



信達國際
CINDA INTERNATIONAL



31 December 2025

To: the Independent Board Committee and Offer Shareholders

Dear Sirs,

**MANDATORY UNCONDITIONAL CASH OFFER BY
LEGO SECURITIES LIMITED
FOR AND ON BEHALF OF THE JOINT OFFERORS
TO ACQUIRE ALL ISSUED SHARES OF
IDT INTERNATIONAL LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE
ACQUIRED BY THE JOINT OFFERORS AND PARTIES ACTING
IN CONCERT WITH ANY OF THEM)**

INTRODUCTION

We refer to our appointment as the Joint Independent Financial Advisers to advise the Independent Board Committee in respect of the Offer, details of which are set out in the “Letter from the Board” of this Composite Document to the Offer Shareholders dated 31 December 2025, of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in this Composite Document.

On 22 October 2025 (before trading hours), the Joint Offerors (as purchasers) and the Receiver (as receiver) entered into the Sale and Purchase Agreement, pursuant to which the Joint Offerors have conditionally agreed to acquire, and the Receiver has (as receiver exercising his power pursuant to the Share Charge) conditionally agreed to sell, the Sale Shares, being 312,432,503 Shares (representing approximately 72.10% of the entire issued share capital of the Company as at the Latest Practicable Date). The Consideration is HK\$185,616,150, equivalent to approximately HK\$0.5941 per Sale Share. Completion took place on 30 October 2025.



Immediately prior to Completion, the Joint Offerors and parties acting in concert with any of them did not hold, own, control or have direction over any Shares in the share capital or voting rights of the Company. Immediately upon Completion, the Joint Offerors and parties acting in concert with any of them are interested in 312,432,503 Shares, representing approximately 72.10% of the entire issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Joint Offerors are required to make a mandatory unconditional cash offer for all issued Shares (other than those already owned or agreed to be acquired by the Joint Offerors and parties acting in concert with any of them). Lego Securities is, for and on behalf of the Joint Offerors and in compliance with the Takeovers Code, making the Offer at the Offer Price of HK\$0.5941 per Offer Share in cash.

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee, comprising all the non-executive and independent non-executive Directors, namely Ms. Ng Kwok Ying Isabella, Ms. Cheung Yuk Ki, Ms. Chen Weijie, Mr. Mak Tin Sang and Dr. Lowe Chun Yip, has been established by the Company to make recommendations to the Offer Shareholders as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer. We, Cinda International Capital Limited and Rainbow Capital (HK) Limited, have been appointed as the Joint Independent Financial Advisers to advise the Independent Board Committee in the same regard and such appointment has been approved by the Independent Board Committee in accordance with Rule 2.1 of the Takeovers Code.

We are not associated or connected financially or otherwise with the Company, the Receiver, the Joint Offerors, their respective substantial shareholders and professional advisers, or any party acting, or presumed to be acting, in concert with any of them. In the last two years prior to the commencement of the Offer Period, there was no engagement or connection between the Group, the Receiver, the Joint Offerors, or the parties acting in concert with any of them on one hand and us on the other hand. Apart from normal professional fees payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company, the Receiver, the Joint Offerors, their respective substantial shareholders and financial or other professional advisers, or any party acting, or presumed to be acting, in concert with any of them. Accordingly, we are considered eligible to give independent advice to the Independent Board Committee in respect of the Offer.



BASIS OF OUR OPINION

In formulating our opinion and advice, we have considered, among other things, (i) the information and facts contained or referred to in this Composite Document; (ii) the annual report of the Company for the year ended 31 December 2024 (the “**2024 Annual Report**”), the interim report of the Company for the six months ended 30 June 2025 (the “**2025 Interim Report**”) and the management accounts of the Company for the eleven months ended 30 November 2025; (iii) the information and opinions provided by the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in this Composite Document were true, accurate and complete in all material respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in this Composite Document are true in all material respects at the time they were made and continue to be true in all material respects as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the management of the Group and those as set out or referred to in this Composite Document were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of such information and representations provided to us by the Directors and the management of the Group. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in this Composite Document and that all information or representations provided to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all material respects at the time they were made and continued to be so until the Latest Practicable Date.

The Offer Shareholders will be informed by the Company and us as soon as possible if there is any material change to the information disclosed in this Composite Document in accordance with Rule 9.1 of the Takeovers Code during the Offer Period, in which case we will consider whether it is necessary to revise our opinion and inform the Independent Board Committee and the Offer Shareholders accordingly.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in this Composite Document so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company, the Joint Offerors or any of their respective subsidiaries and associates.

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



PRINCIPAL TERMS OF THE OFFER

Lego Securities is, for and on behalf of the Joint Offerors and in compliance with the Takeovers Code, making the Offer to acquire all the Offer Shares (other than those already owned or agreed to be acquired by the Joint Offerors and parties acting in concert with any of them) on the following basis:

Offer Price for each Offer Share..... HK\$0.5941 in cash

The Offer Price of HK\$0.5941 per Offer Share is the same as the price of HK\$0.5941 per Sale Share paid by the Joint Offerors under the Sale and Purchase Agreement.

The Offer is unconditional in all respects. The Offer is extended to all Shares in issue other than those Shares held by the Joint Offerors and parties acting in concert with any of them.

As at the Latest Practicable Date, 433,332,181 Shares were in issue and the Company does not have any outstanding options, derivatives, warrants or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) 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 or which confer rights to require the issue of Shares.

