

12 February 2026

To: The Independent Shareholders of Karfun Investments Limited

Dear Sir/Madam,

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

INTRODUCTION

We refer to our engagement by the Company to advise the Independent Shareholders in respect of the Offer, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the Composite Document, issued by the Company to the Shareholders dated 12 February 2026 (the “**Composite Document**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context requires otherwise.

Innovax Capital is making, for and on behalf of the Offeror and in compliance with the Takeovers Code, a voluntary conditional general cash offer to acquire all the Shares not already owned by the Offeror and parties acting in concert with it on the basis of HK\$1.85 in cash for each Share held.

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of the Offer in respect of not less than 90% of Disinterested Shares having been received (and not, where permitted, withdrawn) by 4:00 p.m. on or prior to the First Closing Date (or such later time and/or date as the Offeror may decide, subject to the rules of the Takeovers Code).

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Given that as at the Latest Practicable Date, the Offeror and parties acting in concert with it are interested in more than 50% of the voting rights in the Company, the Offeror reserves the right to waive the Condition set out in the "Letter from Innovax Capital" as contained in the Composite Document.

If the Condition is not satisfied or waived (as applicable) on or before the Long Stop Date, the Offer will lapse, and Shareholders will be notified by a further announcement as soon as practicable thereafter. Further details of the terms of the Offer, including the procedures for acceptance and settlement of the Offer, are set out in the "Letter from Innovax Capital" as contained in the Composite Document.

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

As set out in the Letter from the Board, as the Board does not have any non-executive directors or any independent non-executive directors, no independent board committee of the Board can be formed to give recommendation to the Independent Shareholders in connection with the Offer. As such, we have been appointed as the Independent Financial Adviser to the Independent Shareholders to give our recommendations as to the acceptance of the Offer and that the Offer is fair and reasonable so far as the Independent Shareholders are concerned.

BASIS OF ADVICE

In formulating our recommendation to the Independent Shareholders, we have relied on the statements, information, opinions and representations contained in the Composite Document and the information and representations provided to us by the Directors and the management of the Company. We have assumed that all information, representations and opinions contained or referred to in the Composite Document which have been provided by the Directors and the management of the Company, and for which they are solely and wholly responsible, were true, accurate and complete in all respects and not misleading or deceptive at the time when they were provided or made and will continue to be so up to the Latest Practicable Date.

We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors and the management of the Company in the Composite Document were reasonably made after due enquiries and careful consideration and there are no other material facts not contained in the Composite Document, the omission of which make any such statement contained in the Composite Document misleading. We have no reason to suspect that any relevant information has been withheld, or to doubt the truth, accuracy and completeness of the information and facts contained in the Composite Document, or the reasonableness of the opinions expressed by the Directors and the management of the Company, which have been provided to us.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. However, we have not carried out any independent verification of the information provided, nor have we conducted any independent investigation into the business, financial conditions and affairs of the Company and the Offeror.

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

Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Independent Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company. We expressly disclaim any liability and/or any loss arising from or in reliance upon the whole or any part of the contents of this letter. Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

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

The Directors jointly and severally accept full responsibility for the accuracy of the information disclosed and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no other facts not contained in this letter, the omission of which would make any statement herein misleading.

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

PRINCIPAL FACTORS CONSIDERED

In arriving at our advice in relation to acceptance of the Offer, we have taken into consideration the following factors:

1. Information of the parties

1.1 Information of the Offeror

The Offeror is a company incorporated in the British Virgin Islands with limited liability. It is principally engaged in investment holding activities.

As at the Latest Practicable Date, the Offeror is directly owned as to 80% by Mr. Lam Kwok Hing, and directly owned as to 20% by Mr. Nam Kwok Lun. The directors of the Offeror are Mr. Lam Kwok Hing and Mr. Nam Kwok Lun. As at the Latest Practicable Date, the Offeror and parties acting in concert with it are interested in 102,511,061 Shares, representing approximately 98.63% of the issued share capital of the Company.

Mr. Lam Kwok Hing

Mr. LAM Kwok Hing M.H., J.P., aged 61, is the Chairman and Managing Director of ATNT. Mr. Lam is the younger brother of Mr. Nam Kwok Lun, the Deputy Chairman and Executive Director of ATNT.

Mr. Lam has over 30 years' experience in securities trading and financial market. Together with the Deputy Chairman of ATNT, he set up a group of companies since 1991 to provide various financial services to the public and trade under the brand name of Karl Thomson. In 2000, Karl Thomson was listed to the Hong Kong main board ("Karl Thomson", with a listed code of 0007). Mr. Lam was the Chairman of Karl Thomson from year 2000 to 2012. The listed group has expanded into other industries and businesses and is subsequently renamed as Wisdom Wealth Resources Investment Holding Group Limited (stock code: 0007, "**Wisdom Wealth**"). Mr. Lam was the executive director of Wisdom Wealth from year 2013 until 6 February 2024. He continues his role as a director of Karl Thomson Financial Group Limited, a wholly owned subsidiary of Wisdom Wealth.

Mr. Lam was awarded the Medal of Honor by the Hong Kong Special Administrative Region (the “HKSAR”) in 2009. On 30 June 2017, Mr. Lam was appointed as Justice of the Peace by the Chief Executive of the HKSAR. In July 2017, he was appointed as honorary consul of the Republic of Senegal in Hong Kong.

In 2013, he was appointed as a committee member of the Shaanxi Provincial Committee of the Chinese People’s Political Consultative Conference. Given his contributions to the committee, he was elected as the standing committee member in 2018 and holds such position since then.

As far as community services are concerned, Mr. Lam hosts a number of posts in various charitable organizations and schools. Mr. Lam was appointed as the Chairman of the Board of Pok Oi Hospital for the period 2008 to 2009 and currently he is a permanent advisor of the Board of Pok Oi Hospital.

