The following is the full text of a letter of advice from Rainbow Capital (HK) Limited, the Independent Financial Adviser to the Independent Board Committee in respect of the Offer, which has been prepared for the purpose of incorporation in this Composite Document.

19 November 2026

To the Independent Board Committee

Dear Sir or Madam,

UNCONDITIONAL MANDATORY GENERAL CASH OFFER BY SHANGGU SECURITIES LIMITED FOR AND ON BEHALF OF INNOVATION FORGE HOLDINGS LIMITED TO ACQUIRE ALL THE ISSUED VOTING SHARES IN RITAMIX GLOBAL LIMITED (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY THE PURCHASERS AND PARTIES ACTING IN CONCERT WITH THEM)

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser 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 Independent Shareholders dated 19 November 2026, 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 25 September 2026, after trading hours, the Purchasers, the Vendors and the Vendor Guarantors entered into the Sale and Purchase Agreement. The Sale Shares comprise an aggregate of 363,816,000 Shares, representing approximately 77.08% of all the issued Shares and approximately 77.94% of the issued Voting Shares as at the Latest Practicable Date. Completion took place on 6 November 2026.

Immediately before entering into the Sale and Purchase Agreement, none of the Purchasers or parties acting in concert with either of them held, controlled or had direction over any Shares. Following Completion, the Purchasers and parties acting in concert with either of them hold, control or have direction over an aggregate of 363,816,000 Shares, representing approximately 77.08% of all the issued Shares and approximately 77.94% of the issued Voting Shares as at the Latest Practicable Date. Pursuant to Rule 26.1 of the Takeovers Code, Completion gave rise to an obligation on the part of the Purchasers or parties acting in concert with either of them to make an unconditional mandatory cash offer to acquire all the Offer Shares. Shanggu Securities, for and on behalf of the Offeror, is making the Offer to acquire all the Offer Shares at the Offer Price of HK$0.6170 per Offer Share.

Pursuant to Rules 2.1 and 2.8 of the Takeovers Code, the Independent Board Committee, comprising all the independent non-executive Directors (namely, Ms. Ng Siok Hui, Mr. Lim Chee Hoong and Ms. Tee Pao Hwei) who have no direct or indirect interest in the Offer, has been established to give a recommendation to the Independent Shareholders as to whether the Offer is fair and reasonable and as to the acceptance of the Offer. We, Rainbow Capital (HK) Limited, have been appointed as the Independent Financial Adviser 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.

As at the Latest Practicable Date, we are not associated or connected financially or otherwise with the Company, the Vendors, the Purchasers, their respective substantial shareholders and professional advisers, or any party 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 Vendors, the Purchasers, or any party 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 Vendors, the Purchasers, or any party 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 2025 (the "**2025 Annual Report**") and the interim report of the Company for the six months ended 30 June 2026 (the "**2026 Interim Report**"); (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.

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 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 Independent 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 Purchasers or any of their respective subsidiaries and associates.

We have not considered the tax and regulatory implications on the Independent Shareholders of acceptance or non-acceptance of the Offer since these depend on their individual circumstances. In particular, the Independent Shareholders who are 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 FACTORS AND REASONS CONSIDERED

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

1. Background information of the Group

The Group is a Malaysia-based group principally engaged in (i) the distribution of animal feed additives and, to a lesser extent, human food ingredient products; and (ii) the manufacturing of animal feed additive premixes.

Set out below is a summary of (i) the consolidated financial information of the Group for the years ended 31 December 2024 and 2025 ("**FY2024**" and "**FY2025**", respectively) as extracted from the 2025 Annual Report; and (ii) the consolidated financial information of the Group for the six months ended 30 June 2025 and 2026 ("**6M2025**" and "**6M2026**", respectively) as extracted from the 2026 Interim Report:

(i) Financial performance

	6M2026	**6M2025**	**FY2025**	**FY2024**
	RM'000	RM'000	RM'000	RM'000
Revenue	**67,707**	**64,347**	**128,291**	**122,534**
Cost of sales	(51,487)	(50,266)	(100,269)	(96,765)
Gross profit	**16,220**	**14,081**	**28,022**	**25,769**
Gross profit margin	24.0%	21.9%	21.8%	21.0%
Other income and gains	2,090	2,230	3,967	5,336
Selling and distribution costs	(1,452)	(1,331)	(2,759)	(2,691)
Administrative and other operating expenses	(6,440)	(8,115)	(16,100)	(16,309)
Finance costs on lease liabilities	(51)	(26)	(38)	(93)
Loss allowance (net of reversals of loss allowance) on trade receivables	(93)	420	(109)	(551)
Profit before tax	**10,274**	**7,259**	**12,983**	**11,461**
Income tax expense	(2,522)	(2,189)	(3,927)	(3,781)
Profit for the period/year	**7,752**	**5,070**	**9,056**	**7,680**
Profit attributable to equity owners of the Company	**7,870**	**5,205**	**9,273**	**8,276**

FY2025 as compared to FY2024

The Group recorded revenue of RM128.3 million for FY2025, representing an increase of 4.7% from RM122.5 million for FY2024. The increase was primarily driven by the expansion of animal products, particularly vitamins and minerals, as well as the successful launch of a new range of products during FY2025, which received strong market acceptance.

The Group's gross profit margin remained stable at 21.0% and 21.8% for FY2024 and FY2025, respectively. Despite the growth in revenue, the Group's combined selling and distribution costs and administrative and other operating expenses slightly decreased to RM18.9 million for FY2025 from RM19.0 million for FY2024, reflecting the Group's consistent expense management and stable operating expenditure levels.

The Group's profit attributable to equity owners of the Company increased by 12.0% from RM8.3 million for FY2024 to RM9.3 million for FY2025, which was mainly due to the increase in revenue.

6M2026 as compared to 6M2025

The Group recorded revenue of RM67.7 million for 6M2026, representing an increase of 5.3% from RM64.3 million for 6M2025. The increase in revenue was primarily contributed by the successful launch of a new range of products in 2025.

The Group's gross profit margin increased from 21.9% for 6M2025 to 24.0% for 6M2026, mainly attributable to favorable pricing adjustments on high-demand products in conjunction with revenue expansion.

Despite the growth in revenue, the Group's combined selling and distribution costs and administrative and other operating expenses decreased by 16.5% to RM7.9 million for 6M2026 from RM9.4 million for 6M2025, demonstrating the Group's expense control efforts. The reduction in administrative and other operating expenses reflects the favourable foreign exchange translation effect as compared to the previous corresponding period, as well as decrease in project expenditure associated with the Matou Village investment project, details of which were disclosed in the Company's announcement dated 6 July 2023.

The Group's profit attributable to equity holders of the Company increased by 51.2% from RM5.2 million for 6M2025 to RM7.9 million for 6M2026. This notable growth was primarily driven by higher revenue, an expanded gross profit margin, and reduced administrative and other operating expenses.

