

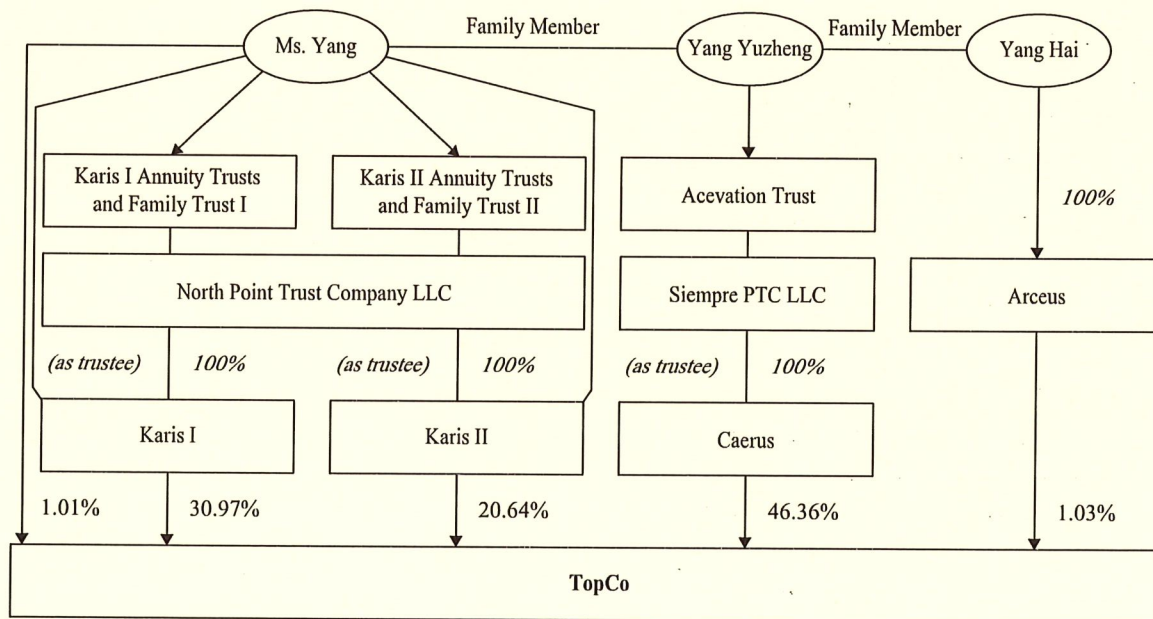


### 3. Information on the Offeror, HoldCo and TopCo

As set out in the section headed “Information on the Group, the Offeror, HoldCo and TopCo” in the Explanatory Memorandum of the Scheme Document, each of the Offeror, HoldCo and TopCo is a company newly incorporated in the Cayman Islands with limited liability and is an investment holding company set up solely for the purpose of implementing the Proposal. As at the Latest Practicable Date, the Offeror was directly wholly-owned by HoldCo, which in turn is directly wholly-owned by TopCo.

As at the Latest Practicable Date, the issued share capital of TopCo, comprising 786,760,200 TopCo Shares, was directly held as to approximately 1.01%, 30.97%, 20.64%, 46.36% and 1.03% by Ms. Yang, Karis I, Karis II, Caerus and Arceus, respectively. As at the Latest Practicable Date, the ultimate beneficial owners of the Offeror, HoldCo and TopCo were the Founders (collectively, Ms. Yang, Mr. Yang Yuzheng and Mr. Yang Hai).

After the Announcement Date, a trust arrangement as described in the paragraph headed “Information of the Offeror, HoldCo and TopCo” in the Explanatory Memorandum of the Scheme Document was carried out. A simplified shareholding structure of TopCo upon completion of such trust arrangement is set out below:



None of the Offeror, HoldCo or TopCo has carried on any business since incorporation other than matters in connection with the Proposal. None of the Offeror, HoldCo or TopCo intends to engage in any business other than acting as the holding company of the Company after completion of the Proposal. As at the Latest Practicable Date, the Offeror, HoldCo and TopCo did not have any assets or liabilities other than the Acquisition Facility (of approximately HK\$1 billion) and expenses incurred in connection with implementing the Proposal.



The final shareholding structure of TopCo will be determined after the latest time for election of the Cash Alternative or the Share Alternative under the Proposal depending on the election of the Scheme Shareholders. If all the Scheme Shareholders elect the Share Alternative for all the Scheme Shares that they hold, 352,732,600 TopCo Shares will be issued, representing approximately 30.96% of the enlarged issued share capital of TopCo immediately upon completion of the Proposal, and TopCo will be held as to approximately 0.70%, 21.38%, 14.25%, 0.71%, 32.01%, 8.31%, 5.92%, 0.32%, and 16.40% by Ms. Yang, Karis I, Karis II, Arceus, Caerus, the Investor (and/or its affiliates), the Trustee, Mr. Chen and the Disinterested Shareholders (of which Gongjin and Chen Wangcai Holdings would hold approximately 1.11% and 0.77% respectively), respectively immediately upon completion of the Proposal. The Investor, the Trustee, Gongjin, Chen Wangcai Holdings and Mr. Chen are IU Shareholders.

