



普頓資本有限公司
PROTON CAPITAL LIMITED

8 April 2026

To : *The Independent Board Committee of
Universe Printshop Holdings Limited*

Dear Sirs,

**UNCONDITIONAL MANDATORY CASH OFFER BY
GEO SECURITIES LIMITED
FOR AND ON BEHALF OF THE OFFEROR
FOR ALL THE ISSUED SHARES IN
UNIVERSE PRINTSHOP HOLDINGS LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED AND/OR
AGREED TO BE ACQUIRED BY THE OFFEROR, MR. CHEN AND
PARTIES ACTING IN CONCERT WITH ANY OF THEM)**

INTRODUCTION

Reference is made to the Joint Announcement jointly published by the Offeror and the Company and the Offer Document issued by the Offeror in relation to, among other matters, the Sale and Purchase Agreement, the Share Pledge and the Offer.

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in relation to the Offer, details of which are contained in the Offer Document dated 20 March 2026 (the "**Offer Document**") issued by the Offeror. On 8 April 2026, the Company issued a response document in respect of the Offer to the Shareholders (the "**Response Document**"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Response Document unless the context requires otherwise.

On 9 February 2026 (after trading hours), the Offeror (as purchaser) and the Vendors (as vendors) entered into the Sale and Purchase Agreement, pursuant to which the Vendors conditionally agreed to sell, and the Offeror conditionally agreed to acquire, the full legal and beneficial title and interest in the Sale Shares (being an aggregate of 65,410,466 Shares), representing approximately 65.54% of the total issued share capital of the Company as at the Offer Document LPD, at a total consideration of HK\$22,893,663.10, which is equivalent to HK\$0.35 per Sale Share. As all the conditions precedent to the Sale and Purchase Agreement had been fulfilled, Completion took place on the Completion Date, being 9 February 2026.

Immediately prior to Completion, none of the Offeror, Mr. Chen and parties acting in concert with any of them (other than the Vendors) owned or controlled in any Shares and other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately upon Completion and as at the Offer Document LPD, the Offeror, Mr. Chen and parties acting in concert with any of them own or control 65,410,466 Shares, representing approximately 65.54% of the total issued share capital of the Company.

Pursuant to Rule 26.1 of the Takeovers Code and upon Completion, the Offeror is therefore required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror, Mr. Chen and the parties acting in concert with any of them).

Pursuant to Rule 2.1 of the Takeovers Code, a board which receives an offer or which is approached with a view to an offer being made, must, in the interests of shareholders, establish an independent committee of the board to make a recommendation (i) as to whether the offer is, or is not, fair and reasonable; and (ii) as to acceptance.

The Company has established the Independent Board Committee comprising all independent non-executive Directors, namely Mr. Lau Jing Yeung William, Mr. Ho Kar Ming and Ms. So Shuk Wan, all of whom have no direct or indirect interest in the Offer, to advise the Independent Shareholders in relation to the Offer and in particular as to whether the Offer is, or is not, fair and reasonable and as to the acceptance of the Offer.

Pursuant to Rule 2.1 of the Takeovers Code, we, Proton Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the Offer and in particular as to whether the Offer is, or is not, fair and reasonable and as to acceptance. Our appointment has been approved by the Independent Board Committee.

In the last two years, save for this appointment as the Independent Financial Adviser in respect of the Offer, we have not acted as any financial adviser role and have not provided any other services to the Company. We are not associated or connected with the Company, the Vendors or the Offeror, Mr. Chen, their respective controlling shareholders or any party acting, or presumed to be acting in concert with any of them and, accordingly, are considered eligible to give independent advice on the Offer. Apart from normal professional fees payable to us in connection with this appointment, no arrangements exist whereby we will receive any fees or benefits from the Company, the Vendors, the Offeror, Mr. Chen, their respective controlling shareholders or any party acting, or presumed to be acting in concert with any of them.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee, we have reviewed (i) information of the Company including but not limited to its interim report for the six months ended 30 September 2025 and its annual report for the year ended 31 March 2025; (ii) the statements, information, opinions and representations contained or referred to in the Offer Document and the Response Document; and (iii) the information and representations as provided to us by the Directors and the management of the Company (the “**Management**”). We have assumed that all information and representations that have been provided by the Directors and the Management, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date, and should there be any material changes to our opinion after the Latest Practicable Date, Shareholders would be notified as soon as possible in compliance with Rule 9.1 of the Takeovers Code.

We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors and the Offeror (where applicable) in the Response Document and/or the Offer Document were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Response Document and/or the Offer Document, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, the Management and the Offeror (where applicable), which have been provided to us.

We consider that the information we have reviewed is sufficient for us to reach our opinion and give the advice and recommendation set out in this letter. We have no reason to believe that any material information has been omitted or withheld, or doubt the truth or accuracy of the information provided. We have, however, not conducted any independent investigation into the business and affairs of the Group, the Offeror, Mr. Chen or any of their respective associates or any party acting, or presumed to be acting, in concert with any of them, nor have we carried out any independent verification of the information supplied.

We have also assumed that all representations contained or referred to in the Response Document and/or the Offer Document were true, accurate and complete in all material respects and not misleading or deceptive up to the time of the Latest Practicable Date, and there are no other matters the omission of which would make any statement herein or the Response Document and/or the Offer Document misleading. Should there be any subsequent material changes which occur during the period from the Latest Practicable Date up to the close of the Offer or any changes to our opinion, advices and recommendations, we will notify the Independent Board Committee and the Independent Shareholders as soon as possible in accordance with Rule 9.1 of the Takeovers Code.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Response Document and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Response Document have been arrived at after due and careful consideration and there are no other facts not contained in the Response Document the omission of which would make any such statement contained in the Response Document misleading.

The sole director of the Offeror accepts full responsibility for the accuracy of information contained in the Offer Document and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in the Offer Document have been arrived at after due and careful consideration and there are no other facts not contained in the Offer Document, the omission of which would make any statement in the Offer Document misleading.

We have not considered the tax implications on the Independent Shareholders of their acceptances or non-acceptances of the Offer (as the case may be) since these are specific to their own individual circumstances. In particular, the Independent Shareholders who are resident outside Hong Kong or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax position with regard to the Offer and, if in any doubt, should consult their own professional advisers.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Offer, we have taken into consideration the following principal factors and reasons:

1. Principal terms of the Offer

GEO Securities, for and on behalf of the Offeror, is making the Offer pursuant to Rule 26.1 of the Takeovers Code on the following basis:

For each Offer Share HK\$0.35 in cash

The Offer Price of HK\$0.35 per Offer Share is the same as the price per Sale Share payable by the Offeror under the Sale and Purchase Agreement.

