

6 October 2025

To the Independent Board Committee and the Independent Shareholders

Dear Sirs or Madams,

**CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO
FABRIC PURCHASE MASTER AGREEMENT**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Fabric Purchase Master Agreement and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular issued by the Company to the Shareholders dated 6 October 2025 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

Reference is made to the Announcements in respect of the Fabric Purchase Master Agreement and the transactions contemplated thereunder.

On 27 August 2025 (after trading hours), LTO (a direct wholly-owned subsidiary of the Company) and Shangtex (a connected person of the Company) entered into Fabric Purchase Master Agreement in relation to the purchase of fabric by the LTO Group from the Shangtex Group from time to time.

As at the Latest Practicable Date, Shangtex, through its wholly owned subsidiary, Shangtex HK, holds 730,461,936 Shares, representing approximately 70.64% of the issued share capital of the Company and is a substantial shareholder of the Company. Accordingly, Shangtex and its associates are connected persons of the Company. Therefore, the transactions contemplated under the Fabric Purchase Master Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the highest proposed annual caps for the aggregate fees for the transactions contemplated under the Fabric Purchase Master Agreement for each of the years ending on 31 December 2025, 2026 and 2027 is more than 5% and more than HK\$10,000,000 on an annual basis, the transactions contemplated under the Fabric Purchase Master Agreement will be subject to the reporting, announcement, annual review and Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors, namely, Mr. Chan Henry, Mr. Lee Cheuk Yin, Dannis and Ms. Shi Min, has been established to advise the Independent Shareholders as to (i) whether the terms of the Fabric Purchase Master Agreement (including the proposed annual caps) are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the transactions contemplated under the Fabric Purchase Master Agreement are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote on the relevant ordinary resolutions to be proposed at the EGM. We, Lego Corporate Finance Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in such regard.

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationships or interests with the Company or any other parties that could reasonably be regarded as relevant to our independence. In the last two years, save for the appointment as the independent financial adviser to the then independent board committee and independent shareholders of the Company in respect of the continuing connected transactions with respect to (i) the OEM services master agreement; (ii) the OBM products purchase master agreement; and (iii) the sales and services framework agreement, details of which were disclosed in the circular of the Company dated 29 December 2023, there was no engagement between the Company and Lego Corporate Finance Limited. Apart from normal professional fees paid or payable to us in connection with the previous engagement and this appointment as the Independent Financial Adviser, no arrangement exists whereby we had received or will receive any fees or benefits from the Company or any other party to the transactions. Accordingly, we consider that we are eligible to give independent advice in respect of the Fabric Purchase Master Agreement and the transactions contemplated thereunder.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Company and its advisers; (iii) the opinions expressed by and the representations of the Directors and the management of the Company (the "**Management**"); 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 the Circular were true, accurate

and complete in all material respects at the time they were made and up to the Latest Practicable Date and may be relied upon. We have also assumed that all such statements of belief, opinions and intention of the Directors and the Management and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and/or the Management. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the Management were true, accurate, complete and not misleading in all material respects at the time they were made and continued to be so up to the date of the EGM.

We consider that we have reviewed sufficient information currently available, among others, (i) the announcement of the Company dated 27 August 2025; (ii) the annual report of the Company for the year ended 31 December 2024 (the “**2024 Annual Report**”); (iii) the interim report of the Company for the six months ended 30 June 2025 (the “**2025 Interim Report**”) and (iv) other information contained in this letter, to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular 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 Management, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Group, Shangtex Group or any of their respective subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion in respect of the Fabric Purchase Master Agreement and the transactions contemplated thereunder, we have considered the following principal factors and reasons:

1. Information on the parties

1.1. The Group

The Company is an investment holding company incorporated in the Cayman Islands with limited liability, the Shares of which have been listed on the Main Board of the Stock Exchange since 15 July 2004. The Group is principally engaged in the manufacturing and trading of apparel and accessories and its manufacturing plants are primarily located in the PRC, Cambodia, the Philippines, India and Myanmar.