The Board confirms that, as at the Latest Practicable Date, (i) the Company has not declared any dividend or other distribution which remains unpaid; and (ii) it does not have any intention to make, declare or pay any future dividend/make other distributions on or before the close of the Offer. If, after the Latest Practicable Date, any dividend or other distribution is made or paid in respect of the Offer Shares, the Joint Offerors will reduce the Offer Price by an amount equal to the gross amount of such dividend or other distribution received or receivable by the Offer Shareholders pursuant to Note 3 to Rule 26.3 and Note 11 to Rule 23.1 of the Takeovers Code.

The Joint Offerors will not increase the Offer Price for the Offer Shares as set out above. Shareholders and potential investors should be aware that, following the making of this statement, the Joint Offerors will not be allowed to increase the Offer Price and the Joint Offerors do not reserve the right to increase the Offer Price.

Further details of the Offer including, among other things, the expected timetable and the terms and procedures for acceptance of the Offer are set out in the sections headed “Expected Timetable”, “Letter from Lego Securities” and “Further Terms and Procedures for Acceptance of the Offer” to this Composite Document and the Form of Acceptance.



PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation to the Independent Board Committee and Offer Shareholders with regard to the Offer, we have taken into account the following principal factors and reasons:

1. Background information of the Group

The Company is an investment holding company listed on the Main Board of the Stock Exchange. The Group is principally engaged in the design, development, manufacture, sales and marketing of various electronic products and smart wearable devices.

Due to the impact of the COVID-19 pandemic, the Group decided to discontinue production at its Shenzhen factory with effect from 5 March 2022 and the tenancy of factory was terminated on 31 May 2022. Consequently, the Group's operations were substantially suspended following the closure of the Shenzhen factory and only resumed in 2024. Accordingly, the financial information for the year ended 31 December 2022 has not been included in our analysis below, as it is not considered directly comparable.



Set out below is a summary of the consolidated financial information of the Group for (i) the years ended 31 December 2023 and 2024 (“FY2023” and “FY2024”, respectively) as extracted from the 2024 Annual Report; and (ii) the six months ended 30 June 2024 and 2025 (“6M2024” and “6M2025”, respectively) as extracted from the 2025 Interim Report:

(i) *Financial performance*

	FY2023 <i>HK\$'000</i> (audited)	FY2024 <i>HK\$'000</i> (audited)	6M2024 <i>HK\$'000</i> (unaudited)	6M2025 <i>HK\$'000</i> (unaudited)
Revenue	1,221	173,332	51,084	47,388
Cost of goods sold	(1,124)	(119,140)	(33,648)	(41,524)
Gross profit	97	54,192	17,436	5,864
Other income and gains, net	143	350	17	64,812
Gain on de-consolidation of subsidiaries	–	103,540	–	–
Charge of loss allowance on financial assets	–	(2,129)	–	–
Research expenses	(165)	–	(19)	–
Distribution and selling expenses	(81)	(1,048)	(22)	(1,205)
General administrative and other operating expenses	(10,624)	(26,200)	(6,402)	(6,655)
Finance costs	(3,523)	(2,671)	(1,747)	(773)
(Loss)/profit before taxation	(14,153)	126,034	9,263	62,043
Income tax (expense)/credit	(5)	(11,413)	(3,644)	570
(Loss)/profit attributable to the Shareholders	(14,158)	114,621	5,619	62,613

FY2024 as compared to FY2023

The Group’s revenue increased significantly by approximately 14,095.9% from approximately HK\$1.2 million for FY2023 to approximately HK\$173.3 million for FY2024, primarily attributable to the Group’s resumption of operation in FY2024 while its business operation was substantially suspended in FY2023. In FY2024, the Company resumed some market sales in the export market and mainland China market by resuming sales of consumer appliances, under the brand of “Oregon Scientific”. Additionally, the Group launched its own online retail platform and established two online stores on foreign platforms.

In line with the increase in revenue, the Group’s gross profit increased by approximately 55,768.0% from approximately HK\$97,000 for FY2023 to approximately HK\$54.2 million for FY2024.



The Group recorded a turnaround from loss attributable to the Shareholders of approximately HK\$14.2 million for FY2023 to profit attributable to the Shareholders of approximately HK\$114.6 million for FY2024. Such turnaround was primarily attributable to (a) the increase in revenue and gross profit as mentioned above; and (b) the recognition of the one-off gain on de-consolidation of subsidiaries of approximately HK\$103.5 million for FY2024, which was partially offset by (a) the recognition of the charge of loss allowance on financial assets of approximately HK\$2.1 million for FY2024; and (b) the increase in general administrative and other operating expenses by approximately HK\$15.6 million as a result of the Group's resumption of business operation in FY2024, as well as the professional fee incurred for the capital reorganisation.

6M2025 as compared to 6M2024

The Group's revenue decreased by approximately 7.2% from approximately HK\$51.1 million for 6M2024 to approximately HK\$47.4 million for 6M2025, primarily attributable to the China-U.S. trade war which had impacted the Group's import and export businesses.

The Group's gross profit decreased by approximately 66.4% from approximately HK\$17.4 million for 6M2024 to approximately HK\$5.8 million for 6M2025, primarily attributable to the decrease in revenue as aforesaid and the increase in raw material costs.

