INCU Corporate Finance Limited
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20 December 2023

To the Independent Board Committee
and the Independent Shareholders of
C&D Newin Paper & Pulp Corporation Limited

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS
(1) RENEWED PAPERBOARD SALES FRAMEWORK AGREEMENT; AND
(2) PAPER PULP PROCUREMENT FRAMEWORK 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 terms of the Renewed Paperboard Sales Framework Agreement, the Paper Pulp Procurement Framework Agreement, the transactions contemplated thereunder and the Proposed Caps (together, the "**Proposed Continuing Connected Transactions**"). Details of the which are set out in the "Letter from the Board" (the "**Letter from the Board**") contained in the circular of the Company dated 20 December 2023 (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

Reference is made to the announcement of the Company dated 13 November 2023. As the Existing Paperboard Sales Framework Agreement will expire on 31 March 2024, UPPSD had, on 13 November 2023, entered into the Renewed Paperboard Sales Framework Agreement with Xiamen C&D Paper to govern the contractual relationship for the sale of Paperboard Products to Xiamen C&D Paper Group for a fixed term from 1 January 2024 to 31 December 2026. On 13 November 2023, UPPSD also entered into the Paper Pulp Procurement Framework Agreement with Xiamen C&D Paper for the procurement of Paper Pulp Products sourced by Xiamen C&D Paper Group from time to time from 1 January 2024 to 31 December 2026.

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As at the Latest Practicable Date, NCD is the controlling Shareholder. As NCD is in aggregate, directly and indirectly, wholly owned by HK Paper which in turn is directly wholly owned by Xiamen C&D Paper, Xiamen C&D Paper is a connected person of the Company under the Listing Rules. As such, the Renewed Paperboard Sales CCT and the Paper Pulp Procurement CCT will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios for the Paperboard Proposed Caps of the Renewed Paperboard Sales CCT and the Paper Pulp Proposed Caps of the Paper Pulp Procurement CCT exceeds 5%, it is expected that the Renewed Paperboard Sales CCT and the Paper Pulp Procurement CCT will constitute non-exempted continuing connected transactions which are subject to reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save for NCD, C&D Group and their associates, hold 990,220,583 Shares, representing approximately 70% of the issued share capital of the Company as at the Latest Practicable Date, who shall abstain from the voting on the relevant resolutions to approve the Renewed Paperboard Sales Framework Agreement and the Paper Pulp Procurement Framework Agreement, no other Shareholder has a material interest in the Renewed Paperboard Sales CCT and the Paper Pulp Procurement CCT and no other Shareholder is therefore required to abstain from voting at the SGM for the relevant resolutions.

THE INDEPENDENT BOARD COMMITTEE

An Independent Board Committee comprising all independent non-executive Directors, namely Mr. Zhao Lin, Mr. Wong Yiu Kit, Ernest and Mr. Lam John Cheung-wah, has been established to advise and provide recommendation to the Independent Shareholders in relation to fairness and reasonableness of the Proposed Continuing Connected Transactions.

As the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders as to whether the terms of the Proposed Continuing Connected Transactions are fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Company and the Independent Shareholders as a whole.

We have not acted as an independent financial adviser and has not provided any other services to the Company during the past two years. As at the Latest Practicable Date, we are not aware of any relationships or interests between us and the Company or any other parties that could be reasonably be regarded as hindrance to our independence as defined under Rule 13.84 of Listing Rules to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Proposed Continuing Connected Transactions. We are not associated with the Company, its subsidiaries, its associates or their respective substantial shareholders or associates or any other parties to the Proposed Continuing Connected Transactions, and accordingly, are

eligible to give independent advice and recommendations on the terms of the Proposed Continuing Connected Transactions. Apart from normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser, no arrangement exists whereby we will receive any fees from the Company, its subsidiaries, its associates or their respective substantial shareholders or associates or any other parties to the Proposed Continuing Connected Transactions.

BASIS OF OUR OPINION

In formulating our opinion, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and/or provided to us by the Company and the management of the Group. Our review and analysis were based on the information provided by the Group including the Circular, the Existing Paperboard Sales Framework Agreement, the Renewed Paperboard Sales Framework Agreement, the Paper Pulp Procurement Framework Agreement and certain published information from the public domain, including but not limited to, the Reference Sites. We have assumed that all statements, information, opinions and representations contained or referred to in the Circular and/or provided to us were true, accurate and complete at the time they were made and continued to be so as at the Latest Practicable Date. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed by them in the Circular have been arrived at after due and careful consideration and there are no other material facts not contained in the Circular, the omission of which would make any such statement made by them that contained in the Circular misleading in all material respects. We have no reason to doubt the truth or accuracy of the information provided to us, or to believe that any material information has been omitted or withheld. We have relied on such information and consider that the information we have received is sufficient for us to reach our advice and recommendation as set out in this letter and to justify our reliance on such information. However, we have not conducted any in-depth independent investigation into the businesses, affairs and financial positions of the Group nor have we considered the taxation implication on the Group or the Independent Shareholders as a result of the Proposed Continuing Connected Transactions.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In assessing the Proposed Continuing Connected Transactions, and in giving our recommendation to the Independent Board Committee and the Independent Shareholders, we have taken into account the following principal factors and reasons:

1. Information of the Group, UPPSD and Xiamen C&D Paper

(a) Information of the Group

The Company is an investment holding company. The Group is principally engaged in the paper manufacturing and distribution business. The Group's operations are mainly based in the PRC.

(b) Information of UPPSD

UPPSD is a company incorporated in the PRC with limited liability and an indirect wholly owned subsidiary of the Company. It is principally engaged in the paper manufacturing and distribution business in the PRC.

(c) Information of Xiamen C&D Paper

Xiamen C&D Paper is a limited liability company incorporated in the PRC and is principally engaged in the business of forestry, pulp and paper products. Xiamen C&D Paper is directly and indirectly in aggregation wholly owned by Xiamen C&D Inc., the shares of which are listed on the Shanghai Stock Exchange (stock code: 600153.SH). Xiamen C&D Inc. is principally engaged in supply chain operations, real estate development and home decoration and furniture mall operation. C&D Group, being a controlling shareholder of Xiamen C&D Inc., is directly wholly owned by Xiamen Municipal People's Government State-owned Assets Supervision and Administration Commission* (廈門市人民政府國有資產監督管理委員會). C&D Group is a conglomerate principally engaged in fields including supply chain operation, municipal construction and operations, hospitality and expos, medical and health and emerging industry investment.

