
THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the Offers, this Composite Document and/or the accompanying Form(s) of Acceptance or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in i-Control Holdings Limited, you should at once hand this Composite Document and the accompanying Form(s) of Acceptance to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

This Composite Document should be read in conjunction with the accompanying Form(s) of Acceptance, the contents of which form part of the terms and conditions of the Offers contained in this Composite Document.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Composite Document and the accompanying Form(s) of Acceptance, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Composite Document and the accompanying Form(s) of Acceptance.

LUXURIOUS BAY CAPITAL LIMITED
(incorporated in the British Virgin Islands with limited liability)

i-CONTROL HOLDINGS LIMITED
超智能控股有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock code: 1402)

**COMPOSITE DOCUMENT IN RELATION TO
MANDATORY UNCONDITIONAL CASH OFFERS BY
DILIGENT CAPITAL LIMITED AND RED SUN CAPITAL LIMITED
FOR AND ON BEHALF OF THE OFFEROR FOR
ALL THE ISSUED SHARES IN I-CONTROL HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY
THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT) AND FOR
THE CANCELLATION OF ALL OUTSTANDING OPTIONS OF
I-CONTROL HOLDINGS LIMITED**

Joint Financial Advisers to the Offeror



Independent Financial Adviser to the Independent Board Committee



Unless the context otherwise requires, capitalised terms used in this Composite Document (including this cover page) shall have the same meanings as those defined in the "Definitions" section of this Composite Document.

A letter from the Joint Financial Advisers containing, among other things, details of the terms and conditions of the Offers is set out on pages 10 to 20 of this Composite Document. A letter from the Board is set out on pages 21 to 26 of this Composite Document. A letter from the Independent Board Committee is set out on pages 27 to 28 of this Composite Document. A letter from the Independent Financial Adviser containing its recommendation and advice to the Independent Board Committee is set out on pages 29 to 44 of this Composite Document.

The procedures for acceptance and settlement of the Offers are set out in Appendix I to this Composite Document and in the accompanying Form(s) of Acceptance. WHITE Form of Share Offer Acceptance should be received by the Registrar, namely Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, and PINK Form of Option Offer Acceptance should be received by the Company, as soon as possible and in any event by no later than 4:00 p.m. on Tuesday, 30 July 2024 or such later time and/or date as the Offeror and the Company may determine and jointly announce with the consent of the Executive, in accordance with the Takeovers Code.

Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Form(s) of Acceptance to any jurisdiction outside Hong Kong should read the details in this regard which are contained in the section headed "8. Overseas Shareholders and Overseas Optionholders" in Appendix I to this Composite Document before taking any action. It is the sole responsibility of the Overseas Shareholders and Overseas Optionholders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental, exchange control or other consent which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes due from the accepting Overseas Shareholders and Overseas Optionholders in respect of such jurisdictions). The Overseas Shareholders and Overseas Optionholders are advised to seek professional advice on deciding whether to accept the Offers (as applicable).

This Composite Document will remain on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.i-controlholdings.com as long as the Offers remain open.

9 July 2024

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EXPECTED TIMETABLE

The expected timetable set out below is indicative and may be subject to change. Further announcement(s) will be made in the event of any changes to the timetable as and when appropriate. Unless otherwise specified, all time and date references contained in this Composite Document and the accompanying Form(s) of Acceptance refer to Hong Kong time and dates.

2024

Despatch date of this Composite Document and the accompanying Form(s) of Acceptance and Option Offer Letter (if applicable) and the commencement date of the Offers (<i>Note 1</i>)	Tuesday, 9 July
Latest time and date for acceptance of the Offers (<i>Notes 2, 3 and 5</i>)	by 4:00 p.m. on Tuesday, 30 July
Closing Date (<i>Notes 3 and 5</i>)	Tuesday, 30 July
Announcement of the results of the Offers (or its extension or revision, if any) to be published on the website of the Stock Exchange (<i>Notes 3 and 5</i>)	by 7:00 p.m. on Tuesday, 30 July
Latest date for posting of remittances for the amounts due under the Offers in respect of valid acceptances received under the Offers (<i>Notes 4 and 5</i>)	Thursday, 8 August

Notes:

1. The Offers, which are unconditional in all respects, are made on and from 9 July 2024, being the date of despatch of this Composite Document, and are capable of acceptance on and from that date until 4:00 p.m. on the Closing Date. Acceptances of the Offers shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code. Please refer to the paragraph headed “7. Right of withdrawal” in Appendix I to this Composite Document for further information on the circumstances where acceptances may be withdrawn.
2. Beneficial owners of Shares who hold their Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (as set out in Appendix I to this Composite Document) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures. Further details in this regard have been set out in Appendix I to this Composite Document.

EXPECTED TIMETABLE

3. In accordance with the Takeovers Code, the Offers must initially be opened for acceptance for at least 21 days after the date of this Composite Document. The latest time and date for acceptance of the Offers is at 4:00 p.m. on the Closing Date unless the Offeror decides to revise or extend the Offers in accordance with the Takeovers Code. An announcement will be jointly issued by the Company and the Offeror through the website of the Stock Exchange by 7:00 p.m. on the Closing Date stating the results of the Offers and whether the Offers have been revised, extended, or expired. In the event that the Offeror decides to extend the Offers, the joint announcement will state the next closing date of the Offers or that the Offers will remain open until further notice. In the latter case, at least 14 days' notice in writing will be given, before the Offers are closed, to those Independent Shareholders and Optionholders who have not accepted the Offers.
4. Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty in respect of acceptances of the Offers) payable for the Offer Shares and/or the Options tendered under the Offers will be posted to the Independent Shareholder(s) and/or the Optionholder(s) accepting the Offers by ordinary post at their own risk as soon as possible, but in any event within seven (7) Business Days after the date of receipt by the Registrar of duly completed Form(s) of Acceptance and all the relevant documents of title of the Offer Shares and/or the Options required to render the acceptance under the Offers complete and valid in accordance with the Takeovers Code.
5. If there is a tropical cyclone warning signal number 8 or above, or "extreme conditions" caused by super typhoons or a "black" rainstorm warning signal:
 - (a) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the latest date for acceptance of the Offers and the latest date for posting of remittances for the amounts due under the Offers in respect of valid acceptances, the latest time for acceptance of the Offers and the posting of remittances will remain at 4:00 p.m. on the same Business Day; or
 - (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Offers and the latest date for posting of remittances for the amounts due under the Offers in respect of valid acceptances, the latest time for acceptance of the Offers will be rescheduled to 4:00 p.m. on the following Business Day and the date of posting of remittances will be rescheduled to the following Business Day which does not have either of those warnings or condition in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m. or such other day as the Executive may approve.

Save as mentioned above, if the latest time for the acceptance of the Offers and the posting of remittances do not take effect on the date and time as stated above, the other dates mentioned above may be affected. The Offeror and the Company will notify the Independent Shareholders and the Optionholders by way of joint announcement(s) on any change to the expected timetable as soon as practicable.

IMPORTANT NOTICE

NOTICE TO THE OVERSEAS SHAREHOLDERS AND OVERSEAS OPTIONHOLDERS

The making of the Offers to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or affected by the laws or regulations of the relevant jurisdictions. Overseas Shareholders and Overseas Optionholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should inform themselves about and observe any applicable legal and regulatory requirements and, where necessary, seek legal advice in respect of the Offers.

It is the responsibility of the Overseas Shareholders and the Overseas Optionholders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction in connection with the acceptance of the Offers, including the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required or the compliance with other necessary formalities, legal and/or regulatory requirements and the payment of any issue, transfer, cancellation or other taxes and duties due by such Overseas Shareholders and Overseas Optionholders in respect of the acceptance of the Offers in such jurisdictions.

The Offeror Concert Group, the Company, Diligent Capital, Red Sun Capital, Capital 9, the Registrar, the company secretary of the Company or any of their respective ultimate beneficial owners, directors, officers, agents, advisers and associates or any other person involved in the Offers shall be entitled to be fully indemnified and held harmless by the Overseas Shareholders and Overseas Optionholders for any taxes or duties as such persons may be required to pay. Please see the paragraphs headed “Overseas Shareholders and Overseas Optionholders” in the “Letter from the Joint Financial Advisers” and “8. Overseas Shareholders and Overseas Optionholders” in Appendix I to this Composite Document.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Composite Document contains forward-looking statements, which may be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “seek”, “estimate”, “will”, “would” or words of similar meaning, that involve risks and uncertainties, as well as assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The forward-looking statements included herein are made only as at the Latest Practicable Date. The Offeror and the Company assume no obligation to correct or update the forward-looking statements or opinions contained in this Composite Document, except as required pursuant to applicable laws or regulations, including but not limited to the Listing Rules and/or the Takeovers Code.

The Company will notify the Independent Shareholders and the Optionholders of any material change to information contained or referred to in this Composite Document as soon as possible in accordance with Rule 9.1 of the Takeovers Code.