#### **4. Information on the TopCo Shares**

##### **(i) Restrictions and rights of the TopCo Shares**

The TopCo Shares are shares of an unlisted company incorporated in the Cayman Islands, and do not benefit from the protections afforded by the Listing Rules and/or the Takeovers Code (assuming TopCo is not determined by the Executive to be a “public company in Hong Kong”), and are illiquid with no ready market. The TopCo Shares are subject to certain transfer restrictions set out in the TopCo Articles. No dividend policy has been established.

A copy of the TopCo Articles is available for inspection as one of the documents on display at the time of despatch of the Scheme Document, as well as from <https://www.vesync.com/resources>. Further details relating to the TopCo Shares are set out in the sub-section headed “The Share Alternative” of the “Letter from the Board” and Explanatory Memorandum, and relevant appendices to the Scheme Document.

If Disinterested Shareholders wish to consider the Share Alternative, they are recommended to read this information carefully, particularly the sub-section headed “The Share Alternative” as set out in the “Letter from the Board” and Explanatory Memorandum of the Scheme Document. Risks which Disinterested Shareholders should bear in mind in evaluating the Share Alternative are set out in the sub-section headed “5. Risks which Disinterested Shareholders should bear in mind in evaluating the Share Alternative” of this letter below.

##### **(ii) Valuation of the TopCo Shares**

On the basis of, and subject to, the assumptions and methodology set out in the letter issued by DBSAC (the “**DBSAC Letter**”) contained in Appendix V to the Scheme Document headed “Estimate of Value of TopCo Shares”, an estimate of the value of the TopCo Shares ranges between HK\$3.92 and HK\$5.60 for each TopCo Share under both scenarios (where all Scheme Shareholders elect (a) the Share Alternative; or (b) the Cash Alternative). The bottom end value represent a discount of 30% to the Cash Alternative of HK\$5.60, whereas the top



end value is equal to the Cash Alternative. Under the Share Alternative, each Scheme Shareholder is entitled to receive one TopCo Share for every Scheme Share held. This implies a consideration for each Scheme Share of approximately HK\$3.92 to HK\$5.60.

The main difference between the bottom range and the top range of the estimated value of the TopCo Shares is the assumption of a discount for lack of marketability and limited shareholders' rights of an unlisted share, particularly since shareholders will not be able to nominate a director or approve reserved matters until certain ownership thresholds are reached. For the bottom range, a 30% discount on the value of the TopCo Shares is assumed, while for the top range it is nil. We consider it is reasonable to apply a discount to the value of an illiquid share with limited shareholders' rights particularly from the perspective of the Disinterested Shareholders who are minorities. This point is discussed further below.

We have reviewed and discussed with DBSAC the methodology used, and the bases and assumptions adopted, for the estimates of value of the TopCo Shares as set out in Appendix V to the Scheme Document. It is assumed by DBSAC that the Offeror, HoldCo and TopCo were incorporated for the purpose of the Proposal and do not carry on any business or financial activities other than acting as holding companies of the Company pursuant to and after completion of the Proposal. As such, DBSAC has assumed that when the Proposal becomes effective, the turnover, profits, assets and liabilities (on a consolidated basis) of the Offeror, HoldCo and TopCo will be the same as the Company, save for the Acquisition Facility and any cash balance that may remain in the Offeror that was not required to finance the amount payable in cash to the Scheme Shareholders under the Proposal.

On this basis and based on the assumptions as set out in the DBSAC letter, the estimate of the value of the TopCo Shares is based on (a) the estimated value of all of the outstanding Shares, which represents the value of the Shares that the Offeror will own; (b) the external debt financing to be incurred by the Offeror for the implementation of the Proposal in the form of the Acquisition Facility; and (c) any cash that may remain in the Offeror immediately following the implementation of the Proposal. The estimated value of all of the outstanding Shares (i.e. item (a) above) of approximately HK\$ 6,381 million has been based on the value per Share under the Cash Alternative of HK\$5.60 and the total number of issued TopCo Shares of 1,139,492,800. Based on the Offeror's financing structure for implementing the Proposal, the external debt financing put in place amounts to approximately HK\$1,014 million, being the value for item (b) above. The value for item (c) represents the cash that may remain in the Offeror immediately following implementation of the Proposal based on the two scenarios and assumptions set out in the DBSAC Letter. DBSAC is adopting 0% and 30% discount to reflect, among other things, the lack of marketability and shareholders' rights. DBSAC believes that such discount range is an appropriate assumption to use for this purpose as it is consistent with the approach taken in recent market privatisation precedents in Hong Kong which involve unlisted shares being offered as an alternative transaction consideration and which adopt an illiquidity discount methodology to assess the value of the unlisted shares. As set out in the DBSAC Letter, DBSAC has identified a list of comparable privatisation cases in Hong Kong since 2013 based on the selection criteria as set out in the DBSAC Letter.