2. Reasons for and benefits of the Proposed Continuing Connected Transactions

Xiamen C&D Paper is a limited liability company incorporated in the PRC. Xiamen C&D Paper is a wholly owned subsidiary of Xiamen C&D Inc., a company whose shares are listed on the Shanghai Stock Exchange (stock code: 600153). In the Fortune Global 500 list, C&D Group, being the parent company of Xiamen C&D Inc. ranked 69 in 2023. As at the Latest Practicable Date, Xiamen C&D Paper has more than 45 subsidiaries and branch companies in the PRC and overseas. Established in 1992, Xiamen C&D Paper Group is a leading enterprise of paper sales, pulp imports and sales in the PRC. Xiamen C&D Paper has built up a comprehensive "one-stop" service chain comprising order placing, logistics, insurance, warehousing, etc. Xiamen C&D Paper has obtained the FSC-CoC certification (FSCTM Chain-of-Custody) issued by the Forest Stewardship Council, an international, non-governmental organization which sets standards for forestry practices. The FSC-CoC certification is able to evidence that the wood material sourced and distributed by Xiamen C&D Paper Group is legal and responsibly managed. In 2022, Xiamen C&D Paper has an annual sales volume of over 13 million tons of paper products and pulps and a sales network comprising over 5,000 customers in the PRC and overseas.

As disclosed in the Letter from the Board, under the Renewed Paperboard Sales Framework Agreement and the Paper Pulp Procurement Framework Agreement, UPPSD could continue to leverage on the industry leading position, the comprehensive value-added services and the sales network of Xiamen C&D Paper Group in the forestry, paper pulp and paper products distribution industry to enhance its raw material procurement channel, expand its income stream and enhance its sales penetration. Having resourceful and reliable sales channel and raw material sourcing channel is crucial to the success of the Group. The commercial partnership with

Xiamen C&D Paper Group could also enhance the Group's portfolio and reputation which would gradually increase the bargaining power of the Group when negotiating with both the independent third party customers and the Paper Pulp Products suppliers.

We have discussed with the management of the Company and are informed that Paper Pulp Products are important raw material of Paperboard Products and part of the Paper Pulp Products to be supplied by Xiamen C&D Paper Group under the Paper Pulp Procurement Framework Agreement is for the production of Paperboard Products to be provided to Xiamen C&D Paper under the Renewed Paperboard Sales Framework Agreement. The market leadership of Xiamen C&D Paper Group demonstrate that it is able to provide reliable supply of Paper Pulp Products for production of Paperboard Products. Furthermore, entering into the Renewed Paperboard Sales Framework Agreement can broaden the Group's revenue and provide sustainable income to the Group. Therefore, we consider the Proposed Continuing Connected Transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

3. Renewed Paperboard Sales Framework Agreement

Reference is made to the announcement of the Company dated 28 December 2021 and circular of the Company dated 31 December 2021 in relation to, among other things, the Existing Paperboard Sales Framework Agreement entered into between UPPSD, an indirect wholly owned subsidiary of the Company, and Xiamen C&D Paper for the sale of the Paperboard Products. As the Existing Paperboard Sales Framework Agreement will expire on 31 March 2024, UPPSD had, on 13 November 2023, entered into the Renewed Paperboard Sales Framework Agreement with Xiamen C&D Paper to govern the contractual relationship for the sale of Paperboard Products to Xiamen C&D Paper Group for a fixed term from 1 January 2024 to 31 December 2026. Following the passing of the resolution to approve the Renewed Paperboard Sales Framework Agreement at the SGM, the Existing Paperboard Sales Framework Agreement will be terminated on 31 December 2023.

The principal terms of the Renewed Paperboard Sales Framework Agreement are summarized as follows:

Date	:	13 November 2023 (after trading hours)
Parties	:	(1) UPPSD (as the vendor); and
		(2) Xiamen C&D Paper (as the purchaser).

Term	:	The Renewed Paperboard Sales Framework Agreement has a fixed term from 1 January 2024 to 31 December 2026. The condition precedent to the effectiveness of the Renewed Paperboard Sales Framework Agreement is that the Company obtains the approval of Independent Shareholders at the SGM to approve the Renewed Paperboard Sales CCT and the Paperboard Proposed Caps.
Nature of Transactions	:	UPPSD will sell the Paperboard Products to Xiamen C&D Paper Group on a non-exclusive basis based on the quantity, unit price and specifications set out in the individual orders to be placed by Xiamen C&D Paper Group from time to time.
Price	:	The unit price of the Paperboard Products will be determined with reference to the prevailing market price in the Mainland China for the same type of products and in accordance with the pricing policies of the Group made for independent third party customers as detailed in the section headed "Pricing Policy" below. In case of an increase in the prevailing market price of the Paperboard Products or the raw materials needed to produce the Paperboard Products before the Paperboard Products are delivered to Xiamen C&D Paper Group pursuant to an order, UPPSD is entitled to adjust the unit price of the Paperboard Products in accordance with the price update letter issued to the customers, including Xiamen C&D Paper Group. Based on the principles applied by the core management team of UPPSD as detailed in the section headed "Pricing Policy" below, UPPSD will issue price update letter to notify the customers the recent pricing changes in accordance to the assessment of the core management team on the market trend and the pricing strategy.
Delivery and Payment	:	Unless otherwise agreed in the individual orders between UPPSD and Xiamen C&D Paper Group, UPPSD shall deliver the Paperboard Products within one month upon receiving the payment from Xiamen C&D Paper Group; and the payment of the Paperboard Products shall be settled by way of telegraphic transfer.

Pricing Policy : The basis of determining the prices of the Paperboard Products to be supplied by UPPSD under the Renewed Paperboard Sales Framework Agreement will be on the following principles:

(i) the historical pricing trend and the prevailing market price of the Paperboard Products in the Mainland China of comparable quality, specifications, quantities and related delivery costs based on the market information collected by the Group through primarily, the market price information from the Reference Sites, and secondarily, its network (i.e. the core management team of UPPSD including Mr. Huang Tiansheng, Mr. Lin Ruqin and Mr. Zhou Wei, with over 10 years of experience in the paper industry and therefore with the ability to make objective pricing policies for the Paperboard Products); and

(ii) the sales terms of each purchase order provided by Xiamen C&D Paper Group to UPPSD must be no less favourable than those provided by independent third party customers to UPPSD.