In 2014, Mr. Lam allied with other charity leaders and formed a new charitable organization called Hong Kong Shine Tak Foundation. This charitable organization targets to motivate elites in community to engage in various projects in order to bring a positive value to the young people and to build a society of peace and harmony. Mr. Lam is the Chairman of this foundation.

Mr. Lam also holds various other position in public service and renowned charitable organizations, including being (i) member of Appeal Board on Public Meetings and Processions and (ii) the officer-in-charge of the Constitutional and Mainland Affairs Committee of the HKCPPCC (Provincial) Members Association.

Mr. Nam Kwok Lun

Mr. Nam Kwok Lun, aged 66, is the Deputy Chairman of ATNT. He joined the ATNT Group in 2005. He is responsible for overall strategic planning, day to day operations, execution and further development. Mr. Nam is the elder brother of Mr. Lam Kwok Hing.

Mr. Nam has over 40 years’ experience in the securities trading, fund management and financial advisory services. Mr. Nam was the executive director of Wisdom Wealth from year 2000 until 15 September 2023. He continues his role as a director of Karl Thomson Financial Group Limited, a wholly owned subsidiary of Wisdom Wealth. In Wisdom Wealth, Mr. Nam is in charge of the day-to-day operations of stockbroking, futures and options broking and securities margin financing businesses.

He is an honorary president of Hong Kong Immigration Assistant Union and an honorary consultant of Hong Kong Securities and Futures Professionals Association.

1.2 Information of the Company

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

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

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

1.3 Historical financial performance

Set out below are the summary of the Company's audited statements of financial position for each of the two years ended 31 December 2023 and 2024, as extracted from Appendix III to the Composite Document:

	As at 31 December	
	2023	2024
	Approximate	Approximate
	HK\$'000	HK\$'000
Non-current assets		
– Interest in subsidiary <i>(Note 1)</i>	53,398	53,398
Current assets		
– Other receivable	–	95
– Investment at FVTPL <i>(Note 2)</i>	2,413	1,568
– Time deposits	–	1,200
– Bank balances	1,712	313
Current liabilities		
– Creditors and accrued charges	112	111
Net current asset	4,013	3,065
Total assets less current liabilities	57,411	56,463
Capital and reserves		
– Share capital	21,118	21,118
– Reserves	<u>36,293</u>	<u>35,345</u>
Total equity	<u><u>57,411</u></u>	<u><u>56,463</u></u>

Notes:

- (1) Represents the 201,995,834 ATNT Shares held by the Company, which is approximately 52.79% of all ATNT Shares in issue.
- (2) Represents the market value of 6,032,000 shares of Yanchang Petroleum International Ltd. (346) held by the Company. The change in value reflects the change in share price of the underlying securities.

As the Company holds more than half of the issued share capital of ATNT, in accordance with the requirements set out in the HKFRS and Hong Kong Company Ordinance, the Company is required to prepare and include consolidated financial statements in its annual audited reports. Set out below is the consolidated financial information of the Group for the two financial years ended 31 December 2024 and 2023 prepared in accordance with Hong Kong Financial Reporting Standards, as extracted from Appendix III to the Composite Document:

	For the year ended 31 December	
	2023	2024
	<i>Approximate HK\$'000</i>	<i>Approximate HK\$'000</i>
Revenue	431,288	419,112
Gross profit	110,570	120,807
Profit/(loss) for the year	299,671	(14,614)
Profit/(loss) for the year attributable to owners of the Company	151,492	(8,403)
	As at 31 December	
	2023	2024
	<i>Approximate HK\$'000</i>	<i>Approximate HK\$'000</i>
Current assets	866,159	920,072
Non-current assets	1,273,979	1,090,836
Total assets	2,140,138	2,010,908
Net current asset	231,002	355,471
Total liabilities	667,059	594,770
Equity attributable to owners of the Company	757,205	749,220

Based on the audited consolidated financial information of the Group as at 31 December 2024, the consolidated total assets and consolidated net assets attributable to the Shareholders were approximately HK\$2,010,908,000 and HK\$749,220,000, respectively. For further details in relation to the financial information of the Group, please refer to Appendix III to the Composite Document.

As the significant majority of the asset of the Company is the 201,995,834 ATNT Shares held by it (i.e. interest in a subsidiary), representing approximately 94.4% of the total assets of the Company for the year ended 31 December 2024, financial performance of ATNT inevitably affects the consolidated financial result of the Company. For Independent Shareholders' ease of reference, set out below are the summary of financial statements of ATNT, as extracted from ATNT's annual report for the year ended 31 December 2024 (the "ATNT Annual Report 2024") and ATNT's interim report for the six months ended 30 June 2025 (the "ATNT Interim Report 2025"):

	For the year ended 31 December		For the six months ended 30 June	
	2023	2024	2024	2025
	<i>Approximate</i>	<i>Approximate</i>	<i>Approximate</i>	<i>Approximate</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)	(unaudited)	(unaudited)
Revenue	431,288	419,112	220,573	236,944
Gross profit	110,570	120,807	60,844	70,693
Profit/(loss) for the year/period	304,102	(13,655)	29,043	14,396
Profit/(loss) for the year/period attributable to owners of the Company	304,179	(14,100)	29,060	14,481
	As at 31 December		As at	
	2023	2024	30 June	2025
	<i>Approximate</i>	<i>Approximate</i>	<i>Approximate</i>	<i>Approximate</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)	(unaudited)	
Current assets	862,034	916,897	994,766	
Non-current assets	1,273,979	1,090,836	1,069,712	
Total assets	2,163,013	2,007,733	2,064,478	
Net current asset	226,956	352,404	394,960	
Total liabilities	666,980	594,662	630,977	
Equity attributable to owners of the Company	1,469,072	1,412,690	1,433,276	

For details in relation to the historical financial performance of ATNT, please refer to the ATNT Annual Report 2024 and the ATNT Interim Report 2025 for subsequent performance of ATNT up to the six months ended 30 June 2025.