DEFINITIONS

In this Composite Document, unless the context otherwise requires, the following expressions have the following meanings:

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“associate(s)”	has the meaning ascribed thereto under the Takeovers Code
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for the transaction of business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Closing Date”	Tuesday, 30 July 2024, being the closing date of the Offers, which is 21 days after the date of this Composite Document, or if the Offers are extended, any subsequent closing date of the Offers as may be determined by the Offeror and jointly announced by the Offeror and the Company in accordance with the Takeovers Code
“Company”	i-Control Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange with stock code: 1402
“Completion”	completion of the Sale and Purchase Agreement in accordance with its terms
“Completion Date”	2 July 2024, being the date of Completion
“Composite Document”	this composite offer and response document jointly issued by the Offeror and the Company to the Shareholders and the Optionholders in connection with the Offers in compliance with the Takeovers Code containing, among other things, details of the Offers (accompanied by the Form(s) of Acceptance) and the respective letters of advice from the Independent Board Committee and the Independent Financial Adviser in respect of the Offers

DEFINITIONS

“connected person”	has the meaning ascribed to it under the Listing Rules
“Diligent Capital”	Diligent Capital Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO, being one of the Joint Financial Advisers to the Offeror in respect of the Offers
“Director(s)”	the director(s) of the Company
“Encumbrances”	any mortgage, charge, pledge, lien, (otherwise than arising by statute or operation of law), equities, hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Form(s) of Acceptance”	the WHITE Form of Share Offer Acceptance and/or the PINK Form of Option Offer Acceptance
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Board (comprising all independent non-executive Directors, namely Mr. Fong Chi, Mr. Lai Kai Ming Ricky, Mr. Lum Pak Sum and Ms. Wu Hung Yu) which has been established to advise the Independent Shareholders and the Optionholders in connection with the Offers and as to the acceptance of the Offers pursuant to Rule 2.1 of the Takeovers Code
“Independent Financial Adviser” or “Capital 9”	Capital 9 Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee in connection with the Offers

DEFINITIONS

“Independent Shareholders”	Shareholders other than the Offeror Concert Group
“Joint Announcement”	the joint announcement dated 26 April 2024 jointly issued by or for and on behalf of the Offeror and the Company in relation to, among other things, the Sale and Purchase Agreement and the Offers
“Joint Financial Advisers”	Diligent Capital and Red Sun Capital
“Knight Sky”	Knight Sky Holdings Limited, a company incorporated in the British Virgin Islands whose issued share capital is wholly owned by Mr. Cheng Kai Ming Charles, being one of the shareholders of the Offeror
“Last Trading Day”	2 April 2024, being the last full trading day of the Shares on the Stock Exchange before the publication of the Joint Announcement
“Latest Practicable Date”	5 July 2024, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	a loan agreement dated 23 August 2023 entered into between the Vendor on the one part and Knight Sky on the other part, and guaranteed by the Warrantor, which loan is due and payable in August 2024 (or such earlier date in the event of the occurrence of an event of default), involving the Sale Shares pledged as security in favour of Knight Sky pursuant to the Share Charge
“Main Board”	the Main Board of the Stock Exchange
“Offer Period”	has the meaning ascribed to it under the Takeovers Code, being the period commencing on 26 April 2024 (i.e. the date of the Joint Announcement), and ending on the Closing Date, or such other time and/or date to which the Offeror may decide to extend or revise the Offers in accordance with the Takeovers Code
“Offer Share(s)”	all of the issued Share(s), other than those already owned and/or agreed to be acquired by the Offeror Concert Group

DEFINITIONS

“Offeror”	Luxurious Bay Capital Limited, company incorporated in the British Virgin Islands which is beneficially owned as to 50% by Knight Sky and as to 50% by Newmark Group Limited, both are companies incorporated in the British Virgin Islands
“Offeror Concert Group”	the Offeror and parties acting, or presumed to be acting, in concert with it under the definition of “acting in concert” under the Takeovers Code
“Offers”	collectively, the Share Offer and the Option Offer
“Option(s)”	the share options granted by the Company pursuant to the Share Option Scheme
“Option Offer”	the mandatory unconditional cash offer made by the Joint Financial Advisers for and on behalf of the Offeror in compliance with Rule 13 of the Takeovers Code to cancel all outstanding Options (other than those already owned and/ or agreed to be acquired by the Offeror Concert Group) in accordance with the terms and conditions set out in this Composite Document
“Option Offer Letter”	the letter dated 9 July 2024 setting out the terms and conditions of the Option Offer sent separately to the Optionholders, a form of which is set out in Appendix VI to this Composite Document
“Option Offer Price”	the price of HK\$0.0001 per Option, payable by the Offeror to the relevant Optionholders for each Option accepted under the Option Offer
“Optionholder(s)”	the registered grantees/holder(s) for the time being of the Options
“Overseas Optionholder(s)”	the Optionholder(s) whose address(es), as shown on the register of Optionholders of the Company, is/are outside Hong Kong
“Overseas Shareholder(s)”	the Independent Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong

DEFINITIONS

“ PINK Form of Option Offer Acceptance”	the PINK form of acceptance and cancellation of all outstanding Options in respect of the Option Offer
“PRC” or “China”	the People’s Republic of China which, for the purpose of this Composite Document, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Red Sun Capital”	Red Sun Capital Limited, a corporation licensed to carry out type 1 (dealing in securities), and type 6 (advising on corporate finance) regulated activities under the SFO, being one of the Joint Financial Advisers to the Offeror in respect of the Offers
“Registrar”	Tricor Investor Services Limited, being the Hong Kong branch share registrar of the Company and the receiving agent for receiving and processing the acceptance of the Share Offer, located at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Relevant Period”	the period from 26 October 2023, being the date falling six months preceding the commencement of the Offer Period, up to and including the Latest Practicable Date
“Sale and Purchase Agreement”	the sale and purchase agreement dated 3 April 2024 entered into between the Offeror, the Vendor and the Warrantor in relation to the sale and purchase of the Sale Shares
“Sale Shares”	an aggregate of 600,000,000 Shares purchased by the Offeror from the Vendor pursuant to the Sale and Purchase Agreement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company, and where applicable, the term shall also include shares of any class or classes resulting from any subdivision, consolidation or re-classification of those shares and the term “Share” shall be construed accordingly

DEFINITIONS

“Share Award Scheme”	the share award scheme adopted by the Company on 3 February 2021
“Share Charge”	the charge over the Sale Shares given by the Vendor in favour of Knight Sky as security for the Loan Agreement, which has been released for the purpose of Completion
“Share Offer”	the mandatory unconditional cash offer made by the Joint Financial Advisers for and on behalf of the Offeror to acquire all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror Concert Group) pursuant to Rule 26.1 of the Takeovers Code
“Share Offer Price”	the price of HK\$0.23 per Offer Share at which the Share Offer is made in cash
“Share Option Scheme”	the share option scheme adopted by the Company on 11 May 2015
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Vendor”	Phoenix Time Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is wholly-owned by the Warrantor
“Warrantor”	Mr. Zhong Naixiong, an executive Director and the ultimate sole beneficial owner and sole director of the Vendor
“ WHITE Form of Share Offer Acceptance”	the WHITE form of acceptance and transfer in respect of the Share Offer
“%”	per cent.

LETTER FROM THE JOINT FINANCIAL ADVISERS



Diligent Capital Limited
8/F Hip Shing Hong Centre
55 Des Voeux Road Central
Hong Kong



Red Sun Capital Limited
Room 310, 3/F
China Insurance Group Building
141 Des Voeux Road Central
Hong Kong

9 July 2024

To the Independent Shareholders and the Optionholders,

Dear Sir/Madam,

**MANDATORY UNCONDITIONAL CASH OFFERS BY
DILIGENT CAPITAL LIMITED AND RED SUN CAPITAL LIMITED
FOR AND ON BEHALF OF THE OFFEROR FOR
ALL THE ISSUED SHARES IN I-CONTROL HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED OR
AGREED TO BE ACQUIRED BY
THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT)
AND FOR
THE CANCELLATION OF ALL OUTSTANDING OPTIONS OF
I-CONTROL HOLDINGS LIMITED**

INTRODUCTION

Reference is made to the Joint Announcement.

On 26 April 2024, the Offeror and the Company jointly announced that the Offeror, the Vendor and the Warrantor entered into the Sale and Purchase Agreement, pursuant to which the Offeror conditionally agreed to acquire and the Vendor conditionally agreed to sell the Sale Shares, representing approximately 57.12% of the existing issued share capital of the Company, for a total consideration of HK\$138,000,000, representing HK\$0.23 per Sale Share.

Completion took place on 2 July 2024. Immediately following Completion, the Offeror Concert Group (other than the Vendor and the Warrantor) is interested in a total of 750,000,000 Shares, representing 71.40% of the existing issued share capital of the Company. Pursuant to Rules 26.1 and 13.5 of the Takeovers Code, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror Concert Group) and for the cancellation of all outstanding Options. Diligent Capital and Red Sun Capital are jointly making the Offers for and on behalf of the Offeror.