In addition to comparing the Group's performance against 6M2025, we also reviewed the Group's interim results from 2021 to 2024. We noted that revenue for 6M2026 was higher than the corresponding periods in 2021 and 2023 to 2025, and only slightly below that of the six months ended 30 June 2022. Furthermore, profit attributable to equity holders of the Company for 6M2026 exceeded the levels recorded in the first half of 2021 through 2025. Overall, the Group's interim performance for 2026 was stronger than that of the past five years.

The implied price-to-earnings ratio of the Shares (the "**Implied P/E**") is 12.4 times, which is calculated based on (a) the Offer Price of HK$0.6170 per Offer Share; (b) 466,762,000 Shares in issue (excluding treasury Shares); (c) profit attributable to equity holders of the Company of RM11,938,000 for the trailing twelve months (being the period from 1 July 2025 to 30 June 2026) ; and (d) an exchange rate of RM1.00 to HK$1.9463.

(ii) Financial position

	As at 30 June 2026	As at 31 December 2025	2024
	RM'000	RM'000	RM'000
Non-current assets, including:	**18,003**	**18,361**	**18,400**
— Property, plant and equipment	16,596	16,952	17,018
— Investment properties	644	660	633
— Equity investment	749	749	749
— Deferred tax assets	14	—	—
Current assets, including:	**148,446**	**135,640**	**156,486**
— Inventories	37,606	33,022	36,160
— Trade and other receivables	34,611	32,958	34,232
— Other investments	26,037	25,475	25,101
— Restricted bank balances	710	672	672
— Bank balances and cash	49,482	43,513	60,321
Current liabilities, including:	**16,268**	**10,416**	**39,458**
— Trade and other payables	13,805	9,035	38,432
— Lease liabilities	837	815	839
— Income tax payable	1,626	566	187
Non-current liabilities, including:	**1,033**	**1,582**	**1,724**
— Lease liabilities	627	1,050	1,053
— Deferred tax liabilities	—	126	242
— Other payables	406	406	429
Net assets	**149,148**	**142,003**	**133,704**
Net assets attributable to the Shareholders	**150,434**	**143,171**	**134,665**
Gearing ratio *(Note)*	**1.0%**	**1.3%**	**1.4%**

Note: Gearing ratio is calculated as total debt, which comprised of lease liabilities only, divided by total equity.

The Group's net assets attributable to Shareholders increased by 6.3% from RM134.7 million as at 31 December 2024 to RM143.2 million as at 31 December 2025, and further increased by 5.1% to RM150.4 million as at 30 June 2026.

The increase in FY2025 was primarily attributable to a reduction in other payables, which was partially offset by a decline in bank balances and cash following the payment of a special dividend of approximately HK$51.3 million. For 6M2026, the increase was mainly driven by higher inventories as well as increased bank balances and cash, partially offset by an increase in trade payables, which were in line with the revenue growth. Overall, these movements reflect the net profit generated by the Group during FY2025 and 6M2026.

The Group's gearing ratio decreased from 1.4% as at 31 December 2024 to 1.3% as at 31 December 2025, and further decreased to 1.0% as at 30 June 2026. As the Group did not have any borrowings, the decrease in the gearing ratio reflects the increase in net assets as discussed above.

The implied price-to-book ratio of the Shares (the "**Implied P/B**") is 1.8 times, which is calculated based on (a) the Offer Price of HK$0.6170 per Offer Share; (b) 466,762,000 Shares in issue (excluding treasury Shares); (c) the net assets of RM150,434,000 attributable to the Shareholders as at 30 June 2026; (d) the Special Dividend of HK$135,360,980; and (e) an exchange rate of RM1.00 to HK$1.9463.

(iii) Industry overview

According to the publication of Department of Statistics Malaysia (https://www.dosm.gov.my/uploads/release-content/file_20260515100012.pdf), the real gross domestic product of livestock sector in Malaysia increased by 5.4% from RM17.0 billion in 2023 to RM17.9 billion in 2024. The production of chicken meat, beef and fresh milk in Malaysia increased by 13.7%, 9.6% and 5.7% respectively, in 2024 compared to the previous year. This upward trend extended into 2025, during which the real gross domestic product of livestock sector in Malaysia further increased by 2.2% to RM18.3 billion in 2025.

The government of Malaysia is actively implementing various initiatives to balance food import and export levels. In particular, it is focusing on reducing import dependency particularly for rice and meat commodities through the promotion of local livestock activities, the adoption of modern technologies and the enhancement of domestic production capacity. As part of this effort, the Malaysian government aims to reduce the livestock subsector's reliance on imported feed, thereby ensuring the availability of viable alternatives and mitigating the subsector's exposure to price fluctuations in imported feed. To support these objectives, the Malaysian government has formulated The National Agrofood Policy (2021–2030) (https://www.kpkm.gov.my/en/agro-food-policy/national-agrofood-policy). Under this policy, three action plans have been introduced to support the strategy of reducing dependency on imported feed, including (i) conducting research and development to identify economical and precise feed formulation; (ii) regulation of quality and quantity of palm kernel cake to be used as feed source substitution; and (iii) providing incentive of locally produced feed for local use. These initiatives are expected to strengthen national food security and support sustainable, agriculture-based economic growth.

According to the Grain and Feed Annual report of Malaysia published by the United States Department of Agriculture ("**USDA**") (https://www.fas.usda.gov/data/gain/2026/04/malaysia-grain-and-feed-annual), Malaysia's grain and feed demand is projected to strengthen in 2026 and 2027, driven by continued expansion in the livestock sector, particularly poultry, and steady food consumption growth. The increase in feed demand is closely linked to the structure of Malaysia's livestock industry, where poultry accounts for the largest share of total feed consumption. Broiler production continues to expand in response to increased domestic demand, supported by population growth and the affordability of chicken relative to other protein sources. As poultry production increases, demand for compound feed rises proportionally.

The Group is principally engaged in the distribution and production of animal feed additives. As local livestock activities in Malaysia continue to expand, driving up the production and sales volumes of meat commodities, the market demand for animal feed additives is expected to grow accordingly. Consequently, we remain optimistic about the Group's industry prospects.

(iv) Overall comment

The Group presents as a financially conservative, cash-generative niche animal-nutrition business with a strong balance sheet and a credible growth record. Revenue grew 4.7% in FY2025 and 5.3% in 6M2026, broadly in line with or ahead of the Malaysian livestock sector growth, while attributable profit rose 12.0% and 51.2%, respectively. Gross profit margin expanded from 21.0% in FY2024 to 24.0% in 6M2026, and combined selling and administrative costs were held flat in FY2025 before falling 16.5% in 6M2026. The Group's revenue for 6M2026 was higher than the corresponding periods in 2021 and 2023 to 2025, and only slightly below that of the six months ended 30 June 2022. Furthermore, profit attributable to equity holders of the Company for 6M2026 exceeded the levels recorded in the first half of 2021 through 2025. Overall, the Group's interim performance for 6M2026 was stronger than that of the past five years.

