

KARFUN INVESTMENTS LIMITED
佳帆投資有限公司

(Incorporated in the Hong Kong with limited liability)

Directors:

Mr. Lam Kwok Hing
Mr. Nam Kwok Lun

Registered office:

Rooms 607-610, 6/F
Tai Yau Building
181 Johnston Road
Wanchai
Hong Kong

12 February 2026

To the Shareholders

Dear Sir or Madam,

**(1) CONDITIONAL VOLUNTARY GENERAL CASH OFFER BY
INNOVAX CAPITAL ON BEHALF OF THE OFFEROR
TO ACQUIRE ALL OF THE ISSUED SHARES IN THE COMPANY
(OTHER THAN THOSE ALREADY OWNED BY OR
AGREED TO BE ACQUIRED BY THE OFFEROR AND PARTIES
ACTING IN CONCERT WITH IT)**
(2) POSSIBLE COMPULSORY ACQUISITION

INTRODUCTION

Reference is made to the 3.5 Announcement jointly published by the Offeror and the Company in relation to the Offer.

The purpose of this Composite Document of which this letter forms part is to provide you with, among other matters, the terms of the Offer, information relating to the Group and the Offer, as well as to set out the letter from the Independent Financial Adviser containing its advice to the Independent Shareholders in respect of the Offer.

You are advised to read the letter from the Independent Financial Adviser in conjunction with this Composite Document carefully before taking any action in respect of the Offer.

Unless the context requires otherwise, terms defined in this Composite Document, of which this letter forms part, shall have the same meanings when used herein.

THE OFFER

The information relating to the Offer below is extracted from the section headed "Letter from Innovax Capital" of this Composite Document.

The terms of the Offer are set out in the "Letter from Innovax Capital" of this Composite Document and the Form of Acceptance. You are recommended to refer to the "Letter from Innovax Capital" of this Composite Document and the Form of Acceptance for further details.

Innovax Capital is making, for and on behalf of the Offeror and in compliance with the Takeovers Code, a voluntary conditional general cash offer to acquire all the Shares not already owned by the Offeror and parties acting in concert with it on the following terms:

For each Offer Share HK\$1.85 in cash

As at the Latest Practicable Date, there are 103,938,695 Shares in issue. The Offeror and parties acting in concert with it are interested in 102,511,061 Shares, representing approximately 98.63% of the issued share capital of the Company as at the Latest Practicable Date. Accordingly, there are 1,427,634 Shares, representing approximately 1.37% of the issued share capital of the Company as at the Latest Practicable Date, subject to the Offer.

Save for the Shares, as at the Latest Practicable Date, the Company:

- (a) does not have any options, derivatives, warrants or securities which are convertible or exchangeable into the Shares or which confer rights to require the issue of the Shares;
- (b) has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into the Shares or which confer rights to require the issue of the Shares; and
- (c) has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) other than the Shares.

CONDITION OF THE OFFER

The Offer is conditional upon the fulfilment or waiver (as applicable) of valid acceptances of the Offer in respect of not less than 90% of Disinterested Shares having been received (and not, where permitted, withdrawn) by 4:00 p.m. on or prior to the First Closing Date (or such later time and/or date as the Offeror may decide, subject to the rules of the Takeovers Code).

Given that as at the Latest Practicable Date, the Offeror and parties acting in concert with it are interested in more than 50% of the voting rights in the Company, the Offeror reserves the right to waive the Condition set out above.

If the Condition is not satisfied or waived (as applicable) on or before the Long Stop Date, the Offer will lapse, and Shareholders will be notified by a further announcement as soon as practicable thereafter.

In accordance with Rule 15.1 of the Takeovers Code, the Offer must initially be open for acceptance for at least 21 days following the despatch of this Composite Document. In accordance with the Note to Rule 15.3 of the Takeovers Code, the Offer must also remain open for acceptance for not less than 14 days after it becomes or is declared unconditional. The Offeror must publish an announcement when the Offer becomes unconditional. Shareholders are reminded that the Offeror does not have any obligation to keep the Offer open for acceptance beyond this 14-day period. The latest time on which the Offeror can declare the Offer unconditional as to acceptances is 7:00 p.m. on the 60th day after the date of the Composite Document (or such later date to which the Executive may consent).

WARNING: The Offer may or may not become unconditional and will lapse if it does not become unconditional and the Condition is not waived. Accordingly, the Shareholders, and prospective investors of the Company are advised to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their professional advisers.

