

31 October 2025

*To: The Independent Board Committee and the Independent Shareholders of
i.century Holding Limited*

Dear Sirs/Madams,

**MANDATORY UNCONDITIONAL CASH OFFER BY SILVERBRICKS
SECURITIES COMPANY LIMITED FOR AND ON BEHALF OF THREE APPLE
INDUSTRY HOLDINGS GROUP (HONG KONG) LIMITED TO ACQUIRE
ALL THE ISSUED SHARES OF I.CENTURY HOLDING LIMITED (OTHER
THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY THE
OFFEROR AND/OR PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee in relation to the Offer, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the Composite Document dated 31 October 2025, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Composite Document unless the context requires otherwise.

Reference is made to the Joint Announcement. The Board was informed by the Vendor that on 5 September 2025, the Vendor and the Offeror entered into the Sale and Purchase Agreement, pursuant to which the Vendor has agreed to sell and the Offeror has agreed to acquire, the Sale Shares (representing 70% of the issued share capital of the Company as at the date of the Sale and Purchase Agreement), at the Consideration paid by the Offeror to the Vendor upon the Completion. Immediately prior to the Completion, the Offeror and parties acting in concert with it did not hold, own, control or have direction over any Shares or voting rights of the Company or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. The Completion took place on 5 September 2025.

Immediately following the Completion and as at the Latest Practicable Date, the Offeror, Mr. Wu and parties acting in concert with any of them hold 280,000,000 Shares, representing 70% of the entire issued share capital of the Company. Therefore, pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and the parties acting in concert with it).

As at the Latest Practicable Date, there are 400,000,000 Shares in issue, of which 280,000,000 Shares are held by the Offeror (representing 70% of the total issued share capital of the Company), and the Company does not have any outstanding options, warrants or derivatives which are convertible or exchangeable into Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code), and has not entered into any agreement for the issue of such Shares, options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors who have no direct or indirect interest in the Offer, namely Ms. Cheung Wai Man, Mr. Lau Yau Chuen Louis and Mr. Lee Kwun Ting, has been established in accordance with Rule 2.1 of the Takeovers Code to advise and give a recommendation to the Independent Shareholders as to whether the Offer is, or is not, fair and reasonable and as to the acceptance of the Offer.

We have been appointed as the Independent Financial Adviser with the approval of the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer and, in particular, as to whether the Offer is, or is not, fair and reasonable and as to the acceptance of the Offer.

As at the Latest Practicable Date, we are not connected with the directors, chief executive and substantial shareholders of the Company and the Offeror or any of their respective subsidiaries or their respective associates or any party acting, or presumed to be acting, in concert with any of them and as at the Latest Practicable Date, we did not have shareholding, directly or indirectly, in any of them (if applicable) and any of their respective associates and, as at the Latest Practicable Date, did not have any shareholding, directly or indirectly, in any entities within the Group or the Offeror or any rights, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any entities within the Group and the Offeror. There are no relationships or interest between us and the Company, the Offeror or any other parties that could be reasonably be regarded as hindrance to our independence as defined under Rule 17.96 of the GEM Listing Rules and Rule 2.6 of the Takeovers Code to act as the Independent Financial Adviser to the Independent Board Committee in respect of the Offer. We are eligible to give independent advice and recommendations on the Offer and as to acceptance thereof. Apart from normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser to the Independent Board Committee, no arrangement exists whereby we will receive any fees from the Offeror and the Company, their subsidiaries, their associates or their respective substantial shareholders or associates.

During the past two years, there was no engagement between the Group or the Offeror and us. Apart from the normal advisory fee payable to us in connection with our appointment as the Independent Financial Adviser to advise the Independent Board Committee, no arrangement exists whereby we shall receive any other fees or benefits from the Offeror and the Company or any of their respective substantial shareholders or any person acting, or deemed to be acting, in concert with any of them. Accordingly, we are considered eligible to give independent advice on the Offer.

BASIS OF OUR ADVICE

In formulating our advice and recommendation to the Independent Board Committee, we have relied on the statements, information, opinions and representations contained in or referred to in the Composite Document and the information and representations as provided to us by the executive directors (the “**Executive Directors**”) and the management of the Company. Our review procedures include, among others, review of the annual report of the Group for each of the two years ended 31 March 2024 and 31 March 2025 (the “**2024 Annual Report**” and “**2025 Annual Report**”, respectively), the Joint Announcement, the Composite Document, the prospect and outlook of the Group, the share price performance, the trading liquidity of the Company and comparable companies to the Company. We have assumed that all information and representations that have been provided by the Executive Directors and the management of the Company are true, complete and accurate in all material respects at the time when they were made and up to the Latest Practicable Date. Should there be any subsequent material changes in such information during the Offer Period, the Company should inform the Shareholders as soon as practicable in accordance with Rule 9.1 of the Takeovers Code. The Independent Shareholders will also be informed as soon as possible when there is any material change to information contained in or referred to herein as well as any changes to our opinion, if any, after the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Executive Directors in the Composite Document were reasonably made after due enquiries and careful considerations.

We consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion in compliance with Rule 17.95 of the GEM Listing Rules and Rule 2 of the Takeovers Code. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations made to us untrue, inaccurate or misleading. We consider that we have performed all the necessary steps to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinion. The Independent Shareholders will be notified of any material changes to such information provided in the Composite Document and our opinion as soon as possible. We have also assumed that all statements of opinion made by the Executive Directors and the management of the Company in the Composite Document were reasonably made after due enquiries and careful consideration. The Executive Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than that relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

While we have taken reasonable steps to satisfy the requirements under the Takeovers Code and the GEM Listing Rules, we have not carried out any independent verification of the information, opinions or representations given or made by or on behalf of the Company or the Offeror as set out in the Composite Document, nor have we conducted an independent investigation into the business affairs or assets and liabilities of the Group or any of the other parties involved in the Offer.

We have not considered the tax and regulatory implications on the Independent Shareholders of acceptance or non-acceptance of the Offer since these depend on their individual circumstances. In particular, the Independent Shareholders who are resident overseas or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax positions, and if in any doubt, should consult their own professional adviser.

This letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Offer, and except for its inclusion in the Composite Document, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee in relation to the Offer, we have considered the principal factors and reasons as set out below:

1. Information on the Offeror

The Offeror was incorporated in Hong Kong with limited liability. The Offeror is principally engaged in investment holding in Hong Kong. The director of the Offeror is Mr. Wu. The Offeror is directly and ultimately beneficially owned as to 100% by Mr. Wu.

As at the Latest Practicable Date, the Offeror, Mr. Wu and parties acting in concert with any of them are interested in 280,000,000 Shares, representing 70% of the total issued share capital of the Company.

Mr. Wu, aged 32, has over 7 years of experience spanning the Internet of Things (IoT) industry with expertise in device connectivity, edge computing and data analytics across smart manufacturing, cold-chain and supply-chain operations, with practical deployments in equipment monitoring, quality traceability and environmental sensing in Hong Kong. In August 2018, he served as General Manager of Shanghai Guozhe IoT Technology Co., Ltd.* (上海果喆物聯網科技有限公司), leading the trading segment and the IoT business segment. In September 2021, as a co-founder, he established Shaanxi Three Apple Fruit Industry (Group) Co., Ltd.* (陝西叁個蘋果果業(集團)股份有限公司) and served as General Manager, overseeing the group's ecological agriculture land remediation businesses. He currently serves as the sole director of the Offeror.

The Offeror was incorporated in Hong Kong in 2019 as Three Apple Shared IOT Hong Kong Holdings Limited and was renamed Three Apple Industry Holdings Group (Hong Kong) Limited in 2025. The Offeror is an investment holding company.

As of the Latest Practicable Date, Mr. Wu does not hold any directorship in any listed company in Hong Kong and is not a substantial shareholder of any listed company in Hong Kong other than the Company.

Save as disclosed above, the Offeror, Mr. Wu and parties acting in concert with any of them have no other relationship with the Vendor or its respective associates as at the Latest Practicable Date. The Offeror is not connected, related or otherwise associated with the Group's suppliers, customers, sub-contractors and joint venture partners. The Offeror has no business relationship or financing arrangement with the Group in the past or at present.

2. Information on the Group

The Company is incorporated in the Cayman Islands with limited liability and the Shares are listed on the GEM. The Company is principally engaged in investment holding and the Group is an apparel supply chain management services provider and its services range from products development, sourcing and procurement of raw materials, production management and quality control to logistics management. The Group's major customers comprise of apparel retail brands based predominately in the United States (the "U.S."), Europe and Australia, the products of which are marketed and sold under their own brands. The styles and functions of the products for the Group's key customers are generally casual lifestyle for the general consumers and outdoor performance for outdoor activities.

Set out below is a summary of the financial information of the Group for each of the three years ended 31 March 2023, 31 March 2024 and 31 March 2025 ("FY2023", "FY2024" and "FY2025", respectively) as extracted from the 2024 Annual Report and 2025 Annual Report:

Table 1: Historical financial information of the Group

	FY2025 <i>HK\$'000</i>	FY2024 <i>HK\$'000</i>	FY2023 <i>HK\$'000</i>
Revenue			
– Sales of goods	164,813	118,829	149,745
– Cost of sales	<u>(126,936)</u>	<u>(91,602)</u>	<u>(117,133)</u>
Gross profit	<u>37,877</u>	<u>27,227</u>	<u>32,612</u>
Profit/(loss) for the year attributable to owners of the Company	<u>604</u>	<u>(17,599)</u>	<u>(4,955)</u>
	As at 31 March		
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Cash and cash equivalents	14,532	10,189	17,115
Total assets	65,036	59,943	68,154
Total liabilities	<u>48,011</u>	<u>43,742</u>	<u>34,430</u>
Net assets	<u>17,025</u>	<u>16,201</u>	<u>33,724</u>