Through regularly reviewing and approving sales contracts for Paperboard Products and convening monthly management meetings, the core management team of UPPSD, comprising individuals with extensive industry expertise, plays an important role in providing strategic planning and guidance for determining the pricing of Paperboard Products, which is based on the following principles:

(i) Historical pricing trend and market price: The core management team considers the historical pricing trend and the prevailing market price of the same or similar Paperboard Products obtained from the Reference Sites;

(ii) Other market players' offers: The recent pricing offers for the same or similar Paperboard Products offered by at least two other leading market players are also taken into account for reference, relying on the business network of the core management team as well as the recent public quotations provided by certain market players through the Reference Sites;

(iii) Purchase order terms: Factors such as order quantities, product quality, delivery terms, and payment terms are carefully considered when determining the pricing strategy;

(iv) Market insight and analysis: The core management team leverages their business network to gain market insight and perform analysis on the business trend of paper manufacturing industry; and

(v) Production plan and capacity: UPPSD's current production plan and production capacity are also factors considered when determining the pricing strategy.

Upon approval by the core management team, UPPSD will issue price update letter to notify the customers the recent pricing changes in accordance to the assessment of the core management team on the market trend and pricing strategy.

Further, additional internal control measurements for the transactions with connected persons will be applied as detailed in the section headed "INTERNAL CONTROL" in the Letter from the Board.

The Reference Sites are widely used by paper manufacturers in the world and provides reliable price assessments in the pulp and paper products markets. Fastmarkets RISI, being the operator of one of the Reference Sites (http://www.umpaper.com) has been in operation since 1985 which is the world's leading reporting and market analysis provider for the forest products sector with offices located around the world (including London, Brussels, Beijing, Shanghai, New York and other major cities). Based on the information available to the Board, Fastmarkets RISI's clients comprise more than 97% of the world's forest products sector, including industry end-users, suppliers, investors and financial-service providers. The other Reference Site (http://www.sci99.com) provides market information, consulting for energy, chemical, plastic, rubber, paper and pulp etc. Based on the information available to the Borad, it has about 3 million registered users in total and over 150 clients are among Fortune Global 500 and their subsidiaries. It is operated by Sublime China Information Co., Ltd. which is listed on ChiNext of Shenzhen Stock Exchanges (stock code: 301299). The above Reference Sites contain pricing information in relation to the current and historical market price of pulp and paper products; and continuously conduct research and update the market prices of Paperboard Products and Paper Pulp Products in Mainland China on a daily basis.

Annual Caps : The transaction amount under the Renewed Paperboard Sales Framework Agreement for each of the three financial years ending 31 December 2026 will not exceed the following Paperboard Proposed Caps:

	For the financial year ending 31 December 2024 *(RMB'000)*	**For the financial year ending 31 December 2025** *(RMB'000)*	**For the financial year ending 31 December 2026** *(RMB'000)*
Paperboard Proposed Caps	650,000	670,000	690,000

The Paperboard Proposed Caps under the Renewed Paperboard Sales Framework Agreement are determined based on the below factors:

(i) the historical pricing trend and the prevailing market price of the Paperboard Products in the Mainland China of comparable quality, specifications, quantities and related delivery costs based on the market information collected by the Group through primarily, the market price information from the Reference Sites, and secondarily, its network (i.e. the core management team of UPPSD including Mr. Huang Tiansheng, Mr. Lin Ruqin and Mr. Zhou Wei, with over 10 years of experience in the paper industry and therefore with the ability to make objective pricing policies for the Paperboard Products): the core management team has taken into account the recent upward market trend of the price of the Paperboard Products in the recent three months prior to the date of the Renewed Paperboard Sales Framework Agreement. According to the information on the Reference Sites, the market price of both coated duplex board and kraft linerboard after excluding the value-added tax ("**VAT**") has resumed rising starting from August 2023 after reaching the lowest price at RMB2,699.12/ton and at RMB2,500.00/ton on 2 August 2023 respectively. As at the date of the Renewed Paperboard Sales Framework Agreement, the price level of coated duplex board excluding VAT was RMB3,123.89/ton, representing approximately 15.7% increment as compared to that in the three months prior to the date of the Renewed Paperboard Sales Framework Agreement. As at the date of the Renewed Paperboard Sales Framework Agreement, the price level of kraft linerboard after excluding VAT was RMB2,699.12/ton, representing approximately 8.0% increment as compared to that in the three months prior to the date of the Renewed Paperboard Sales Framework Agreement. In addition, under the pricing terms of the Renewed Paperboard Sales Framework Agreement and with reference to the historical pricing trend and the prevailing market price of the Paperboard Products, the selling price of each purchase order provided by Xiamen C&D Paper Group to UPPSD must be no less favourable than those provided by independent third-party customers;

(ii) the estimated volume of the Paperboard Products required by Xiamen C&D Paper Group from the Group for the three financial years ending 31 December 2026 with reference to its internal sales targets: referring to the historical transactions under the Existing Paperboard Sales Framework Agreement, the reason for the low utilisation rate for the period ended 31 March 2022 (from 26 January 2022 to 31 March 2022), which was less than 50%, was that period represented the early stage of cooperation between the Group and Xiamen C&D Paper Group in relation to Paperboard Products. As the cooperation had only commenced approximately two months, the period ended 31 March 2022 only recorded relatively low transaction amounts and volumes. However, the utilisation rates for the subsequent two periods, namely the twelve months ended 31 March 2023 and the six months ended 30 September 2023 (after annualization of the actual sales for the six months ended 30 September 2023), were both higher than 85%. The increase in utilization was mainly attributable to the higher transaction volumes driven by the demand of Xiamen C&D Paper Group and its end-customers for the Paperboard Products. These transaction volumes align with the estimated transaction volumes under the annual caps outlined in the Existing Paperboard Sales Framework Agreement. Further, the average estimated volume of Paperboard Products in the amount of 200,000 tons as required by Xiamen C&D Paper Group from the Group for each of the three financial years ending 31 December 2026 increases approximately 64.5% from the volume of Paperboard Products purchased by Xiamen C&D Paper Group from the Group for the financial year ended 31 March 2023 amounted to approximately 121,600 tons. Given Xiamen C&D Paper's business capacity with an annual sales volume of over 3 million tons of the Paperboard Products in 2022 as compared to UPPSD's current annual production capacity of 460,000 tons, such increment in estimated annual sales volume, through arm's length negotiation, represents (a) the increase in demand for the Paperboard Products of the Group from Xiamen C&D Paper Group and its end-customers; and (b) the enhanced business cooperation between Xiamen C&D Paper Group and the Group since the entering into the Existing Paperboard Sales Framework Agreement on 28 December 2021 in terms of Paperboard Products transactions. It will further expand the income stream of the Group; and