2. Background of the Offer

2.1 Background of the Offer

On behalf of the Offeror, Innovax Capital Limited hereby make a voluntary conditional general cash offer to acquire all the Shares not already owned by the Offeror and parties acting in concert with it on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

For each Offer Share HK\$1.85 in cash

Further details of the terms of the Offer, including the procedures for acceptance and settlement of the Offer, are set out in the Letter from Innovax Capital as contained in the Composite Document.

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

2.2 Intention of the Offeror regarding the Company

The Offeror is principally engaged in investment holding activities. As at the Latest Practicable Date, the Offeror and parties acting in concert with it are interested in 102,511,061 Shares, representing approximately 98.63% of the issued share capital of the Company.

According to the Letter from Innovax Capital, by way of streamlining the Company's shareholding structure, the Offeror aims to reduce the administrative costs and thereby enhancing the overall operation efficiency of the Company. In addition, the Offeror has been informed that the Board has from time to time received enquiries from certain of its Shareholders who are interested in disposing of the Shares being held by them. Given that the Shares will not be listed on the Stock Exchange or any other stock exchange, it will be difficult, if not impossible, for holders of the Shares to liquidate their holdings in the Shares. The Offeror considers, in these circumstances, that it is appropriate to provide the Independent Shareholders with an opportunity to realise their holdings in the Shares by making the Offer.

For details on the background of the Offer, please refer to the paragraphs headed "Reasons and Benefits of the Offeror and the Offeror's Intention on the Group" in the Letter from Innovax Capital.

3. Business prospect and outlook of ATNT

We noted that the significant majority of the asset of the Company is the 201,995,834 ATNT Shares held by it (i.e. interest in a subsidiary), representing approximately 94.4% of the total assets of the Company for the year ended 31 December 2024. As the shares of ATNT are listed on the main board of the Stock Exchange, we have reviewed the published financial statements of ATNT to understand the business operation and financial performance of ATNT to reflect the business prospect and outlook of the Group.

According to the Letter of the Board, the ATNT Group is mainly engaged in electroplating equipment business, property investment and treasury management.

According to the ATNT Annual Report 2024 and the ATNT Interim Report 2025, the electroplating business represents approximately 89.7% and 90.2% of the total revenue for ATNT for the year ended 31 December 2024 and the six months ended 30 June 2025, respectively. Within the electroplating business, contract works in respect of design, manufacturing and sales of custom-built electroplating machinery and other industrial machinery contributes approximately HK\$299.5 million and HK\$167.2 million for the same periods concerned, respectively, which translates into 79.7% and 78.3% of ATNT's revenue in the electroplating business for the same periods concerned, respectively. Accordingly, the electroplating business is the major business segment of ATNT, with contract works in respect of design, manufacturing and sales of custom-built electroplating machinery and other industrial machinery contributing most.

ATNT also disclosed in the same financial reports that it recorded net loss attributable to owners of ATNT of approximately HK\$14.1 million for the year ended 31 December 2024 and net profit attributable to owners of ATNT of approximately HK\$14.5 million for the six months ended 30 June 2025, respectively.

We noted that in the ATNT Annual Report 2024 and the ATNT Interim Report 2025 that ATNT's two main markets driving their revenue in electroplating business are the printed circuit boards used in smartphone and car. We also noted that in the ATNT Interim Report 2025 that ATNT expected year 2025 as a whole remains to be a very challenging year for its business sectors, as ongoing trade disputes continue to generate a broad-based downshift in growth for ATNT.

ATNT has been loss-making for the recent financial years since the year ended 31 December 2021 (save for the year ended 31 December 2023, which was profit-making due to the reversals of impairment loss under ECL model). As (i) the global uncertainty and weak demand in smartphone resulting in sluggish year-over-year growth of approximately 1.0% in global smartphone shipments in 2025Q2, as reported in the Worldwide Quarterly Mobile Phone Tracker Report published in July 2025 by International Data Corporation, a global provider for market intelligence company focused on information technology, telecommunications and consumer technology markets and a wholly-owned subsidiary of International Data Group, which was founded in 1964 and owned by Blackstone Inc., and (ii) the developing trend to use less chrome-plating that may bring negative effect over the equipment demand in the car industry, as detailed in the ATNT Interim Report 2025, the industry outlook for the two main market drivers of ATNT's electroplating business is challenging with uncertainties. Taking into account of the above, we are of the view that the prospect and outlook of ATNT, which is the majority of the assets held by the Company, is challenging and uncertain.

4. Our analysis on the Offer Price

4.1 Basis of determining the Offer Price

As disclosed in the Letter from Innovax Capital, the offer price of HK\$1.85 per Offer Share is determined with reference to the value of the 201,995,834 ATNT Shares being held by the Company, being the substantial asset of the Company, based on the average closing price of the ATNT Shares, which are listed on the Stock Exchange, for the period from 1 September 2025 to 30 September 2025, being approximately HK\$0.948 per ATNT Share.

The offer price of HK\$1.85 per Offer Share represents a discount of approximately 74.34% to the consolidated net asset value attributable to owners of the Company per Share of approximately HK\$7.21 as at 31 December 2024, calculated based on (i) the Group's audited consolidated net assets attributable to owners of the Company of approximately HK\$749,220,000 as at 31 December 2024, as disclosed in the annual financial statements of the Company and calculated with reference to the net asset value of ATNT; and (ii) 103,938,695 Shares in issue as at the Latest Practicable Date. For further details in relation to valuation by the independent valuer on the market value of the interest in the properties attributable to the Company and our evaluation, please refer to Appendix IV to the Composite Document and the section headed "4.3 Valuation" in this letter, respectively.