FY2025 versus FY2024

With reference to 2024 Annual Report and 2025 Annual Report, the Group's revenue was mainly derived from the sales of our key apparel products, such as jackets, woven shirts, pullovers, pants, shorts, T-shirts and other products, including dress, skirts, tank top, vests and accessories, such as cap and poncho through the provision of apparel supply chain management services to customers. During FY2025, the Group recorded a revenue of approximately HK\$164.8 million, representing an increase of approximately 38.7% comparing with that of approximately HK\$118.8 million for FY2024. The increase in revenue mainly derived from the Group allocated more resources on prospecting new customers to achieve the business growth. The Group's gross profit increased by approximately 39.1% from approximately HK\$27.2 million for FY2024 to approximately HK\$37.9 million for FY2025. The increase in gross profit mainly attributable to increase in sales volume and resulting in increase in revenue. The Group achieved a turnaround from loss attributable to owners of the Company of approximately HK\$17.6 million for FY2024 to profit attributable to owners of the Company of approximately HK\$0.6 million for FY2025. The turnaround mainly attributable to the increase in revenue for FY2025 and the decrease in impairment loss on trade receivables and deposits and other receivables related to one of the of the customer who has filed for bankruptcy protection under Chapter 7 of the U.S. Bankruptcy Code for the year ended 31 March 2024.

The cash and cash equivalents of the Group increased from approximately HK\$10.2 million as at 31 March 2024 to approximately HK\$14.5 million as at 31 March 2025, representing an increase of approximately 42.6%. The Group's total assets and total liabilities as at 31 March 2025 amounted to approximately HK\$65.0 million and HK\$48.0 million, respectively. The Group's net assets amounted to approximately HK\$17.0 million as at 31 March 2025, representing an increase of approximately 5.1% from approximately HK\$16.2 million as at 31 March 2024. Such increase in net assets was mainly attributable to the increase in bank balances and cash and the decrease in bank borrowings. The gearing ratio is calculated based on the total debts (include lease liabilities and bank borrowings) divided by total equity. As at 31 March 2025 and 2024, the Group's gearing ratio was approximately 119.7% and 157.9%, respectively. The Group principally relied on bank borrowings as at the source of funding to operate its business. The decrease in gearing ratio was a result of the decrease in total debts and the increase in net assets.

FY2024 versus FY2023

During FY2024, the Group recorded a revenue of approximately HK\$118.8 million, representing a decrease of approximately 20.7% comparing with that of approximately HK\$149.7 million for FY2023. The decrease in revenue mainly attributable to decrease in total sales volume and results in decrease in revenue. The Group's gross profit decreased by approximately 16.5% from approximately HK\$32.6 million for FY2023 to approximately HK\$27.2 million for FY2024. The decrease in gross profit mainly attributable to decrease in sales volume and resulting in decrease in revenue. The Group's loss attributable to owners of the Company increased from approximately HK\$5.0 million for FY2023 to approximately HK\$17.6 million for FY2024. The significant increase in loss attributable to owners of the Company mainly derived from (i) the decrease in revenue and gross profit; (ii) the significant increase in impairment loss recognised in respect of trade receivables and deposits and other receivables from one customer who has filed for bankruptcy protection under Chapter 7 of the U.S. Bankruptcy Code; (iii) the increase in depreciation charges of newly acquired property, plant and equipment; and (iv) the increase in rent and rates expenses.

The cash and cash equivalents of the Group decreased from approximately HK\$17.1 million as at 31 March 2023 to approximately HK\$10.2 million as at 31 March 2024, representing a decrease of approximately 40.5%. The Group's total assets and total liabilities as at 31 March 2024 amounted to approximately HK\$59.9 million and HK\$43.7 million, respectively. The Group's net assets amounted to approximately HK\$16.2 million as at 31 March 2024, representing a decrease of approximately 52.0% from approximately HK\$33.7 million as at 31 March 2023. Such decrease in net assets was mainly attributable to the decrease in deposits paid, prepayments and other receivables and bank balances and cash. The gearing ratio is calculated based on the total debts (include lease liabilities and bank borrowings) divided by total equity. As at 31 March 2024 and 2023, the Group's gearing ratio was approximately 157.9% and 63.4%, respectively. The increase in gearing ratio was a result of the increase in total debts and the decrease in net assets.

3. Intentions of the Offeror in relation to the Company

As stated in the letter from the Joint Financial Advisers, the decision to invest in and acquire a controlling shareholding in the Group (an apparel supplier principally engaged in provision of apparel supply chain management services) is driven by the Offeror's confidence in the Group's potential to deliver sustainable value to its stakeholders, as well as the strategic synergy anticipated between the Group's existing operations and the business opportunities related to the trading and the IoT business being explored by the Offeror. The Offeror sees practical overlap between its trading and IoT capabilities and the Group's apparel business. By introducing tools like smart inventory tracking, better demand forecasting and vendor compliance monitoring, the Group can shorten lead times, lower working capital needs, and add higher-margin services for existing business. Shared sourcing and logistics should also improve the scale and profitability of the core operations. However, the Offeror's plans are preliminary and subject to a full review of the Group's operations before finalizing long-term strategies.

It is the intention of the Offeror to continue with the Group's existing principal business activities. To address potential expertise gaps, the Offeror intends to retain the Group's current management for core operations to ensure the continuity of daily operations of the Group. Indeed, the Offeror intends to retain all directors of the subsidiaries of the Group. The Offeror also intends to leverage its and the Group's existing resources and connections to explore business opportunities related to the trading and the IoT business market, aiming to create synergies for the Group.