(iii) the Paperboard Products production capacity of UPPSD: having considered the existing production capacity of UPPSD of 460,000 tons to meet the existing needs of all customers, including Xiamen C&D Paper Group, the estimated average volume of Paperboard Products under the Paperboard Proposed Caps for each of the three financial years ending 31 December 2026 represents less than 45.0% of UPPSD's current annual production capacity which is expected to further utilise UPPSD's existing production capacity and result in mutual benefits.

In determining the Paperboard Proposed Caps, the parties have also taken into account the assumption that during the term of the Renewed Paperboard Sales Framework Agreement, there will not be any adverse change or disruption in market conditions, operation and business environment or government policies which may materially affect the business of the parties of the Renewed Paperboard Sales Framework Agreement. As mentioned in the interim report of the Company for the six months period ended 30 June 2023, the Directors expect that the PRC is accelerating the pace of economic recovery and actively adjusting its industrial development strategy to provide active support for corporate development. In addition, based on the latest statistics released by the China Paper Association, the operating income and total profit of the PRC's paper industry were approximately RMB1.5 trillion and RMB62.1 billion, respectively, in 2022. From 2013 to 2022, the average annual growth rate of the production and consumption volume of paper and cardboard were approximately 2.3% and 2.7% in the PRC, respectively. The expected economic recovery in the PRC and the positive trend of the historical growth of the PRC's paper industry are in line with the estimated 3% annual growth of the Paperboard Proposed Caps for the three financial years ending 31 December 2026.

Having considered (i) the recent upward market trend of the price of the Paperboard Products in the recent three months prior to the date of the Renewed Paperboard Sales Framework Agreement; (ii) the pricing basis of the unit sales price of Paperboard Products to be sold to Xiamen C&D Paper Group are based on the prevailing market price, not less favourable than those sold to independent third party customers; (iii) the enhanced business cooperation between Xiamen C&D Paper Group and the Group in terms of the average estimated volume of Paperboard Products under the Paperboard Proposed Caps amounted to 200,000 tons each year after arm's length negotiation, which shows an increment as compared to the actual purchase volume of Paperboard Products by Xiamen C&D Paper Group which amounted to approximately 121,600 tons for the financial year ended 31 March 2023, can further utilise of UPPSD's existing production capacity and result in mutual benefits; and (iv) the expected accelerating pace of economic recovery in the PRC and the positive trend of the historical growth of the PRC's paper industry, the Directors consider the Paperboard Proposed Caps, with the estimated annual growth of approximately 3%, are fair and reasonable.

We have reviewed and compared the terms of the Renewed Paperboard Sales Framework Agreement and the Existing Paperboard Sales Framework Agreement and note that, other than (a) extension of the term of Existing Paperboard Sales Framework Agreement to 31 December 2026; and (b) Paperboard Proposed Caps, there has been no material change between the terms of the two aforesaid agreements.

For our due diligence purpose, we have reviewed and compared 40 sample copies of historical transaction records, including sales invoices, receipt and approval documents, in respective of the sales made by the Group to independent third parties and Xiamen C&D Paper. The samples under review represent the top 5 transactions of each Paperboard Products (coated duplex board and kraft linerboard) between the Group and Xiamen C&D Paper for each of the period (a) from 26 January 2022, being the commencement date of the continuing connected transactions, to 31 March 2023, being the original year end of the Company; and (b) the period from 1 April 2023 to 30 September 2023. Each selected continuing connected transaction sample will be compared with the sample of transactions with independent third parties on the same corresponding date with a similar size and weight of paper. Therefore, each period includes 10 samples of continuing connected transactions and 10 samples of transactions with independent third parties. We consider the above selection criteria

is fair and reasonable for our analysis as the samples covered all the Paperboard Products over the term of the Existing Paperboard Sales Framework Agreement and all samples represent the top 5 transactions of such period. After reviewing the samples of the continuing connected transactions and comparing with the historical transaction records between the Group and the independent third party, we note that (i) the sales transactions are made in compliance with the internal control measures, including the approval procedures, of the Group; and (ii) the selling price of the products sold to Xiamen C&D Paper is determined in accordance with the pricing policy of the Group and is no less favourable than those provided by independent third party customers.

Having considered that (i) there is no material change between the Renewed Paperboard Sales Framework Agreement and the Existing Paperboard Sales Framework Agreement other than the extension of the term and renewal of the annual caps; (ii) the historical transaction records are in compliance with the internal control measures and the pricing policy of the Group and comparable to the transaction records with independent third parties; and (iii) reasons for and benefits of entering into the Renewed Paperboard Sales Framework Agreement as discussed in the section headed "2. Reasons for and benefits of the Proposed Continuing Connected Transactions" above in this letter, we are of the view that the terms of the Renewed Paperboard Sales Framework Agreement are on normal commercial terms, in the ordinary and usual courses of business of the Company and in accordance with the pricing policy of the Group and fair and reasonable so far as the Independent Shareholders are concerned.

The following table shows the historical transaction amounts under the Existing Paperboard Sales Framework Agreement:

	For the period ended 31 March 2022 *(RMB'000)*	**For the twelve months ended 31 March 2023** *(RMB'000)*	**For the six months ended 30 September 2023** *(RMB'000)*
Existing annual caps under the Existing Paperboard Sales Framework Agreement	96,400	420,000	420,000 *(Note 1)*
Actual sales (unaudited)	44,165 *(Note 2)*	365,636	182,257
Utilisation	45.8%	87.1%	86.8% *(Note 3)*

Notes:

1. The annual cap of RMB420 million is for the twelve months ending 31 March 2024.

2. The transaction amount under the Existing Paperboard Sales Framework Agreement for the period from the date of resumption of trading of the Company on 26 January 2022 to 31 March 2022.