LETTER FROM THE JOINT FINANCIAL ADVISERS

This letter forms part of this Composite Document which sets out, among other things, the details of the Offers, information on the Offeror and the intention of the Offeror regarding the Group. Further terms and procedures for acceptance of the Offers are set out in Appendix I to this Composite Document and the accompanying Form(s) of Acceptance. The Independent Shareholders and Optionholders are strongly advised to consider carefully the information contained in the “Letter from the Board”, “Letter from the Independent Board Committee” and “Letter from the Independent Financial Adviser” as set out in this Composite Document and the appendices as set out in the Composite Document and the Form(s) of Acceptance and Option Offer Letter and to consult their professional advisers if in doubt before reaching a decision as to whether or not to accept the Offers.

Securities of the Company

As at the Latest Practicable Date, the Company has 1,050,500,000 Shares in issue and 3,000,000 outstanding Options at the exercise price of HK\$0.54 per Share.

Out of the total outstanding Options, (i) 900,000 are exercisable during the exercise period from 20 April 2022 to 20 April 2028, (ii) 900,000 are exercisable during the exercise period from 20 April 2023 to 20 April 2028, and (iii) the remaining 1,200,000 are exercisable during the exercise period from 20 April 2024 to 20 April 2028. All the 3,000,000 outstanding Options were granted pursuant to the Share Option Scheme.

Save for the Options, as at the Latest Practicable Date, the Company does not have any other outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares and had not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares. The Company does not have any granted but unvested share awards and has no intention to grant any new share awards under the Share Award Scheme and will not instruct the trustee to purchase any Shares from the market during the Offer Period.

Principal Terms of the Offers

Diligent Capital and Red Sun Capital are making the Offers for and on behalf of the Offeror in compliance with the Takeovers Code on the following terms:

The Share Offer

For every Offer Share HK\$0.23 in cash

The Share Offer Price of HK\$0.23 per Offer Share is the same as the price per Sale Share paid by the Offeror under the Sale and Purchase Agreement.

LETTER FROM THE JOINT FINANCIAL ADVISERS

Comparison of value

The Share Offer Price of HK\$0.23 per Offer Share represents:

- (i) a discount of approximately 6.12% to the closing price of HK\$0.245 per Share on the Latest Practicable Date;
- (ii) a premium of approximately 27.78% over the closing price of HK\$0.18 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a premium of approximately 27.78% over the average of closing price of HK\$0.18 per Share as quoted on the Stock Exchange for five (5) consecutive trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 27.78% over the average of closing price of HK\$0.18 per Share as quoted on the Stock Exchange for ten (10) consecutive trading days up to and including the Last Trading Day;
- (v) a premium of approximately 36.90% over the average of closing price of HK\$0.168 per Share as quoted on the Stock Exchange for thirty (30) consecutive trading days up to and including the Last Trading Day; and
- (vi) a premium of approximately 71.64% over the audited net asset value of the Group of approximately HK\$0.134 per Share as at 31 March 2024, based on a total of 1,050,500,000 Shares in issue as at the date of Latest Practicable Date and the audited net asset value of the Group of approximately HK\$140,774,000 as at 31 March 2024.

Highest and lowest Share prices

During the Relevant Period, the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.155 per Share on 23, 26, 27, 28 and 29 February 2024, and 1, 4, 5 and 6 March 2024 and the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.290 per Share on 26 October 2023.

The Option Offer

For cancellation of each outstanding Option HK\$0.0001 in cash

In accordance with the terms of the Share Option Scheme, Optionholders are entitled to exercise their Options in full (to the extent not already exercised) at any time after the date on which the Option Offer is declared unconditional and up to the close of the Option Offer (or any revised offer), after which the Options will lapse automatically (to the extent not exercised).

LETTER FROM THE JOINT FINANCIAL ADVISERS

Pursuant to Rule 13 of the Takeovers Code, the Offeror is making an appropriate cash offer to the Optionholders to cancel their Options. The consideration for the cancellation of each Option would normally be the see-through price which represents the excess of the Share Offer Price per Offer Share and the exercise price of each Option. As the exercise price of all the Options is above the Share Offer Price, the “see-through” price is zero and the Option Offer Price will be a nominal value of HK\$0.0001 per Option.

Under the terms of the Option Offer, the Options of the accepting Optionholders (together with all rights attaching thereto) will be cancelled.

Optionholders who do not: (i) exercise the Options by the final closing date of the Option Offer, or (ii) accept the Option Offer by the final closing date of the Option Offer will receive neither the Shares nor the see-through price of HK\$0.0001 per Option respectively. If the Option Offer is not accepted, any unexercised Options will lapse upon the final closing date of the Option Offer.

Further information on the Option Offer is contained in the Option Offer Letter, substantially in the form set out in Appendix VI.

The Share Offer will be extended to all Shareholders (other than those Shares already owned or agreed to be acquired by the Offeror Concert Group) and the Option Offer will be extended to all Optionholders. The Offer Shares to be acquired under the Share Offer shall be fully paid and free from all Encumbrances and together with all rights and benefits attaching to them as at the date of despatch of this Composite Document or subsequently becoming attached to them, including but not limited to the right to receive all dividends, distributions and any return of capital, if any, which may be paid, made or declared or agreed to be made or paid thereon or in respect thereof on or after the date on which the Offers are made, being the date of despatch of this Composite Document. The Company confirms that as at the Latest Practicable Date, (i) the Company had no outstanding dividend which remains unpaid; and (ii) it has no intention to make, declare or pay any future dividend/make other distribution on or before the close of the Offers.

Total Consideration of the Offers

Assuming that there is no change in the issued share capital of the Company and none of the outstanding Options is exercised prior to the close of the Offers, there would be 1,050,500,000 Shares in issue. Based on the Share Offer Price of HK\$0.23 per Offer Share, the entire issued share capital of the Company would be valued at HK\$241,615,000. On the basis of 1,050,500,000 Shares in issue, the Offeror owns 600,000,000 Shares upon Completion, while Dr. Wong King Keung already owns 150,000,000 Shares as of the Latest Practicable Date, 300,500,000 Shares will be subject to the Share Offer. The Share Offer based on the Share Offer Price is valued at HK\$69,115,000.

LETTER FROM THE JOINT FINANCIAL ADVISERS

Assuming that there is no change in the issued share capital of the Company and all the 3,000,000 outstanding Options are fully exercised prior to the close of the Offers, there would be 1,053,500,000 Shares in issue. Based on the Share Offer Price of HK\$0.23 per Offer Share, the entire issued share capital of the Company would be valued at HK\$242,305,000. On the basis of 1,053,500,000 Shares in issue, the Offeror owns 600,000,000 Shares upon Completion, while Dr. Wong King Keung already owns 150,000,000 Shares as of the Latest Practicable Date, 303,500,000 Shares will be subject to the Share Offer, the Share Offer based on the Share Offer Price is valued at HK\$69,805,000.

Assuming that none of the outstanding Options are exercised prior to the close of the Offers, on the basis of the Option Offer Price of HK\$0.0001 per Option and 3,000,000 outstanding Options as at the Latest Practicable Date, in the event that the Option Offer is accepted in full, the aggregate amount payable under the Option Offer will be HK\$300.

Based on the foregoing, the maximum aggregate amount payable under the Offers (assuming all the outstanding Options are exercised prior to the close of the Offers and full acceptances under the Offers) will be HK\$69,805,000.

Confirmation of financial resources

Assuming all the outstanding Options are exercised prior to the close of the Offers and full acceptances under the Offers, the maximum aggregate amount payable under the Offers is HK\$69,805,000. The Offers will be financed by the Offeror's internal resources from its shareholders. Diligent Capital and Red Sun Capital, the Joint Financial Advisers to the Offeror, are satisfied that sufficient financial resources are available to the Offeror for meeting their obligation in case of full acceptances of the Offers.

Neither Diligent Capital nor Red Sun Capital holds or has dealt in the Shares and any outstanding options, derivatives, warrants, or other securities convertible into Shares during the Relevant Period.

Payment

Payment in cash in respect of acceptances of the Offers will be made as soon as possible but in any event no later than seven (7) Business Days after the date on which the duly completed acceptance of the Share Offer and/or the Option Offer (as the case may be) are/is received. Relevant documents evidencing title in respect of such acceptance must be received by or on behalf of the Offeror (or its agent) to render each such acceptance of the Share Offer and/or the Option Offer (as the case may be) complete and valid in accordance with Rule 20.1 and Note 1 to Rule 30.2 of the Takeovers Code.

No fractions of a cent will be payable and the amount of the consideration payable to a Shareholder or the Optionholder (as the case may be) who accepts the Share Offer and the Option Offer respectively will be rounded up to the nearest cent.

LETTER FROM THE JOINT FINANCIAL ADVISERS

Compulsory acquisition

The Offeror does not intend to exercise any right which may be available to them to compulsorily acquire any outstanding Offer Shares not acquired under the Share Offer after the close of the Offers.

Effect of accepting the Offers

By accepting the Share Offer, the Independent Shareholders will sell their Shares to the Offeror free from all liens, claims, encumbrances and all third-party rights and with all rights attached thereto as at the date of despatch of this Composite Document or subsequently becoming attached to them, including the right to receive all dividends and declared, paid or made, if any, on or after the date of despatch of this Composite Document. The Company confirms that as at the Latest Practicable Date, (i) the Company had no outstanding dividend which remains unpaid; and (ii) it has no intention to make, declare or pay any future dividend/ make other distribution on or before the close of the Offers.