As at the Latest Practicable Date, while continuing the principal business of the Group, the Offeror has been conducting a review of the existing principal businesses, operations, financial position, investments, proposed investments of the Group for the purpose of formulating long-term business plans and strategies for the future business development of the Group. This review is expected to take several months. As confirmed with the Offeror, there is no further update since Completion.

Further, subject to the results of the review, the Offeror may explore other business opportunities and consider whether any asset disposals, asset acquisitions, business rationalization, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Group. As at the Latest Practicable Date, the Offeror has no intention to introduce major changes to the existing business of the Group and intends to maintain the Company's existing principal activities.

As at the Latest Practicable Date, no material investment or business opportunity has been identified nor has the Offeror, Mr. Wu or any party acting in concert with any of them entered into any agreement, arrangement, understandings or negotiation in relation to the injection, disposal or down-scaling of any asset or business into the Group.

The Offeror will, depending on the business operations and development of the Group in the future, constantly review the employee structure of the Group so as to meet the needs of the Group from time to time. As at the Latest Practicable Date, the Offeror has no intention to (i) discontinue the employment of any employees of the Group (who are not the Directors); or (ii) redeploy the fixed assets of the Company other than those in its ordinary and usual course of business. However, the Offeror reserves the right to make such changes that it deems necessary or appropriate to the Group's business and operations to optimize the value of the Group.

4. Prospect and outlook of the Group

With reference to the 2025 Annual Report, the changing trade landscape, particularly the U.S. tariff adjustments implemented in April 2025, has created new market uncertainties. The Company recognised both the challenges and opportunities presented by the evolving global apparel landscape.

We noted the foundation of the Company's confidence lies in its established relationships with existing customers. Although the Company will continue to strengthen these relationships through enhanced collaboration, working closely with our customers to develop mutually beneficial solutions to the new tariff environment, including more strengthen cost management and supply chain optimization that maintain the Company's competitive edge while addressing changing market conditions, we noted the Company incurred a significant loss due to a non-recoverable amount following the bankruptcy of one of its major customers amid the tough environment of worldwide retail markets in the late year 2023. As confirmed by the management of the Company, the customer which filed bankruptcy was based in the U.S. represented one of the top three geographic segments among other countries from which the Company derived income. As such, we believe there are uncertainties surrounding Company's revenue outlook, particularly given that the U.S. has been the largest geographic revenue segment in both FY2024 and FY2025, accounting for approximately 29.2% and 29.8% of total revenue, respectively, pursuant to the 2025 Annual Report. Although PRC and U.S. agreed to extend the 90-day tariff truce since August 2025, the tension of the potential tariff escalation on to imported goods remains elevated. As at the Latest Practicable Date, a baseline 10% tariff applies to all imports into the U.S., while Chinese apparel goods face an additional 34% tariff, bringing the effective rate to 44%. Pursuant to the research article headed "How companies are responding to Trump's tariffs" published by Reuters on 21 July 2025, apparel brands sourcing from China continue to face significant cost pressures, with companies^(note) reporting a combined financial hit of US\$14.7 billion to US\$16.4 billion in 2025 and projecting nearly US\$15 billion in impact for 2026. Having consider the above findings, including but not limited to (i) the bankruptcy of one of the Group's major customers in U.S.; (ii) the tension of the potential tariff escalation; and (iii) the financial hit including apparel brands in 2025, we are of the view that the outlook of the Group for 2026 remains uncertain, with potential for further tariff adjustments depending on trade negotiations and geopolitical developments.

Furthermore, we understand the geographic diversification remains a key pillar of the Group's strategy. While maintaining their business in the U.S. market, they have been actively cultivating opportunities with European and Australia brands where demand for quality apparel manufacturing continues to grow. Furthermore, we found retail sales volumes are expected to grow by 2.3% in the 2026 calendar year before accelerating to 2.6% in 2027 in Australia pursuant to "Deloitte Access Economics Retail Forecasts" published by Deloitte Touche Tohmatsu Limited on 9 September 2025. We believe apparel is expected to benefit from the broader retail rebound. However, we noted the report headed "Sourcing amid uncertainty: fashion and footwear retail strategies" published by Bain & Company in May 2025 highlighted that European apparel brands are actively diversifying production away from China, with a projected drop in sourcing from China from 31% to 24% by 2028. Hence, we are of the view that this balanced approach to market development not only helps mitigate concentration risk but also positioning the Company for sustainable, long-term growth despite the ongoing uncertainties and challenges that lie ahead.

Note: The companies are part of global indexes such as S&P 500, STOXX Europe 600, S&P/TSX Composite Index and NASDAQ Composite Index.

Based on the factors mentioned above, having considered the U.S. tariff adjustments implemented in April 2025 and the uncertainties of the apparel industry, we are of the view that the Group might continue to operate in a challenging environment in the coming years despite the strategy of geographic diversification being implemented.