1.2. The LTO Group

LTO is an investment holding company and a direct wholly-owned subsidiary of the Company. The LTO Group is principally engaged in the manufacturing and trading of apparel and accessories.

1.3. The Shangtex Group

Shangtex is an investment holding company. The Shangtex Group is principally engaged in the manufacturing and trading of apparels and accessories. Shangtex is owned as to 96.65% by Orient International (Holding) Co., Ltd. Orient International (Holding) Co., Ltd. is ultimately owned as to 93.4% by the Shanghai State-owned Assets Supervision and Administration Commission.

2. The Fabric Purchase Master Agreement

2.1. Reasons for and benefits of entering into the Fabric Purchase Master Agreement

The Group is principally engaged in the manufacturing and trading of apparel and accessories while one of the principal activities of the Shangtex Group is textile manufacturing. Therefore, the purchase of fabric by the LTO Group from the Shangtex Group under the Fabric Purchase Master Agreement is in line with the principal business of the Group and allow the Group to better manage quality control and its production lead time.

As disclosed in the Letter from the Board, it is believed that the Fabric Purchase Master Agreement will enable the Group to secure a long term and stable supply of high-quality fabric at competitive prices in the long run, which will be beneficial to the overall business operation and development of the Group. As one of the largest and most historic textile conglomerates in the PRC, the Shangtex Group controls every step of the production process, from sourcing premium raw materials and advanced fiber development to weaving, dyeing, and finishing. Furthermore, the Shangtex Group's massive scale and logistical expertise provide the Group with remarkable reliability and efficiency, minimising production delays and ensuring that bulk orders are completed and delivered on schedule, which is crucial for maintaining tight manufacturing timelines.

We have discussed with the Management and were given to understand that beyond reliability and quality, the Shangtex Group serves as a powerhouse of innovation and a comprehensive sourcing solution. Their extensive portfolio encompasses a vast array of fabric types, including high-performance technical textiles for medical, automotive, and protective applications, as well as luxurious natural fibers and cutting-edge sustainable materials made from recycled or organic sources. Such advantage allows the Group to source diverse product needs from a reliable supplier and simplifying the procurement process. By conducting the transactions contemplated under the Fabric Purchase Master Agreement, it will enable the Group to secure the procurement source on normal commercial terms.

Having considered the above reasons and benefits and the terms of the Fabric Purchase Master Agreement being on normal commercial terms and fair and reasonable as discussed below, we are of the view that the Fabric Purchase Master Agreement and the transactions contemplated thereunder are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

2.2. Principal terms of the Fabric Purchase Master Agreement

The principal terms of the Fabric Purchase Master Agreement are set out below:

Date: 27 August 2025

Parties: (i) LTO, for itself and on behalf of the LTO Group;
and
(ii) Shangtex, for itself and on behalf of the Shangtex Group

Term: Subject to the Independent Shareholders' approval of the Fabric Purchase Master Agreement and the transactions contemplated thereunder, the term of the Fabric Purchase Master Agreement shall commence on the Effective Date and shall end on 31 December 2027, unless terminated earlier by an instrument signed by both parties or by either party by giving the other party not less than 30-day written notice.

Nature of Transactions: Pursuant to the Fabric Purchase Master Agreement, Shangtex has undertaken to supply, or procure its subsidiaries to supply, woven and knit fabrics required by the Group. These fabrics will be utilized by the Group for the manufacture of its apparel products.

The LTO Group and the Shangtex Group will enter into individual orders or purchase agreements setting out specific terms of the Purchase Transactions. The terms of the individual orders or purchase agreements will be consistent with the principles and the terms of the Fabric Purchase Master Agreement. If there is any conflict between the terms of an individual order or purchase agreement and the Fabric Purchase Master Agreement, the latter shall prevail.

Payment:

The purchase price, payment time and method, and other specific terms or conditions (if any) for the Purchase Transactions shall be fixed by relevant parties in the individual agreements, individual contracts or purchase orders on a case-by-case basis. The Purchase Transactions will normally be settled in the form of cash payment on a monthly, quarterly or agreed period basis and shall be consistent with the payment terms in the market.