The balance sheet is a clear strength: as at 30 June 2026, the Group had zero borrowings and gearing of just 1.0%. The Group generated net cash of RM14.1 million and RM6.7 million from operating activities for FY2025 and 6M2026, respectively.

As disclosed in the Company's announcements dated 7 October 2026 and 22 October 2026, the Special Dividend of approximately HK$135.4 million is to be funded by, (a) the reallocation of the unutilised net proceeds of approximately HK$56.5 million from the listing of the Shares on the Stock Exchange; and (b) the redemption of fund investments with an aggregate value of approximately RM55.3 million, of which approximately RM41.0 million (equivalent to approximately HK$78.9 million) is intended to be applied towards the payment of the Special Dividend, with the balance to be used as working capital of the Group. The Group expects to remain in a net cash position following the payment of the Special Dividend and the payment of the Special Dividend is not expected to have material adverse impact on the operation of the Group. That said, the reduction in the Group's cash position following the payment of the Special Dividend may, to some extent, limit its ability to expand the scale of its business, which may in turn constrain its growth potential.

The industry backdrop is broadly supportive, with rising Malaysian livestock production, the National Agrofood Policy 2021–2030 promoting reduced imported-feed dependency, and the USDA's projections of strengthening feed demand into 2026 and 2027. However, the livestock sector growth has decelerated from 5.4% in 2024 to 2.2% in 2025, and the industry is poultry-concentrated and policy-sensitive, which could cap volume-led expansion.

Overall, the Group merits a cautiously positive assessment. It is fundamentally sound and financially resilient, and the declaration and payment of the Special Dividend does not, in our view, affect the Group's existing operations for the following reasons: (a) although the declaration and payment of the Special Dividend reduced the Group's cash balance, the Group is expected to continue to maintain a net cash position; (b) the Special Dividend will be funded from the unutilised net proceeds currently held in short-term interest-bearing accounts and from redemption of the Group's investments in funds. These are surplus liquid assets that are not deployed in the Group's business operations, and the payment will not affect the Group's working capital for business operation. As disclosed in the Company's announcement dated 22 October 2026, approximately RM14.3 million of the net proceeds of the redemptions is intended to be used as working capital of the Group; (c) the Group has no borrowings and therefore retains unused borrowing capacity; and (d) the First Vendor and the Vendor Guarantors also have agreed to provide, or procure the provision of, Working Capital Support to the Group.

2. Information on the Purchasers and their intentions regarding the Group

Details on the information on the Purchasers and their intentions regarding the Group are set out in the "Letter from Shanggu Securities" in this Composite Document, which are summarised as follows:

(i) Information on the Purchasers

The First Purchaser is a company incorporated in the British Virgin Islands with limited liability on 22 July 2026 and is an investment holding company established for the purpose of acquiring and holding the First Sale Shares pursuant to the Sale and Purchase Agreement. Save for entering into the Sale and Purchase Agreement, the First Purchaser has not carried on any business since its incorporation. As at Latest Practicable Date, the entire issued share capital of the First Purchaser is legally and beneficially owned by Mr. Wu, who is also its sole director.

The Second Purchaser, which is also the Offeror, is a company incorporated in the British Virgin Islands with limited liability on 21 August 2026 and is an investment holding company established for the purposes of acquiring and holding the Second Sale Shares pursuant to the Sale and Purchase Agreement and making the Offer. Save for entering into the Sale and Purchase Agreement and the Offer, the Second Purchaser has not carried on any business since its incorporation. As at the Latest Practicable Date, the entire issued share capital of the Second Purchaser is legally and beneficially owned by Ms. Zeng, who is also its sole director.

Mr. Wu has over 30 years of experience in the semiconductor sector in both Silicon Valley and the PRC, bringing extensive core technology industry knowledge and resources. He currently leads an investment business focused on artificial intelligence (AI) infrastructure, robotics and other advanced technologies. Mr. Wu holds Bachelor's and Master's degrees in Electrical Engineering from the University of Michigan and Master of Business Administration degree from the University of California, Berkeley.

Ms. Zeng has over 20 years of experience in the investment banking and asset management industry in Hong Kong and Singapore. She currently manages the operations and investor relations of an investment fund business focused on advanced technologies. Ms. Zeng holds a master's degree in Financial Engineering from Nanyang Technological University, Singapore.

(ii) Intention of the Offeror regarding the Group

Following the close of the Offer, it is the intention of the Offeror that the Group will continue to carry on its existing principal business on a long-term basis. The Offeror does not intend to introduce any major changes to the existing operations and business of the Group immediately after the close of the Offer, and will neither redeploy nor dispose of any of the Group's assets (including fixed assets) other than in the ordinary course of business.

As at the Latest Practicable Date, neither Purchaser has entered into any agreement, arrangement or understanding, or commenced any negotiation, to downsize, cease or dispose of any of the existing businesses of the Group. Nevertheless, following the close of the Offer, the Offeror will conduct a detailed review of the Group's existing principal operations and business and its financial position for the purpose of formulating business plans and strategies for the Group's long-term business development, and will explore other business opportunities for the Group. Subject to the results of such review, and should suitable investment or business opportunities arise, the Offeror may consider whether any acquisitions or disposals of assets and/or businesses by the Group would be appropriate in order to enhance its growth. Any such acquisition or disposal will be conducted in compliance with the Listing Rules.

As (a) Mr. Wu and Ms. Zeng have no prior experience in the Group's industry, and (b) with reference to the section headed "Future Intentions of the Offeror regarding the Group" in the Letter from Shanggu Securities, no detailed plan has been formulated to introduce any major changes to the existing operations and business of the Group as at the Latest Practicable Date, we consider that the impact which the Purchasers may have on the Group is uncertain.

3. Offer Price comparison

Since the Special Dividend is not conditional upon Completion and the Offer is made on an ex-Special Dividend basis, the Offer Price shall be assessed with the value of the Shares excluding the Special Dividend. For consistency, we have also adjusted the historical share prices for the Special Dividend in order to make a fair and comparable assessment against the Offer Price. The Offer Price of HK$0.6170 per Offer Share represents:

(i) a discount of approximately 78.91% to the closing price of HK$2.925 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a premium of approximately 6.38% to the closing price of HK$0.5800 per Share as quoted on the Stock Exchange on the Last Trading Day, as adjusted for the Special Dividend;

(iii) a premium of approximately 6.38% to the average closing price of approximately HK$0.5800 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day, as adjusted for the Special Dividend;

(iv) a premium of approximately 4.14% to the average closing price of approximately HK$0.5925 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day, as adjusted for the Special Dividend;

(v) a premium of approximately 7.72% to the average closing price of approximately HK$0.5728 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day, as adjusted for the Special Dividend; and

(vi) a premium of approximately 82.93% over the theoretical unaudited consolidated net asset value attributable to the Shareholders of approximately HK$0.3373 per Share after giving effect to the Special Dividend, calculated as the unaudited consolidated net asset value per Share as at 30 June 2026 of approximately HK$0.6273 less the Special Dividend of approximately HK$0.29 per Share and assuming all other things remain unchanged.