FURTHER DETAILS OF THE OFFER

Further details of the Offer including, among others, the expected timetable, terms and procedures of acceptance of the Offer, are set out in “Further Terms of the Offer” in Appendix I to this Composite Document and the Form of Acceptance.

INFORMATION OF THE GROUP

The Company is a public company incorporated in Hong Kong with limited liability. Its securities are not listed or traded on any securities exchange. The Company acts as a passive investor to the investee companies, including ATNT, and does not participate in the operations and financial decisions of the investee companies. As an investment holding company, the Company is looking for receiving dividend income from its investees and possible gain from disposal of shares in the investee companies.

As at the Latest Practicable Date, the Company is interested in 201,995,834 ATNT Shares, representing approximately 52.79% of all ATNT Shares in issue. According to its audited report for year ended 31 December 2024, the significant majority of the asset of the Company is the 201,995,834 ATNT Shares held by it (i.e. interest in a subsidiary), representing approximately 94.4% of the total assets of the Company for the year ended 31 December 2024. ATNT is a company incorporated in Bermuda with limited liability and the shares of ATNT are listed on the main board of the Stock Exchange (stock code: 679).

According to the Company's audited report for year ended 31 December 2024, the remaining asset of the Company for the year ended 31 December 2024 comprises investments at equity securities listed in Hong Kong of approximately HK\$1.57 million, bank balances of approximately HK\$1.51 million and other receivables (which is cash balance left at a security account held at a licensed broker) of approximately HK\$95,000.

The ATNT Group is mainly engaged in electroplating equipment business, property investment and treasury management.

Financial information of the Group

Set out below is the consolidated financial information of the Group for the two financial years ended 31 December 2024 and 2023 prepared in accordance with Hong Kong Financial Reporting Standards:

	For the financial year ended	
	31 December	
	2023	2024
	HK\$'000	HK\$'000
	(audited)	(audited)
Revenue	431,288	419,112
Profit (loss) before income tax	410,697	(13,180)
Profit (loss) after income tax	299,671	(14,614)

Based on the audited consolidated financial information of the Group as at 31 December 2024, the consolidated total assets and consolidated net assets attributable to the Shareholders were approximately HK\$2,010,908,000 and HK\$749,220,000, respectively.

Your attention is drawn to Appendices IV and V to this Composite Document which contain further financial and general information of the Group.

INFORMATION ON THE OFFEROR, REASONS FOR THE OFFER AND THE OFFEROR'S INTENTION ON THE GROUP

Your attention is drawn to the paragraphs headed "Information on the Offeror", "Reasons and benefits of the Offer and the Offeror's intentions on the Group" in the "Letter from Innovax Capital" as set out in this Composite Document.

As stated in the “Letter from Innovax Capital” of this Composite Document, as at the Latest Practicable Date, the Company does not have any employee. In addition, as at the Latest Practicable Date, the Offeror had no plans for any acquisition of business and/or assets, or disposal, termination or scaling-down of the Group’s existing business or assets (including any redeployment of fixed assets of the Group).

The Board is aware of the Offeror’s intentions in respect of the Group and is willing to cooperate with the Offeror and act in the best interests of the Company and the Shareholders as a whole.

The Board noted that there is no reference to removal or resignation of existing Directors from the Board in the “Letter from Innovax Capital”. The current Directors have not decided on whether to resign when permitted to do so under the Takeovers Code. Any changes to the Board will be made in compliance with the Takeovers Code and further announcement will be made by the Company as and when appropriate. Pursuant to Rule 7 of the Takeovers Code, except with the consent of the Executive, no resignation of Directors shall take effect until after the publication of the closing announcement on the first closing date of an offer, or the publication of the announcement that an offer has become or been declared unconditional, whichever is later. The Directors confirm that they have no intention to resign within such period.

POSSIBLE COMPULSORY ACQUISITION

Your attention is drawn to the paragraphs headed “Possible compulsory acquisition” in the “Letter from Innovax Capital” as set out in this Composite Document.

As stated in the “Letter from Innovax Capital”, as at the Latest Practicable Date, the Offeror is interested in not less than 90% of the issued share capital of the Company. If the Offeror acquires not less than 90% of all the Shares held by the Independent Shareholders within, but not exceeding, the period of four months after the posting of the Composite Document, the Offeror intends to exercise the compulsory acquisition rights to which it is entitled under Rule 2.11 of the Takeovers Code and Subdivision 2 of Division 4 of Part 13 of the Companies Ordinance to acquire the remaining Shares held by the Independent Shareholders. On completion of the compulsory acquisition process (if the compulsory acquisition right is exercised), the Company will be held as to 100% by the Offeror and the Offeror Concert Parties, and the Company will be converted from a public company to a private company under the Companies Ordinance.

