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If you are in any doubt as to any aspect of the Proposal, this Scheme Document or as to the action to be taken, you should consult your licensed securities dealer or other registered securities institution, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in the Company, you should at once hand this Scheme Document and the accompanying forms of proxy to the purchaser or transferee or to the licensed securities dealer or registered securities institution or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**Watlow Electric Manufacturing Company**  
(Incorporated in the State of Missouri, the United States with limited liability)



**GENES TECH GROUP HOLDINGS COMPANY LIMITED**  
靖洋集團控股有限公司  
(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 8257)

### (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

#### Financial Adviser to the Offeror



Anglo Chinese Corporate Finance, Limited

#### Independent Financial Adviser to the Independent Board Committee



Unless the context otherwise requires, capitalised terms used in this Scheme Document (including this cover page) shall have the same meanings as those defined in Part I of this Scheme Document.

A letter from the Board is set out in Part IV of this Scheme Document. A letter from the Independent Board Committee containing its advice to the Disinterested Shareholders in respect of the Proposal, the Scheme and as to voting is set out in Part V of this Scheme Document. A letter from the Independent Financial Adviser to the Independent Board Committee, containing its advice to the Independent Board Committee in respect of the Proposal, the Scheme and as to voting is set out in Part VI of this Scheme Document. The Explanatory Memorandum regarding the Proposal and the Scheme is set out in Part VII of this Scheme Document.

The actions to be taken by the Scheme Shareholders are set out in Part II of this Scheme Document.

Notices convening the Court Meeting to be held at 11:00 a.m. on 13 February 2026 and the EGM to be held at 11:45 a.m. (or as soon as practicable after the conclusion or adjournment of the Court Meeting) on 13 February 2026 are set out in Appendix IV and Appendix V to this Scheme Document respectively. Whether or not you are able to attend the Court Meeting and/or the EGM, you are strongly urged to complete and sign the enclosed pink form of proxy in respect of the Court Meeting and the enclosed white form of proxy in respect of the EGM, in accordance with the instructions printed on them respectively, and to lodge them at the Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not later than the respective times and dates as stated in Part II of this Scheme Document. The white form of proxy in respect of the EGM will not be valid if it is not so lodged. In the case of the pink form of proxy in respect of the Court Meeting, if it is not so lodged, it may also be handed to the chairman of the Court Meeting (who shall have absolute discretion as to whether or not to accept it) at the commencement of the Court Meeting. Completion and return of the forms of proxy for the Court Meeting and/or the EGM will not preclude you from attending and voting in person at the relevant meeting or any adjournment thereof, should you so wish. In the event that you attend and vote at the relevant meeting or any adjournment thereof after having lodged your forms of proxy, the relevant forms of proxy will be revoked by operation of law.

This Scheme Document is issued jointly by the Offeror and the Company. In case of inconsistency, the English language text of this Scheme Document shall prevail over the Chinese language text for the purpose of interpretation.

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*In this Scheme Document, unless the context otherwise requires, the following expressions have the following meanings:*

“acting in concert”	has the meaning given to it in the Takeovers Code, and “persons acting in concert” shall be construed accordingly
“Additional Irrevocable Undertaking Announcement”	the announcement dated 2 January 2026 jointly issued by the Offeror and the Company in relation to the Irrevocable Undertaking from Mr. Chen, Yu-Yuan (also known as Mr. Chen Tsou-Wei)
“Anglo Chinese”	Anglo Chinese Corporate Finance, Limited, a corporation licensed by the SFC to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, and the financial adviser to the Offeror in relation to the Proposal and the Scheme
“Announcement”	the announcement dated 14 November 2025 jointly issued by the Offeror and the Company in relation to the Proposal and the Scheme
“Applicable Laws”	any and all laws, rules, regulations, judgments, decisions, decrees, orders, injunctions, treaties, directives, guidelines, standards, notices and/or other legal, regulatory and/or administrative requirements of any Authority
“Approval”	any approval, authorisation, ruling, permission, waiver, consent, license, permit, clearance, registration or filing which is required or desirable under any Applicable Laws or by any Authority, or any license, permit or contractual obligation of any member of the Group, for or in connection with the Proposal and/or the Scheme or the implementation of the Proposal and/or the Scheme in accordance with its terms and conditions (including the withdrawal of the listing of the Shares on GEM of the Stock Exchange), in each case, excluding any filing or notification to any Authority which does not require such Authority’s approval, acknowledgement, permission, consent or clearance
“associate”	has the meaning given to it in the Takeovers Code

“Authority”	any supranational, national, federal, state, regional, provincial, municipal, local or other government, governmental, quasi-governmental, legal, regulatory or administrative authority, department, branch, agency, commission, bureau or body (including any securities or stock exchange) or any court, tribunal, or judicial or arbitral body
“Beneficial Owner(s)”	any beneficial owner(s) of the Shares whose Shares are registered in the name of a Registered Owner(s) other than himself or herself
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for transaction of business
“Cancellation Price”	the offer price of HK\$0.245 for the cancellation of each Scheme Share payable to the Scheme Shareholders pursuant to the Proposal and the Scheme
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Participant(s)”	person(s) admitted to participate in CCASS as a direct clearing participant, general clearing participant, a custodian participant or an Investor Participant who may be an individual or joint individuals or a corporation
“Companies Act”	the Companies Act (2025 Revision) (as revised) of the Cayman Islands, as consolidated and revised from time to time
“Company”	Genes Tech Group Holdings Company Limited (靖洋集團控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on GEM of the Stock Exchange (Stock Code: 8257)
“Condition(s)”	the condition(s) to the implementation of the Proposal and the Scheme as set out in the section headed “Conditions of the Proposal and the Scheme” in the Explanatory Memorandum in Part VII of this Scheme Document
“Controlling Shareholder Concert Parties”	Mr. Yang Ming-Hsiang, Tai-Yi Investment Co. Ltd., Ms. Wei Hung-Li, Mr. Lin Yen-Po and Mr. Fan Chiang-Shen

“Controlling Shareholder Concert Party Agreement”	the concert party agreement dated 22 August 2016 entered into by the Controlling Shareholder Concert Parties
“Court Hearing”	the hearing of the petition by the Grand Court for the sanction of the Scheme
“Court Meeting”	a meeting of the Scheme Shareholders to be convened at 11:00 a.m. on 13 February 2026 at 20/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong at the direction of the Grand Court at which the Scheme (with or without modifications) will be voted upon, or any adjournment thereof
“Director(s)”	the director(s) of the Company
“Disinterested Shareholders”	Shareholders other than the Offeror and the Offeror Concert Parties. As of the Latest Practicable Date, all Scheme Shareholders are Disinterested Shareholders.
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Act and the Conditions
“EGM”	an extraordinary general meeting of the Company to be convened at 11:45 a.m. on 13 February 2026 at 20/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong for the purposes of considering, and if thought fit, approving, among other things, all necessary resolutions for the implementation of the Proposal and the Scheme, or any adjournment thereof
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate(s) of the Executive Director
“Explanatory Memorandum”	the explanatory memorandum in relation to the Proposal and the Scheme set out in Part VII of this Scheme Document
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited
“Grand Court”	the Grand Court of the Cayman Islands
“Grand Court Rules”	the rules of the Grand Court (2023 Revision) as consolidated and revised from time to time
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong

“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Branch Share Registrar”	Tricor Investor Services Limited, the Company’s Hong Kong branch share registrar and transfer office
“Implementation Agreement”	the implementation agreement dated 14 November 2025 entered into between the Offeror and the Company pursuant to which the parties have agreed to pursue the Proposal and the Scheme, the key terms of which are described in the section headed “Implementation Agreement” in the Explanatory Memorandum in Part VII of this Scheme Document
“Independent Board Committee”	the independent committee of the Board, comprising Mr. Kam, Eddie Shing Cheuk, Mr. Cheng Chun Shing and Mr. Ho Pak Chuen Brian (being all the independent non-executive Directors)
“Independent Financial Adviser” or “SBI”	SBI China Capital Hong Kong Securities Limited, a corporation licensed by the SFC to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee in relation to the Proposal and the Scheme
“Investor Participant”	person(s) admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“Irrevocable Undertakings”	the irrevocable undertakings in favor of the Offeror (i) given by Mr. Yang Ming-Hsiang, Tai-Yi Investment Co. Ltd., Ms. Wei Hung-Li, Queenbest Development Limited, Ever Wealth Holdings Limited and Planeta Investments Limited and received by the Offeror on 14 November 2025 and (ii) given by Mr. Chen, Yu-Yuan (also known as Mr. Chen Tsou-Wei) and received by the Offeror on 2 January 2026, the details of which are described in the section headed “Irrevocable Undertakings” in the Explanatory Memorandum in Part VII of this Scheme Document

“Last Full Trading Date”	4 November 2025, being the last full trading day on which the Shares were traded on GEM of the Stock Exchange immediately prior to the suspension of trading in the Shares pending publication of the Announcement
“Last Trading Date”	5 November 2025, being the last day on which the Shares were traded on GEM of the Stock Exchange immediately prior to the suspension of trading in the Shares pending publication of the Announcement
“Latest Practicable Date”	16 January 2026, being the latest practicable date prior to the printing of this Scheme Document for the purpose of ascertaining certain information contained in this Scheme Document
“Long Stop Date”	30 April 2026 (or such later date as may be agreed between the Offeror and the Company or, to the extent applicable, as the Grand Court may direct and in all cases, as permitted by the Executive), being the last date the Conditions can be fulfilled or waived (as applicable), failing which the Proposal and the Scheme will lapse
“Meeting Record Date”	13 February 2026, or such other date as shall have been announced to the Shareholders, being the record date for the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and the entitlements of the Shareholders to attend and vote at the EGM
“NTD”	New Taiwan dollars, the lawful currency of Taiwan
“Offer Period”	has the meaning given to it in the Takeovers Code, being the period commencing on the date of the Announcement (14 November 2025) until the latest of (i) the Effective Date; (ii) the date when the Scheme lapses; (iii) the time when the Offeror announces that the Scheme will not proceed; and (iv) the date when an announcement is made of the withdrawal of the Scheme
“Offeror”	Watlow Electric Manufacturing Company, a corporation incorporated in the State of Missouri, the U.S. with limited liability
“Offeror Concert Party(ies)”	person(s) who is/are acting in concert or presumed to be acting in concert, with the Offeror under the definition of “acting in concert” under the Takeovers Code
“Offeror Group”	the Offeror and its subsidiaries

“PRC”	the People’s Republic of China, but for the purpose of this Scheme Document only, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Proposal”	the proposal to take the Company private by the Offeror by way of the Scheme and the withdrawal of the listing of the Shares on GEM of the Stock Exchange, on the terms and subject to the Conditions as described in this Scheme Document
“Register”	the principal or branch register of members of the Company (as the case may be) in respect of the Shares
“Registered Owner”	any person(s) (including without limitation a nominee, trustee, depository or any other authorised custodian or third party) whose name is entered in the Register as the holder of the Share(s)
“Relevant Period”	the period commencing on 14 May 2025, being the date falling six months preceding the commencement date of the Offer Period and ending on and including the Latest Practicable Date
“relevant securities”	has the meaning ascribed to it in Note 4 to Rule 22 of the Takeovers Code
“Scheme”	the scheme of arrangement under section 86 of the Companies Act involving the cancellation of all the Scheme Shares and the simultaneous maintenance of the issued share capital of the Company at the amount prior to the cancellation of the Scheme Shares for the implementation of the Proposal, with or subject to any modification, addition or condition approved or imposed by the Grand Court
“Scheme Document”	this composite scheme document of the Company and the Offeror issued to all Shareholders (of which the Scheme forms part) containing, among other things, further details of the Proposal and the Scheme and notices of the Court Meeting and the EGM as may be amended or supplemented from time to time together with the proxy forms in relation thereto
“Scheme Record Date”	27 February 2026 (or such other date as may be announced by the Company), being the record date for determining entitlements of the Scheme Shareholders under the Scheme
“Scheme Shareholder(s)”	the registered holder(s) of the Scheme Share(s)

“Scheme Share(s)”	the Shares in issue on the Scheme Record Date
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the registered holder(s) of the Share(s)
“Share Option Scheme”	the share option scheme adopted by the Company on 20 June 2017
“Stamp Duty Ordinance”	the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers issued by the SFC, as amended from time to time
“Undertaking Shareholders”	Mr. Yang Ming-Hsiang, Tai-Yi Investment Co. Ltd., Ms. Wei Hung-Li, Queenbest Development Limited, Ever Wealth Holdings Limited, Planeta Investments Limited and Mr. Chen, Yu-Yuan (also known as Mr. Chen Tsou-Wei)
“Undisturbed Date”	3 November 2025, being the last trading day prior to when there were irregular trading volumes and price movements in the Shares
“U.S.” or “United States”	The United States of America
“%”	per cent

*All references in this Scheme Document to times and dates are references to Hong Kong times and dates, except as otherwise specified and other than references to the expected date of the Court Hearing and the Effective Date, which are the relevant dates in the Cayman Islands. For reference only, Cayman Islands time is 13 hours behind Hong Kong time as at the date of this Scheme Document.*

**ACTIONS TO BE TAKEN BY SHAREHOLDERS**

For the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and the entitlements of the Shareholders to attend and vote at the EGM, the Register will be closed from 10 February 2026 to 13 February 2026 (both days inclusive) and during such period, no transfer of Shares will be registered. The Meeting Record Date will be 13 February 2026. In order to qualify to attend and vote at the Court Meeting and/or the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by not later than 4:30 p.m. on 9 February 2026.

A **pink** form of proxy for use in connection with the Court Meeting and a **white** form of proxy for use in connection with the EGM are enclosed with this Scheme Document. A subsequent purchaser of the Shares to be voted at the Court Meeting or the EGM will need to obtain the relevant form of proxy from the transferor or the website of the Stock Exchange if he, she or it wishes to attend and/or vote at the Court Meeting and/or the EGM.

**Whether or not you are able to attend the Court Meeting and/or the EGM or any adjournment thereof in person, if you are a Scheme Shareholder, you are strongly urged to complete and sign the enclosed pink form of proxy in respect of the Court Meeting and, if you are a Shareholder, you are strongly urged to complete and sign the enclosed white form of proxy in respect of the EGM in accordance with the instructions printed on them respectively, and to deposit them at the office of the Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.**

- **The pink form of proxy for use at the Court Meeting should be lodged no later than 48 hours before the time appointed for holding the Court Meeting (i.e. on or before 11 February 2026 at 11:00 a.m. (Hong Kong time)) or any adjournment thereof, although it may alternatively be handed to the chairman of the Court Meeting at the commencement of the Court Meeting (who shall have absolute discretion as to whether or not to accept it).**
- **The white form of proxy for use at the EGM must be lodged no later than 48 hours before the time appointed for holding the EGM (i.e. on or before 11 February 2026 at 11:45 a.m. (Hong Kong time)) or any adjournment thereof in order to be accepted, failing which it will not be valid.**

The completion and return of the relevant forms of proxy for the Court Meeting and/or EGM will not preclude you from attending and voting in person at the relevant meeting or any adjournment thereof should you so wish and in such event, the relevant form of proxy will be revoked by operation of law.

**If you do not appoint a proxy and if you do not attend and vote at the Court Meeting and/or the EGM, you will still be bound by the outcome of the Court Meeting and/or the EGM if, among other things, the resolutions are passed by the requisite majorities at the Court Meeting and the EGM. You are therefore strongly encouraged to attend and vote at the Court Meeting and/or the EGM in person or by proxy.**

Voting at the Court Meeting and the EGM will be taken by poll as required under the GEM Listing Rules and the Takeovers Code.

### **Announcement of results of the Court Meeting and the EGM**

The Company and the Offeror will make an announcement in relation to the results of the Court Meeting and the EGM, in accordance with Rule 19.1 of the Takeovers Code to the extent applicable, by no later than 7:00 p.m. on 13 February 2026. If all the resolutions are passed at those meetings, further announcements will be made in relation to, among other things, the results of the Court Hearing and, if the Scheme is sanctioned, the Scheme Record Date, the Effective Date and the date of withdrawal of the listing of the Shares on GEM of the Stock Exchange in accordance with the requirements of the Takeovers Code and the GEM Listing Rules.

**Shareholders who have sold/transferred Shares should hand this Scheme Document and forms of proxy to the purchaser/transferee.**

If you have sold or transferred all or part of your Shares, you should at once hand this Scheme Document and the accompanying forms of proxy to the purchaser or the transferee or to the 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 the transferee.

**Shareholders and potential investors of the Company are advised to read this Scheme Document carefully, in particular, (i) the letter from the Independent Board Committee in Part V of this Scheme Document; and (ii) the letter from the Independent Financial Adviser in Part VI of this Scheme Document, before voting at the Court Meeting and/or the EGM.**

### **ACTIONS TO BE TAKEN BY BENEFICIAL OWNERS WHOSE SHARES ARE DEPOSITED IN CCASS**

The Company will not recognise any person as holding any Shares on any trust.

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered under the name of HKSCC Nominees Limited, you should, unless you are admitted to participate in CCASS as an Investor Participant:

- (a) contact your broker, custodian, nominee or other relevant person who is, or has, in turn, deposited such Shares with other CCASS Participants, regarding voting instructions to be given to such persons if you wish to vote at the Court Meeting and/or the EGM in respect of the Proposal and the Scheme. You should contact your broker, custodian, nominee or other relevant person in advance of the deadline in respect of the Court Meeting and/or the EGM set by them, in order to provide such person with sufficient time to provide HKSCC Nominees Limited with instructions or make arrangements with HKSCC Nominees Limited in relation to the manner in which the Shares of the Beneficial Owner should be voted at the Court Meeting and/or the EGM; or

(b) arrange for some or all of your Shares to be withdrawn from CCASS and transferred and registered in your own name by lodging all the transfer documents with relevant share certificates on or before 4:30 p.m. on 9 February 2026 with the Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, and become a Registered Owner as of the Meeting Record Date and thereby have the right to attend and vote (in person or by proxy) at the Court Meeting and/or the EGM. For withdrawal of Shares from CCASS and registration thereof, you will be required to pay to CCASS a withdrawal fee per board lot withdrawn, a registration fee for each share certificate issued, stamp duty on each transfer instrument and, if your Shares are held through a financial intermediary, any other relevant fees charged by your financial intermediary. You should contact your broker, custodian, nominee or other relevant person in advance of the latest time for lodging transfers of the Shares into your name so as to qualify to attend and vote at the Court Meeting and/or the EGM, in order to provide such broker, custodian, nominee or other relevant person with sufficient time to withdraw the Shares from CCASS and register them in your name.

The procedures for voting by the Investor Participants and other CCASS Participants in respect of the Scheme and the Proposal by HKSCC Nominees Limited with respect to Shares registered under the name of HKSCC Nominees Limited shall be in accordance with the “Operating Guide for Investor Participants”, the “General Rules of HKSCC” and the “HKSCC Operational Procedures” in effect from time to time.

#### **ACTIONS TO BE TAKEN BY BENEFICIAL OWNERS WHOSE SHARES ARE HELD BY A REGISTERED OWNER OTHER THAN HKSCC NOMINEES LIMITED**

The Company will not recognise any person as holding any Shares on trust.

If you are a Beneficial Owner whose Shares are registered in the name of a nominee, trustee, depositary or any other authorised custodian or third party (other than HKSCC Nominees Limited), you should contact such Registered Owner to give instructions to and/or to make arrangements with such Registered Owner as to the manner in which the Shares beneficially owned by you should be voted at the Court Meeting and/or the EGM.

If you are a Beneficial Owner who wishes to attend and vote at the Court Meeting and/or the EGM personally, you should:

(a) contact the Registered Owner directly to make the appropriate arrangements with the Registered Owner to enable you to attend and vote at the Court Meeting and/or the EGM and, for such purpose, the Registered Owner may appoint you as its proxy; or

(b) arrange for some or all Shares registered in the name of the Registered Owner to be transferred into your own name by lodging all the transfer documents with relevant share certificates on or before 4:30 p.m. on 9 February 2026 with the Hong Kong Branch Share Registrar Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, and become a Registered Owner as of the Meeting Record Date and thereby have the right to attend and vote (in person or by proxy) at the Court Meeting and/or the EGM.

Instructions to and/or arrangements with the Registered Owner should be given or made in advance of the relevant latest time for the lodgement of forms of proxy in respect of the Court Meeting and/or the EGM or, as applicable, the latest time for lodging transfer of Shares, in order to provide the Registered Owner with sufficient time to complete his/her/its forms of proxy or, as applicable, transfer documents accurately and to submit them by the relevant deadline stated in Part III of this Scheme Document. To the extent that any Registered Owner requires instructions from or arrangements to be made with any Beneficial Owner at a particular date or time in advance of the relevant latest time for the lodgement of forms of proxy in respect of the Court Meeting and/or the EGM or, as applicable, the latest time for lodging transfer of Shares, any such Beneficial Owner should comply with the requirements of such Registered Owner.

The appointment of a proxy by the Registered Owner at the Court Meeting and/or the EGM shall be in accordance with all relevant provisions in the amended and restated articles of association of the Company.

The completion and return of a form of proxy for the Court Meeting and/or the EGM will not preclude the Registered Owner from attending and voting in person at the relevant meeting or any adjournment thereof should he/she/it so wish, and in such event, the relevant form of proxy will be revoked by operation of law.

#### **EXERCISE YOUR RIGHT TO VOTE**

**IF YOU ARE A SHAREHOLDER OR A BENEFICIAL OWNER WHOSE SHARES ARE HELD BY A REGISTERED OWNER, YOU ARE STRONGLY ENCOURAGED TO EXERCISE YOUR RIGHT TO VOTE OR TO GIVE INSTRUCTIONS TO THE RELEVANT REGISTERED OWNER TO VOTE IN PERSON OR BY PROXY AT THE COURT MEETING AND/OR THE EGM. IF YOU KEEP ANY SHARES IN A SHARE LENDING PROGRAMME OR CUSTODIAN ACCOUNT, YOU ARE ENCOURAGED TO RECALL ANY OUTSTANDING SHARES ON LOAN OR REQUIRE YOUR CUSTODIAN TO RECALL ANY SUCH SHARES ON LOAN TO AVOID MARKET PARTICIPANTS USING BORROWED STOCK TO VOTE.**

**IF YOU ARE A BENEFICIAL OWNER WHOSE SHARES ARE DEPOSITED IN CCASS, YOU ARE STRONGLY ENCOURAGED TO PROVIDE YOUR BROKER, CUSTODIAN, NOMINEE OR OTHER RELEVANT PERSON WITHOUT DELAY WITH INSTRUCTIONS OR MAKE ARRANGEMENTS WITH HKSCC NOMINEES LIMITED IN RELATION TO THE MANNER IN WHICH THOSE SHARES SHOULD BE VOTED AT THE COURT MEETING AND/OR AT THE EGM, AND/OR WITHDRAW SOME OR ALL OF YOUR SHARES FROM CCASS AND BECOME A REGISTERED OWNER OF SUCH SHARES AND EXERCISE YOUR RIGHT TO VOTE (IN PERSON OR BY PROXY) AT THE COURT MEETING AND/OR THE EGM.**

**IF YOU ARE A REGISTERED OWNER HOLDING SHARES ON BEHALF OF BENEFICIAL OWNERS, YOU SHOULD INFORM THE RELEVANT BENEFICIAL OWNER(S) ABOUT THE IMPORTANCE OF EXERCISING THEIR RIGHT TO VOTE AND THAT BENEFICIAL OWNERS SHOULD CONSIDER TRANSFERRING SOME OR ALL OF THEIR SHARES INTO THEIR OWN NAMES IF THEY WISH TO VOTE INDIVIDUALLY.**

**IF APPROVED, THE PROPOSAL WILL BE BINDING ON ALL OF THE SCHEME SHAREHOLDERS, IRRESPECTIVE OF WHETHER OR NOT YOU ATTENDED OR VOTED AT THE COURT MEETING AND/OR THE EGM.**

**IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU ARE ENCOURAGED TO CONSULT YOUR LICENSED SECURITIES DEALER OR REGISTERED INSTITUTION IN SECURITIES, BANK MANAGER, SOLICITOR, PROFESSIONAL ACCOUNTANT OR OTHER PROFESSIONAL ADVISER.**

#### **PETITION HEARING AT THE GRAND COURT**

**ANY SCHEME SHAREHOLDERS WHO VOTED AT THE COURT MEETING (INCLUDING ANY BENEFICIAL OWNERS WHO GAVE VOTING INSTRUCTIONS TO A CUSTODIAN OR CLEARING HOUSE WHO SUBSEQUENTLY VOTED AT THE COURT MEETING) SHOULD NOTE THAT THEY ARE ENTITLED TO ATTEND OR APPEAR BY COUNSEL, AND BE HEARD ON THE HEARING OF THE PETITION AT THE GRAND COURT OF THE CAYMAN ISLANDS WHICH IS EXPECTED TO BE ON 20 FEBRUARY 2026 AT 9:30 A.M. (CAYMAN ISLANDS TIME), AT WHICH THE COMPANY WILL SEEK, AMONG OTHER THINGS, THE SANCTION OF THE SCHEME.**

#### **NOTICE TO U.S. INVESTORS**

The Proposal and the Scheme relate to the cancellation of the securities of a company incorporated under the laws of the Cayman Islands by way of a scheme of arrangement provided for under the Companies Act and is subject to Hong Kong disclosure requirements which are different from those in the United States. The financial information included in the relevant documentation, including this Scheme Document, has been prepared in accordance with the accounting standards applicable in Hong Kong and thus may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules of the United States Securities Exchange Act of 1934, as amended. The Proposal and the Scheme are subject to the procedural and disclosure requirements and practices applicable in the Cayman Islands and Hong Kong to schemes of arrangement, which differ from those applicable under the U.S. federal securities laws. In addition, U.S. Scheme Shareholders should be aware that this Scheme Document has been prepared in accordance with Hong Kong format and style, which differs from U.S. format and style.

The receipt of cash pursuant to the Proposal by a U.S. Scheme Shareholder as consideration for the cancellation of his/her/its Scheme Shares pursuant to the Scheme may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other tax laws. Each holder of Scheme Shares is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of the Proposal applicable to him/her/it.

It may be difficult for U.S. Scheme Shareholders to enforce their rights and claims arising out of the U.S. federal securities laws, as the Company is incorporated in a country other than the United States, and some or all of its officers and directors may be residents of a country other than the United States. U.S. Scheme Shareholders may not be able to bring a claim against a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgement.

*The following timetable takes into account the procedures of the Grand Court for the Scheme. The expected timetable is indicative only and is subject to change. Further announcement(s) will be made if there is any change to the following expected timetable.*

	<b>Hong Kong date and time (unless otherwise specified)</b>
Date of despatch of this Scheme Document .....	21 January 2026
Latest time for lodging transfers of Shares to qualify for entitlements to attend and vote at the Court Meeting and/or the EGM .....	4:30 p.m. on 9 February 2026
Closure of the Register for determining entitlements to attend and vote at the Court Meeting and the EGM ( <i>Note 1</i> ).....	from 10 February 2026 to 13 February 2026 (both days inclusive)
Latest time for lodging <b>pink</b> form of proxy in respect of the Court Meeting ( <i>Note 2</i> ).....	11:00 a.m. on 11 February 2026
Latest time for lodging <b>white</b> form of proxy in respect of the EGM ( <i>Note 2</i> ) .....	11:45 a.m. on 11 February 2026
Meeting Record Date .....	13 February 2026
Court Meeting ( <i>Notes 2 and 3</i> ).....	11:00 a.m. on 13 February 2026
EGM ( <i>Notes 2 and 3</i> ).....	11:45 a.m. on 13 February 2026 (or as soon as practicable after the conclusion or adjournment of the Court Meeting)
Announcement of the results of the Court Meeting and the EGM posted on the website of the Stock Exchange and the website of the Company .....	not later than 7:00 p.m. on 13 February 2026
Expected last day for trading in the Shares on the Stock Exchange.....	16 February 2026
Court Hearing.....	20 February 2026 (Cayman Islands time)

	<b>Hong Kong date and time (unless otherwise specified)</b>
Announcement of (1) the results of the Court Hearing; (2) the expected Effective Date; and (3) the expected date of the withdrawal of the listing of the Shares on the Stock Exchange.....	at or before 8:30 a.m. (Hong Kong time) on 23 February 2026
Latest time for lodging transfers of Shares to qualify for entitlements under the Scheme .....	4:30 p.m. on 24 February 2026
Closure of the Register for determining the entitlements of the Scheme Shareholders under the Scheme ( <i>Note 4</i> ).....	from 25 February 2026 onwards
Scheme Record Date .....	27 February 2026
Effective Date ( <i>Note 5</i> ).....	27 February 2026 (Cayman Islands time)
Announcement of (1) the Effective Date; and (2) the withdrawal of the listing of the Shares on GEM of the Stock Exchange .....	at or before 8:30 a.m. on 2 March 2026
Withdrawal of listing of the Shares on GEM of the Stock Exchange becomes effective ( <i>Note 5</i> ) .....	4:00 p.m. on 3 March 2026
Latest date to despatch cheques for payment of the Cancellation Price to the Scheme Shareholders ( <i>Notes 6 and 7</i> ) .....	on or before 10 March 2026

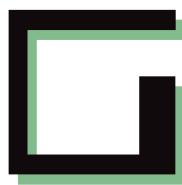
*Notes:*

1. The Register will be closed during such period for the purpose of determining the entitlement of the Scheme Shareholders to attend and vote at the Court Meeting and of the Shareholders to attend and vote at the EGM. For the avoidance of doubt, this period of closure is not for determining entitlements under the Scheme.
2. The **pink** form of proxy in respect of the Court Meeting and the **white** form of proxy in respect of the EGM should be completed and signed in accordance with the instructions respectively printed on them and should be lodged with the Hong Kong Branch Share Registrar, 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 later than the relevant times and dates stated above. In the case of the **pink** form of proxy in respect of the Court Meeting, it may alternatively be handed to the Chairman of the Court Meeting at the commencement of the Court Meeting (who shall have absolute discretion as to whether or not to accept it). The **white** form of proxy for use at the EGM must be lodged no later than 48 hours before the time appointed for holding the EGM or any adjournment thereof in order to be accepted, failing which it will not be valid. Completion and return of a

form of proxy for the Court Meeting or the EGM will not preclude a Scheme Shareholder or a Shareholder (as the case may be) from attending and voting in person at the relevant meeting if he, she or it so wishes. In such event, the relevant form of proxy will be revoked by operation of law.

3. For further details relating to the Court Meeting and the EGM, please see the notice of Court Meeting set out in Appendix IV to this Scheme Document and the notice of EGM set out in Appendix V to this Scheme Document. If a tropical cyclone warning signal No. 8 or above is or is expected to be hoisted or “extreme conditions” announced by the Government of Hong Kong or a black rainstorm warning signal is or is expected to be in force at any time after 8:00 a.m. on the date of the Court Meeting and the EGM, the Court Meeting and the EGM will be adjourned. The Company will post an announcement on the respective websites of the Stock Exchange and the Company to notify the Scheme Shareholders and Shareholders (as the case may be) of the date, time and venue of the adjourned meetings.
4. The Register will be closed during such period for the purpose of determining the entitlements of the Scheme Shareholders under the Proposal and the Scheme.
5. The Scheme will become effective upon all the Conditions set out in the section headed “Conditions of the Proposal and the Scheme” in the Explanatory Memorandum in Part VII of this Scheme Document having been fulfilled or waived (as applicable). The withdrawal of listing of Shares will take place as soon as practicable after the Effective Date. Shareholders will be advised by an announcement of the exact date upon which the Scheme becomes effective and the exact date of withdrawal of the listing of the Shares on GEM of the Stock Exchange. All of the Conditions will have to be fulfilled or waived (as applicable) on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse.
6. Cheques for the payment of Cancellation Price will be despatched by ordinary post in postage pre-paid envelopes addressed to the persons entitled thereto at their respective registered addresses shown in the Register as at the Scheme Record Date or, in the case of joint holders, at the address of that joint holder whose name then stands first in the Register in respect of the relevant joint holding as soon as possible but in any event no later than seven (7) Business Days after the Effective Date. Cheques shall be posted at the risk of the addressees and none of the Offeror, the Company, Anglo Chinese, the Independent Financial Adviser, the Hong Kong Branch Share Registrar or any of their respective directors, officers, employees, agents, affiliates, associates or advisers or any other persons involved in the Proposal and/or the Scheme shall be responsible or liable for any loss or delay in despatch or receipt.
7. If any severe weather condition is in force in Hong Kong:
  - (a) at any time before 12:00 noon but no longer in force at or after 12:00 noon on the latest date for despatching cheques by ordinary post in the amounts due under the Proposal, such date will remain on the same Business Day; or
  - (b) at any time at or after 12:00 noon on the latest date for despatching cheques by ordinary post in the amounts due under the Proposal, such date will be rescheduled to the following Business Day which does not have any of such warnings or conditions in force in Hong Kong at 12:00 noon and/or thereafter (or another Business Day thereafter that does not have any severe weather condition at 12:00 noon or thereafter).

For the purpose of this Scheme Document, “severe weather” refers to the scenario where a tropical cyclone warning signal number 8 or above is hoisted, a black rainstorm warning and/or the “Extreme Conditions” warning as announced by the Hong Kong Government is/are in force in Hong Kong. Further announcement(s) will be made if there is any change to the expected timetable as a result of any severe weather.



**GENES TECH GROUP HOLDINGS COMPANY LIMITED**  
**靖洋集團控股有限公司**  
(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 8257)

*Executive Directors:*

Mr. Yang Ming-Hsiang (*Chairman*)  
Ms. Wei Hung-Li  
Mr. Chiang Ting-Kuo

*Independent non-executive Directors:*

Mr. Kam, Eddie Shing Cheuk  
Mr. Cheng Chun Shing  
Mr. Ho Pak Chuen Brian

*Registered office:*

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

*Head Office:*

No. 80, Baotai 3rd Road, Zhubei City  
Hsinchu County 30244  
Taiwan

*Principal place of business in Hong Kong:*

Room 1922, 19/F, Lee Garden One  
33 Hysan Avenue  
Causeway Bay  
Hong Kong

21 January 2026

*To the 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**

## INTRODUCTION

Reference is made to the Announcement and the Additional Irrevocable Undertaking Announcement. On 14 November 2025 (after trading hours), the Offeror and the Company entered into the Implementation Agreement, pursuant to which the Offeror requested, and the Board undertook to put forward the Proposal to the Scheme Shareholders for the proposal to take the Company private through the proposed cancellation of all the Scheme Shares by way of a scheme of arrangement in accordance with section 86 of the Companies Act, subject to the Conditions being fulfilled or waived, as applicable.