The Offer is unconditional in all respects and extended to all Independent Shareholders.

The Offer Shares to be acquired under the Offer shall be fully paid and free from all encumbrances and together with all rights and benefits attaching to them as at the date of the Offer Document or subsequently becoming attached to them, including but not limited to the right to receive all dividends, distributions and any return of capital, if any, which may be paid, made or declared or agreed to be made or paid thereon or in respect thereof on or after the date on which the Offer is made, being the date of the Offer Document.

The Company confirms that as at the Latest Practicable Date, (i) it has not declared any dividend, the record date of which falls before the Latest Practicable Date and which is not paid; (ii) it has not declared any dividend, the record date of which falls on or after the Latest Practicable Date; and (iii) it does not have any intention to make, declare or pay any future dividend/make other distributions until after the close of the Offer.

If after the date of despatch of the Offer Document, any dividend, distribution and/or return of capital is announced, declared, made and/or paid in respect of the Shares, the Offeror will reduce the Offer Price by an amount equal to the gross amount of such dividend, distribution and/or return of capital paid or made by the Company to such Independent Shareholders who accept or have accepted the Offer. Accordingly, unless otherwise specified or the context otherwise requires, any reference in the Response Document or any other announcement in relation to the Offer to the Offer Price will be deemed to be a reference to the Offer Price as so reduced.

As at the Latest Practicable Date, there are 99,800,000 Shares in issue, of which 65,410,466 Shares are held by the Offeror, Mr. Chen and parties acting in concert with any of them (representing approximately 65.54% of the total Shares), and the Company does not have any outstanding options, warrants or derivatives which are convertible or exchangeable into Shares, and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

As at the Latest Practicable Date, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue other than the Shares.

34,389,534 Shares will be subject to the Offer. Assuming there is no change in the issued share capital of the Company from the date of the Joint Announcement and up to the close of the Offer, on the basis of the Offer Price of HK\$0.35 per Offer Share, the Offer is valued at HK\$12,036,336.90.

Further details of the Offer are set out in the “Letter from GEO Securities” and Appendix I to the Offer Document and the Form of Acceptance.

2. Background of the Group

The Company is an exempt company incorporated in the Cayman Islands with limited liability on 27 April 2017. The Group is principally engaged in the provision of general printing service (“**Printing Service**”) mainly in Hong Kong and it has expanded to Mainland China and other region/country (including Taiwan and the United States) since the financial year ended 31 March 2025. It also engaged in trading of printing equipment and consumables (“**Trading**”) in Mainland China and other region/country (including Taiwan and the United States) since the financial year ended 31 March 2025.

2.1 Financial information of the Group

Set out below is a summary of the consolidated financial results of the Group for (i) the two years ended 31 March 2024 (“**FY2024**”) and 2025 (“**FY2025**”) as extracted from the Company’s annual report for the year ended 31 March 2025 (“**Annual Report**”); and (ii) the six months ended 30 September 2024 (“**1H 2025**”) and 2025 (“**1H 2026**”) as extracted from the Company’s interim report for the six months ended 30 September 2025 (the “**Interim Report**”):

	1H 2026	1H 2025	FY2025	FY2024
	<i>Approximately</i>	<i>Approximately</i>	<i>Approximately</i>	<i>Approximately</i>
	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>
Revenue	106,046	123,102	163,862	69,930
Cost of sales	<u>(91,271)</u>	<u>(102,061)</u>	<u>(128,889)</u>	<u>(60,513)</u>
Gross profit				
– Printing Service	14,384	16,741	30,455	9,417
– Trading	<u>391</u>	<u>4,300</u>	<u>4,518</u>	<u>–</u>
Total	<u>14,775</u>	<u>21,041</u>	<u>34,973</u>	<u>9,417</u>

	1H 2026	1H 2025	FY2025	FY2024
	<i>Approximately</i>	<i>Approximately</i>	<i>Approximately</i>	<i>Approximately</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>
Gross profit margin				
– Printing Service	14.6%	17.9%	20.7%	13.5%
– Trading	5.0%	14.4%	26.6%	–
Average	13.9%	17.1%	21.3%	13.5%
(Loss)/profit for the period/ year attributable to equity holders of the Company	3,391	3,101	619	(28,438)

Set out below is a summary of the consolidated financial position of the Group as at 31 March 2024 and 31 March 2025 as extracted from the Annual Report; and as at 30 September 2025 as extracted from the Interim Report:

	As at 30	As at 31 March	
	September	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>
Current assets	38,883	83,283	22,880
Current liabilities	(41,217)	(91,264)	(29,728)
Net current liabilities	(2,334)	(7,981)	(6,848)
Non-current assets	22,244	26,069	29,636
Non-current liabilities	(8,735)	(10,350)	(15,649)
Net non-current assets	13,509	15,719	13,987
Net assets	11,175	7,738	7,139
Gearing ratio	2.18	3.8	4.8

Financial results – FY2025 vs FY 2024

In FY2025, the Group's total revenue increased significantly by approximately HK\$93.9 million, or approximately 134.4%, to approximately HK\$163.9 million (FY2024: approximately HK\$69.9 million). This growth was attributable to improvement in the Group's provision of Printing Service business, the Group's expansion from Hong Kong into Mainland China, Taiwan and the United States as well as the introduction of the Trading business.

In FY2025, the Group's overall gross profit increased by approximately 2.7 times to approximately HK\$35.0 million (FY2024: approximately HK\$9.4 million), in which approximately HK\$30.5 million was from the Printing Business segment.

As advised by the Company, the increase in gross profit in the Printing Business segment was mainly due to increase in revenue from new customers in Hong Kong, Mainland China and other region/country (including Taiwan and the United States) which also led to stabilization of fixed costs.

In FY2025, the gross profit margin for the Printing Business segment improved to approximately 20.7% (FY2024: approximately 13.5%). This is as a result of enhanced operational efficiency and the higher sales volumes allowed the Group to achieve economies of scale for its Printing Service business.

