



16 August 2022

To the Independent Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTION –
THE LUXSHARE PRECISION MASTER PURCHASE AGREEMENT**

We refer to the circular of the Company dated 16 August 2022 (“**Circular**”) of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed to form the Independent Board Committee to consider the terms of the Luxshare Precision Master Purchase Agreement and its proposed annual caps and to advise the Independent Shareholders whether, in our opinion, the Luxshare Precision Master Purchase Agreement and its proposed annual caps are entered in the usual and ordinary course of business of the Group, fair and reasonable, on normal commercial terms so far as the Independent Shareholders are concerned and whether the Luxshare Precision Master Purchase Agreement and its proposed annual caps are in the interests of the Company and its Shareholders as a whole. Shang International Finance Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Luxshare Precision Master Purchase Agreement and its proposed annual caps.

We wish to draw your attention to the letter from the Board set out on pages 4 to 11 of the Circular which contains, inter alia, information about the Luxshare Precision Master Purchase Agreement and its proposed annual caps, and the letter of advice from the Independent Financial Adviser set out on pages 14 to 25 of the Circular which contains its advice in respect of the terms of the Luxshare Precision Master Purchase Agreement and its proposed annual caps.

Having taking into account the advice from the Independent Financial Adviser, we consider the terms of the Luxshare Precision Master Purchase Agreement and its proposed annual caps are entered in the usual and ordinary course of business of the Group, fair and reasonable, on normal commercial

terms so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Luxshare Precision Master Purchase Agreement and its proposed annual caps.

Yours faithfully,
Independent Board Committee



Ho Hin Shun
Independent
Non-executive Director

Luk Wai Shing
Independent
Non-executive Director

Chan Chung Shun Eric
Independent
Non-executive Director

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