3. The utilisation rate was calculated based on the annualised actual sales amount for the six months ended 30 September 2023.

As shown in the above table, we note that both utilisation rate for the twelve months ended 31 March 2023 and six months ended 30 September 2023 (after annualised) is higher than 85% but the utilisation rate for the period ended 31 March 2022 is less than 50%. We have discussed with the management of the Company and the Company replied that the reason of low utilisation rate for the period ended 31 March 2022 is that such period represents the early period of the commencement of the continuing connected transactions (approximately two months from the commencement date only) leading to a relative low transactions amount.

In respect of the basis of the Paperboard Proposed Caps, we have discussed with the management of the Company the prevailing market price of the Paperboard Products and the sales target of UPPSD. We have reviewed the market price of the Paperboard Products on the Reference Sites. With reference to the information on the Reference Sites, the price level of coated duplex board and kraft linerboard after excluding the VAT as at the date of the Renewed Paperboard Sales Framework Agreement was RMB3,123.89/ton and RMB2,699.12/ton respectively. Although the market price level of both coated duplex board and kraft linerboard after excluding the VAT has dropped from RMB4,004.42/ton and RMB3,672.57/ton respectively since 26 January 2022, being the commencement date of the continuing connected transactions, the market price of both coated duplex board and kraft linerboard after excluding the VAT has resumed rising starting from August 2023 after reaching the lowest price at RMB2,699.12/ton and at RMB2,500.00/ton on 2 August 2023 respectively. The market price of the coated duplex board and kraft linerboard after excluding the VAT as at the date of the Renewed Paperboard Sales Framework Agreement represents an increase of approximately 15.7% and 8.0% respectively as compared with the lowest price on 2 August 2023. After considering the market trend of the price of the Paperboard Products prior to the date of the Renewed Paperboard Sales Framework Agreement, the Company estimated the average market price of the Paperboard Products in 2024 will be back to the level of the average selling price of Paperboard Products in 2022, which was RMB3,210/ton, and expected to have mild increments of 3% each year afterwards, which lead to the mild increase in Paperboard Proposed Caps, on the assumption that there will not be any adverse change or disruption in market conditions, operation and business environment or government policies which may materially affect the business of the parties of the Renewed Paperboard Sales Framework Agreement. In view of the percentage change of the price of the Paperboard Products from 2 August 2023 to the date of Renewed Paperboard Sales Framework Agreement as discussed above and the average annual growth rate of the

production and consumption volume of paper and cardboard from 2013 to 2022 of approximately 2.3% and 2.7% in the PRC respectively according to the latest statistics released by China Paper Association, we consider the 3% increment of the Paperboard Proposed Caps is acceptable. During our discussion with the management of the Company, we are also informed by the management of the Company that, based on the total historical sales volume of UPPSD (including the continuing connected transactions under the Existing Paperboard Sales Framework Agreement and the transactions with independent third parties), the Paperboard Products production capacity of UPPSD, which is approximately 460,000 tons per year, has not been fully utilised. As such, by comparing the business capacity of Xiamen C&D Paper with an annual sales volume of over 3 million tons of Paperboard Products in 2022, the Company considers that there is an upside potential to broaden the income of the Group by providing further sales of the Paperboard Products to Xiamen C&D Paper Group. For the Paperboard Proposed Caps, after the arm's length negotiation and discussion between Xiamen C&D Paper and the Company, UPPSD will provide an average sales volume of 200,000 tons of Paperboard Products to Xiamen C&D Paper for each of the three financial years ending 31 December 2026.

After considering the prevailing market price of the Paperboard Products, the market growth of paper and cardboard industry, the business capacity of Xiamen C&D Paper, the production capacity of Paperboard Products of UPPSD and the estimated sales volume of the Paperboard Products to Xiamen C&D Paper Group, we consider that the Paperboard Proposed Caps are fair and reasonable.

4. Paper Pulp Procurement Framework Agreement

On 13 November 2023, UPPSD also entered into the Paper Pulp Procurement Framework Agreement with Xiamen C&D Paper for the procurement of Paper Pulp Products sourced by Xiamen C&D Paper Group from time to time from 1 January 2024 to 31 December 2026.

The principal terms of the Paper Pulp Procurement Framework Agreement are summarized as follows:

Date	:	13 November 2023 (after trading hours)
Parties	:	(1) UPPSD (as the purchaser); and (2) Xiamen C&D Paper (as the vendor).
Term	:	The Paper Pulp Procurement Framework Agreement has a fixed term from 1 January 2024 to 31 December 2026. The condition precedent to the effectiveness of the Paper Pulp Procurement Framework Agreement is that the Company obtains the approval of the Independent Shareholders at the SGM to approve the Paper Pulp Procurement CCT and the Paper Pulp Proposed Caps.

Nature of Transactions	:	UPPSD will purchase the Paper Pulp Products sourced by Xiamen C&D Paper Group on a non-exclusive basis based on the quantity, unit price and specifications set out in the individual orders to be placed by UPPSD from time to time.
Price	:	The unit price of the Paper Pulp Products will be determined with reference to the prevailing market price in the Mainland China for the same type of products and in accordance with the pricing policies of the Group made for independent third party customers as detailed in the section headed "Pricing Policy" below.
Delivery and Payment	:	Unless otherwise agreed in the individual orders between UPPSD and Xiamen C&D Paper Group, Xiamen C&D Paper Group shall deliver the Paper Pulp Products within one month upon receiving the payment from UPPSD; and the payment of the Paper Pulp Products shall be settled by way of telegraphic transfer.
Pricing Policy	:	The basis of determining the prices of the Paper Pulp Products to be supplied by Xiamen C&D Paper Group under the Paper Pulp Procurement Framework Agreement will be on the following principles: (i) the historical pricing trend and the prevailing market price of the Paper Pulp Products in the Mainland China of comparable quality, specifications, quantities and related delivery costs based on the market information collected by the Group through primarily, the market price information from the Reference Sites, and secondarily, its network (i.e. the core management team of UPPSD including Mr. Huang Tiansheng, Mr. Lin Ruqin and Mr. Zhou Wei, with over 10 years of experience in the paper industry and therefore with the ability to make objective pricing policies for the Paper Pulp Products); and (ii) the sales terms provided by Xiamen C&D Paper Group to UPPSD must be no less favourable than those provided by Xiamen C&D Paper Group to independent third party customers.