Profit for the year attributable to equity holders of the Company was approximately HK\$0.6 million in FY2025, compared to a loss of approximately HK\$28.4 million in FY2024, representing a positive turnaround of approximately HK\$29.0 million. This was arrived after deducting major expenses items including distribution and selling expenses of approximately HK\$4.2 million, administrative and other expenses (*note 1*) of approximately HK\$25.3 million and impairment loss recognized on trade receivables of approximately HK\$2.5 million (*note 2*).

Notes:

1. Administrative and other expenses primarily comprise staff costs (including directors' remuneration), customer service charge, rents and rates, depreciation, legal and professional fees, auditors' remuneration, marketing and entertainment, utilities expenses, relocation expenses of (i) office and (ii) production facilities to godown after closure of production plant at Tsing Yi, and other miscellaneous administrative expenses.
2. Approximately HK\$2.4 million was reversed in the next financial year due to subsequent settlement after balance sheet date.

As advised by the Company, the shift from loss to profit was primarily due to (i) the substantial increase in revenue from its provision of Printing Service business mainly from new customers in Hong Kong, Mainland China and other region/country (including Taiwan and the United States), such an increase also allowed the Group to achieve increase in operational efficiency through economies of scale; (ii) the Group's success in cost control which involved closure of retail outlets in Hong Kong, outsourcing production function to suppliers and streamlining staff; and (iii) the Group started to engage in the Trading business in FY2025.

Financial results – 1H 2026 vs 1H 2025

According to the Interim Report, for 1H 2026, the Group recorded revenue of approximately HK\$106.0 million, representing a slight decrease of approximately HK\$17.1 million, or approximately 13.9% (1H 2025: approximately HK\$123.1 million). The Company advised that this was primarily because the Group did not record any sale of printing-related equipment in its Trading business in the period.

Overall gross profit decreased from approximately HK\$21.0 million for 1H 2025 to approximately HK\$14.8 million for 1H 2026, representing a decline of approximately 29.5%. Gross profit for the Printing Service segment slightly declined by approximately HK\$2.4 million (approximately 14.1%) to approximately HK\$14.4 million (1H 2025: approximately HK\$16.7 million). Whereas for the Trading segment, gross profit declined by approximately HK\$3.9 million (approximately 90%) to approximately HK\$0.4 million (1H 2025: approximately HK\$4 million) because the Group did not record any sale of printing machine, the approximately HK\$0.4 million was related to trading of printing consumables.

Gross profit margin for the Printing Service decreased from approximately 17.9% to approximately 14.6% mainly because (i) 1H 2026 had a higher proportion of larger-quantity orders than 1H 2025, which generally carry lower margins than smaller orders; and (ii) the Group arranged its own outsourced transportation from the China outsourced factory to Hong Kong to better control delivery timing. This added transportation costs to cost of sales, whereas the relevant outsourced supplier previously covered such costs. Since the Group only recorded trading of printing consumables, which used to have a lower profit margin, and did not record any sale of printing machine, which used to have a higher profit margin, in the period, gross profit margin for Trading dropped to approximately 5.0% (1H 2025: approximately 14.4%).

Despite decrease in revenue when compared with the same period last year, profit attributable to equity holders of the Company increased by approximately 9.7% to HK\$3.4 million (1H 2025: HK\$3.1 million). This was attributable to the Group's continued effort in rigorous cost management which resulted in a material decrease in administrative and other expenses (*note 3*) of the Group from approximately HK\$16.3 million in 1H 2025 to approximately HK\$10.9 million in 1H 2026, representing a decrease of approximately HK\$5.4 million, or approximately 33.1%.

Note 3: Administrative and other expenses for the period primarily comprise staff costs (including directors' remuneration), customer service charge, depreciation, legal and professional fees, auditors' remuneration, bank charges, provision for bad debt (decrease due to recovery of bad debt) and other miscellaneous administrative expenses.

Financial position – FY 2025 vs FY2024

Regarding the financial position of the Group, the Group recorded increase in current assets by approximately HK\$60.4 million, or approximately 263.8%, from approximately HK\$22.9 million as at 31 March 2024 to approximately HK\$83.3 million as at 31 March 2025, which was mainly attributable to increase in trade receivables due to increase in revenue. The Group also recorded increase in current liabilities by approximately HK\$61.6 million, or approximately 207%, from approximately HK\$29.7 million as at 31 March 2024 to approximately HK\$91.3 million as at 31 March 2025, which was mainly attributable to increase in trade payables as one major customer delayed in settlement of invoices until after the balance sheet date of FY2025 which, in return, hindered the Group's capability to settle the invoices of its suppliers. Net effect of the aforesaid changes was the Group's net current liabilities increased by approximately HK\$1.1 million, or approximately 17.6%, from approximately HK\$6.8 million as at 31 March 2024 to approximately HK\$8.0 million as at 31 March 2025.

As at 31 March 2025, total assets of the Group mainly comprised of right-of-use assets of HK\$16.8 million, trade and other receivables, prepayments and deposits of HK\$63.9 million, and value-added tax recoverable of HK\$9.8 million, in aggregate amounted to approximately HK\$90.6 million, which represented approximately 82.8% of the total assets of approximately HK\$109.4 million.

Compare with 31 March 2024, cash position of the Group deteriorated materially from approximately HK\$9.8 million to approximately HK\$1.8 million as at 31 March 2025.

The total liabilities of the Group mainly comprise of trade and other payables and accruals, loan from a shareholder, amount due to a director and lease liabilities of approximately HK\$97.1 million in aggregate, which represented approximately 95.5% of the total liabilities of approximately HK\$101.6 million.

Gearing ratio of the Group as at 31 March 2025 was improved to approximately 3.8 (31 March 2024: 4.8), calculated on the basis of the Group's total lease liabilities of HK\$17.0 million, loan from a shareholder of HK\$5.6 million, amount due to a director of HK\$5.9 million, and amounts due to a related company of HK\$0.9 million over the total equity.

Apart from the above, we also note from the section headed "five-year financial summary" in the Annual Report that the Group was loss making for the four consecutive years ended 31 March 2021, 2022, 2023 and 2024. In line with the losses recorded by the Group over these years, the Group experienced depletion in its net assets with net current liabilities as at 31 March 2023, 2024 and 2025, despite it successfully raised net proceeds of approximately HK\$3.7 million from subscription of new shares in May 2023

and completed a rights issue with net proceeds of approximately HK\$32.8 million in February 2024. In view of the net current liabilities of the Group, auditor of the Group expressed concern on the Company's material uncertainty related to going concern in the relevant annual reports of the Company for the years ended 31 March 2023, 2024 and 2025.