We note that this represents an exhaustive list that could be identified from the website of the Stock Exchange based on such selection criteria, and considering unlisted shares lack marketability and/or shareholders' rights, a discount of 30% was applied to derive the bottom end value of the unlisted shares under the share alternative in the respective cases.

In view of the above and given the unlisted nature of the TopCo Shares under the Share Alternative, the methodology set out in the DBSAC Letter, in our opinion, is a reasonable approach in establishing the estimates of the values of the TopCo Shares and is in line with commonly adopted approaches in similar cases in Hong Kong. We are of the view that it is not practicable to estimate a discount to reflect lack of marketability and limited shareholders' rights (from the Disinterested Shareholders' perspective) very precisely, as it depends on differing circumstances. We have reviewed the information considered by DBSAC (which primarily consisted of the recent market privatisation precedents in Hong Kong which involve unlisted offeror shares being offered as an alternative transaction consideration and which adopt an illiquidity discount methodology to assess the value of the unlisted shares), and consider a range of 0% and 30% adopted by DBSAC in its estimates to be acceptable.

For further details of methodology, basis, assumptions and computations of the estimates of the value of the TopCo Shares, please refer to Appendix V to the Scheme Document which should be read in its entirety.

#### **5. Risks which Disinterested Shareholders should bear in mind in evaluating the Share Alternative**

Disinterested Shareholders should bear in mind the risk factors of holding the TopCo Shares as set out in the sub-section headed "The Share Alternative" in the "Letter from the Board" and the Explanatory Memorandum to the Scheme Document, in particular the following:

- (i) **Transfers of the TopCo Shares are subject to restrictions stipulated in the TopCo Articles (as detailed in the Scheme Document);**
- (ii) **TopCo Shares are not listed on any stock exchange and do not benefit from the protections afforded by the Listing Rules;**
- (iii) **Given that there is no firm intention to seek a listing of the TopCo Shares on any stock exchange in the near term, and there can be no assurance of such intention or plan in the future, the TopCo Shares are illiquid, hence TopCo Shareholders may find it more difficult to find a purchaser for the TopCo Shares if they intend to sell their TopCo Shares, as there is no ready market for the TopCo Shares;**
- (iv) **There is no guarantee that any dividend payments will be made in respect of the TopCo Shares;**



- (v) **As at the Latest Practicable Date, TopCo did not have any assets or liabilities other than the Acquisition Facility taken out by the Offeror (an indirect wholly-owned subsidiary of TopCo). TopCo does not intend to engage in any business other than acting as the holding company of the Company after completion of the Proposal; and**
- (vi) **Changes in the business and economic environment could adversely affect the operating profits of TopCo or the value of TopCo's assets.**

In view of the nature of the TopCo Shares and the risks associated with them as set out in this sub-section, we consider the Share Alternative has been tailored principally for large and sophisticated Shareholders familiar with unlisted investments and consequently we do not consider it suitable for other Scheme Shareholders. In general, we recommend Disinterested Shareholders **not to elect the Share Alternative**. Further discussions are set out in the "Opinion and Recommendations" section of this letter below.

## **6. Analysis of price performance and trading liquidity of the Shares**

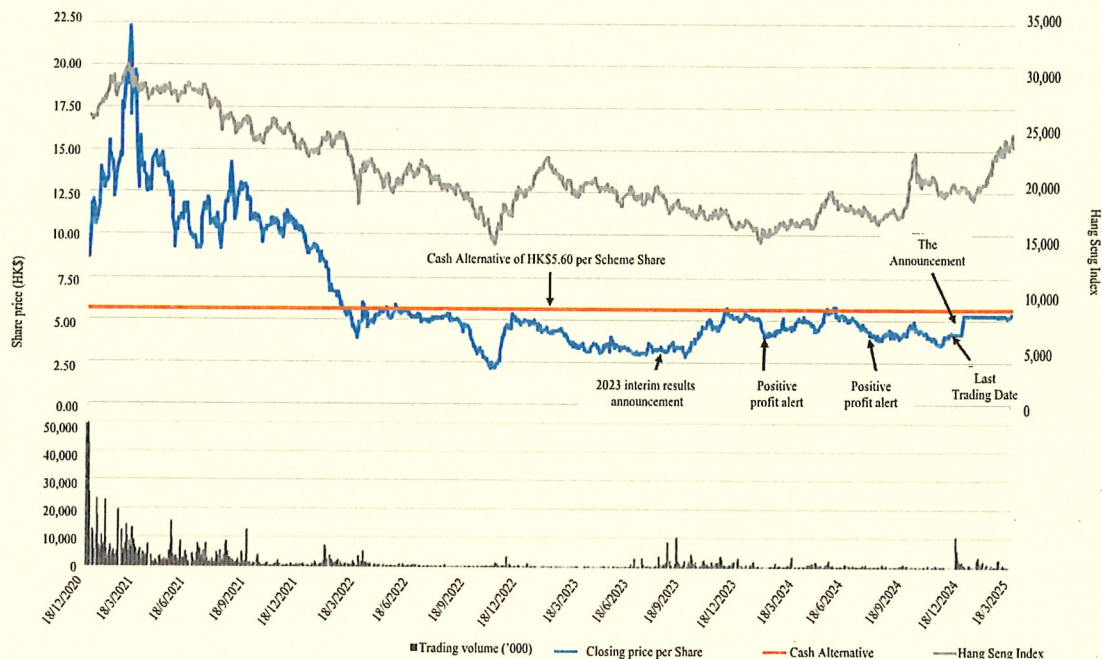
### **(i) *Historical price performance of the Shares***