For reference, without adjusting for the Special Dividend, the Offer Price of HK$0.6170 per Offer Share represents:

(i) a discount of approximately 29.08% to the closing price of HK$0.8700 per Share as quoted on the Stock Exchange on the Last Trading Day;

(ii) a discount of approximately 29.08% to the average closing price of approximately HK$0.8700 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;

(iii) a discount of approximately 30.08% to the average closing price of approximately HK$0.8825 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;

(iv) a discount of approximately 28.49% to the average closing price of approximately HK$0.8628 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day;

(v) a discount of approximately 78.91% to the closing price of HK$2.925 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and

(vi) a premium of approximately 82.93% over the theoretical unaudited consolidated net asset value attributable to the Shareholders of approximately HK$0.3373 per Share after giving effect to the Special Dividend, calculated as the unaudited consolidated net asset value per Share as at 30 June 2026 of approximately HK$0.6273 less the Special Dividend of HK$0.29 per Share and assuming all other things remain unchanged.

For reference, for Shareholders whose names appeared on the register of members of the Company on the Record Date, the aggregate of the Offer Price of HK$0.6170 per Offer Share and the Special Dividend of HK$0.29 per Share is HK$0.9070 per Share (i.e. the Aggregate Amount). The Aggregate Amount represents:

(i) a premium of approximately 4.25% over the closing price of HK$0.8700 per Share as quoted on the Stock Exchange on the Last Trading Day;

(ii) a premium of approximately 4.25% over the average closing price of approximately HK$0.8700 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;

(iii) a premium of approximately 2.78% over the average closing price of approximately HK$0.8825 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;

(iv) a premium of approximately 5.12% over the average closing price of approximately HK$0.8628 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day;

(v) a discount of approximately 68.99% to the closing price of HK$2.925 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and

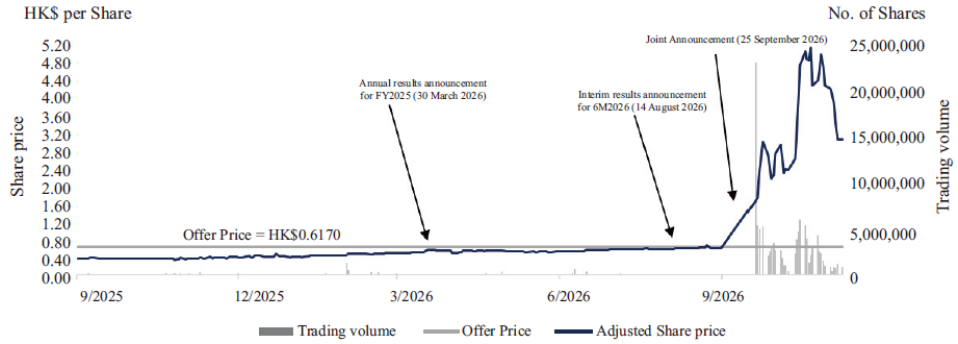
(vi) a premium of approximately 44.59% over the unaudited consolidated net asset value attributable to the Shareholders of approximately RM0.3223 (equivalent to approximately HK$0.6273) per Share as at 30 June 2026.

4. Trading performance of the Shares

(i) Historical Share price performance

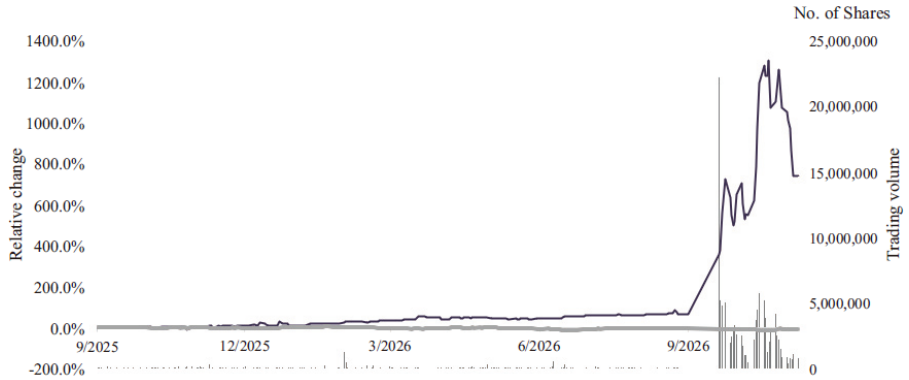
Set out below is (a) a chart showing the movement of the closing prices of the Shares (as adjusted for the Special Dividend) as quoted on the Stock Exchange for the period from 10 September 2025, being one year preceding the Last Trading Day, to the Last Trading Day (the "**Review Period**") and up to the Latest Practicable Date; and (b) the comparison of the performance of the Share price with the Hang Seng Index during the Review Period. 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.

Chart 1: Share price performance during the Review Period



Source: the website of the Stock Exchange

Chart 2: Comparison of performance of Share prices with the Hang Seng Index



Source: the website of the Stock Exchange

As illustrated in the chart above, the Share price demonstrated a continuous upward trend during the Review Period. The Share price (as adjusted for the Special Dividend) increased by 20.0% from HK$0.45 on 29 August 2025 (the date of the 2025 interim results announcement) to HK$0.54 on 30 March 2026 (the date of the 2025 annual results announcement), and further increased by approximately 5.6% to HK$0.57 on 14 August 2026 (the date of the 2026 interim results announcement), and by approximately 1.8% to HK$0.58 on the Last Trading Day.

During the period from 29 August 2025 to the Last Trading Day, the Share price increased by approximately 28.9%, while the Hang Seng Index rose by approximately 0.8% only. The Share price significantly outperformed the Hang Seng Index during the Review Period. Based on our review of the Company's announcements during the Review Period, we consider that the upward movement in the Share price prior to the publication of the Joint Announcement may be primarily attributable to the improvement in the Group's financial performance.

As adjusted for the Special Dividend, the closing prices of the Shares during the Review Period ranged from a low of HK$0.32 on 4 November 2025 to a high of HK$0.64 on 1 September 2026, with an average closing price of HK$0.4610. The Offer Price represents a premium of approximately 92.8% over such lowest closing price, a discount of approximately 3.6% to such highest closing price, and a premium of approximately 33.8% over such average closing price, respectively. Out of 245 trading days during the Review Period, the Offer Price is above the Share closing prices (as adjusted for the Special Dividend) on 244 trading days, representing approximately 99.6% of the time during the Review Period.