If the Proposal is approved and implemented, under the Scheme, the Scheme Shares will, on the Effective Date, be cancelled and extinguished. Simultaneously with such cancellation and extinguishment, the issued share capital of the Company will be maintained 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. The reserve created in the Company's books of account as a result of the cancellation of the Scheme Shares will be applied in paying up in full at par the new Shares so issued, credited as fully paid, to the Offeror.

Upon the Scheme becoming effective, the Company will become directly wholly owned by the Offeror, and the listing of the Shares on GEM of the Stock Exchange will be withdrawn.

If the Scheme does not become effective or the Proposal otherwise lapses, the listing of the Shares on GEM of the Stock Exchange will not be withdrawn.

The purpose of this Scheme Document is to provide you with further information regarding the Proposal, the Scheme and the expected timetable and to give you notices of the Court Meeting and the EGM (together with proxy forms in relation thereto). Your attention is also drawn to (i) the letter from the Independent Board Committee set out in Part V of this Scheme Document; (ii) the letter from the Independent Financial Adviser set out in Part VI of this Scheme Document; (iii) the Explanatory Memorandum set out in Part VII of this Scheme Document; (iv) the financial information of the Group set out in Appendix I to this Scheme Document; (v) the general information set out in Appendix II to this Scheme Document; and (vi) the terms of the Scheme set out in Appendix III to this Scheme Document.

## TERMS OF THE PROPOSAL AND THE SCHEME

### **The Proposal and the Scheme**

If the Proposal is approved and implemented, under the Scheme:

- (a) all Scheme Shares held by the Scheme Shareholders will be cancelled and extinguished on the Effective Date in consideration for the Cancellation Price, being HK\$0.245 in cash for each Scheme Share cancelled;
- (b) simultaneously with the cancellation and extinguishment of the Scheme Shares, the issued share capital of the Company will be maintained 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, such that the Company will become directly wholly owned by the Offeror. The reserve created in the Company's books of account as a result of the cancellation of the Scheme Shares will be applied in paying up in full at par the new Shares so issued to the Offeror; and

- (c) subject to the Scheme becoming effective, the Company will make an application to the Stock Exchange for the withdrawal of the listing of the Shares on GEM of the Stock Exchange in accordance with Rule 9.23(2) of the GEM Listing Rules with effect immediately following the Effective Date.

### **Cancellation Price**

The Proposal will provide that each of the Scheme Shares be cancelled in exchange for the payment of the Cancellation Price of HK\$0.245 per Scheme Share, which shall be paid by the Offeror to the Scheme Shareholders whose names appear on the Register on the Scheme Record Date.

As at the Latest Practicable Date, the Company has not declared any dividend, distribution or other return of capital which remains unpaid, and the Company does not intend to make, declare and/or pay any dividend or make other distribution or other return of capital on or before the Effective Date or the date on which the Scheme is not approved, or the Proposal and/or the Scheme otherwise lapse (whichever is earlier).

If, after the Latest Practicable Date, any dividend, distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Cancellation Price by all or any part of the amount or value of such dividend, distribution, and/or return of capital after consultation with the Executive, in which case any reference in the Announcement, the Scheme Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced.

**Comparison of value**

The Cancellation Price of HK\$0.245 per Scheme Share represents:

- (a) a premium of approximately 87.0% over the closing price of HK\$0.131 per Share as quoted on the Stock Exchange on 5 November 2025, being the Last Trading Date;
- (b) a premium of approximately 122.7% over the closing price of HK\$0.110 per Share as quoted on the Stock Exchange on 4 November 2025, being the Last Full Trading Date;
- (c) a premium of approximately 160.6% over the average closing price of approximately HK\$0.094 per Share as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Date;
- (d) a premium of approximately 169.2% over the average closing price of approximately HK\$0.091 per Share as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Date;
- (e) a premium of approximately 214.1% over the average closing price of approximately HK\$0.078 per Share as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Date;
- (f) a premium of approximately 240.3% over the average closing price of approximately HK\$0.072 per Share as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Date;
- (g) a premium of approximately 175.3% over the closing price of HK\$0.089 per Share as quoted on the Stock Exchange on 3 November 2025, being the Undisturbed Date;
- (h) a premium of approximately 178.4% over the average closing price of approximately HK\$0.088 per Share as quoted on the Stock Exchange for the 10 trading days up to and including the Undisturbed Date;
- (i) a premium of approximately 178.4% over the average closing price of approximately HK\$0.088 per Share as quoted on the Stock Exchange for the 30 trading days up to and including the Undisturbed Date;
- (j) a premium of approximately 218.2% over the average closing price of approximately HK\$0.077 per Share as quoted on the Stock Exchange for the 90 trading days up to and including the Undisturbed Date;
- (k) a premium of approximately 245.1% over the average closing price of approximately HK\$0.071 per Share as quoted on the Stock Exchange for the 180 trading days up to and including the Undisturbed Date;
- (l) a premium of approximately 21.3% over the audited net asset value attributable to Shareholders of approximately HK\$0.202 per Share as at 31 December 2024, calculated based on the latest audited consolidated net asset value of the Company

attributable to the Shareholders of approximately NTD820 million (equivalent to approximately HK\$202 million based on the exchange rate of HK\$1:NTD4.07 as at 31 December 2024 as published by the Hong Kong Monetary Authority for illustrative purposes) as at 31 December 2024 and 1,000,000,000 Shares in issue as at the Latest Practicable Date;

- (m) a premium of approximately 12.4% over the unaudited net asset value attributable to Shareholders of approximately HK\$0.218 per Share as at 30 June 2025, calculated based on the latest unaudited consolidated net asset value of the Company attributable to the Shareholders of approximately NTD889 million (equivalent to approximately HK\$236 million based on the exchange rate of HK\$1: NTD3.76 as at 30 June 2025 as published by the Hong Kong Monetary Authority for illustrative purposes) as at 30 June 2025 and 1,000,000,000 Shares in issue as at the Latest Practicable Date; and
- (n) a premium of approximately 1.66% over the closing price of HK\$0.241 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

#### **Basis for determining the Cancellation Price**

The Cancellation Price has been determined on a commercial basis after taking into account, among other things, the recent and historical prices of the Shares traded on the Stock Exchange, the publicly available financial information of the Group, and with reference to other take private transactions in Hong Kong in recent years.

#### **Highest and lowest prices**

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.241 per Share on the Latest Practicable Date, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.057 per Share on 27 June 2025.

#### **TOTAL CONSIDERATION AND CONFIRMATION OF FINANCIAL RESOURCES**

As at the Latest Practicable Date, there are 1,000,000,000 Shares in issue. There are no other outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carry a right to subscribe for or which are convertible into Shares.

The Company does not intend to grant any share options under the Share Option Scheme on or before the Scheme Record Date. Assuming no new Shares will be issued on or before the Scheme Record Date, the maximum amount of cash consideration payable under the Scheme would be HK\$245,000,000.

The Offeror intends to finance the consideration payable under the Scheme through its internal cash resources.

Anglo Chinese, being the financial adviser to the Offeror in connection with the Scheme, is satisfied that sufficient financial resources are available to the Offeror to satisfy its payment obligations in full in respect of the consideration payable by the Offeror under the Scheme.

## **CONDITIONS OF THE PROPOSAL AND THE SCHEME**

The Proposal and the Scheme are conditional upon the satisfaction (or, where applicable, the waiver) of the Conditions set out below:

- (a) the approval of the Scheme (by way of poll) at the Court Meeting by the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders entitled to vote at the Court Meeting, present and voting either in person or by proxy at the Court Meeting;
- (b) (i) the approval of the Scheme (by way of a poll) by not less than 75% of the votes attaching to the Scheme Shares held by the Disinterested Shareholders entitled to vote at the Court Meeting, present and voting either in person or by proxy at the Court Meeting; and (ii) the number of votes cast (by way of a poll) by the Disinterested Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by the Disinterested Shareholders;
- (c) the passing of (i) a special resolution by a majority of not less than three-fourths of the votes cast by the Shareholders, present and voting in person or by proxy at the EGM, to approve and give effect to any reduction of the issued share capital on the Effective Date by cancelling the Scheme Shares; and (ii) an ordinary resolution by a simple majority of the votes cast by the Shareholders, present and voting in person or by proxy at the EGM, to approve the simultaneous maintenance of the issued share capital at the amount immediately prior to the cancellation of the Scheme Shares by issuing to the Offeror such number of new Shares at par as is equal to the number of Scheme Shares cancelled and applying the reserve created in the Company's books of account as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such new Shares so issued;
- (d) the sanction of the Scheme (with or without modifications) by the Grand Court and to the extent necessary its confirmation of any reduction of the issued share capital as a result of the cancellation of the Scheme Shares, and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of the Grand Court for registration;
- (e) compliance, to the extent necessary, with the applicable procedural requirements and conditions, if any, under the Companies Act in relation to any reduction of the issued share capital as a result of the cancellation of the Scheme Shares;
- (f) all of the Approvals having been obtained, completed and/or made and remaining in full force and effect without modification or variation up to and as at the Effective Date;

- (g) all necessary consents which may be required for the implementation of the Proposal and the Scheme under any existing contractual obligations of the Company having been obtained or waived by the relevant party(ies), where any failure to obtain such consent or waiver would have a material adverse effect on the business of the Group;
- (h) all Applicable Laws having been complied with and no legal, regulatory or administrative requirement having been imposed by any Authority in any jurisdiction which is not expressly provided for, or is in addition to the legal, regulatory and administrative requirements which are expressly provided for, in the Applicable Laws in connection with the Proposal or the Scheme;
- (i) no Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order) and no court of competent jurisdiction having issued any order, injunction, decree or ruling, in each case, which would make the Proposal or the Scheme void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations in connection with the Proposal or the Scheme);
- (j) save in connection with the implementation of the Proposal and the Scheme, the listing of the Shares on GEM of the Stock Exchange not having been withdrawn, and no indication having been received from the Executive and/or the Stock Exchange to the effect that the listing of the Shares on GEM of the Stock Exchange is or is likely to be withdrawn; and
- (k) since the date of the Announcement, there having been no adverse change in the business, assets, prospects, profits, losses, results of operations, financial position or condition of the Group (to an extent which is material in the context of the Group taken as a whole or in the context of the Proposal and/or the Scheme as reasonably determined by the Offeror with the consent of the Executive).

In addition to the requisite Shareholders' approval and regulatory approvals as expressly set out under the Conditions and compliance with the Takeovers Code and the GEM Listing Rules, the Company is required to obtain prior written consent from certain third parties in relation to or in connection with any borrowings, indebtedness and/or debt securities of the Group regarding (i) the contemplated change of shareholding in the Company; (ii) the contemplated delisting of the Shares; and/or (iii) waiver of termination rights (arising from breach of the negative pledge covenants in the relevant agreements), in connection with the implementation of the Proposal and the Scheme. Save for the above, as at the Latest Practicable Date, the Company is not aware of any other Approvals or consents under the Condition in paragraph (g) or compliance obligations arising from other legal, regulatory or administrative requirements under the Applicable Laws that are required in connection with the implementation of the Proposal and the Scheme.

The Conditions in paragraphs (a) to (d) (inclusive) cannot be waived. The Offeror reserves the right to waive all or any of the Conditions in paragraphs (e) to (k) (inclusive) above in whole or in part. The Company has no right to waive any of the Conditions.

All of the Conditions must be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Proposal and/or the Scheme if the circumstances which give rise to the right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal and/or the Scheme.

As at the Latest Practicable Date and based on the information available to the Offeror and the Company, other than set out as the Conditions in paragraphs (a) to (e) (inclusive) above, the requisite third-party consents set out above, and the application for the withdrawal of the listing of the Shares from GEM of the Stock Exchange upon the Scheme becoming effective, the Offeror and the Company are not aware of any circumstances which may result in any of the Conditions in paragraphs (f) and (g) (inclusive) above not being satisfied, and each of the Offeror and the Company is also not aware of any other circumstances which may result in any of the Conditions in paragraphs (h) to (k) (inclusive) above not being satisfied.

As at the Latest Practicable Date, none of the Conditions have been satisfied.

If the Conditions are satisfied or (where applicable) waived, the Scheme will be binding on all of the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting.

### **Warnings**

**Shareholders and potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the Conditions being fulfilled or (where applicable) waived. Accordingly, the Proposal may or may not be implemented and the Scheme may or may not become effective. 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 stockbroker, bank manager, solicitor or other professional advisers.**

### **IRREVOCABLE UNDERTAKINGS**

On 14 November 2025, the Offeror received an Irrevocable Undertaking from each of Mr. Yang Ming-Hsiang, Tai-Yi Investment Co. Ltd., Ms. Wei Hung-Li, Queenbest Development Limited, Ever Wealth Holdings Limited and Planeta Investments Limited, and on 2 January 2026, the Offeror received an additional Irrevocable Undertaking from Mr. Chen, Yu-Yuan (also known as Mr. Chen Tsou-Wei), pursuant to which each of the Undertaking Shareholders has undertaken, among other things:

- (a) to vote, or procure the voting of, all of their Shares in favour of any resolutions proposed at the Court Meeting and the EGM which are necessary for the Scheme to become effective; and

(b) not to: (i) dispose of any interest in any Shares held by them; (ii) make any offer to acquire any Shares of the Company or permit any company in which they, directly or indirectly, have any interest to make such an offer; or (iii) solicit, accept or approve (or procure the solicitation or permit the acceptance or approval of) any other proposal, offer or scheme of arrangement from any party (other than the Offeror or a party approved in writing by the Offeror) for all or any of their Shares, whether or not such other proposal, offer or scheme of arrangement is at a higher price than the Cancellation Price and/or on more favourable terms than under the Proposal.

The Irrevocable Undertakings will be terminated if the Implementation Agreement lapses or is terminated.

### **IMPLEMENTATION AGREEMENT**

On 14 November 2025, the Offeror and the Company entered into the Implementation Agreement, pursuant to which the parties have agreed to use all reasonable endeavors to do all such things within their power to implement the Proposal and the Scheme and cooperate to obtain all Approvals required in connection with the Proposal and the Scheme.

Under the Implementation Agreement, the Company has undertaken to the Offeror, among other things, to:

- (a) use all reasonable endeavors to implement the Proposal and the Scheme;
- (b) not declare any dividends or other distribution prior to the earlier of the Effective Date and termination of the Implementation Agreement;
- (c) procure each member of the Group to carry on its business in the ordinary and usual course of business and to maintain all licenses necessary for the carrying on of the businesses and operations of each member of the Group and not to permit or suffer any of such licenses to lapse;
- (d) procure that, prior to the earlier of the Effective Date and termination of the Implementation Agreement, the Group shall not take certain actions, including:
  - (i) allotting or issuing any securities or making any change to its share capital;
  - (ii) entering into any merger or acquiring or disposing of any assets, other than in the ordinary and usual course of business of the Group;
  - (iii) issuing any debentures or incurring or increasing any indebtedness or contingent liabilities other than in the ordinary and usual course of business of the Group;
  - (iv) entering into any material agreements or arrangements to which any member of the Group is a party that involves payment or incurrence of commitment involving capital expenditure;
  - (v) compromising or settling any legal proceedings for a material amount;

- (vi) entering into contracts, including service contracts (and including making any amendment to terms and conditions of employment of employees, provision of gratuitous payment or benefits or hire or dismiss any employees of the Group), except in the ordinary and usual course of business of the Group;
- (vii) entering into, varying or amending terms of agreement which restricts or limits the Group's freedom to engage in or carry on any business in any part of the world or to compete or do business with any person;
- (viii) entering into, varying or amending terms of transaction with connected persons (as defined in the GEM Listing Rules), except in the ordinary and usual course of business of the Group and on arm's length terms;
- (ix) creating or agreeing to create any encumbrance over its business or any assets or entering into any guarantee, indemnity or other agreement to secure an obligation of any third party, except in the ordinary and usual course of business of the Group;
- (x) transferring or assigning to any third party any intellectual property which it owns or has the right of use as well as any other intellectual property which it subsequently acquires or obtains the right of use of;
- (xi) amending constitutional documents or accounting policies or practices; or
- (xii) conducting any other actions that would constitute a frustrating action pursuant to Rule 4 of the Takeovers Code.

Nothing in the Implementation Agreement is intended to prevent or deprive: (i) the Shareholders from having the opportunity to consider, or (ii) the Company from considering, in each case, any unsolicited alternative offer from any person other than the Offeror.

The Implementation Agreement will be terminated upon the Scheme being withdrawn by the Offeror in circumstances permitted under the Takeovers Code. The Offeror may also terminate the Implementation Agreement if any of the Conditions (which cannot be waived) have not been or cannot be satisfied by the Long Stop Date or if the recommendation of the Board (excluding the Independent Board Committee) contained in the Announcement or the recommendation of the Board contained in the Scheme Document is withdrawn at any time prior to the Grand Court's sanction of the Scheme.

## **SHAREHOLDING STRUCTURE OF THE COMPANY**

As at the Latest Practicable Date:

- (a) the authorised share capital of the Company is HK\$20,000,000 divided into 2,000,000,000 Shares, and the Company has no relevant securities other than the 1,000,000,000 Shares in issue;

- (b) none of the Offeror or the Offeror Concert Parties owns or has control or direction over any voting rights and rights over the Shares;
- (c) the Scheme Shareholders (who are all Disinterested Shareholders) legally and/or beneficially own, control or have direction over 1,000,000,000 Shares in aggregate, representing all of the issued Shares; and
- (d) the Company does not have any outstanding shares, options, warrants, derivatives, convertible securities or other relevant securities in issue.

The table below sets out the shareholding structure of the Company as at the Latest Practicable Date and immediately upon the Effective Date, assuming that there is no other change in the shareholding of the Company before the Effective Date:

Shareholders	As at the Latest Practicable Date		Immediately upon the Effective Date	
	Approximate		Approximate	
	Number of Shares	% of total Shares <sup>(1)</sup>	Number of Shares	% of total Shares <sup>(1)</sup>
Offeror	_____	—	1,000,000,000	100%
<b>Sub-total: Offeror and Offeror Concert Parties</b>	_____	—	1,000,000,000	100%

Shareholders	As at the Latest Practicable Date		Immediately upon the Effective Date			
	Number of Shares	% of total Shares <sup>(1)</sup>	Approximate	Approximate		
			Number of Shares	% of total Shares <sup>(1)</sup>		
<b>Scheme Shareholders</b>						
<b>Undertaking Shareholders</b>						
— <i>Mr. Yang Ming-Hsiang</i> <sup>(2)(3)</sup>	37,975,000	3.80%	—	—		
— <i>Ms. Wei Hung-Li</i> <sup>(2)(4)</sup>	29,125,000	2.91%	—	—		
— <i>Queenbest Development Limited</i> <sup>(5)</sup>	374,625,000	37.46%	—	—		
— <i>Ever Wealth Holdings Limited</i> <sup>(6)</sup>	81,150,000	8.12%	—	—		
— <i>Planeta Investments Limited</i> <sup>(7)</sup>	63,750,000	6.38%	—	—		
— <i>Tai-Yi Investment Co. Ltd.</i> <sup>(2)(8)</sup>	111,300,000	11.13%	—	—		
— <i>Mr. Chen, Yu-Yuan</i> <sup>(9)</sup>	49,950,000	5.00%	—	—		
<b>Sub-total: Undertaking</b>						
Shareholders	<b>747,875,000</b>	<b>74.79%</b>	—	—		
<b>Other Scheme Shareholders</b>						
	<b>252,125,000</b>	<b>25.21%</b>	—	—		
<b>Total</b>	<b>1,000,000,000</b>	<b>100%</b>	<b>1,000,000,000</b>	<b>100%</b>		

*Notes:*

1. All percentages in the above table are approximations and rounded to the nearest two decimal places and the aggregate percentages may not add up due to rounding of the percentages to two decimal places.
2. Mr. Yang Ming-Hsiang, Tai-Yi Investment Co. Ltd., Ms. Wei Hung-Li, Mr. Lin Yen-Po (a former director of the Company) and Mr. Fan Chiang-Shen (a former director of the Company) (collectively, the “**Controlling Shareholder Concert Parties**”) entered into a concert party agreement dated 22 August 2016 (the “**Controlling Shareholder Concert Party Agreement**”). The Controlling Shareholder Concert Parties are collectively deemed interested in 702,050,000 Shares, representing approximately 70.21% of the total issued shares of the Company as at the Latest Practicable Date, which include interests of the Controlling Shareholder Concert Parties under the Controlling Shareholder Concert Party Agreement and the interests of Queenbest Development Limited, Ever Wealth Holdings Limited and Planeta Investments Limited, being controlled corporations under the Controlling Shareholder Concert Parties’ control within the meaning of Part XV of the SFO. For the avoidance of doubt, Mr. Lin Yen-Po, beneficial owner of 1,200,000 Shares, representing approximately 0.12% of the total issued shares of the Company as at the Latest Practicable Date, and Mr. Fan Chiang-Shen, beneficial owner of 2,925,000 Shares, representing approximately 0.29% of the total issued shares of the Company as at the Latest Practicable Date, are not Undertaking Shareholders. Mr. Lin Yen-Po and Mr. Fan Chiang-Shen are each an independent third party not acting in concert with the Offeror and the Offeror Concert Parties.
3. Mr. Yang Ming-Hsiang is a director of the Company and is the beneficial owner of 37,975,000 Shares, representing approximately 3.80% of the total issued shares of the Company as at the Latest Practicable Date. Mr. Yang is a party to the Controlling Shareholder Concert Party Agreement, and as a result, is also deemed interested in 664,075,000 Shares held by the other Controlling Shareholder Concert Parties (see note 2 above), representing approximately 66.41% of the total issued shares of the Company as at Latest Practicable Date.

4. Ms. Wei Hung-Li is a director of the Company and is the beneficial owner of 29,125,000 Shares, representing approximately 2.91% of the total issued shares of the Company as at the Latest Practicable Date. Ms. Wei is a party to the Controlling Shareholder Concert Party Agreement, and as a result, is also deemed interested in 672,925,000 Shares held by the other Controlling Shareholder Concert Parties (see note 2 above), representing approximately 67.30% of the total issued shares of the Company as at the Latest Practicable Date.
5. Queenbest Development Limited is a company incorporated in the British Virgin Islands and is the beneficial owner of 374,625,000 Shares, representing approximately 37.46% of the total issued shares of the Company as at the Latest Practicable Date. As at the Latest Practicable Date, Queenbest Development Limited has 24 individual shareholders, including Mr. Yang Ming-Hsiang who, being its largest shareholder, is interested in approximately 32.77%, Ms. Wei Hung-Li who is interested in approximately 15.36%, Mr. Fan Chiang-Shen who is interested in approximately 10.70% and Mr. Lin Yen-Po who is interested in approximately 5.08%, of its shareholding. The other shareholders of Queenbest Development Limited, who are independent third parties not acting in concert with the Offeror and the Offeror Concert Parties, are mainly employees and ex-employees of the Group and each holds interests ranging from approximately 0.02% to 8.44% in Queenbest Development Limited.
6. Ever Wealth Holdings Limited is a company incorporated in the Republic of Seychelles and is the beneficial owner of 81,150,000 Shares, representing approximately 8.12% of the total issued shares of the Company as at the Latest Practicable Date. As at the Latest Practicable Date, Ever Wealth Holdings Limited has 9 individual shareholders, including Mr. Yang Ming-Hsiang who, being its largest shareholder, is interested in 28.00%, Ms. Wei Hung-Li who is interested in 4.80% and Mr. Lin Yen-Po who is interested in 20.70%, of its shareholding. The other shareholders of Ever Wealth Holdings Limited, who are independent third parties not acting in concert with the Offeror and the Offeror Concert Parties, are employees of the Group and each holds interests ranging from 1.00% to 15.00% in Ever Wealth Holdings Limited.
7. Planeta Investments Limited is a company incorporated in Anguilla and is the beneficial owner of 63,750,000 Shares, representing approximately 6.38% of the total issued shares of the Company as at the Latest Practicable Date. As at the Latest Practicable Date, Planeta Investments Limited has 10 individual shareholders, including Mr. Yang Ming-Hsiang who, being its largest shareholder, is interested in 28.50%, Ms. Wei Hung-Li who is interested in 4.30%, Mr. Fan Chiang-Shen who is interested in 10.70% and Mr. Lin Yen-Po who is interested in 17.80%, of its shareholding. The other shareholders of Planeta Investments Limited, who are independent third parties not acting in concert with the Offeror and the Offeror Concert Parties, are mainly employees of the Group and each holds interests ranging from 0.70% to 26.70% in Planeta Investments Limited.
8. Tai-Yi Investment Co. Ltd. is a company incorporated in Taiwan and is the beneficial owner of 111,300,000 Shares, representing approximately 11.13% of the total issued shares of the Company as at the Latest Practicable Date. As at the Latest Practicable Date, it is held by three individual shareholders who are each an independent third party to the Company and an independent third party not acting in concert with the Offeror and the Offeror Concert Parties. Tai-Yi Investment Co. Ltd. is a party to the Controlling Shareholder Concert Party Agreement, and as a result, is also deemed interested in 590,750,000 Shares held by the other Controlling Shareholder Concert Parties (see note 2 above), representing approximately 59.08% of the total issued shares of the Company as at the Latest Practicable Date.
9. Mr. Chen, Yu-Yuan (also known as Mr. Chen Tsou-Wei) is the beneficial owner of 49,950,000 Shares, representing approximately 5.00% of the total issued shares of the Company as at the Latest Practicable Date, and is an independent third party not acting in concert with the Offeror and the Offeror Concert Parties.

Save as disclosed above, other than Mr. Chiang Ting-Kuo, a director of the Company, who is deemed interested in 2,450,000 Shares held by his spouse, Ms. Li Ling-Hui (an independent third party not acting in concert with the Offeror and the Offeror Concert Parties)

representing approximately 0.25% of the total issued shares of the Company as at the Latest Practicable Date, no other Director holds or is interested in any Share as at the Latest Practicable Date.

## **INFORMATION ON THE GROUP**

The Company is an exempted company incorporated in the Cayman Islands with limited liability whose Shares have been listed on GEM of the Stock Exchange since 14 July 2017. The Company is an investment holding company and the Group is principally engaged in the provision of turnkey solution and trading of parts and used semiconductor manufacturing equipment.

Your attention is drawn to the section headed “Information on the Group” in the Explanatory Memorandum in Part VII of this Scheme Document for further details. Your attention is also drawn to the “Financial Information of the Group” set out in Appendix I to this Scheme Document.

## **INFORMATION ON THE OFFEROR**

The Offeror, Watlow Electric Manufacturing Company, is a corporation incorporated in the State of Missouri, the U.S. The Offeror Group is a world-class industrial technology group that develops advanced thermal systems which are used in a wide range of demanding industrial applications. The Offeror Group holds more than 1,100 patents and employs over 4,000 team members working in technology centers and manufacturing sites in the United States, Mexico, Europe and Asia.

The Offeror is wholly owned by TWE Intermediate Holdings, Inc., a wholly owned subsidiary of TWE Holdings, LLC, which is held as to 59% by TWE Aggregator Holdings, LLC, which in turn is held as to 87% by Tinicum L.P.. Tinicum L.P. and its affiliated investment partnerships (collectively, “**Tinicum**”) own a diversified group of manufacturing, distribution, and industrial technology companies. Tinicum’s assets under management are approximately US\$3.8 billion. Tinicum is controlled by its general partner, Tinicum Lantern III L.L.C. Tinicum Lantern III L.L.C. is a member-managed limited liability corporation and Mr. Eric Ruttenberg is its sole managing member who has the ability to direct major decisions of Tinicum Lantern III L.L.C. and ultimately indirectly controls all the voting rights of the Offeror. Mr. Eric Ruttenberg is the managing partner of Tinicum.

## **INTENTION OF THE OFFEROR WITH REGARD TO THE GROUP**

As at the Latest Practicable Date, the Offeror intends to continue the existing principal businesses of the Group. Upon implementation of the Proposal and the Scheme, the Offeror will conduct a strategic review of the business operations of the Group in order to formulate detailed business plans and strategies for future business development. As at the Latest Practicable Date, the Offeror had (a) no intention to introduce any material changes to the business of the Group (including any major redeployment of any fixed assets of the Group), or to discontinue the employment of any employee as a result of the implementation of the Proposal and/or the Scheme (other than in the ordinary course of business), and (b) no agreement, arrangement, understanding, intention, or negotiation regarding any disposal,

termination, or scaling down of the Group's existing business, nor any disposal, restructuring, or redeployment of the Group's assets. The Offeror also intends for the Company to withdraw the listing of the Shares on GEM of the Stock Exchange upon the Scheme becoming effective.

The Board welcomes the intention of the Offeror in respect of the Company and its employees and will cooperate with the Offeror to facilitate the continued smooth business operations and management of the Group.

#### **FINANCIAL ADVISER TO THE OFFEROR, INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

Your attention is drawn to the section headed "Financial Adviser to the Offeror, Independent Board Committee and Independent Financial Adviser" in the Explanatory Memorandum in Part VII of this Scheme Document.

The Independent Financial Adviser has advised the Independent Board Committee that it considers that the Proposal and the Scheme are fair and reasonable so far as the Scheme Shareholders are concerned, and accordingly, it advises the Independent Board Committee to recommend the Disinterested Shareholders to vote in favour of the Scheme at the Court Meeting and the resolutions in connection with the implementation of the Proposal and the Scheme at the EGM.

The full text of the letter from the Independent Financial Adviser is set out in Part VI of this Scheme Document.

The Independent Board Committee, having been so advised, considers that the Proposal and the Scheme are fair and reasonable so far as the Disinterested Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Disinterested Shareholders to vote in favour of the Scheme at the Court Meeting and the resolutions in connection with the implementation of the Proposal and the Scheme at the EGM.

The full text of the letter from the Independent Board Committee is set out in Part V of this Scheme Document.

#### **REASONS FOR AND BENEFITS OF THE PROPOSAL**

The Proposal and the Scheme are an opportunity for Scheme Shareholders to monetise their Shares amidst challenging market and industry conditions.

The average daily trading volume of Shares for the approximate 1-month period, 3-month period and 12-month period up to and including the Last Trading Date were approximately 669,048 Shares, 380,625 Shares and 203,320 Shares per trading day, representing only approximately 0.07%, 0.04% and 0.02% respectively of the total number of issued Shares as at the Latest Practicable Date. The low trading liquidity of the Shares could make it difficult for Scheme Shareholders to execute substantial on-market disposals without adversely affecting

the price of the Shares. As such, the Proposal and the Scheme present an immediate opportunity for Scheme Shareholders to monetise their investments for cash and redeploy the proceeds from accepting the Proposal and the Scheme into other investment opportunities.

The Proposal and the Scheme allow an exit for the Scheme Shareholders at a compelling premium to the current market price. The Cancellation Price represents a significant premium ranging from approximately 87.0% to approximately 245.1% over the (average) closing price per Share on the date or for the period as set out in the section headed “Terms of the Proposal and the Scheme” in the Explanatory Memorandum in Part VII of this Scheme Document. The Cancellation Price also represents a premium of approximately 21.3% over the audited consolidated net asset value attributable to Shareholders of approximately HK\$0.202 per Share as at 31 December 2024 (based on the exchange rate of HK\$1:NTD4.07 as at 31 December 2024 as published by the Hong Kong Monetary Authority for illustrative purposes) and approximately 12.4% over the unaudited consolidated net asset value attributable to Shareholders of approximately HK\$0.218 per Share as at 30 June 2025 (based on the exchange rate of HK\$1:NTD3.76 as at 30 June 2025 as published by the Hong Kong Monetary Authority for illustrative purposes).

The Offeror believes that taking the Company private will be beneficial to the Company as it will permit the Offeror and the Company to make strategic decisions focused on long-term commercial development and benefits, free from the pressure of market expectations and share price fluctuations which arise from the Company being a publicly listed company. In addition, as stated in the section headed “Intention of the Offeror with regard to the Group” in the Explanatory Memorandum in Part VII of this Scheme Document, the Offeror will conduct a strategic review of the business operations of the Group.

The Proposal put forth by the Offeror is expected to strengthen the competitiveness of the merged businesses, allowing them to continue delivering excellent products and services to their customers. In particular, the Proposal will expand the Offeror’s customer base, and the Company’s jacket heater product line designed for semiconductor fabrication facilities will complement the Offeror’s existing product portfolio. The Proposal will increase the Offeror’s East Asian manufacturing footprint near key customers, with experienced operations, engineering, and service teams. The Offeror’s global organization and resources will also enhance the Company’s ability to support customers globally.

The Proposal and the Scheme, which entail the delisting of the Company, is also expected to reduce the administrative costs and management resources associated with maintaining the Company’s listing status and compliance with regulatory requirements and, in turn, allow greater flexibility for the Offeror and the Company to manage the Group’s business.

## **SCHEME SHARES, COURT MEETING AND EGM**

As at the Latest Practicable Date, the Company had 1,000,000,000 Shares in issue. Save for the Shares, the Company did not have any outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the Latest Practicable Date.

In accordance with the directions of the Grand Court, the Court Meeting will be held for the purpose of considering and, if thought fit, passing a resolution to approve the Scheme (with or without modifications). Scheme Shareholders whose names appear on the Register as at the Meeting Record Date will be entitled to attend and vote, in person or by proxy, at the Court Meeting, provided that only votes attaching to the Scheme Shares held by Disinterested Shareholders will be counted for the purpose of determining whether the requirements under Condition (b) of the section headed “Conditions of the Proposal and the Scheme” of the Explanatory Memorandum in Part VII of this Scheme Document (as required under Rule 2.10 of the Takeovers Code) are satisfied. The Scheme will be subject to the approval by the Scheme Shareholders at the Court Meeting in the manner referred to in the section headed “Conditions of the Proposal and the Scheme” of the Explanatory Memorandum in Part VII of this Scheme Document.

As at the Latest Practicable Date, neither the Offeror nor any of the Offeror Concert Parties holds any Shares. Accordingly, all of the Shares in issue constitute Scheme Shares, and are entitled to be voted at the Court Meeting. As at the Latest Practicable Date, all Scheme Shareholders are Disinterested Shareholders.

The Offeror has undertaken to the Grand Court that they will be bound by the Scheme, so as to ensure that it will comply with and be subject to the terms and conditions of the Scheme.