The chart below illustrates the daily closing price per Share from 18 December 2020 (i.e. date of listing of the Shares on the Stock Exchange) up to and including the Latest Practicable Date (the "**Share Price Review Period**"), and the comparison of the Share price performance with the Cash Alternative and Hang Seng Index.

We consider the Share Price Review Period, which covers the share trading since listing up to the Latest Practicable Date, can provide a comprehensive overview on the market performance of the Shares for the purpose of this analysis.



### Share price performance compared to the Cash Alternative and Hang Seng Index



Source: Bloomberg

During the Share Price Review Period, the Share prices closed below the Cash Alternative of HK\$5.60 per Scheme Share for 739 trading days, out of 1,043 trading days (approximately 70% of the total trading days). Share prices were above \$5.60 for the rest of the trading days following the listing of Shares on the Stock Exchange in December 2020 and persisted through mid-February 2022.

The Shares were listed on the Stock Exchange on 18 December 2020 at the offer price of HK\$5.52 per Share and closed at HK\$8.70 per Share. Since then and up to the end of August 2021, the Share price closed in a range of HK\$9.14 to HK\$22.29. From around September 2021 to end of 2022, the trend of the Share price was generally in line with the Hang Seng Index. From the beginning of 2023 to 19 September 2023, the Share prices showed a downward trend in general and closed at HK\$2.81, the lowest point since beginning of 2023, as at 19 September 2023. After positive 2023 interim results, the Share price rebounded and reached HK\$5.65 as at 28 November 2023. However, subsequently the price of the Shares resumed a downward trend until the publication of a positive profit alert on 30 January 2024.

The positive profit alert announcement on 30 January 2024 stated that the Group expected to record an Attributable Profit of approximately US\$60 million to US\$85 million for 2023, compared to the Attributable Loss of approximately US\$16.3 million for 2022. Following that announcement, the Share price fluctuated but gradually climbed to a high since beginning of 2023 of HK\$5.75 on 27 May 2024, subsequently resuming a general downward trend towards HK\$4. The Company published another positive profit alert on 29 July 2024



stating that the Group expected to record an increase of approximately 20% to 50% in the Attributable Profit for the first half of 2024 as compared to the six months ended 30 June 2023. There was little immediate reaction on the market price of the Shares subsequent to such positive profit alert.

The Shares closed at HK\$4.20 on 10 December 2024 (i.e. the Last Trading Date) and trading in the Shares was suspended from 9:00 a.m. on 11 December 2024. The Announcement was published after trading hours on 27 December 2024 and trading in the Shares resumed on 30 December 2024. The Shares closed at HK\$5.28 on 30 December 2024, representing an increase of approximately 25.7% compared to the closing Share price of HK\$4.20 on the Last Trading Date.

Following the Announcement, we consider the price of the Shares has been largely determined by the Cash Alternative of HK\$5.60 per Scheme Share. The Shares closed at HK\$5.44 as at the Latest Practicable Date. The Cash Alternative of HK\$5.60 represents a premium of approximately 2.94% over the closing Share price on the Latest Practicable Date. If the Proposal fails, other things being equal, the market price of the Shares may be expected to return at least in the short term to the previous levels before the Announcement, i.e. around HK\$4 and significantly below the Cash Alternative of HK\$5.60.



**(ii) Trading liquidity**

Set out in the table below are the average daily trading volumes of the Shares and the percentages of such average daily trading volumes to the total issued share capital and the public float of the Company during the period from 1 January 2023 up to and including the Latest Practicable Date (the “Trading Liquidity Review Period”). We consider the Trading Liquidity Review Period, which covers at least the last two full financial years of the Company, represents a sufficient period of time to provide a general overview on the recent trading liquidity of the Shares for the purpose of this analysis.

