS

- (i) The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (ii) The head office and principal place of business of the Company is situated at Rooms 03–08, 24/F, Shui On Centre, 6–8 Harbour Road, Wanchai, Hong Kong.
- (iii) The company secretary of the Company is Mr. Lee Baldwin who is an external service provider and a member of the Hong Kong Institute of Certified Public Accountants.
- (iv) The Company's Principal Share Registrar and Transfer Office is Conyers Trust Company (Cayman) Limited Cricket Square, Hutchins Drive P. O. Box 2681 Grand Cayman, KY1-1111 Cayman Islands.

The Company's Hong Kong Branch Share Registrar and Transfer Office is Tricor Investor Services Limited, at 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong.

- (v) This circular has been printed in English and Chinese; in the event of inconsistency, the English version shall prevail.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be available on (i) the website of the Company (www.prosperch.com); and (ii) the website of the Stock Exchange (www.hkexnews.hk) during the period of 14 days from the date of this circular.

- (a) the property valuation report prepared by Royson Valuation Advisory Limited, the text of which is set out in Appendix II to this circular;
- (b) Legal due diligence report on properties prepared by Grandall Law Firm (Qingdao), accompanied by title documents to landed properties;
- (c) the written consents from the experts referred to in the paragraph headed “Experts and consents” in this appendix;
- (d) The three respective debt settlement agreements entered into between the Purchaser and the Vendors in relation to the Acquisition for purpose of settlement of the debt due to the Purchaser by the Vendors.

NOTICE OF EGM



瑞港建設控股有限公司
PROSPER CONSTRUCTION HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 6816)

NOTICE OF THE EGM

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Prosper Construction Holdings Limited (the “**Company**”) will be held at Rooms 03–08, 24/F, Shui On Centre, 6–8 Harbour Road, Wanchai, Hong Kong on Friday, 17 July 2026 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution, with or without amendments, as an ordinary resolution of the Company. Capitalized terms used herein without definition have the same meanings as in the circular issued by the Company on 26 June 2026, unless the context otherwise requires:

ORDINARY RESOLUTION

“THAT:

- (a) the debt settlement agreement dated 26 June 2025 entered into between the Vendor 1 and Purchaser and the transactions contemplated thereunder be and hereby approved;
- (b) the debt settlement agreement dated 26 June 2025 entered into between the Vendor 1 and Purchaser and the transactions contemplated thereunder be and hereby approved;
- (c) the debt settlement agreement dated 24 June 2025 entered into between the Vendor 2 and Purchaser and the transactions contemplated thereunder be and hereby approved; and
- (d) any one Director be and is hereby authorised for and on behalf of the Company to do all such acts and things and execute all such documents which he considers necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the debt settlement agreements and the transactions contemplated thereunder.”

By order of the Board
Prosper Construction Holdings Limited
ZHOU Hongbao
Executive Director

Hong Kong, 26 June 2026

* *For identification purpose only*

NOTICE OF EGM

Notes:

1. All resolutions at the EGM will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed. In the case of joint registered holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto; but if more than one of such joint holders are present at the meeting, whether in person or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.
3. A form of proxy for use at the meeting is being despatched together with this notice. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be delivered to the office of the Company’s Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
4. The register of members of the Company will be closed from Tuesday, 14 July 2026 to Friday, 17 July 2026 (both days inclusive), during which period no transfer of shares will be registered. The record date for determining the eligibility of Shareholders to attend and vote at the EGM will be 17 July 2026. All transfer of the Company’s shares together with the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong no later than 4:30 p.m. on Monday, 13 July 2026 in order for the holders of the shares to qualify to attend and vote at the EGM or any adjournment thereof.

As at the date of this notice, the Board comprised executive Directors Mr. JIANG Hongchong (chairman of the Board), Mr. LIU Yutao, Mr. ZHOU Hongbao, Mr. LI Chunxiao, Mr. CUI Qiang; and independent non-executive Directors Mr. CHEUNG Chi Man Dennis, Ms. CHEN Yan and Mr. LIU Junchun.