Stimulated by the Joint Announcement, the Share price (as adjusted for the Special Dividend) surged to HK$1.59 on 28 September 2026 and closed at HK$2.925 as at the Latest Practicable Date, to which the Offer Price represents a discount of approximately 78.91%. Save for the publication of the Joint Announcement, we are not aware of any information that would have caused the fluctuation in the Share price between 28 September 2026 and the Latest Practicable Date. The Share price (without adjustment for the Special Dividend) during the period from 28 September 2026 to 26 October 2026 (being the record date of the Special Dividend) ranged between HK$1.88 and HK$4.80, which significantly exceeded the Aggregate Amount of HK$0.9070 per Share. As such, we consider that the Offer and the Special Dividend may not be the only factor driving the significant increase in the Share price. We consider that the Share prices subsequent to the publication of the Joint Announcement may not be sustained, given that (a) it is uncertain what impact the Purchasers may have on the Group; (b) the Group's net assets have been reduced following the payment of the Special Dividend and there has been no other material change in the Group's fundamentals in the short term; and (c) the Share prices after the publication of the Joint Announcement were significantly higher than both the Share prices during the Review Period and the Aggregate Amount, and the reason for such surge is uncertain.

In forming our view, we have primarily relied on the Share prices during the Review Period prior to the publication of the Joint Announcement. These prices were not affected by the announcement of the Offer and the Special Dividend and reflected the market's assessment of the Group's fundamentals, which have not materially changed since the publication of the Joint Announcement. As discussed above, the increase in the Share price following the Joint Announcement may not be sustained. We therefore consider that the Share prices during the Review Period provide a more reliable indication of the market's valuation of the Shares.

(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 Review Period and up to the Latest Practicable Date:

	Number of trading days *(Note 1)*	**Approximate average daily trading volume**	**Approximate percentage of average daily trading volume to total number of Shares in issue** *(Note 2)*	**Approximate percentage of average daily trading volume to total number of Shares held by the public** *(Note 3)*
Year 2025				
September	15	25,733	0.0055%	0.0250%
October	20	34,300	0.0073%	0.0333%
November	20	68,800	0.0147%	0.0668%
December	21	43,333	0.0093%	0.0421%
Year 2026				
January	21	23,714	0.0051%	0.0230%
February	17	152,118	0.0326%	0.1478%
March	22	34,364	0.0074%	0.0334%
April	19	40,842	0.0088%	0.0397%
May	19	65,684	0.0141%	0.0638%
June	21	79,333	0.0170%	0.0771%
July	22	32,455	0.0070%	0.0315%
August	21	21,429	0.0046%	0.0208%
September *(Note 4)*	10	3,210,400	0.6878%	3.1185%
October	20	2,825,100	0.6053%	2.7443%
From 1 November to the Latest Practicable Date	11	1,460,364	0.3129%	1.4186%

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 total number of Shares in issue at the end of each month or period as disclosed in the monthly returns of the Company.

3. Based on the number of Shares held by the Independent Shareholders at the end of each month or period.

4. The trading of the Shares has been suspended from 10 September 2026 to 27 September 2026 pending the publication of the Joint Announcement.

During the Review Period, trading in the Shares was generally inactive, with the average daily trading volume in each month generally below 0.1% of the public float (except for February 2026). However, consistent with the surge in the Share price following the publication of the Joint Announcement, trading activity increased significantly thereafter. In September and October 2026, the average daily trading volume accounted for approximately 3.1185% and 2.7443% of the public float, respectively, providing the Independent Shareholders with an opportunity to realise gains by disposing their Shares in the market. However, there can be no assurance that such elevated liquidity will be sustained.

As the Shares cannot be regarded as having been actively traded in general, if the Shareholders intend to dispose of a significant shareholding in the Company in the market within a short timeframe, it is possible that a downward pressure would be exerted on the market price of the Shares. In such circumstance, the Offer may represent an alternative exit for the Shareholders with significant shareholding in the Company to realise their investments in the Company. However, should the market price of the Shares exceed the Offer Price during the Offer Period, as the case was as at the Latest Practicable Date, and the sale proceeds (net of transaction costs) exceed the net proceeds receivable under the Offer, Shareholders may consider selling their Shares in the open market if they would like to divest the Shares in the short-run.

5. Comparable analysis

(i) Comparable companies

In evaluating the fairness and reasonableness of the Offer Price, we attempted to identify comparable companies that are (a) principally engaged in the distribution and manufacturing of animal feed additives; and (b) listed on the Main Board and GEM of the Stock Exchange. However, we did not identify any listed comparable company that derived over 50% of its total revenue from animal feed additives. We only identified DaChan Food (Asia) Limited (stock code: 3999), whose feeds segment contributed a mere 26.8% of its total revenue for FY2025 and which primarily operates in the PRC. We expanded our search to other stock exchanges globally and identified an exhaustive list of three comparable companies (the "**Comparable Companies**"), which are principally engaged in the distribution and manufacturing of animal feed additives and derive over 50% of their total revenue from animal feed additives in Malaysia.

We consider both revenue mix and geographic location to be of primary importance in identifying the Comparable Companies. The requirement that over 50% of total revenue be derived from animal feed additives ensures that the Comparable Companies' businesses are closely comparable to that of the Group. The requirement that the Comparable Companies' principal market be Malaysia ensures that they serve a similar customer base and operate within a similar competitive landscape and regulatory and policy environment as the Group. We did not further expand our search to companies whose revenue is primarily generated from other regions, as differences across regions would render such companies not comparable.

We have placed greater weight on geographic location than other factors because the Group's demand, pricing, input costs and growth prospects are driven mainly by country-specific factors, such as the structure and growth of the Malaysian livestock sector, the National Agrofood Policy (2021–2030) and its measures to reduce dependency on imported feed, and Malaysian regulation, taxation and currency movements. These are not captured by product mix or business model alone. A company with a similar product mix but operating elsewhere would face different demand drivers and a different policy regime, so its trading multiples would reflect risks and prospects that are not those of the Group. By contrast, scale, margins, growth, profitability and capital intensity are, in our view, outcomes of the business and the market in which it operates. Applying them as screening criteria would risk excluding genuinely comparable companies on the basis of temporary performance differences.