Pricing Policy:

As per the terms of the Fabric Purchase Master Agreement, the general pricing principles and terms of the individual order in respect of the Purchase Transactions will be charged on normal commercial terms, negotiated on an arm's length basis, set with reference to the market price and on similar basis as the Group transacts business with other independent third party suppliers (which in any event shall not be higher than those charged by independent third party suppliers on the Group for comparable goods) and shall be on terms which are no less favourable to the Group than those provided by independent third party suppliers.

Subject to the general pricing principle disclosed above, the Group will also take into account the following factors when determining the purchase price payable by the Group under the individual orders in respect of the Purchase Transactions:

- The Company will obtain at least two written quotations from independent suppliers of similar products (where available), and/or reputable industry sources, with reference to the publicly available fabric prices on Alibaba's procurement and wholesale website (<http://www.alibaba.com/>), which is an e-commerce platform operated by Alibaba Group Holding Limited, to establish prevailing market prices. These quotations shall be in writing and specify key commercial terms and technical specifications (including unit price and lead time). For transactions involving connected persons, the Company will require such suppliers to provide a formal written quotation, which will be evaluated alongside at least two quotations from independent third parties. In cases where a customer nominates a sole supplier for the required fabric, the requirement for multiple quotations may be waived, and the procurement department of the Company will compare the prices of fabric as quoted from Alibaba's procurement and wholesale website (<http://www.alibaba.com/>), such process shall be properly documented as a part of comparative assessment.
- The Company will evaluate the suppliers' quotations based on the following factors:
 - comparison of quoted prices against those of independent suppliers for identical or substantially similar fabric products;
 - compliance with the technical requirements and industry standards specified by the Company and its customers;
 - reliability of the supplier's supply chain, timeliness of delivery, and transport costs;
 - whether the payment and credit terms granted by the supplier align with standard industry practices; and
 - the supplier's history of compliance, reliability, and after-sales service.

- The Company's procurement department will prepare a comparative assessment to summarize the above criteria for each order. This assessment will be submitted for final review and approval by the merchandising manager or a more senior officer;
- Taking into account the above, the Company will ensure that the Purchase Transactions are entered into on normal commercial terms that are fair and reasonable, and at terms not less favourable than those offered by independent third parties for supply of similar products. The Company will retain all relevant documentation for audit trail and corporate governance purposes.

For the avoidance of doubt, such pricing mechanism should apply to any orders issued during the term of the Fabric Purchase Master Agreement and each order shall be conducted in compliance with the provisions of the Fabric Purchase Master Agreement.

As disclosed in the Letter from the Board, the Company will put in place internal control procedures to regularly monitor the prevailing market prices of fabric products to ensure proper determination of the purchase price of fabric products to be purchased from the Shangtex Group, pursuant to which the Group will compare the purchase price obtained from the formal quotation from Shangtex Group through different sources, including at least two market quotations from other independent third party fabric products suppliers, and/or reputable industry sources with reference to the publicly available fabric prices on the Alibaba's procurement and wholesale website (<http://www.alibaba.com/>), on an ongoing basis. We have reviewed the internal policy and procedure manual (the "**Manual**") currently adopted by the Group, and noted that it is stated in the Manual that at least three quotations (including the Shangtex Group) should be obtained by the Group from potential suppliers for comparison in selecting the suppliers in general, as such, the abovementioned procedure is in line with the Manual.

Based on the Fabric Purchase Master Agreement, the Group shall enter into individual purchase orders with the Shangtex Group on a case-by-case basis for confirming the purchase by the LTO Group and the terms of such transaction. We have discussed with the Management and were given to understand that the LTO Group will only place purchase order with the Shangtex Group after a comparative assessment is performed to assess the criteria (including (i) price competitiveness, (ii) quality and specifications, (iii) delivery and logistics and (iv) payment and credit terms, etc.) as compared to at least two quotations from independent third parties, to ensure the terms offered by the Shangtex Group are no less favourable to the LTO Group than those offered by independent third parties.