By accepting the Option Offer, the Optionholders will agree to the cancellation of their tendered Options and all rights attached thereto on or after the Latest Practicable Date.

The Offers are unconditional in all respects when made and will not be conditional upon acceptances being received in respect of a minimum number of Offer Shares and in respect of a minimum number of Options to be cancelled. Acceptance of the Offers shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code, details of which are set out in the section headed “7. Right of Withdrawal” in Appendix I to this Composite Document.

Taxation advice

Shareholders and Optionholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offers. None of the Offeror Concert Group, the Company, Diligent Capital, Red Sun Capital and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offers accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

LETTER FROM THE JOINT FINANCIAL ADVISERS

Overseas Shareholders and Overseas Optionholders

The availability of the Offers to any Overseas Shareholders and Overseas Optionholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Shareholders and Overseas Optionholders who have registered addresses outside Hong Kong and wish to accept the Offers should satisfy themselves as to the full observance of the applicable laws and regulations of the relevant jurisdiction in connection therewith (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer of other taxes due by such accepting Overseas Shareholders or Overseas Optionholders in respect of such jurisdiction). Based on the record in the register of members and register of optionholders of the Company, there is (i) no Overseas Shareholder; and (ii) one Overseas Optionholder whose address, as shown on the register of Optionholders of the Company, is in the PRC, as at the Latest Practicable Date.

Acceptance of the Share Offer by any Overseas Shareholder and/or the Option Offer by any Overseas Optionholders will be deemed to constitute a representation and warranty from such Overseas Shareholder and/or Overseas Optionholders to the Offeror that the local laws and requirements have been complied with. The Overseas Shareholders and/or Overseas Optionholders should consult their professional advisers in case of any doubt.

Stamp duty

In Hong Kong, seller's ad valorem stamp duty arising in connection with acceptances of the Share Offer will be payable by the relevant Shareholders at a rate of 0.1% of (i) the market value of the Share Offer; or (ii) consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, whichever is higher, and will be deducted from the cash amount payable by the Offeror to the relevant Shareholders accepting the Share Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Shareholders accepting the Share Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Share Offer and the transfer of the Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

No stamp duty is payable in connection with the acceptance of the Option Offer.

Dealing and interests in the Company's securities

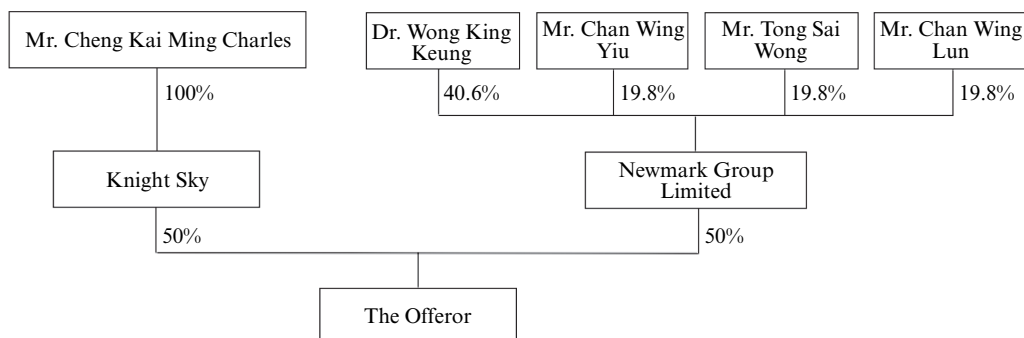
Save for the transactions contemplated under the Sale and Purchase Agreement, none of the Offeror, their ultimate beneficial owners, nor parties acting in concert with any of them has dealt in any Shares, options, derivatives, warrants or other securities convertible into Shares during the Relevant Period.

LETTER FROM THE JOINT FINANCIAL ADVISERS

INFORMATION OF THE OFFEROR

The Offeror is an investment holding company incorporated in the British Virgin Islands with limited liability on 8 February 2024. The directors of the Offeror are Mr. Cheng Kai Ming Charles and Dr. Wong King Keung (the non-executive Director).

The following chart sets forth the group structure of the Offeror as at the Latest Practicable Date:



Each of the Offeror and Newmark Group Limited did not carry on any business since its incorporation until the entering of the Sale and Purchase Agreement and the transactions in connection therewith.

Knight Sky is the lender of the Vendor under the Loan Agreement. As at the date of the Joint Announcement, the Warrantor was also indebted to another company (whose ultimate controlling shareholder is a family trust in which Mr. Cheng Kai Ming Charles is one of the beneficiaries) involving personal assets (but not involving the Shares or the Group) of the Warrantor and his spouse as security. As at the Latest Practicable Date, such indebtedness has been repaid in full by the Warrantor with the sale proceeds from a disposal of certain listed securities in Hong Kong (not involving any Shares) held by the Warrantor through a special purpose vehicle wholly-owned by him.

Save for the outstanding amount of the loan under the Loan Agreement which is not set off against the Consideration, which will remain repayable according to the terms of the Loan Agreement and is guaranteed by the Warrantor, as at the Latest Practicable Date, the Vendor does not owe any further sum to the Offeror or parties acting in concert with it.

Save as disclosed above, each member of the Offeror Concert Group has no other relationship with the Vendor or the Warrantor or their respective associates as at the Latest Practicable Date. The Offeror is not connected, related or otherwise associated with the Group's suppliers, customers, sub-contractors and joint venture partners. The Offeror has no business relationship or financing arrangement with the Group in the past or at present.

LETTER FROM THE JOINT FINANCIAL ADVISERS

INFORMATION ON THE GROUP

Details of the information on the Group are set out in the “Letter from the Board” to this Composite Document. Financial information of the Group is set out in Appendix II to this Composite Document. General information of the Group is set out in Appendix IV to this Composite Document.

INTENTION OF THE OFFEROR IN RELATION TO THE COMPANY

It is the Offeror’s intention to further consolidate its interest in the Company pursuant to the Offers. The Offeror has no intention to introduce major changes to the existing business of the Group, including any redeployment of fixed assets other than those in its ordinary course of business. The intention of the Offeror is that the Company’s existing principal activities will be maintained, and at the same time after completion of the Offers, the Offeror will assist the Company in reviewing its existing business and operations for the purpose of formulating business plans and strategies for the Group’s long-term business development and seek for new investment opportunities.

The Offeror will, depending on the business operations and development of the Group in the future, constantly review the employee structure of the Group so as to meet the needs of the Group from time to time. The Offeror has no intention to discontinue the employment of the employees (save for the potential change in the composition of the Board) or to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business.

As at the Latest Practicable Date, no material investment or business opportunity has been identified nor has the Offeror entered into any agreement, arrangement, understanding, or negotiation in relation to the injection of any assets or business into the Group.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror intends for the issued Shares to remain listed on the Main Board after the close of the Offers.

Pursuant to the Listing Rules, if, at the closing of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares (excluding treasury shares), are held by the public or if the Stock Exchange believes that: (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, then it will consider exercising its discretion to suspend dealings in the Shares until the prescribed level of public float is restored.

The Offeror and the new Directors to be appointed to the Board (if any) will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after the close of the Offers.

LETTER FROM THE JOINT FINANCIAL ADVISERS

PROPOSED CHANGE OF BOARD COMPOSITION

As at the Latest Practicable Date, the Board is made up of ten Directors, comprising five executive Directors, namely Mr. Zhong Naixiong, Mr. Yau Wing Keung, Mr. Tong Sai Wong, Mr. Chan Wing Yiu and Mr. Chan Wing Lun, one non-executive Director, namely Dr. Wong King Keung, and four independent non-executive Directors, namely Mr. Fong Chi, Mr. Lai Kai Ming Ricky, Mr. Lum Pak Sum and Ms. Wu Hung Yu.

Pursuant to the Sale and Purchase Agreement, each of Mr. Zhong Naixiong and Mr. Yau Wing Keung shall resign as an executive Director with effect from the earliest time permitted under the Takeovers Code, the Listing Rules or other applicable rules or regulations or the Completion Date, whichever is later. The Offeror intends to nominate new Directors to the Board with effect from the earliest time permitted under the Takeovers Code and any such appointment will be made in compliance with the Takeovers Code and the Listing Rules.

As at the Latest Practicable Date, the Offeror has not reached any final decision as to who will be nominated as new Director(s). Further announcement(s) will be made upon any changes to the composition to the Board in compliance with the Takeovers Code and Listing Rules as and when appropriate.

Any changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement will be made by the Company as and when appropriate. Save as aforesaid, the Offeror has no intention to introduce any significant changes to the management of the Company following the close of the Offer.

FURTHER TERMS OF THE OFFERS

Your attention is drawn to the further terms of the Offers, including procedures for acceptance, settlement and the acceptance period, as set out in Appendix I to this Composite Document and the Form(s) of Acceptance.