The Reference Sites contains pricing information in relation to the current and historical market price of pulp and paper products; and continuously conduct research and update the market prices of Paperboard Products and Paper Pulp Products in Mainland China on a daily basis.

Through regularly reviewing and approving procurement contracts for Paper Pulp Products and convening monthly management meetings, the core management team of UPPSD, comprising individuals with extensive industry expertise, plays an important role in providing strategic planning and guidance for determining the pricing for the procurement of the Paper Pulp Products by UPPSD, which is based on the following principles:

(i) Historical pricing trend and market price: The core management team considers the historical pricing trend and the prevailing market price of the same or similar Paper Pulp Products obtained from the Reference Sites;

(ii) Other suppliers' offers: The recent offers for the same or similar Paper Pulp Products offered by at least two other suppliers are also taken into account for reference, relying on the business network of the core management team as well as the recent public quotations provided by certain suppliers through the Reference Sites;

(iii) Procurement order terms: Factors such as order quantities, product quality, delivery terms, and payment terms are carefully considered when determining the procurement strategy;

(iv) Market insight and analysis: The core management team leverages their business network to gain market insight and perform analysis on the business trend of paper manufacturing industry; and

(v) Production plan and capacity: UPPSD's current production plan and production capacity are also factors considered when determining the procurement strategy.

Further, additional internal control measurements for the transactions with connected persons will be applied as detailed in the section headed "INTERNAL CONTROL" in the Letter from the Board.

Annual Caps : The transaction amount under the Paper Pulp Procurement Framework Agreement for each of the three financial years ending 31 December 2026 will not exceed the following Paper Pulp Proposed Caps:

	For the year ending 31 December 2024 *(RMB'000)*	**For the year ending 31 December 2025** *(RMB'000)*	**For the year ending 31 December 2026** *(RMB'000)*
Paper Pulp Proposed Caps	100,000	110,000	120,000

The Paper Pulp Proposed Caps under the Paper Pulp Procurement Framework Agreement are determined based on the below factors:

(i) the historical pricing trend and the prevailing market price of the Paper Pulp Products in the Mainland China of comparable quality, specifications, quantities and related delivery costs based on the market information collected by the Group through primarily, the market price information from the Reference Sites, and secondarily, its network (i.e. the core management team of UPPSD including Mr. Huang Tiansheng, Mr. Lin Ruqin and Mr. Zhou Wei, with over 10 years of experience in the paper industry and therefore with the ability to make objective pricing policies for the Paper Pulp Products): the core management team has taken into account the recent upward market trend of the price of the Paper Pulp Products and its market price range in the recent three months prior to the date of the Paper Pulp Procurement Framework Agreement. According to the information on the Reference Sites, the market price of the Paper Pulp Products after excluding VAT has resumed rising starting from May 2023 after reaching the lowest price at RMB3,456.35/ton on 5 May 2023. As at the date of the Paper Pulp Procurement Framework Agreement, the price level of the Paper Pulp Products after excluding VAT was RMB4,800.88/ton, representing approximately 17.4% increment as compared to that in the three months prior to the date of the Paper Pulp Procurement Framework Agreement. The market price of the Paper Pulp Products ranged between RMB4,083.67/ton and RMB5,063.56/ton during such period. Despite the recent upward market trend of the price of Paper Pulp Products, the maximum expected price of Paper Pulp Products under the Paper Pulp Proposed Caps amounted to approximately RMB5,213/ton is within the range of its respective market price fluctuation in 2022 up to the date of the Paper Pulp Procurement Framework Agreement based on the Reference Sites (approximately RMB3,456/ton to RMB6,063/ton) which is in line with the historical pricing fluctuations of the Paper Pulp Products. In addition, under the pricing terms of the Paper Pulp Procurement Framework Agreement and with reference to the historical pricing trend and the prevailing market price of the Paper Pulp Products, the unit selling price of Paper Pulp Products provided by Xiamen C&D Paper Group to UPPSD must be no less favorable than those provided by independent third-party suppliers;

(ii) the existing production capacity of UPPSD: the core management team has also considered the existing production capacity of UPPSD of 460,000 tons to plan its paper pulps raw material procurements;

(iii) the demand for the Paper Pulp Products based on the production plan and historical demand of UPPSD: in particular, the Paper Pulp Proposed Caps for each of the three financial year ending 31 December 2026 represent less than 16.0% of the total historical purchase amount of paper pulps raw material of UPPSD procured from the independent third party suppliers for the twelve months ended 31 December 2022. As mentioned in the interim report of the Company for the six months period ended 30 June 2023, the Group is in the process of increasing and accelerating production, equipment upgrading and process optimization to build a production base for fine Paperboard Products. Xiamen C&D Paper Group is a leading enterprise of pulp imports and sales in the PRC. It has obtained the FSC-CoC certification (FSCTM Chain-of-Custody) issued by the Forest Stewardship Council, an international, non-governmental organization which sets standards for forestry practices. The FSC-CoC certification is able to evidence that the wood material sourced and distributed by Xiamen C&D Paper Group is legal and responsibly managed. Leveraging the abundant resources and industry experience of Xiamen C&D Paper Group, the quality of the Paper Pulp Products sourced by Xiamen C&D Paper Group from overseas can consummate the management's endeavours on further

enhancing product quality and product mix of UPPSD which is in line with UPPSD's above-mentioned development strategy and production plan. For the twelve months ended 31 December 2022 and the nine months ended 30 September 2023, UPPSD purchased approximately 341,000 tons and 266,000 tons of paper pulps raw materials from independent third party suppliers, respectively. The Group's production plan, which is based on the existing production capacity of UPPSD of 460,000 tons indicates (i) the Paper Pulp Products represent important alternative raw materials sourced and imported through Xiamen C&D Paper Group in replacement of the paper pulps raw materials sourced from certain existing suppliers of UPPSD to enhance both product mix and product quality of the Group; and (ii) it is the plan of the management to apply more volume of Paper Pulp Products to substitute certain existing paper pulp raw materials in each of the three financial years ending 31 December 2026 which mainly attributed to the 10% annual increase in the Paper Pulp Proposed Caps. In light of the above, the annual increase of Paper Pulp Proposed Caps of approximately 10.0% each year is in line with the Group's production plan for enhancement of product quality and product mix; and

(iv) the existing sales volume of Xiamen C&D Paper Group: Given Xiamen C&D Paper Group is a leading enterprise of pulp imports and sales in the PRC with over 150 paper pulp suppliers across the globe, the Directors consider that Xiamen C&D Paper Group could provide the Group with sufficient overseas source of Paper Pulp Products upon request.