Price-to-earnings ("**P/E**") and price-to-book ("**P/B**") multiples are two commonly used benchmarks in valuing a company. In selecting the valuation multiples, we have taken into account that (a) the Group has been consistently profitable; and (b) the Group's net assets comprise principally tangible assets and liabilities, including property, plant and equipment, inventories, trade and other receivables, other investments, bank balances and cash and trade and other payables, whose carrying values provide a reasonable proxy for their underlying economic value. A P/E multiple directly captures the price the market is willing to pay for each dollar of earnings and therefore reflects the Group's earnings capacity whereas a P/B multiple reflects the underlying net asset value of the business, providing a floor-oriented reference that is independent of the earnings recognised in the latest twelve months. Accordingly, we consider both the P/E and P/B multiples to be appropriate benchmarks for valuing the Group.

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

Company name (stock code)	**Principal activities**	**Proportion of revenue attributable to animal feed additives** (Note 1)	**Market capitalisation on the Last Trading Day** (RM million)	**P/E on the Last Trading Day** (Note 2)	**P/B on the Last Trading Day** (Note 2)
SCC Holdings Berhad (0158.KL)	The principal activities of SCC Holdings Berhad are divided into three distinctive business segments, including foodservice equipment, animal health products, and food manufacturing. The animal health products division's main activities are acting as distributor and sales agent for imported and local manufactured animal health feed additives, pathogen controls and amino acids products meant for feed millers and livestock industries.	56.0%	31.1	7.2	0.6
PeterLabs Holdings Berhad (0171.KL)	As one of the leading specialists in the manufacturing, distribution, export, and trading of animal health and nutrition products, PeterLabs Holdings Berhad offers a wide range of products, including biosecurity and disinfectants, compound feed supplements, feed additives, nutritional premixes, pharmaceuticals, and water-soluble supplements.	100.0%	61.9	25.4	0.8
Yenher Holdings Berhad (5300.KL)	Yenher Holdings Berhad is principally involved in the business of manufacturing and distribution of animal health and nutrition products, including premixes, complete feed, formulated products and biotech animal feed ingredients.	100.0%	231.0	9.4	0.8
			Average	14.0	0.7
			Median	9.4	0.8
The Company	The distribution of animal feed additives and, to a lesser extent, human food ingredient products; and the manufacturing of animal feed additive premixes.	100.0%	148.0 *(Note 3)*	12.4 *(Note 3)*	1.8 *(Note 3)*

Source: Bloomberg; announcements and annual reports of the Comparable Companies

Notes:

1. Based on the Comparable Companies' latest published annual reports.

2. Calculated based on the latest profit for the trailing twelve months and the latest published net asset value attributable to the shareholders.

3. Implied by the Offer Price with the calculation as set out in the section headed "1. Background information of the Group — (i) Financial performance" above.

As shown in the table above, the Comparable Companies have an average P/E ratio of 14.0 times and a median P/E ratio of 9.4 times. The Implied P/E of 12.4 times is higher than the median and slightly lower than the average of those of the Comparable Companies. On the other hand, the Comparable Companies have an average P/B ratio of approximately 0.7 times and a median P/B ratio of approximately 0.8 times. The Implied P/B of approximately 1.8 times is higher than all the P/B ratios of the Comparable Companies.

In assessing the relevance of this comparison, we have taken into consideration that (a) valuation levels for listed companies in the same industry may vary across different stock exchanges, and we are unable to quantify any adjustment to the Comparable Companies' valuations to reflect the valuation that they would be attributed if they were listed on the Stock Exchange; and (b) only three Comparable Companies are available, which makes it difficult to determine whether the average or the median is affected by outliers. Accordingly, we have adopted the comparable company analysis as a reference point rather than a determinative benchmark.

Nonetheless, we consider the analysis above to be meaningful to a certain extent, given that (a) both the Comparable Companies and the Group operate in the same industry, namely distribution of animal feed additives, and in the same geographical market (i.e. Malaysia), and serve similar target customer demographics; and (b) the financial performance of the Comparable Companies is influenced by the same economic factors affecting the Group, including the growth of the Malaysian livestock sector and the industry-specific policies implemented by the Malaysian government, as set out in the section headed "1. Background information of the Group — (iii) Industry overview" above.

(ii) Comparable transactions

In addition to the Comparable Companies set out above, we have, based on our search on the website of the Stock Exchange, identified an exhaustive list of 23 comparable mandatory general offers (the "**Comparable Transactions**") announced by companies listed on the Stock Exchange and the respective offerors with the relevant offer documents despatched during the period from 9 March 2026 to the Latest Practicable Date. We consider that a review period of six months is adequate to provide sufficient and representative samples for analysing recent mandatory general offer transactions in the market.

Date of announcement	Company name (stock code)	Premium/(discount) to the closing price as at the latest practicable date of the offer document %	Premium/(discount) to the closing price on the last trading day %	Premium/(discount) to the average closing price for the last five consecutive trading days up to and including the last trading day %	Premium/(discount) to the average closing price for the last ten consecutive trading days up to and including the last trading day %	Premium/(discount) to the average closing price for the last 30 consecutive trading days up to and including the last trading day %
22 October 2026	Sling Group Holdings Limited (8285)	(19.20)	34.90	38.80	45.90	81.00
8 September 2026	Lotus Horizon Holdings Limited (6063)	(93.20)	(94.65)	(93.95)	(93.70)	(93.98)
4 August 2026	Superland Group Holdings Limited (368)	(89.11)	(79.17)	(80.77)	(80.59)	(83.61)
4 August 2026	WK Group (Holdings) Limited (2535)	(87.05)	(82.35)	(80.85)	(80.37)	(81.60)
31 July 2026	SMC Electric Limited (2381)	(69.44)	(65.63)	(66.36)	(65.08)	(61.27)
27 July 2026	Max Sight Group Holdings Limited (8483)	(51.92)	(21.88)	(22.98)	(24.37)	(26.78)
28 July 2026	Fineland Living Services Group Limited (9978)	(95.03)	(39.13)	(38.60)	(38.54)	(32.04)
24 July 2026	Sheung Yue Group Holdings Limited (1633)	(38.09)	(33.77)	(31.70)	(30.28)	(35.66)
17 July 2026	World-Link Logistics (Asia) Holding Limited (6083)	(5.42)	(20.51)	(25.58)	(21.26)	(14.57)
15 July 2026	China Changbaishan International Holdings Limited (989)	(72.73)	(79.17)	(80.21)	(80.89)	(81.05)
2 July 2026	Maxicity Holdings Limited (2295)	(90.40)	(65.60)	(65.60)	(65.70)	(67.80)
29 June 2026	IDT International Limited (167)	(90.26)	(91.51)	(91.63)	(92.05)	(91.59)
23 June 2026	Sinofortune Financial Holdings Limited (8123)	(64.30)	(29.10)	(32.90)	(18.70)	(39.40)
15 June 2026	Riverine China Holdings Limited (1417)	(90.02)	(72.25)	(72.88)	(71.93)	(55.57)