Despite the decrease in revenue and gross profit as mentioned above, the Group recorded an increase in profit attributable to the Shareholders by approximately 1,014.3% from approximately HK\$5.6 million for 6M2024 to approximately HK\$62.6 million for 6M2025. Such increase was primarily attributable to (a) the increase in net other income and gains by approximately HK\$64.8 million mainly due to the gain on waiver of loan from a creditor of approximately HK\$48.3 million and gain on settlement of the loan from a creditor by issuance of the bonds of approximately HK\$16.4 million for 6M2025. For details of the waiver and settlement of the loan, please refer to the sub-section headed "(ii) Financial position" below; and (b) the change from income tax expense of approximately HK\$3.6 million for 6M2024 to income tax credit of approximately HK\$570,000 for 6M2025.



(ii) *Financial position*

	As at 31 December		As at 30 June
	2023	2024	2025
	HK\$ '000	HK\$ '000	HK\$ '000
	(audited)	(audited)	(unaudited)
Non-current assets, including:	–	1,803	17,772
– Right-of-use assets	–	1,803	1,153
– Deposit for acquisition of property, plant and equipment	–	–	16,122
Current assets, including:	1,820	79,065	170,584
– Trade and other receivables	1,221	76,760	66,828
– Bank balances and cash	599	2,182	103,730
Total assets	1,820	80,868	188,356
Current liabilities, including:	342,736	309,006	84,485
– Trade and other payables	74,157	92,552	76,382
– Contract liabilities	–	7,623	5,215
– Borrowings	59,534	1,217	1,264
– Loans from a creditor/ a shareholder	196,398	196,598	–
Net current (liabilities)/assets	(340,916)	(229,941)	86,099
Non-current liabilities, including:	–	472	32,736
– Unlisted secured bonds	–	–	32,632
Total liabilities	342,736	309,478	117,221
Equity attributable to the Shareholders	(341,009)	(228,703)	71,042

As at 30 June 2025, total assets of the Group amounted to approximately HK\$188.4 million, mainly consisting of (a) a deposit of approximately HK\$16.1 million paid to suppliers for the acquisition of machinery and equipment, with the delivery and installation of the machinery and equipment expected in the second half of 2025; (b) trade and other receivables of approximately HK\$66.8 million; and (c) bank balances and cash of approximately HK\$103.7 million.

As at 30 June 2025, total liabilities of the Group amounted to approximately HK\$117.2 million, mainly consisting of (a) trade and other payables of approximately HK\$76.4 million; and (b) unlisted secured bonds of approximately HK\$32.6 million.



On 13 March 2025, the Company entered a deed of settlement with a creditor. The agreement acknowledges a total debt of HK\$196.6 million which the Company has agreed to settle through a combination of cash payment and the issuance of bonds. The Company paid a cash payment of HK\$100.0 million and issued the bonds with the aggregate principal amount of HK\$48.3 million as a full and final settlement of the total indebtedness owing to the creditor. As a result of the aforesaid settlement arrangement, a gain on waiver of loan from the creditor of approximately HK\$48.3 million and a gain from the settlement of the loan from the creditor through the issuance of the bonds of approximately HK\$16.4 million were recognised in profit or loss for 6M2025.

Following the debt restructuring and the resumption of business operation, the Group's financial position has improved and recorded a turnaround from a deficit attributable to the Shareholders of approximately HK\$341.0 million as at 31 December 2023 to equity attributable to the Shareholders of approximately HK\$71.0 million as at 30 June 2025.

(iii) Business outlook and prospects of the Group

The Group is principally engaged in the design, development, manufacture, sales and marketing of various electronic products and smart wearable devices. In 2024, the Company resumed some market sales in the export market and mainland China market by resuming sales of consumer appliances, under the brand of "Oregon Scientific". Additionally, it launched its own online retail platform and established two online stores on foreign platforms in 2024. This led to a marked improvement in the Group's financial performance in FY2024, as evidenced by a significant increase in revenue and gross profit, alongside a turnaround from a net loss to a net profit.

The geographic distribution of the Group's revenue demonstrates its global reach and expanding client base. For FY2024, the Group generated approximately 77.0%, 6.1%, 6.0% and 10.8% of its total revenue from the PRC, Asia Pacific (excluding the PRC), the United States and Europe, respectively. For 6M2025, the Group generated approximately 10.5%, 12.0%, 25.8% and 51.7% of its total revenue from the PRC, Asia Pacific (excluding the PRC), the United States and Europe, respectively.

Furthermore, the Group's financial position was significantly enhanced by the completion of debt restructuring and the allotment and issue of new shares to a new investor with net proceeds of approximately HK\$233.1 million in March 2025. The Group's total debt (including borrowings, loans from a creditor/a shareholder and unlisted secured bonds) significantly decreased from approximately HK\$255.9 million as at 31 December 2023 to approximately HK\$33.9 million as at 30 June 2025 while the Group's bank balances and cash increased from approximately HK\$599,000 as at 31 December 2023 to approximately HK\$103.7 million as at 30 June 2025. In light of the above, the Group showed signs of regaining momentum in business growth.



With reference to the 2025 Interim Report, looking forward, the Company will take advantage of the growing market demand in industries such as Artificial Intelligence (“AI”), robotics, new energy vehicles, and energy storage. The Group will focus on providing high-quality power supply products to customers in these industries as well as focus on high-end battery research and development and capacity building to support the Company’s sustainable development. The Group will also continue to invest to become a high-quality battery solution provider with core technological competitiveness.