	Number of trading days	Average daily trading volume of the Shares (Note 1)	Percentage of the average daily trading volume of the Shares to the total issued share capital (Note 2)	Percentage of the average daily trading volume of the Shares to the public float of the Company (Note 2 & 3)
<b>2023</b>				
January	18	319,314	0.03%	0.10%
February	20	134,175	0.01%	0.04%
March	23	81,091	0.01%	0.02%
April	16	94,250	0.01%	0.03%
May	21	104,330	0.01%	0.03%
June	21	195,095	0.02%	0.06%
July	20	669,910	0.06%	0.21%
August	23	1,208,522	0.10%	0.38%
September	19	1,684,123	0.14%	0.54%
October	20	1,552,768	0.13%	0.50%
November	22	1,533,259	0.13%	0.51%
December	19	1,334,327	0.11%	0.45%
<b>2024</b>				
January	22	681,182	0.06%	0.24%
February	19	379,996	0.03%	0.13%
March	20	801,450	0.07%	0.28%
April	20	506,243	0.04%	0.17%
May	21	1,006,836	0.09%	0.34%
June	19	525,474	0.05%	0.18%
July	22	511,342	0.04%	0.18%
August	22	382,730	0.03%	0.13%
September	19	323,956	0.03%	0.11%
October	21	343,571	0.03%	0.12%
November	21	269,567	0.02%	0.09%
December	9	1,613,115	0.14%	0.56%





	Number of trading days	Average daily trading volume of the Shares (Note 1)	Percentage of the average daily trading volume of the Shares to the total issued share capital (Note 2)	Percentage of the average daily trading volume of the Shares to public float of the Company (Note 2 & 3)
<b>2025</b>				
January	19	1,310,053	0.11%	0.46%
February	20	1,209,540	0.11%	0.42%
From 1 March 2025 to the Latest Practicable Date	20	613,725	0.05%	0.21%
<b>During the pre-Announcement period (i.e. 1 January 2023 to 10 December 2024)</b>	<b>475</b>	<b>635,259</b>	<b>0.05%</b>	<b>0.21%</b>
<b>From 31 December 2024 to the Latest Practicable Date</b>	<b>60</b>	<b>1,046,755</b>	<b>0.09%</b>	<b>0.36%</b>

*Notes:*

1. Source: Bloomberg
2. The calculation is based on the average daily trading volume of the Shares divided by the total issued share capital of the Company or the total number of the Shares in public float at the end of each month (or as at the Latest Practicable Date for March 2025).
3. The total number of Shares in public float is calculated based on the number of total issued Shares excluding treasury Shares, Shares held by the Founder Group, Directors, Directors of core subsidiaries of the Company, and their respective associates at the end of each month (or as at the Latest Practicable Date for March 2025).

From the table above, which outlines the average daily trading volume as a percentage of the total issued Shares and as a percentage of the public float respectively, we note that the average daily trading volume of the Shares has been thin. The average daily trading volume of the Shares for the pre-Announcement Period from 1 January 2023 to 10 December 2024 (the Last Trading Date) was 635,259 Shares, representing only around 0.05% of the total issued Shares and around 0.21% of the public float.



We have discussed with the management of the Company regarding the increase in average daily trading volume from August 2023 to December 2023, and in May 2024. Save for the publication of the 2023 interim results announcement by the Company on 21 August 2023, the management of the Company are not aware of other particular reason that possibly led to the increase in average daily trading volume of the Shares.

Trading of the Shares was suspended on 11 December 2024 and resumed on 30 December 2024. The publication of the Announcement on 27 December 2024 heightened the trading volume to 10,933,000 Shares on the first day of resumption of trading (i.e. 30 December 2024), representing approximately 0.96% of the total issued Shares and 3.79% of the public float. After that from 31 December 2024 to the Latest Practicable Date, although the average daily trading volume of Shares decreased to 1,046,755 Shares, representing around 0.09% of the total issued Shares and 0.36% of the public float, it is still higher than those in the pre- Announcement period.

Given the generally thin average daily trading volume of Shares, if Scheme Shareholders (especially those with relatively sizeable shareholdings) wish to sell a significant number of Shares within a short period in the market, it is possible that a downward pressure would be exerted on the market price of the Shares. The higher level of trading volume following the publication of the Announcement may not, in our view, be sustained if the Proposal and the Scheme lapses. Therefore, the Proposal and the Scheme provide a valuable opportunity for the Scheme Shareholders to dispose of their entire holdings at a fixed consideration for cash under the Cash Alternative, which is at a premium over historical Share prices on the Last Trading Date and for different recent periods before and up to the Last Trading Date (as set out below), and to the closing market price of the Shares as at the Latest Practicable Date.

**(iii) Cancellation Consideration (Cash Alternative) comparisons**

The cash consideration of HK\$5.60 per Scheme Share under the Cash Alternative represents:

**as compared to recent market prices**

- (a) a premium of approximately 33.33% over the closing price of HK\$4.20 per Share as quoted on the Stock Exchange on 10 December 2024, being the Last Trading Date;
- (b) a premium of approximately 34.36% over the average closing price of approximately HK\$4.17 per Share based on the daily closing prices of the Shares as quoted on the Stock Exchange for the five (5) trading days up to and including the Last Trading Date;
- (c) a premium of approximately 37.32% over the average closing price of approximately HK\$4.08 per Share based on the daily closing prices of the Shares as quoted on the Stock Exchange for the ten (10) trading days up to and including the Last Trading Date;