Date of announcement	Company name (stock code)	Premium/(discount) to the closing price as at the latest practicable date of the offer document %	Premium/(discount) to the closing price on the last trading day %	Premium/(discount) to the average closing price for the last five consecutive trading days up to and including the last trading day %	Premium/(discount) to the average closing price for the last ten consecutive trading days up to and including the last trading day %	Premium/(discount) to the average closing price for the last 30 consecutive trading days up to and including the last trading day %
8 June 2026	Contel Technology Company Limited (1912)	(74.83)	(34.82)	(22.83)	(16.09)	(6.17)
4 June 2026	SG Group Holdings Limited (1657)	(84.76)	(72.26)	(72.75)	(73.13)	(70.21)
7 May 2026	Rongzun International Holdings Group Limited (1780)	(79.10)	(48.00)	(39.70)	(33.80)	(28.70)
5 May 2026	MS Group Holdings Limited (1451)	(37.50)	(34.96)	(32.55)	(31.10)	(34.90)
4 May 2026	Somerley Capital Holdings Limited (8439)	(43.20)	147.90	135.10	131.10	129.80
24 April 2026	Rimbaco Group Global Limited (1953)	(84.50)	(74.30)	(74.80)	(72.50)	(63.70)
21 April 2026	CPM Group Limited (1932)	(76.58)	(77.43)	(76.39)	(76.49)	(77.79)
21 April 2026	CNT Group Limited (701)	(9.91)	(43.82)	(43.18)	(43.18)	(43.18)
14 April 2026	Ling Yui Holdings Limited (784)	(74.50)	(34.00)	(36.00)	(26.70)	(11.20)
	Maximum	(5.42)	147.90	135.10	131.10	129.80
	Minimum	(95.03)	(94.65)	(93.95)	(93.70)	(93.98)
	Median	(74.83)	(48.00)	(43.18)	(43.18)	(43.18)
	Average	(66.13)	(43.98)	(43.84)	(41.72)	(38.69)
25 September 2026	The Company	(78.91)	6.38	6.38	4.14	7.72

As shown in the table above, the discount represented by the Offer Price to the Share price as at the Latest Practicable Date is higher than both the average and the median of the Comparable Transactions, which is primarily because the Share price rose substantially following the publication of the Joint Announcement. The Offer Price represents premiums over the Share price (adjusted for the Special Dividend) on the Last Trading Day and the average Share price (adjusted for the Special Dividend) for the periods prior to the Last Trading Day, but the offer prices in the Comparable Transactions, save for the offers for the shares of Somerley Capital Holdings Limited and Sling Group Holdings Limited, generally represented discounts. The premium or

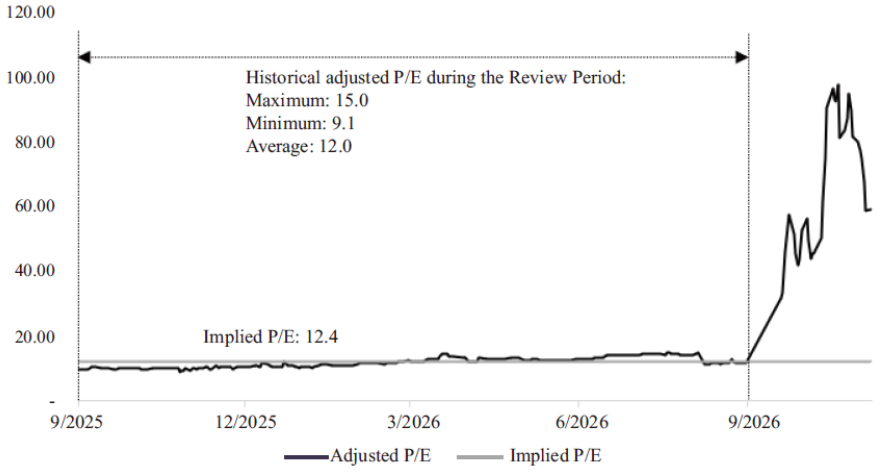
discount to the prevailing share price observed in the Comparable Transactions varies widely. This dispersion illustrates that the premium or discount to the prevailing share price observed in the Comparable Transactions may not be a reliable or meaningful measure for assessing the fairness of a mandatory general offer.

We consider that, unlike partial offers or privatisation transactions where the offeror needs to consider whether shareholders would accept the offer, the offer price in a mandatory general offer is typically determined based on the consideration for the acquisition of control, which primarily reflects the valuation of the target company agreed between the transacting parties, having regard to its industry and financial performance/position and does not take into account whether minority shareholders would accept the offer. The companies involved in the Comparable Transactions differ from the Company in terms of industry, profitability, business and financial performance. Accordingly, we consider that the premium or discount to the prevailing share price observed in the Comparable Transactions is of limited relevance to our assessment of the fairness of the Offer, and we recommend that the Independent Shareholders shall place greater emphasis on our analyses set out in other sections.

6. Historical P/E and P/B analysis

(i) Historical adjusted P/Es

Set out below is a chart comparing the Implied P/E ratio with the Company's historical adjusted P/E ratios during the Review Period and up to the Latest Practicable Date, which were calculated based on (a) the respective market capitalisations (adjusted for the Special Dividend) of the Company on the respective dates; and (b) the respective profit attributable to the Shareholders for the trailing twelve-month period based on the latest published financial results of the Company:

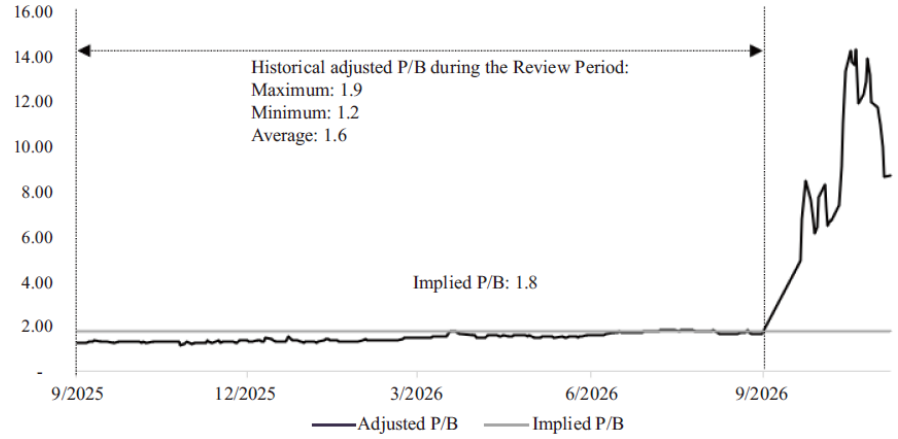


Source: the website of the Stock Exchange

As shown above, during the Review Period, the Company's historical adjusted P/E ratios ranged from approximately 9.1 times to approximately 15.0 times, with an average of approximately 12.0 times. The Implied P/E was above that average and exceeded the historical adjusted P/E ratios on 140 out of the 245 trading days during the Review Period, representing approximately 57.1% of the period.