For the Shares that may be acquired by the Offeror exercising its compulsory acquisition rights as mentioned above, the Offeror will settle the consideration at the Offer Price wholly in cash (which sum shall be payable net of seller's ad valorem stamp duty). To each Independent Shareholder holding any Share(s) to which the compulsory acquisition applies (other than any such Independent Shareholder who cannot be found), subject to the production of the relevant documents of title or indemnity to the Company's satisfaction, consideration for such Shares will be settled by cheque to be posted by ordinary post as soon as possible but in any event no later than seven business days (as defined in the Takeovers Code) after the expiry of the two month period specified in Section 696 of the Companies Ordinance which will commence from the date of giving of the notice by the Offeror to such Independent Shareholder for acquiring its Shares served pursuant to Section 693 of the Companies Ordinance. For any Independent Shareholder who cannot be found, the Offeror will pay the consideration it is entitled to receive to the Company who will hold it on trust for such Independent Shareholder in accordance with Section 698 of the Companies Ordinance.

The Offeror's ability to exercise rights of compulsory acquisition in respect of the Shares is dependent on the level of acceptance of the Offer reaching the prescribed level under the requirements of Rule 2.11 of the Takeovers Code being satisfied. If the Shares validly tendered for acceptance under the Offer are less than 90% of all the Shares held by the Independent Shareholders, The Offeror shall not be able to exercise rights of compulsory acquisition in respect of the Shares.

If the relevant thresholds are not reached for the exercise of the compulsory acquisition rights referred to above, the Shareholders who do not accept the Offer will continue to be holding Shares which are unlisted. It may be difficult for the holders of Shares to dispose of the Shares as no on-market trading facilities for such shares will be available.

CONFLICTS OF INTEREST

As disclosed in the 3.5 Announcement, taking into account that each of Mr. Lam Kwok Hing and Mr. Nam Kwok Lun is a director and a shareholder of the Offeror, each of them is not considered as independent for the purpose of giving advice or recommendations to the Independent Shareholders. To avoid any conflict of interest, each of Mr. Lam Kwok Hing and Mr. Nam Kwok Lun will not express his views on the Offer.

DEALINGS DISCLOSURE

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company and the Offeror, including persons who own or control 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code), are hereby reminded to disclose their dealings in the relevant securities of the Company pursuant to the Takeovers Code.

For this purpose, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million. This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved. Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

COMPLETION OF THE OFFER IS SUBJECT TO THE CONDITION BEING FULFILLED OR WAIVED (AS APPLICABLE). THE ISSUE OF THIS COMPOSITE DOCUMENT DOES NOT IN ANY WAY IMPLY THAT THE OFFER WILL BE COMPLETED. SHAREHOLDERS AND POTENTIAL INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY. PERSONS WHO ARE IN DOUBT AS TO THE ACTION THEY SHOULD TAKE SHOULD CONSULT THEIR PROFESSIONAL STOCKBROKER, BANK MANAGER, SOLICITOR OR OTHER PROFESSIONAL ADVISER.

RECOMMENDATION

As the Board does not have any non-executive directors or any independent non-executive directors, no independent board committee of the Board can be formed to give recommendation to the Independent Shareholders in connection with the Offer.

Alpha Financial Group Limited has been appointed as the Independent Financial Adviser to advise the Independent Shareholders. Your attention is drawn to the “Letter From The Independent Financial Adviser” on pages 30 to 55 of this Composite Document, which sets out its advice and recommendation to the Independent Shareholders as to whether the Offer is, or is not, fair and reasonable so far as the Independent Shareholders are concerned, and as to acceptance thereof, and the principal factors considered by it in arriving at its advice and recommendation.

Independent Shareholders should read these letters in conjunction with this Composite Document carefully before taking any action in respect of the Offer.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendices to this Composite Document. You are also recommended to read carefully this Composite Document and the accompanying Form(s) of Acceptance for further details in respect of the procedures for acceptance of the Offer.

Yours faithfully,
By order of the Board
Karfun Investments Limited



Lam Kwok Hing M.H. J.P.
Chairman of the Board