As advised by the Management, in the case that the lone supplier of fabric is specifically nominated by the customer, the procurement department of the LTO Group will conduct a comparative assessment to compare the prices and terms of fabric from around three suppliers sorted by reputation level as quoted from the Alibaba's procurement and wholesale website (<http://www.alibaba.com/>), which is an e-commerce platform operated by Alibaba Group Holding Limited, and such process shall be properly documented. Alibaba Group Holding Limited is a company incorporated in the Cayman Islands with its American depositary shares listed on the New York Stock Exchange (Stock Symbol: BABA) and ordinary shares listed on the Main Board of the Stock Exchange (stock code: 9988). Its e-commerce platform is reputable and widely recognised in the Greater-China region. As such, we considered the price quoted from the website of Alibaba can provide a reliable reference for prevailing market prices of products, and is fair and reasonable for the Company to make reference to in such circumstance.

We have reviewed the Manual and noted that (i) the procurement department will be responsible to assess new suppliers entering into the master supplier list of the Group and prepare a comparative assessment for each purchase; (ii) the payment should be finally approved by finance and other related/responsible management; and (iii) all suppliers of the Company are subject to annual review by the supplier audit committee. With the above procedures, alongside with obtaining at least two market quotations from other independent third-party suppliers, and/or reputable industry sources, we consider that the Company has sufficient and effective segregation of duties and internal control measures in place to ensure that the purchase price of the LTO Group under the Fabric Purchase Master Agreement will be fair and reasonable and no less favourable to the LTO Group than those offered by independent third parties.

Based on the above, we are of the view that the terms of the Fabric Purchase Master Agreement, which shall be on terms no less favourable to the LTO Group than those provided by independent third party suppliers, are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned.

2.3. Assessment of the proposed annual caps

The following table sets out the proposed annual caps for the transactions contemplated under the Fabric Purchase Master Agreement for the period from the Effective Date to 31 December 2025 and the two years ending 31 December 2027 (the “**Fabric Purchase Annual Caps**”):

	From the Effective Date to 31 December 2025 US\$'000	For the year ending 31 December	
		2026 US\$'000	2027 US\$'000
Proposed annual cap	5,000 (equivalent to approximately HK\$39,250,000)	20,000 (equivalent to approximately HK\$157,000,000)	20,000 (equivalent to approximately HK\$157,000,000)

In assessing the fairness and reasonableness of the Fabric Purchase Annual Caps, we have discussed with the Management regarding the following principal bases and assumptions adopted in determining the Fabric Purchase Annual Caps:

- (i) As disclosed in the Letter from the Board, the Fabric Purchase Annual Caps were determined with reference to the volume of fabric purchased by the Group from the existing suppliers during the 7-month period from 1 January 2025 to 31 July 2025. The historical transaction of fabric purchased with the existing suppliers amounted to approximately US\$45.9 million (equivalent to approximately HK\$360.3 million) for the period from 1 January 2025 to 31 July 2025, with a monthly average of approximately US\$6.6 million (equivalent to approximately HK\$51.8 million) (the “**Monthly Average Purchase Amount**”).

We have discussed with the Management and were given to understand that there are no historical transaction amounts with respect to the purchase of fabric by the LTO Group from the Shangtex Group, and the Group is intended to enhance its cost competitiveness by shifting approximately 25% of the purchase of fabric from existing suppliers to the Shangtex Group during the terms of the Fabric Purchase Master Agreement. Having considered that (i) such cooperation requires a transitional phase to ensure seamless implementation with the 25% reallocation (the “**25% Reallocation**”) representing a cautious approach to balance cost optimization and risk diversification; and (ii) it preserves the LTO Group’s flexibility to meet its procurement goals without constraining business growth or compromising operational stability, we are of the view that shifting approximately 25% of the purchase of fabric from existing suppliers to the Shangtex Group during the terms of the Fabric Purchase Master Agreement is justifiable.