5. Principal terms of the Offer

The following information about the Offer is based on the letter from the Joint Financial Advisers contained in the Composite Document. Silverbricks Securities and Draco Capital have been appointed as the Joint Financial Advisers to the Offeror in respect of the Offer. Silverbricks Securities, for and on behalf of the Offeror, is making the mandatory unconditional cash Offer to acquire all issued Shares in the share capital of the Company (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code on following basis:

For each Offer Share held HK\$0.125 in cash

The Offer Price of HK\$0.125 per Offer Share is equivalent to the price per Sale Share paid by the Offeror under the Sale and Purchase Agreement. Save for the acquisition of the Sale Shares under the Sale and Purchase Agreement, the Offer Facility Agreement and the share charge of the Charged Shares, neither the Offeror nor any parties acting in concert with it had dealt for value in Shares during the Relevant Period.

The Offer will be extended to all Independent Shareholders in accordance with the Takeovers Code.

The Offer Shares to be acquired under the Offer shall be fully paid and free from all Encumbrances and together with all rights attaching to them, including the right to receive in full all dividends and other distributions, if any, recommended, declared, made or paid by reference to a record date on or after the date on which the Offer is made, that is, the date of despatch of the Composite Document.

As at the Latest Practicable Date, there were 400,000,000 Shares in issue and the Company did not have any outstanding options, warrants or derivatives or securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

As at the Latest Practicable Date, none of the members of the Offeror and parties acting in concert with it has received any irrevocable commitment to accept or reject the Offer. The Offer Shares to be acquired under the Offer shall be fully paid and shall be acquired free from all Encumbrances and together with all rights attaching thereto, including the rights to receive all dividends and distributions declared, made or paid on or after the date on which the Offer is made.

The Company confirms that as at the Latest Practicable Date, (i) it does not have any dividend or distribution recommended, declared or made but unpaid; and (ii) it does not have any intention to make, declare or pay any future dividend/make other distributions (whether or not in form of cash) until after the close of the Offer.

Conditions of the Offer

The Offer is unconditional in all respects when it is made and extended to all Shareholders other than the Offeror and parties acting in concert with it in accordance with the Takeovers Code.

(i) Analysis on the Offer Price

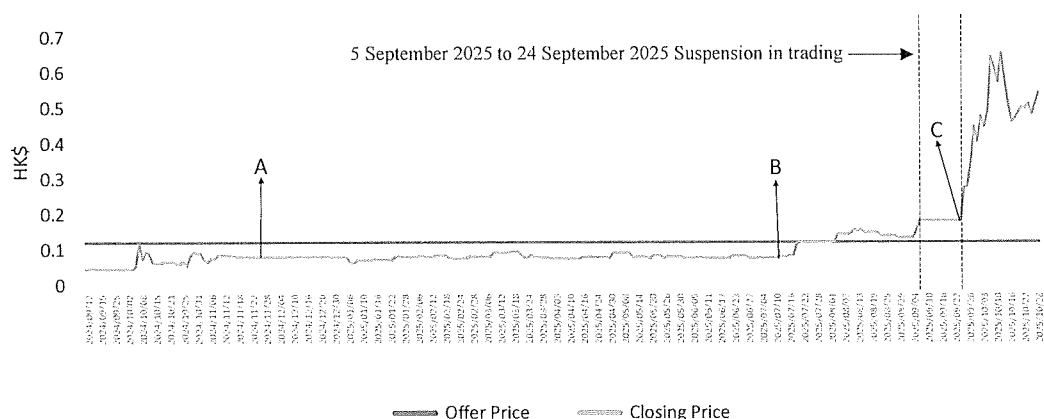
The Offer Price of HK\$0.125 per Offer Share represents:

- (a) a discount of approximately 76.85% to the closing price of HK\$0.540 per Share as quoted on the Stock Exchange on 28 October 2025, being the Latest Practicable Date;
- (b) a discount of approximately 32.07% to the closing price of HK\$0.1840 per Share as quoted on the Stock Exchange on 5 September 2025, being the Last Trading Day;
- (c) a discount of approximately 16.56% to the average closing price of approximately HK\$0.1498 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (d) a discount of approximately 13.55% to the average closing price of approximately HK\$0.1446 per Share as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (e) a discount of approximately 13.13% to the average closing price of approximately HK\$0.1439 per Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day; and
- (f) a premium of approximately HK\$0.0824 (being approximately 193.69%) over the audited consolidated net asset value of the Group of approximately HK\$0.0426 per Share as at 31 March 2025 calculated based on the audited net asset of the Group as at 31 March 2025 of approximately HK\$17,025,000 and 400,000,000 Shares in issue as at the Latest Practicable Date.

(ii) *Historical performance of the Shares*

Set out below is the chart showing the daily closing price of the Shares as quoted on the Stock Exchange during the period commencing from 5 September 2024, being the twelve-month period prior to the Last Trading Day, up to and including the Latest Practicable Date (the “**Review Period**”), which we consider to be reasonably long enough to illustrate the historical trend and level of movement of the closing prices of the Shares, including but not limited to the market reaction to the announcement of the Offer and the Share price movement from the date of the Joint Announcement to the Latest Practicable Date.

Table 2: Share price performance during the Review Period



Source: www.hkex.com.hk

Notes: The trading of the Shares on the Stock Exchange was suspended at 1:00 p.m. on 5 September 2025 pending the release of the Joint Announcement. Trading of the Shares on the Stock Exchange was resumed at 9:00 a.m. on 24 September 2025.