All Shareholders will be entitled to attend the EGM and vote on the resolutions with respect to the implementation of the Scheme (including to: (i) approve and give effect to any reduction of the issued share capital of the Company as a result of the cancellation and extinguishment of the Scheme Shares; and (ii) simultaneously maintain the 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 and extinguished and applying the reserve created as a result of the cancellation of the Scheme Shares to pay up in full at par such number of new Shares to the Offeror).

Notices convening the Court Meeting to be held at 11:00 a.m. on 13 February 2026 and the EGM to be held at 11:45 a.m. (or as soon as practicable after the conclusion or adjournment of the Court Meeting) on 13 February 2026 are set out in Appendix IV and Appendix V to this Scheme Document respectively.

The Grand Court has directed the Court Meeting to be convened and held for the purpose of considering and, if thought fit, approving (with or without modifications) the Scheme. The Scheme is subject to the approval by the Scheme Shareholders at the Court Meeting in the manner referred to in Conditions (a) and (b) in the section headed “Conditions of the Proposal and the Scheme” in the Explanatory Memorandum in Part VII of this Scheme Document.

As soon as practicable after the conclusion or adjournment of the Court Meeting, the EGM will be held for the purpose of considering and, if thought fit, approving all resolutions necessary for the implementation of the Proposal and the Scheme in the manner referred to in Condition (c) in the section headed “Conditions of the Proposal and the Scheme” in the Explanatory Memorandum in Part VII of this Scheme Document. An announcement will be

jointly made by the Offeror and the Company in relation to the results of the Court Meeting and the EGM. Such announcement will contain the information as required by Rule 19.1 of the Takeovers Code.

### **WITHDRAWAL OF LISTING OF THE SHARES ON GEM OF THE STOCK EXCHANGE**

Upon the Scheme becoming effective, all of the Scheme Shares will be cancelled and the share certificates in respect of the Scheme Shares will thereafter cease to have effect as documents or evidence of title. Upon the Scheme becoming effective, the Company does not intend to retain its listing on GEM of the Stock Exchange and will apply to the Stock Exchange for the withdrawal of the listing of the Shares on GEM of the Stock Exchange in accordance with Rule 9.23(2) of the GEM Listing Rules immediately following the Effective Date.

For the avoidance of doubt, if the Scheme is not approved or the Proposal and/or the Scheme otherwise lapses or is withdrawn, the listing of the Shares on GEM of the Stock Exchange will be retained and will not be withdrawn.

The Shareholders will be notified by way of an announcement of the exact dates of the last day for dealing in the Shares on GEM of the Stock Exchange and the day on which the Scheme and the withdrawal of the listing of the Shares on GEM of the Stock Exchange will become effective. A detailed timetable of the implementation of the Proposal and the Scheme is set out in Part III of this Scheme Document.

### **IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES**

Subject to the requirements of the Takeovers Code, the Proposal and the Scheme will lapse if any of the Conditions has not been fulfilled or (where applicable) waived on or before the Long Stop Date or such later date as the Offeror may determine, subject to the permission of the Executive and/or as the Grand Court may direct. If the Scheme is not approved or the Proposal and/or the Scheme otherwise lapses or is withdrawn, the listing of the Shares on GEM of the Stock Exchange will not be withdrawn.

If the Scheme is not approved or the Proposal and/or the Scheme otherwise lapses or is withdrawn, there are restrictions under Rule 31.1 of the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal and/or the Scheme (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal and/or the Scheme otherwise lapses or is withdrawn, announce an offer or possible offer for the Company, except with the consent of the Executive.

### **COSTS OF THE SCHEME**

If the Independent Board Committee or the Independent Financial Adviser does not recommend the Proposal, and the Scheme is not approved, all expenses incurred by the Company in connection therewith shall be borne by the Offeror in accordance with Rule 2.3 of

the Takeovers Code. Since the Proposal is recommended by the Independent Board Committee and is recommended as fair and reasonable by the Independent Financial Adviser, Rule 2.3 of the Takeovers Code is not applicable.

### **OVERSEAS SCHEME SHAREHOLDERS**

The availability of the Proposal and the Scheme to persons who are citizens, residents or nationals of a jurisdiction other than Hong Kong may be affected by the laws of the relevant jurisdiction in which they are located or of which they are citizens, residents or nationals. Such Scheme Shareholders should inform themselves about, and observe, any applicable legal, regulatory or tax requirements in the applicable jurisdictions and, where necessary, seek their own legal and other professional advice, including regarding the tax consequences of the Proposal and the Scheme applicable to them. The Offeror and the Company expressly decline any liability for breach of any of these restrictions by any persons.

It is the responsibility of the overseas Scheme Shareholders who wish to take any action in relation to the Proposal and the Scheme to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction in connection with any such action, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with any other necessary formality and the payment of any issue, transfer or other taxes in any relevant jurisdiction. Any approval or acceptance of the Proposal and the Scheme by the Scheme Shareholders will be deemed to constitute a representation and warranty from such persons to the Offeror, the Company and their respective advisers, including Anglo Chinese as the financial adviser to the Offeror and the Independent Financial Adviser, that such laws and regulations have been complied with. If you are in doubt as to your position, you should consult your professional advisers.

Scheme Shareholders residing in jurisdictions other than Hong Kong should consult their own professional advisers if they are in any doubt as to the potential applicability of, or consequence under, any provision of law or regulation or judicial or regulatory decisions or interpretations in any jurisdictions, territory or locality therein or thereof and, in particular, whether there will be any restriction or prohibition on the acquisition, retention, disposal or otherwise with respect to the Shares, as the case may be.

As at the Latest Practicable Date, there were overseas Scheme Shareholders whose addresses as shown in the register of members of the Company were at the PRC, Taiwan and the British Virgin Islands, holding 100,000 Shares, 307,425,000 Shares and 374,625,000 Shares respectively, representing approximately 0.01%, 30.74% and 37.46% of the issued share capital of the Company respectively. Based on the legal opinions obtained by the Company, the despatch of the Scheme Document to such overseas Scheme Shareholders is not prohibited by relevant law or regulation in such jurisdictions.

### **TAXATION ADVICE**

As the Scheme does not involve the sale and purchase of Hong Kong stock, no stamp duty will be payable pursuant to the Stamp Duty Ordinance on the cancellation of the Scheme Shares upon the Scheme becoming effective.

Scheme Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of the Proposal or the Scheme. It is emphasized that none of the Offeror, the Offeror Concert Parties, the Company, Anglo Chinese, their respective ultimate beneficial owners, directors, officers, employees, agents and associates and any other person involved in the Proposal or the Scheme accepts any responsibility for any taxation effects on, or liabilities of, any person as a result of the Proposal or the Scheme.

## **REGISTRATION AND PAYMENT**

Your attention is drawn to the section headed “Registration and Payment” in the Explanatory Memorandum in Part VII of this Scheme Document.

## **ACTIONS TO BE TAKEN**

The actions which you are required to take in relation to the Proposal are set out in Part II of this Scheme Document.

## **VOTING AT THE COURT MEETING AND THE EGM**

All Scheme Shareholders whose names appear on the Register as at the Meeting Record Date will be entitled to attend and vote, in person or by proxy, at the Court Meeting provided that only the votes of the Disinterested Shareholders will be taken into account in determining if Condition (b) in the section headed “Conditions of the Proposal and the Scheme” in the Explanatory Memorandum in Part VII of this Scheme Document is satisfied. As at the Latest Practicable Date, neither the Offeror nor any of the Offeror Concert Parties holds any Shares. Accordingly, all of the Shares in issue constitute Scheme Shares, and are entitled to be voted at the Court Meeting. As at the Latest Practicable Date, all Scheme Shareholders are Disinterested Shareholders.

All Shareholders as at the Meeting Record Date will be entitled to attend the EGM and vote on the resolutions with respect to the implementation of the Proposal and the Scheme (including: (i) the special resolution to approve and give effect to any reduction of the issued share capital of the Company as a result of the cancellation and extinguishment of the Scheme Shares; and (ii) the ordinary resolution to approve the simultaneous maintenance of the 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 such number of new Shares as is equal to the number of Scheme Shares cancelled and applying the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par the new Shares so issued).

For the purpose of exercising your right to vote at the Court Meeting and/or the EGM, you are requested to read carefully (i) the section headed “Scheme Shares, Court Meeting and EGM” in Explanatory Memorandum in Part VII of this Scheme Document; (ii) Part II of this Scheme Document; and (iii) the notices of the Court Meeting and the EGM as set out in Appendix IV and V to this Scheme Document, respectively.

The Offeror has undertaken to the Grand Court that it will be bound by the Scheme, so as to ensure that it will comply with and be subject to the terms and conditions of the Scheme.

## **RECOMMENDATIONS**

With reference to Rule 2.8 of the Takeovers Code, the Board defers to the Independent Board Committee with respect to the making of 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.

Your attention is drawn to (i) the recommendation of the Independent Board Committee with respect to the Proposal and the Scheme as set out in the letter from the Independent Board Committee in Part V of this Scheme Document and (ii) the recommendation of the Independent Financial Adviser to the Independent Board Committee with respect to the Proposal and the Scheme as set out in the letter from the Independent Financial Adviser in Part VI of this Scheme Document. We would advise you to read such letters carefully before you take any action.

## **FURTHER INFORMATION**

You are urged to read carefully the whole of this Scheme Document, in particular:

- (a) the letter from the Independent Board Committee in Part V of this Scheme Document;
- (b) the letter from the Independent Financial Adviser in Part VI of this Scheme Document;
- (c) the Explanatory Memorandum in Part VII of this Scheme Document;
- (d) the appendices to this Scheme Document, including the Scheme set out in Appendix III to this Scheme Document; and
- (e) the notice of Court Meeting and the notice of EGM set out in Appendix IV and Appendix V to this Scheme Document, respectively.

In addition, a **pink** form of proxy for the Court Meeting and a **white** form of proxy for the EGM are enclosed with this Scheme Document.

**Shareholders and potential investors should be aware that implementation of the Proposal and the Scheme is subject to the Conditions being fulfilled or (where applicable) waived, and therefore the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and potential investors should therefore 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 stockbroker, bank manager, solicitor or other professional advisers.**

Yours faithfully

By order of the Board

**Genes Tech Group Holdings Company Limited**

**Yang Ming-Hsiang**

*Executive Director*



**GENES TECH GROUP HOLDINGS COMPANY LIMITED**  
**靖洋集團控股有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 8257)**

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*

*Set out below is the full text of a letter of advice from SBI China Capital Hong Kong Securities Limited, the independent financial adviser to the Independent Board Committee and the Scheme Shareholders, which has been prepared for inclusion in the Scheme Document.*



**軟庫中華 SBI China**

21 January 2026

*To: The Independent Board Committee and the Disinterested Shareholders of  
Genes Tech Group Holdings Company Limited*

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**

**INTRODUCTION**

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Scheme Shareholders in relation to the Proposal and the Scheme, details of which are set out in the Scheme Document dated 21 January 2026, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Scheme Document unless the context otherwise requires.

On 14 November 2025 (after trading hours), the Offeror and the Company entered into the Implementation Agreement, pursuant to which the Offeror requested, and the Board undertook to put forward the Proposal to the Scheme Shareholders for the proposal to take the Company private through the proposed cancellation of all the Scheme Shares by way of a scheme of arrangement in accordance with section 86 of the Companies Act, subject to the Conditions being fulfilled or waived, as applicable. If the Proposal is approved and implemented, under the Scheme: (a) all Scheme Shares held by the Scheme Shareholders will be cancelled and extinguished on the Effective Date in consideration for the Cancellation Price being HK\$0.245 in cash for each Scheme Share cancelled; (b) simultaneously with the cancellation and extinguishment of the Scheme Shares, the issued share capital of the Company will be maintained 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, such that the Company will become directly wholly owned by the Offeror. The reserve created in the Company's books of account as a result of the cancellation of the Scheme Shares will be applied in paying up in full at par the new Shares so issued to the Offeror; and (c) subject to the Scheme becoming effective, the Company will make an

application to the Stock Exchange for the withdrawal of the listing of the Shares on GEM of the Stock Exchange in accordance with Rule 9.23(2) of the GEM Listing Rules with effect immediately following the Effective Date.

On 14 November 2025, the Offeror received an Irrevocable Undertaking from each of Mr. Yang Ming-Hsiang, Tai-Yi Investment Co. Ltd., Ms. Wei Hung-Li, Queenbest Development Limited, Ever Wealth Holdings Limited and Planeta Investments Limited, and on 2 January 2026, the Offeror received an additional Irrevocable Undertaking from Mr. Chen, Yu-Yuan (also known as Mr. Chen Tsou-Wei), pursuant to which each of the Undertaking Shareholders has undertaken, among other things: (a) to vote, or procure the voting of, all of their Shares in favor of any resolutions proposed at the Court Meeting and the EGM which are necessary for the Scheme to become effective; and (b) not to: (i) dispose of any interest in any Shares held by them; (ii) make any offer to acquire any Shares of the Company or permit any company in which they, directly or indirectly, have any interest to make such an offer; or (iii) solicit, accept or approve (or procure the solicitation or permit the acceptance or approval of) any other proposal, offer or scheme of arrangement from any party (other than the Offeror or a party approved in writing by the Offeror) for all or any of their Shares, whether or not such other proposal, offer or scheme of arrangement is at a higher price than the Cancellation Price and/or on more favorable terms than under the Proposal. The Irrevocable Undertakings will be terminated if the Implementation Agreement lapses or is terminated. As at the Latest Practicable Date, the Undertaking Shareholders, being Mr. Yang Ming-Hsiang, Tai-Yi Investment Co. Ltd., Ms. Wei Hung-Li, Queenbest Development Limited, Ever Wealth Holdings Limited, Planeta Investments Limited and Mr. Chen, Yu-Yuan held 37,975,000 Shares, 111,300,000 Shares, 29,125,000 Shares, 374,625,000 Shares, 81,150,000 Shares, 63,750,000 Shares and 49,950,000 Shares, representing approximately 3.80%, 11.13%, 2.91%, 37.46%, 8.12%, 6.38% and 5.00% of the issued share capital of the Company, respectively.

On 14 November 2025, the Offeror and the Company entered into the Implementation Agreement, pursuant to which the parties have agreed to use all reasonable endeavors to do all such things within their power to implement the Proposal and the Scheme and cooperate to obtain all Approvals required in connection with the Proposal and the Scheme.

Upon the Scheme becoming effective, all of the Scheme Shares will be cancelled and the share certificates in respect of the Scheme Shares will thereafter cease to have effect as documents or evidence of title. Upon the Scheme becoming effective, the Company does not intend to retain its listing on GEM of the Stock Exchange and will apply to the Stock Exchange for the withdrawal of the listing of the Shares on GEM of the Stock Exchange in accordance with Rule 9.23(2) of the GEM Listing Rules immediately following the Scheme becoming effective.

Pursuant to Rule 2.8 of the Takeovers Code, an Independent Board Committee, comprising all independent non-executive Directors, namely Mr. Kam, Eddie Shing Cheuk, Mr. Cheng Chun Shing and Mr. Ho Pak Chuen Brian, with no direct or indirect interest in the Proposal and the Scheme, has been established to advise the Scheme Shareholders as to (i) whether the Proposal and the Scheme are, or are not, fair and reasonable; and (ii) whether to vote in favour 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. As the Independent Financial Adviser, our role is to give an independent opinion to the Independent Board Committee and the Scheme Shareholders in such regard.

We, SBI China Capital Hong Kong Securities Limited (“**SBI China**”), have been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee, and such appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code. During the past two years before the commencement of the offer period and up to and including the Latest Practicable Date, we have not acted as a financial adviser (independent or otherwise) to the Company or the Offeror. We are not associated with the Company, the Offeror or their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them and, accordingly, is considered eligible to give independent advice to the Independent Board Committee and the Scheme Shareholders. Apart from normal professional fees payable to us in connection with this engagement, no arrangement exists whereby SBI China will receive any fees or benefits from the Company, the Offeror or their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them.

In formulating our opinion and recommendations, we have relied on the information and facts supplied and opinions expressed by the management of the Group. We have assumed that all information and representations provided by the management of the Group, for which they are solely responsible, were true and accurate at the time they were prepared or made and will continue to be so up to the Latest Practicable Date. The Scheme Shareholders will be informed by the Company and us as soon as possible if there is any material change to the information disclosed in the Scheme Document pursuant to Rule 9.1 of the Takeovers Code, in which case we will consider whether it is necessary to revise our opinion and inform the Independent Board Committee and the Scheme Shareholders accordingly. We have no reason to doubt the truth, accuracy or completeness of the information and representations made to us by the management of the Group. We have been advised that no material facts have been omitted from the information supplied and opinions expressed. As such, we have no reason to suspect that any relevant information has been withheld or omitted from the information provided and referred to in the Scheme Document or the reasonableness of the opinions and representations provided by the management of the Group to us, nor are we aware of any facts or circumstances which would render the information provided and representations made to us untrue, inaccurate or misleading.

We have reviewed (i) published information on the Company, including its annual reports for the years ended 31 December 2023 and 2024 and the interim report for the six months ended 30 June 2025; (ii) the report “Global Semiconductor Industry Outlook for 2025”, insights from the 20th annual survey conducted by KPMG LLP and Global Semiconductor Alliance in the fourth quarter of 2024; (iii) relevant information of certain Comparable Companies and Privatisation Precedents (both defined hereafter) for analysis purpose and such information was obtained from the website of the Stock Exchange and Bloomberg; and (iv) the information contained in the Scheme Document. We have not, however, carried out any independent verification of the information available to us, nor have we conducted an independent investigation into the business and affairs, financial condition and future prospects of the Group, the Offeror and their respective associates or any party acting, or presumed to

acting, in concert with any of them. Our opinion is necessarily based upon the financial, economic, market, regulatory and other conditions as they existed on, and the facts, information, representations, and opinions made available to us as of the Latest Practicable Date.

We have not considered the tax and regulatory implications as regards the Proposal and the Scheme since these depend on individual circumstances. In particular, the overseas Scheme Shareholders who are citizens, residents, or nationals of a jurisdiction other than Hong Kong or subject to overseas taxation or Hong Kong taxation on securities dealings should consider their own tax positions and, if in any doubt, should consult their own professional advisers.

## **PRINCIPAL TERMS OF THE PROPOSAL**

The principal terms of the Proposal are summarised below. The Scheme Shareholders are urged to read the relevant sections in the Scheme Document and its appendices in full.

### **The Proposal**

The Proposal will provide that each of the Scheme Shares be cancelled in exchange for the payment of the Cancellation Price of HK\$0.245 per Scheme Share, which shall be paid by the Offeror to the Scheme Shareholders whose names appear on the Register on the Scheme Record Date.

As set out in the Letter from the Board, the Cancellation Price has been determined on a commercial basis after taking into account, among other things, the recent and historical prices of the Shares traded on the Stock Exchange, the publicly available financial information of the Group, and with reference to other take private transactions in Hong Kong in recent years.

As at the Latest Practicable Date, the Company has not declared any dividend, distribution or other return of capital which remains unpaid, and the Company did not intend to make, declare and/or pay any dividend or make other distribution or other return of capital on or before the Effective Date or the date on which the Scheme is not approved, or the Proposal and/or the Scheme otherwise lapses (whichever is earlier). If, after the Latest Practicable Date, any dividend, distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Cancellation Price by all or any part of the amount or value of such dividend, distribution, and/or return of capital after consultation with the Executive, in which case any reference in the Announcement, the Scheme Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced.

**Conditions to the Proposal and the Scheme**

The Proposal and the Scheme are conditional upon the satisfaction (or, where applicable, the waiver) of the Conditions set out below:

- (a) the approval of the Scheme (by way of poll) at the Court Meeting by the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders entitled to vote at the Court Meeting, present and voting either in person or by proxy at the Court Meeting;
- (b) (i) the approval of the Scheme (by way of a poll) by not less than 75% of the votes attaching to the Scheme Shares held by the Disinterested Shareholders entitled to vote at the Court Meeting, present and voting either in person or by proxy at the Court Meeting; and (ii) the number of votes cast (by way of a poll) by the Disinterested Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by the Disinterested Shareholders;
- (c) the passing of (i) a special resolution by a majority of not less than three-fourths of the votes cast by the Shareholders, present and voting in person or by proxy at the EGM, to approve and give effect to any reduction of the issued share capital on the Effective Date by cancelling the Scheme Shares; and (ii) an ordinary resolution by a simple majority of the votes cast by the Shareholders, present and voting in person or by proxy at the EGM, to approve the simultaneous maintenance of the issued share capital at the amount immediately prior to the cancellation of the Scheme Shares by issuing to the Offeror such number of new Shares at par as is equal to the number of Scheme Shares cancelled and applying the reserve created in the Company's books of account as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such new Shares so issued;
- (d) the sanction of the Scheme (with or without modifications) by the Grand Court and to the extent necessary its confirmation of any reduction of the issued share capital as a result of the cancellation of the Scheme Shares, and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of the Grand Court for registration;
- (e) compliance, to the extent necessary, with the applicable procedural requirements and conditions, if any, under the Companies Act in relation to any reduction of the issued share capital as a result of the cancellation of the Scheme Shares;
- (f) all of the Approvals having been obtained, completed and/or made and remaining in full force and effect without modification or variation up to and as at the Effective Date;

- (g) all necessary consents which may be required for the implementation of the Proposal and the Scheme under any existing contractual obligations of the Company having been obtained or waived by the relevant party(ies), where any failure to obtain such consent or waiver would have a material adverse effect on the business of the Group;
- (h) all Applicable Laws having been complied with and no legal, regulatory or administrative requirement having been imposed by any Authority in any jurisdiction which is not expressly provided for, or is in addition to the legal, regulatory and administrative requirements which are expressly provided for, in the Applicable Laws in connection with the Proposal or the Scheme;
- (i) no Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order) and no court of competent jurisdiction having issued any order, injunction, decree or ruling, in each case, which would make the Proposal or the Scheme void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations in connection with the Proposal or the Scheme);
- (j) save in connection with the implementation of the Proposal and the Scheme, the listing of the Shares on GEM of the Stock Exchange not having been withdrawn, and no indication having been received from the Executive and/or the Stock Exchange to the effect that the listing of the Shares on GEM of the Stock Exchange is or is likely to be withdrawn; and
- (k) since the date of the Announcement, there having been no adverse change in the business, assets, prospects, profits, losses, results of operations, financial position or condition of the Group (to an extent which is material in the context of the Group taken as a whole or in the context of the Proposal and/or the Scheme as reasonably determined by the Offeror with the consent of the Executive).

For further details of the Conditions, please refer to the section headed “Conditions of the Proposal and the Scheme” in the Letter from the Board in Part IV to the Scheme Document. The Conditions in paragraphs (a) to (d) (inclusive) cannot be waived. The Offeror reserves the right to waive all or any of the Conditions in paragraphs (e) to (k) (inclusive) above in whole or in part. The Company has no right to waive any of the Conditions.

As at the Latest Practicable Date, none of the Conditions have been satisfied. All of the Conditions must be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Proposal and/or the Scheme if the circumstances which give rise to the right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal and/or the Scheme.

As at the Latest Practicable Date, none of the Conditions have been satisfied.

If the Conditions are satisfied or (where applicable) waived, the Scheme will be binding on all of the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting.

### **Irrevocable Undertaking**

As at the Latest Practicable Date:

- (a) Mr. Yang Ming-Hsiang holds 37,975,000 Shares, representing approximately 3.80% of the issued share capital of the Company;
- (b) Ms. Wei Hung-Li holds 29,125,000 Shares, representing approximately 2.91% of the issued share capital of the Company;
- (c) Queenbest Development Limited holds 374,625,000 Shares, representing approximately 37.46% of the issued share capital of the Company;
- (d) Ever Wealth Holdings Limited holds 81,150,000 Shares, representing approximately 8.12% of the issued share capital of the Company;
- (e) Planeta Investments Limited holds 63,750,000 Shares, representing approximately 6.38% of the issued share capital of the Company;
- (f) Tai-Yi Investment Co. Ltd. holds 111,300,000 Shares, representing approximately 11.13% of the issued share capital of the Company; and
- (g) Mr. Chen Yu-Yuan holds 49,950,000 Shares, representing approximately 5.00% of the issued share capital of the Company.

On 14 November 2025, the Offeror received an Irrevocable Undertaking from each of Mr. Yang Ming-Hsiang, Tai-Yi Investment Co. Ltd., Ms. Wei Hung-Li, Queenbest Development Limited, Ever Wealth Holdings Limited and Planeta Investments Limited, and on 2 January 2026, the Offeror received an additional Irrevocable Undertaking from Mr. Chen, Yu-Yuan (also known as Mr. Chen Tsou-Wei), pursuant to which each of the Undertaking Shareholders has undertaken, among other things:

- (a) to vote, or procure the voting of, all of their Shares in favor of any resolutions proposed at the Court Meeting and the EGM which are necessary for the Scheme to become effective; and
- (b) not to: (i) dispose of any interest in any Shares held by them; (ii) make any offer to acquire any Shares of the Company or permit any company in which they, directly or indirectly, have any interest to make such an offer; or (iii) solicit, accept or approve (or procure the solicitation or permit the acceptance or approval of) any other proposal, offer or scheme of arrangement from any party (other than the Offeror or a party approved in writing by the Offeror) for all or any of their Shares, whether or not such other proposal, offer or scheme of arrangement is at a higher price than the Cancellation Price and/or on more favorable terms than under the Proposal.

Please also refer to the section headed “Irrevocable Undertakings” in the Explanatory Memorandum in Part VII to the Scheme Document.

The Irrevocable Undertaking will be terminated if the Implementation Agreement lapses or is terminated.

### **Implementation Agreement**

On 14 November 2025, the Offeror and the Company entered into the Implementation Agreement, pursuant to which the parties have agreed to use all reasonable endeavors to do all such things within their power to implement the Proposal and the Scheme and cooperate to obtain all Approvals required in connection with the Proposal and the Scheme. Under the Implementation Agreement, the Company has undertaken to the Offeror, among other things, to:

- (a) use all reasonable endeavors to implement the Proposal and the Scheme;
- (b) not declare any dividends or other distribution prior to the earlier of the Effective Date and termination of the Implementation Agreement;
- (c) procure each member of the Group to carry on its business in the ordinary and usual course of business and to maintain all licenses necessary for the carrying on of the businesses and operations of each member of the Group and not to permit or suffer any of such licenses to lapse; and
- (d) procure that, prior to the earlier of the Effective Date and termination of the Implementation Agreement, the Group shall not take certain actions as detailed under the section headed “Implementation Agreement” in the Explanatory Memorandum in Part VII to the Scheme Document.

As mentioned in the Explanatory Memorandum, nothing in the Implementation Agreement is intended to prevent or deprive: (i) the Shareholders from having the opportunity to consider, or (ii) the Company from considering, in each case, any unsolicited alternative offer from any person other than the Offeror.

The Implementation Agreement will be terminated upon the Scheme being withdrawn by the Offeror in circumstances permitted under the Takeovers Code. The Offeror may also terminate the Implementation Agreement if any of the Conditions (which cannot be waived) have not been or cannot be satisfied by the Long Stop Date or if the recommendation of the Board (excluding the Independent Board Committee) contained in the Announcement or the recommendation of the Board contained in the Scheme Document is withdrawn at any time prior to the Grand Court’s sanction of the Scheme.

Please also refer to the section headed “Implementation Agreement” in the Explanatory Memorandum in Part VII to the Scheme Document.

## PRINCIPAL FACTORS AND REASONS CONSIDERED

## (1) Financial information and prospects of the Group

(a) *Background and historical financial information of the Group*

The Company is a company incorporated in the Cayman Islands with limited liability whose Shares have been listed on GEM of the Stock Exchange since 14 July 2017. The Company is an investment holding company and the Group is principally engaged in the provision of turnkey solution and trading of parts and used semiconductor manufacturing equipment.

*Financial performance*

The following table summarises the Group's audited consolidated financial performance for the three years ended 31 December 2024 as extracted from the annual report of the Company for the year ended 31 December 2023 (the “**Annual Report 2023**”) and the annual report of the Company for the year ended 31 December 2024 (the “**Annual Report 2024**”); and the Group's unaudited consolidated financial performance for the six months ended 30 June 2025 (and the correspondence period ended 30 June 2024) as extracted from the interim report of the Company for the six months ended 30 June 2025 (the “**Interim Report 2025**”):

	For the year ended 31 December			For the six months ended 30 June	
	2022 NTD'000 (audited)	2023 NTD'000 (audited)	2024 NTD'000 (audited)	2024 NTD'000 (unaudited)	2025 NTD'000 (unaudited)
<b>Revenue</b>	<b>1,598,898</b>	<b>1,332,827</b>	<b>931,958</b>	<b>535,007</b>	<b>585,306</b>
— Provision of turnkey solution	801,834	708,926	418,448	226,597	113,690
— Trading of parts and used semiconductor manufacturing equipment	797,064	623,901	513,510	308,410	471,616
Profit/(loss) before income taxation	(82,381)	126,281	92,255	63,692	71,758
Income tax (expense)/credit	1,945	(35,643)	(67,975)	(24,989)	(23,059)
<b>Profit/(loss) for the year attributable to owners of the Company</b>	<b>(80,436)</b>	<b>90,638</b>	<b>24,280</b>	<b>38,703</b>	<b>48,699</b>
<i>Other comprehensive (loss)/income, net of tax</i>					
<i>Item that may be reclassified subsequently to profit or loss:</i>					
Exchange differences	(8,265)	2,465	(9,415)	(7,403)	19,539
<b>Total comprehensive income/(loss) for the year attributable to owners of the Company</b>	<b>(88,701)</b>	<b>93,103</b>	<b>14,865</b>	<b>31,300</b>	<b>68,238</b>

## (a) For the year ended 31 December 2023

Revenue of the Group decreased from approximately NTD1,598.9 million to approximately NTD1,332.8 million for the year ended 31 December 2023 mainly as a result of: (i) revenue from the provision of turnkey solution decreased by approximately NTD92.9 million to NTD708.9 million. As advised by the management of the Group, delivery schedules for customer projects for the year ended 31 December 2023 in general were delayed as compared to the previous year, while certain large-scale projects were delayed due to instability in the international supply chain, resulting in a decrease in revenue recognized as compared to the year ended 31 December 2022; and (ii) revenue from trading of parts and used semiconductor manufacturing equipment decreased by approximately NTD173.2 million to approximately NTD623.9 million. As advised by the management of the Group, the main reasons for the decrease were the postponement of procurement plans by some existing customers of the Group and the overall weak demand in the semiconductor industry in the year 2023.

It is mentioned in the Annual Report 2023 that as the geopolitical situation continues to be tense, the Group seized market opportunities to actively develop and consolidate good and close cooperation with existing international customers. This in turn drove the increase in its revenue from the U.S. business by 206.73% compared to last year. During the year ended 31 December 2023, approximately 55.9%, approximately 16.5%, approximately 21.1%, approximately 6.1% and approximately 0.1% of the Group's revenue were generated from Taiwan, U.S, the PRC, Singapore and Japan, respectively (as compared to approximately 70.7%, approximately 4.5%, approximately 17.1%, approximately 7.5% and approximately 0.1%, from respectively for the year ended 31 December 2022).

Despite the decrease in revenue, the Group's gross profit increased by approximately 203.3% from approximately NTD107.5 million for the year ended 31 December 2022 to approximately NTD326.0 million for the year ended 31 December 2023 due to the absence of loss on the fire accident of approximately NTD257.8 million which was incurred for the year ended 31 December 2022. If excluding such exceptional item, the gross profit of the Group would decrease from approximately NTD365.3 million for the year ended 31 December 2022 to approximately NTD326.0 million for the year ended 31 December 2023; and the gross profit margin of the Group alleviated from approximately 22.8% for the year ended 31 December 2022 to approximately 24.5% for the year ended 31 December 2023 mainly because of the improvement in product mix and the increased proportion of high-margin projects, while the Group improved its cost control efficiency as advised by the management of the Group.

If excluding the loss on fire accident for the year ended 31 December 2022, the Group would record a decrease in net profit from approximately NTD177.4 million for the year ended 31 December 2022 to approximately NTD90.6 million for the year ended 31 December 2023. Such decrease was mainly a result of (i) the decrease in gross profit as described above, other gains of approximately NTD18.5 million turned to other net losses of approximately NTD3.4 million which mainly comprised of exchange net (losses)/gains; and income tax credit of approximately NTD1.9 million turned to income tax expense of approximately NTD35.6 million which was partly offset by (ii) provision for net impairment losses on financial assets of approximately NTD3.0 million to a reversal of approximately NTD8.6 million.

(b) For the year ended 31 December 2024

Revenue of the Group decreased from approximately NTD1,332.8 million to approximately NTD932.0 million for the year ended 31 December 2024 mainly as a result of: (i) revenue from the provision of turnkey solution decreased by approximately NTD290.5 million to NTD418.4 million mainly because some projects had not yet entered into the acceptance phase in the first half of the year 2024, which delayed the point at which revenue could be recognised as compared to the year 2023 as advised by the management of the Group; and (ii) revenue from trading of parts and used semiconductor manufacturing equipment decreased by approximately NTD110.4 million to approximately NTD513.5 million mainly as a result of the Company's adjustments to its supply schedule in accordance with customer demand and the delay in delivery of certain equipment, which caused a decrease in trading volume as compared to the year 2023 as advised by the management of the Group.

It is mentioned in the Annual Report 2024 that the parts and used Semiconductor Manufacturer Equipment (“SME”) supplied by the Group include furnaces and clean tracks which are used at the front-end of the semiconductor manufacturing process and wafer fabrication such as deposition, photoresist coating and development. The semiconductors produced by the customers using the SME of the Group were extensively applied to mobile phones, game consoles, DVD players, automotive sensors and other digital electronic products. Under the ongoing geopolitical tensions, the Group has established a solid strategic direction to capture market opportunities. The Group has deepened cooperation with existing international clients and actively explored new models of collaboration. During the year ended 31 December 2024, the Group's revenue from operations in Japan significantly increased by 2,667.38% from last year, while revenue from operations in Singapore increased by 41.56% from last year. During the year ended 31 December 2024, approximately 44.7%, approximately 20.0%, approximately 17.3%, approximately 12.3% and approximately 5.7% of the Groups revenue were generated from Taiwan, U.S., PRC, Singapore and Japan, respectively (as

compared to approximately 55.9%, approximately 16.5%, approximately 21.1%, approximately 6.1% and approximately 0.1%, respectively for the year ended 31 December 2023).