This strategic direction is supported by a positive outlook for the global consumer appliances market. According to Data Bridge Market Research (source: <https://www.databridgemarketresearch.com/reports/global-consumer-appliances-market>), the market size of the global consumer appliances market was approximately US\$398.3 billion in 2024, among which Asia Pacific dominated the market with the largest revenue share of approximately 42.5% in 2024. Primarily driven by (a) the rising consumers’ demand for smart and energy-efficient appliances and the growing consumer awareness for convenience-driven, sustainable and IoT-integrated appliances; (b) the technological advancements in connected devices; and (c) the rapid urbanization and rising disposal incomes, the market size of the global consumer appliances market is expected to reach at approximately US\$549.4 billion in 2032, representing a compound annual growth rate of approximately 4.1% from 2024 to 2032. Founded in 2014, Data Bridge Market Research is a versatile market research and consulting firm, providing data-driven insights and strategic analysis across 200 plus industries and more than 5000 markets in 75 major countries globally. Additionally, Data Bridge Market Research has served for more than 40% of Fortune 500 firms internationally and has a more than 3000 client’s network.

In addition, the recent progress in AI, particularly through machine learning and computer vision, has shown great promise in enhancing the performance of the global consumer appliances market. Technological trends, such as AI machine learning, computer vision, etc., are expected to study and improve building performance, deliver customised functionalities, and increase comfort and cost efficiency for consumers, therefore stimulating demand for production in the market.

Taking into account (a) the significant improvement in the Group’s financial results for FY2024 and 6M2025; and (b) the positive outlook for the global consumer appliances market from 2024 to 2032, which aligns with the Group’s core business and strategic focus areas, we consider that the prospects of the Group’s global consumer appliances business remain positive.



2. Information on the Joint Offerors and their intention regarding the Group

Details on the information on the Joint Offerors and their intention regarding the Group are set out in the sections headed “Information on the Joint Offerors” and “Intention of the Joint Offerors in relation to the Group” in the “Letter from Lego Securities” in this Composite Document, which are summarised as follows:

(i) *Information on the Joint Offerors*

Hunglap is a company incorporated in Hong Kong with limited liability, principally engaging in investment holding. As at the Latest Practicable Date, save for entering into the Sale and Purchase Agreement, Hunglap has not engaged in any business activities.

As at the Latest Practicable Date, Hunglap is direct wholly-owned by Pinghu City Maoshui Investment Development Group Limited* (平湖市柳水投資發展集團有限公司) (“**Pinghu Maoshui**”), a company principally engaging in construction and asset management, which in turn is owned as to 40% by Pinghu City Xindai Town Government Affairs Service Center* (平湖市新埭鎮政務服務中心) (“**Xindai Service Center**”), and 60% by Pinghu City Investment Development Co., Ltd.* (平湖市投資發展有限公司) (“**Pinghu City Investment**”). Xindai Service Center is a public institution with legal person status (事業單位法人) established in the PRC principally engaging in the daily management and operational support of local community service points, its organising unit being the People’s Government of Xindai Town in Pinghu City (平湖市新埭鎮人民政府). Pinghu City Investment is wholly-owned by Pinghu City Finance Bureau* (平湖市財政局) of the PRC.

Horizon Heights is a company incorporated in the Cayman Islands with limited liability, principally engaged in investment holding. As at the Latest Practicable Date, save for entering into the Sale and Purchase Agreement, Horizon Heights has not engaged in any business activities.

As at the Latest Practicable Date, Horizon Heights is indirectly wholly-owned by Ms. Shen. Ms. Shen Jingwei, aged 51, has substantial experience in corporate finance and capital operations involving listed companies on the Shanghai Stock Exchange and Shenzhen Stock Exchange. Ms. Shen has previously served as project manager and executive president of the investment banking division of Northeast Securities Co., Ltd. (東北證券股份有限公司), a company listed on the Shenzhen Stock Exchange, and as executive president of the mergers and acquisitions division of Anxin Securities Co., Ltd.* (安信證券股份有限公司) (now SDIC Securities Co., Ltd. (國投證券股份有限公司)). Ms. Shen is currently a director at Range Technology Development Co., Ltd. (潤澤智算科技集團股份有限公司), a company listed on the ChiNext of Shenzhen Stock Exchange, principally engaged in providing Internet Data Center (IDC) and AI Data Center (AIDC) services.



(ii) *Intention of the Joint Offerors regarding the Group*

(a) *Business and board composition*

As set out in the “Letter from Lego Securities” in this Composite Document, the Joint Offerors intend that the Group will continue with its existing principal activities and maintain the employment of the existing employees of the Group including operational staff.

Leveraging on the experience of Ms. Shen in corporate finance and capital operations involving listed companies and the resources and network of Hunglap, the Joint Offerors will continue to explore possible business opportunities appropriate to the Group’s business and operations with a view to enhance the value of the Group. Given that Ms. Shen’s knowledge, business background and experience in corporate finance and capital operations are expected to bring financial acumen and business networks, we consider that Ms. Shen will bring complementary expertise and networks that can enhance the Group’s business. In addition, her experience as a director at a company in the electronics and information technology sector is particularly relevant, aligning with the business intention of the Joint Offerors to explore the feasibility of investing into the electronic and information industry. As at the Latest Practicable Date, the Joint Offerors have not identified any particular target company(ies) and yet to have formulated any detailed plan in this regard. Upon the close of the Offer, the Joint Offerors will conduct a detailed review of the operations of the Group and formulate business strategies for the Group’s long-term development. Taking into account the growing consumers’ demand for smart and IoT-integrated appliances and the recent progress in AI, we consider the Joint Offerors’ plan to explore the feasibility of investing into the electronic and information industry is reasonable.