- (d) a premium of approximately 44.37% over the average closing price of approximately HK\$3.88 per Share based on the daily closing prices of the Shares as quoted on the Stock Exchange for the thirty (30) trading days up to and including the Last Trading Date;
- (e) a premium of approximately 36.09% over the average closing price of approximately HK\$4.11 per Share based on the daily closing prices of the Shares as quoted on the Stock Exchange for the sixty (60) trading days up to and including the Last Trading Date;
- (f) a premium of approximately 36.42% over the average closing price of approximately HK\$4.11 per Share based on the daily closing prices of the Shares as quoted on the Stock Exchange for the ninety (90) trading days up to and including the Last Trading Date;
- (g) a premium of approximately 2.94% over the closing price of HK\$5.44 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

**as compared to net assets**

- (a) a premium of approximately 122.25% over the Group's unaudited net asset value attributable to the Shareholders of approximately HK\$2.52 per Share as at 31 December 2024.

In summary, the Cash Alternative of HK\$5.60 per Scheme Share represents (a) premiums in a range of approximately 33.33% to 44.37% over the closing Share prices for different recent periods before the suspension of trading in the Shares prior to publication of the Announcement; and (b) a premium of approximately 122.25% over the net asset value per Share attributable to the Shareholders as at 31 December 2024.

The price of the Shares closed at HK\$5.44 on the Latest Practicable Date, which as noted above we consider is largely determined by the Cash Alternative price.

## **7. Comparable companies**

As mentioned in the sub-section headed "Information and prospects of the Group" of this letter, the Group is principally engaged in the design, development and sales of small home appliances including air purifiers, tower fans, air fryers, toaster ovens, body fitness scales and kitchen scales. At the Cash Alternative of HK\$5.60 per Scheme Share, the implied market capitalisation of the Company amounts to approximately HK\$6.4 billion. For the purpose of evaluating the Proposal, we have conducted a search on Bloomberg for companies similar to the Group, which are (i) listed on the Main Board of the Stock Exchange with market capitalisation of not more than HK\$7 billion as at the date immediately prior to the Latest Practicable Date; and (ii) based on their latest published annual reports available as at the date immediately prior to the Latest Practicable Date, principally engaging in the manufacturing and sales of small household



appliances with no other reporting segment (the “**Comparable Companies**”). The Comparable Companies set out in the table below represent an exhaustive list of companies comparable to the Company based on the above criteria.

To assess the fairness and reasonableness of the Cash Alternative of the Cancellation Consideration, we have compared the price-to-sales multiples (the “**P/S Multiple(s)**”), the price-to-earnings multiples (the “**P/E Multiple(s)**”) and the price-to-book multiples (the “**P/B Multiple(s)**”) of the Company based on the Cash Alternative with those of the Comparable Companies. The P/S Multiples, P/E Multiples and the P/B Multiples are adopted because they are three of the widely accepted multiples for valuing businesses and are appropriate multiples to be adopted in this case considering the Company’s main operation is to generate revenue from the sales of goods, has recorded profits in 2024 and is not regarded as an asset-light business.

Comparable Companies	Stock code	Principal business	Geographical markets	Market capitalisation (HK\$ million) (Note 1)	Historical P/S Multiple (Approximate times) (Note 8)	Historical P/E Multiple (Approximate times) (Note 8)	Historical P/B Multiple (Approximate times) (Note 10)
JS Global Lifestyle Company Limited (“ <b>JS Global</b> ”) (Note 3)	1691	Mainly engaged in procurement, production, sales and marketing of household products.	Mainly in the PRC, Japan, Australia and New Zealand	6,497.4	0.52	134.61 (Note 4)	1.56
Town Ray Holdings Limited	1692	Principally engaged in the manufacture and sale of electrothermal household appliances.	Mainly in Europe, Asia and the United States	1,008.8	1.43	9.37	2.84
Raymond Industrial Limited	229	Mainly engaged in the manufacture and sale of electrical home appliances.	Mainly in Asia, Europe, Latin America and North America	446.2	0.36	6.46	0.66
Allan International Holdings Limited (“ <b>Allan International</b> ”)	684	Mainly engaged in design, manufacture and trading of household electrical appliances.	Mainly in Hong Kong and the PRC	226.5	0.47 (Note 9)	N/A (Note 2)	0.28
	<b>Highest</b>				1.43	134.61	2.84
	<b>Lowest</b>				0.36	6.46	0.28
	<b>Average</b>				0.70	50.15	1.34
	<b>Median</b>				0.50	9.37	1.11
<b>The Company (at the Cash Alternative)</b>				6,381.2	1.26 (Note 5)	8.82 (Note 6)	2.22 (Note 7)



