

21 January 2026

*To the Disinterested Shareholders*

Dear Sir or Madam,

**(1) PROPOSAL TO TAKE GENES TECH GROUP HOLDINGS  
COMPANY LIMITED PRIVATE  
BY WATLOW ELECTRIC MANUFACTURING COMPANY  
BY WAY OF A SCHEME OF ARRANGEMENT UNDER  
SECTION 86 OF THE COMPANIES ACT OF THE CAYMAN ISLANDS  
AND  
(2) PROPOSED WITHDRAWAL OF LISTING**

We refer to (1) the Announcement and (2) the scheme document (the “**Scheme Document**”) dated 21 January 2026 jointly issued by the Company and the Offeror in relation to the Proposal, the latter of which this letter forms part. Unless the context requires otherwise, terms used in this letter shall have the same meanings as those defined in the Scheme Document.

We have been appointed by the Board as the Independent Board Committee to give a recommendation to the Disinterested Shareholders (i) as to whether the Proposal and the Scheme are, or are not, fair and reasonable and (ii) whether to vote in favor of or against the Scheme at the Court Meeting and the resolutions in connection with the implementation of the Proposal and the Scheme at the EGM. Details of the Proposal and the Scheme are set out in the letter from the Board and the Explanatory Memorandum as set out respectively in Part IV and VII of the Scheme Document.

SBI China Capital Hong Kong Securities Limited has been appointed by the Company, with our approval, as the Independent Financial Adviser to advise us in respect of the Proposal and the Scheme and our recommendation as to whether the Scheme Shareholders should vote in favor of or against the Scheme at the Court Meeting and the resolutions in connection with the implementation of the Proposal and the Scheme at the EGM. The details of its advice and the principal factors taken into consideration in arriving at its advice are set out in the “Letter from the Independent Financial Adviser” in Part VI of this Scheme Document (the “**IFA Letter**”).

In the IFA Letter, the Independent Financial Adviser states that it considers the Proposal and the Scheme are fair and reasonable, and advises the Independent Board Committee to recommend the Scheme Shareholders to vote in favor of the Scheme at the Court Meeting and the resolutions in connection with the implementation of the Proposal and the Scheme at the EGM.

Having considered the Proposal and the Scheme, and having taken into account the advice of the Independent Financial Adviser, in particular the factors, reasons and recommendations as set out in the IFA Letter, we consider the Proposal and the Scheme are fair and reasonable so far as the Disinterested Shareholders are concerned.

Accordingly, we recommend:

- (1) at the Court Meeting, the Disinterested Shareholders to vote in favour of the resolution to approve the Scheme; and
- (2) at the EGM:
  - (a) the Shareholders to vote in favour of:
    - (i) the special resolution to approve and give effect to any reduction of the share capital of the Company associated with the cancellation and extinguishment of the Scheme Shares; and
    - (ii) the ordinary resolution:
      - to approve the simultaneous maintenance of the issued share capital of the Company at the amount prior to the cancellation of the Scheme Shares by the issuance at par to the Offeror, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled pursuant to the Scheme;
      - to approve the application of the reserve created in the Company’s books of account as a result of the cancellation of the Scheme Shares to pay up in full at par the new Shares so issued, credited as fully paid, to the Offeror;

- to authorise the Directors to do all acts and things and/or execute all such documents as considered by them to be necessary for or desirable in connection with the implementation of the Proposal and the Scheme, including (without limitation) the giving, on behalf of the Company, of consent to any modification of, or addition to, the Scheme or any reduction of capital, which the Grand Court may see fit to impose; and
- to authorise any one of the Directors to make an application to the Stock Exchange for the withdrawal of the listing of the Shares on GEM of the Stock Exchange.

We wish to draw your attention to (a) the “Letter from the Board” as set out in Part IV of the Scheme Document; (b) the “Letter from the Independent Financial Adviser” as set out in Part V of the Scheme Document which sets out the factors and reasons taken into account by the Independent Financial Adviser in arriving at its advice to us; and (c) the Explanatory Memorandum as set out in Part VII of the Scheme Document.

Yours faithfully,  
**Independent Board Committee**



**Kam, Eddie Shing Cheuk**  
*Independent non-executive  
Director*

**Cheng Chun Shing**  
*Independent non-executive  
Director*



**Ho Pak Chuen Brian**  
*Independent non-executive  
Director*

- to authorise the Directors to do all acts and things and/or execute all such documents as considered by them to be necessary for or desirable in connection with the implementation of the Proposal and the Scheme, including (without limitation) the giving, on behalf of the Company, of consent to any modification of, or addition to, the Scheme or any reduction of capital, which the Grand Court may see fit to impose; and
- to authorise any one of the Directors to make an application to the Stock Exchange for the withdrawal of the listing of the Shares on GEM of the Stock Exchange.

We wish to draw your attention to (a) the “Letter from the Board” as set out in Part IV of the Scheme Document; (b) the “Letter from the Independent Financial Adviser” as set out in Part V of the Scheme Document which sets out the factors and reasons taken into account by the Independent Financial Adviser in arriving at its advice to us; and (c) the Explanatory Memorandum as set out in Part VII of the Scheme Document.

Yours faithfully,  
**Independent Board Committee**



**Kam, Eddie Shing Cheuk**  
*Independent non-executive  
Director*

**Cheng Chun Shing**  
*Independent non-executive  
Director*

**Ho Pak Chuen Brian**  
*Independent non-executive  
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