Given that that the Company currently holds 201,995,834 ATNT Shares as at the Latest Practicable Date, for illustrative purpose, the implied market value of the Company, based on the trading value of the ATNT Shares, would be approximately HK\$183.8 million as of the Last Trading Day, based on the closing price of HK\$0.910 per ATNT Share on the same day. Calculated based on 103,938,695 Shares in issue, the implied market value, based on the value of the ATNT Shares held, would have been approximately HK\$1.77 per Share on the Last Trading Day. Further taking into account of the remaining net asset held by the Company of approximately HK\$3.1 million as at 31 December 2024, the adjusted implied market value would have been approximately HK\$1.80 per Share on the Last Trading Day. Accordingly, the Offer Price represents a premium over the implied market value of the Shares based on the value of the ATNT Shares held by the Company and the adjusted implied market value of the Shares further taking into account of the remaining net asset held by the Company on the Last Trading Day.

It is also worth noting that while the underlying ATNT Shares held by the Company are listed on the Stock Exchange, the Shares are not directly listed on any stock exchange, and hence, holders of the Shares may find it difficult to liquidate their holdings in the Shares and the Offer provides a cash exit for the Independent Shareholders to realise all or part of their investment in the Company.

4.2 The Reference Value per ATNT Share

The value of HK\$0.948 per ATNT Share (the “**Reference Value**”), which has been referred to for determining the Offer Price, represents:

- (i) a premium of approximately 4.18% over the closing of HK\$0.910 per ATNT Share on the Last Trading Day;
- (ii) a discount of approximately 35.95% to the closing price of HK\$1.48 per ATNT Share on the Latest Practicable Date;
- (iii) a premium of approximately 2.82% over the average closing price of ATNT Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day of approximately HK\$0.922 per ATNT Share;
- (iv) a premium of approximately 0.64% over the average closing price of ATNT Share as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.942 per ATNT Share;

- (v) a discount of approximately 74.72% to the consolidated net asset value attributable to owners of ATNT per ATNT Share of approximately HK\$3.75 as at 30 June 2025, calculated based on (i) the ATNT Group's unaudited consolidated net assets attributable to owners of ATNT of approximately HK\$1,433,276,000 as at 30 June 2025 as disclosed in the ATNT Interim Report 2025 published on 26 September 2025; (ii) 381,933,400 ATNT Shares in issue as at the Latest Practicable Date; and
- (vi) a discount of approximately 74.38% to the consolidated net asset value attributable to owners of ATNT per ATNT Share of approximately HK\$3.70 as at 31 December 2024, calculated based on (i) the ATNT Group's audited consolidated net assets attributable to owners of ATNT of approximately HK\$1,412,690,000 as at 31 December 2024 as disclosed in the ATNT Annual Report 2024 published on 30 April 2025; (ii) 381,933,400 ATNT Shares in issue as at the Latest Practicable Date.

Given that there are 103,938,695 Shares in the Company and that the Company currently holds 201,995,834 ATNT Shares as at the Latest Practicable Date, accordingly each Share translates into approximately 1.943 ATNT Share(s).

4.3 Valuation

The valuation of the Group's property interests (including but not limited to, interests in land and buildings held by the Group) (collectively, the "**Properties**") as at 31 December 2025 have been conducted by AVISTA Valuation Advisory Limited (the "**Valuer**"). The full text of the valuation report (including the certificates of the Properties) are set out in Appendix IV to the Composite Document (the "**Valuation Report**"). According to the Valuation Report, the market value of the interest in the Properties attributable to the Company was approximately HK\$345.8 million as at 31 December 2025 (the "**Valuation**").

We have reviewed the Valuation Report and discussed with the Valuer the methodology, bases and assumptions adopted in the Valuation and the adjustments made to arrive at the Valuation. We noted that the Valuer has valued those Properties by using the direct comparison approach. As disclosed in the Valuation Report, such approach is based on the assumption that the Properties will be sold in their existing states and by making reference to recent publicly available market sales transactions of comparable properties in the market (the "**Property Comparables**"). According to the Valuer, recent market sales evidences with features similar to the Properties are generally available.

For our due diligence on the Valuation, we have discussed with the independent valuer the basis of the Valuation and raised questions on areas where we require further explanation. After our discussion with the Valuer and our review of the Valuation Report, we understand that the information of recent market transactions of sales and/or listings of comparable properties was derived from the sales of comparable properties located in the same building(s) and/or areas close to the Properties, depending on the nature of the Properties. Based on our discussion with the Valuer and our review, we noted that the Properties were valued by making reference to the average price of the Property Comparables and were then adjusted by, among others, the timing difference between the transaction dates of the Property Comparables and the date of the Valuation, location, floor level, age and size of the Property Comparables, where relevant, and/or the location and floor level of the Property Comparables, depending on the nature of the Properties.