As the going concern issue was resulted from net current liabilities of the Group, getting loans may help to ease the issue only if such borrowings are long term in nature.

As at 31 March 2025, the Group recorded net assets of approximately HK\$7.7 million (as at 31 March 2024: approximately HK\$7.1 million).

Financial position – 1H 2026 vs 1H 2025

According to the Interim Report, as at 30 September 2025, the Company's net current liabilities was reduced to approximately HK\$2.3 million (as at 31 March 2025: approximately HK\$7.98 million) and its net assets increased to approximately HK\$11.2 million (as at 31 March 2025: approximately HK\$7.7 million). We understood that such improvement in the Group's net assets was because it continued to record net profit in 1H 2026. However, the Group's cash and cash equivalents further dropped to approximately HK\$0.8 million only (as at 31 March 2025: HK\$1.8 million). This indicated that the liquidity problem of the Group has become very severe.

As at 30 September 2025, property, plant and equipment of the Group was approximately HK\$5.7 million (as at 31 March 2025: approximately HK\$7.0 million). As advised by the Company, after outsourcing most of its production function to its suppliers since FY2025, the Group closed its production plant at Tsing Yi and the Group's production facilities are currently idle at godown. We understand from the Company that the Board had considered to lease out or dispose of the production facilities but no decision had been made. As the Offeror has not decided on the candidates to be nominated to the Board, we are of the view that there is uncertainty on the future plan of the Board on the Group's production facilities.

The Group's gearing ratio was further improved to approximately 2.18 as at 30 September 2025 (31 March 2025: 3.8) which is calculated on the basis of the sum of Group's total lease liabilities of approximately HK\$13.0 million, bank loan of approximately HK\$3.4 million, loan from a shareholder of approximately HK\$7.9 million and amount due to a director of HK\$656 over the total equity.

Based on the historical financial information of the Company as discussed above, we consider that although the Company has been successfully turned around to net profit since FY2025, the Company's financial performance was far from satisfactory with serious problem in its liquidity.

2.2 *Going concern issue of the Group*

As stated in earlier part of this letter, in view of the net current liabilities of the Group, auditor of the Group expressed concern on the Company's material uncertainty related to going concern in the relevant annual reports of the Company for the years ended 31 March 2023, 2024 and 2025.

Pursuant to Note 3 to Rule 2 of the Takeovers Code, we would like to draw the attention of the Independent Shareholders to the existence of a material uncertainty related to the Group's ability to continue as a going concern in light of the Group's net current liabilities of HK\$7,980,974 as at 31 March 2025 (please refer to Appendix I to the Response Document for details). The material uncertainty relating to the "going concern" basis of the Company means that the Independent Shareholders are advised to take into account the foregoing and consider carefully the terms of the Offer. If the Independent Shareholders decide not to accept the Offer, they should be aware of the potential risks associated with the material uncertainty in respect of the "going concern" issue.

Your attention is drawn to Appendices I and II to the Response Document which contain further financial information and general information of the Group.

2.3 *Prospects of the Group*

According to our discussion with the Company, the Group's main printing products are business printing-related products. In FY2025, among the revenue of the Group, approximately 70.5% was from Hong Kong, approximately 21.3% was from Mainland China and approximately 8.2% was from other region/country (including Taiwan and the United States). In Mainland China, the Group set up some subsidiaries to explore the market whereas for other region/country (including Taiwan and the United States), the Group sourced customers via sales agents and its senior management's visits to reach out potential customers. Nonetheless, the Company advised that Hong Kong continues as the Company's principal market and revenue from Hong Kong remained as the Group's dominant source of revenue. Therefore, the Group's revenue was reliant on the level of business and market activities undertaken by its customers in Hong Kong, which is driven by market sentiment in Hong Kong as this could affect the demand for business printing.

On 4 March 2026, the Census and Statistics Department of Hong Kong published the provisional statistics of retail sales for January 2026. According to the relevant press release of the Hong Kong Government, (i) the value of total retail sales continued to grow solidly by 5.5% in January over a year earlier; (ii) the recovery momentum of the retail sector sustained, notwithstanding that the year-on-year comparison in January 2026 was weighed against a higher base due to the early arrival of Chinese New Year last year; and (iii) on a seasonally adjusted comparison, the value of total retail sales increased visibly in January over the preceding month.

Notwithstanding the positive statistics from the Hong Kong Government, the US-Iran war since 28 February 2006 may affect market sentiments not only in Hong Kong, where the significant business area for the Group in respect of its Printing Services, but also in the United States where the Group also provide Printing Services. The war may discourage business activities leading to lower demand for business printing services from the Group. Since the Offeror has not decided on the candidates to be nominated, there is no guarantee that the Group after the Offer will continue its business strategy to expand to Mainland China, Taiwan and the United States to improve its profitability so as to address its going concern issue for years.

Based on the aforesaid, we consider that the prospects of the Group are uncertain.

3. Information on the Offeror and future intention of the Offeror

3.1 Information on the Offeror

Set out below is the information on the Offeror as extracted from the “Letter from GEO Securities” of the Offer Document:

The Offeror is incorporated in the British Virgin Islands on 13 January 2026 with limited liability, and is an investment holding company for the sole purpose of making the Offer and holding the Shares. The Offeror is wholly and beneficially owned by Mr. Chen. The sole director of the Offeror is Mr. Chen.

Mr. Chen, aged 60, holds a college diploma in Economic Management from Jiangxi Economic Management Cadre College, which he completed in July 2005, and also completed executive business management training at China Europe International Business School in 2001. He is a seasoned entrepreneur who has founded and led multiple enterprises across diverse sectors in the PRC. Mr. Chen founded 江西飛環包裝有限公司 (Jiangxi Feihuan Packaging Co., Ltd.*) in 1988, which is an adhesive tape and packaging enterprise, and served as its general manager until 1999. In 1999, he pivoted to the digital economy by establishing 北京國彩諮詢有限公司 (Beijing Guocai Consulting Co., Ltd.*), where he served as General Manager until 2006. In 2007, he joined 亞博科技控股有限公司 (Yabo Technology Holdings Limited*), and remained as the chief operation officer until 2012. In 2008, he founded 名品世家酒業連鎖股份有限公司 (MingpinShijiaWine Chain Co., Ltd.*), a comprehensive wine franchise chain, where he currently serves as its chairman. Notwithstanding that Mr. Chen’s background and experience may not directly correlate with the Company’s principal business, Mr. Chen has management experience, network and business connections in the PRC. By means of leveraging his extensive expertise in business operations, Mr. Chen intends to explore new industry sectors through strategic investments. Therefore, Mr. Chen considers that the acquisition of the Sale Shares presents a compelling investment opportunity.