*Notes:*

1. Market capitalisation of the Comparable Companies are sourced from Bloomberg as at the date immediately prior to the Latest Practicable Date.
2. Allan International recorded a loss for the trailing 12 months ended 30 September 2024.
3. During 2023, SharkNinja, Inc. was spun-off from JS Global and separately listed on the New York Stock Exchange. SharkNinja group was involved in design, marketing, manufacture, export, import and distribution of a full range of floor-care products, hard-surface steam cleaning products and small kitchen appliances under the brands of “Shark” and “Ninja”.
4. As set out in JS Global’s 2024 annual results announcement, JS Global recorded profit attributable to owners of the parent of approximately US\$6.2 million, representing a decrease of approximately 95.3% compared to 2023 mainly as a result of increase in selling and distribution expenses and administrative expenses to support Asia Pacific market expansion.
5. The implied P/S Multiple of the Company is calculated based on (a) the implied market value of approximately HK\$6,381.2 million at the Cash Alternative; and (b) the revenue of the Company for the year ended 31 December 2024 of approximately US\$652.6 million (equivalent to approximately HK\$5,073.4 million based on exchange rate of US\$1 to HK\$7.7742) as extracted from the Company’s 2024 annual results announcement.
6. The implied P/E Multiple of the Company is calculated based on (a) the implied market value of approximately HK\$6,381.2 million at the Cash Alternative; and (b) the Attributable Profit of the Company for the year ended 31 December 2024 of approximately US\$93.0 million (equivalent to approximately HK\$723.4 million based on exchange rate of US\$1 to HK\$7.7742) as extracted from the Company’s 2024 annual results announcement.
7. The implied P/B Multiple of the Company is calculated based on (a) the implied market value of approximately HK\$6,381.2 million at the Cash Alternative; and (b) the Attributable Net Asset value of the Company as at 31 December 2024 of approximately US\$369.3 million (equivalent to approximately HK\$2,871.1 million based on exchange rate of US\$1 to HK\$7.7742) as extracted from the Company’s 2024 annual results announcement.
8. The P/S Multiples and P/E Multiples of JS Global, Town Ray Holdings Limited and Raymond Industrial Limited are calculated based on their respective market capitalisation as at the date immediately prior to the Latest Practicable Date divided by their respective revenue/attributable profit for the trailing 12-month period ended 30 June 2024 or the financial year ended 31 December 2024, as extracted/deduced from their respective latest published annual and/or interim reports or annual results announcement.
9. The P/S Multiple of Allan International is calculated based on its market capitalisation as at the date immediately prior to the Latest Practicable Date divided by its revenue for the trailing 12-month period ended 30 September 2024, as deduced from its latest published annual and/or interim report.
10. The P/B Multiples of the Comparable Companies are calculated based on their respective market capitalisation as at the date immediately prior to the Latest Practicable Date divided by their respective attributable net asset value for the latest interim period/financial year, as extracted from their respective latest published annual and/or interim reports.



As set out in the table above, the P/S Multiples of the Comparable Companies ranged from approximately 0.36 times to 1.43 times, with an average and median of approximately 0.70 times and 0.50 times; the P/E Multiples of the Comparable Companies ranged from approximately 6.46 times to 134.61 times, with an average and median of approximately 50.15 times and 9.37 times; the P/B Multiples of the Comparable Companies ranged from approximately 0.28 times to 2.84 times, with an average and median of approximately 1.34 times and 1.11 times. The high average P/E Multiple of the Comparable Companies compared to the median is mainly due to the exceptionally high P/E Multiple of JS Global, details of which are set out in Note 4 above.

Although the implied P/E Multiple of the Company at the Cash Alternative of approximately 8.82 times is below the average and the median of the historical P/E Multiples of the Comparable Companies, considering the implied P/S and P/B Multiples of the Company at the Cash Alternative of approximately 1.26 times and 2.22 times are above the average and median of the P/S and P/B Multiples of the Comparable Companies, on balance, we consider this an indication that the Cash Alternative is fair and reasonable so far as the Disinterested Shareholders are concerned.

#### **8. Privatisation precedents**

To further assess the fairness and reasonableness of the Cash Alternative of the Cancellation Consideration, we have researched all privatisation proposals, which involve a cash alternative as cancellation consideration, of companies listed on the Main Board of the Stock Exchange that were announced and completed during the period since 1 January 2023 and up to the date immediately prior to the Latest Practicable Date (the “**Privatisation Precedents**”). In our view, the Privatisation Precedents represent an exhaustive list identified from website of the Stock Exchange based on the above selection criteria.