As such, the monthly average purchase of fabric from the Shangtex Group by the LTO Group, which is calculated based on 25% of the Monthly Average Purchase Amount of approximately US\$6.6 million (equivalent to approximately HK\$51.8 million), is expected to be approximately US\$1.65 million (equivalent to approximately HK\$12.95 million) (the “**Expected Monthly Average Purchase Amount**”).

We noted that the pro-rata amount of the purchase of fabric from the Shangtex Group by the LTO Group for the period from Effective Date to 31 December 2025 and the two years ending 31 December 2027, which is calculated based on the Expected Monthly Average Purchase Amount of approximately US\$1.65 million (equivalent to approximately HK\$12.95 million), amounts to approximately US\$4.95 million (equivalent to approximately HK\$38.85 million), US\$19.8 million (equivalent to approximately HK\$155.4 million) and US\$19.8 million (equivalent to approximately HK\$155.4 million), respectively.

Taking into consideration that such pro-rata amount of the purchase of fabric represent approximately 99.0%, 99.0% and 99.0% of the Fabric Purchase Annual Caps for the period from 1 October 2025 to 31 December 2025 and the two years ending 31 December 2027, respectively, we consider that the Fabric Purchase Annual Caps are justifiable.

- (ii) We noted from the 2024 Annual Report and the 2025 Interim Report that majority of the Group’s revenue were generated from the United States of America and the PRC markets. According to the public data from Trade Map (<https://www.trademap.org/>), a trade statistics database for international business development, the global export value of apparel and clothing accessories (knitted or crocheted) increased from approximately US\$213.0 billion in 2020 to approximately US\$280.2 billion in 2024. Based on the public data from the United States Bureau of Economic Analysis (<https://www.bea.gov/>), the disposable income per capita in current dollars by quarter increased from US\$49,832.0 in the first quarter of 2020 to US\$64,264.0 in the fourth quarter of 2024, representing a compound annual growth rate (“CAGR”) of approximately 5.2%. We also noted the personal consumption expenditures on clothing and footwear by quarter increased from US\$376,097 million in the first quarter of 2020 to US\$528,815 million in the fourth quarter of 2024, representing a CAGR of approximately 7.1%.

According to the public data from the National Bureau of Statistics of the PRC (中華人民共和國國家統計局) (<https://www.stats.gov.cn/>), the disposable income per resident increased from approximately RMB32,189.0 in 2020 to RMB41,314.0 in 2024, representing a CAGR of approximately 5.2%. We also noted that the expenditure on clothing per resident for increased from approximately RMB1,238.0 in 2020 to approximately RMB1,521.0 in 2024, representing a CAGR of approximately 4.2%.

In light of the foregoing, we are of the view that the prospect of the apparel industry in the United States of America and the PRC would be generally positive in near future, which shall in turn impose positive impacts on the expected sales of the LTO Group, and thus increase the purchase from the Shangtex Group during the terms of the Fabric Purchase Master Agreement. Notwithstanding the above, we are of the view that the Fabric Purchase Annual Caps will be sufficient after considering the 25% Reallocation as discussed above and the Fabric Purchase Master Agreement does not preclude the LTO Group from choosing other fabric suppliers and hence constrain the LTO Group's ability to meet its sales-driven demand.

- (iii) We have discussed with the Management and were given to understand that the current market unit price of major fabric products is an appropriate benchmark for determining the anticipated purchase prices for the period from Effective Date to 31 December 2025 and the two years ending 31 December 2027 as it is more prudent to cater for the inflation in market price during the term of the Fabric Purchase Master Agreement in case of supply chain disruption or other factors beyond control of the Company.

We further noted that the Fabric Purchase Annual Cap for the period from Effective Date to 31 December 2025, if annualised, will be the same as the Fabric Purchase Annual Caps for the two years ending 31 December 2027. Taking into consideration of the above and a prudent approach is adopted to assume the current market price of the fabric and the Fabric Purchase Annual Caps remain steady during the terms of the Fabric Purchase Master Agreement, we consider the Fabric Purchase Annual Caps are justifiable.