(ii) Historical adjusted P/Bs

Set out below is a chart comparing the Implied P/B ratio with the historical adjusted P/B ratios during the Review Period and up to the Latest Practicable Date, which were calculated based on the respective market capitalisations of the Company on the respective dates, adjusted for the Special Dividend, divided by the Group's latest published net assets attributable to the Shareholders, adjusted for the Special Dividend:



Source: the website of the Stock Exchange

As shown above, during the Review Period, the Company's historical adjusted P/B ratios ranged from approximately 1.2 times to approximately 1.9 times, with an average of approximately 1.6 times. The Implied P/B was above that average and exceeded the historical adjusted P/B ratios on 214 out of the 245 trading days during the Review Period, representing approximately 87.3% of the period.

Given that the Implied P/E ratio and the Implied P/B ratio were higher than the historical adjusted P/E and P/B ratios, respectively, for a majority of the time during the Review Period, and were also above their respective averages, we consider the Offer Price to be fair and reasonable.

OPINION AND RECOMMENDATION

We consider that the Offer, including the Offer Price of HK$0.6170 per Offer Share, is fair and reasonable so far as the Independent Shareholders are concerned after taking into account the above principal factors and reasons as a whole, in particular:

(i) the Group presents as a financially conservative, cash-generative niche animal-nutrition business with a strong balance sheet and a credible growth record. The balance sheet is a clear strength: as at 30 June 2026, the Group had zero borrowings and gearing of just 1.0%. The Group expects to remain in a net cash position following the payment of the Special Dividend and the payment of the Special Dividend is not expected to have material adverse impact on the operation of the Group. That said, the reduction in the Group's cash position following the payment of the Special Dividend may, to some extent, limit its ability to expand the scale of its business, which may in turn constrain its growth potential;

(ii) the industry backdrop is broadly supportive, with rising Malaysian livestock production, the National Agrofood Policy 2021-2030 promoting reduced imported-feed dependency, and the USDA's projections of strengthening feed demand into 2026 and 2027. However, the livestock sector growth has decelerated from 5.4% in 2024 to 2.2% in 2025, and the industry is poultry-concentrated and policy-sensitive, which could cap volume-led expansion;

(iii) as (a) Mr. Wu and Ms. Zeng have no prior experience in the Group's industry; and (b) with reference to the section headed “Future Intentions of the Offeror regarding the Group” in the Letter from Shanggu Securities, no detailed plan has been formulated to introduce any major changes to the existing operations and business of the Group as at the Latest Practicable Date, we consider that the impact which the Purchasers may have on the Group is uncertain;

(iv) during the Review Period, trading in the Shares was generally inactive, with the average daily trading volume in each month generally below 0.1% of the public float (except for February 2026). Consistent with the surge in the Share price following the publication of the Joint Announcement, trading activity increased significantly thereafter. In September and October 2026, the average daily trading volume accounted for approximately 3.1185% and 2.7443% of the public float, respectively. There can be no assurance that such elevated liquidity will be sustained. The Offer may therefore represent an alternative exit for the Shareholders with significant shareholding in the Company to realise their investments in the Company; and

(v) we consider the Offer Price to be fair and reasonable, taking into account that:

(a) as adjusted for the Special Dividend, the closing prices of the Shares during the Review Period ranged from a low of HK$0.32 on 4 November 2025 to a high of HK$0.64 on 1 September 2026, with an average closing price of HK$0.4610. The Offer Price represents a premium of approximately 92.8% over such lowest closing price, a discount of approximately 3.6% to such highest closing price, and a premium of approximately 33.8% over such average closing price, respectively. Out of 245 trading days during the Review Period, the Offer Price is above the Share closing prices (as adjusted for the Special Dividend) on 244 trading days, representing approximately 99.6% of the time during the Review Period. Stimulated by the Joint Announcement, the Share price (as adjusted for the Special Dividend) surged to HK$1.59 on 28 September 2026 and closed at HK$2.925 as at the Latest Practicable Date, to which the Offer Price represents a discount of approximately 78.91%. We consider that the Share prices subsequent to the publication of the Joint Announcement may not be sustained, given that (1) it is uncertain what impact the Purchasers may have on the Group; (2) the Group's net assets have been reduced following the payment of the Special Dividend and there has been no other material change in the Group's fundamentals in the short term; and (3) the Share prices after the publication of the Joint Announcement were significantly higher than both the Share prices during the Review Period and the Aggregate Amount, and the reason for such surge is uncertain;

(b) the Offer Price represents a premium of approximately 82.93% over the theoretical unaudited consolidated net asset value attributable to the Shareholders of approximately HK$0.3373 per Share after giving effect to the Special Dividend, calculated as the unaudited consolidated net asset value per Share as at 30 June 2026 of approximately HK$0.6273 less the Special Dividend of approximately HK$0.29 per Share and assuming all other things remain unchanged;

(c) the Implied P/E of approximately 12.4 times is higher than the median (9.4 times) and slightly lower than the average (14.0 times) of those of the Comparable Companies, whereas the Implied P/B of approximately 1.8 times is higher than all the P/B ratios of the Comparable Companies (either 0.6 or 0.8 time);

(d) the Implied P/E of approximately 12.4 times was above the average (12.0 times) of the Company's historical adjusted P/E ratios, and exceeded the Company's historical adjusted P/E ratios on 140 out of the 245 trading days during the Review Period, representing approximately 57.1% of the period; and

(e) the Implied P/B of approximately 1.8 times was above that average (1.6 times) of the Company's historical adjusted P/B ratios and exceeded the Company's historical adjusted P/B ratios on 214 out of the 245 trading days during the Review Period, representing approximately 87.3% of the period.

Based on the above, we consider that the Offer is fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to advise, and we ourselves advise, the Independent Shareholders to accept the Offer.

The market price of the Shares has been volatile since the publication of the Joint Announcement. There can be no assurance that such price levels will be sustained or that Shareholders would be able to dispose of a significant shareholding at those levels. The market price of the Shares closed at HK$2.925 as at the Latest Practicable Date. Should the market price of the Shares exceed the Offer Price during the Offer Period, as the case was as at the Latest Practicable Date, and the sale proceeds (net of transaction costs) exceed the net proceeds receivable under the Offer, Independent Shareholders may consider selling their Shares in the open market if they would like to divest the Shares in the short-run. Independent Shareholders who wish to realise their investments in the market, particularly those holding a significant number of Shares, should monitor the market price of, and the trading liquidity in, the Shares closely during the Offer Period.

Yours faithfully,
For and on behalf of
Rainbow Capital (HK) Limited



Larry Choi
Managing Director

Mr. Larry Choi 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 15 years of experience in the corporate finance industry.