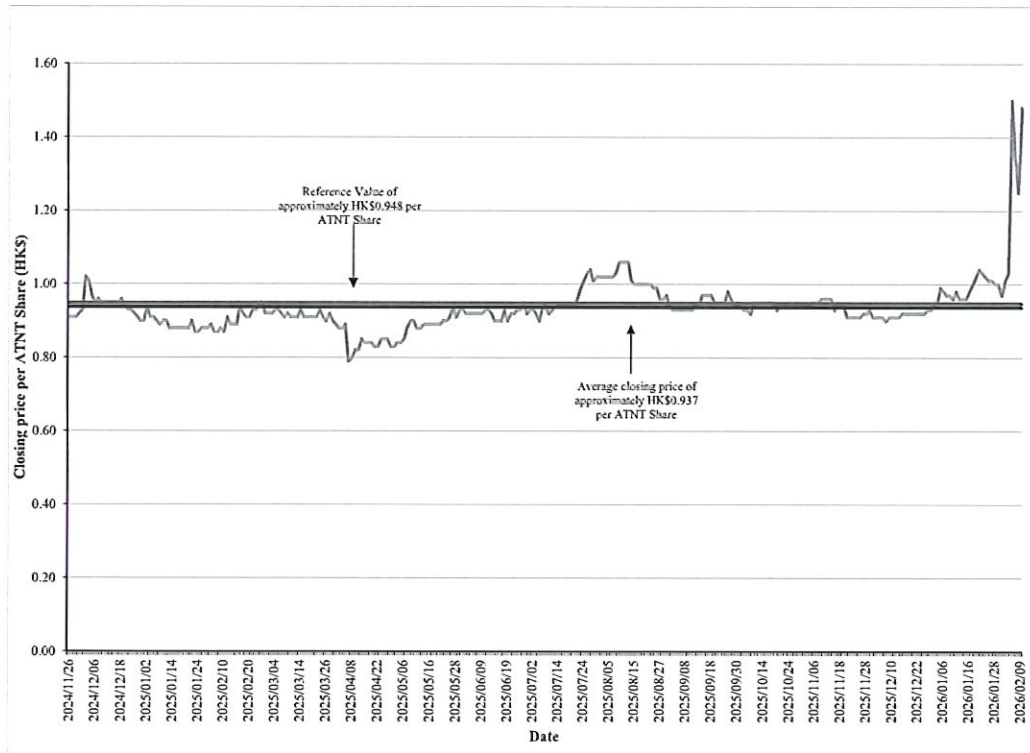
We understand that the above valuation methodology is a commonly adopted and reasonable approach in establishing the respective market values of the Properties. Further to the above, we have assessed the qualifications and experience of the responsible person of the Valuer for its engagement as the independent valuer for the Valuation. We noted that Mr. Vincent C B Pang, the responsible person in charge of the Valuation, is a member and a registered valuer of the Royal Institute of Chartered Surveyors, who has over 15 years of experience in the valuations of properties in Hong Kong, the PRC, the U.S. and East and Southeast Asia. In addition, we have also reviewed the Valuer's terms of engagement and noted that the scope of work is appropriate for arriving at the opinion in the Valuation. Nothing has come to our attention that the Company has made any formal or informal representation to the Valuer that contravenes our understanding of the Valuation. The Valuer has also confirmed that the Valuation has been prepared in accordance with The HKIS Valuation Standards (2020 Edition) published by The Hong Kong Institute of Surveyors, The RICS Valuation – Global Standards published by The Royal Institution of Chartered Surveyors and the International Valuation Standards (IVS) published by The International Valuation Standards Council; and are in compliance with the Takeovers Code.

Based on our review of the work done by the independent valuer, we are of the view that the basis and assumptions in arriving at the Valuation is fair and reasonable.

In evaluating the Offer, we have taken into account the adjusted consolidated net asset value (“NAV”) attributable to the Shareholders (the “Adjusted NAV”) provided by the Company, which is calculated based on the audited consolidated NAV attributable to the Shareholders as at 31 December 2024 and adjusted with reference to the Valuation as at 31 December 2025. The Adjusted NAV per Share would have been approximately HK\$6.74, calculated based on (i) the Group's audited consolidated net assets attributable to owners of the Company of approximately HK\$749,220,000 as at 31 December 2024, as disclosed in the annual financial statements of the Company and calculated with reference to the net asset value of ATNT; (ii) the revaluation deficit, being the difference in the market value of the interest in the Properties attributable to the Company of approximately HK\$345.8 million as at 31 December 2025, minus the corresponding book value of approximately HK\$394.7 million as at 31 December 2024; and (iii) 103,938,695 Shares in issue as at the Latest Practicable Date. Accordingly, the Offer Price of HK\$1.85 represents a discount of approximately 72.54% to the Adjusted NAV per Share.

4.4 Historical prices and liquidity of the ATNT Shares

For the purpose of assessing the fairness and reasonableness of the Offer Price, we have reviewed the movements in the closing price of the ATNT Shares for the Review Period. We consider that the length of the Review Period to be reasonably long enough to illustrate the historical trend of the closing price of the ATNT Shares. Set out below is the chart showing the daily closing price of the ATNT Shares as quoted on the Stock Exchange during the period commencing from 26 November 2024, being the twelve-month period from the date of the Joint Announcement and up to the Latest Practicable Date (the “Review Period”) and compare such closing prices of the ATNT Shares with the Reference Value per ATNT Share:



During the Review Period, the closing prices of the ATNT Share ranged from HK\$0.79 per ATNT Share to HK\$1.5 per ATNT Share. We noted that the Reference Value per ATNT Share of HK\$0.948 represents a premium of approximately 1.1% over the average closing price per ATNT Share of approximately HK\$0.937 during the Review Period.

For the purpose of assessing the liquidity of the ATNT Shares, we have also reviewed the trading volume of the ATNT Shares during the Review Period based on the information available from the Stock Exchange:

	Number of trading days (No. of ATNT Shares)	Average daily trading volume (No. of ATNT Shares)	Percentage of average daily trading volume/Total number of ATNT Shares (Approximate)	Percentage of average daily trading volume/Total number of ATNT Shares in public (Approximate)
2024				
November (from 26 November 2024)	4	12,500	0.0033%	0.0069%
December	20	145,575	0.0381%	0.0809%
2025				
January	19	58,237	0.0152%	0.0324%
February	20	122,900	0.0322%	0.0683%
March	21	70,810	0.0185%	0.0394%
April	19	71,877	0.0188%	0.0399%
May	20	48,025	0.0126%	0.0267%
June	21	132,976	0.0348%	0.0739%
July	22	121,591	0.0318%	0.0676%
August	21	53,167	0.0139%	0.0295%
September	22	114,933	0.0301%	0.0639%
October	20	47,025	0.0123%	0.0261%
November	20	21,575	0.0056%	0.0120%
December	21	141,992	0.0372%	0.0789%
2026				
January	21	183,262	0.0480%	0.1018%
February (up to the Latest Practicable Date)	6	1,801,333	0.4716%	1.0011%

The average daily trading volume of the ATNT Shares on the Stock Exchange amounted to approximately 129,502 ATNT Shares during the Review Period, representing a range from approximately 12,500 ATNT Shares during the period from 26 to 30 November 2024 to approximately 1,801,333 ATNT Shares during the period from 2 February 2026 to the Latest Practicable Date, or approximately 0.0033%, and approximately 0.0069%, during the period from 26 to 30 November 2024 to approximately 0.4716%, and approximately 1.0011%, during the period from 2 February 2026 to the Latest Practicable Date in terms of percentage to the total number of total issued ATNT Shares and percentage to the total number of ATNT Shares in public hands as at the end of the respective month/period, respectively.