The Group's gross profit decreased by approximately 19.2% from approximately NTD326.0 million for the year ended 31 December 2023 to approximately NTD263.3 million for the year ended 31 December 2024. However, the overall gross profit margin of the Group alleviated from approximately 24.5% for the year ended 31 December 2023 to approximately 28.3% for the year ended 31 December 2024 mainly because of the increase in proportion of high-margin products and the Group's continuous efforts on optimizing the procurement and inventory management efficiency as advised by the management of the Group.

Given (i) the decrease in gross profit as described above, slightly increase in overall operating expenses by approximately NTD9.0 million (i.e. selling and distribution expenses and general and administrative expenses in total) and the provision for net impairment losses on financial assets of approximately NTD2.8 million (as compared to a reversal of approximately NTD8.6 million for the year ended 31 December 2023) which was partly offset by (ii) other income increased by approximately NTD19.1 million being the compensation from the insurance company received in July 2024 for inventory loss due to the fire broke out at a premises adjacent to a warehouse of the Group in 2022; and other net exchange losses of approximately NTD2.3 million turned to net exchange gains of approximately NTD7.6 million mainly because of the exchange rate differences between the NTD currencies and the U.S. dollars currencies as advised by the management of the Group, the Group recorded a decrease in net profit from approximately NTD90.6 million for the year ended 31 December 2023 to approximately NTD24.3 million for the year ended 31 December 2024.

(c) For the six months ended 30 June 2025

Revenue of the Group increased slightly from approximately NTD535.0 million for the six months ended 30 June 2024 to approximately NTD585.3 million for the six months ended 30 June 2025 due to (i) the increase in revenue from the trading of parts and used semiconductor manufacturing equipment by approximately NTD163.2 million mainly as a result of the recovery of demand in the U.S. and Taiwan markets leading to the increase in customer purchases as advised by the management of the Group, which was partly offset by (ii) the decrease in revenue from the provision of turnkey solution by approximately NTD112.9 million mainly due to adjustments to the progress of certain large-scale projects of the customers, the acceptance phase and the delivery phase had been delayed as compared to the same period of the year 2024 as advised by the management of the Group.

It is mentioned in the Interim Report 2025 that in the face of a complex environment characterised by escalating geopolitical tensions and the expansion of trade protectionism, the Group adheres to its core strategy of prudence and stability, striving to strengthen the stability and continuity of cooperation with existing international clients while actively expanding new clientele to diversify risks. During the six months ended 30 June 2025, the Group's revenue from operations in the U.S. increased significantly by 78.54% from last year, accounting for approximately 38.68% of the total revenue of the Group, while revenue from operations in Taiwan increased by 48.97% from last year, accounting for approximately 49.69% of the total revenue of the Group. During the six months ended 30 June 2025, approximately 49.7%, approximately 38.7%, approximately 10.3%, approximately 1.1% and approximately 0.1% of the Groups revenue were generated from Taiwan, U.S., PRC, Singapore and Japan, respectively (as compared to approximately 36.5%, approximately 23.7%, approximately 15.9%, approximately 13.9% and approximately 9.8%, respectively for the six months ended 30 June 2024).

The Group's gross profit increased by approximately 29.0% from approximately NTD156.6 million for the six months ended 30 June 2024 to approximately NTD202.0 million for the six months ended 30 June 2025. The overall gross profit margin of the Group alleviated from approximately 29.3% for the six months ended 30 June 2024 to approximately 34.5% for the six months ended 30 June 2025 mainly because of the increase in proportion of high-margin projects and the decrease in certain procurement costs as advised by the management of the Group.

Given (i) the increase in gross profit as described above and the slightly improvement in overall operating expenses of approximately NTD2.3 million (i.e. selling and distribution expenses and general and administrative expenses in total) which was partly offset by (ii) other income decreased by approximately NTD2.9 million being the absence of a one-time insurance claim income in the same period of the year 2024 as advised by the management of the Group; and other net gains of approximately NTD10.0 million turned to other net losses of approximately NTD28.5 million mainly because of the exchange rate fluctuations resulting from the exchange rate differences between the NTD currencies and the U.S. dollars currencies as advised by the management of the Group, the Group recorded an increase in net profit from approximately NTD38.7 million for the six months ended 30 June 2024 to approximately NTD48.7 million for the six months ended 30 June 2025.

*Financial position*

The following table summarises the financial position of the Group as at 31 December 2022, as at 31 December 2023, as at 31 December 2024 and as at 30 June 2025 as extracted from the Annual Report 2023, the Annual Report 2024 and the Interim Report 2025:

	As at			
	As at 31 December			30 June
	2022 (audited) NTD'000	2023 (audited) NTD'000	2024 (audited) NTD'000	
Total assets	2,483,320	2,102,883	2,444,504	2,556,164
Total liabilities	1,770,811	1,297,271	1,624,027	1,667,449
Net current assets	419,063	514,033	506,984	554,620
Net assets	712,509	805,612	820,477	888,715

## (a) Comparison between 31 December 2022 and 31 December 2023

Total assets decreased from approximately NTD2,483.3 million as at 31 December 2022 to approximately NTD2,102.9 million as at 31 December 2023 mainly attributable to (i) the decrease in property, plant and equipment, right-of-use assets and intangible assets by a total of approximately NTD29.8 million mainly because of the incur of the depreciation and amortisation costs, the decrease in inventories by approximately NTD300.1 million mainly attributable to the decrease in work in progress and finished goods, which was in line with the revenue decreasing trend; the decrease in trade receivables by approximately NTD38.8 million mainly because of the improvement in the collection of trade receivables as advised by the management of the Group and the decrease in cash and cash equivalents by approximately NTD88.9 million mainly because of the increase in working capital needs and partial repayment of loans as advised by the management of the Group which was partly offset by (ii) the increase in prepayments, deposits and other receivables by approximately NTD86.8 million mainly because of the increase in prepayment on purchases.

Total liabilities decreased from approximately NTD1,770.8 million as at 31 December 2022 to approximately NTD1,297.3 million as at 31 December 2023 mainly attributable to (i) the decrease in contract liabilities by approximately NTD227.6 million as a result of less deposits received from customers. Contract liabilities are recognised as revenue when the control of the products has been transferred to the customers at their acknowledgement and performance obligation is fulfilled. The amount is expected to be recognised as revenue within one to two financial years; (ii) the decrease in lease liabilities by

approximately NTD12.9 million, (iii) the decrease in bank borrowings by approximately NTD34.1 million, (iv) the decrease in trade other payables by approximately NTD171.3 million; and (v) the decrease in current income tax liabilities by approximately NTD27.6 million. According to the management of the Group, the decrease in lease liabilities was mainly because of the lease liabilities repaid in accordance with the repayment schedule, the decrease in bank borrowings was mainly because of the partial repayment of bank borrowings; and the decrease in trade and other payables was mainly because of the reduction in procurement activities and the trade payables settlements in faster pace.

Above all, the Group's net assets increased from approximately NTD712.5 million as at 31 December 2022 to approximately NTD805.6 million as at 31 December 2023.

(b) Comparison between 31 December 2023 and 31 December 2024

Total assets increased from approximately NTD2,102.9 million as at 31 December 2023 to approximately NTD2,444.5 million as at 31 December 2024 mainly attributable to the increase in inventories by approximately NTD310.5 million and the increase in cash and cash equivalents by approximately NTD43.6 million. Inventories increased mainly attributable to the increase in finished good; and provision for impairment loss on inventories reduced substantially from approximately NTD171.2 million as at 31 December 2023 to approximately NTD44.7 million as at 31 December 2024. As advised by the management of the Group, inventories were affected by the fire accident such that the Group incurred a loss of approximately NTD257.8 million for damaged inventories for the year ended 31 December 2022; and such loss was partially reversed upon the written off of provision for impairment loss on inventories of approximately NTD128.0 million.

Total liabilities increased from approximately NTD1,297.3 million as at 31 December 2021 to approximately NTD1,624.0 million as at 31 December 2024 mainly attributable to (i) the increase in contract liabilities by approximately NTD248.7 million as a result of more deposits received from customers; and (ii) the increase in trade payables and other payables by approximately NTD71.1 million mainly because of the increase of orders, which led to a corresponding increase in procurement as advised by the management of the Group.

Above all, the Group's net assets increased slightly from approximately NTD805.6 million as at 31 December 2023 to approximately NTD820.5 million as at 31 December 2024.

## (c) Comparison between 31 December 2024 and 30 June 2025

Total assets increased from approximately NTD2,444.5 million as at 31 December 2024 to approximately NTD2,556.2 million as at 30 June 2025 mainly attributable to the (i) increase in inventories by approximately NTD56.6 million mainly because of the increase in demand from major customers and the Group had replenished inventory in order to shorten delivery lead time as advised by the management of the Group; and (ii) the increase in prepayments, deposits and other receivables by approximately NTD52.6 million mainly because some equipment orders required prepayments as advised by the management of the Group.

Total liabilities increased from approximately NTD1,624.0 million as at 31 December 2024 to approximately NTD1,667.4 million as at 30 June 2025 mainly attributable to the increase in contract liabilities by approximately NTD118.7 million, the increase in lease liabilities by approximately NTD15.8 million and the increase in current income tax liabilities by approximately NTD22.6 million. As advised by the management of the Group, the increase in contract liabilities was mainly because new orders from customers increased such that receipt of deposits increased as compared to that as at 31 December 2024, the increase in lease liabilities was mainly because of the addition of new transportation equipment leasing contracts and the renewal of the factory lease and the increase in current income tax liabilities was in line with the increase in profit. The above was partly offset by the decrease in trade and other payables by approximately NTD72.1 million and the reduction in bank borrowings by approximately NTD41.7 million. As advised by the management of the Group, the decrease in trade and other payables was mainly because of the settlement of trade payables in faster pace and the adjustments to the procurement schedule; and the decrease in bank borrowings was mainly because of the partial repayment of the Group's short-term loans in accordance with the repayment schedule.

Above all, the Group's net assets increased slightly from approximately NTD820.5 million as at 31 December 2024 to approximately NTD888.7 million as at 30 June 2025.

*Future prospects*

The Group is a turnkey solution provider and exporter of parts and used SME in Taiwan, mainly engaging in providing turnkey solutions for parts and used SME for customers and modifying and/or upgrading the semiconductor equipment of its production systems according to customers' needs. In addition, the Group also engages in the trading of SME and parts.

As mentioned in the Interim Report 2025, with the rapid development of global AI technology, the semiconductor industry is facing a historic turning point in its development. As the core support for the innovation and application of AI algorithms, the semiconductor industry plays an irreplaceable role in driving the digital transformation of global industries. Amidst the current volatile international landscape and the booming development of AI technology, the semiconductor industry faces challenges in supply chain stability while also embracing significant opportunities for intelligent upgrades. In the first half of 2025, the global semiconductor market continued its growth momentum. Driven by new technologies such as AI, the penetration rates of new technologies and products in areas such as automotive electronics, new energy, the Internet of Things, big data and artificial intelligence continued to rise. Furthermore, the deepening development of cutting-edge technologies such as “AI+” and “5G+”, along with the rapid growth in demand for AI computing power, have become key drivers of semiconductor demand, creating a favourable development environment for semiconductor companies. Driven by the strong momentum of AI technology, the semiconductor industry is entering a period of rapid growth in economic profits. The Group will continue to closely monitor market trends, enhance its adaptability, and further strengthen its competitive edge in the semiconductor market.

We have reviewed the report “Global Semiconductor Industry Outlook for 2025”, insights from the 20th annual survey conducted by KPMG LLP and Global Semiconductor Alliance in the forth quarter of 2024. KPMG LLP is a global network of professional firms providing audit, tax and advisory services; and according to its official website (<https://www.gsaglobal.org/old-homepage/>), Global Semiconductor Alliance is an organization which provides an unique neutral platform for collaboration with peers, partners and customers to accelerate the growth of the semiconductor industry; where it has 300 corporate members across all 6 continents, including over 100 public companies. Based on the feedbacks to the survey, the following matters are noted in the report: (i) 92% of semiconductor leaders surveyed forecasted industry’s revenue will grow in the coming year; and 36% of semiconductor leaders surveyed predicted revenue growth of more than 10%; (ii) semiconductor leaders believe that AI enablers (including high bandwidth memory) are the production technology that will have the greatest impact on the industry over the next three years; (iii) 35% of executives surveyed are concerned that new competitors will emerge as non-traditional semiconductor companies (tech giants, platform companies, and automotive companies) expand their chip capabilities, signaling a shift in the industry’s outlook. To compare, last year only 19% of semiconductor leaders cited new competition as a concern; and (iv) 29% of respondents believed there was already an excess of semiconductor inventory. Further mitigating surplus concerns, reducing on-hand inventory levels was the most frequent action semiconductor companies have taken, or expect to take in the next year, in response to the economic environment. In addition, armed conflicts and tariffs were named the two most concerning geopolitical matters that could affect the semiconductor ecosystem over the next two years.

Based on the report “Global Semiconductor Industry Outlook for 2025”, it is anticipated that the semiconductor industry will achieve growth in revenue in the coming year. The Company is also mentioned in its Interim Report 2025 that in the face of a complex environment characterised by escalating geopolitical tensions and the expansion of trade protectionism, the Group adheres to its core strategy of prudence and stability, striving to strengthen the stability and continuity of cooperation with existing international clients while actively expanding new clientele to diversify risks. However, we remain skeptical about how quickly and effectively the Company can achieve diversification to alleviate the impact of macroeconomic uncertainties in the short run. Given the new competition from non-traditional semiconductor companies, the trend of adopting new technologies such as AI technology in the semiconductor industry, the excess semiconductor inventory in the industry and the geopolitical matters bought by conflicts and tariffs as discussed in the aforesaid report, the sustainability of the Group’s business performance is uncertain.

### **(2) Offeror’s intention regarding the Company**

As set out in the section headed “Intention of the Offeror with regard to the Group” in the Explanatory Memorandum in Part VII to the Scheme Document, it is the intention of the Offeror to continue the existing principal businesses of the Group. Upon implementation of the Proposal and the Scheme, the Offeror will conduct a strategic review of the business operations of the Group in order to formulate detailed business plans and strategies for future business development. As at the Latest Practicable Date, the Offeror had (a) no intention to introduce any material changes to the business of the Group (including any major redeployment of any fixed assets of the Group), or to discontinue the employment of any employee as a result of the implementation of the Proposal and/or the Scheme (other than in the ordinary course of business), and (b) no agreement, arrangement, understanding, intention, or negotiation regarding any disposal, termination, or scaling down of the Group’s existing business, nor any disposal, restructuring, or redeployment of the Group’s assets.

### **(3) Information on the Offeror**

As set out in the section headed “Information on the Offeror” in the Explanatory Memorandum in Part VII to the Scheme Document, the Offeror is a corporation incorporated in the State of Missouri, the U.S. The Offeror Group is a world-class industrial technology group that develops advanced thermal systems which are used in a wide range of demanding industrial applications. The Offeror Group holds more than 1,100 patents and employs over 4,000 team members working in technology centers and manufacturing sites in the U.S., Mexico, Europe and Asia.

The Offeror is wholly owned by TWE Intermediate Holdings, Inc., a wholly owned subsidiary of TWE Holdings, LLC, which is held as to 59% by TWE Aggregator Holdings, LLC, which in turn is held as to 87% by Tinicum L.P. Tinicum L.P. and its affiliated investment partnerships (collectively, “**Tinicum**”) own a diversified group of manufacturing, distribution, and industrial technology companies. Tinicum’s assets under management are approximately US\$3.8 billion. Tinicum is controlled by its general partner, Tinicum Lantern III L.L.C. Tinicum Lantern III L.L.C. is a member-managed limited liability corporation and Mr. Eric Ruttenberg is its sole managing member who has the ability to direct major decisions of Tinicum Lantern III L.L.C. and ultimately indirectly controls all the voting rights of the Offeror. Mr. Eric Ruttenberg is the managing partner of Tinicum.

#### **(4) Reasons for and benefits of the Proposal**

The section headed “Reasons for and benefits of the Proposal” in the Explanatory Memorandum in Part VII to the Scheme Document sets out the reasons for and benefits of the Proposal and is summarised as follows.

##### *For Scheme Shareholders*

The low trading liquidity of the Shares could make it difficult for Scheme Shareholders to execute substantial on-market disposals without adversely affecting the price of the Shares. The Proposal and the Scheme present an immediate opportunity for Scheme Shareholders to monetise their investments for cash and redeploy the proceeds from accepting the Proposal and the Scheme into other investment opportunities. The Proposal and Scheme allow an exit for the Scheme Shareholders at a compelling premium to the current market price.

Details of our review of the trading prices and liquidity of the Shares are set out in the sections headed “(5)(a) Historical price performance of the Shares” and “(5)(b) Historical trading liquidity of the Shares” below in this letter. Trading liquidity of the Shares has been at a low level over a long period in recent period of time prior to the release of the Announcement. The low trading liquidity of the Shares has rendered it difficult for the Scheme Shareholders to execute substantial on-market disposals without adversely affecting the price of the Shares, if feasible.

Taking into consideration our analysis on historical price performance of the Shares and trading liquidity of the Shares, and the comparable analysis of the Cancellation Price with comparable companies performed in the section headed “(6) Comparable companies” below in this letter, we are of the view that the terms of the Proposal are fair and reasonable so far as the Scheme Shareholders are concerned and in the interest of the Company and the Shareholders as a whole.

***For the Offeror and the Company***

The Offeror believes that the taking private of the Company will be beneficial to the Company as it will permit the Offeror and the Company to make strategic decisions focused on long-term commercial development and benefits, free from the pressure of market expectations and share price fluctuations which arise from the Company being a publicly listed company. As mentioned in the Letter from the Board, the Proposal put forth by the Offeror is expected to strengthen the competitiveness of the merged businesses, allowing them to continue delivering excellent products and services to their customers. In particular, the Proposal will expand the Offeror's customer base, and the Company's jacket heater product line designed for semiconductor fabrication facilities will complement the Offeror's existing product portfolio. The Proposal will increase the Offeror's East Asian manufacturing footprint near key customers, with experienced operations, engineering, and service teams. The Offeror's global organization and resources will also enhance the Company's ability to support customers globally. The Proposal and the Scheme, which entail the delisting of the Company, is also expected to reduce the administrative costs and management resources associated with maintaining the Company's listing status and compliance with regulatory requirements and, in turn, allow greater flexibility for the Offeror and the Company to manage the Group's business.

We have reviewed the announcements and annual reports published by the Company, it has not announced or completed any equity fund raising since listing on GEM in 2017, notwithstanding the net proceeds from the initial public offering of the Company in 2017 were full utilized in 2020. Taking into consideration the closing prices and liquidity of the Shares further discussed in “(5)(a) Historical price performance of the Shares” and “(5)(b) Historical trading liquidity of the Shares” below in this letter, we concur with the Offeror and the Company that maintaining the listing status may be insignificant to the Group from financing perspective as the costs and pressure involved outweigh benefits from the listing of the Shares.

**(5) Cancellation Price**

The Cancellation Price of HK\$0.245 per Scheme Share represents:

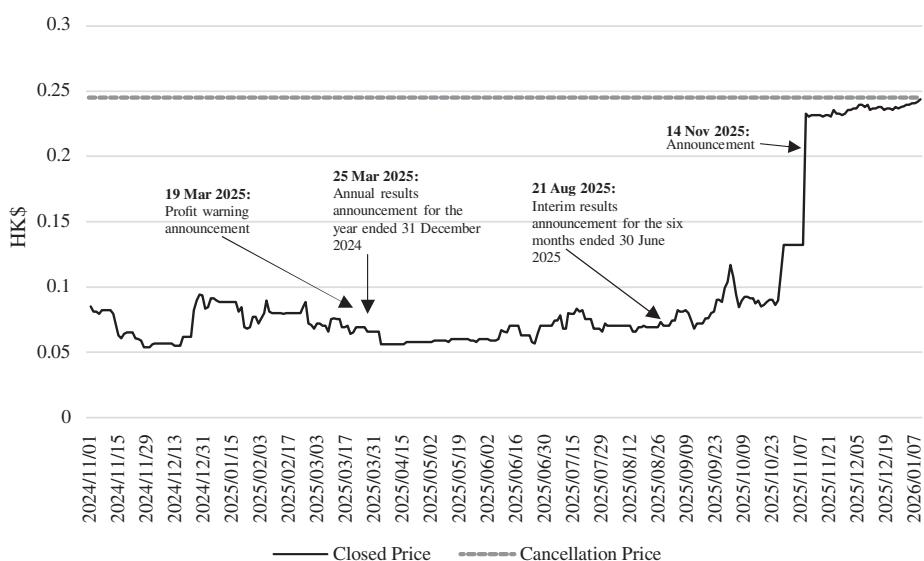
- (a) a premium of approximately 1.66% over the closing price of HK\$0.241 per Share as quoted on the Stock Exchange on 16 January 2026, being the Latest Practicable Date;
- (b) a premium of approximately 87.0% over the closing price of HK\$0.131 per Share as quoted on the Stock Exchange on 5 November 2025, being the Last Trading Date;
- (c) a premium of approximately 122.7% over the closing price of HK\$0.110 per Share as quoted on the Stock Exchange on 4 November 2025, being the Last Full Trading Date;
- (d) a premium of approximately 160.6% over the average closing price of approximately HK\$0.094 per Share as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Date;

- (e) a premium of approximately 169.2% over the average closing price of approximately HK\$0.091 per Share as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Date;
- (f) a premium of approximately 214.1% over the average closing price of approximately HK\$0.078 per Share as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Date;
- (g) a premium of approximately 240.3% over the average closing price of approximately HK\$0.072 per Share as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Date;
- (h) a premium of approximately 175.3% over the closing price of HK\$0.089 per Share as quoted on the Stock Exchange on 3 November 2025, being the Undisturbed Date;
- (i) a premium of approximately 178.4% over the average closing price of approximately HK\$0.088 per Share as quoted on the Stock Exchange for the 10 trading days up to and including the Undisturbed Date;
- (j) a premium of approximately 178.4% over the average closing price of approximately HK\$0.088 per Share as quoted on the Stock Exchange for the 30 trading days up to and including the Undisturbed Date;
- (k) a premium of approximately 218.2% over the average closing price of approximately HK\$0.077 per Share as quoted on the Stock Exchange for the 90 trading days up to and including the Undisturbed Date;
- (l) a premium of approximately 245.1% over the average closing price of approximately HK\$0.071 per Share as quoted on the Stock Exchange for the 180 trading days up to and including the Undisturbed Date;
- (m) a premium of approximately 21.3% over the audited net asset value attributable to Shareholders of approximately HK\$0.202 per Share as at 31 December 2024, calculated based on the latest audited consolidated net asset value of the Company attributable to the Shareholders of approximately NTD820 million (equivalent to approximately HK\$202 million based on the exchange rate of HK\$1:NTD4.07 as at 31 December 2024 as published by the Hong Kong Monetary Authority for illustrative purposes) as at 31 December 2024 and 1,000,000,000 Shares in issue as at the Latest Practicable Date; and
- (n) a premium of approximately 12.4% over the unaudited net asset value attributable to Shareholders of approximately HK\$0.218 per Share as at 30 June 2025, calculated based on the latest unaudited consolidated net asset value of the Company attributable to the Shareholders of approximately NTD889 million (equivalent to approximately HK\$236 million based on the exchange rate of HK\$1:NTD3.76 as at 30 June 2025 as published by the Hong Kong Monetary Authority for illustrative purposes) as at 30 June 2025 and 1,000,000,000 Shares in issue as at the Latest Practicable Date.

It is mentioned in the Letter from the Board that the Cancellation Price has been determined on a commercial basis after taking into account, among other things, the recent and historical prices of the Shares traded on the Stock Exchange, the publicly available financial information of the Group, and with reference to other take private transactions in Hong Kong in recent years.

*(a) Historical price performance of the Shares*

Set out below is the movement of the daily closing prices of the Shares during the period from 1 November 2024 (being about 12 full calendar months before the date of the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the proposed privatisation of the Company) up to and including the Latest Practicable Date (the “**Review Period**”), and comparison between the historical price performance of the Shares and the Cancellation Price of HK\$0.245 during the Review Period. We consider a period of approximately one year is reasonable and representative to illustrate the recent price movements of the Shares, which reflects the prevailing market sentiment for conducting a reasonable comparison between the closing prices of Shares and the Cancellation Price:



Source: website of the Stock Exchange

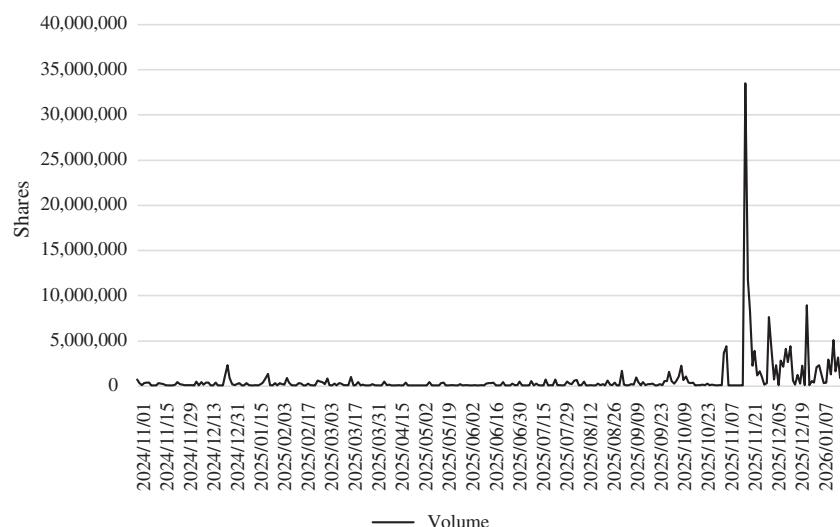
The Cancellation Price was consistently well above the closing price of the Shares during the Review Period. The lowest and highest closing prices of the Shares were HK\$0.054 per Share recorded during the period from 28 November 2024 to 2 December 2024 and HK\$0.241 per Share recorded on 16 January 2026 as quoted on the Stock Exchange. The average daily closing price of the Shares during the Review Period is HK\$0.095 per Share. The Cancellation Price of HK\$0.245 represents (i) premium of approximately 1.66% over the highest closing price; (ii) a premium of approximately 156.95% over the average daily closing price; and (iii) a premium of approximately 353.70% over the lowest closing price.

The closing price of the Shares generally showed a downward trend from 5 November 2024 to 28 November 2024 and reached the lowest closing price of HK\$0.054 at 28 November 2024 and stayed at such closing price until 2 December 2024; then, the closing price of the Shared was on an upward momentum and reached HK\$0.094 on 30 December 2024. The closing price of the Shares then fluctuated with a downward trend in general from HK\$0.093 on 31 December 2024 to HK\$0.056 on 7 April 2025. The Directors confirmed that they are not aware of any reasons for the aforesaid movements of the closing price of the Shares save for on 19 March 2025 (after trading hours), the Company published the profit warning announcement for the year ended 31 December 2024; and on 25 March 2025 (after trading hours), the Company published both the annual results announcement and the annual report for the year ended 31 December 2024. As compared to the corresponding year in 2023, revenue for the year ended 31 December 2024 decreased by approximately 30.08% to approximately NTD931.96 million; and the profit for the year attributable to owners of the Company decreased by approximately 73.21% to approximately NTD24.28 million.

The closing price of the Shares remained relatively stable in the range between HK\$0.056 and HK\$0.06 from 8 April 2025 to 10 June 2025. The closing price of the Shares moved up and down between HK\$0.057 and HK\$0.083 from 11 June 2025 to 17 September 2025. The Directors confirmed that they are not aware of any reasons for the aforesaid movements of the closing price of the Shares save for on 21 August 2025 (after trading hours), the Company published the interim results announcement for the six months ended 30 June 2025. As compared to the corresponding period in 2024, revenue for the six months ended 30 June 2025 increased by approximately 9.40% to approximately NTD585.31 million and profit for the period attributable to owners of the Company increased by approximately 25.83% to approximately NTD48.70 million. Subsequently the closing price of the Shares showed an upward trend and reached HK\$0.116 on 8 October 2025, but then it moved downward with fluctuations to HK\$0.086 on 31 October 2025 before picking up to HK\$0.131 on 5 November 2025 before the trading halt from 10:54 a.m. in the morning pending the publication of the Announcement. The trading of the Shares on the Stock Exchange resumed at 9:00 a.m. on 17 November 2025, on which day the closing price of the Shares was HK\$0.23. The closing price of the Shares then remained in the range of approximately HK\$0.23 to HK\$0.24, and closed at HK\$0.241, the highest closing price of the Shares during the Review Period, on 16 January 2026, being the Latest Practicable Date. The Directors confirmed that save for the publication of the Announcement, they are not aware of any reasons for aforesaid movements of the closing price of the Shares.

**(b) Historical trading liquidity of the Shares**

Set out below is the daily trading volume of the Shares during the Review Period:



Source: website of the Stock Exchange

During the Review Period, the Company had a total of 1,000,000,000 issued Shares; of which, 295,500,000 Shares constituted the public float of the Company (after excluding 2,450,000 Shares held by a Director, namely Mr. Chiang Ting-Kuo and a total of 702,050,000 Shares held by the substantial shareholders of the Company and their respective parties acting in concert, if any. Please refer to the Interim Report 2025 for details). The average daily trading volume of the Shares per month, the respective percentages of the average daily trading volume as compared to the total number of issued Shares at the beginning of each calendar month, and the respective percentages of the average daily trading volume as compared to the total number of issued Shares held by the public at the beginning of each calendar month, are tabulated as below:

Month/period	Number of trading days	Average daily trading volume	the Latest Practicable Date (Note 1)	Percentage of average daily trading volume to the total number of issued Shares as at the Latest Practicable Date as at the Latest Practicable Date (Note 2)	
				the total number of the Shares held by public Shareholders as at the Latest Practicable Date (Note 2)	
<b>2024</b>					
November	21	145,000	0.015%	0.049%	
December	20	305,000	0.031%	0.103%	

Month/period	Number of trading days	Average daily trading volume	Percentage of average daily trading volume to the total number of issued Shares as at the Latest Practicable Date	Percentage of average daily trading volume to the total number of the Shares held by public Shareholders as at the Latest Practicable Date
			(Note 1)	(Note 2)
<b>2025</b>				
January	19	181,842	0.018%	0.062%
February	20	185,000	0.019%	0.063%
March	21	144,762	0.014%	0.049%
April	19	46,842	0.005%	0.016%
May	20	55,500	0.006%	0.019%
June	21	80,000	0.008%	0.027%
July	22	138,636	0.014%	0.047%
August	21	147,143	0.015%	0.050%
September	22	329,091	0.033%	0.111%
October	20	338,000	0.034%	0.114%
November (Note 3)	13	5,485,385	0.549%	1.856%
December	21	2,191,905	0.219%	0.742%
<b>2026</b>				
January (up to the Latest Practicable Date)	11	2,081,818	0.208%	0.705%
	<b>Maximum</b>	5,485,385	0.549%	1.856%
	<b>Minimum</b>	46,842	0.005%	0.016%
	<b>Average</b>	790,395	0.079%	0.267%

*Source: website of the Stock Exchange*

*Notes:*

1. Based on 1,000,000,000 Shares in issue as at the Latest Practicable Date.
2. Based on 295,500,000 Shares held by public Shareholders as at the Latest Practicable Date.
3. The trading of the Shares on the Stock Exchange was suspended from 10:54 a.m. on 5 November 2025 until the date of the Announcement.

As illustrated in the table above, the trading of the Shares was generally inactive during the Review Period except in November 2025, December 2025 and January 2026 (up to the Latest Practicable Date). During the period from November 2024 to October 2025, the average daily trading volume of the Shares per month ranged from approximately 0.005% to approximately 0.034% of the total number of issued Shares, or approximately 0.016% to approximately 0.114% of the issued Shares constituting the public float of the Company. In November 2025, the trading of the Shares became more active with the average daily trading volume of the Shares per month representing approximately 0.549% of the total number of issued Shares, or approximately 1.856% of the issued Shares constituting the public float of the Company. In December 2025, the average daily trading volume of the Shares per month representing approximately 0.219% of the total number of issued Shares, or approximately 0.742% of the issued Shares constituting the public float of the Company. In January 2026, the average daily trading volume of the Shares per month representing approximately 0.208% of the total number of issued Shares, or approximately 0.705% of the issued Shares constituting the public float of the Company. The Directors confirmed that save for on 14 November 2025, the Company published the Announcement, they are not aware of any reasons for surge in trading volume of the Shares in November 2025, December 2025 and January 2026 (up to the Latest Practicable Date). Apart from more active trading of the Shares in November 2025, December 2025 and January 2026 (up to the Latest Practicable Date), the trading in the Shares had been historically inactive; and save for the trading halt announcement, the Announcement, the announcement of the Company dated 5 December 2025 in relation to the update on timeline for despatch of the Scheme Document, the Additional Irrevocable Undertaking Announcement and the announcement of the Company dated 5 January 2026 in relation to the monthly update of the Proposal, there was no announcement published by the Company from November 2025 to the Latest Practicable Date which may support the rise in trading volume. On this basis, the trading liquidity in November 2025, December 2025 and January 2026 (up to the Latest Practicable Date) might be a temporary boost. The surge in the closing price of the Shares immediately after publication of the Announcement was potentially contributed by the market reactions towards the Proposal and may not be sustainable. Given the historical thin trading liquidity, the Disinterested Shareholders, especially those holding substantial stakes, may find it difficult to dispose of a large volume of Shares in the open market without exerting downward pressure on the price of the Shares. The Proposal consequently represents a good opportunity for the Disinterested Shareholders to exit at a fixed cash price, which also represents premium over the closing price of the Shares for certain period of time before the release of the Announcement.

Having considered that (i) the historical trading liquidity was thin as mentioned above; (ii) the Cancellation Price represents a premium over the closing price of the Shares throughout the entire Review Period; and (iii) the Cancellation Price represents a premium of approximately 87.0% over the closing price of the Shares on the Last Trading Date and a premium of approximately 160.6%, 169.2%, 214.1% and 240.3% to the respective average closing price of the Shares for the 10, 30, 90 and 180 trading days up to and including the Last Trading Date, we are of the view that the Cancellation Price is fair and reasonable as far as the Disinterested Shareholders are concerned.

## (6) Comparable companies

As disclosed in the paragraph headed “(1)(a) Background and historical financial information of the Group”, the Group generated revenue from (i) provision of turnkey solution. It is mentioned in the Annual Report 2024 that the parts and SME supplied by the Group include furnaces and clean tracks which are used at the front-end of the semiconductor manufacturing process and wafer fabrication; and (ii) trading of parts and used SME which represented approximately 44.9% and approximately 55.1%, respectively, to the total revenue of the Group for the year ended 31 December 2024. The Group generated revenue from Taiwan, U.S. and the PRC accounted for approximately 44.7%, approximately 20.0% and approximately 17.3%, respectively, to the total revenue of the Group for the year ended 31 December 2024.