GENERAL

To ensure equality of treatment to all Independent Shareholders and Optionholders, those registered Independent Shareholders and/or Optionholders who hold any Offer Shares and/or Options as nominee for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for the beneficial owners of the Offer Shares and/or Options whose investments are registered in the names of nominees to accept the Offers, it is essential that they provide instructions to their nominees of their intentions with regard to the Offers. The attention of Independent Shareholders and Optionholders with registered addresses in jurisdiction outside Hong Kong is drawn to the section headed “8. Overseas Shareholders and Overseas Optionholders” in Appendix I to this Composite Document.

LETTER FROM THE JOINT FINANCIAL ADVISERS

All documents and remittances sent to the Independent Shareholders and/or Optionholders by ordinary post will be sent to them at their own risk. Such documents and remittances will be sent to the Independent Shareholders at their respective addresses as they appear in the register of members of the Company, or in the case of joint Independent Shareholders and/or joint Optionholder, to the Independent Shareholder and/or Optionholder whose name appears first in the register of members and/or the register of Optionholders of the Company. None of the Offeror, the Company, Diligent Capital, Red Sun Capital, Capital 9, the Registrar or any of their respective directors or professional advisers or any other parties involved in the Offers will be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information regarding the Offers set out in the appendices to this Composite Document and the accompanying Form(s) of Acceptance, which form part of this Composite Document. In addition, your attention is drawn to the “Letter from the Board”, the “Letter from the Independent Board Committee” and the letter of advice by the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Offers as set out in the “Letter from the Independent Financial Adviser” as contained in this Composite Document.

In considering what action to take in connection with the Offers, you should consider your own tax or financial position and if you are in any doubt, you should consult your professional advisers.

Yours faithfully,
Diligent Capital Limited
Huen Felix Ting Cheung
Director

Yours faithfully,
Red Sun Capital Limited
Robert Siu
Managing Director

LETTER FROM THE BOARD

i-CONTROL HOLDINGS LIMITED

超智能控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1402)

Executive Directors:

Mr. Zhong Naixiong (*Chairman*)

Mr. Yau Wing Keung

Mr. Tong Sai Wong

Mr. Chan Wing Yiu

Mr. Chan Wing Lun

Registered office in the Cayman Islands:

Windward 3, Regatta Office Park

PO Box 1350

Grand Cayman KY1-1108

Cayman Islands

Non-executive Director:

Dr. Wong King Keung

Headquarters and principal place of

business in Hong Kong:

Units A&B, 12/F, MG Tower

133 Hoi Bun Road, Kwun Tong

Kowloon, Hong Kong

Independent non-executive Directors:

Mr. Fong Chi

Mr. Lai Kai Ming Ricky

Mr. Lum Pak Sum

Ms. Wu Hung Yu

9 July 2024

To the Independent Shareholders

Dear Sirs,

**MANDATORY UNCONDITIONAL CASH OFFER BY
DILIGENT CAPITAL LIMITED AND
RED SUN CAPITAL LIMITED
FOR AND ON BEHALF OF THE OFFEROR TO
ACQUIRE ALL OF THE ISSUED SHARES OF
I-CONTROL HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED BY
OR AGREED TO BE ACQUIRED BY THE OFFEROR AND
PARTIES ACTING IN CONCERT WITH IT) AND FOR
THE CANCELLATION OF ALL OUTSTANDING OPTIONS OF
I-CONTROL HOLDINGS LIMITED**

INTRODUCTION

Reference is made to the Joint Announcement.

LETTER FROM THE BOARD

On 26 April 2024, the Offeror and the Company jointly announced that the Offeror, the Vendor and the Warrantor entered into the Sale and Purchase Agreement, pursuant to which the Offeror conditionally agreed to acquire and the Vendor conditionally agreed to sell the Sale Shares, representing approximately 57.12% of the existing issued share capital of the Company, for a total consideration of HK\$138,000,000, representing HK\$0.23 per Sale Share.

Completion took place on 2 July 2024. Upon Completion, the Offeror Concert Group owns a total of 750,000,000 Shares, representing approximately 71.40% of the existing issued share capital of the Company. Pursuant to Rules 26.1 and 13.5 of the Takeovers Code, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror Concert Group). Diligent Capital and Red Sun Capital are jointly making the Offers for and on behalf of the Offeror.

The purpose of this letter is to provide you with, among other things, information relating to the Group and the Offers.

THE MANDATORY UNCONDITIONAL CASH OFFERS

The following information about the Offers is based on the letter from the Joint Financial Advisers contained in this Composite Document. The Offers are being made jointly by Diligent Capital and Red Sun Capital on behalf of the Offeror in compliance with the Takeovers Code on the terms and conditions set out in this Composite Document and in the accompanying Form(s) of Acceptance on the following basis:

For every Offer Share HK\$0.23 in cash

The Share Offer Price of HK\$0.23 per Offer Share under the Share Offer is the same as the purchase price per Sale Share paid by the Offeror under the Sale and Purchase Agreement.

For cancellation of each outstanding Option HK\$0.0001 in cash

In accordance with the terms of the Share Option Scheme, Optionholders are entitled to exercise their Options in full (to the extent not already exercised) at any time after the date on which the Option Offer is declared unconditional and up to the close of the Option Offer (or any revised offer), after which the Options will lapse automatically (to the extent not exercised).

Pursuant to Rule 13 of the Takeovers Code, the Offeror is making an appropriate cash offer to the Optionholders to cancel their Options. The consideration for the cancellation of each Option would normally be the see-through price which represents the excess of the Share Offer Price per Offer Share and the exercise price of each Option. As the exercise price of all the Options is above the Share Offer Price, the “see-through” price is zero and the Option Offer Price will be a nominal value of HK\$0.0001 per Option.

LETTER FROM THE BOARD

Under the terms of the Option Offer, the Options of the accepting Optionholders (together with all rights attaching thereto) will be cancelled.

Optionholders who do not: (i) exercise the Options by the final closing date of the Option Offer, or (ii) accept the Option Offer by the final closing date of the Option Offer will receive neither the Shares nor the see-through price of HK\$0.0001 per Option respectively. If the Option Offer is not accepted, any unexercised Options will lapse upon the final closing date of the Option Offer.

Further details of the Offers

You are advised to refer to the letter from the Joint Financial Advisers contained in this Composite Document, the further terms of the Offers and procedures for acceptance set out in Appendix I to this Composite Document and the accompanying Form(s) of Acceptance for further details and procedures for acceptance and settlement of the Offers.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) immediately before Completion; and (ii) immediately after Completion and as at the Latest Practicable Date:

	Immediately before Completion		Immediately after Completion and as at the Latest Practicable Date	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Shareholders				
The Offeror Concert Group				
- The Vendor, the Warrantor and parties acting in concert with any of them	600,000,000	57.12	-	-
- The Offeror	-	-	600,000,000	57.12
- Dr. Wong King Keung (non-executive Director)	150,000,000	14.28	150,000,000	14.28
Sub-total for the Offeror Concert Group (other than the Vendor)	150,000,000	14.28	750,000,000	71.40
Sub-total for the Offeror Concert Group (Note 1)	<u>750,000,000</u>	<u>71.40</u>	<u>750,000,000</u>	<u>71.40</u>
Public Shareholders	<u>300,500,000</u>	<u>28.60</u>	<u>300,500,000</u>	<u>28.60</u>
Total	<u><u>1,050,500,000</u></u>	<u><u>100.00</u></u>	<u><u>1,050,500,000</u></u>	<u><u>100.00</u></u>

LETTER FROM THE BOARD

Notes:

1. Pursuant to class (6) of the definition of “acting in concert” under the Takeovers Code, directors of a company (together with their close relatives, related trusts and companies controlled by such directors, close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent are presumed to be acting in concert with others in the same class unless the contrary is established. Given the ultimate beneficial owners of the Offeror include Dr. Wong King Keung, Mr. Chan Wing Yiu, Mr. Tong Sai Wong and Mr. Chan Wing Lun who are Directors, and the ultimate beneficial owner of the Vendor, namely, the Warrantor, is also a Director, the Vendor is presumed to be a party acting in concert with the Offeror. The Vendor and the Warrantor will cease to be parties acting in concert with the Offeror, Dr. Wong King Keung, Mr. Chan Wing Yiu, Mr. Tong Sai Wong and Mr. Chan Wing Lun upon the Warrantor ceasing to be a Director or after the offer period, whichever is later.
2. Certain percentage figures included in this table have been subject to rounding adjustments. Figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

INFORMATION ON THE OFFEROR

Your attention is drawn to the section headed “Information of the Offeror” in the letter from the Joint Financial Advisers contained in this Composite Document for details.

INFORMATION ON THE GROUP

The Company is a company incorporated in the Cayman Islands as an exempted company with limited liability, the Shares of which are currently listed on the Main Board (stock code: 1402). The Group was principally engaged in provision of video conferencing and multimedia audiovisual solution and maintenance services and cloud-based Information Technology and Operational Technology managed services.

Your attention is drawn to the financial and general information of the Group set out in Appendix II and Appendix IV to this Composite Document.

INTENTION OF THE OFFEROR IN RELATION TO THE COMPANY

Your attention is drawn to the section headed “Intention of the Offeror in relation to the Company” in the letter from the Joint Financial Advisers contained in this Composite Document for details.