In determining the Paper Pulp Proposed Caps, the parties have also taken into account the assumption that during the term of the Paper Pulp Procurement Framework Agreement, there will not be any adverse change or disruption in market conditions, operation and business environment or government policies which may materially affect the business of the parties of the Paper Pulp Procurement Framework Agreement. Having considered (i) the recent upward market trend of the price of the Paper Pulp Products and its market price range in the recent three months prior to the date of the Paper Pulp Procurement Framework Agreement; (ii) the pricing basis of the unit sales price of Paper Pulp Products to be purchased from Xiamen C&D Paper Group are based on the prevailing market price, not less favourable than those purchased from independent third party suppliers; (iii) leveraging the abundant resources and industry experience of Xiamen C&D Paper Group, the quality of the Paper Pulp Products sourced by Xiamen C&D Paper Group from overseas can consummate the management's endeavours on further enhancing product quality and product mix of UPPSD which is in line with its development strategy and production plan; (iv) the annual increase of Paper Pulp Proposed Caps of approximately 10.0% is mainly attributable to the estimated annual increase of volume of Paper Pulp Products as required by UPPSD to implement its production plan for enhancement of product quality and product mix; and (v) Xiamen C&D Paper Group could provide the Group with sufficient source of overseas Paper Pulp Products upon request, the Directors consider the Paper Pulp Proposed Caps, with the estimated annual growth of approximately 10%, are fair and reasonable.

We have reviewed the terms of the Paper Pulp Procurement Framework Agreement and the internal control documents for the continuing connected transactions of Paper Pulp Procurement Framework Agreement. We consider the pricing policy under the internal control measures of the Company will provide that the prices of the Paper Pulp Products to be supplied by Xiamen C&D Paper Group under the Paper Pulp Procurement Framework Agreement will be accordance with the prevailing market price of the Paper Pulp Products in the PRC and no less favourable than those purchased from independent third party suppliers.

We have discussed with the management of the Company and are informed that Paper Pulp Products are important raw material of Paperboard Products and part of the Paper Pulp Products to be supplied by Xiamen C&D Paper Group under the Paper Pulp Procurement Framework Agreement is for the production of Paperboard Products to be provided to Xiamen C&D Paper under the Renewed Paperboard Sales Framework Agreement. We are also informed that, the Group enjoys flexibility on purchase of the Paper Pulp Products from Xiamen C&D Paper Group as the Group is not obliged to purchase the Paper Pulp Products provided by Xiamen C&D Paper Group exclusively and the Group is free to purchase from other independent third parties for a better offer. In case of a shortage of Paper Pulp Products in the market, Xiamen C&D Paper Group will give priority to the Group on purchasing the Paper Pulp Products. Therefore, entering into the Paper Pulp Procurement Framework Agreement will secure a stable supply of Paper Pulp Products to UPPSD's production of Paperboard Products.

Having considered that (i) the adequate pricing policy and internal control measures after reviewing the documents; (ii) the flexibility in purchasing products and securing stable supply to maintain the competitiveness in the market; and (iii) reasons for and benefits of entering into the Paper Pulp Procurement Framework Agreement as discussed in the section headed "2. Reasons for and benefits of the Proposed Continuing Connected Transactions" above in this letter, we are of the view that the terms of the Paper Pulp Procurement Framework Agreement are on normal commercial terms, in the ordinary and usual courses of business of the Company and in accordance with the pricing policy of the Group and fair and reasonable so far as the Independent Shareholders are concerned.

In respect of the basis of the Paper Pulp Proposed Caps, we have discussed with the management of the Company regarding the prevailing market price of the Paper Pulp Products, the existing production level of UPPSD, the production plan of UPPSD and sales volume of Xiamen C&D Paper Group. We have reviewed the market price of the Paper Pulp Products on the Reference Sites. With reference to the information on the Reference Sites, after reaching the highest price of RMB6,063.96/ton on 14 October 2022, the market price of Paper Pulp Products after excluding the VAT experienced a continuous drop to RMB3,456.35/ton on 5 May 2023. Since then, the market price of Paper Pulp Products has resumed recovery to RMB5,063.56/ton on 16 October 2023. As at the date of the Paper Pulp Procurement Framework Agreement, the market price of Paper Pulp Products was RMB4,800.88/ton on the Reference Sites. Due to the overall economic recovery in the PRC and the recent recovery of the price of the Paper Pulp Products, when determining the Paper Pulp Proposed Caps, the Company considers that the market price level of Paper Pulp Products over the period of the three months from the date of the Paper Pulp Procurement Framework Agreement is more appropriate and representative to reflect the recent market trend. As discussed with the management of the Company, when estimating the possible future price of the Paper Pulp Products for the Paper Pulp Proposed Caps, the Company has considered that the factors include (a) the Paper Pulp Products sourced by Xiamen C&D Paper Group are from overseas and can meet higher quality standard of the Group; and (b) the market trend of the price of the paper pulp products