In assessing the fairness and reasonableness of the Cancellation Price, we have, based on our search on Bloomberg, identified companies listed on the Stock Exchange primarily engaged in businesses similar to the Group’s operations, specifically (i) the provision of semiconductor solutions and/or sales of semiconductor equipment applied in semiconductor business; and (ii) over 50% of the total revenue was attributable to such business based on the respective latest published annual reports. Based on the above criteria, only one comparable company can be identified by all exhaustive means, namely ASMPT Ltd. (stock code: 522). As limited comparable companies listed on the Stock Exchange could be identified, we further widen our selection criteria to include companies listed on the stock exchange of Taiwan (i.e. Taiwan Stock Exchange Corporation) as the Group’s business is mainly based in Taiwan. We have identified an exhaustive list of seven more companies listed on Taiwan Stock Exchange Corporation that can satisfy the selection criteria (i) and (ii) above (together with ASMPT Ltd., the “**Comparable Companies**”).

Scheme Shareholders should note that despite theforesaid criteria, the business, the scale of operations, trading prospects, market locations and capital structure of the Group are not exactly the same as those of the Comparable Companies. We have not conducted any in-depth investigation into the businesses and operations of the Comparable Companies.

We have considered the three most commonly used benchmarks for valuation of companies, the price-to-earnings ratio (the “**P/E Ratio**”), the price-to-book ratio (the “**P/B Ratio**”), and the price-to-sales ratio (the “**P/S Ratio**”) analysis. The P/S Ratio is not applicable because it is usually used to value start-up companies for which both the book value and earnings are insignificant or non-existing. Notwithstanding that the Comparable Companies are not subject to privatisation proposals as at the Latest Practicable Date, a comparable analysis of P/E Ratios and P/B Ratios is a meaningful reference for assessing the fairness and reasonableness of the Cancellation Price since such ratios indicate the market value of businesses of similar nature with the Company in terms of principal activities and business outlook based on the selection criteria adopted.

The list of Comparable Companies set out below is exhaustive. Details of the Comparable Companies as at the Latest Practicable Date are summarised below:

**Company listed on the Stock Exchange**

No.	Company name (Stock code)	Principal activity	Market capitalization (HK\$'million)	P/E Ratio (times)	P/B Ratio (times)
1	ASMPT Ltd. (522)	Design, manufacture and marketing of machines and tools used in semiconductor and electronics assembly industries	40,879.8	118.40	2.51

**Companies listed on Taiwan Stock Exchange Corporation**

No.	Company name (Stock code)	Principal activity	Market capitalization (HK\$' million) (Note 1)	P/E ratio (times) (Note 2, 3)	P/B ratio (times) (Note 4)
1	Gudeng Equipment Co Ltd (6953)	Manufactures and distributes semiconductor equipment and related components	2,001.0	33.80	5.22
2	Grand Process Technology Corp (3131)	Specializes in equipment for back end semiconductor manufacturing	12,912.8	61.86	10.48
3	Finesse Technology Co Ltd (7704)	Provides semiconductor equipment subsystem technical services, semiconductor equipment subsystem sales, and other services	390.2	17.65	1.40
4	Horng Terng Automation Co Ltd (7751)	Produces semiconductor automated production equipment, optical inspection equipment, and other equipment	5,716.3	78.92	10.05
5	Innostar Service Inc (7828)	Produces semiconductor probe card automation equipment, semiconductor precision automation equipment, advanced packaging high density copper pillar terminals, and others	5,335.3	144.16	21.72
6	Skytech Inc/TW (6937)	Produces semiconductor wafer manufacturing equipment machine and related parts and services	3,821.0	38.04	4.54

No.	Company name (Stock code)	Principal activity	Market capitalization (HK\$' million)	P/E ratio (times)	P/B ratio (times)
			(Note 1)	(Note 2, 3)	(Note 4)
7	Spirox Corp (3055)	Provides solutions, manufacturing equipment, software tools, and accessories to semiconductor and TFT-LCD industries	2,032.6	N/A	4.61
			Maximum	144.16	21.72
			Minimum	17.65	1.40
			Average	70.41	7.57
			Median	61.86	4.92
			Market capitalization (HK\$'million)		
	The Company	Provision of turnkey solution and trading of parts and used semiconductor manufacturing equipment	245.0	41.53 (Note 5)	1.04 (Note 6)

*Notes:*

1. Based on the exchange rate of HK\$1:NTD4.05 from Bloomberg as at the Latest Practicable Date (for illustrative purposes only).
2. The P/E ratio was based on the then market capitalization of Comparable Companies as at the Latest Practicable Date, divided by the profit attributable to the owners of the company of the Comparable Companies as stated in their respective latest available annual report.
3. N/A means the Comparable Companies incurred loss for the latest financial year.
4. The P/B ratio was based on the then market capitalization of Comparable Companies as at the Latest Practicable Date, divided by the equity attributable to the owners of the Company as stated in their respective latest available annual, interim or quarterly report.
5. The Implied P/E Ratio of approximately 41.53 times is based on (a) the implied market capitalization of the Company of HK\$245.0 million based on the Cancellation Price and the issued number of Shares as at the Latest Practicable Date; and (b) the audited profit attributable to the owners of the Company of approximately NTD24.28 million (equivalent to approximately HK\$5.90 million based on the exchange rate of HK\$1:NTD4.11 for illustrative purposes) for the year ended 31 December 2025 as extracted from the Annual Report 2024.
6. The Implied P/B Ratio of approximately 1.04 times is based on (a) the implied market capitalization of the Company of HK\$245 million based on the Cancellation Price and the issued number of Shares as at the Latest Practicable Date; and (b) the unaudited net asset value of the Company of approximately NTD888.7 million as at 30 June 2025 (equivalent to approximately HK\$235.7 million based on the exchange rate of HK\$1:NTD3.77 for illustrative purposes) as extracted from the Interim Report 2025.

Based on the Cancellation Price of HK\$0.245 per Scheme Share and the total number of issued Shares of 1,000,000,000 as at the Latest Practicable Date, the Company is valued at HK\$245.0 million. The P/E Ratio of the Company implied by the Cancellation Price is approximately 41.53 times (the “**Implied P/E Ratio**”); and the P/B Ratio of the Company implied by the Cancellation Price is approximately 1.04 times (the “**Implied P/B Ratio**”). As set out in the above table, the P/E Ratios of the Comparable Companies ranged from approximately 17.65 times to 144.16 times; with an average of approximately 70.41 times and median of approximately 61.86 times. The Implied P/E Ratio is within the range of that of the Comparable Companies and below the median of that of the Comparable Companies. We consider the Implied P/E Ratio is justifiable from the perspective of P/E Ratios analysis, having taken into account: (i) the Implied P/E Ratio is within the range of those of the Comparable Companies; (ii) the Cancellation price of HK\$0.245 was consistently well above closing prices of the Shares, which were HK\$0.054 per Share (i.e. the lowest closing price during the Review Period) recorded during the period from 28 November 2024 to 2 December 2024 and HK\$0.241 per Share (i.e. the highest closing price during the Review Period) recorded on 16 January 2026 as quoted on the Stock Exchange as discussed in our analysis under the section headed “(5)(a) Historical price performance of the Shares” above in this letter; and (iii) given the historical thin trading volume of the Shares as discussed in our analysis under the section headed “(5)(b) Historical trading liquidity of the Shares” above in this letter, it is uncertain as to whether there would be sufficient liquidity in Shares for the Disinterested Shareholders to dispose of a significant number of the Shares in the open market without causing an adverse impact on the market price of the Shares and accordingly, the Proposal gives Disinterested Shareholders an opportunity to receive cash for their Scheme Shares at premium over the market prices of the Company.

The P/B Ratios of the Comparable Companies ranged from approximately 1.40 times to 21.72 times, with an average of approximately 7.57 times and a median of approximately 4.92 times. Notwithstanding the Implied P/B Ratio of approximately 1.04 times is below the minimum of that of the Comparable Companies, the Cancellation Price represents a premium over the closing price of the Shares throughout the entire Review Period; and the closing price of the Shares in our view represents a more relevant factor when assessing the fairness and reasonableness of the Cancellation Price, as the net assets value (“NAV”) per Share might not reflect the intrinsic value of the Shares as illustrated in the table below:

	Latest published NAV per Share (Note 1)	Average closing price per Share (Note 2) HK\$	Approximate discount to NAV (Note 2) HK\$
	NTD	equivalent	
From 22 March 2024 to 14 August 2024 (i.e. the date the interim results announcement for the six months ended 30 June 2024 was published)	0.81	0.207 (Note 3)	0.058 (72.0)%
From 15 August 2024 to 25 March 2025 (i.e. the date the annual results announcement for the year ended 31 December 2024 was published)	0.83	0.200 (Note 4)	0.069 (65.5)%
From 26 March 2025 to 21 August 2025 (i.e. the date the interim results announcement for the six months ended 30 June 2025 was published)	0.82	0.194 (Note 5)	0.065 (66.5)%
From 22 August 2025 to the Latest Practicable Date	0.89	0.239 (Note 6)	0.150 (37.2)%

*Source: website of the Stock Exchange and Bloomberg.*

*Notes:*

1. The audited and unaudited consolidated net asset value per Share as at the respective year/period end date were extracted from the respective annual/interim results announcement published by the Company.
2. Represents the average closing price per Share during the period from the trading day following the publication by the Company of its audited annual results or unaudited interim results (as the case may be) to the trading day on which the subsequent unaudited interim results or audited annual results (as the case may be) were published.
3. Based on the exchange rate of NTD1:HK\$0.2555 as at 31 December 2023 for illustrative purposes.
4. Based on the exchange rate of NTD1:HK\$0.2408 as at 30 June 2024 for illustrative purposes.
5. Based on the exchange rate of NTD1:HK\$0.2369 as at 31 December 2024 for illustrative purposes.
6. Based on the exchange rate of NTD1:HK\$0.2686 as at 30 June 2025 for illustrative purposes.

In view of the Implied P/B Ratio of approximately 1.04 times is below the minimum P/B Ratio of approximately 1.40 times and the average P/B Ratio of approximately 7.57 times of the Comparable Companies, we considered that the Cancellation Price is not fair and not reasonable from the perspective of P/B Ratios analysis. However, having considered that: (i) if the Proposal fails, the Disinterested Shareholders may not be able to dispose their Shares on-market at a premium in view of the thin trading volume of Shares and relatively low closing prices prior to the release of the Announcement; (ii) the Cancellation price represents a premium of approximately 87.0% and a premium of approximately 1.66% over the closing price as at the Last Trading Date and the Latest Practicable Date, respectively; and (iii) the Shares had been traded at discount to the NAV per Share for a prolonged period of time, we consider that the NAV per Share is not a meaningful benchmark to assess the Cancellation Price. The current market price of the Shares in general reflects the value of the Shares that is generally perceived by the market, we concurred with the management of the Group that it would be appropriate to make reference to other factors in determining the Cancellation Price. Other factors, which include but not limited to (i) the financial performance and business prospects of the Group; (ii) the Cancellation Price as compared to the historical prevailing closing prices of the Shares; (iii) the Implied P/E ratio as compared to the P/E Ratios of the Comparable Companies; (iv) the trading liquidity of the Shares and (v) the privatization precedents as set out in this letter below, form a more comprehensive analysis from the perspective of the Disinterested Shareholders in considering whether or not the Cancellation Price is fair and reasonable.

## (7) Privatisation precedents

We have reviewed privatisation precedents of companies listed on the Stock Exchange that were announced and completed (i.e. the company being delisted from the Stock Exchange) since 1 July 2024 and up to the Latest Practicable Date (the “**Privatisation Precedents**”). In view of the aforesaid criteria, we identified an exhaustive list of 22 comparable Privatisation Precedents. Details of the Privatisation Precedents are summarized below:

Date of the first Rule 3.5/3.7 announcement	Company (stock code)	Premium/ (discount) of the offer/ cancellation	Premium/ (discount) of the offer/ cancellation	Premium/ (discount) of the offer/ cancellation	Premium/ (discount) of the offer/ cancellation	Premium/ (discount) of the offer/ cancellation
		Premium/ (discount) of price over/to average closing price per share for the 10 trading closing price per share on last trading date	Premium/ (discount) of price over/to average closing price per share for the 30 trading days up to and including the last trading date	Premium/ (discount) of price over/to average closing price per share for the 90 trading days up to and including the last trading date	Premium/ (discount) of price over/to average closing price per share for the 180 trading days up to and including the last trading date	Premium/ (discount) of price over/to average closing price per share for the 180 trading days up to and including the last trading date
26-Aug-2025	Shengjing Bank Co., Ltd. (2066)	15.8%	16.40%	4.4%	17.3%	18.8% (84.0)%
12-Aug-2025	Kangji Medical Holdings Limited (9997)	9.9%	11.5%	17.4%	21.2%	33.1% 293.6%
31-Jul-2025	Joy City Property Limited (207)	67.6%	80.5%	129.7%	166.6%	177.6% (71.8)%
3-Jul-2025	Jilin Jutai Rural Commercial Bank Corporation Limited (6122)	70.7%	62.2%	60.9%	8.8%	(16.3%) (80.2)%
17-Jun-2025	Beijing Properties (Holdings) Limited (925)	250.0%	247.4%	222.1%	183.9%	175.1% 17.4%
9-Jun-2025	Perfect Group International Holdings Limited (3326)	61.3%	62.3%	58.2%	44.0%	37.8% (50.7)%
28-May-2025	LIPPO Limited (226) (“Lippo”) (Note 1)	53.0%	63.0%	71.2%	64.2%	79.0% (56.9)%
9-May-2025	Thing On Enterprise Limited (2292)	30.0%	30.0%	30.0%	32.2%	7.3% (49.3)%
11-Apr-2025	Shandong Fengxiang Co., Ltd. (9977)	33.3%	35.5%	39.9%	62.6%	68.9% (15.3)%
3-Mar-2025	OneConnect Financial Technology Co., Ltd. (6638)	23.1%	26.8%	29.6%	61.1%	117.9% (10.66)%
17-Feb-2025	Tam Jai International Co. Limited (2217)	75.6%	88.3%	96.3%	98.2%	75.8% 44.7%
27-Dec-2024	Vesync Co., Ltd (2148)	33.3%	37.3%	44.4%	36.4%	24.3% 122.3%
19-Dec-2024	Pentamaster Corporation Berhad (1665) (“Pentamaster”) (Note 2)	56.3%	58.5%	53.4%	51.5%	43.4% (32.6)%
10-Dec-2024	Fosun Tourism Group (1992)	95.0%	112.7%	111.2%	112.5%	107.0% (27.4)%
22-Nov-2024	Ronshine Service Holding Co., Ltd (2207)	15.4%	1.7%	(6.3)%	(6.5)%	(13.6)% (53.5)%
6-Nov-2024	Hang Chi Holdings Limited (8405)	14.8%	16.7%	16.7%	20.7%	12.9% 45.8%

Date of the first Rule 3.5/3.7 announcement	Company (stock code)	Premium/ (discount) of the offer/ cancellation				
		Premium/ (discount) of the offer/ cancellation				
28-Oct-2024	Beijing Capital Grand Limited (1329)	46.6%	55.1%	41.8%	65.4%	53.5% (53.8)%
14-Oct-2024	CM Hi-Tech Cleanroom Limited (2115)	25.0%	26.9%	30.2%	41.7%	38.1% (3.2)%
2-Sept-2024	Doyen International Holdings Limited (668)	78.6%	82.3%	81.4%	112.9%	92.3% (39.3)%
29-Aug-2024	Eggiculture Foods Ltd. (8609)	125.1%	125.6%	129.8%	186.5%	233.2% 30.5%
16-Jul-2024	Samson Holding Ltd. (531)	77.8%	105.4%	150.1%	184.5%	150.6% (47.1)%
7-Jul-2024	Canvest Environmental Protection Group Company Limited (1381)	20.7%	17.0%	20.9%	21.8%	23.5% 21.6%
		Maximum	250.0%	247.4%	222.1%	186.5% 233.2% 293.6%
		Minimum	9.9%	1.7%	(6.3)% (6.5)%	(16.3)% (84.0)%
		Average	58.1%	62.0%	65.1%	72.2% 70.0% (4.6)%
		Median	49.8%	56.8%	48.9%	56.3% 48.5% (30.0)%
14-Nov-2025	The Company	87.0%	160.6%	169.2%	214.1%	240.3% 12.4%

Source: Bloomberg and the website of the Stock Exchange

*Notes:*

1. The cancellation price for Lippo represents the total cash entitlement under the cash alternative scenario, and the prices of the shares have been adjusted to reflect the distribution of 1,193,432,757 shares of Hongkong Chinese Limited (stock code: 655) with the ex-entitlement date on 13 January 2025 as sourced from the website of the Hong Kong Stock Exchange.
2. The cancellation price of Pentamaster includes special dividend of HK\$0.07 per share.

Although the companies listed above may have different principal activities, market capitalisation, financial performance and position as compared with those of the Company, we consider that the Privatisation Precedents, involving companies listed on the Stock Exchange, can provide a comprehensive overview of the market trend of the pricing of this type of transaction in Hong Kong equity capital market and of the acceptable premium range that disinterested shareholders are willing to accept for tendering their shares in a privatisation transaction.

The premium represented by the Cancellation Price over the closing price of the Shares on the Last Trading Date and 10-, 30-, 90- and 180-trading days up to and including the Last Trading Date, are higher than the corresponding average and median represented by Privatisation Precedents, within the range of the premiums or discounts of the Privatisation Precedents, or higher than the maximum of those of the Privatisation Precedents. Furthermore, the premium of the Cancellation Price over the unaudited net asset value attributable to Shareholders is well within the range of the corresponding premium or discount of the Privatisation Precedents and is better than the average and median of the Privatisation Precedents.

Given (i) the premiums represented by the Cancellation Price over the closing price of the Shares on the Last Trading Date and average closing prices of the Share for various trading periods are in line with (or better than) those under the Privatisation Precedents; and (ii) if the Proposal fails, other things being equal, the market price of the Shares may return to the previous low levels before the date of the Announcement and below the Cancellation Price of HK\$0.245 per Share, we are of the view that the Cancellation Price is reasonable.

## **(8) Dividends**

We have observed that the Company did not declare any dividends for about five years from the year ended 31 December 2021 to the year ended 31 December 2024 and the six months ended 30 June 2025. As the Company has refrained from distributing dividends over the past consecutive years, Disinterested Shareholders who favour dividend-paying listed issuers providing dividend yield and/or growth may consider reallocating their investments to other listed issuers that offer dividend yields. While historical payment patterns do not guarantee future performance, the Disinterested Shareholders should take note of such historical trends when evaluating the reasonableness and fairness of the Proposal.

## **RECOMMENDATION**

Based on the above principal factors and reasons, in particular, having considered the following key factors:

- (i) the Cancellation Price of HK\$0.245 was consistently well above the closing prices of the Shares during the Review Period;
- (ii) the Cancellation Price represents premium of approximately 87.0% over the closing price of the Shares as at the Last Trading Date and a premium of approximately 160.6%, 169.2%, 214.1% and 240.3% to the respective average closing price of the Shares for the 10, 30, 90 and 180 trading days up to and including the Last Trading Date;
- (iii) if the Proposal fails, other things being equal, the market price of the Shares may return to the previous low levels before the date of the Announcement and below the Cancellation Price;
- (iv) the Company did not declare any dividends for about five years from the year ended 31 December 2021 to the year ended 31 December 2024 and the six months ended 30 June 2025. While historical payment patterns do not guarantee future performance, Disinterested Shareholders should take note of such historical trends when evaluating the reasonableness and fairness of the Proposal;

- (v) the premiums represented by the Cancellation Price over the closing price of the Shares on the Last Trading Date and average closing prices of the Share for various trading periods are in line with (or better than) those under the Privatisation Precedents, thus the level of premium of the Cancellation Price over the closing price of the Shares is reasonable;
- (vi) the trading liquidity of the Shares was generally thin during the Review Period. The Proposal enables the Disinterested Shareholders to receive immediate cash proceeds from a fixed Cancellation Price amidst low trading liquidity of the Shares without exerting downward pressure on the market price of the Shares;
- (vii) it remains uncertain as to whether the improvement in profitability of the Group for the six months ended 30 June 2025 can be sustained in the long run, as the Group has just recovered from the decline in its financial results for the year ended 31 December 2024. The Scheme represents an assured exit for the Scheme Shareholders; and
- (viii) as the Group operates in the semiconductor industry, which is facing various challenges as mentioned in the paragraph headed “Future prospects” under “(1) Financial information and prospects of the Group” in this letter, it remains uncertain as to whether its business performance can be sustained in the long run,

we consider the Proposal and Scheme to be fair and reasonable so far as the Disinterested Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to recommend the Disinterested Shareholders to vote in favour of the Scheme at the Court Meeting and the resolution(s) in connection with the implementation of the Proposal and the Scheme at the EGM.

Yours faithfully,  
For and on behalf of  
**SBI China Capital Hong Kong Securities Limited**

**Ringo Kwan**  
*Managing Director*

**Evelyn Fan**  
*Executive Director*

*Mr. Ringo Kwan and Ms. Evelyn Fan have been responsible officers of Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) since 2005 and 2012, respectively. Both of them have participated in the provision of independent financial advisory services for various types of transactions involving companies listed in Hong Kong.*

*This Explanatory Memorandum constitutes the statement required under Order 102, rule 20(4)(e) of the Rules of the Grand Court of the Cayman Islands 2023 (as revised).*

**A SCHEME OF ARRANGEMENT  
(UNDER SECTION 86 OF THE COMPANIES ACT)**

**INTRODUCTION**

Reference is made to the Announcement and the Additional Irrevocable Undertaking Announcement. On 14 November 2025 (after trading hours), the Offeror and the Company entered into the Implementation Agreement, pursuant to which the Offeror requested, and the Board undertook to put forward the Proposal to the Scheme Shareholders for the proposal to take the Company private through the proposed cancellation of all the Scheme Shares by way of a Scheme in accordance with section 86 of the Companies Act, subject to the Conditions being fulfilled or waived, as applicable.

If the Proposal is approved and implemented, under the Scheme, the Scheme Shares will, on the Effective Date, be cancelled and extinguished. Simultaneously with such cancellation and extinguishment, the issued share capital of the Company will be maintained 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. The reserve created in the Company's books of account as a result of the cancellation of the Scheme Shares will be applied in paying up in full at par the new Shares so issued, credited as fully paid, to the Offeror.

Upon the Scheme becoming effective, the Company will become directly wholly owned by the Offeror, and the listing of the Shares on GEM of the Stock Exchange will be withdrawn.

If the Scheme does not become effective or the Proposal otherwise lapses, the listing of the Shares on GEM of the Stock Exchange will not be withdrawn.

The purpose of this Explanatory Memorandum is to set out the terms and effects of the Proposal and the Scheme and to provide Scheme Shareholders with further information regarding the Proposal and the Scheme.

Particular attention of the Scheme Shareholders is drawn to the following sections of this Scheme Document: (a) the "Letter from the Board" in Part IV of this Scheme Document; (b) the "Letter from the Independent Board Committee" in Part V of this Scheme Document; (c) the "Letter from the Independent Financial Adviser" in Part VI of this Scheme Document; (d) the financial information of the Group set out in Appendix I to this Scheme Document; (e) the general information set out in Appendix II to this Scheme Document; and (f) the terms of the Scheme as set out in Appendix III to this Scheme Document.

**TERMS OF THE PROPOSAL AND THE SCHEME****The Proposal and the Scheme**

If the Proposal is approved and implemented, under the Scheme:

- (a) all Scheme Shares held by the Scheme Shareholders will be cancelled and extinguished on the Effective Date in consideration for the Cancellation Price, being HK\$0.245 in cash for each Scheme Share cancelled;
- (b) simultaneously with the cancellation and extinguishment of the Scheme Shares, the issued share capital of the Company will be maintained 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, such that the Company will become directly wholly owned by the Offeror. The reserve created in the Company's books of account as a result of the cancellation of the Scheme Shares will be applied in paying up in full at par the new Shares so issued to the Offeror; and
- (c) subject to the Scheme becoming effective, the Company will make an application to the Stock Exchange for the withdrawal of the listing of the Shares on GEM of the Stock Exchange in accordance with Rule 9.23(2) of the GEM Listing Rules with effect immediately following the Effective Date.

**The Cancellation Price**

The Proposal will provide that each of the Scheme Shares be cancelled in exchange for the payment of the Cancellation Price of HK\$0.245 per Scheme Share, which shall be paid by the Offeror to the Scheme Shareholders whose names appear on the Register on the Scheme Record Date.

As at the Latest Practicable Date, the Company has not declared any dividend, distribution or other return of capital which remains unpaid, and the Company does not intend to make, declare and/or pay any dividend or make other distribution or other return of capital on or before the Effective Date or the date on which the Scheme is not approved, or the Proposal and/or the Scheme otherwise lapse (whichever is earlier).

If, after the Latest Practicable Date, any dividend, distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Cancellation Price by all or any part of the amount or value of such dividend, distribution, and/or return of capital after consultation with the Executive, in which case any reference in the Announcement, the Scheme Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced.

**Comparison of value**

The Cancellation Price of HK\$0.245 per Scheme Share represents:

- (a) a premium of approximately 87.0% over the closing price of HK\$0.131 per Share as quoted on the Stock Exchange on 5 November 2025, being the Last Trading Date;
- (b) a premium of approximately 122.7% over the closing price of HK\$0.110 per Share as quoted on the Stock Exchange on 4 November 2025, being the Last Full Trading Date;
- (c) a premium of approximately 160.6% over the average closing price of approximately HK\$0.094 per Share as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Date;
- (d) a premium of approximately 169.2% over the average closing price of approximately HK\$0.091 per Share as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Date;
- (e) a premium of approximately 214.1% over the average closing price of approximately HK\$0.078 per Share as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Date;
- (f) a premium of approximately 240.3% over the average closing price of approximately HK\$0.072 per Share as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Date;
- (g) a premium of approximately 175.3% over the closing price of HK\$0.089 per Share as quoted on the Stock Exchange on 3 November 2025, being the Undisturbed Date;
- (h) a premium of approximately 178.4% over the average closing price of approximately HK\$0.088 per Share as quoted on the Stock Exchange for the 10 trading days up to and including the Undisturbed Date;
- (i) a premium of approximately 178.4% over the average closing price of approximately HK\$0.088 per Share as quoted on the Stock Exchange for the 30 trading days up to and including the Undisturbed Date;
- (j) a premium of approximately 218.2% over the average closing price of approximately HK\$0.077 per Share as quoted on the Stock Exchange for the 90 trading days up to and including the Undisturbed Date;
- (k) a premium of approximately 245.1% over the average closing price of approximately HK\$0.071 per Share as quoted on the Stock Exchange for the 180 trading days up to and including the Undisturbed Date;
- (l) a premium of approximately 21.3% over the audited net asset value attributable to Shareholders of approximately HK\$0.202 per Share as at 31 December 2024, calculated based on the latest audited consolidated net asset value of the Company

attributable to the Shareholders of approximately NTD820 million (equivalent to approximately HK\$202 million based on the exchange rate of HK\$1:NTD4.07 as at 31 December 2024 as published by the Hong Kong Monetary Authority for illustrative purposes) as at 31 December 2024 and 1,000,000,000 Shares in issue as at the Latest Practicable Date;

- (m) a premium of approximately 12.4% over the unaudited net asset value attributable to Shareholders of approximately HK\$0.218 per Share as at 30 June 2025, calculated based on the latest unaudited consolidated net asset value of the Company attributable to the Shareholders of approximately NTD889 million (equivalent to approximately HK\$236 million based on the exchange rate of HK\$1:NTD3.76 as at 30 June 2025 as published by the Hong Kong Monetary Authority for illustrative purposes) as at 30 June 2025 and 1,000,000,000 Shares in issue as at the Latest Practicable Date; and
- (n) a premium of approximately 1.66% over the closing price of HK\$0.241 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

#### **Basis for determining the Cancellation Price**

The Cancellation Price has been determined on a commercial basis after taking into account, among other things, the recent and historical prices of the Shares traded on the Stock Exchange, the publicly available financial information of the Group, and with reference to other take private transactions in Hong Kong in recent years.

#### **Highest and lowest prices**

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.241 per Share on the Latest Practicable Date, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.057 per Share on 27 June 2025.

#### **TOTAL CONSIDERATION AND CONFIRMATION OF FINANCIAL RESOURCES**

As at the Latest Practicable Date, there are 1,000,000,000 Shares in issue. There are no other outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carry a right to subscribe for or which are convertible into Shares.

The Company does not intend to grant any share options under the Share Option Scheme on or before the Scheme Record Date. Assuming no new Shares will be issued on or before the Scheme Record Date, the maximum amount of cash consideration payable under the Scheme would be HK\$245,000,000.

The Offeror intends to finance the consideration payable under the Scheme through its internal cash resources.

Anglo Chinese, being the financial adviser to the Offeror in connection with the Scheme, is satisfied that sufficient financial resources are available to the Offeror to satisfy its payment obligations in full in respect of the consideration payable by the Offeror under the Scheme.

## **CONDITIONS OF THE PROPOSAL AND THE SCHEME**

The Proposal and the Scheme will only become effective and binding on the Company and all of the Scheme Shareholders if the following Conditions are fulfilled or waived (as applicable):

- (a) the approval of the Scheme (by way of poll) at the Court Meeting by the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders entitled to vote at the Court Meeting, present and voting either in person or by proxy at the Court Meeting;
- (b) (i) the approval of the Scheme (by way of a poll) by not less than 75% of the votes attaching to the Scheme Shares held by the Disinterested Shareholders entitled to vote at the Court Meeting, present and voting either in person or by proxy at the Court Meeting; and (ii) the number of votes cast (by way of a poll) by the Disinterested Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by the Disinterested Shareholders;
- (c) the passing of (i) a special resolution by a majority of not less than three-fourths of the votes cast by the Shareholders, present and voting in person or by proxy at the EGM, to approve and give effect to any reduction of the issued share capital on the Effective Date by cancelling the Scheme Shares; and (ii) an ordinary resolution by a simple majority of the votes cast by the Shareholders, present and voting in person or by proxy at the EGM, to approve the simultaneous maintenance of the issued share capital at the amount immediately prior to the cancellation of the Scheme Shares by issuing to the Offeror such number of new Shares at par as is equal to the number of Scheme Shares cancelled and applying the reserve created in the Company's books of account as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such new Shares so issued;
- (d) the sanction of the Scheme (with or without modifications) by the Grand Court and to the extent necessary its confirmation of any reduction of the issued share capital as a result of the cancellation of the Scheme Shares, and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of the Grand Court for registration;
- (e) compliance, to the extent necessary, with the applicable procedural requirements and conditions, if any, under the Companies Act in relation to any reduction of the issued share capital as a result of the cancellation of the Scheme Shares;

- (f) all of the Approvals having been obtained, completed and/or made and remaining in full force and effect without modification or variation up to and as at the Effective Date;
- (g) all necessary consents which may be required for the implementation of the Proposal and the Scheme under any existing contractual obligations of the Company having been obtained or waived by the relevant party(ies), where any failure to obtain such consent or waiver would have a material adverse effect on the business of the Group;
- (h) all Applicable Laws having been complied with and no legal, regulatory or administrative requirement having been imposed by any Authority in any jurisdiction which is not expressly provided for, or is in addition to the legal, regulatory and administrative requirements which are expressly provided for, in the Applicable Laws in connection with the Proposal or the Scheme;
- (i) no Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order) and no court of competent jurisdiction having issued any order, injunction, decree or ruling, in each case, which would make the Proposal or the Scheme void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations in connection with the Proposal or the Scheme);
- (j) save in connection with the implementation of the Proposal and the Scheme, the listing of the Shares on GEM of the Stock Exchange not having been withdrawn, and no indication having been received from the Executive and/or the Stock Exchange to the effect that the listing of the Shares on GEM of the Stock Exchange is or is likely to be withdrawn; and
- (k) since the date of the Announcement, there having been no adverse change in the business, assets, prospects, profits, losses, results of operations, financial position or condition of the Group (to an extent which is material in the context of the Group taken as a whole or in the context of the Proposal and/or the Scheme as reasonably determined by the Offeror with the consent of the Executive).

In addition to the requisite Shareholders' approval and regulatory approvals as expressly set out under the Conditions and compliance with the Takeovers Code and the GEM Listing Rules, the Company is required to obtain prior written consent from certain third parties in relation to or in connection with any borrowings, indebtedness and/or debt securities of the Group regarding (i) the contemplated change of shareholding in the Company; (ii) the contemplated delisting of the Shares; and/or (iii) waiver of termination rights (arising from breach of the negative pledge covenants in the relevant agreements), in connection with the implementation of the Proposal and the Scheme. Save for the above, as at the Latest Practicable Date, the Company is not aware of any other Approvals or consents under the Condition in paragraph (g) or compliance obligations arising from other legal, regulatory or administrative requirements under the Applicable Laws that are required in connection with the implementation of the Proposal and the Scheme.

The Conditions in paragraphs (a) to (d) (inclusive) cannot be waived. The Offeror reserves the right to waive all or any of the Conditions in paragraphs (e) to (k) (inclusive) above in whole or in part. The Company has no right to waive any of the Conditions.

All of the Conditions must be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Proposal and/or the Scheme if the circumstances which give rise to the right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal and/or the Scheme.

As at the Latest Practicable Date and based on the information available to the Offeror and the Company, other than set out as the Conditions in paragraphs (a) to (e) (inclusive) above, the requisite third-party consents set out above, and the application for the withdrawal of the listing of the Shares from GEM of the Stock Exchange upon the Scheme becoming effective, the Offeror and the Company are not aware of any circumstances which may result in any of the Conditions in paragraphs (f) and (g) (inclusive) above not being satisfied, and each of the Offeror and the Company is also not aware of any other circumstances which may result in any of the Conditions in paragraphs (h) to (k) (inclusive) above not being satisfied.

As at the Latest Practicable Date, none of the Conditions have been satisfied.

If the Conditions are satisfied or (where applicable) waived, the Scheme will be binding on all of the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting.