* For identification purpose only

3.2 *Intention of the Offeror in relation to the Group*

The information below is extracted from the “Letter from GEO Securities” of the Offer Document:

It is the Offeror’s intention to further consolidate its interest in the Company pursuant to the Offer. The Offeror and Mr. Chen have no intention to introduce major changes to the existing business of the Group, including any redeployment of fixed assets other than those in its ordinary course of business. The intention of the Offeror and Mr. Chen is that the Company’s existing principal activities will be maintained, and at the same time after completion of the Offer, the Offeror and Mr. Chen will assist the Company in reviewing its business and operations and seek for new investment opportunities. Any acquisition or disposal of the assets or business of the Group, if any, will be in compliance with the GEM Listing Rules and the Takeovers Code. As at the Offer Document LPD, no investment or business opportunity had been identified nor had the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to (i) the injection of any assets or business into the Group; or (ii) the disposal of any assets or business of the Group.

Save for the proposed change(s) to the composition of the Board as mentioned below, the Offeror and Mr. Chen will, depending on the business operations and development of the Group in the future, constantly review the employee structure of the Group so as to meet the needs of the Group from time to time. As at the Offer Document LPD, the Offeror and Mr. Chen have no intention to (i) discontinue the employment of any employees of the Group; or (ii) redeploy the fixed assets or any other assets of the Company other than those in its ordinary and usual course of business; or (iii) dispose of any assets of the Company.

3.3 *Proposed change to the Board*

As at the Latest Practicable Date, the Board comprised five executive Directors, namely Mr. Lam Shing Tai, Ms. Li Shuang, Mr. Kao Jung, Mr. Wong Chun Kwok and Mr. Li Zhenwu; and three independent non-executive Directors, namely Mr. Lau Jing Yeung William Mr. Ho Kar Ming and Ms. So Shuk Wan.

As set out in the “Letter from GEO Securities” in the Offer document, it is the intention of the Offeror that Mr. Wong Chun Kwok (currently serving as Executive Director) and (ii) Mr. Lau Jing Yeung William (currently serving as independent non-executive Director and Chairman of the audit committee) shall remain in office and continue to perform their respective roles and responsibilities for at least 24 months after the date of the Sale and Purchase Agreement.

The Offeror also intends to nominate new Directors to the Board with effect from the time permitted under the Takeovers Code and any such appointment will be made in compliance with the Takeovers Code and the GEM Listing Rules. As at the Offer Document LPD, the Offeror has not decided on the candidates to be nominated.

3.4 *Compulsory Acquisition*

By way of information, according to the “Letter from GEO Securities”, the Offeror does not intend to avail itself of any powers of compulsory acquisition of any outstanding Offer Shares after the Closing Date.

3.5 *Maintaining the listing status of the Company*

It is noted from the “Letter from GEO Securities” in the Offer Document that the Offeror intends the Company to remain listed on the Stock Exchange following the close of the Offer. The sole director of the Offeror and the Directors have undertaken, and the new Director(s) to be nominated by the Offeror and appointed as Director(s) at the close of the Offer will jointly and severally undertake to the Stock Exchange that if, at the close of the Offer, the Company fails to comply with the requirement of Rule 17.37B of the GEM Listing Rules, they will take appropriate steps to ensure the Company’s compliance with Rule 17.37B at the earliest possible moment.

Stock Exchange has stated that:

(a) if, at the close of the Offer, the Stock Exchange believes that:

- a false market exists or may exist in the trading of the Shares; or
- an orderly market does not exist or may not exist;

it will consider exercising its discretion to suspend dealings in the Shares; and

(b) if, at the close of the Offer, the Company has a Significant Public Float Shortfall (as defined in Rule 17.37F of the GEM Listing Rules), then :-

- the Stock Exchange will add a designated marker to the stock name of the listed Shares; and
- the Stock Exchange will cancel the listing of the Shares if the Company fails to re-comply with Rule 17.37B of the GEM Listing Rules for a continuous period of 12 months from the commencement of the Significant Public Float Shortfall.

Having considered that (i) Mr. Chen's background and experience is not directly correlate with the Company's principal business; (ii) majority (i.e. four out of five) of the existing executive Directors and majority (i.e. two out of three) of the existing independent non-executive Directors may cease to be a Director; (iii) no investment or business opportunity had been identified by the Offeror; and (iv) the Offeror has not decided on the candidates to be nominated to the Board, we are of the view that there is uncertainty on the future of the Company.

4. Share Pledge by the Offeror

We would like to draw the attention of the Independent Shareholders that pursuant to the Sale and Purchase Agreement, the Offeror executed the Share Pledge in favour of the Vendors in respect of the Sale Shares on the date of the Sale and Purchase Agreement. Pursuant to the Share Pledge, the Sale Shares have been pledged to the Vendors as security until the Offeror has repaid the Promissory Note dated 9 February 2026 in the total principal sum of HK\$17,893,663.10 in full. The Share Pledge has taken effect on Completion.

In the event that the Offeror fails to pay the Balance of Consideration and fully repay the principal amount of the Promissory Note, on the maturity of the Promissory Note, being the date falling five (5) months after the date of the Sale and Purchase Agreement and the Vendors elect to exercise their right under the Share Pledge to take beneficial ownership of the Sale Shares, the Vendors may trigger an obligation to make a mandatory general offer to the Shareholders for all the issued Shares (other than those already owned by the Vendors, their respective ultimate beneficial owners (where applicable) and parties acting in concert with any of them) pursuant to Rule 26.1 of the Takeovers Code.