The Board notes and understands the intention of the Offeror, which is set out under the sections headed “Intention of the Offeror in relation to the Company” and “Maintaining the listing status of the Company” in the letter from the Joint Financial Advisers contained in this Composite Document. The Offeror intends that the Group will continue its principal business of recruitment advertising and will maintain the listing of the Shares on the Main Board of the Stock Exchange after the close of the Offers. Further, the Offeror has no intention to discontinue the employment of the employees (save for the change in the composition of the Board) or to re-deploy the assets of the Group other than those in its ordinary course of business.

LETTER FROM THE BOARD

The Board will co-operate and provide support to the Offeror as regards to the Offeror's intention regarding the Group and will continue to act in the best interests of the Group and the Independent Shareholders as a whole.

PROPOSED CHANGE OF BOARD COMPOSITION

The Board is currently made up of ten Directors, comprising five executive Directors, namely Mr. Zhong Naixiong, Mr. Yau Wing Keung, Mr. Tong Sai Wong, Mr. Chan Wing Yiu and Mr. Chan Wing Lun, one non-executive Director, namely Dr. Wong King Keung, and four independent non-executive Directors, namely Mr. Fong Chi, Mr. Lai Kai Ming Ricky, Mr. Lum Pak Sum and Ms. Wu Hung Yu.

As disclosed in the letter from the Joint Financial Advisers contained in this Composite Document, each of Mr. Zhong Naixiong and Mr. Yau Wing Keung will resign as an executive Director with effect from the earliest time permitted under the Takeovers Code, the Listing Rules or other applicable rules or regulations or the Completion Date, whichever is later. The Offeror intends to nominate new Directors to the Board with effect from the earliest time permitted under the Takeovers Code and any such appointment will be made in compliance with the Takeovers Code and the Listing Rules.

As at the Latest Practicable Date, the Offeror has not reached any final decision as to who will be nominated as new Director(s). Further announcement(s) will be made upon any changes to the composition to the Board in compliance with the Takeovers Code and Listing Rules as and when appropriate.

Any changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement will be made by the Company as and when appropriate. Save as aforesaid, the Offeror has no intention to introduce any significant changes to the management of the Company following the close of the Offer.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that if, upon closing of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares (excluding treasury shares), are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares until the prescribed level of public float is restored.

As stated in the letter from the Joint Financial Advisers contained in this Composite Document, the Offeror intends to maintain the listing of the Shares on the Main Board of the Stock Exchange after the close of the Offers. The directors of the Offeror and the new Directors (who will be nominated by the Offeror and appointed as Directors) will undertake to the Stock Exchange to take appropriate steps to ensure that a sufficient public float exists for the Shares following the close of the Offers.

LETTER FROM THE BOARD

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.1 of the Takeovers Code, the Company has established the Independent Board Committee. Dr. Wong King Keung, the non-executive Director, owns 40.60% of the total issued share capital of Newmark Group Limited, which in turn holds 50% equity interest in the Offeror. Therefore, Dr. Wong King Keung has a direct interest in the Offers and is excluded from the Independent Board Committee.

The Independent Board Committee, comprising all the independent non-executive Directors who have no direct or indirect interest in the Offers, namely, Mr. Fong Chi, Mr. Lai Kai Ming Ricky, Mr. Lum Pak Sum, and Ms. Wu Hung Yu, has been established to make recommendations to the Independent Shareholders and Optionholders as to the fairness and reasonableness of the Offers and as to acceptance of the Offers.

Capital 9 Limited has been appointed with the approval of the Independent Board Committee as the independent financial adviser to advise the Independent Board Committee as to the fairness and reasonableness of the Offers and as to acceptance of the Offers.

RECOMMENDATIONS

Your attention is drawn to (i) the letter from the Independent Board Committee on pages 27 to 28 of this Composite Document, which sets out its recommendations to the Independent Shareholders in relation to the Offers; and (ii) the letter from the Independent Financial Adviser on pages 29 to 44 of this Composite Document, which sets out its advice to the Independent Board Committee as to the fairness and reasonableness of the Offers and as to acceptance of the Offers, and the principal factors and reasons it has considered before arriving at its advice.

ADDITIONAL INFORMATION

Please refer to the letter from the Joint Financial Advisers set out in this Composite Document as well as the appendices to this Composite Document and the accompanying Form(s) of Acceptance for information relating to, among other things, the Offers, the acceptance, settlement procedures of the Offers and the making of the Offers to the Shareholders and its related taxation.

Optionholders are urged to read the Option Offer Letter carefully, which is being sent separately to Optionholders on the date of this Composite Document and is substantially in the form set out in “Form of the Option Offer Letter” in Appendix VI to this Composite Document, and the **PINK** Form of Option Offer Acceptance in respect of the Option Offer.

Yours faithfully,
By order of the Board
i-Control Holdings Limited
Zhong Naixiong
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

i-CONTROL HOLDINGS LIMITED

超智能控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1402)

9 July 2024

To the Independent Shareholders and the Optionholders

Dear Sirs,

**MANDATORY UNCONDITIONAL CASH OFFER
BY DILIGENT CAPITAL LIMITED AND
RED SUN CAPITAL LIMITED
FOR AND ON BEHALF OF THE OFFEROR TO
ACQUIRE ALL OF THE ISSUED SHARES OF
I-CONTROL HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED BY
OR AGREED TO BE ACQUIRED BY THE OFFEROR AND
PARTIES ACTING IN CONCERT WITH IT) AND FOR
THE CANCELLATION OF ALL OUTSTANDING OPTIONS OF
I-CONTROL HOLDINGS LIMITED**

We refer to the Composite Document dated 9 July 2024 jointly issued by the Offeror and the Company, of which this letter forms part. Unless specified otherwise, capitalised terms used herein shall have the same meanings as those defined in the Composite Document.

We have been appointed as the members of the Independent Board Committee to advise you as to whether, in our opinion, the terms of the Offers are fair and reasonable so far as the Independent Shareholders and the Optionholders are concerned and as to acceptance of the Offers. We have declared that we are independent and have no direct or indirect interests in the Offers, and therefore are able to consider the terms of the Offers and to make recommendations to the Independent Shareholders and the Optionholders.

Capital 9 Limited has been appointed as the Independent Financial Adviser to advise us in this regard. Details of their independent advice, together with the principal factors and reasons they have taken into consideration, are set out in the letter from the Independent Financial Adviser on pages 29 to 44 of this Composite Document.

We also wish to draw your attention to the letter from the Joint Financial Advisers set out on pages 10 to 20 of this Composite Document, the letter from the Board set out on pages 21 to 26 of this Composite Document and the appendices to this Composite Document.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taken into account the advice of the Independent Financial Adviser, we consider that the Offers are fair and reasonable so far as the Independent Shareholders and the Optionholders are concerned. Accordingly, we recommend the Independent Shareholders and the Optionholders to accept the Offers. Independent Shareholders and Optionholders are recommended to read the letter from the Independent Financial Adviser.

The Independent Shareholders who would like to realise part or all of their investments in the Shares should closely monitor the market prices of the Shares during the period of the Offers. In the event that the market price of the Shares exceeds the Offer Price during the period of the Offers and the sale proceeds (net of transaction costs) exceed the net amounts receivable under the Offers, the Independent Shareholders should consider to sell their Shares in the open market instead of accepting the Offers.

For those Independent Shareholders who wish to retain part or all of their investments in the Shares are reminded to pay attention that the Group will be principally engaged in its existing business (being recruitment advertising and investment holding) after the change in control of the Company, and should consider carefully the intentions of the Offeror in relation to the Group after the close of the Offers.

Yours faithfully,
The Independent Board Committee

Mr. Fong Chi
Independent non-executive
Director

Mr. Lai Kai Ming Ricky
Independent non-executive
Director

Mr. Lum Pak Sum
Independent non-executive
Director

Ms. Wu Hung Yu
Independent non-executive
Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter of advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Offers for the purpose of incorporation into this Composite Document.



Capital 9 Limited

Unit 1219, 12/F,
Bank of America Tower,
12 Harcourt Road,
Central,
Hong Kong

9 July 2024

*To the Independent Board Committee of
i-Control Holdings Limited*

Dear Sir/Madam,

**MANDATORY UNCONDITIONAL CASH OFFERS BY
DILIGENT CAPITAL LIMITED AND RED SUN CAPITAL LIMITED
FOR AND ON BEHALF OF THE OFFEROR
FOR ALL THE ISSUED SHARES IN I-CONTROL HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED
TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING
IN CONCERT WITH IT) AND
FOR THE CANCELLATION OF ALL OUTSTANDING OPTIONS OF
I-CONTROL HOLDINGS LIMITED**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offers, particulars of which are set out in the section headed “Letter from the Joint Financial Advisers” (the “**Letter from the Joint Financial Advisers**”) contained in the composite document of the Company and the Offeror dated 9 July 2024 (the “**Composite Document**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context requires otherwise.