The Joint Offerors noted from the circular of the Company dated 24 January 2025 that the Group previously announced its plan to implement the Previously Announced Restructuring of carving out certain non-core subsidiaries with net liabilities to strengthen the Group’s overall financial standing (which may include, but not limited to, winding up of these entities). The Joint Offerors will continue to work with the Group to facilitate completion of the Previously Announced Restructuring.

As at the Latest Practicable Date, no investment or business opportunities have been identified nor have the Joint Offerors entered into any agreement, arrangements, understandings or negotiation in relation to (1) the injection of any assets or business into the Group; or (2) the disposal or downsizing of any assets or business of the Group, other than those conducted by the Company in its ordinary course of business and/or the completion of the Previously Announced Restructuring.

As at the Latest Practicable Date, the Joint Offerors have no intention to (1) nominate or appoint any new directors to the Board; (2) discontinue the employment of any employees of the Group or change the composition of the board of the directors of the Group’s subsidiaries; (3) redeploy the fixed assets of the Group other than those in its ordinary and usual course of business; or (4) introduce any major changes in the existing operations and business of the Group, following the close of the Offer.



(b) *Maintenance of the Company's listing status*

As stated in “Letter from Lego Securities” in this Composite Document, the Joint Offerors intend to maintain the listing of the Shares on the Stock Exchange after the close of the Offer. The Joint Offerors will undertake to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offer to ensure that sufficient public float exists in the Shares.

3. Offer Price comparison

The Offer Price of HK\$0.5941 per Offer Share represents:

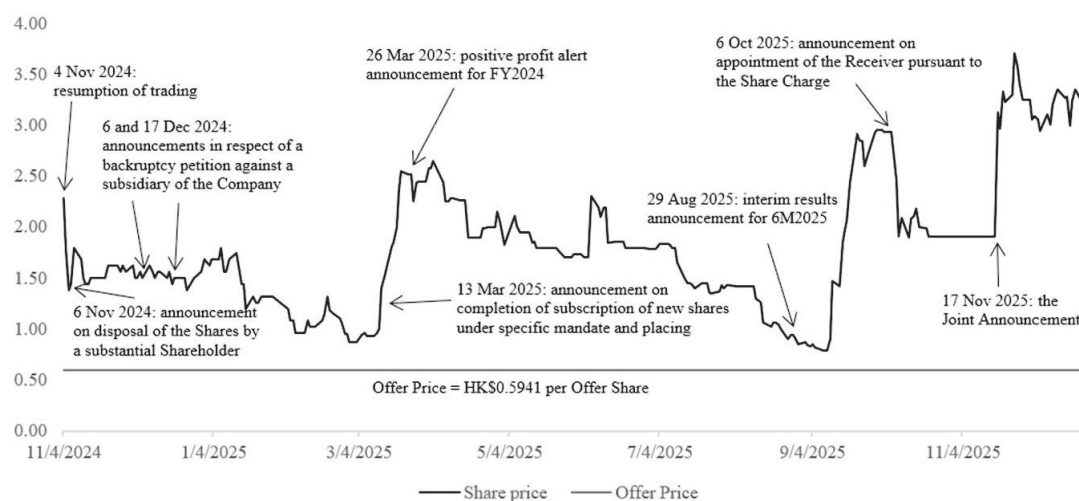
- (i) a discount of approximately 81.94% to the closing price of HK\$3.29 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 68.90% to the closing price of HK\$1.91 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 70.88% to the average closing price of approximately HK\$2.04 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 71.16% to the average closing price of approximately HK\$2.06 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 71.98% to the average closing price of approximately HK\$2.12 per Share as quoted on the Stock Exchange for the last thirty (30) consecutive trading days up to and including the Last Trading Day;
- (vi) a discount of approximately 63.77% to the average closing price of approximately HK\$1.64 per Share as quoted on the Stock Exchange for the last sixty (60) consecutive trading days up to and including the Last Trading Day;
- (vii) a premium of approximately 262.26% over the unaudited consolidated net asset value attributable to the owners of the Company of approximately HK\$0.164 per Share as at 30 June 2025 based on 433,332,181 Shares in issue as at the Latest Practicable Date; and
- (viii) a premium of approximately HK\$1.122 over the audited consolidated net liabilities attributable to the owners of the Company of approximately HK\$0.528 per Share as at 31 December 2024 based on 433,332,181 Shares in issue as at the Latest Practicable Date.



4. Trading performance of the Shares

(i) Historical Share price performance

As a result of the delay in publishing the annual results for the year ended 31 December 2022, the trading in the Shares on the Stock Exchange has been suspended since 3 April 2023. The Group resumed trading of the Shares on 4 November 2024. Set out below is a chart showing the movement of the closing prices of the Shares as quoted on the Stock Exchange from 4 November 2024 to the Last Trading Day (i.e. 21 October 2025) (the “**Review Period**”), being approximately one year preceding the Last Trading Day, and up to the Latest Practicable Date. We consider the Review Period is adequate to reflect the general market sentiment and illustrates the general trend and level of movement of the daily closing price of the Shares.



Source: the website of the Stock Exchange

Note: The trading of the Shares on the Stock Exchange was suspended at 2:44 p.m. on 22 October 2025 pending the release of the Joint Announcement. Trading of the Shares on the Stock Exchange was resumed at 9:00 a.m. on 18 November 2025.