### **Warnings**

**Shareholders and potential investors of the Company should be aware that the implementation of the Proposal and the Scheme is subject to the Conditions being fulfilled or (where applicable) waived. Accordingly, the Proposal may or may not be implemented and the Scheme may or may not become effective. 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 stockbroker, bank manager, solicitor or other professional advisers.**

**IRREVOCABLE UNDERTAKINGS**

On 14 November 2025, the Offeror received an Irrevocable Undertaking from each of Mr. Yang Ming-Hsiang, Tai-Yi Investment Co. Ltd., Ms. Wei Hung-Li, Queenbest Development Limited, Ever Wealth Holdings Limited and Planeta Investments Limited, and on 2 January 2026, the Offeror received an additional Irrevocable Undertaking from Mr. Chen, Yu-Yuan (also known as Mr. Chen Tsou-Wei), pursuant to which each of the Undertaking Shareholders has undertaken, among other things:

- (a) to vote, or procure the voting of, all of their Shares in favour of any resolutions proposed at the Court Meeting and the EGM which are necessary for the Scheme to become effective; and
- (b) not to: (i) dispose of any interest in any Shares held by them; (ii) make any offer to acquire any Shares of the Company or permit any company in which they, directly or indirectly, have any interest to make such an offer; or (iii) solicit, accept or approve (or procure the solicitation or permit the acceptance or approval of) any other proposal, offer or scheme of arrangement from any party (other than the Offeror or a party approved in writing by the Offeror) for all or any of their Shares, whether or not such other proposal, offer or scheme of arrangement is at a higher price than the Cancellation Price and/or on more favourable terms than under the Proposal.

The Irrevocable Undertakings will be terminated if the Implementation Agreement lapses or is terminated.

**IMPLEMENTATION AGREEMENT**

On 14 November 2025, the Offeror and the Company entered into the Implementation Agreement, pursuant to which the parties have agreed to use all reasonable endeavors to do all such things within their power to implement the Proposal and the Scheme and cooperate to obtain all Approvals required in connection with the Proposal and the Scheme.

Under the Implementation Agreement, the Company has undertaken to the Offeror, among other things, to:

- (a) use all reasonable endeavors to implement the Proposal and the Scheme;
- (b) not declare any dividends or other distribution prior to the earlier of the Effective Date and termination of the Implementation Agreement;
- (c) procure each member of the Group to carry on its business in the ordinary and usual course of business and to maintain all licenses necessary for the carrying on of the businesses and operations of each member of the Group and not to permit or suffer any of such licenses to lapse;

(d) procure that, prior to the earlier of the Effective Date and termination of the Implementation Agreement, the Group shall not take certain actions, including:

- (i) allotting or issuing any securities or making any change to its share capital;
- (ii) entering into any merger or acquiring or disposing of any assets, other than in the ordinary and usual course of business of the Group;
- (iii) issuing any debentures or incurring or increasing any indebtedness or contingent liabilities other than in the ordinary and usual course of business of the Group;
- (iv) entering into any material agreements or arrangements to which any member of the Group is a party that involves payment or incurrence of commitment involving capital expenditure;
- (v) compromising or settling any legal proceedings for a material amount;
- (vi) entering into contracts, including service contracts (and including making any amendment to terms and conditions of employment of employees, provision of gratuitous payment or benefits or hire or dismiss any employees of the Group), except in the ordinary and usual course of business of the Group;
- (vii) entering into, varying or amending terms of agreement which restricts or limits the Group's freedom to engage in or carry on any business in any part of the world or to compete or do business with any person;
- (viii) entering into, varying or amending terms of transaction with connected persons (as defined in the GEM Listing Rules), except in the ordinary and usual course of business of the Group and on arm's length terms;
- (ix) creating or agreeing to create any encumbrance over its business or any assets or entering into any guarantee, indemnity or other agreement to secure an obligation of any third party, except in the ordinary and usual course of business of the Group;
- (x) transferring or assigning to any third party any intellectual property which it owns or has the right of use as well as any other intellectual property which it subsequently acquires or obtains the right of use of;
- (xi) amending constitutional documents or accounting policies or practices; or
- (xii) conducting any other actions that would constitute a frustrating action pursuant to Rule 4 of the Takeovers Code.

Nothing in the Implementation Agreement is intended to prevent or deprive: (i) the Shareholders from having the opportunity to consider, or (ii) the Company from considering, in each case, any unsolicited alternative offer from any person other than the Offeror.

The Implementation Agreement will be terminated upon the Scheme being withdrawn by the Offeror in circumstances permitted under the Takeovers Code. The Offeror may also terminate the Implementation Agreement if any of the Conditions (which cannot be waived) have not been or cannot be satisfied by the Long Stop Date or if the recommendation of the Board (excluding the Independent Board Committee) contained in the Announcement or the recommendation of the Board contained in the Scheme Document is withdrawn at any time prior to the Grand Court's sanction of the Scheme.

## **SHAREHOLDING STRUCTURE OF THE COMPANY**

As at the Latest Practicable Date:

- (a) the authorised share capital of the Company is HK\$20,000,000 divided into 2,000,000,000 Shares, and the Company has no relevant securities other than the 1,000,000,000 Shares in issue;
- (b) none of the Offeror and the Offeror Concert Parties owns or has control or direction over any voting rights and rights over the Shares;
- (c) the Scheme Shareholders (who are all Disinterested Shareholders) legally and/or beneficially own, control or have direction over 1,000,000,000 Shares in aggregate, representing all of the issued Shares; and
- (d) the Company does not have any outstanding shares, options, warrants, derivatives, convertible securities or other relevant securities in issue.

The table below sets out the shareholding structure of the Company as at the Latest Practicable Date and immediately upon the Effective Date, assuming that there is no other change in the shareholding of the Company before the Effective Date:

Shareholders	As at the Latest Practicable Date		Immediately upon the Effective Date	
	Approximate Number of Shares	% of total Shares <sup>(1)</sup>	Approximate Number of Shares	% of total Shares <sup>(1)</sup>
Offeror	—	—	1,000,000,000	100%
<b>Sub-total: Offeror and Offeror Concert Parties</b>	—	—	1,000,000,000	100%

Shareholders	As at the Latest Practicable Date		Immediately upon the Effective Date			
	Number of Shares	% of total Shares <sup>(1)</sup>	Approximate	Approximate		
			Number of Shares	% of total Shares <sup>(1)</sup>		
<b>Scheme Shareholders</b>						
<b>Undertaking Shareholders</b>						
— <i>Mr. Yang Ming-Hsiang</i> <sup>(2)(3)</sup>	37,975,000	3.80%	—	—		
— <i>Ms. Wei Hung-Li</i> <sup>(2)(4)</sup>	29,125,000	2.91%	—	—		
— <i>Queenbest Development Limited</i> <sup>(5)</sup>	374,625,000	37.46%	—	—		
— <i>Ever Wealth Holdings Limited</i> <sup>(6)</sup>	81,150,000	8.12%	—	—		
— <i>Planeta Investments Limited</i> <sup>(7)</sup>	63,750,000	6.38%	—	—		
— <i>Tai-Yi Investment Co. Ltd.</i> <sup>(2)(8)</sup>	111,300,000	11.13%	—	—		
— <i>Mr. Chen, Yu-Yuan</i> <sup>(9)</sup>	49,950,000	5.00%	—	—		
<b>Sub-total: Undertaking Shareholders</b>						
Shareholders	<b>747,875,000</b>	<b>74.79%</b>	—	—		
<b>Other Scheme Shareholders</b>						
	<b>252,125,000</b>	<b>25.21%</b>	—	—		
<b>Total</b>						
	<b>1,000,000,000</b>	<b>100%</b>	<b>1,000,000,000</b>	<b>100%</b>		

*Notes:*

1. All percentages in the above table are approximations and rounded to the nearest two decimal places and the aggregate percentages may not add up due to rounding of the percentages to two decimal places.
2. Mr. Yang Ming-Hsiang, Tai-Yi Investment Co. Ltd., Ms. Wei Hung-Li, Mr. Lin Yen-Po (a former director of the Company) and Mr. Fan Chiang-Shen (a former director of the Company) (collectively, the “**Controlling Shareholder Concert Parties**”) entered into a concert party agreement dated 22 August 2016 (the “**Controlling Shareholder Concert Party Agreement**”). The Controlling Shareholder Concert Parties are collectively deemed interested in 702,050,000 Shares, representing approximately 70.21% of the total issued shares of the Company as at the Latest Practicable Date, which include interests of the Controlling Shareholder Concert Parties under the Controlling Shareholder Concert Party Agreement and the interests of Queenbest Development Limited, Ever Wealth Holdings Limited and Planeta Investments Limited, being controlled corporations under the Controlling Shareholder Concert Parties’ control within the meaning of Part XV of the SFO. For the avoidance of doubt, Mr. Lin Yen-Po, beneficial owner of 1,200,000 Shares, representing approximately 0.12% of the total issued shares of the Company as at the Latest Practicable Date, and Mr. Fan Chiang-Shen, beneficial owner of 2,925,000 Shares, representing approximately 0.29% of the total issued shares of the Company as at the Latest Practicable Date, are not Undertaking Shareholders. Mr. Lin Yen-Po and Mr. Fan Chiang-Shen are each an independent third party not acting in concert with the Offeror and the Offeror Concert Parties.
3. Mr. Yang Ming-Hsiang is a director of the Company and is the beneficial owner of 37,975,000 Shares, representing approximately 3.80% of the total issued shares of the Company as at the Latest Practicable Date. Mr. Yang is a party to the Controlling Shareholder Concert Party Agreement, and as a result, is also deemed interested in 664,075,000 Shares held by the other Controlling Shareholder Concert Parties (see note 2 above), representing approximately 66.41% of the total issued shares of the Company as at the Latest Practicable Date.

4. Ms. Wei Hung-Li is a director of the Company and is the beneficial owner of 29,125,000 Shares, representing approximately 2.91% of the total issued shares of the Company as at the Latest Practicable Date. Ms. Wei is a party to the Controlling Shareholder Concert Party Agreement, and as a result, is also deemed interested in 672,925,000 Shares held by the other Controlling Shareholder Concert Parties (see note 2 above), representing approximately 67.30% of the total issued shares of the Company as at the Latest Practicable Date.
5. Queenbest Development Limited is a company incorporated in the British Virgin Islands and is the beneficial owner of 374,625,000 Shares, representing approximately 37.46% of the total issued shares of the Company as at the Latest Practicable Date. As at the Latest Practicable Date, Queenbest Development Limited has 24 individual shareholders, including Mr. Yang Ming-Hsiang who, being its largest shareholder, is interested in approximately 32.77%, Ms. Wei Hung-Li who is interested in approximately 15.36%, Mr. Fan Chiang-Shen who is interested in approximately 10.70% and Mr. Lin Yen-Po who is interested in approximately 5.08%, of its shareholding. The other shareholders of Queenbest Development Limited, who are independent third parties not acting in concert with the Offeror and the Offeror Concert Parties, are mainly employees and ex-employees of the Group and each holds interests ranging from approximately 0.02% to 8.44% in Queenbest Development Limited.
6. Ever Wealth Holdings Limited is a company incorporated in the Republic of Seychelles and is the beneficial owner of 81,150,000 Shares, representing approximately 8.12% of the total issued shares of the Company as at the Latest Practicable Date. As at the Latest Practicable Date, Ever Wealth Holdings Limited has 9 individual shareholders, including Mr. Yang Ming-Hsiang who, being its largest shareholder, is interested in 28.00%, Ms. Wei Hung-Li who is interested in 4.80% and Mr. Lin Yen-Po who is interested in 20.70%, of its shareholding. The other shareholders of Ever Wealth Holdings Limited, who are independent third parties not acting in concert with the Offeror and the Offeror Concert Parties, are employees of the Group and each holds interests ranging from 1.00% to 15.00% in Ever Wealth Holdings Limited.
7. Planeta Investments Limited is a company incorporated in Anguilla and is the beneficial owner of 63,750,000 Shares, representing approximately 6.38% of the total issued shares of the Company as at the Latest Practicable Date. As at the Latest Practicable Date, Planeta Investments Limited has 10 individual shareholders, including Mr. Yang Ming-Hsiang who, being its largest shareholder, is interested in 28.50%, Ms. Wei Hung-Li who is interested in 4.30%, Mr. Fan Chiang-Shen who is interested in 10.70% and Mr. Lin Yen-Po who is interested in 17.80%, of its shareholding. The other shareholders of Planeta Investments Limited, who are independent third parties not acting in concert with the Offeror and the Offeror Concert Parties, are mainly employees of the Group and each holds interests ranging from 0.70% to 26.70% in Planeta Investments Limited.
8. Tai-Yi Investment Co. Ltd. is a company incorporated in Taiwan and is the beneficial owner of 111,300,000 Shares, representing approximately 11.13% of the total issued shares of the Company as at the Latest Practicable Date. As at the Latest Practicable Date, it is held by three individual shareholders who are each an independent third party to the Company and an independent third party not acting in concert with the Offeror and the Offeror Concert Parties. Tai-Yi Investment Co. Ltd. is a party to the Controlling Shareholder Concert Party Agreement, and as a result, is also deemed interested in 590,750,000 Shares held by the other Controlling Shareholder Concert Parties (see note 2 above), representing approximately 59.08% of the total issued shares of the Company as at the Latest Practicable Date.
9. Mr. Chen, Yu-Yuan (also known as Mr. Chen Tsou-Wei) is the beneficial owner of 49,950,000 Shares, representing approximately 5.00% of the total issued shares of the Company as at the Latest Practicable Date, and is an independent third party not acting in concert with the Offeror and the Offeror Concert Parties.

Save as disclosed above, other than Mr. Chiang Ting-Kuo, a director of the Company, who is deemed interested in 2,450,000 Shares held by his spouse, Ms. Li Ling-Hui (an independent third party not acting in concert with the Offeror and the Offeror Concert Parties)

representing approximately 0.25% of the total issued shares of the Company as at the Latest Practicable Date, no other Director holds or is interested in any Share as at the Latest Practicable Date.

## **INFORMATION ON THE GROUP**

The Company is an exempted company incorporated in the Cayman Islands with limited liability whose Shares have been listed on GEM of the Stock Exchange since 14 July 2017. The Company is an investment holding company and the Group is principally engaged in the provision of turnkey solution and trading of parts and used semiconductor manufacturing equipment.

Based on the audited consolidated financial statements of the Company prepared in accordance with the Hong Kong Financial Reporting Standards and extracted from its annual reports for the years ended 31 December 2024, 2023 and 2022, the table below sets out the financial information of the Group for the three financial years ended 31 December 2024:

	<b>For the year ended 31 December</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
	<i>(audited)</i> <i>NTD'000</i>	<i>(audited)</i> <i>NTD'000</i>	<i>(audited)</i> <i>NTD'000</i>
Revenue	931,958	1,332,827	1,598,898
Profit/(loss) before income tax	92,255	126,281	(82,381)
Profit/(loss) after income tax	24,280	90,638	(80,436)

Based on the published unaudited condensed consolidated interim financial statements of the Company, the table below sets out the financial information of the Group for the six months ended 30 June 2025, 2024 and 2023, as extracted from the interim reports of the Company for the six months ended 30 June 2025 and 2024, respectively:

	<b>For the six months ended 30 June</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
	<i>(unaudited)</i> <i>NTD'000</i>	<i>(unaudited)</i> <i>NTD'000</i>	<i>(unaudited)</i> <i>NTD'000</i>
Revenue	585,306	535,007	749,511
Profit/(loss) before income tax	71,758	63,692	101,999
Profit/(loss) after income tax	48,699	38,703	76,589

For further details on the financial information of the Group, please refer to Appendix I to this Scheme Document.

## **INFORMATION ON THE OFFEROR**

The Offeror, Watlow Electric Manufacturing Company, is a corporation incorporated in the State of Missouri, the U.S. The Offeror Group is a world-class industrial technology group that develops advanced thermal systems which are used in a wide range of demanding

industrial applications. The Offeror Group holds more than 1,100 patents and employs over 4,000 team members working in technology centers and manufacturing sites in the United States, Mexico, Europe and Asia.

The Offeror is wholly owned by TWE Intermediate Holdings, Inc., a wholly owned subsidiary of TWE Holdings, LLC, which is held as to 59% by TWE Aggregator Holdings, LLC, which in turn is held as to 87% by Tinicum L.P.. Tinicum L.P. and its affiliated investment partnerships (collectively, “**Tinicum**”) own a diversified group of manufacturing, distribution, and industrial technology companies. Tinicum’s assets under management are approximately US\$3.8 billion. Tinicum is controlled by its general partner, Tinicum Lantern III L.L.C. Tinicum Lantern III L.L.C. is a member-managed limited liability corporation and Mr. Eric Ruttenberg is its sole managing member who has the ability to direct major decisions of Tinicum Lantern III L.L.C. and ultimately indirectly controls all the voting rights of the Offeror. Mr. Eric Ruttenberg is the managing partner of Tinicum.

### **INTENTION OF THE OFFEROR WITH REGARD TO THE GROUP**

As at the Latest Practicable Date, the Offeror intends to continue the existing principal businesses of the Group. Upon implementation of the Proposal and the Scheme, the Offeror will conduct a strategic review of the business operations of the Group in order to formulate detailed business plans and strategies for future business development. As at the Latest Practicable Date, the Offeror had (a) no intention to introduce any material changes to the business of the Group (including any major redeployment of any fixed assets of the Group), or to discontinue the employment of any employee as a result of the implementation of the Proposal and/or the Scheme (other than in the ordinary course of business), and (b) no agreement, arrangement, understanding, intention, or negotiation regarding any disposal, termination, or scaling down of the Group’s existing business, nor any disposal, restructuring, or redeployment of the Group’s assets.

### **FINANCIAL ADVISER TO THE OFFEROR, INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Offeror has appointed Anglo Chinese as its financial adviser in connection with the Proposal and the Scheme.

The Independent Board Committee, which comprises Mr. Kam, Eddie Shing Cheuk, Mr. Cheng Chun Shing and Mr. Ho Pak Chuen Brian, all being independent non-executive Directors with no direct or indirect interest in the Proposal and the Scheme, has been established by the Board in accordance with Rule 2.8 of the Takeovers Code to make a recommendation, after taking into account the advice and recommendations from the Independent Financial Adviser, to the Disinterested Shareholders as to (i) 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.

SBI China Capital Hong Kong Securities Limited has been appointed as the Independent Financial Adviser by the Board, with the approval of the Independent Board Committee, to advise the Independent Board Committee in connection with the terms of the Proposal and the Scheme pursuant to Rule 2.1 of the Takeovers Code.

The full text of the letter from the Independent Board Committee and the letter from the Independent Financial Adviser is set out in Part V and Part VI of this Scheme Document, respectively.

## **REASONS FOR AND BENEFITS OF THE PROPOSAL**

The Proposal and the Scheme are an opportunity for Scheme Shareholders to monetise their Shares amidst challenging market and industry conditions.

The average daily trading volume of Shares for the approximate 1-month period, 3-month period and 12-month period up to and including the Last Trading Date were approximately 669,048 Shares, 380,625 Shares and 203,320 Shares per trading day, representing only approximately 0.07%, 0.04% and 0.02% respectively of the total number of issued Shares as at the Latest Practicable Date. The low trading liquidity of the Shares could make it difficult for Scheme Shareholders to execute substantial on-market disposals without adversely affecting the price of the Shares. As such, the Proposal and the Scheme present an immediate opportunity for Scheme Shareholders to monetise their investments for cash and redeploy the proceeds from accepting the Proposal and the Scheme into other investment opportunities.

The Proposal and the Scheme allow an exit for the Scheme Shareholders at a compelling premium to the current market price. The Cancellation Price represents a significant premium ranging from approximately 87.0% to approximately 245.1% over the (average) closing price per Share on the date or for the period as set out in the section headed “Terms of the Proposal and the Scheme” herein. The Cancellation Price also represents a premium of approximately 21.3% over the audited consolidated net asset value attributable to Shareholders of approximately HK\$0.202 per Share as at 31 December 2024 (based on the exchange rate of HK\$1:NTD4.07 as at 31 December 2024 as published by the Hong Kong Monetary Authority for illustrative purposes) and approximately 12.4% over the unaudited consolidated net asset value attributable to Shareholders of approximately HK\$0.218 per Share as at 30 June 2025 (based on the exchange rate of HK\$1:NTD3.76 as at 30 June 2025 as published by the Hong Kong Monetary Authority for illustrative purposes).

The Offeror believes that taking the Company private will be beneficial to the Company as it will permit the Offeror and the Company to make strategic decisions focused on long-term commercial development and benefits, free from the pressure of market expectations and share price fluctuations which arise from the Company being a publicly listed company. In addition, as stated in the section headed “Intention of the Offeror with regard to the Group” herein, the Offeror will conduct a strategic review of the business operations of the Group.

The Proposal put forth by the Offeror is expected to strengthen the competitiveness of the merged businesses, allowing them to continue delivering excellent products and services to their customers. In particular, the Proposal will expand the Offeror’s customer base, and the Company’s jacket heater product line designed for semiconductor fabrication facilities will

complement the Offeror's existing product portfolio. The Proposal will increase the Offeror's East Asian manufacturing footprint near key customers, with experienced operations, engineering, and service teams. The Offeror's global organization and resources will also enhance the Company's ability to support customers globally.

The Proposal and the Scheme, which entail the delisting of the Company, is also expected to reduce the administrative costs and management resources associated with maintaining the Company's listing status and compliance with regulatory requirements and, in turn, allow greater flexibility for the Offeror and the Company to manage the Group's business.

### **SCHEME SHARES, COURT MEETING AND EGM**

As at the Latest Practicable Date, the Company had 1,000,000,000 Shares in issue. Save for the Shares, the Company did not have any outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the Latest Practicable Date.

In accordance with the directions of the Grand Court, the Court Meeting will be held for the purpose of considering and, if thought fit, passing a resolution to approve the Scheme (with or without modifications). Scheme Shareholders whose names appear on the Register as at the Meeting Record Date will be entitled to attend and vote, in person or by proxy, at the Court Meeting, provided that only votes attaching to the Scheme Shares held by Disinterested Shareholders will be counted for the purpose of determining whether the requirements under Condition (b) of the section headed "Conditions of the Proposal and the Scheme" of this Explanatory Memorandum (as required under Rule 2.10 of the Takeovers Code) are satisfied. The Scheme will be subject to the approval by the Scheme Shareholders at the Court Meeting in the manner referred to in the section headed "Conditions of the Proposal and the Scheme" of this Explanatory Memorandum.

As at the Latest Practicable Date, neither the Offeror nor any of the Offeror Concert Parties holds any Shares. Accordingly, all of the Shares in issue constitute Scheme Shares, and are entitled to be voted at the Court Meeting. As at the Latest Practicable Date, all Scheme Shareholders are Disinterested Shareholders.

The Offeror has undertaken to the Grand Court that they will be bound by the Scheme, so as to ensure that it will comply with and be subject to the terms and conditions of the Scheme.

All Shareholders at the Meeting Record Date will be entitled to attend the EGM and vote on the resolutions with respect to the implementation of the Proposal and the Scheme (including to: (i) approve and give effect to any reduction of the issued share capital of the Company as a result of the cancellation and extinguishment of the Scheme Shares; and (ii) simultaneously maintain the 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 and extinguished and applying the reserve created as a result of the cancellation of the Scheme Shares to pay up in full at par such number of new Shares to the Offeror).

Notice of the Court Meeting is set out in Appendix IV of this Scheme Document. The Court Meeting will be held at 11:00 a.m. on 13 February 2026 at 20/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.

Notice of the EGM is set out in Appendix V of this Scheme Document. The EGM will be held at 11:45 a.m. (or, if later, as soon thereafter as the Court Meeting shall have been concluded or been adjourned) on 13 February 2026 at 20/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.

### **WITHDRAWAL OF LISTING OF THE SHARES ON GEM OF THE STOCK EXCHANGE**

Upon the Scheme becoming effective, all of the Scheme Shares will be cancelled and the share certificates in respect of the Scheme Shares will thereafter cease to have effect as documents or evidence of title. Upon the Scheme becoming effective, the Company does not intend to retain its listing on GEM of the Stock Exchange and will apply to the Stock Exchange for the withdrawal of the listing of the Shares on GEM of the Stock Exchange in accordance with Rule 9.23(2) of the GEM Listing Rules immediately following the Scheme becoming effective.

The Shareholders will be notified by way of an announcement of the exact dates of the last day for dealing in the Shares on GEM of the Stock Exchange and the day on which the Scheme and the withdrawal of the listing of the Shares on GEM of the Stock Exchange will become effective. A detailed timetable of the implementation of the Proposal and the Scheme is set out in Part III of this Scheme Document.

### **IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES**

Subject to the requirements of the Takeovers Code, the Proposal and the Scheme will lapse if any of the Conditions has not been fulfilled or (where applicable) waived on or before the Long Stop Date or such later date as the Offeror may determine, subject to the permission of the Executive and/or as the Grand Court may direct. If the Scheme is not approved or the Proposal and/or the Scheme otherwise lapses or is withdrawn, the listing of the Shares on GEM of the Stock Exchange will not be withdrawn.

If the Scheme is not approved or the Proposal and/or the Scheme otherwise lapses or is withdrawn, there are restrictions under Rule 31.1 of the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal and/or the Scheme (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal and/or the Scheme otherwise lapses or is withdrawn, announce an offer or possible offer for the Company, except with the consent of the Executive.

### **COSTS OF THE SCHEME**

If the Independent Board Committee or the Independent Financial Adviser does not recommend the Proposal, and the Scheme is not approved, all expenses incurred by the Company in connection therewith shall be borne by the Offeror in accordance with Rule 2.3 of

the Takeovers Code. Since the Proposal is recommended by the Independent Board Committee and is recommended as fair and reasonable by the Independent Financial Adviser, Rule 2.3 of the Takeovers Code is not applicable.

## **OVERSEAS SCHEME SHAREHOLDERS**

The availability of the Proposal and the Scheme to persons who are citizens, residents or nationals of a jurisdiction other than Hong Kong may be affected by the laws of the relevant jurisdiction in which they are located or of which they are citizens, residents or nationals. Furthermore, the receipt of cash pursuant to the Scheme by a Scheme Shareholder as consideration for the cancellation of their Shares may be a taxable transaction under applicable foreign (including U.S.) tax laws. Such Scheme Shareholders should inform themselves about, and observe, any applicable legal, regulatory or tax requirements in the applicable jurisdictions and, where necessary, seek their own legal and other professional advice, including regarding the tax consequences of the Proposal and the Scheme applicable to them. The Offeror and the Company expressly decline any liability for breach of any of these restrictions by any persons.

It is the responsibility of any overseas Scheme Shareholders who wish to take any action in relation to the Proposal and the Scheme to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction in connection with any such action, including the obtaining of any governmental, exchange control or other consents which may be required, compliance with the necessary formalities and the payment of any issue, transfer or other taxes in any relevant jurisdiction.

Any approval or acceptance of the Proposal by the Scheme Shareholders will be deemed to constitute a representation and warranty from such persons to the Offeror, the Company and their respective advisers, including Anglo Chinese as financial adviser to the Offeror and the Independent Financial Adviser, that such laws and regulations have been complied with. If you are in doubt as to your position, you should consult your professional advisers.

Scheme Shareholders residing in jurisdictions other than Hong Kong should consult their own professional advisers if they are in any doubt as to the potential applicability of, or consequence under, any provision of law or regulation or judicial or regulatory decisions or interpretations in any jurisdictions, territory or locality therein or thereof and, in particular, whether there will be any restriction or prohibition on the acquisition, retention, disposal or otherwise with respect to the Shares, as the case may be.

As at the Latest Practicable Date, there were overseas Scheme Shareholders whose addresses as shown in the register of members of the Company were at the PRC, Taiwan and the British Virgin Islands, holding 100,000 Shares, 307,425,000 Shares and 374,625,000 Shares respectively, representing approximately 0.01%, 30.74% and 37.46% of the issued share capital of the Company respectively. Based on the legal opinions obtained by the Company, the despatch of the Scheme Document to such overseas Scheme Shareholders is not prohibited by relevant law or regulation in such jurisdictions.

**NOTICE TO U.S. INVESTORS**

The Proposal and the Scheme relate to the cancellation of the securities of an exempted company incorporated under the laws of the Cayman Islands by way of a scheme of arrangement provided for under the Companies Act and is subject to Hong Kong disclosure requirements which are different from those of the United States.

A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules under the United States Securities Exchange Act of 1934, as amended. The Proposal and the Scheme are subject to the procedural and disclosure requirements and practices applicable in the Cayman Islands and Hong Kong to schemes of arrangement, which differ from those applicable under the U.S. federal securities laws.

The receipt of cash pursuant to the Proposal and the Scheme by a U.S. Scheme Shareholder as consideration for the cancellation of his/her/its Scheme Shares pursuant to the Scheme may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other tax laws. Each holder of Scheme Shares is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of the Proposal and the Scheme applicable to him/her/it.

It may be difficult for U.S. Scheme Shareholders to enforce their rights and claims arising out of the U.S. federal securities laws, since the Company is incorporated in a country other than the United States, and some or all of its officers and directors may be residents of a country other than the United States. U.S. Scheme Shareholders may not be able to bring a claim against a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgement.

**TAXATION ADVICE**

As the Scheme does not involve the sale and purchase of Hong Kong stock, no stamp duty will be payable pursuant to the Stamp Duty Ordinance on the cancellation of the Scheme Shares upon the Scheme becoming effective.

The Scheme Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications relating to the Proposal and the Scheme. It is emphasised that none of the Offeror, the Offeror Concert Parties, the Company, Anglo Chinese nor any of their respective directors, officers or associates or any other person involved in the Proposal or the Scheme accepts responsibility (other than in respect of themselves, if applicable) for any taxation effects on, or liabilities of, any other persons as a result of the Proposal or the Scheme.

**REGISTRATION AND PAYMENT****Closure of the Register**

Assuming the Scheme Record Date falls on 27 February 2026, it is proposed that the Register will be closed from 25 February 2026 onwards (or such other date as may be notified to the Shareholders by announcement) for the purpose of determining entitlements of Scheme Shareholders under the Scheme. In order to qualify for entitlements under the Scheme, Scheme Shareholders should ensure that the transfers of Shares to them are lodged with the Hong Kong Branch Share Registrar for registration of Shares in their own name or in the names of their nominees before 4:30 p.m. on 24 February 2026. The registered office of the Hong Kong Branch Share Registrar, Tricor Investor Services Limited, is at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

**Payment of the Cancellation Price to the Scheme Shareholders**

Upon the Scheme becoming effective, cheques in respect of the Cancellation Price will be made to the Scheme Shareholders whose names appear on the Register as at the Scheme Record Date as soon as possible but in any event no later than seven (7) Business Days after the Effective Date. On the basis that the Scheme becomes effective on 27 February 2026 (Cayman Islands time), cheques for payment of the Cancellation Price payable under the Scheme are expected to be despatched on or before 10 March 2026.

Cheques for payment of the Cancellation Price entitlements of the Scheme Shareholders will be despatched by ordinary post in postage pre-paid envelopes addressed to them at their respective addresses as appearing in the Register as at the Scheme Record Date or, in the case of joint holders, at the address appearing in the Register as at the Scheme Record Date of the joint holder whose name then stands first in the Register in respect of the relevant joint holding. For Beneficial Owners that hold Scheme Shares through a Registered Owner (other than HKSCC Nominees Limited), cheques made out in the name of the Registered Owner will be sent by posting the same by ordinary post in postage pre-paid envelopes addressed to the Registered Owner. For Beneficial Owners whose Scheme Shares are deposited in CCASS and registered under the name of HKSCC Nominees Limited, the Cancellation Price will be paid to HKSCC Nominees Limited by cheque and such payment will be caused to be credited to the designated bank accounts of the relevant CCASS Participants in accordance with the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. All such cheques will be posted at the risk of the addressees and none of the Offeror, the Company, Anglo Chinese, the Independent Financial Adviser, the Hong Kong Branch Share Registrar or any of their respective directors, officers, employees, agents, affiliates, associates or advisers or any other persons involved in the Proposal and/or the Scheme will be responsible or liable for any loss or delay in despatch or receipt.

On or after the day being six (6) calendar months after the posting of such cheques, the Offeror shall have the right to cancel or countermand payment of any such cheque which has not been cashed or has been returned uncashed, and shall place all monies represented thereby in a deposit account in the name of the Offeror or its authorised person with a licensed bank in Hong Kong selected by the Offeror.

The Offeror or its authorised person shall hold such monies on trust until the expiry of six (6) years from the Effective Date and shall, prior to such date, make payments therefrom of the sums payable pursuant to the Scheme, without interest earned thereon, to persons who satisfy the Offeror that they are respectively entitled thereto, provided that the cheques of which they are payees have not been cashed. The Offeror shall exercise its absolute discretion in determining whether or not it is satisfied that any person is so entitled, and a certificate of the Offeror to the effect that any particular person is so entitled or not so entitled, as the case may be, shall be conclusive and binding upon all persons claiming an interest in the relevant monies. On the expiry of six (6) years from the Effective Date, the Offeror shall be released from any further obligation to make any payments under the Proposal and/or the Scheme and the Offeror shall be absolutely entitled to the balance (if any) of the sums then standing to the credit of the deposit account, including accrued interest, subject to any deduction required by law and expenses incurred.

Upon the Scheme becoming effective, the Register will be updated accordingly to reflect the cancellation and extinguishment of all the Scheme Shares and all existing certificates representing the Scheme Shares will cease to have effect as documents or evidence of title as from the Effective Date, which is expected to be on 27 February 2026 (Cayman Islands time).

Settlement of the Cancellation Price to which the Scheme Shareholders are entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against any such Scheme Shareholders.

## **ACTIONS TO BE TAKEN**

The actions which you are required to take in relation to the Proposal and the Scheme are set out in Part II of this Scheme Document.

## **THE SCHEME AND THE COURT MEETING**

Pursuant to section 86 of the Companies Act, where an arrangement is proposed between a company and its members or any class of them, the Grand Court may, on the application of the company or any member of the company, order a meeting of the members of the company or class of members, as the case may be, to be summoned in such manner as the Grand Court directs.

It is expressly provided in section 86(2A) of the Companies Act that if 75% in value of the members or class of members, as the case may be, present and voting either in person or by proxy at the meeting held as directed by the Grand Court as aforesaid, agree to any arrangement, the arrangement shall, if sanctioned by the Grand Court, be binding on all members or class of members, as the case may be, and also on the company.