Reference is made to the Joint Announcement in relation to, among other things, the Sale and Purchase Agreement and the Offers. Immediately prior to the Completion, save for (i) the 150,000,000 Shares held by Dr. Wong King Keung, representing approximately 14.28% of the issued share capital of the Company; and (ii) the Share Charge, the Offeror Concert Group is not interested in any Shares.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Completion took place on 2 July 2024. Upon the Completion, the Offeror Concert Group owns a total of 750,000,000 Shares, representing approximately 71.40% of the existing issued share capital of the Company. Pursuant to Rules 26.1 and 13.5 of the Takeovers Code, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror Concert Group) and for the cancellation of all outstanding Options.

THE INDEPENDENT BOARD COMMITTEE

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee, comprising all the independent non-executive Directors who have no direct or indirect interest in the Offers, namely Mr. Fong Chi, Mr. Lai Kai Ming Ricky, Mr. Lum Pak Sum and Ms. Wu Hung Yu, has been established to make recommendations to the Independent Shareholders and Optionholders as to the fairness and reasonableness of the Offers and as to acceptance of the Offers. Dr. Wong King Keung, the non-executive Director, owns 40.60% of the total issued share capital of Newmark Group Limited, which in turn holds 50% equity interest in the Offeror. Therefore, Dr. Wong King Keung has a direct interest in the Offers and is excluded from the Independent Board Committee.

With the approval of the Independent Board Committee in accordance with Rule 2.1 of the Takeovers Code, we have been appointed as the Independent Financial Adviser to advise the Independent Board Committee in this regard.

We are not in the same group as the financial or other professional advisers (including stockbrokers) to the Company and to the Offeror, and we are not associated with the Offeror or the Company or any party acting, or presumed to be acting in concert with any of them and we had not had, any connection, financial assistance or otherwise, with either the Offeror or the Company or the controlling shareholder(s) of either of them. In the past two years preceding the Latest Practicable Date, there was no engagement between the Company and/or the Offeror and us. Apart from the normal advisory fee payable to us in connection with this appointment as the Independent Financial Adviser, no arrangement exists whereby we shall receive any other fees or benefits from the Company, the Offeror, any of their respective substantial shareholders, directors or chief executives, their respective associates, or any person acting, or presumed to be acting, in concert with any of them. Accordingly, we are qualified to give independent advice in relation to the Offers.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINION

In formulating our opinion and recommendation to the Independent Board Committee, we have reviewed, among other things, the annual report of the Company for the year ended 31 March 2024 (the “**2024 AR**”) and information contained in the Composite Document.

In addition, we have relied on (i) the information, facts and representations provided, and the opinions and views expressed, to us by the Company, the Directors and/or the management of the Group, and (ii) the information, facts, representations, opinions and views of the Company, the Directors, the management of the Group and/or the Offeror contained or referred to in the Composite Document, including but not limited to the Letter from the Board and the Letter from the Joint Financial Advisers contained therein, all of which have been assumed to be true, accurate and complete at the time they were made and to continue to be so as at the Latest Practicable Date. We understand that the Company will notify the Shareholders of any material changes during the Offer Period as soon as possible in accordance with the Takeovers Code. The Independent Shareholders and Optionholders will be notified of any material changes of such information provided and our opinion, if any, as soon as possible throughout the Offer Period. We have also assumed that all statements of belief, opinion, view and intention made by the Company, the Directors, the management of the Group and/or the Offeror in the Composite Document, including but not limited to the Letter from the Board and the Letter from the Joint Financial Advisers contained therein, were reasonably made after due and careful enquiry and the expectations and intentions of the Company, the Directors, the management of the Group and/or the Offeror will be met or carried out as the case may be. We consider that we have received and reviewed sufficient information to form an informed view and have no reason to believe that any material information has been omitted or withheld, or to doubt the truth, accuracy and completeness of the information and representations provided to us by the Company, the Directors, the management of the Group and/or the Offeror. The Company has confirmed to us that no material facts which would have material impact on our formulating our opinion and recommendation to the Independent Board Committee have been withheld or omitted from the information provided to us, the opinion expressed to us, and/or information or opinion contained or referred to in the Composite Document.

We have not, however, carried out any independent verification of the information provided by the Company, the Directors, the management of the Group and/or the Offeror, nor have we conducted any independent investigation into the business, financial conditions and affairs of the Group, the Offeror, or any of their respective subsidiaries, controlled entities, jointly controlled entities or associates. We consider that we have performed our duties with impartiality and independence from the Company and the Offeror.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

All the Directors jointly and severally accept full responsibility for the accuracy of information contained in the Composite Document (other than that relating to the Offeror Concert Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions (other than those expressed by the directors of the Offeror in their capacity as such) expressed in the Composite Document have been arrived at after due and careful consideration and there are no other facts not contained in the Composite Document, the omission of which would make any statement in the Composite Document misleading.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in the Composite Document (other than that relating to the Group), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions (other than those expressed by the Directors in their capacity as such) expressed in the Composite Document have been arrived at after due and careful consideration and there are no other facts not contained in the Composite Document, the omission of which would make any statement contained in the Composite Document misleading.

We have not considered and express no opinion on the tax and regulatory implications on the Independent Shareholders and Optionholders of their acceptances or non-acceptances of the Offers since these are dependent upon their own individual circumstances. In particular, the Independent Shareholders and Optionholders who are resident outside Hong Kong or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax positions with regard to the Offers and, if in any doubt, should consult their own professional advisers.

This letter is issued for the information of the Independent Board Committee solely in connection with their consideration of the Offers. Except for its inclusion in the Composite Document, this letter may not be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL REASONS AND FACTORS CONSIDERED

In arriving at our recommendation to the Independent Board Committee in respect of the Offers, we have taken into consideration the following principal reasons and factors:

(1) Information on the Group

(a) *Historical financial performance*

The Group is principally engaged in the provision of (i) video conferencing and multimedia audiovisual (“**VCMA**”) solution and maintenance services and (ii) cloud-based information technology and operational technology (“**IT+OT**”) managed services. For the two years ended 31 March 2023 (“**FY2023**”) and 2024 (“**FY2024**”), over 88% and 91% of the Group’s revenue were generated from the Hong Kong customers.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is a summary of the financial information of the Group for FY2023 and FY2024 as extracted from the 2024 AR, and further confirmed by the Company:

Operating performance

	FY2023	FY2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)
Revenue, comprising	157,844	130,181
(i) provision of VCMA solution and maintenance services	142,807	121,876
– VCMA solution services	122,419	104,613
– VCMA maintenance services	20,388	17,263
(ii) provision of cloud-based IT+OT managed services	15,037	8,305
– AIoT operation and other services	6,022	5,379
– Security services	9,015	2,926
Cost of sales	(97,499)	(84,073)
Staff cost	(41,394)	(40,534)
Depreciation and amortisation	(4,360)	(4,978)
Other income and net (loss) gain	1,160	(677)
Impairment losses on trade receivables and contract assets	–	(716)
Impairment losses on loan to an investee	–	(752)
Impairment losses on intangible assets	–	(3,155)
Other operating expenses	(8,157)	(8,610)
Finance costs	(710)	(1,037)
Profit/(loss) before taxation	6,884	(14,351)
Income tax (expenses) credit	(1,644)	23
Profit/(loss) for the year	5,240	(14,328)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

FY2024 compared with FY2023

For FY2024, the Group's revenue decreased by approximately HK\$27.7 million or 17.5% to approximately HK\$130.2 million from approximately HK\$157.8 million for FY2023. As shown in the table above and stated in 2024 AR, such revenue decrease was mainly attributable to the decrease in the revenue from (i) provision of VCMA solution services and VCMA maintenance services by approximately HK\$17.8 million and HK\$3.1 million respectively mainly due to market and price competition among peers in the industry and less demand from large or international customers to set up offices or branches in Hong Kong which require VCMA solutions and maintenance, resulting in decrease in VCMA solution projects and orders completed in FY2024 and corresponding decrease in VCMA maintenance projects correlated to VCMA solution projects; and (ii) provision of cloud-based IT+OT managed services by approximately HK\$6.7 million, mainly due to postponed business development and on-site solution projects as the post COVID-19 economic recovery in the PRC was slower than expected, for FY2024 compared to that for FY2023.