As shown above, the closing prices of the Shares were above the Offer Price at all times during the Review Period, ranging from HK\$0.79 on 8, 9 and 10 September 2025 to HK\$2.95 on 30 September and 2 October 2025. In other words, the Offer Price represents a discount of approximately 24.8% to 79.9% to the closing prices of the Shares during the Review Period.



The closing prices of the Shares generally exhibited a downward trend from HK\$2.28 per Share on 4 November 2024 to HK\$0.96 per Share on 6 February 2025. Based on our discussion with the management of the Group, such decline in the closing prices of the Shares may be due to (a) the suspension of trading of the Shares from 3 April 2023 until its resumption on 4 November 2024; (b) the Company's publication of the clarification announcement regarding the disposal of 753,997,995 Shares by a substantial Shareholder on 6 November 2024; and (c) the Company's publication of the announcements in respect of a bankruptcy petition against a subsidiary of the Company on 6 and 17 December 2024. The Guangdong Shenzhen Intermediate People's Court (廣東省深圳市中級人民法院) had on 25 September 2024 accepted a bankruptcy petition (the "**Petition**") filed against IDT Electronic Technology (Shenzhen) Company Limited* (萬威電子(深圳)有限公司) ("**IDT Shenzhen**"), an indirect wholly-owned subsidiary of the Company, and appointed Guangdong Penghao Law Firm (廣東鵬浩律師事務所) as the bankruptcy administrator of IDT Shenzhen (the "**Administrator**"). Based on information available to the Company, the Petition was based on a claim for outstanding salaries for the period from 1 May 2024 to 8 September 2024. Following the appointment of the Administrator, the Company will no longer be considered to have control over IDT Shenzhen. Accordingly, the financial results of IDT Shenzhen had been deconsolidated from those of the Group with effect from 25 September 2024. Thereafter, the closing prices of the Shares increased sharply to HK\$2.65 per Share on 3 April 2025 and then generally exhibited a downward trend and reached the lowest of HK\$0.79 on 8 September 2025. Based on our discussion with the management of the Group, such significant rise in the closing prices of the Shares may be due to the Company's publication of (a) the completion announcement of subscription of new shares under specific mandate and placing on 13 March 2025; and (b) the positive profit alert announcement for FY2024 on 26 March 2025.

After hitting the lowest on 8 September 2025, the closing prices of the Shares increased sharply again and reached the highest of HK\$2.95 per Share on 30 September 2025. Based on our discussion with the management of the Group, such significant rise in the closing prices of the Shares may be due to the Company's publication of the interim result announcement for 6M2025 on 29 August 2025. Following the Company's publication of the announcement in relation to the appointment of the Receiver of 312,432,503 Shares pursuant to the Share Charge executed by Tiger Energy as chargor in favour of Lead Winner Investment Limited on 6 October 2025, the Share price decreased to HK\$1.91 on the Last Trading Day.

We have made enquires with the Directors and were advised that, save for the publication of announcements of the Company as described above, the Directors were not aware of any specific reasons that may have an impact on the fluctuations of Share prices during the period from 4 November 2024 to the Last Trading Day.

Following the publication of the Joint Announcement, the Share price surged to HK\$3.13 on 18 November 2025 and remained above the Offer Price as at the Latest Practicable Date. The Share price closed at HK\$3.29 as at the Latest Practicable Date, to which the Offer Price represents a discount of approximately 81.94%.

Taking into account the discounts represented by the Offer Price to the closing prices of the Shares during the Review Period, we consider that the Offer Price is not fair and reasonable so far as the Offer Shareholders are concerned.



(ii) *Liquidity of the Shares*

The following table sets out the average daily trading volume of the Shares for each month or period and the percentages of such average daily trading volume to the total number of Shares in issue and held by the public during the period from 4 November 2024 to the Latest Practicable Date:

			Approximate percentage of average daily trading volume to total number of Shares in issue	Approximate percentage of average daily trading volume to total number of Shares held by the public (Note 2)
	Number of trading days (Note 1)	Approximate average daily trading volume		
2024				
November	20	379,378	0.8755%	1.1141%
December	20	52,112	0.1203%	0.1530%
2025				
January	19	53,390	0.1232%	0.1568%
February	20	77,041	0.1778%	0.2262%
March	21	151,308	0.0349%	0.1252%
April	19	53,201	0.0123%	0.0440%
May	20	62,146	0.0143%	0.0514%
June	21	59,696	0.0138%	0.0494%
July	22	69,713	0.0161%	0.0577%
August	21	108,017	0.0249%	0.0893%
September	22	1,009,298	0.2329%	0.8348%
October	13	188,727	0.0436%	0.1561%
November	9	1,706,805	0.3939%	1.4118%
From 1 December to the Latest Practicable Date	18	256,173	0.0591%	0.2119%

Source: the website of the Stock Exchange

Notes:

1. Number of trading days of the Shares represents number of trading days during the month or period which excludes any trading day on which trading of the Shares on the Stock Exchange was suspended for the whole trading day.
2. Based on the number of Shares held by public Shareholders as calculated by deducting the Shares held by the controlling Shareholders from the total number of the Shares in issue at the end of each month or period.



3. The Company completed the subscription of 312,432,503 new Shares under specific mandate and placing of 77,566,460 new Shares on 13 March 2025, resulting in the increase in total number of the Shares in issue since March 2025.