**ADDITIONAL REQUIREMENTS AS IMPOSED BY RULE 2.10 OF THE TAKEOVERS CODE**

In addition to satisfying any requirements imposed by the Companies Act as summarised above, other than with the consent of the Executive to dispense with compliance or strict compliance therewith, Rule 2.10 of the Takeovers Code requires that the Scheme may only be implemented if:

- (a) the Scheme is approved (by way of a poll) by not less than 75% of the votes attaching to the Scheme Shares held by the Disinterested Shareholders entitled to vote at the Court Meeting, present and voting either in person or by proxy at the Court Meeting; and
- (b) the number of votes cast (by way of a poll) by the Disinterested Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by all the Disinterested Shareholders, i.e. 100,000,000 Shares.

**COURT MEETING AND EGM**

The Court Meeting will be held at 20/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong on 13 February 2026 at 11:00 a.m. for the purpose of considering and, if thought fit, approving (with or without modifications) the Scheme.

Such resolution will be passed under section 86 of the Companies Act if not less than 75% in value of the Scheme Shares held by the Scheme Shareholders entitled to vote at the Court Meeting, present and voting either in person or by proxy at the Court Meeting, voted in favor of the Scheme. However, the Scheme will only be considered to have been approved under the Takeovers Code if (a) the Scheme is approved (by way of a poll) by not less than 75% of the votes attaching to the Scheme Shares held by the Disinterested Shareholders entitled to vote at the Court Meeting, present and voting either in person or by proxy at the Court Meeting; and (b) the number of votes cast (by way of a poll) by the Disinterested Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all the Scheme Shares held by all the Disinterested Shareholders.

All Scheme Shareholders whose names appear on the Register as at the Meeting Record Date will be entitled to attend and vote, in person or by proxy, at the Court Meeting provided that only the votes of the Disinterested Shareholders will be taken into account in determining if Condition (b) in the section headed “Conditions of the Proposal and the Scheme” above is satisfied.

All Shareholders whose names appear on the Register as at the Meeting Record Date will be entitled to attend the EGM and vote on the resolutions with respect to the implementation of the Scheme (including: (i) the special resolution to approve and give effect to any reduction of the issued share capital of the Company as a result of 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 such number of new Shares as is equal to the number of Scheme Shares cancelled and applying the reserve created as a result of the cancellation of the Scheme Shares to pay up in full at par the new Shares so issued to the Offeror).

Voting at the Court Meeting and at the EGM will be taken by poll as required under the GEM Listing Rules and the Takeovers Code.

An announcement will be jointly made by the Offeror and the Company in relation to the results of the Court Meeting and the EGM. Such announcement will contain the information as required by Rule 19.1 of the Takeovers Code. Information on the number of votes cast for and the number of votes cast against the Scheme and the number of CCASS Participants on whose instructions they are cast will be included in such announcement.

Notices of the Court Meeting and the EGM are set out in Appendix IV and Appendix V to this Scheme Document, respectively.

### **EXERCISE YOUR RIGHT TO VOTE**

**IF YOU ARE A SHAREHOLDER OR A BENEFICIAL OWNER, YOU ARE STRONGLY URGED TO EXERCISE YOUR RIGHT TO VOTE OR GIVE INSTRUCTIONS TO THE RELEVANT REGISTERED OWNER TO VOTE IN PERSON OR BY PROXY AT THE COURT MEETING AND/OR AT THE EGM. IF YOU KEEP ANY SHARES IN A SHARE LENDING PROGRAMME OR A CUSTODIAN ACCOUNT, YOU ARE STRONGLY URGED TO RECALL ANY OUTSTANDING SHARES ON LOAN OR REQUIRE YOUR CUSTODIAN TO RECALL ANY SUCH SHARES ON LOAN TO AVOID MARKET PARTICIPANTS USING BORROWED STOCK TO VOTE.**

**IF YOU ARE A BENEFICIAL OWNER WHOSE SHARES ARE DEPOSITED IN CCASS, YOU ARE STRONGLY URGED TO PROVIDE HKSCC NOMINEES LIMITED WITH INSTRUCTIONS OR MAKE ARRANGEMENTS WITH HKSCC NOMINEES LIMITED IN RELATION TO THE MANNER IN WHICH THOSE SHARES SHOULD BE VOTED AT THE COURT MEETING AND/OR AT THE EGM WITHOUT DELAY AND/OR WITHDRAWN FROM CCASS AND TRANSFERRED INTO YOUR NAME (AS DETAILED IN THE SECTION “ACTIONS TO BE TAKEN BY BENEFICIAL OWNERS WHOSE SHARES ARE HELD THROUGH TRUST OR DEPOSITED IN CCASS” IN PART II — “ACTIONS TO BE TAKEN” OF THIS SCHEME DOCUMENT).**

**IF YOU ARE A REGISTERED OWNER HOLDING SHARES ON BEHALF OF BENEFICIAL OWNERS, YOU SHOULD INFORM THE RELEVANT BENEFICIAL OWNERS ABOUT THE IMPORTANCE OF EXERCISING THEIR RIGHT TO VOTE AND THAT BENEFICIAL OWNERS SHOULD CONSIDER TRANSFERRING SOME OR ALL OF THEIR SHARES INTO THEIR OWN NAMES IF THEY WISH TO VOTE INDIVIDUALLY.**

**IF APPROVED, THE PROPOSAL WILL BE BINDING ON ALL OF THE SCHEME SHAREHOLDERS, IRRESPECTIVE OF WHETHER OR NOT YOU ATTENDED OR VOTED AT THE COURT MEETING AND/OR THE EGM.**

**IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR LICENSED SECURITIES DEALER OR REGISTERED INSTITUTION IN SECURITIES, BANK MANAGER, SOLICITOR, PROFESSIONAL ACCOUNTANT OR OTHER PROFESSIONAL ADVISER.**

#### **PETITION HEARING AT THE GRAND COURT**

**ANY SCHEME SHAREHOLDERS WHO VOTED AT THE COURT MEETING (INCLUDING ANY BENEFICIAL OWNERS WHO GAVE VOTING INSTRUCTIONS TO A CUSTODIAN OR CLEARING HOUSE WHO SUBSEQUENTLY VOTED AT THE COURT MEETING) SHOULD NOTE THAT THEY ARE ENTITLED TO ATTEND OR APPEAR BY COUNSEL, AND BE HEARD ON THE HEARING OF THE PETITION AT THE GRAND COURT OF THE CAYMAN ISLANDS WHICH IS EXPECTED TO BE ON 20 FEBRUARY 2026 AT 9:30 A.M. (CAYMAN ISLANDS TIME), AT WHICH THE COMPANY WILL SEEK, AMONG OTHER THINGS, THE SANCTION OF THE SCHEME.**

#### **RECOMMENDATIONS**

Your attention is drawn to (i) the letter from the Independent Board Committee in Part V of this Scheme Document; and (ii) the letter from the Independent Financial Adviser in Part VI of this Scheme Document which sets out the factors and reasons taken into account by the Independent Financial Adviser in arriving at its advice to the Independent Board Committee.

#### **FURTHER INFORMATION**

Further information in relation to the Proposal and the Scheme is set out in the appendices to, and elsewhere in, this Scheme Document, all of which form part of this Explanatory Memorandum.

You should rely only on the information contained in this Scheme Document in order to vote your Shares at the Court Meeting and/or the EGM. None of the Offeror, the Company, Anglo Chinese, the Independent Financial Adviser, any of their respective directors, officers, employees, agents, affiliates, associates or advisers or any other persons involved in the Proposal has authorised anyone to provide you with information that is different from what is contained in this Scheme Document.

#### **FORWARD-LOOKING STATEMENTS**

This Scheme Document includes certain “forward-looking statements”. These statements are based on the current expectations of the management of the Offeror and/or the Company (as the case may be) and are naturally subject to uncertainty and changes in circumstances. The

forward-looking statements contained in this Scheme Document include statements about the expected effects on the Company of the Proposal, the expected timing and scope of the Proposal, and all other statements in this Scheme Document other than historical facts.

Forward-looking statements include, without limitation, statements typically containing words such as “intends”, “expects”, “anticipates”, “targets”, “estimates”, “envisages” and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, the satisfaction of the conditions to the Proposal, as well as additional factors, such as general, social, economic and political conditions in the countries in which the Offeror and/or the Group operate or other countries which have an impact on the Offeror and/or the Group’s business activities or investments, interest rates, the monetary and interest rate policies of the countries in which the Offeror and/or the Group operate, inflation or deflation, foreign exchange rates, the performance of the financial markets in the countries in which the Offeror and/or Group operate and globally, changes in domestic and foreign laws, regulations and taxes, changes in competition and the pricing environments in the countries in which the Offeror and/or Group operate and regional or general changes in asset valuations and disruptions or reductions in operations due to natural or man-made disasters, pandemics, epidemics, or outbreaks of infectious or contagious diseases such as the novel coronavirus. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

Any forward-looking statement contained in this Scheme Document based on past or current trends and/or activities of the relevant company should not be taken as a representation that such trends or activities will continue in the future. No statement in this Scheme Document is intended to be a profit forecast or to imply that the earnings of the relevant company for the current year or future years will necessarily match or exceed its historical or published earnings. Each forward-looking statement speaks only as at the date of the particular statement. Subject to the requirements of the Takeovers Code and other Applicable Laws, each of the Offeror and the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in their expectations with regard thereto or any change in events, conditions of circumstances on which such statement is based.

All written and oral forward-looking statements attributable to the Offeror, the Company or persons acting on behalf of any of them are expressly qualified in their entirety by the statements above. The forward-looking statements included herein are made only as of the Latest Practicable Date.

## **GENERAL**

Given that the Proposal will be implemented by way of the Scheme, compulsory acquisition is not applicable and the Offeror has no powers of compulsory acquisition in relation to the Proposal and the Scheme.

In case of any inconsistency, the English language text of this Scheme Document and the accompanying forms of proxy shall prevail over the Chinese language text.

**FINANCIAL SUMMARY**

Set out below is a summary of the audited consolidated financial information of the Group for each of the years ended 31 December 2022, 2023 and 2024, the figures of which were extracted from its annual reports for the respective years, and the unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2025, the figures of which are extracted from its interim report for the period.

The independent auditor's reports issued by the auditor of the Company, PricewaterhouseCoopers, in respect of the audited consolidated financial statements of the Group for the years ended 31 December 2022, 2023 and 2024 did not contain any modified opinion, emphasis of matter or material uncertainty related to going concern.

Save as disclosed below, there were no items of any income or expense which are material to the Group for the six months ended 30 June 2025 and for each of the years ended 31 December 2022, 2023 and 2024.

### Summary of consolidated statements of comprehensive income

	For the six months ended			
	For the year ended 31 December			30 June
	2022 (NTD'000) (audited)	2023 (NTD'000) (audited)	2024 (NTD'000) (audited)	2025 (NTD'000) (unaudited)
Revenue	1,598,898	1,332,827	931,958	585,306
Cost of sales	(1,233,622)	(1,006,867)	(668,625)	(383,332)
Loss on fire accident	<u>(257,793)</u>	<u>—</u>	<u>—</u>	<u>—</u>
 Gross profit	107,483	325,960	263,333	201,974
Other income	371	154	19,211	2
Other gains/(losses), net	18,498	(3,361)	7,661	(28,470)
Selling and distribution expenses	(61,114)	(57,549)	(45,468)	(16,655)
General and administrative expenses	(130,306)	(128,986)	(132,117)	(77,587)
(Provision for)/reversal of provision for impairment losses on financial assets, net	(2,964)	8,645	(2,841)	—
Finance income	438	1,010	1,146	694
Finance costs	<u>(14,787)</u>	<u>(19,592)</u>	<u>(18,670)</u>	<u>(8,200)</u>
 (Loss)/profit before income tax	(82,381)	126,281	92,255	71,758
Taxation	<u>1,945</u>	<u>(35,643)</u>	<u>(67,975)</u>	<u>(23,059)</u>
 (Loss)/profit for the year/period	<u>(80,436)</u>	<u>90,638</u>	<u>24,280</u>	<u>48,669</u>
 Other comprehensive (loss)/income for the year/period				
Items that will not be reclassified to profit or loss:				
— Exchange difference	<u>(8,265)</u>	<u>2,465</u>	<u>(9,415)</u>	<u>19,539</u>
 Total comprehensive (loss)/income for the year/period attributable to owners of the Company	<u>(88,701)</u>	<u>93,103</u>	<u>14,865</u>	<u>68,238</u>
	<i>NTD Cents</i>	<i>NTD Cents</i>	<i>NTD Cents</i>	<i>NTD Cents</i>
 (Loss)/earnings per share				
— Basic and diluted	<u>(8.04)</u>	<u>9.06</u>	<u>2.43</u>	<u>4.87</u>

The Company did not declare any dividends for the year ended 31 December 2021 to the year ended 31 December 2024 and the six months ended 30 June 2025.

**CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP**

The Company is required to set out or refer to in this Scheme Document the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in the last published audited accounts of the Group, together with significant accounting policies and the notes to the relevant published financial statements which are of major relevance to the appreciation of the above financial information.

The audited consolidated financial statements of the Group for the year ended 31 December 2022 (the “**2022 Financial Statements**”) are set out on pages 63 to 113 of the annual report of the Company for the year ended 31 December 2022 (the “**2022 Annual Report**”), which was published on 22 March 2023. The 2022 Annual Report is posted on the Company’s website ([www.genestechgroup.com](http://www.genestechgroup.com)) and the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). Please also see below a direct link to the 2022 Annual Report:

<https://www1.hkexnews.hk/listedco/listconews/gem/2023/0322/2023032201313.pdf>

The audited consolidated financial statements of the Group for the year ended 31 December 2023 (the “**2023 Financial Statements**”) are set out on pages 66 to 117 of the annual report of the Company for the year ended 31 December 2023 (the “**2023 Annual Report**”), which was published on 21 March 2024. The 2023 Annual Report is posted on the Company’s website ([www.genestechgroup.com](http://www.genestechgroup.com)) and the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). Please also see below a direct link to the 2023 Annual Report:

<https://www1.hkexnews.hk/listedco/listconews/gem/2024/0321/2024032101576.pdf>

The audited consolidated financial statements of the Group for the year ended 31 December 2024 (the “**2024 Financial Statements**”) are set out on pages 71 to 123 of the annual report of the Company for the year ended 31 December 2024 (the “**2024 Annual Report**”), which was published on 25 March 2025. The 2024 Annual Report is posted on the Company’s website ([www.genestechgroup.com](http://www.genestechgroup.com)) and the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). Please also see below a direct link to the 2024 Annual Report:

<https://www1.hkexnews.hk/listedco/listconews/gem/2025/0325/2025032501575.pdf>

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2025 (the “**2025 Financial Statements**”) are set out on pages 14 to 30 of the interim report of the Company for the six months ended 30 June 2025 (the “**2025 Interim Report**”), which was published on 21 August 2025. The 2025 Interim Report is posted on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). Please also see below a direct link to the 2025 Interim Report:

<https://www1.hkexnews.hk/listedco/listconews/gem/2025/0821/2025082101057.pdf>

The 2022 Financial Statements, the 2023 Financial Statements, the 2024 Financial Statements and the 2025 Financial Statement (but not any other part of the 2022 Annual Report, the 2023 Annual Report, the 2024 Annual Report and the 2025 Interim Report in which they respectively appear) are incorporated by reference into this Scheme Document and form part of this Scheme Document.

There was no change in the accounting policies of the Group which would result in the figures in its consolidated financial statements for the six months ended 30 June 2025 and for each of the three years ended 31 December 2022, 31 December 2023 and 31 December 2024 being not comparable to a material extent.

## INDEBTEDNESS STATEMENT

As at the close of business on 30 November 2025, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Scheme Document, the Group had the following indebtedness:

### Bank borrowings

	<b>30 November 2025</b>		
	<b>Current</b> <i>NTD'000</i> <i>(Unaudited)</i>	<b>Non-current</b> <i>NTD'000</i> <i>(Unaudited)</i>	<b>Total</b> <i>NTD'000</i> <i>(Unaudited)</i>
<i>Secured</i>			
Bank borrowing	262,000	—	262,000
Long-term bank borrowings	10,480	53,276	63,756
 Total secured borrowings	<u>272,480</u>	<u>53,276</u>	<u>325,756</u>
<i>Unsecured</i>			
Bank borrowing	161,025	—	161,025
Long-term bank borrowings	45,107	52,361	97,468
 Total unsecured borrowings	<u>206,132</u>	<u>52,361</u>	<u>258,493</u>
 <b>Total borrowings</b>	<b><u>478,612</u></b>	<b><u>105,637</u></b>	<b><u>584,249</u></b>

### Lease Liabilities

As at 30 November 2025, the Group had lease liabilities of approximately NTD36,943,000 in relation to the tenancy agreements in respect of premises and motor vehicles in Taiwan.

Save as aforesaid and apart from intra-group liabilities, intra-group guarantees, and normal trade payables in the normal course of business, at close of business on 30 November 2025, the Group did not have any material outstanding (i) debt securities, whether issued and

outstanding, authorized or otherwise created but unissued, or term loans, whether guaranteed, unguaranteed, secured (whether the security is provided by the Group or by third parties) or unsecured; (ii) other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, whether guaranteed, unguaranteed, secured or unsecured; (iii) mortgage or charges; or (iv) guarantees or other material contingent liabilities.

## MATERIAL CHANGE STATEMENT

The Directors confirm that save as and except for the below, there had been no material changes in the financial or trading position or outlook of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date:

- (i) the Proposal for, among other things, the delisting of the Company by way of the Scheme (details of which have been set out in this Scheme Document); and
- (ii) as disclosed in the interim report for the six months ended 30 June 2025, the increase in revenue and net profit by approximately 9% and approximately 25%, respectively for the six months ended 30 June 2025 as compared to the corresponding period of 2024.

The increase in revenue for the six months ended 30 June 2025 was mainly due to the increase in revenue from the trading of parts and semiconductor manufacturing equipment which was partly offset by the decrease in revenue from the provision of turnkey solution. The increase in net profit for the six months ended 30 June 2025 was mainly due to the aggregated effect of (a) the increase in revenue; (b) the increase in proportion of sales of vacuum pipeline heating belts which are high-margin products, in the Group's overall sales mix driven by the demand from certain major customers; and the decrease in certain procurement costs for materials relating to these products due to price reduction offered by the suppliers; and (c) the slight improvement in overall operating expenses mainly due to the decrease in commission payments and the decrease in business entertainment expenses, which was partly offset by the decrease in other income (being the absence of a one-time insurance claim income in the same period of the year 2024); and other net gains turned to other net losses because of exchange rate fluctuations resulting from the exchange rate differences between the NTD currencies and the U.S. dollars currencies.

## RESPONSIBILITY STATEMENT

This Scheme Document includes particulars given in compliance with the Takeovers Code for the purpose of giving information with regard to the Proposal, the Scheme, the Offeror and the Group.

As at the Latest Practicable Date, the Board comprises Mr. Yang Ming-Hsiang, Ms. Wei Hung-Li, and Mr. Chiang Ting-Kuo as executive Directors and Mr. Kam, Eddie Shing Cheuk, Mr. Cheng Chun Shing and Mr. Ho Pak Chuen Brian as independent non-executive Directors. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Scheme Document (other than those relating to the Offeror and the Offeror Concert Parties) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Scheme Document (other than those expressed by the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Scheme Document, the omission of which would make any statements in this Scheme Document misleading.

As at the Latest Practicable Date, the directors of the Offeror are Mr. Charles R. Gilmore, Mr. William M. Shockley, and Mr. Alfred C. Zedlitz, III, and the managing member of Tinicum Lantern III L.L.C. (as the general partner of Tinicum) is Mr. Eric Ruttenberg. Mr. Eric Ruttenberg joined Tinicum in 1982, the firm his family founded in 1974, and built on Tinicum's heritage investing in engineered products while expanding its activity in industrial technology, distribution and specialty infrastructure. In addition to the Offeror, he currently serves as a director of Penn Engineering & Manufacturing Corp. and STS Metals, Inc.. The directors of the Offeror and the managing member of Tinicum Lantern III L.L.C. jointly and severally accept full responsibility for the accuracy of the information contained in this Scheme Document (other than those relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Scheme Document (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Scheme Document, the omission of which would make any statements in this Scheme Document misleading.

## SHARE CAPITAL OF THE COMPANY

As at the Latest Practicable Date:

- (a) the authorised share capital of the Company was HK\$20,000,000 divided into 2,000,000,000 Shares with a par value of HK\$0.01 each;
- (b) the issued share capital of the Company was HK\$10,000,000 divided into 1,000,000,000 Shares with a par value of HK\$0.01 each, and the Company has no relevant securities other than the 1,000,000,000 Shares in issue;
- (c) all of the issued Shares ranked *pari passu* in all respects with each other, including all rights as to dividends, voting and capital;
- (d) no Shares had been issued since 31 December 2024, being the end of the last financial year of the Company, up to the Latest Practicable Date; and

(e) there were no outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carry a right to subscribe for or which are convertible into the Shares.

### MARKET PRICES OF THE SHARES

The table below sets out the closing price of the Shares as quoted on the Stock Exchange (i) at the last Business Day of each of the calendar months during the Relevant Period; (ii) on the Last Trading Date; and (iii) on the Latest Practicable Date:

Date	Closing price per Share (HK\$)
30 May 2025	0.060
30 June 2025	0.064
31 July 2025	0.068
31 August 2025	0.069
30 September 2025	0.090
31 October 2025	0.086
Last Trading Date	0.131
28 November 2025	0.228
31 December 2025	0.234
16 January 2026 (the Latest Practicable Date)	0.241

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.241 per Share on the Latest Practicable Date, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.057 per Share on 27 June 2025.

## DISCLOSURE OF INTERESTS, DEALINGS AND OTHER ARRANGEMENTS

### Directors' interests and short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, or which were required to be disclosed under the Takeovers Code, were as follows:

#### *Long position in the Shares*

Name of Director	Capacity/ Nature of interest	Number of Shares	Approximate % of the total issued Shares
Mr. Yang Ming-Hsiang (Note 1)	Beneficial interest Interest in persons acting in concert	37,975,000 664,075,000 _____	3.80% 66.41% _____
		<u>702,050,000</u>	<u>70.21%</u>
Ms. Wei Hung-Li (Note 2)	Beneficial interest Interest in persons acting in concert	29,125,000 672,925,000 _____	2.91% 67.30% _____
		<u>702,050,000</u>	<u>70.21%</u>
Mr. Chiang Ting-Kuo (Note 3)	Interest of spouse	2,450,000	0.25%

#### *Notes:*

1. Mr. Yang Ming-Hsiang is the beneficial owner of 37,975,000 Shares, representing approximately 3.80% of the total issued shares of the Company as at the Latest Practicable Date. Mr. Yang is a party to the Controlling Shareholder Concert Party Agreement, and as a result, is also deemed interested in 664,075,000 Shares held by the other Controlling Shareholder Concert Parties, representing approximately 66.41% of the total issued shares of the Company as at Latest Practicable Date.

2. Ms. Wei Hung-Li is the beneficial owner of 29,125,000 Shares, representing approximately 2.91% of the total issued shares of the Company as at the Latest Practicable Date. Ms. Wei is a party to the Controlling Shareholder Concert Party Agreement, and as a result, is also deemed interested in 672,925,000 Shares held by the other Controlling Shareholder Concert Parties, representing approximately 67.30% of the total issued shares of the Company as at the Latest Practicable Date.
3. Mr. Chiang Ting-Kuo is deemed interested in 2,450,000 Shares held by his spouse, Ms. Li Ling-Hui (an independent third party not acting in concert with the Offeror and the Offeror Concert Parties) representing approximately 0.25% of the total issued shares of the Company as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest or short position in the Shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which are required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or which shall be, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, notified to the Company and the Stock Exchange, or which were required to be disclosed under the Takeovers Code.

Save as disclosed above and as provided in the Share Option Scheme, none of the Company, its subsidiaries or its associated companies was a party to any arrangement to enable the Directors or chief executive of the Company to hold any interests or short positions in the Shares or underlying shares in, or debentures of its associated corporations (within the meaning of the SFO).

#### **Other substantial Shareholders' interests and short positions in the Shares and underlying shares**

As at the Latest Practicable Date, Shareholders (other than the Directors or the chief executive of the Company) who had interests or short positions in the Shares and underlying shares which would fall to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

##### *Long position in the Shares*

<b>Name of Shareholder</b>	<b>Capacity/ Nature of interest</b>	<b>Number of Shares</b>	<b>Approximate % of the total issued Shares</b>
Queenbest Development Limited ( <i>Note 1</i> )	Beneficial interest	374,625,000	37.46%
Ever Wealth Holdings Limited ( <i>Note 2</i> )	Beneficial interest	81,150,000	8.12%

Name of Shareholder	Capacity/ Nature of interest	Number of Shares	Approximate % of the total issued Shares
Planeta Investments Limited ( <i>Note 3</i> )	Beneficial interest	63,750,000	6.38%
Tai-Yi Investment Co. Ltd. ( <i>Note 4</i> )	Beneficial interest	111,300,000	11.13%
	Interest in persons acting in concert	590,750,000	59.08%
		<hr/>	<hr/>
		<u>702,050,000</u>	<u>70.21%</u>
Mr. Fan Chiang-Shen ( <i>Note 5</i> )	Beneficial owner	2,925,000	0.30%
	Interest in persons acting in concert	699,125,000	69.91%
		<hr/>	<hr/>
		<u>702,050,000</u>	<u>70.21%</u>
Mr. Lin Yen-Po ( <i>Note 6</i> )	Beneficial owner	1,200,000	0.12%
	Interest in persons acting in concert	700,850,000	70.09%
		<hr/>	<hr/>
		<u>702,050,000</u>	<u>70.21%</u>

*Notes:*

1. Queenbest Development Limited is a company incorporated in the British Virgin Islands and is the beneficial owner of 374,625,000 Shares, representing approximately 37.46% of the total issued shares of the Company as at the Latest Practicable Date. As at the Latest Practicable Date, Queenbest Development Limited has 24 individual shareholders, including Mr. Yang Ming-Hsiang who, being its largest shareholder, is interested in approximately 32.77%, Ms. Wei Hung-Li who is interested in approximately 15.36%, Mr. Fan Chiang-Shen who is interested in approximately 10.70% and Mr. Lin Yen-Po who is interested in approximately 5.08%, of its shareholding. The other shareholders of Queenbest Development Limited, who are independent third parties not acting in concert with the Offeror and the Offeror Concert Parties, are mainly employees and ex-employees of the Group and each holds interests ranging from approximately 0.02% to 8.44% in Queenbest Development Limited.
2. Ever Wealth Holdings Limited is a company incorporated in the Republic of Seychelles and is the beneficial owner of 81,150,000 Shares, representing approximately 8.12% of the total issued shares of the Company as at the Latest Practicable Date. As at the Latest Practicable Date, Ever Wealth Holdings Limited has 9 individual shareholders, including Mr. Yang Ming-Hsiang who, being its largest shareholder, is interested in 28.00%, Ms. Wei Hung-Li who is interested in 4.80% and Mr. Lin Yen-Po who is interested in 20.70%, of its shareholding. The other shareholders of Ever Wealth Holdings Limited, who are independent third parties not acting in concert with the Offeror and the Offeror Concert Parties, are employees of the Group and each holds interests ranging from 1.00% to 15.00% in Ever Wealth Holdings Limited.

3. Planeta Investments Limited is a company incorporated in Anguilla and is the beneficial owner of 63,750,000 Shares, representing approximately 6.38% of the total issued shares of the Company as at the Latest Practicable Date. As at the Latest Practicable Date, Planeta Investments Limited has 10 individual shareholders, including Mr. Yang Ming-Hsiang who, being its largest shareholder, is interested in 28.50%, Ms. Wei Hung-Li who is interested in 4.30%, Mr. Fan Chiang-Shen who is interested in 10.70% and Mr. Lin Yen-Po who is interested in 17.80%, of its shareholding. The other shareholders of Planeta Investments Limited, who are independent third parties not acting in concert with the Offeror and the Offeror Concert Parties, are mainly employees of the Group and each holds interests ranging from 0.70% to 26.70% in Planeta Investments Limited.
4. Tai-Yi Investment Co. Ltd. is a company incorporated in Taiwan and is the beneficial owner of 111,300,000 Shares, representing approximately 11.13% of the total issued shares of the Company as at the Latest Practicable Date. As at the Latest Practicable Date, it is held by three individual shareholders who are each an independent third party to the Company and an independent third party not acting in concert with the Offeror and the Offeror Concert Parties. Tai-Yi Investment Co. Ltd. is a party to the Controlling Shareholder Concert Party Agreement, and as a result, is also deemed interested in 590,750,000 Shares held by the other Controlling Shareholder Concert Parties, representing approximately 59.08% of the total issued shares of the Company as at the Latest Practicable Date.
5. Mr. Fan Chiang-Shen, a former director of the Company, is the beneficial owner of 2,925,000 Shares, representing approximately 0.30% of the total issued shares of the Company as at the Latest Practicable Date. Mr. Fan Chiang-Shen is a party to the Controlling Shareholder Concert Party Agreement, and as a result, is also deemed interested in 699,125,000 Shares held by the other Controlling Shareholder Concert Parties, representing approximately 69.91% of the total issued shares of the Company as at the Latest Practicable Date.
6. Mr. Lin Yen-Po, a former director of the Company, is the beneficial owner of 1,200,000 Shares, representing approximately 0.12% of the total issued shares of the Company as at the Latest Practicable Date. Mr. Lin Yen-Po is a party to the Controlling Shareholder Concert Party Agreement, and as a result, is also deemed interested in 700,850,000 Shares held by the other Controlling Shareholder Concert Parties, representing approximately 70.09% of the total issued shares of the Company as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, there was no person who had interests or short positions in the Shares or underlying shares of the Company which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

### **Interests of the Offeror and Offeror Concert Parties in the Shares**

As at the Latest Practicable Date, none of the Offeror, directors of the Offeror nor any of the Offeror Concert Parties owned or controlled any Shares or any options, warrants, derivatives or securities convertible into Shares.

**Interests and dealings in the securities of the Company**

During the Relevant Period:

- (a) none of the Offeror, directors of the Offeror nor any of the Offeror Concert Parties had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares;
- (b) none of the Directors had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares;
- (c) none of the persons who had irrevocably committed themselves to vote for or against the Proposal had dealt for value in the Shares or any convertible securities, warrants, options or derivatives in respect of any Shares; and
- (d) no person who had an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Offeror or any Offeror Concert Party had dealt for value in the Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.

During the Offer Period and up to the Latest Practicable Date:

- (a) no subsidiaries of the Company, pension funds of the Company or of a subsidiary of the Company, or any person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” or who is an associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code (but excluding any exempt principal traders and exempt fund managers) had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares;
- (b) no person who had an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with (i) the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” or with any person who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares; and
- (c) no fund managers connected with the Company (other than exempt fund managers) who managed any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares had any dealings in any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares.

**Interests and dealings in the securities of the Offeror**

As at the Latest Practicable Date, none of the Company or any of the Directors had any interest or dealt during the Relevant Period in the shares of the Offeror or any convertible securities, warrants, options or derivatives in respect of the shares of the Offeror.

**Other interests**

As at the Latest Practicable Date:

- (a) no Shares, or convertible securities, warrants, options or derivatives in respect of the Shares were managed on a discretionary basis by any fund managers connected with the Company (other than exempt fund managers);
- (b) neither the Offeror nor any of the Offeror Concert Parties has entered into any outstanding derivative in respect of the securities in the Company;
- (c) none of the Company, the Directors, the Offeror or any of the Offeror Concert Parties had borrowed or lent any Shares, or any convertible securities, warrants, options, derivatives or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in respect of the Shares.

**Other arrangements in respect of the Proposal and the Scheme**

As at the Latest Practicable Date:

- (a) neither the Offeror nor any of the Offeror Concert Parties owns, controls or has direction over any Shares;
- (b) save for the Irrevocable Undertakings, there was no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares or the shares of the Offeror or any of the Offeror Concert Parties which might be material to the Proposal and/or the Scheme, and there was no arrangement of the kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code which existed between the Offeror, the Offeror Concert Parties or any other associate of the Offeror and any other person;
- (c) save for the Implementation Agreement, there was no agreement or arrangement to which the Offeror or any of the Offeror Concert Parties was a party which related to circumstances in which it might or might not invoke or seek to invoke a condition to the Proposal and/or the Scheme;
- (d) save for the Irrevocable Undertakings, neither the Offeror nor any of the Offeror Concert Parties had received any irrevocable commitment to vote for or against the Proposal and/or the Scheme;
- (e) no benefit (other than statutory compensation) had been or would be given to any Directors as compensation for loss of office or otherwise in connection with the Proposal and/or the Scheme;

- (f) save for the Implementation Agreement and the Irrevocable Undertakings, there was no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror or any of the Offeror Concert Parties on the one hand and any of the Directors, recent Directors, Shareholders or recent Shareholders on the other hand having any connection with or dependence upon the Proposal and/or the Scheme;
- (g) there was no agreement, arrangement or understanding between the Offeror and any other person in relation to the transfer, charge or pledge of the Shares to be acquired pursuant to the Proposal and the Scheme, and the Offeror had no intention to transfer, charge or pledge any Shares acquired pursuant to the Proposal and the Scheme to any other person;
- (h) save for the Cancellation Price payable under the Scheme, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or any of the Offeror Concert Parties to the Scheme Shareholders in connection with the Proposal or the Scheme;
- (i) no arrangement or understanding (including any compensation arrangement) existed between any of the Directors and any other person which was conditional on or was dependent upon the outcome of the Proposal or otherwise connected with the Proposal;
- (j) there was no material contract which had been entered into by the Offeror in which any Director had a material personal interest;
- (k) no person had any arrangement of the kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code;
- (l) there was no understanding, agreement, arrangement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror and any of the Offeror Concert Parties on one hand and the Scheme Shareholders and persons acting in concert with any of them on the other hand; and
- (m) save for the Implementation Agreement and the Irrevocable Undertakings, there was no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (i) any Shareholder and (ii) either (1) the Offeror or the Offeror Concert Parties, or (2) the Company, its subsidiaries or associated companies.

## SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into a service contract with any member of the Group or the associated companies of the Company which were in force and which: (a) (including both continuous and fixed term contracts) had been entered into or amended within the Relevant Period; (b) were continuous contracts with a notice period of 12 months or more; or (c) were fixed term contracts with more than 12 months to run irrespective of the notice period.

## MATERIAL LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration or claim of material importance and no litigation or claim of material importance was pending or threatened by or against the Company or any other members of the Group.

## MATERIAL CONTRACTS

As at the Latest Practicable Date, save for the Implementation Agreement, none of the members of the Group had entered into any material contracts, not being contracts entered into in the ordinary course of business carried on or intended to be carried on by any member of the Group, within the two years before the Offer Period and up to and including the Latest Practicable Date.