There are only 43 out of 297 trading days during the Review Period which recorded trading volume of more than 0.05% of the issued share capital of ATNT and only 21 out of 297 trading days during the Review Period which recorded trading volume of more than 0.1% of the issued share capital of ATNT. This indicates that the liquidity of the ATNT Shares had been generally thin during the Review Period.

As such, we consider that that given such low liquidity of the ATNT Shares, any attempt to liquidate significant volume in ATNT Shares may cause considerable downward pressure on the price of ATNT Shares. As the Company is a non-listed company, the Shares are not as liquid as compared to the Peer Comparables that are listed. The concept of marketability deals with the liquidity of an ownership interest, that is how quickly and easily it can be converted into cash if the owner chooses to sell. Marketability discount reflects the fact that there is no ready market for shares in non-listed companies, which are typically not readily marketable as compared to similar interest in listed companies. Therefore, the shares in a non-listed company usually worth less than the comparable shares in a listed company. Taking into account of the non-listed status of the Company, where marketability discount is usually considered, and with the Reference Value per ATNT Share representing a premium of approximately 1.1% over the average closing price of approximately HK\$0.937 per ATNT Share during the Review Period, we are of the view that the Offer Price is fair and reasonable to the Independent Shareholders from the perspective of the liquidity of the Shares.

4.5 Peer Comparables

In order to further assess the fairness and reasonableness of the Offer Price, we consider that it is relevant to assess the Offer Price by making reference to companies which are principally engaged in business similar to that of the Group. With reference to the Letter from the Board, the significant majority of the asset of the Company is the 201,995,834 ATNT Shares held by it (i.e. interest in a subsidiary), representing approximately 94.4% of the total assets of the Company for the year ended 31 December 2024. Accordingly, we make reference to companies which are principally engaged in business similar to that of ATNT to reflect the same of the Group.

According to the Letter of the Board, the ATNT Group is mainly engaged in electroplating equipment business, property investment and treasury management.

We have considered the price-to-book ratio (the “**P/B Ratio**”), the price-to-earnings ratio (the “**P/E Ratio**”), price-to-sales ratio (the “**P/S Ratio**”) and dividend yield (the “**Dividend Yield**”) which are commonly adopted trading multiple analyses. Given that the Group was loss-making for the latest financial year ended 31 December 2024 on a consolidated basis, we were unable to analyse with reference to P/E Ratio. As fluctuation in revenue for the Company and/or any of the Peer Comparables would distort the results of analysis on P/S Ratio, and P/S Ratio does not reflect the cost structure differences between different companies. Given the aforesaid limitations, P/S Ratio analysis is not included in our analysis below.

In addition, the Company acts as a passive investor to the investee companies, does not participate in the operations and financial decisions of the investee companies and is looking for receiving dividend income from its investees and possible gain from disposal of shares in the investee companies as an investment holding company. Accordingly, we consider the P/B Ratio and the Dividend Yield to be appropriate indicators of the fair values of the comparable companies.

Based on the Offer Price of HK\$1.85 per Offer Share and the total number of issued Shares of 103,938,695 as at the Latest Practicable Date, the Company is valued at approximately HK\$192.3 million. The P/B Ratio of the Company implied by the Offer Price is approximately 0.26 times (the “**Implied P/B Ratio**”) based on the consolidated net asset value of the Group of approximately HK\$749.2 million as at 31 December 2024. The Dividend Yield implied by the Offer Price is approximately 3.16%, based on the dividend declared by the Company during the year ended 31 December 2024 of HK\$0.0585 per Share (the “**Implied Dividend Yield**”).

For the purpose of comparison, we have conducted a search of comparable companies which meet the criteria of (i) having listed on the Main Board of the Stock Exchange on or before the Latest Practicable Date; and (ii) being principally engaged in the manufacturing of electroplating equipment and machineries, the sales of spare parts of such machineries, and the provision of related repairs and maintenance services. However, according to our search result based on such criteria, we noted that none of the companies listed on the Main Board of the Stock Exchange was principally engaged in the exact same business as that of the Group. As such, we have broadened the aforesaid criteria to being principally engaged in the manufacturing of industrial equipment and machineries and/or the provision of related repairs and maintenance services, with more than 50% of the total revenue attributable to such businesses.

Based on the abovementioned criteria, we have identified 16 Peer Comparables by searching through published information on the Stock Exchange's website. Based on our search conducted according to the abovementioned criteria, the list of Peer Comparables is an exhaustive list of companies meeting the abovementioned criteria, save for the exclusion of ATNT. Although the subject companies that constitute the Peer Comparables may have different market capitalisations, because the Company, as an investment holding company looking for receiving dividend income from its investees and possible gain from disposal of shares in the investee companies throughout the years, has been acting as a passive investor to the investee companies where market capitalisation is not the primary determinant for comparison nor the principal factor in making investment decisions. Instead, the trading multiples of the investee companies are the principal and major deciding factors in making such passive investment decisions. As including a market capitalisation cutoff would unduly reduce the sample size of the Peer Comparables, accordingly, we did not limit the market capitalisation in selecting the list of subject companies of the Peer Comparables, having considered the exhaustive list of Peer Comparables having met the selection criteria, we are of the view that the Peer Comparables are representative samples and it is fair and reasonable for the Peer Comparables to represent companies similar to that of the Company for comparison purpose and thus provide a meaningful reference of the valuation based on market trading prices of listed companies for the Independent Shareholders to take reference of.