As illustrated in the table above, the trading of the Shares was generally inactive during the Review Period. The average daily trading volume for the respective month during the Review Period ranged from approximately 52,112 Shares in December 2024 to approximately 1,009,298 Shares in September 2025, representing approximately 0.1203% to 0.2329% of the total number of the Shares in issue and approximately 0.1530% to 0.8348% of the total number of the Shares held by the public, respectively. Following the publication of the Joint Announcement and the resumption of trading of the Shares on 18 November 2025, the average daily trading volume increased to approximately 1,706,805 Shares in November 2025, representing approximately 0.3939% of the total number of the Shares in issue and approximately 1.4118% of the total number of the Shares held by the public.

Given the historical thin liquidity of the Shares, it may be difficult for the Offer Shareholders to dispose of a significant number of the Shares on the market in a short period of time without exerting downward pressure on the Share price. Accordingly, the market trading price of the Shares may not necessarily reflect the proceeds that the Offer Shareholders can receive through the disposal of their Shares in the open market and therefore, the Offer provides a viable alternative exit for the Offer Shareholders, particularly for those who hold a large volume of Shares, to realise their investment in the Company at the Offer Price of HK\$0.5941 per Offer Share.

Having considered that (i) the overall price performance and significant fluctuation of the Shares during the Review Period; and (ii) the trading volume of the Shares was generally thin during Review Period, we are of the view that the Offer Shareholders are recommended to closely monitor the Share price and trading volume of the Shares during the Offer Period. If the Offer Shareholders wish to dispose of a significant number of the Shares, which may cause the Share price to fall and result in the sale proceeds being lower than the proceeds receivable from the Offer, they should consider accepting the Offer.

5. Comparable analysis

The Group is principally engaged in the design, development, manufacture, sales and marketing of various electronic products and smart wearable devices. In 2024, the Company resumed some market sales in the export market and mainland China market by resuming sales of consumer appliances, under the brand of “Oregon Scientific”. For FY2024, the Group generated approximately 77.0%, 6.1%, 6.0% and 10.8% of its total revenue from the PRC, Asia Pacific (excluding the PRC), the United States and Europe, respectively. For 6M2025, the Group generated approximately 10.5%, 12.0%, 25.8% and 51.7% of its total revenue from the PRC, Asia Pacific (excluding the PRC), the United States and Europe, respectively.



Price-to-earnings (“P/E(s)”), price-to-book (“P/B(s)”) and price-to-sale (“P/S(s)”) multiples are the three most commonly used benchmarks in valuing a company. Given that (i) the Group was profit making for FY2024; (ii) the Group recorded net deficit position as at 31 December 2024; and (iii) P/S multiple is usually used to value start-up companies for which both the book value and earnings are insignificant, we consider that P/E multiple is appropriate in valuing the Group. Based on (i) the Offer Price of HK\$0.5941 per Offer Share; (ii) 433,332,181 Shares in issue on the Last Trading Day; and (iii) the profit attributable to the Shareholders of approximately HK\$114.6 million for FY2024, the P/E multiple implied by the Offer Price is approximately 2.2 times (the “**Implied P/E**”).

In evaluating the fairness and reasonableness of the Offer Price, we have, based on our search on Bloomberg, identified an exhaustive list of companies (the “**Comparable Companies**”) which are (i) principally engaged in manufacture and sales of consumer appliances and electronic products in the PRC or Europe, accounting for more than 50% of its total revenue in the latest financial year; and (ii) publicly listed in Hong Kong. As the Group generated approximately 51.7% of its total revenue from Europe for 6M2025, we consider it is reasonable to include Europe in our selection criteria. Based on the aforesaid criteria, we have identified 7 Comparable Companies.

The following table set out the details of the Comparable Companies:

Company name (stock code)	Principal activities	Market capitalisation as at the Last Trading Day (HK\$ million)	P/E on the Last Trading Day (times)
Midea Group Co., Ltd. (300.HK)	Principally engaged in the manufacture and distribution of home appliances	612,062.0	14.4 (Note 1)
Haier Smart Home Co. Ltd. (6690.HK)	Principally engaged in the manufacture and distribution of home appliances	247,858.4	12.0 (Note 1)
Hisense Home Appliances Group Co., Ltd. (921.HK)	Principally engaged in the manufacture and sales of household appliances	35,900.6	9.7 (Note 1)
JS Global Lifestyle Company Limited (1691.HK)	Principally engaged in the manufacture and sales of small household appliances	6,775.4	139.9 (Outlier) (Note 1)



Company name (stock code)	Principal activities	Market capitalisation as at the Last Trading Day (HK\$ million)	P/E on the Last Trading Day (times)
Town Ray Holdings Limited (1692.HK)	Principally engaged in the manufacture and sales of electrothermic household appliances	617.5	5.7
X.J. Electrics (Hu Bei) Co., Ltd. (2619.HK)	Principally engaged in the manufacture and sales of electric home appliances and non-electric household goods	507.6	3.3 (Note 1)
Raymond Industrial Limited (229.HK)	Principally engaged in the manufacture and sales of electrical home appliances	471.2	10.4
		Maximum	14.4
		Minimum	3.3
		Median	10.1
		Mean	9.3
The Company		827.7	2.2 (Note 2)

Source: Bloomberg and financial reports of the Comparable Companies

Notes:

1. Exchange rates US\$1=HK\$7.8 and RMB1=HK\$1.1 are used for illustrative purpose.
2. Being the Implied P/E.

As shown in the table above, the P/Es of the Comparable Companies as at the Last Trading Day range from approximately 3.3 times to 14.4 times with a median and mean of approximately 10.1 times and 9.3 times, respectively. The Implied P/E of approximately 2.2 times is lower than the P/Es of all the Comparable Companies. As such, we consider the Offer Price to be not fair and reasonable.