Event A – Publication of the interim report for the six months ended 30 September 2024 on 27 November 2024

Event B – Publication of the 2025 Annual Report on 11 July 2025

Event C – Publication on the Joint Announcement on 23 September 2025

We have reviewed the movements in the closing price of the Shares for the Review Period. We consider that the length of the Review Period to be reasonably long enough to illustrate the relationship between the historical trend of the closing price of the Shares and the Offer Price.

The lowest and highest closing price of the Shares during the Review Period were HK\$0.051 per Share recorded on 5 September 2024 and the period from 12 September 2024 to 27 September 2024; and HK\$0.650 per Share recorded on 13 October 2025, as quoted on the Stock Exchange. The average daily closing price of the Shares during the Review Period is approximately HK\$0.125 per Share. The Offer Price of HK\$0.125 per Offer Share represents (i) a premium of approximately 145.10% over the lowest closing price of HK\$0.051 per Share; (ii) a discount of approximately 80.77% to the highest closing price of HK\$0.650 per Share; and (iii) equal to the average daily closing price of approximately HK\$0.125 per Share during the Review Period.

There was no notable movement in the Share price until the trading of the Shares on the Stock Exchange was resumed on 24 September 2025. Following the resumption, the closing price continued to rise and reached at its highest on 13 October 2025. We have observed that the Company has not published any announcement immediately prior to this fluctuation on closing price of the Shares except the Joint Announcement. We have also enquired with the management of the Company for the possible reasons for the price movement during the periods before the publication of the Joint Announcement and were advised that the Company was not aware of any other reasons for this unusual price movement.

(iii) *Historical trading volume of the Shares*

The following table sets out the historical monthly trading volumes of the Shares and the percentage of the number of Shares traded as compared to the total number of Shares in issue during the Review Period.

Table 3: Trading volume of the Shares during the Review Period

Period	Total trading volume of the Shares in the month/period (number of Shares)	Number of trading days in the month/period	Average daily volume of the Shares in the month/period (number of Shares)	Percentage of average daily trading volume to total number of Shares (Note 1) (approximately)	Percentage of average daily trading volume to total number of Shares held by public Shareholders (Note 2) (approximately)
2024					
September	1,056,000	16	66,000	0.0165%	0.0550%
October	8,764,000	21	417,333	0.1043%	0.3478%
November	2,084,000	21	99,238	0.0248%	0.0827%
December	20,000	20	1,000	0.0003%	0.0008%
2025					
January	1,316,000	19	69,263	0.0173%	0.0577%
February	6,680,000	20	334,000	0.0835%	0.2783%
March	6,444,000	21	306,857	0.0767%	0.2557%
April	5,684,000	19	299,158	0.0748%	0.2493%
May	1,648,000	20	82,400	0.0206%	0.0687%
June	992,000	21	47,238	0.0118%	0.0394%
July	1,260,000	22	57,273	0.0143%	0.0477%
August	8,704,000	21	414,476	0.1036%	0.3454%
September	183,092,000	22	8,322,364	2.0806%	6.9353%
October (up to and including the Latest Practicable Date)	114,876,000	18	6,382,000	1.5955%	5.3183%
			Minimum	0.0003%	0.0008%
			Maximum	2.0806%	6.9353%
			Average	0.3018%	1.0059%

Source: www.hkex.com.hk

Notes:

1. Based on 400,000,000 Shares in issue as at the respective month or period.
2. Based on 120,000,000 Shares held by the public Shareholders as at the respective month or period.
3. The trading of the Shares on the Stock Exchange was suspended at 1:00 p.m. on 5 September 2025 pending the release of the Joint Announcement. Trading of the Shares on the Stock Exchange was resumed at 9:00 a.m. on 24 September 2025.

As illustrated above, the average daily trading volume of the Shares as a percentage of the total number of the Shares in issue during the Review Period ranged from the lowest of 0.0003% in December 2024 to the highest of approximately 2.0806% in September 2025, with an average daily trading volume throughout the whole Review Period of approximately 0.3018% of the total number of issued Shares as at the respective month or period whereas the average daily trading volume of the Shares as a percentage of the total number of the Shares held by public Shareholders during the Review Period ranged from the lowest of 0.0008% in December 2024 to the highest of approximately 6.9353% in September 2025, with an average daily trading volume throughout the whole Review Period of approximately 1.0059% of the total number of issued Shares as at the respective month or period.

During the Review Period, nil daily trading volume of the Shares was recorded for 134 trading days, representing approximately 47.69% of the total number of trading days throughout the Review Period. We consider that the average daily trading volume of the Shares has been thin as a whole during the Review Period. As illustrated in Table 3, we noted that the relatively high average daily trading volume of the Shares has been arising since the resumption of trading of the Shares on the Stock Exchange at 9:00 a.m. on 24 September 2025. We have enquired with the management of the Company for the possible reasons other than the publication of the Joint Announcement and were advised that the Company was not aware of any other reasons regarding the active trading. We are of the view that the market reaction was likely to be in response to the publication of the Joint Announcement and it is uncertain whether such trading momentum could be sustained in light that the average daily trading volume of the Shares was generally thin during the Review Period.