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



The table below illustrates the premiums/discounts represented by the cancellation consideration over/to the respective last trading day, respective last 5, 10, 30, 60 and 90 trading days average share prices and respective latest NAV/adjusted NAV per share in respect of the privatisation proposals:

Date of initial announcement (Note 2)	Company name (stock code)	Premium or (discount) represented by offer/ cancellation price over/to closing share price/average share price on/over (Note 1)					Premium or (discount) represented by offer/ cancellation price over/ to latest NAV/ adjusted NAV per share (Note 5)	
		Last full trading day (Note 3)	5- trading day (Note 4)	10- trading day (Note 4)	30- trading day (Note 4)	60- trading day (Note 4)	90- trading day (Note 4)	
22 November 2024	Ronshine Service Holding Co., Ltd (2207)	15.4%	9.1%	1.7%	6.3%	1.9%	(6.5)%	(53.5)%
28 October 2024	Beijing Capital Grand Limited (1329)	46.6%	54.6%	55.1%	41.8%	47.9%	65.4%	(53.8)%
14 October 2024	CM Hi-Tech Cleanroom Limited (2115)	25.0%	23.8%	26.9%	30.2%	39.7%	41.7%	(3.2)%
2 September 2024	Doyen International Holdings Limited (668)	78.6%	81.4%	82.3%	81.4%	86.2%	112.9%	(39.3)%
16 July 2024	Samson Holding Ltd. (531)	77.8%	86.8%	105.4%	150.1%	186.7%	184.5%	(47.1)%
19 June 2024	Asia Standard Hotel Group Limited (292)	52.8%	48.6%	41.0%	57.1%	71.9%	71.9%	(98.6)%
12 June 2024	A8 New Media Group Limited (800) ("A8 New Media")	162.8%	159.0%	168.7%	185.7%	185.7%	174.8%	(48.1)%
27 May 2024	Huafa Property Services Group Company Limited (982)	30.6%	36.8%	40.1%	70.6%	82.4%	88.3%	970.1%
29 April 2024	L'Occitane International S.A. (973)	30.8%	36.1%	40.6%	49.9%	60.8%	60.5%	593.5%
18 April 2024	Kin Yat Holdings Limited (638)	33.3%	43.4%	47.3%	51.5%	53.6%	55.9%	(57.4)%
28 March 2024	SciClone Pharmaceuticals (Holdings) Limited (6600)	33.9%	36.0%	36.2%	47.5%	47.9%	48.7%	228.4%
9 February 2024	IntelliCentrics Global Holdings Ltd. (6819)	20.5%	20.4%	19.3%	13.6%	11.4%	10.7%	N/A
26 January 2024	Bank of Jinzhou Co., Ltd. (416)	0.0%	(0.6)%	(1.0)%	0.3%	15.4%	34.8%	(71.9)%



Date of initial announcement (Note 2)	Company name (stock code)	Premium or (discount) represented by offer/ cancellation price over/to closing share price/average share price on/over (Note 1)						Premium or (discount) represented by offer/ cancellation
		Last full trading day (Note 3)	5- trading day (Note 4)	10- trading day (Note 4)	30- trading day (Note 4)	60- trading day (Note 4)	90- trading day (Note 4)	price over/ to latest NAV/ adjusted NAV per share (Note 5)
14 December 2023	Sinosoft Technology Group Limited (1297)	29.4%	30.4%	31.2%	31.1%	22.5%	15.0%	(78.9)%
4 December 2023	Weiqiao Textile Company Limited (2698)	104.7%	104.9%	102.7%	111.1%	142.9%	147.5%	(78.3)%
28 November 2023	CIMC Vehicles (Group) Co., Ltd. (1839)	16.5%	17.9%	21.0%	25.4%	19.1%	15.9%	(6.3)%
20 November 2023	Vinda International Holdings Limited (3331)	20.1%	19.7%	21.4%	21.3%	25.7%	29.2%	145.2%
6 October 2023	Haitong International Securities Group Limited (665)	114.1%	111.1%	108.2%	126.5%	122.2%	124.5%	(39.3)%
6 October 2023	Pine Care Group Limited (1989)	(1.1)%	0.7%	0.9%	1.5%	8.9%	22.9%	(7.9)%
15 September 2023	Lansen Pharmaceutical Holdings Limited (503)	26.8%	24.1%	22.5%	20.0%	15.4%	20.8%	22.1%
1 September 2023	CST Group Limited (985)	61.3%	24.4%	21.4%	36.6%	(1.4)%	(14.9)%	(60.7)%
27 June 2023	Dali Foods Group Company Limited (3799)	37.9%	36.4%	39.4%	30.2%	21.8%	18.7%	151.7%
27 June 2023	Poly Culture Group Corporation Limited (3636)	77.6%	112.5%	125.2%	133.1%	129.8%	129.0%	(30.9)%
23 June 2023	Yongsheng Advanced Materials Company Limited (3608)	58.7%	55.8%	61.0%	52.9%	38.5%	34.4%	(46.5)%
11 June 2023	Mason Group Holdings Limited (273)	20.7%	20.7%	19.4%	19.0%	16.2%	12.7%	(60.1)%
28 May 2023	Golden Eagle Retail Group Limited (3308)	63.4%	66.6%	61.5%	55.3%	49.9%	54.6%	(47.4)%
8 May 2023	Hailan Holdings Limited (2278)	5.0%	5.0%	5.0%	5.0%	5.0%	8.7%	(60.2)%
29 March 2023	Inner Mongolia Yitai Coal Co., Ltd. (3948)	54.9%	58.7%	63.7%	67.3%	64.2%	65.1%	(6.0)%