Taking into account that (i) the Implied P/E of approximately 2.2 times is lower than the P/Es of all the Comparable Companies, including those whose market capitalisation as at the Last Trading Day (i.e. Town Ray Holdings Limited and X.J. Electrics (Hu Bei) Co., Ltd) were similar to that of the Company; and (ii) the P/Es of the Comparable Companies are not correlated to their market capitalisation. For example, although Hisense Home Appliances Group Co., Ltd.'s market capitalisation as at the Last Trading Day was approximately 75 times higher than that of Raymond Industrial Limited, these two companies have similar levels of P/Es as at the Last Trading Day, we consider that excluding the market capitalisation level as selection criteria will not affect the comparability of the Comparable Companies.

RECOMMENDATION

In summary, we have considered the below factors and reasons in arriving at our conclusion and recommendation in relation to the Offer:

- (i) as a result of the resumption of business operation and the launch of its own online retail platform and two online stores on foreign platforms, the Group's financial performance has improved in FY2024 as evidenced by the increased revenue and gross profit and the turnaround from net loss to net profit. In addition, as a result of the completion of debt restructuring and the allotment and issue of new shares to a new investor with net proceeds of approximately HK\$233.1 million in March 2025, the Group's total debt (including borrowings, loans from a creditor/a shareholder and unlisted secured bonds) decreased from approximately HK\$255.9 million as at 31 December 2023 to approximately HK\$33.9 million as at 30 June 2025 while the Group's bank balances and cash increased from approximately HK\$599,000 as at 31 December 2023 to approximately HK\$103.7 million as at 30 June 2025. In light of the above, the Group showed signs of regaining momentum in business growth;
- (ii) taking into account (a) the significant improvement in the Group's financial results for FY2024 and 6M2025; and (b) the positive outlook for the global consumer appliances market from 2024 to 2032, which aligns with the Group's core business and strategic focus areas, we consider that the prospects of the Group's global consumer appliances business remain positive;
- (iii) upon the close of the Offer, the Joint Offerors intend to explore the feasibility of investing into the electronic and information industry. They will seek business opportunities that align with the Group's operations to enhance its overall value. Given that Ms. Shen's knowledge, business background and experience in corporate finance and capital operations are expected to bring financial acumen and business networks, as well as her experience as a director at a company in the electronics and information technology sector, we consider that Ms. Shen will bring complementary expertise and networks that can enhance the Group's business. In addition, taking into account the rising consumers' demand for smart and IoT-integrated appliances and the recent progress in AI, we consider the Joint Offerors' plan to explore the feasibility of investing into the electronic and information industry is reasonable;



- (iv) the Offer Price represents the discounts of approximately 81.94%, 68.90%, 70.88%, 71.16%, 71.98% and 63.77% to the closing prices of the Shares on the Latest Practicable Date and the Last Trading Day and the average closing prices of the Shares for the last 5, 10, 30 and 60 consecutive trading days up to and including the Last Trading Day, respectively; and
- (v) the Implied P/E is lower than all the Comparable Companies, which indicates that market capitalisation of the Company as implied by the Offer Price is undervalued and thus the Offer Price is not fair and reasonable.

Accordingly, we are of the view that the Offer Price of HK\$0.5941 per Offer Share is not attractive, rendering the Offer not fair and reasonable so far as the Offer Shareholders are concerned after taking into account the above principal factors and reasons as a whole. We recommend the Independent Board Committee to advise, and we ourselves advise, the Offer Shareholders not to accept the Offer.

Nevertheless, the Offer Shareholders should also note that (i) given the significant price fluctuation during the Review Period, there is no guarantee that the Share price will sustain at a level above the Offer Price and/or after the Offer Period; and (ii) given the historical thin liquidity of the Shares, it may be difficult for the Offer Shareholders to dispose of a significant number of the Shares on the market in a short period of time without exerting downward pressure on the Share price. In such circumstances, the Offer might provide an exit alternative for the Offer Shareholders who would like to realise their investments in the Shares at the Offer Price of HK\$0.5941. However, for those Offer Shareholders who intend to accept the Offer, we would remind them to closely monitor the market price and liquidity of the Shares during the Offer Period, and having regard to their own circumstances, consider selling the Shares in the open market, instead of accepting the Offer, if the net proceeds from such sale of Shares would be higher than that receivable under the Offer. For those Offer Shareholders who intend to dispose of large blocks of Shares in the open market, we would also remind them of the possible difficulty in disposing of their Shares in the open market without creating downward pressure on the market prices of the Shares as a result of the thin trading in the Shares.

Yours faithfully,
For and on behalf of

Cinda International Capital Limited

PUN Hung Ming
Executive Director

Yours faithfully,
For and on behalf of

Rainbow Capital (HK) Limited

Danny Leung
Managing Director

Mr. PUN Hung Ming is a licensed person and a responsible officer of Cinda International Capital Limited registered with the Securities and Futures Commission to carry out type 6 (advising on corporate finance) regulated activities and a representative to carry out type 1 (dealing in securities) under the SFO. He has over 10 years of experience in the corporate finance industry.

Mr. Danny Leung is a licensed person and a responsible officer of Rainbow Capital (HK) Limited registered with the Securities and Futures Commission to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO. He has over 10 years of experience in the corporate finance industry.