Given the thin trading volume of the Shares, the Independent Shareholders may find it difficult to dispose of a large volume of Shares in the open market in a short period of time without exerting downward pressure on the price of the Shares. Accordingly, the market trading price of the Shares may not necessarily reflect the proceeds that the Independent Shareholders can receive through the disposal of their Shares in the open market and therefore, the Offer provides a viable alternative exit for the Independent Shareholders, particularly for those who hold a large volume of Shares, to realise their investment in the Company at the Offer Price of HK\$0.125 per Offer Share.

Having considered that (i) the overall price performance of the Shares during the Review Period; and (ii) the trading volume of the Shares was generally thin during Review Period except the period after the resumption of trading of the Shares on the Stock Exchange on 24 September 2025, we are of the view that the Offer represents an opportunity for the Independent Shareholders, particularly for those who hold a relatively large volume of the Shares, to dispose of part or all of their Shares at the Offer Price if they so wish to. The Independent Shareholders who wish to realise their investment in the Group are reminded that they should carefully and closely monitor the market price of the Shares during the Offer Period.

(iv) *Comparable Analysis*

To assess the fairness and reasonableness of the Offer Price from the perspective of relative valuation against its Hong Kong-listed industry peers, we have conducted a search, on a best effort basis, for listed companies engaging in similar business to the Group (the “**Comparable Companies**”) and analysed their price-to-earnings (“**P/E**”) ratios and price-to-book (“**P/B**”) ratios, which is a commonly adopted basis in conducting market comparable analysis.

In selecting the Comparable Companies, our selection criteria focused on companies that are (i) listed on the Stock Exchange; (ii) principally engaged in apparel business with at least 90% of their revenue derived therefrom; and (iii) with market capitalisation of below HK\$150 million which is considered a reasonable range for small-cap listed companies such as the Group. Based on the above criteria, we have identified the following six Comparable Companies which represent an exhaustive list of comparable companies identified on the website of the Stock Exchange.

As each of the Comparable Companies has its own unique nature and characteristic in terms of, inter alia, business operation and environment, target geographical customers, risk factors, profitability and financial position, the comparison of the P/E ratios and P/B ratios between the Comparable Companies and the Company may not represent an identical comparison. However, given that (i) the business natures and scale of operations of the Comparable Companies are similar to the Company; (ii) the principal activities of the Comparable Companies and the Company are in general affected by similar macro-economic factors, including but not limited to economy and the customers’ demand for the apparel; and (iii) the P/E ratios and P/B ratios of the Comparable Companies provide a general reference under recent market condition and sentiment in assessing the fairness and reasonableness of the Offer Price, we consider that the Comparable Companies could be treated as an indication as to the reasonableness and fairness of the Offer Price. The relevant details of the Comparable Companies are set forth in Table 4 below:

Table 4: Comparable Companies analysis

Company name	Principal of business	Stock code	Market capitalisation as at the Latest Practicable Date	P/E ratio	P/B ratio
			(Note 1) HK\$ million	(Note 2) times	(Note 3) times
Moiselle International Holdings Ltd	Principally engaged in the design, manufacture, retailing and wholesales of fashion apparel and accessories	00130	46.64	N/A	0.15
Bauhaus International (Holdings) Ltd	Principally engaged in designed and retailed trendy apparel, bags, and fashion accessories	00483	106.54	9.13	0.61

Company name	Principal of business	Stock code	Market capitalisation as at the Latest Practicable Date	P/E ratio	P/B ratio
			(Note 1) HK\$ million	(Note 2) times	(Note 3) times
Tungtex Holdings Co Ltd	Principally engaged in the manufacture and sale of garment products and retail of garment products	00518	93.37	N/A	0.25
Speedy Global Holdings Ltd	Principally engaged in the apparel supply chain servicing business which offers a wide range of woven wear, cut-and-sewn knitwear and sweater knitwear products to several owners or agents of global reputable brands	00540	81.00	4.72	0.94
Shanshan Brand Management Co Ltd	Principally engaged in the design, marketing and sale of formal and casual business menswear under two brands, namely FIRS and SHANSHAN, each having distinct product features and brand positioning that are tailored to the preferences of consumers in particular age and income groups	01749	27.72	0.76	0.09
Sterling Group Holdings Ltd	Principally engaged in the provision of manufacturing and trading of apparel products and licensing of trademark in the markets of the USA and Europe	01825	51.49	N/A	1.69
			Maximum	9.13	1.69
			Minimum	0.79	0.09
			Average	4.90	0.62
			Median	4.79	0.43

Company name	Principal of business	Stock code	Market capitalisation as at the Latest Practicable Date	P/E ratio	P/B ratio
			(Note 1) HK\$ million	(Note 2) times	(Note 3) times
The Company	Principally engaged in provision of apparel supply chain management services and its services range from products development, sourcing and procurement of raw materials, production management and quality control to logistics management	08507	50.00	82.78	2.94

Source: www.hkex.com.hk

Notes:

1. The market capitalisation is calculated based on the closing price and the number of issued shares of the Comparable Companies as at the Latest Practicable Date. The implied market capitalisation of the Company is calculated by multiplying the Offer Price by the number of issued Shares as at the Latest Practicable Date.
2. Historical P/E ratio is calculated based on the respective share price, multiplied by the number of issued shares of the companies as at the Latest Practicable Date as extracted from their respective latest monthly return on movements in securities, divided by their respective net profit for the latest financial year. The implied P/E Ratio of the Company (the “**Implied P/E Ratio**”) is calculated by dividing its market capitalisation based on the Offer Price by the net profit of the Group for FY2025.
3. Historical P/B ratio is calculated based on the respective share price, multiplied by the number of issued shares of the companies as at the Latest Practicable Date as extracted from their respective latest monthly return on movements in securities, divided by the net assets value as at the latest financial year. The implied P/B Ratio of the Company (the “**Implied P/B Ratio**”) is calculated by dividing its market capitalisation based on the Share Offer Price by the consolidated net asset value of the Group as at 31 March 2025.