As mentioned in the subsection headed 'Historical price performance of the Shares' below, after publication of the Joint Announcement on 9 February 2026, market price of the Shares surged substantially, reached the maximum price in the Post-announcement Period (as defined below) of HK\$1.510 on 10 March 2026 and closed at HK\$1.350 on the Latest Practicable Date. If the Offeror fails to pay the Balance of Consideration and fully repay the principal amount of the Promissory Note, on the maturity of the Promissory Note, the Vendors may elect to exercise their right under the Share Pledge to take beneficial ownership of the Sale Shares. In such case, the Offeror may cease to be a controlling Shareholder and the current market price of the Shares following the Completion may not be sustained.

Independent Shareholders are advised to read the details of the Sale and Purchase Agreement and the Share Pledge contained in the Joint Announcement carefully.

5. The Offer Price

We note that the Offer Price of HK\$0.35 per Offer Share is the same as the purchase price per Sale Share under the Sale and Purchase Agreement and represents:

- (i) a discount of approximately 74.07% to the closing price of HK\$1.350 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 76.51% to the closing price of HK\$1.490 per Share as quoted on the Stock Exchange on the Offer Document LPD;
- (iii) a discount of approximately 28.57% to the closing price of HK\$0.490 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iv) a discount of approximately 28.13% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.487 per Share;
- (v) a discount of approximately 22.39% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.451 per Share;
- (vi) a discount of approximately 18.60% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.430 per Share;
- (vii) a premium of approximately 348.7% over the audited consolidated net asset value per Share as at 31 March 2025 of approximately HK\$0.078 (“NAV Per Share”) with reference to the audited consolidated net asset value of the Group of approximately HK\$7,738,000 as at 31 March 2025 and 99,800,000 Shares in issue as at the Latest Practicable Date; and
- (viii) a premium of approximately 212.5% over the unaudited NAV Per Share as at 30 September 2025 of approximately HK\$0.112 with reference to the unaudited consolidated net asset value of the Group of approximately HK\$11,175,000 as at 30 September 2025 and 99,800,000 Shares in issue as at the Latest Practicable Date.

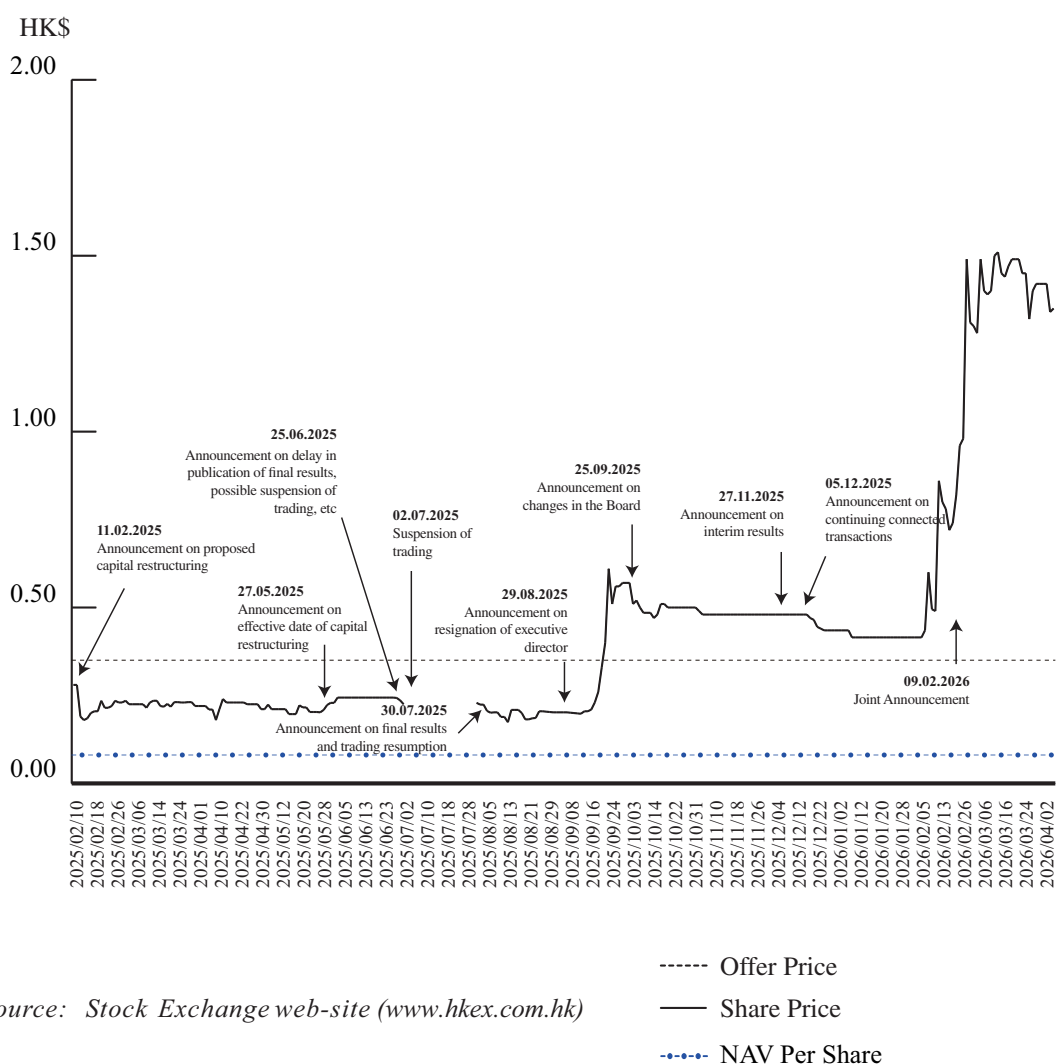
Regarding the Offer Price in connection with the net assets value per Share, since the Offer Price represents a premium of approximately 348.7% over the audited NAV Per Share as at 31 March 2025 and a premium of approximately 212.5% over the unaudited NAV Per Share as at 30 September 2025, we consider the Offer Price is fair and reasonable when compare with the NAV per Share.

Our view on the Offer Price in connection with the historical price performance of the Shares are set out in the next section of this letter.

6. Historical price performance of the Shares

Set out below is the historical price performance of the Shares as quoted on the Stock Exchange during (i) the one year period up to the Last Trading Day (both days inclusive) (the “**Pre-announcement Period**”); and (ii) the period after the Last Trading Day up to the Latest Practicable Date (the “**Post-announcement Period**”) (the Pre-Announcement Period and the Post-announcement Period are collectively referred to as the “**Review Period**”). We consider that the Review Period covering approximately one year prior to the Last Trading Day and until the Latest Practicable Date (i) is appropriate for reviewing the recent financial position of the Group which covers the annual results for FY2025 and interim results for the six months ended 30 September 2025; (ii) represents a reasonable period to provide a general overview of the recent price performance of the Shares for conducting an analysis against the Offer Price; and (iii) is sufficient and a common market practice.