(excluding the VAT) on the Reference Sites as discussed above and the average market price of Paper Pulp Products of approximately RMB4,476.10/ton in the three months from the date of the Paper Pulp Procurement Framework Agreement. Based on the above factors, the Company estimated the average market price of Paper Pulp Products would be approximately RMB5,013/ton for the year ending 31 December 2024 and expected to have mild increments each year afterwards on the assumption that there will not be any adverse change or disruption in market conditions, operation and business environment or government policies which may materially affect the business of the parties of the Paper Pulp Procurement Framework Agreement. We note that the average daily price of the paper pulp products after excluding the VAT on the Reference Sites from 4 January 2022 to the date of Paper Pulp Procurement Framework Agreement was approximately RMB5,054.12/ton, therefore, we consider the estimated average market price of Paper Pulp Products for the year ending 31 December 2024 is acceptable. We are also informed by the management of the Company that the Paper Pulp Proposed Caps would represent part of the purchase amount and production plan of UPPSD. Based on the existing production level of UPPSD, UPPSD has purchased approximately RMB784.34 million and RMB475.42 million of paper pulp raw material, which all of them are from independent third parties, for the twelve months ended 31 December 2022 and for period from 1 January 2023 to 30 September 2023 respectively, and the Paper Pulp Proposed Caps for each of the financial year ending 31 December 2024, 2025 and 2026 represent 12.7%, 14.0% and 15.3% of the historical purchase amount of paper pulp raw material of UPPSD for the twelve months ended 31 December 2022, respectively. As discussed with the management of the Company, the increase in Paper Pulp Proposed Caps is mainly due to the increase in procurement volume of Paper Pulp Products by UPPSD from Xiamen C&D Paper as a result of the Company's intention to further enhance product quality and product mix of UPPSD. We have reviewed the production plan of UPPSD as provided by the Company, which includes the information of the type of finished products, the production capacity of each production line of UPPSD, the use and demand of paper pulp raw material (including the Paper Pulp Products) for the production for the three years ending 31 December 2026. The production plan indicates that the Paper Pulp Products sourced and imported through Xiamen C&D Paper Group are provided as alternative raw materials to gradually substitute the paper pulps raw materials sourced from existing suppliers of UPPSD for the enhancement of the product quality and product mix of UPPSD. As such, the estimated procurement amount of Paper Pulp Products from Xiamen C&D Paper Group would increase by approximately 10% each year for the three years ending 31 December 2026. Furthermore, as the Paper Pulp Proposed Caps represents less than 1% of the existing annual sales volume of Paper Pulp Products of Xiamen C&D Paper Group, the Company considers, by entering into the Paper Pulp Procurement Framework Agreement, UPPSD could secure sustainable supply of Paper Pulp Products from Xiamen C&D Paper Group.

After considering the prevailing market price of the Paper Pulp Products, the production level and production plan of UPPSD and the benefits of securing the sustainable supply of Paper Pulp Products from Xiamen C&D Paper Group, we consider that the Paper Pulp Proposed Caps are fair and reasonable.

5. Internal Control

As stated in the Letter from the Board, to ensure that the transactions contemplated under the Renewed Paperboard Sales Framework Agreement and the Paper Pulp Procurement Framework Agreement will be on normal commercial terms that are fair and reasonable and will be on terms no less favourable to the Group than those available to the Group for the sale of Paperboard Products to independent third parties and the procurement of Paper Pulp Products from independent third parties, the Company has adopted the following internal control measures:

(i) The head office of the Company is responsible for regulating the review and approval of connected transactions to be entered into by the Group in the ordinary and usual course of the business of the Group. Each department and subsidiary of the Group shall submit an information sheet for each connected transaction (「關連交易審批確認單」及「合作交易方公司信息備案表」), setting out its terms and conditions and the pricing mechanism, as well as comparison with terms and conditions offered and prices charged by at least two independent third parties to the Group, to the finance department of the Company and the joint company secretaries for review and approval. The procedures for the approval and signing of the agreement for the connected transaction shall only commence after approval of the information sheet has been granted.

(ii) The joint company secretaries of the Company are responsible for maintaining a list of connected parties and circulating to each of the subsidiaries every half year.

(iii) The finance department of the Company shall submit the monthly update containing the following information to the joint company secretaries of the Company after each month ends: (a) the total Paper Pulp Products purchase quantity during the month; (b) the supply of Paperboard Products during the month; and (c) the transaction amount of the continuing connected transactions during the month and the cumulative figures as at the end of the month. The joint company secretaries of the Company should consolidate all information reviewed from the finance department, monitor the carrying out of the connected transactions entered into by the Group in the ordinary and usual course of the business of the Group to ensure compliance with the Listing Rules and is responsible for reporting to the audit committee of the Company (which comprises all independent non-executive Directors) on a half year basis so that the Board could keep abreast of the continuing connected transactions conducted by the Group (including the utilization rate of the annual caps).

(iv) Through reviewing the information gathered from the finance department of the Company, the external auditor of the Company will report to the Board annually on the continuing connected transactions of the Group in relation to their pricing policies and annual caps pursuant to the Listing Rules.

The Directors are of the view that the internal control measures above can ensure that the transactions contemplated under the Renewed Paperboard Sales Framework Agreement and the Paper Pulp Procurement Framework Agreement will be on normal commercial terms and that the terms of such transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, we have reviewed the documents of the internal control measures in respect of the Proposed Continuing Connected Transactions. Based on our review on documents of the internal control measures and the documents of the historical transactions of the continuing connected transactions under the Existing Paperboard Sales Framework Agreement, which were selected as samples for our assessment on the terms of the Renewed Paperboard Sales Framework Agreement as discussed above in this letter, we consider the internal control measures are adequate and effective to ensure that the Proposed Continuing Connected Transactions will be on normal commercial terms and no less favourable to the Company than those offered by independent third parties.

RECOMMENDATION

Taking into account the above principal factors and reasons, we consider that the terms of the Renewed Paperboard Sales Framework Agreement and the Paper Pulp Procurement Framework Agreement, including the Proposed Caps and the transactions contemplated thereunder, are on normal commercial terms and in the ordinary and usual course of business of the Group, and are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Accordingly, we advise the Independent Board Committee to recommend to the Independent Shareholders, as well as the Independent Shareholders, to vote in favour of the ordinary resolution to approve the Proposed Continuing Connected Transactions and the Proposed Caps.

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

Gina Leung
Managing Director

Ms. Gina Leung is a licensed person registered with the SFC and a responsible officer of INCU Corporate Finance Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. She has over 20 years of experience in the corporate finance industry and has participated in the provision of independent financial advisory services for various transactions involving companies listed in Hong Kong.