As shown in the table above, the Implied P/E Ratio and the Implied P/B Ratio of 82.78 times and 2.94 times respectively, calculated based on the Offer Price, were higher than (i) the P/E ratios of the Comparable Companies which ranged from 0.79 times to 9.13 times, with average and median of approximately 4.90 times and 4.79 times respectively; and (ii) the P/B ratios of the Comparable Companies which ranged from 0.09 times to 1.69 times, with average and median of approximately 0.62 times and 0.43 times respectively. This is considered indicating that the Offeror is willing to pay more in terms of a multiple to the amount of sales and net asset value to invest in the revenue generating ability and net assets of the Group than that paid by investors to the Comparable Companies, thus the Offer Price is not unfavourable based on this comparison. We noted there is deviation between the Implied P/E Ratio and the range of P/E ratios of the Comparable Companies which indicates the implied valuation of the Company based on the Offer Price is higher than the valuation of the Comparable Companies based on their respective closing share prices from the perspective of P/E ratios. Despite the numerical deviation, the Comparable Companies remain suitable benchmarks given their industry relevance and above mentioned selection criteria. On this basis, we are of the view that the Offer Price is fair and reasonable so far as the Independent Shareholders are concerned.

RECOMMENDATION

Having considered the abovementioned principal factors and reasons set out in this letter, in particular:

- (a) the U.S. tariff adjustments implemented in April 2025 and the uncertainties of the apparel industry mentioned in the above section headed “Prospects and outlook of the Group”;
- (b) the Offer Price of HK\$0.125 per Offer Share was above the closing price of the Shares for a majority of Review Period, in particular 216 days out of 281 days during the Review Period;
- (c) the Offer Price is equal to the average closing price of the Shares during the Review Period;
- (d) the trading volume of the Shares was generally thin during the Review Period with an average daily trading volume throughout the whole Review Period of approximately 0.3018% of the total number of Shares in issue and 1.0059% of the total number of Shares held by public Shareholders as at the Latest Practicable Date and thus it is uncertain as to whether there would be sufficient liquidity in the Shares for the Independent Shareholders to dispose of a significant number of the Shares in the open market without depressing the Share price; and accordingly, the market trading price of the Shares may not necessarily reflect the proceeds that the Independent Shareholders can receive by the disposal of their Shares in the open market;

- (e) the Implied P/E Ratio and Implied P/S Ratio are higher than those of Comparable Companies; and
- (f) the Offer Price represents a premium over the audited consolidated net asset value of the Group based on the audited net asset of the Group as at 31 March 2025 and the number of issued Shares as at the Latest Practicable Date,

we are of the opinion that the Offer is fair and reasonable so far as the Independent Shareholders are concerned. On such basis, we recommend the Independent Board Committee to advise the Independent Shareholders to accept the Offer. Nonetheless, we note that the Share price has been trading above the Offer Price since August 2025 and up to the Latest Practicable Date. As such, for those Independent Shareholders who intend to accept the Offer, we would remind them to closely monitor the market price and liquidity of the Shares during the Offer Period, and having regard to their own circumstances, consider selling the Shares in the open market, instead of accepting the Offer, if the net proceeds from the ultimate sale of such Shares would be higher than that receivable under the Offer.

For those Independent Shareholders who intend to dispose of large blocks of Shares in the open market, we would also remind them of the possible difficulty in disposing of their Shares in the open market without creating downward pressure on the market prices of the Shares as a result of the thin trading in the Shares.

For those Independent Shareholders who consider to retain their Shares, in full or in part, we would remind them that there is no guarantee that the prevailing Share price will sustain at a level higher than the Offer Price during and after the Offer Period.

As each individual Independent Shareholder would have different investment objectives and/or circumstances, we would recommend the Independent Shareholders who may require advice in relation to any aspect of the Composite Document, or as to the action to be taken, to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser. Furthermore, Independent Shareholders read carefully the procedures for accepting the Offer as set out in the Composite Document, its appendices and the accompany Forms of Acceptance.

The Shareholders should read carefully Appendix I to the Composite Document – “Further terms and procedures for acceptance of the Offer”.

Yours faithfully,
For and on behalf of
Vinco Financial Limited



Alister Chung
Managing Director

Note: Mr. Alister Chung is a licensed person registered with the Securities and Future Commission of Hong Kong and a responsible officer of Vinco Financial Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has participated in the provision of independent financial advisory services for various transactions involving companies listed in Hong Kong for over 10 years.