6.1 Historical price performance of the Shares



Source: Stock Exchange web-site (www.hkex.com.hk)

For the Pre-announcement Period, the closing price of the Shares were between HK\$0.174 on 12 August 2025 and HK\$0.610 on 22 September 2025, with an average closing price of approximately HK\$0.325 (the “**Average Closing Price**”).

During the Pre-announcement Period, the closing prices of the Shares fluctuated. After the publication of an announcement dated 11 February 2025 on the proposed capital reorganisation which involved share consolidation and capital reduction of issued consolidated shares and sub-division of unissued consolidated shares (“**Capital Reorganisation**”), the closing price of the Shares dropped approximately 32.1% from HK\$0.280 on 11 February 2025 to HK\$0.190 on 12 February 2025.

From 2 July 2025 to 29 July 2025 (both days inclusive), trading in the Shares were suspended due to the Company’s delay in publication of its final results for FY2025.

After publication of the final results for FY2025 and trading resumption on 30 July 2025, closing prices of the Shares gradually decreased from HK\$0.229 on 30 July 2025 to the lowest closing price of the Pre-Announcement Period of HK\$0.174 on 12 August 2025. On 22 September 2025, closing price of the Share surged to the maximum closing price of the Shares in the Pre-Announcement Period of HK\$0.610. We have discussed with and understand from the Board that it is not aware of the reason for the surge. We noted that save for an announcement in relation to resignation of an executive director published on 29 August 2025, the Company had not issued other material announcement.

Since 19 September 2025, closing price of the Shares has been traded higher than the Offer Price of HK\$0.350. Out of the 229 trading dates of the Shares in the Pre-announcement Period, the Offer Price was lower than the Shares’ closing price for 96 days (i.e. approximately 41.9%) and is approximately 7.7% higher than the Average Closing Price.

Following release of the Joint Announcement on 9 February 2026, the Shares’ closing price rose significantly, increasing from HK\$0.49 on 9 February 2026 to HK\$0.86 on 10 February 2026, reached the maximum price in the Post-announcement Period of HK\$1.510 on 10 March 2026 and closed at HK\$1.350 on the Latest Practicable Date.

Although the Offer Price is approximately 7.7% higher than the Average Closing Price, closing price of the Shares has been traded higher than the Offer Price since 19 September 2025 and the closing price is at a material premium of HK\$1.350 above the Offer Price at the Latest Practicable Date, we consider the Offer Price is unattractive.

6.2 Historical trading liquidity of the Shares

The table below sets out the trading volume of the Shares for the Pre-announcement Period and the Post-announcement Period:

Period/ Month	Total volume of the Shares traded	No. of trading days (approximately)	Average daily trading volume of the Shares (the "Average Daily Volume") (approximately)	Average daily trading volume of the Shares to the total number of issued Shares (note 1) (approximately)	Average daily trading volume of the Shares to the total number of issued Shares held by the public (note 2) (approximately)
Pre-announcement Period					
2025					
10 February to 28 February	3,892,000	15	29,467	0.260%	0.754%
March	5,544,400	21	264,019	0.265%	0.768%
April	540,000	19	28,421	0.028%	0.083%
May	1,616,000	20	80,800	0.081%	0.235%
June (note 3)	611,200	21	29,150	0.029%	0.085%
July (note 4)	2,300,000	2	1,150,000	1.152%	3.344%
August	532,000	20	26,600	0.027%	0.077%
September	9,836,400	22	447,109	0.448%	1.300%
October	600,000	20	30,000	0.030%	0.087%
November	126,400	20	6,320	0.006%	0.018%
December	46,400	21	2,210	0.002%	0.006%
2026					
January	424,000	21	20,190	0.020%	0.059%
1 February to 9 February (i.e. the Last Trading Day)	2,738,444	6	456,407	0.457%	1.327%
Post-announcement Period					
2026					
10 February to 28 February	23,258,500	11	2,114,409	2.119%	6.148%
March	6,068,747	22	275,852	0.276%	0.802%
1 April to 2 April (i.e. the Latest Practicable Date)	300,198	2	150,099	0.150%	0.436%

Source: Stock Exchange web-site (www.hkex.com.hk)

Notes:

1. Based on 998,000,000 Shares in issue as at the Latest Practicable Date.

2. Based on 34,389,534 Shares held by the public Shareholders as at the Latest Practicable Date.
3. Information in the table from June 2025 onward has taken into account of the Capital Reorganisation effective on 29 May 2025.
4. Trading in the Shares was suspended from 2 July 2025 to 29 July 2025 (both days inclusive) due to delay in publication of the final results for FY2025.

During the Pre-announcement Period, the average daily trading volume ranged from approximately 2,210 Shares (in December 2025) to approximately 1,150,000 Shares (in July 2025), representing approximately 0.002% to 1.152 % of the total number of issued Shares, and representing approximately 0.006% to 3.344% of the total number of issued Shares held by public Shareholders as at the end of the respective month/period. No Share was traded for 116 days out of 229 trading days in total (representing approximately 50.7% out of the total number of trading days) in the Pre-announcement Period.

Following the release of the Joint Announcement, it is noted that the average daily trading volume of the Shares in February 2026 rose to approximately 2.119% of the total number of issued Shares and 6.148% of the total number of issued Shares held by public Shareholders. But in March 2026, the average daily trading volume dropped to approximately 0.276% of the total number of issued Shares and approximately 0.802% of the total number of issued Shares held by public Shareholders.

Since the Company did not issue any material announcement after the Joint Announcement, the significant increase in trading volume in February 2026 following release of the Joint Announcement is mainly attributable to the market reaction on the Offer. Given the above, it is possible that the trading volume of the Shares might not sustain in long run.