Based on the above, we are of the view that the Fabric Purchase Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned.

However, the Shareholders should note that as the Fabric Purchase Annual Caps are determined based on various factors relating to future events and assumptions which may or may not remain valid for the entire period up to 31 December 2027, and they do not represent any forecasts or estimations of the Group's financial performance. Consequently, we express no opinion as to how closely the actual future transaction amounts of the continuing connected transactions will correspond with the Fabric Purchase Annual Caps for the three years ending 31 December 2027.

3. Internal control measures

We have discussed with the Management and noted that the Group has established the following internal control measures to monitor the transactions contemplated under the Fabric Purchase Master Agreement:

- (i) the Group will collect market information and keep track of the latest changes in the industry on a monthly basis, especially the purchase prices of similar fabric products through different sources, including at least two market quotations from other independent third party suppliers and/or reputable industry sources, on an ongoing basis;
- (ii) the finance department of the Company will conduct monthly checks on whether the transactions contemplated under the relevant continuing connected transactions are being conducted in accordance with the terms and the pricing policy of the Fabric Purchase Master Agreement;
- (iii) the finance department of the Company is responsible for collecting data and statistics of the continuing connected transactions under the Fabric Purchase Master Agreement on a monthly basis to ensure the annual caps approved are not exceeded;
- (iv) the internal audit team of the Company will conduct quarterly review of the transactions in accordance with the established terms and the pricing policy under the Fabric Purchase Master Agreement and perform sampling inspections to ensure the related internal control procedures were properly followed. The internal audit assessment on the adequacy and effectiveness of such internal control measures will be reported to the Audit Committee;
- (v) all abovementioned personnel involved in the Group's internal control procedures are independent of Shangtex Group and its associates;
- (vi) the external auditors of the Company will report by issuing a letter to the Board every year on the continuing connected transactions of the Company in relation to the pricing policies and annual caps of the continuing connected transactions (including the transactions under the Fabric Purchase Master Agreement) of the Company conducted during the preceding financial year pursuant to the Listing Rules; and
- (vii) the independent non-executive Directors will conduct an annual review with respect to the continuing connected transactions of the Company throughout the preceding financial year and confirm on the transactional amounts and terms of the continuing connected transactions in the annual report of the Company pursuant to the requirements under the Listing Rules, and to ensure that the transactions are entered into on normal commercial terms, are fair and reasonable, and are carried out pursuant to the terms of the relevant agreements governing the continuing connected transactions and in the interest of the Shareholders as a whole.

We noted from the above that the Group has adopted a set of internal control measures to assign specific responsibilities to various designated departments and management of the Group in performing regular reviews and monitoring transaction amount to ensure that the transactions contemplated under the Fabric Purchase Master Agreement will be conducted on normal commercial terms and in accordance with the respective pricing policies and terms of the Fabric Purchase Master Agreement.

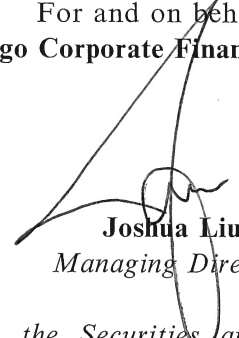
Taking into account the above, we are of the view that there are appropriate measures in place to govern the conduct of the Fabric Purchase Master Agreement and the transactions contemplated thereunder, thereby safeguarding the interests of the Independent Shareholders.

RECOMMENDATION

Having considered the above principal factors and reasons, we are of the opinion that the terms of the Fabric Purchase Master Agreement (including the proposed annual caps) are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned, and the Fabric Purchase Master Agreement and the transactions contemplated thereunder are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Fabric Purchase Master Agreement and the transactions contemplated thereunder (including the proposed annual caps thereof).

Yours faithfully,
For and on behalf of
Lego Corporate Finance Limited



Joshua Liu
Managing Director

Mr. Joshua Liu is a licensed person registered with the Securities and Futures Commission and a responsible officer of Lego Corporate Finance Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 25 years of experience in the securities and investment banking industries.