The table below illustrates the market capitalisation and net asset value of the Peer Comparables as well as the calculated P/B Ratio and the Dividend Yield:

Company name (Stock code)	Principal activities	Market capitalisation as at the Last Trading Day	Net asset value	P/B ratio (Note 1)	Dividend yield (Note 2)
Chen Hsong Holdings Ltd (57)	Plastic injection moulding machines and related products	HK\$1,046.7 million	HK\$3,081.6 million	0.34 times	7.1%
Yusei Holdings Ltd (96)	Moulding fabrication, manufacturing, and trading of moulds and plastic components	HK\$394.7 million	RMB981.7 million	0.37 times	2.3%
Cosmos Machinery Enterprises Ltd (118)	Manufacturing of machinery, processing and manufacturing of plastic products	HK\$206.9 million	HK\$1,260.1 million	0.16 times	0%
Lung Kee Group Holdings Limited (255)	Manufacturing and marketing of mould bases and related products	HK\$1,163.6 million	HK\$1,600.5 million	0.73 times	12.5%

Company name (Stock code)	Principal activities	Market capitalisation as at the Last Trading Day	Net asset value	P/B ratio (Note 1)	Dividend yield (Note 2)
Sino ICT Holdings Ltd (365)	Manufacturing and sales of SMT equipment and semiconductor equipment	HK\$429.2 million	HK\$232.8 million	1.84 times	0%
L.K. Technology Holdings Limited (558)	Manufacturing and sales of hot and cold chamber die- casting machines, plastic injection molding machines, computer numerical control machines and related accessories	HK\$4,297.8 million	HK\$1,990.2 million	2.16 times	2.4%
CHTC Fong's International Co. Ltd (641)	Manufacture and sales of dyeing and finishing machines and stainless steel casting products, and trading of stainless steel supplies	HK\$286.1 million	HK\$1,074.3 million	0.27 times	0%
China High Speed Transmission Equipment Group Co., Ltd. (658)	Manufacturing and sales of gear products	HK\$2,551.1 million	RMB12,841.7 million	0.18 times	0%
EVA Precision Industrial Holdings Ltd (838)	Manufacture and sale of precision metal and plastic moulds and components	HK\$1,747.7 million	HK\$3,260.5 million	0.54 times	4.2%
Precision Tsugami (China) Corporation Ltd. (1651)	Manufacturing and sales of high precision computer numerical control machine tools	HK\$11,285.3 million	RMB3,364.4 million	3.05 times	3.2%
Haitian International Holdings Limited (1882)	Manufacturing, distribution and sales of plastic injection molding machines and parts	HK\$34,760.9 million	RMB21,626.1 million	1.46 times	3.4%
Shinelong Automotive Lightweight Application Ltd (1930)	Design, development, manufacture and sales of customized hot-pressing molds, hyfroforming molds and injection molds and customized plastic molds	HK\$231.0 million	RMB359.2 million	0.59 times	2.1%

Company name (Stock code)	Principal activities	Market capitalisation as at the Last Trading Day	Net asset value	P/B ratio (Note 1)	Dividend yield (Note 2)
Morimatsu International Holdings Co. Ltd. (2155)	Manufacturing of pressure equipment and provision of integrated pressure equipment solutions	HK\$10,897.4 million	RMB5,289.6 million	1.88 times	1.7%
TK Group (Holdings) Ltd. (2283)	Manufacturing, sales, subcontracting, fabrication and modification of molds and plastic components, ultra-large standard molds and high-precision molds	HK\$2,058.2 million	HK\$1,682.6 million	1.22 times	9.2%
Chongqing Machinery & Electric Co., Ltd (2722)	Production and sales of clean energy equipments	HK\$6,706.0 million	RMB8,372.1 million	0.73 times	2.1%
KFM Kingdom Holdings Ltd. (3816)	Manufacture and sale of metal stamping, computer numerical control, sheet metal processing, product assembly and precision metal products	HK\$282.0 million	HK\$554.4 million	0.51 times	2.8%
	Minimum			0.16 times	0%
	Average			1.00 times	3.3%
	Maximum			3.05 times	12.5%
The Offer		HK\$192.3 million (3)	HK\$749.2 million (4)	0.26 times (5)	3.16% (6)

Source: the website of the Stock Exchange (www.hkex.com.hk) and the financial reports of the respective Peer Comparables

Notes:

- 1) The P/B Ratios of the Peer Comparables are calculated based on the market capitalisation of the respective Peer Comparables as at the Last Trading Day, divided by the net assets value of the respective Peer Comparables as extracted from their respective latest published interim or annual results as at the Last Trading Day.
- 2) Dividend yields of the Peer Comparables are calculated based on the total dividend declared by the respective Peer Comparables during the latest full financial year, divided by the share price of the respective Peer Comparables as at the Last Trading Day.
- 3) The theoretical market capitalization of the Company is calculated based on the Offer Price.

- 4) The net asset value of the Group as at 31 December 2024.
- 5) The Implied P/B Ratio is calculated based on the theoretical market capitalisation of the Company with reference to the Offer Price.
- 6) The Implied Dividend Yield of the Company is calculated based on the dividend declared by the Company during the year ended 31 December 2024 of HK\$0.0585 per Share, divided by the Offer Price.
- 7) For the purpose of this table, the translation of RMB into HK\$ is based on the exchange rate of RMB0.91030 to HK\$1 as quoted by China Foreign Exchange Trade System & National Interbank Funding Center on the Last Trading Day.

As illustrated in the table above, the implied P/B Ratio of the Company calculated based on the theoretical market capitalisation of the Company with reference to the Offer Price is approximately 0.26 times, which is lower than that of the average of the P/B Ratios of the Peer Comparables of approximately 1.00 times, but within range of the Peer Comparables of 0.16 times and 3.05 times, based on their respective closing share prices from the perspective of P/B Ratio.