Taking into consideration that the Shares' trading volume was thin in general during the Pre-announcement Period as 116 days out of 229 trading days in total (representing approximately 50.7% out of the total number of trading days) in the Pre-announcement Period, it is uncertain that the overall liquidity of the Shares could be maintained in the near future and that there would be sufficient liquidity in the Shares for the Independent Shareholders to dispose of a significant number of Shares in the open market, especially those with large volume of Shares, without exerting a downward pressure on the Share price. Although the Offer Price is unattractive when compared to the recent closing price of the Shares, the Offer provides an exit alternative for the Independent Shareholders who could not realise their investments in the Shares in the open market, especially for those holding a large block of the Shares.

Nonetheless, Independent Shareholders should also take into account their individual risk preference and tolerance level before making any investment decision in relation to the Shares. If any Independent Shareholders who, after reading through the Response Document and this letter, would like to realise their investments in the Shares are able to dispose of their Shares in the open market and/or identify potential purchaser(s) to acquire their Shares at a price higher than the Offer Price and the net proceeds from the sale of their Shares would exceed the net amount receivable under the Offer, those Independent Shareholders may consider not accepting the Offer but selling their Shares in the open market and/or to such potential purchaser(s) (either in all or in part), as they wish to do so and as they think fit having regard to their own circumstances together with the relevant risks and uncertainties based on their individual risk preference and tolerance level.

6.3 Comparison with other comparable companies

Since the Company is a GEM listed company with more than 89.65% of the revenue of the Group for FY2025 was generated from Printing Services, we have conducted a search on the GEM of the Stock Exchange to identify companies with more than 70% of the revenue generated from printing business so that we can conduct a comparable analysis with the Company (based on the Offer Price). We have not considered companies from the Main Board of the Stock Exchange as the scale of operation and market capitalisation of Main Board listed companies are materially different from the Company, a GEM listed company.

Based on the aforesaid selection criteria, we can only identify 1 company, Prosperous Printing Co. Ltd. (stock code: 8385), (the “**Identified Company**”) from the GEM, being an exhaustive list of identified companies. Nonetheless, the Identified Company was loss making in its last financial year and its market capitalisation is materially lower than the Company (based on the Offer Price). We consider that the results of comparison analysis between the Company (based on the Offer Price) and the sole Identified Company may not be fair and representative or in the worse case, may be distorted. As such, we consider that it is inappropriate to conduct a comparable comparison.

RECOMMENDATION

Notwithstanding that:

- (i) since 19 September 2025, closing price of the Shares has been traded higher than the Offer Price. Following release of the Joint Announcement on 9 February 2026, the Shares' closing price rose significantly; and
- (ii) the Offer Price is at a material discount of approximately 74.07% to the closing price of HK\$1.350 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

we have also considered all the below factors as a whole, in particular that:

- (i) the Group suffered from persistent negative liabilities for the past three years and its auditor expressed concern on the Company's material uncertainty related to going concern for the last three financial years ended 31 March 2025;
- (ii) the Company's financial performance for the past five years was not so great with deteriorating problem in its liquidity as its cash and cash equivalents as at 30 September 2025 further dropped to approximately HK\$0.8 million only (as at 31 March 2025: approximately HK\$1.8 million);
- (iii) the historical low liquidity of the Shares in which no Share was traded for 116 days out of 229 trading days in total (representing approximately 50.7% out of the total number of trading days) in the Pre-announcement Period;
- (iv) having considered that (i) Mr. Chen's background and experience is not directly correlate with the Company's principal business; (ii) majority (i.e. four out of five) of the existing executive Directors and majority (i.e. two out of three) of the existing independent non-executive Directors may cease to be a Director; (iii) no investment or business opportunity had been identified by the Offeror; and (iv) the Offeror has not decided on the candidates to be nominated to the Board, we are of the view that there is uncertainty on the future of the Company;

we are of the opinion that the Offer is fair and reasonable so far as the Shareholders are concerned, we would recommend the Independent Board Committee to advise the Independent Shareholders to accept the Offer.

In view of the recent upsurge in the trading volume of the Shares and increases in the trading price of the Shares, in particular the period after the publication of the Joint Announcement in February 2026, the Shareholders, especially those with substantial holdings of the Shares, who would like to realise their investments in the Company are reminded to closely monitor the market trading price and liquidity of the Shares during the period prior to the latest time for acceptance of the Offer, currently being 4:00 p.m. on Wednesday, 22 April 2026, and should, having regard their own circumstances, consider disposing of their Shares in the open market, if the net proceeds obtained from such disposal of the Shares (after deducting all transaction costs) would be higher than the net proceeds under the Offer.

On the contrary, if Shareholders maintain an optimistic view on the business prospect and Share price performance of the Group, they may consider not to accept the Offer and maintain all or part of their Shares at their own discretion. The Shareholders, who wish to retain all or part of their investments in the Company, should carefully monitor the future plans in relation to the Company that may be implemented by the Offeror, and given the historically low liquidity of the Shares, take into consideration the potential difficulties in realising their investments in the Company at or higher than the Offer Price after the Closing Date.

If the Independent Shareholders decide not to accept the Offer, they should be aware of the potential risks associated with the material uncertainty of the Company in respect of the “going concern” issue as well as the Share Pledge. It is possibility that the current market price of the Shares may not be sustained in the event that the Vendors exercise their rights under the Share Pledge if the Offeror fails to settle the Promissory Note on the maturity date.

As different Shareholders would have different investment criteria, objectives and/or circumstances, we would recommend any Shareholders who may require advice in relation to any aspect of the Offer, or as to the action to be taken, to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser. Furthermore, they would carefully read the procedures for accepting or not accepting the Offer as set out in the Offer Document, its appendices and the accompanying Forms of Acceptance.

Yours faithfully,
For and on behalf of
Proton Capital Limited



Alvin H. Y. Leung
Managing Director



Josephine Lau
Director – Corporate Finance

Notes:

1. Mr. Alvin H. Y. Leung has been a responsible officer of Type 6 (advising on corporate finance) regulated activities since 2003. Mr. Leung has years of experience in corporate finance and investment banking and has participated in and completed various advisory transactions in respect of mergers and acquisitions, connected transactions and transactions subject to the compliance to the Takeovers Code of listed companies in Hong Kong.
2. Ms. Josephine Lau has been a responsible officer of Type 6 (advising on corporate finance) regulated activities since 2003. Ms. Lau has years of experience in corporate finance and investment banking and has participated in and completed various advisory transactions in respect of mergers and acquisitions, connected transactions and transactions subject to the compliance to the Takeovers Code of listed companies in Hong Kong.