## CONSENTS AND QUALIFICATIONS OF EXPERTS

The following are the qualifications of each of the experts who has given opinion or advice which is contained in this Scheme Document:

Name	Qualification
Anglo Chinese Corporate Finance, Limited	a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (Advising on securities), Type 6 (advising on corporate finance) and Type 9 (Asset management) regulated activities under the SFO, and the financial adviser to the Offeror in relation to the Proposal and the Scheme
SBI China Capital Hong Kong Securities Limited	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee in relation to the Proposal and the Scheme

As at the Latest Practicable Date, each of the experts mentioned above had given and had not withdrawn its written consent to the issue of this Scheme Document with the inclusion in this Scheme Document of the text of its letter, report or opinion (as the case may be) in the form and context in which they respectively appear and/or the references to its name in the form and context in which they are included.

As at the Latest Practicable Date, none of the experts mentioned above has any shareholdings in the Company.

## MISCELLANEOUS

- (a) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (b) The principal place of business in Hong Kong of the Company is at Room 1922, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.
- (c) The principal share registrar and transfer office of the Company is Conyers Trust Company (Cayman) Limited at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (d) The Hong Kong Branch Share Registrar is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (e) The Offeror does not have an office in Hong Kong, and solely for the purpose of receiving any correspondence in relation to the Proposal and the Scheme, its correspondence address is at 38th Floor, Edinburgh Tower, The Landmark, 15 Queen's Road Central, Hong Kong.
- (f) As at the Latest Practicable Date, the information regarding the Offeror is as follows: The directors of the Offeror are Mr. Charles R. Gilmore, Mr. William M. Shockley, and Mr. Alfred C. Zedlitz, III. The registered office and address of the Offeror is at 12001 Lackland Road, St. Louis, Missouri 63146, the U.S.. The Offeror is wholly owned by TWE Intermediate Holdings, Inc., a wholly owned subsidiary of TWE Holdings, LLC, which is held as to 59% by TWE Aggregator Holdings, LLC, which in turn is held as to 87% by Tinicum L.P. Tinicum L.P. and its affiliated investment partnerships (collectively, “**Tinicum**”) own a diversified group of manufacturing, distribution, and industrial technology companies. Tinicum’s assets under management are approximately US\$3.8 billion. Tinicum is controlled by its general partner, Tinicum Lantern III L.L.C. Tinicum Lantern III L.L.C. is a member- managed limited liability corporation and Mr. Eric Ruttenberg is its sole managing member who has the ability to direct major decisions of Tinicum Lantern III L.L.C. and ultimately indirectly controls all the voting rights of the Offeror. Mr. Eric Ruttenberg is the managing partner of Tinicum.
- (g) The principal place of business of Anglo Chinese is at Suite 4001, 40th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong.

- (h) The principal place of business of the Independent Financial Adviser is at 4/F, Henley Building, No. 5 Queen's Road Central, Hong Kong.
- (i) The company secretary of the Company is Ms. Yuen Wing Yan, Winnie ("Ms. Yuen"). Ms. Yuen is a Chartered Secretary and a fellow of both of The Hong Kong Chartered Governance Institute (the "HKCGI") formerly known as the Hong Kong Institute of Chartered Secretaries (the "HKICS") and the Chartered Governance Institute UK & Ireland formerly known as the Institute of Chartered Secretaries in the United Kingdom. Ms. Yuen is a holder of the Practitioner's Endorsement from HKCGI.

## DOCUMENTS ON DISPLAY

A copy of the following documents will be available for inspection or on display (as applicable) at the principal place of business of the Company in Hong Kong at Room 1922, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong, on the website of the Company at [www.genestechgroup.com](http://www.genestechgroup.com), and the website of the SFC at [www.sfc.hk](http://www.sfc.hk) during the period from the date of this Scheme Document until the Effective Date or the date on which the Scheme lapses or is withdrawn, whichever is earlier:

- (a) the certificate of incorporation and bylaws of the Offeror;
- (b) the amended and restated memorandum of association and amended and restated articles of association of the Company;
- (c) the annual reports of the Company for the years ended 31 December 2022, 2023 and 2024 and interim report for the six months ended 30 June 2025;
- (d) the letter from the Board, the text of which is set out in Part IV of this Scheme Document;
- (e) the letter from the Independent Board Committee, the text of which is set out in Part V of this Scheme Document;
- (f) the letter from the Independent Financial Adviser, the text of which is set out in Part VI of this Scheme Document;
- (g) the written consents referred to in the section headed "Experts and consents" in this Appendix;
- (h) the Implementation Agreement;
- (i) the Irrevocable Undertakings; and
- (j) this Scheme Document.

IN THE GRAND COURT OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES DIVISION

Cause No. FSD 0349 of 2025 (MRHCJ)

IN THE MATTER OF SECTION 86 OF THE COMPANIES ACT (2025 REVISION)  
(AS REVISED)

AND IN THE MATTER OF ORDER 102 OF THE GRAND COURT RULES 2023  
(AS REVISED)

AND IN THE MATTER OF

GENES TECH GROUP HOLDINGS COMPANY LIMITED 靖洋集團控股有限公司

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**SCHEME OF ARRANGEMENT**

**Between**

**GENES TECH GROUP HOLDINGS COMPANY LIMITED**  
靖洋集團控股有限公司

**and**

**THE SCHEME SHAREHOLDERS**  
(as hereinafter defined)

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(A) In this Scheme of Arrangement, unless inconsistent with the subject or context, the following expressions shall have the meanings respectively set opposite them:

“acting in concert” has the meaning ascribed to it in the Takeovers Code and “persons acting in concert” and “concert parties” shall be construed accordingly

“Anglo Chinese” Anglo Chinese Corporate Finance, Limited, a corporation licensed by the SFC to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, and the financial adviser to the Offeror in relation to the Proposal and the Scheme

“Announcement”	the announcement dated 14 November 2025 jointly issued by the Offeror and the Company in relation to the Proposal and the Scheme
“Board”	the board of Directors
“Cancellation Price”	the cancellation price of HK\$0.245 per Scheme Share
“Companies Act”	the Companies Act (2025 Revision) of the Cayman Islands, as consolidated and revised from time to time
“Company”	Genes Tech Group Holdings Company Limited (靖洋集團控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on GEM of the Stock Exchange (Stock Code: 8257)
“Condition(s)”	the condition(s) to the implementation of the Proposal and the Scheme as set out in the paragraph headed “Conditions of the Proposal and the Scheme” under the section headed “Terms of the Proposal and the Scheme” in the Explanatory Memorandum in Part VII of the Scheme Document
“Court Meeting”	a meeting of the Scheme Shareholders convened at the direction of the Grand Court at which the Scheme (with or without modifications) will be voted upon, or any adjournment or postponement thereof
“Director(s)”	director(s) of the Company
“Disinterested Shareholders”	Shareholders other than the Offeror and the Offeror Concert Parties
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Act and the Conditions
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate(s) thereof
“Explanatory Memorandum”	the explanatory memorandum set out in Part VII of the Scheme Document
“Grand Court”	the Grand Court of the Cayman Islands
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent committee of the Board, comprising Mr. Kam, Eddie Shing Cheuk, Mr. Cheng Chun Shing and Mr. Ho Pak Chuen Brian (being all the independent non-executive Directors)
“Independent Financial Adviser”	SBI China Capital Hong Kong Securities Limited, a corporation licensed by the SFC to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee in relation to the Proposal and the Scheme
“Latest Practicable Date”	16 January 2026, being the latest practicable date prior to the printing of the Scheme Document for the purpose of ascertaining certain information contained therein
“Long Stop Date”	30 April 2026 (or any later date as may be agreed between the Offeror and the Company or, to the extent applicable, as the Grand Court on the application of the Company may direct, and in all cases, as permitted by the Executive), being the last date the Conditions can be fulfilled or waived (as applicable), failing which the Proposal and the Scheme will lapse
“Offer Period”	has the meaning given to it in the Takeovers Code, being the period commencing on the date of the Announcement (being 14 November 2025) until the latest of (i) the Effective Date; (ii) the date when the Scheme lapses; (iii) the time when the Offeror announces that the Scheme will not proceed; and (iv) the date when an announcement is made of the withdrawal of the Scheme
“Offeror”	Watlow Electric Manufacturing Company, a corporation incorporated in the State of Missouri, the U.S. with limited liability
“Offeror Concert Party(ies)”	person(s) who is/are acting in concert or presumed to be acting in concert, with the Offeror under the definition of “acting in concert” under the Takeovers Code

“Offeror Group”	the Offeror and its subsidiaries
“Proposal”	the proposal to take the Company private by the Offeror by way of the Scheme and the withdrawal of the listing of the Shares on GEM of the Stock Exchange, on the terms and subject to the conditions as described in the Scheme Document
“Register”	the principal or branch register of members of the Company (as the case may be) in respect of the Shares
“Scheme”	the scheme of arrangement under section 86 of the Companies Act for the implementation of the Proposal
“Scheme Document”	the composite scheme document (of which the Scheme forms part) of the Offeror and the Company containing, among other things, further details of the Proposal and the Scheme, a letter from the Board, a letter of advice from the Independent Financial Adviser, the recommendations of the Independent Board Committee and notices to convene the Court Meeting and the EGM, together with the expected timetable in relation to the Proposal and the Scheme and the Explanatory Memorandum as required under the Companies Act and the rules of the Grand Court
“Scheme Record Date”	27 February 2026 (or such other date as may be announced to the Shareholders), being the record date for the purpose of determining entitlements of the Scheme Shareholders under the Scheme
“Scheme Shareholders”	the registered holder(s) of the Scheme Shares as at the Scheme Record Date
“Scheme Share(s)”	the Share(s) in issue on the Scheme Record Date
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers in Hong Kong issued by the SFC, as amended from time to time

(B) The Company was incorporated under the name “Genes Tech Group Holdings Company Limited 靖洋集團控股有限公司” on 6 June 2016 as an exempted company with registration number CT-312198.

(C) The Company has an authorised share capital of HK\$20,000,000 divided into 2,000,000,000 Shares of par value of HK\$0.01 each, of which 1,000,000,000 Shares are in issue.

(D) The Offeror has proposed to take the Company private by way of the Scheme.

(E) The primary purpose of the Scheme is to take the Company private by cancelling and extinguishing all of the Scheme Shares in consideration for the Cancellation Price so that after the completion of the Scheme, the Offeror will own the entire issued share capital of the Company. Simultaneously with the cancellation and extinguishment of the Scheme Shares, the issued share capital of the Company will be maintained at the amount prior to the cancellation and extinguishment of the Scheme Shares by the issuance at par to the Offeror, credited as fully paid, such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished pursuant to the Scheme.

(F) The table below sets out the shareholding structure of the Company as at the Latest Practicable Date and immediately upon the Effective Date, assuming there will be no other change in the shareholding of the Company before the Effective Date:

Shareholders	As at the Latest Practicable Date		Immediately upon the Effective Date	
	Approximate Number of Shares	% of total Shares <sup>(1)</sup>	Approximate Number of Shares	% of total Shares <sup>(1)</sup>
<b>Offeror</b>	—	—	1,000,000,000	100%
<b>Sub-total: Offeror and Offeror Concert Parties</b>	—	—	1,000,000,000	100%
<b>Scheme Shareholders</b>				
<b>Undertaking Shareholders</b>				
— <i>Mr. Yang Ming-Hsiang</i> <sup>(2)(3)</sup>	37,975,000	3.80%	—	—
— <i>Ms. Wei Hung-Li</i> <sup>(2)(4)</sup>	29,125,000	2.91%	—	—
— <i>Queenbest Development Limited</i> <sup>(5)</sup>	374,625,000	37.46%	—	—
— <i>Ever Wealth Holdings Limited</i> <sup>(6)</sup>	81,150,000	8.12%	—	—
— <i>Planeta Investments Limited</i> <sup>(7)</sup>	63,750,000	6.38%	—	—
— <i>Tai-Yi Investment Co. Ltd.</i> <sup>(2)(8)</sup>	111,300,000	11.13%	—	—
— <i>Mr. Chen, Yu-Yuan</i> <sup>(9)</sup>	49,950,000	5.00%	—	—
<b>Sub-total: Undertaking Shareholders</b>	<b>747,875,000</b>	<b>74.79%</b>	—	—
<b>Other Scheme Shareholders</b>	<b>252,125,000</b>	<b>25.21%</b>	—	—
<b>Total</b>	<b>1,000,000,000</b>	<b>100%</b>	<b>1,000,000,000</b>	<b>100%</b>

*Notes:*

1. All percentages in the above table are approximations and rounded to the nearest two decimal places and the aggregate percentages may not add up due to rounding of the percentages to two decimal places.
2. Mr. Yang Ming-Hsiang, Tai-Yi Investment Co. Ltd., Ms. Wei Hung-Li, Mr. Lin Yen-Po (a former director of the Company) and Mr. Fan Chiang-Shen (a former director of the Company) (collectively, the “**Controlling Shareholder Concert Parties**”) entered into a concert party agreement dated 22 August 2016 (the “**Controlling Shareholder Concert Party Agreement**”). The Controlling Shareholder Concert Parties are collectively deemed interested in 702,050,000 Shares, representing approximately 70.21% of the total issued shares of the Company as at the Latest Practicable Date, which include interests of the Controlling Shareholder Concert Parties under the Controlling Shareholder Concert Party Agreement and the interests of Queenbest Development Limited, Ever Wealth Holdings Limited and Planeta Investments Limited, being controlled corporations under the Controlling Shareholder Concert Parties’ control within the meaning of Part XV of the SFO. For the avoidance of doubt, Mr. Lin Yen-Po, beneficial owner of 1,200,000 Shares, representing approximately 0.12% of the total issued shares of the Company as at the Latest Practicable Date, and Mr. Fan Chiang-Shen, beneficial owner of 2,925,000 Shares, representing approximately 0.29% of the total issued shares of the Company as at the Latest Practicable Date, are not Undertaking Shareholders. Mr. Lin Yen-Po and Mr. Fan Chiang-Shen are each an independent third party not acting in concert with the Offeror and the Offeror Concert Parties.
3. Mr. Yang Ming-Hsiang is a director of the Company and is the beneficial owner of 37,975,000 Shares, representing approximately 3.80% of the total issued shares of the Company as at the Latest Practicable Date. Mr. Yang is a party to the Controlling Shareholder Concert Party Agreement, and as a result, is also deemed interested in 664,075,000 Shares held by the other Controlling Shareholder Concert Parties (see note 2 above), representing approximately 66.41% of the total issued shares of the Company as at Latest Practicable Date.
4. Ms. Wei Hung-Li is a director of the Company and is the beneficial owner of 29,125,000 Shares, representing approximately 2.91% of the total issued shares of the Company as at the Latest Practicable Date. Ms. Wei is a party to the Controlling Shareholder Concert Party Agreement, and as a result, is also deemed interested in 672,925,000 Shares held by the other Controlling Shareholder Concert Parties (see note 2 above), representing approximately 67.30% of the total issued shares of the Company as at the Latest Practicable Date.
5. Queenbest Development Limited is a company incorporated in the British Virgin Islands and is the beneficial owner of 374,625,000 Shares, representing approximately 37.46% of the total issued shares of the Company as at the Latest Practicable Date. As at the Latest Practicable Date, Queenbest Development Limited has 24 individual shareholders, including Mr. Yang Ming-Hsiang who, being its largest shareholder, is interested in approximately 32.77%, Ms. Wei Hung-Li who is interested in approximately 15.36%, Mr. Fan Chiang-Shen who is interested in approximately 10.70% and Mr. Lin Yen-Po who is interested in approximately 5.08%, of its shareholding. The other shareholders of Queenbest Development Limited, who are independent third parties not acting in concert with the Offeror and the Offeror Concert Parties, are mainly employees and ex-employees of the Group and each holds interests ranging from approximately 0.02% to 8.44% in Queenbest Development Limited.
6. Ever Wealth Holdings Limited is a company incorporated in the Republic of Seychelles and is the beneficial owner of 81,150,000 Shares, representing approximately 8.12% of the total issued shares of the Company as at the Latest Practicable Date. As at the Latest Practicable Date, Ever Wealth Holdings Limited has 9 individual shareholders, including Mr. Yang Ming-Hsiang who, being its largest shareholder, is interested in 28.00%, Ms. Wei Hung-Li who is interested in 4.80% and Mr. Lin Yen-Po who is interested in 20.70%, of its shareholding. The other shareholders of Ever Wealth Holdings Limited, who are independent third parties not acting in concert with the Offeror and the Offeror Concert Parties, are employees of the Group and each holds interests ranging from 1.00% to 15.00% in Ever Wealth Holdings Limited.

7. Planeta Investments Limited is a company incorporated in Anguilla and is the beneficial owner of 63,750,000 Shares, representing approximately 6.38% of the total issued shares of the Company as at the Latest Practicable Date. As at the Latest Practicable Date, Planeta Investments Limited has 10 individual shareholders, including Mr. Yang Ming-Hsiang who, being its largest shareholder, is interested in 28.50%, Ms. Wei Hung-Li who is interested in 4.30%, Mr. Fan Chiang-Shen who is interested in 10.70% and Mr. Lin Yen-Po who is interested in 17.80%, of its shareholding. The other shareholders of Planeta Investments Limited, who are independent third parties not acting in concert with the Offeror and the Offeror Concert Parties, are mainly employees of the Group and each holds interests ranging from 0.70% to 26.70% in Planeta Investments Limited.
8. Tai-Yi Investment Co. Ltd. is a company incorporated in Taiwan and is the beneficial owner of 111,300,000 Shares, representing approximately 11.13% of the total issued shares of the Company as at the Latest Practicable Date. As at the Latest Practicable Date, it is held by three individual shareholders who are each an independent third party to the Company and an independent third party not acting in concert with the Offeror and the Offeror Concert Parties. Tai-Yi Investment Co. Ltd. is a party to the Controlling Shareholder Concert Party Agreement, and as a result, is also deemed interested in 590,750,000 Shares held by the other Controlling Shareholder Concert Parties (see note 2 above), representing approximately 59.08% of the total issued shares of the Company as at the Latest Practicable Date.
9. Mr. Chen, Yu-Yuan (also known as Mr. Chen Tsou-Wei) is the beneficial owner of 49,950,000 Shares, representing approximately 5.00% of the total issued shares of the Company as at the Latest Practicable Date, and is an independent third party not acting in concert with the Offeror and the Offeror Concert Parties.

Save as disclosed above, other than Mr. Chiang Ting-Kuo, a director of the Company, who is deemed interested in 2,450,000 Shares held by his spouse, Ms. Li Ling-Hui (an independent third party not acting in concert with the Offeror and the Offeror Concert Parties) representing approximately 0.25% of the total issued shares of the Company as at the Latest Practicable Date, no other Director holds or is interested in any Share as at the Latest Practicable Date.

(G) The Offeror has undertaken to the Grand Court to be bound by the terms of the Scheme and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable for the purpose of giving effect to the Scheme.

## THE SCHEME

### PART I

#### **Cancellation and extinguishment of the Scheme Shares and issue of new Shares credited as fully paid at par to the Offeror**

##### 1. On the Effective Date:

- (a) all the Scheme Shares shall be cancelled and extinguished and the Scheme Shareholders shall cease to have any right with respect to the Scheme Shares except the right to receive the Cancellation Price;
- (b) simultaneously with the cancellation of the Scheme Shares, the issued share capital of the Company shall be maintained at the amount prior to the cancellation and extinguishment of the Scheme Shares by the issuance at par to the Offeror, credited as fully paid, such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished; and
- (c) the Company shall apply the credit arising in its books of account as a result of the cancellation and extinguishment of the Scheme Shares by paying up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished, which shall be allotted and issued and credited as fully paid at par to the Offeror as mentioned in paragraph (b) above.

### PART II

#### **Consideration for the cancellation and extinguishment of the Scheme Shares**

##### 2. In consideration of the cancellation and extinguishment of the Scheme Shares, the Scheme Shareholders will receive the Cancellation Price.

### PART III

#### **General**

- 3. (a) As soon as possible and in any event not later than seven (7) Business Days (as defined under the Takeovers Code) after the Effective Date, the Offeror shall send or cause to be sent to the Scheme Shareholders cheques representing the Cancellation Price.
- (b) In the absence of any specific instructions to the contrary received in writing by the Hong Kong Branch Share Registrar, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, cheques for the payment of the Cancellation Price will be sent by posting the same addressed to the Scheme Shareholders at their respective registered addresses as appearing in the Register or, in the case of joint holders, to the registered address of that joint holder whose name then stands first in the Register in respect of the joint holding, on the Scheme Record Date.

- (c) Cheques will be sent at the risk of the person(s) entitled thereto and none of the Offeror, the Company, Anglo Chinese, the Independent Financial Adviser, the Hong Kong Branch Share Registrar and transfer office of the Company or any of their respective directors, officers, employees, agents, affiliates, associates or advisers or any other persons involved in the Proposal and/or the Scheme will be responsible for any loss or delay in despatch/transmission or receipt.
- (d) Cheques shall be in favour of the person to whom, in accordance with the provisions of paragraph (b) of this Clause 3, the envelope containing the same is addressed and the encashment of any such cheques shall be a good discharge to the Offeror for the monies represented thereby.
- (e) On or after the day being six calendar months after the posting of such cheques pursuant to paragraph (b) of this Clause 3, the Offeror shall have the right to cancel or countermand payment of any such cheque relating to the Cancellation Price which has not been cashed or has been returned uncashed, and shall place all monies represented thereby in a deposit account in the name of the Offeror or its authorised person with a licensed bank in Hong Kong selected by the Offeror. The Offeror or its authorised person shall hold such monies on trust until the expiry of six (6) years from the Effective Date and shall, prior to such date, make payments therefrom of the sums payable pursuant to the Proposal and the Scheme, without interest earned thereon, to persons who satisfy the Offeror that they are respectively entitled thereto, provided that the cheques of which they are payees have not been cashed. The Offeror shall exercise its absolute discretion in determining whether or not it is satisfied that any person is so entitled, and a certificate of the Offeror to the effect that any particular person is so entitled or not so entitled, as the case may be, shall be conclusive and binding upon all persons claiming an interest in the relevant monies.
- (f) On the expiry of six (6) years from the Effective Date, the Offeror shall be released from any further obligation to make any payments under the Proposal and/or the Scheme and the Offeror shall, subject to any prohibition or condition imposed by law, be absolutely entitled to the balance (if any) of the sums then standing to the credit of the deposit account in its or its authorised person's name, including accrued interest subject to any deduction required by law and expenses incurred.
- (g) Paragraph (f) of this Clause 3 shall take effect subject to any prohibition or condition imposed by law.
- (h) Upon cancellation and extinguishment of the Scheme Shares, the Register shall be updated to reflect such cancellation and extinguishment.

4. As from the Effective Date, any instruments of transfer relating to and all certificates representing, the Scheme Shares shall cease to have effect as documents of title (and/or for any purpose as an instrument of transfer) and every Scheme Shareholder and every holder of such certificate shall be bound on the request of the Offeror to deliver up the same to the Offeror for cancellation thereof.

5. All mandates, representations, warranties, undertakings or relevant instructions to or by the Company in force on the Scheme Record Date relating to any of the Scheme Shares shall cease to be valid as effective mandates, representations, warranties, undertakings or instructions on the Effective Date.
6. Subject to the Conditions having been fulfilled or waived (as applicable), the Scheme shall become effective as soon as a copy of the order of the Grand Court sanctioning the Scheme under section 86 of the Companies Act has been delivered to the Registrar of Companies in the Cayman Islands for registration pursuant to section 86(3) of the Companies Act.
7. Unless the Scheme shall have become effective on or before the Long Stop Date, subject to the permission of the Executive and/or as the Grand Court may direct, the Proposal and the Scheme will lapse.
8. The Company and the Offeror may, subject to the approval of the Grand Court and as the Executive may consent, jointly consent to any modification of or addition to the Scheme or to any condition contained therein.
9. If any provision (or any part of any provision) of this Scheme is found by the Grand Court to be illegal or unenforceable, it shall be severed from this Scheme and the remaining provisions of this Scheme shall continue in force.
10. All costs, charges and expenses shall be borne and paid in the manner described in the Scheme Document.
11. The Scheme shall be governed by the laws of the Cayman Islands.

Date: 21 January 2026

IN THE GRAND COURT OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES DIVISION

Cause No. FSD 0349 of 2025

IN THE MATTER OF SECTION 86 OF THE COMPANIES ACT (2025 REVISION)  
(AS REVISED)

AND IN THE MATTER OF ORDER 102 OF THE GRAND COURT RULES 2023  
(AS REVISED)

AND IN THE MATTER OF

GENES TECH GROUP HOLDINGS COMPANY LIMITED 靖洋集團控股有限公司

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**NOTICE OF COURT MEETING**

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**NOTICE IS HEREBY GIVEN** that, by an order dated 15 January 2026 (the “**Order**”) made in the above matter, the Grand Court of the Cayman Islands (the “**Grand Court**”) has directed a meeting of the Scheme Shareholders (as defined in the Scheme Document (as further defined below)) (the “**Court Meeting**”) to be convened for the purpose of considering and, if thought fit, approving, with or without modifications, a scheme of arrangement (the “**Scheme**”) proposed to be made between Genes Tech Group Holdings Company Limited (the “**Company**”) and the Scheme Shareholders and that the Court Meeting will be held at 11:00 a.m. (Hong Kong time) on Friday, 13 February 2026 at 20/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong at which all Scheme Shareholders are invited to attend.

A copy of the Scheme and a copy of an explanatory memorandum (the “**Explanatory Memorandum**”) explaining the effect of the Scheme are incorporated in the composite scheme document of which this notice forms part (“**Scheme Document**”), which has been made available to the Scheme Shareholders. A copy of the Scheme Document can also be obtained by any Scheme Shareholder during usual business hours on any day prior to the day appointed for the said meeting (other than a Saturday, a Sunday or a public holiday in Hong Kong) from the Company’s Hong Kong branch share registrar (the “**Hong Kong Branch Share Registrar**”), Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

Any Scheme Shareholder entitled to attend and vote at the Court Meeting may attend and vote in person at the Court Meeting or he, she or it may appoint another person, whether a member of the Company or not, as his/her/its proxy to attend and vote in his/her/its stead. A Scheme Shareholder who is the holder of two or more Scheme Shares may appoint more than one proxy to represent him/her/it. If more than one proxy is appointed, the number of Scheme Shares (as defined in the Scheme Document) in respect of which each such proxy is so appointed must be specified in the relevant form of proxy. A **pink** form of proxy for use at the Court Meeting is enclosed with the Scheme Document.

In the case of joint holders of a Scheme Share, any one of such joint holders may vote at the Court Meeting, either in person or by proxy, in respect of such Scheme Share as if he/she/it was solely entitled thereto. However, if more than one of such joint holders is present at the Court Meeting, the vote of the most senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the Scheme Share.

In the case of a Scheme Shareholder which is a corporation, such corporate Scheme Shareholder may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its corporate representative at the Court Meeting and exercise the same powers on behalf of the corporate Scheme Shareholder as if the corporate Scheme Shareholder was an individual Scheme Shareholder.

It is requested that the **pink** form of proxy, together with the letter or power of attorney or other authority (if any) under which they are signed or a notarially certified copy thereof (in the case of a corporation either under its common seal or under the hand of an officer, attorney or other person authorised to sign the same), be lodged with the Hong Kong Branch Share Registrar at the address as stated above no later than 48 hours before the time appointed for holding the Court Meeting or any adjournment thereof although it may be handed to the chairman of the Court Meeting, who is disinterested and independent, at the commencement of the Court Meeting (who shall have absolute discretion as to whether or not to accept it).

Completion and return of the **pink** form of proxy will not preclude a Scheme Shareholder from attending and voting in person at the Court Meeting or any adjournment thereof should he/she/it so wish, and, in such event, the relevant **pink** form of proxy shall be revoked by operation of law.

By the Order, the Grand Court has appointed any one of the independent non-executive directors of the Company, as agreed between them or any other officer of the Company in attendance at the Court Meeting, to act as the chairman of the Court Meeting and has directed the chairman of the Court Meeting to report the results of the Court Meeting to the Grand Court.

The Scheme will be subject to the subsequent sanction of the Grand Court as set out in the Explanatory Memorandum contained in the Scheme Document.

By order of the Grand Court  
**Genes Tech Group Holdings Company Limited**

Hong Kong, 21 January 2026

*Registered Office:*

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

*Principal Place of Business in Hong Kong:*

Room 1922, 19/F, Lee Garden One  
33 Hysan Avenue  
Causeway Bay  
Hong Kong

*Notes:*

- (1) Voting at the Court Meeting will be taken by way of a poll.
- (2) A Scheme Shareholder entitled to attend and vote at the Court Meeting convened by this notice shall be entitled to appoint another person as his/her/its proxy to attend and vote instead of him/her/it. A Scheme Shareholder who is the holder of two or more Scheme Shares may appoint more than one proxy to represent him/her/it and vote on his/her/its behalf at the Court Meeting. A proxy need not be a member of the Company.
- (3) In order to ascertain the entitlement to attend and vote at the Court Meeting, the register of members of the Company will be closed from 10 February 2026 to 13 February 2026, both days inclusive, and during such period, no transfer of Shares will be registered. The Meeting Record Date will be 13 February 2026. In order to qualify for the entitlement to attend and vote at the Court Meeting, all transfers of shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the Hong Kong Branch Share Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than by 4:30 p.m. (Hong Kong time) on 9 February 2026.
- (4) If a tropical cyclone warning signal No. 8 or above is or is expected to be hoisted or “extreme conditions” announced by the Government of Hong Kong or a black rainstorm warning signal is or is expected to be in force at any time after 8:00 a.m. on the date of the Court Meeting, the Court Meeting will be adjourned. The Company will post an announcement on the respective websites of the Stock Exchange and the Company to notify the members of the date, time and venue of the adjourned meeting.



**GENES TECH GROUP HOLDINGS COMPANY LIMITED**  
**靖洋集團控股有限公司**  
(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 8257)

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “EGM”) of holders of ordinary shares having a par value of HK\$0.01 each (the “Shares”) in the share capital of Genes Tech Group Holdings Company Limited (the “Company”) will be held on Friday, 13 February 2026 at 11:45 a.m. (Hong Kong time) (or as soon as practicable after the conclusion or adjournment of the Court Meeting (as defined in the Scheme Document hereinafter mentioned) convened at the direction of the Grand Court for the same day and place) for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions:

**SPECIAL RESOLUTION**

1. “**THAT** for the purpose of giving effect to the scheme of arrangement (the “Scheme”) between the Company and the Scheme Shareholders (as defined in the Scheme Document) as set out in the composite scheme document dated 21 January 2026 (the “**Scheme Document**”), any reduction of the issued share capital of the Company associated with the cancellation and extinguishment of the Scheme Shares (as defined in the Scheme Document) on the Effective Date (as defined in the Scheme Document) be and is hereby approved.”

**ORDINARY RESOLUTION**

2. “**THAT:**
  - (A) subject to and simultaneously with the cancellation and extinguishment of the Scheme Shares referred to in special resolution (1), 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 to Watlow Electric Manufacturing Company of new Shares, being the number of Scheme Shares cancelled and extinguished;

- (B) the reserve created in the Company's books of account as a result of the aforesaid cancellation and extinguishment of the Scheme Shares shall be applied in paying up in full at par the new Shares so issued, credited as fully paid, to Watlow Electric Manufacturing Company, and any one of the directors of the Company ("Directors") be and is hereby authorised to allot and issue the same accordingly;
- (C) any one of the Directors be and is hereby authorised to do all such acts and things considered by him/her to be necessary or desirable in connection with the implementation of the Scheme, including (without limitation) the giving of consent to any modification of or addition to, the Scheme or any reduction of capital, which the Grand Court of the Cayman Islands may see fit to impose; and
- (D) any of the directors of the Company be and is hereby authorised to apply to The Stock Exchange of Hong Kong Limited for the withdrawal of the listing of the Shares."

By order of the board of directors of  
**Genes Tech Group Holdings Company Limited**  
**Yang Ming-Hsiang**  
*Executive Director*

Hong Kong, 21 January 2026

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

*Principal Place of Business in Hong Kong:*  
 Room 1922, 19/F, Lee Garden One  
 33 Hysan Avenue  
 Causeway Bay  
 Hong Kong

*Notes:*

- (1) Unless otherwise defined herein, capitalised terms used herein shall have the same meaning ascribed to them in the composite scheme document dated 21 January 2026 (the "Scheme Document"), of which this notice forms part.
- (2) A shareholder entitled to attend and vote at the EGM is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A proxy need not be a member of the Company.
- (3) A **white** form of proxy for use at the EGM (or any adjournment thereof) is enclosed with the Scheme Document.
- (4) In the case of joint registered holders of a Share, any one of such joint holders may vote at the EGM, either in person or by proxy, in respect of such Share as if he/she was solely entitled thereto. However, if more than one of such joint holders be present at the EGM, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and, for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.

- (5) In order to be valid, the **white** form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a certified copy thereof, must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time for holding the EGM or any adjournment thereof, failing which the **white** form of proxy will not be valid. Completion and return of the **white** form of proxy will not preclude a member from attending the EGM and voting in person if he/she so wishes and in such event, the **white** form of proxy submitted will be revoked by operation of law.
- (6) Voting at the EGM will be taken by poll as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Code on Takeovers and Mergers.
- (7) For the purpose of ascertaining members who are entitled to attend and vote at the EGM (or any adjournment thereof), the register of members of the Company will be closed from 10 February 2026 to 13 February 2026 (both days inclusive) and during such period no transfer of Shares will be registered. The Meeting Record date will be 13 February 2026. In order to be entitled to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on 9 February 2026.
- (8) If a tropical cyclone warning signal No. 8 or above is or is expected to be hoisted or “extreme conditions” announced by the Government of Hong Kong or a black rainstorm warning signal is or is expected to be in force at any time after 8:00 a.m. on the date of the EGM, the EGM will be adjourned. The Company will post an announcement on the respective websites of the Stock Exchange and the Company to notify the members of the date, time and venue of the adjourned meeting.

*As at the date of this notice, the executive Directors are Mr. Yang Ming-Hsiang, Ms. Wei Hung-Li, and Mr. Chiang Ting-Kuo; and the independent non-executive Directors are Mr. Kam, Eddie Shing Cheuk, Mr. Cheng Chun Shing and Mr. Ho Pak Chuen Brian.*