Also as shown in the table above, the Implied Dividend Yield of the Company based on the Offer Price is approximately 3.16%, which is lower than the average of the Dividend Yield of the Peer Comparables of approximately 3.3%, which indicates a lower investment return based on the dividend yield relative to the Offer Price. In other words, the Independent Shareholders are better off accepting the Offer and re-invest in the Peer Comparables in search for better yield from the dividend yield's perspective. Accordingly, we are of the view that the Offer Price relative to dividend is favourable to the Independent Shareholders in this respect.

4.6 Conclusion

In conclusion, we noted that:

- (i) the Offer Price of HK\$1.85 per Share under the Offer was determined with reference to the value of the 201,995,834 ATNT Shares being held by the Company, being the substantial asset of the Company, based on the average closing price of the ATNT Shares, which are listed on the Stock Exchange, for the period from 1 September 2025 to 30 September 2025, being approximately HK\$0.948 per ATNT Share, as discussed in paragraphs headed "4.1 Basis of determining the Offer Price" in this letter;

- (ii) the Reference Value of HK\$0.948 per ATNT Share represents a premium of approximately 1.1% over the average closing price of approximately HK\$0.937 per ATNT Share during the Review Period and a premium of approximately 4.18% over the closing price of HK\$0.910 per ATNT Share on the Last Trading Day, as discussed in paragraphs headed “4.2 The Reference Value per ATNT Share” in this letter;
- (iii) the Shares are not listed on any stock exchange, where marketability discount is usually considered, and the liquidity of the underlying ATNT Shares had also been generally thin during the Review Period, where hence any attempt to liquidate significant volume in ATNT Shares may cause considerable downward pressure on the price of ATNT Shares, as discussed in paragraphs “4.4 Historical prices and liquidity of the ATNT Shares” in this letter;
- (iv) although the Implied P/B Ratio represented by the Offer Price is lower than the average P/B Ratio of the Peer Comparables, Independent Shareholders should note that the Company is a non-listed company, where marketability discount is usually considered when comparing to an average listed company engaged in similar businesses, and that the P/B Ratio represented by the Offer Price is still within the range of the P/B Ratio of the Comparable Companies, as discussed in paragraphs headed “4.5 Peer Comparables” in this letter; and
- (v) the Implied Dividend Yield of the Company based on the Offer Price is lower than the average of the dividend yield of the Peer Comparables, which indicates a lower investment return based on the Dividend Yield relative to the Offer Price, which implies that the Independent Shareholders are better off accepting the Offer and re-invest in the Peer Comparables in search for better yield from the dividend yield’s perspective, as discussed in paragraphs headed “4.5 Peer Comparables” in this letter.

On balance, we are of the view that the Offer Price is fair and reasonable so far as the Independent Shareholders are concerned.

RECOMMENDATION

Having taken into consideration the principal factors and reasons discussed above, in particular that:

- (i) as the Shares are not listed on any stock exchange, holders of the Shares may find it difficult to liquidate their holdings in the Shares and the Offer provides a cash exit for the Independent Shareholders to realise all or part of their investment in the Company;
- (ii) the challenging and uncertain prospect and outlook of ATNT, and in turn of the Group, as discussed in the section headed “3. Business prospect and outlook of the Group” in this letter;
- (iii) the Reference Value of HK\$0.948 per ATNT Share represents a premium of approximately 1.1% over the average closing price of approximately HK\$0.937 per ATNT Share during the Review Period and a premium of approximately 4.18% over the closing price of HK\$0.910 per ATNT Share on the Last Trading Day, as discussed in the paragraphs headed “4.4 Historical prices and liquidity of the ATNT Shares” in this letter;
- (iv) although the Implied P/B Ratio represented by the Offer Price is lower than the average P/B Ratio of the Peer Comparables, Independent Shareholders should note that the Company is a non-listed company where marketability discount is usually considered, and accordingly may have a lower valuation than an average listed company engaged in similar businesses and that the P/B Ratio represented by the Offer Price is still within the range of the P/B Ratio of the Comparable Companies, as discussed in paragraphs headed “4.5 Peer Comparables” in this letter; and
- (v) the Implied Dividend Yield of the Company based on the Offer Price is lower than the average of the dividend yield of the Peer Comparables, which indicates a low investment return based on the Dividend Yield relative to the Offer Price, which implies that the Independent Shareholders are better off accepting the Offer and re-invest in the Peer Comparables in search for better yield from the dividend yield’s perspective, as discussed in paragraphs headed “4.5 Peer Comparables” in this letter,

on balance, we are of the opinion that the Offer provides a cash exit for the Independent Shareholders to realise all or part of their investments in the Company and that the Offer is fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to accept the Offer.

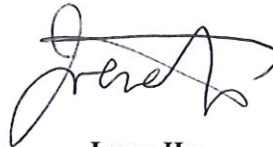
Independent Shareholders are advised that their decision to realise or to hold their investment in the Shares depends on their own individual circumstances and investment objectives. Those Independent Shareholders who wish to retain part or all of their shareholding in the Company should note that they may find it difficult to liquidate their holdings in the Shares as the Shares are not and will not be listed on any stock exchange. Accordingly, those Independent Shareholders should carefully consider the future intentions of the Offeror regarding the Company after the close of the Offer, details of which are set out in the Letter from Innovax Capital.

Yours faithfully,
For and on behalf of
Alpha Financial Group Limited



Cheng Chi Ming, Andrew
Managing Director

Yours faithfully,
For and on behalf of
Alpha Financial Group Limited



Irene Ho
Vice President

Mr. Cheng Chi Ming, Andrew is the Managing Director of Alpha Financial Group Limited and is licensed under the SFO as a Responsible Officer to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. Mr. Cheng has over 22 years of experience in the corporate finance industry in Hong Kong.

Ms. Irene Ho is the Vice President of Alpha Financial Group Limited and is licensed under the SFO as a Responsible Officer to conduct Type 6 (advising on corporate finance) regulated activities. Ms. Ho has over 11 years of experience in the corporate finance industry in Hong Kong.