Compared to profit for the year of approximately HK\$5.2 million for FY2023, loss for the year of approximately HK\$14.3 million was recorded for FY2024, mainly due to (i) the decrease in gross profit of approximately HK\$14.2 million; (ii) nil subsidies from the Employment Support Scheme provided by the Government of the Hong Kong Special Administrative Region (the "**Hong Kong Government**") under the Anti-epidemic Fund was recorded for FY2024 compared to that of approximately HK\$1.6 million for FY2023; and (iii) the increase in impairment on intangible assets, being intellectual property rights used in the Group's provision of cloud-based IT+OT managed services, of approximately HK\$3.2 million mainly due to the continued segment loss incurred by such business segment and management's expectations that the recoverable amount of such intangible assets would be less than that previously projected in light of delay of existing project and no new contract of cloud-based IT+OT managed services entered into by the Group yet.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Financial position

	As at 31 March	
	2023	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)
Non-current assets	106,437	93,067
Property, plant and equipment	80,727	78,916
Intangible assets	11,523	6,562
Financial assets at fair value through other comprehensive income (“FVTOCI”)	13,710	6,634
Deferred tax assets	477	955
Current assets	129,721	97,080
Inventories	19,820	9,960
Trade receivables and contract assets	49,616	39,496
Prepayments, deposits and other receivables	2,847	4,099
Loan to an investee	8,001	6,801
Tax recoverables	–	905
Bank balances and cash	49,437	35,819
Current liabilities	54,199	47,066
Trade payables	15,347	12,237
Other payables and accruals	19,766	19,352
Amount due to a related company	–	540
Lease liabilities	333	602
Bank borrowings	18,431	14,335
Tax payables	322	–
Non-current liabilities	1,464	2,307
Deferred tax liabilities	1,339	1,616
Lease liabilities	125	691
Net current assets	75,522	50,014
Net assets	180,495	140,774
Net assets attributable to the Shareholders	179,443	141,234
Gearing ratio (<i>Note</i>)	7.8%	7.8%

Note: The gearing ratio is calculated based on total debts divided by total assets.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

31 March 2024 compared with 31 March 2023

As to the financial position of the Group, as shown in the table above, the Group recorded a decrease in net assets attributable to the Shareholders by approximately HK\$38.2 million or 21.3% to approximately HK\$141.2 million as at 31 March 2024 from approximately HK\$179.4 million as at 31 March 2023. Such decrease was mainly due to the decrease in (i) financial assets at FVTOCI by approximately HK\$7.1 million, mainly due to decrease in the fair value of the unlisted equity investments; (ii) inventories by approximately HK\$9.9 million mainly due to sales and delivery of inventories to customers in FY2024 and a lower level of inventories were maintained by the Group in 2024 than that in early 2023 as the shipping schedule of the Group's suppliers was less affected by COVID-19 pandemic in FY2024 than in FY2023, (iii) trade receivables and contract assets by approximately HK\$10.1 million mainly due to completion of several large projects and settlement made by customers in early 2024; and (iv) bank balances and cash by approximately HK\$13.6 million mainly due to dividend paid of HK\$17.9 million in FY2024.

Gearing ratio of the Group remained at 7.8% as at 31 March 2023 and 31 March 2024.

(b) Outlook

As stated in the 2024 AR, the Company considers that the Hong Kong Government's financial management and proactive approach to market dynamics, coupled with the supportive government policies including but not limited to the introduction of a number of initiatives, such as Office for Attracting Strategic Enterprise, profits tax exemption offered to family-owned investment holding vehicles managed by single family offices in Hong Kong and new capital investment entrant scheme. Those policies seek to attract high potential and representative strategic enterprises from around the globe to set up office or branch and expand their business operations in Hong Kong, which normally require video conferencing and multimedia audiovisual solution and relevant maintenance from VCMA solution services provider such as the Group. Hence, the Board believes that the demand for VCMA solution services in Hong Kong will increase gradually which is favourable to the Group. The Group will continue to maintain and strengthen its position as one of Hong Kong's leading VCMA solution providers to serve customers in different countries with focus on the Hong Kong market.

Regarding the cloud-based IT+OT managed services business, the Group encountered a decline in performance, with projects suspended and new project launches delayed. In response, the Group's management is diligently evaluating

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

market conditions and project progress. Should adverse market conditions or project delays persist, the Group may contemplate reducing its business operations or re-evaluating its business development strategies.

As stated in the 2024 AR and further advised by the Company, the Group will adopt a prudent yet proactive development strategy taking into account the challenging operating environment and continue to identify potential investment opportunities, seize every business opportunity to build sustainable success, and deliver satisfactory long-term returns to the Shareholders.

(2) Background of the Offeror and its intention for the Group

As stated in the Composite Document, the Offeror is a company incorporated in the British Virgin Islands with limited liability which is beneficially owned as to 50% by Knight Sky, which is in turn wholly-owned by Mr. Cheng Kai Ming Charles and as to 50% by Newmark Group Limited, which is in turn owned as to 40.60% by Dr. Wong King Keung (the non-executive Director) and as to 19.80% by each of Mr. Chan Wing Yiu, Mr. Tong Sai Wong and Mr. Chan Wing Lun (all being executive Directors).

The Offeror has stated that it intends the issued Shares to remain listed on the Main Board and the Company's existing principal activities be maintained after the close of the Offers. It has no intention to (i) introduce major changes to the existing business of the Group, whilst will assist the Company in reviewing its business and operations and seek for new investment opportunities after completion of the Offers; (ii) dispose of or re-deploy the assets of the Group other than those in the ordinary and usual course of business of the Group; and (iii) discontinue the employment of the employees (save for the potential change in the composition of the Board), whilst will constantly review the employee structure of the Group so as to meet the needs of the Group from time to time depending on the business operations and development of the Group in the future. As at the Latest Practicable Date, no material investment or business opportunity has been identified nor has the Offeror entered into any agreement, arrangement, understanding, or negotiation in relation to the injection of any assets or business into the Group.

As stated in the Letter from the Joint Financial Advisers, pursuant to the Sale and Purchase Agreement, each of Mr. Zhong Naixiong and Mr. Yau Wing Keung shall resign as an executive Director with effect from the earliest time permitted under the Takeovers Code, the Listing Rules or other applicable rules or regulations or the Completion Date, whichever is later. The Offeror intends to nominate new Directors to the Board with effect from the earliest time permitted under the Takeovers Code and any such appointment will be made in compliance with the Takeovers Code and the Listing Rules. As at the Latest Practicable Date, the Offeror has not reached any final decision as to who will be nominated as new Director(s).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Taking into account the above, the Independent Shareholders and Optionholders should be aware that the future operating performance of the Group will be subject to any business plans and strategies for the business development of the Group to be formulated by the Offeror and the new Board.

(3) The Share Offer

(a) *Principal terms*

The Joint Financial Advisers are making the Share Offer for and on behalf of the Offeror at the Share Offer Price of HK\$0.23 in cash for each Offer Share, which is the same as the price per Sale Share paid by the Offeror under the Sale and Purchase Agreement.

The Offers are unconditional in all respects when made and will not be conditional upon acceptances being received in respect of a minimum number of Offer Shares and in respect of a minimum number of Options to be cancelled. Acceptance of the Offers will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code, details of which are set out in the section headed “7. Right of withdrawal” in Appendix I to this Composite Document.

As at the Latest Practicable Date, the Company has 1,050,500,000 Shares in issue and 3,000,000 outstanding Options at the exercise price of HK\$0.54 per Share. Save for the Options, the Company does not have any other outstanding options, derivatives, warrants or securities which are convertible or exchangeable into the Shares and had not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares as at the Latest Practicable Date. The Company does not have any granted but unvested share awards and has no intention to grant any new share awards under the Share Award Scheme during the Offer Period and will not instruct the trustee to purchase any Shares from the market during the Offer Period.

Comparison of value

The Share Offer Price of HK\$0.23 per Offer Share represents:

- (i) a discount of approximately 6.12% to the closing price of HK\$0.245 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of approximately 27.78% over the closing price of HK\$0.18 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a premium of approximately 27.78% over the average of the closing price of HK\$0.18 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;

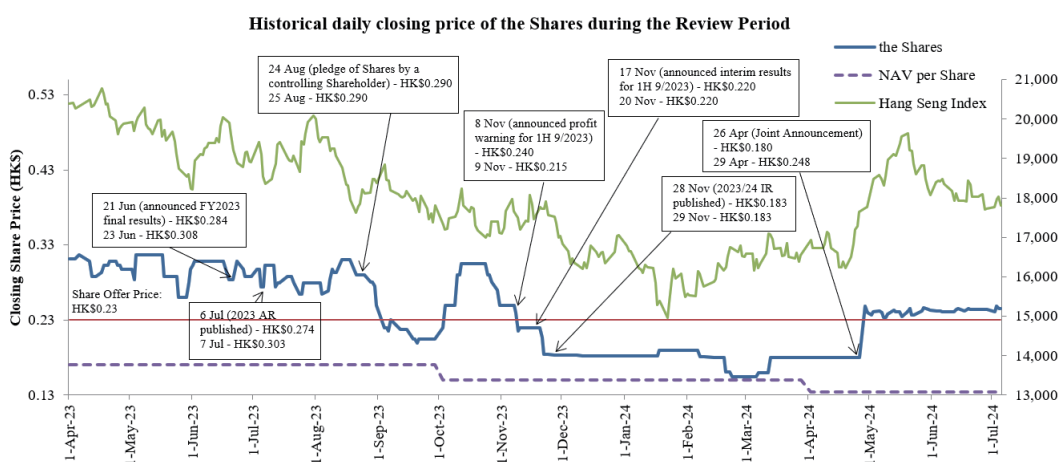
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- (iv) a premium of approximately 27.78% over the average of the closing price of HK\$0.18 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day;
- (v) a premium of approximately 36.90% over the average of the closing prices of approximately HK\$0.168 per Share as quoted on the Stock Exchange for the last thirty (30) consecutive trading days up to and including the Last Trading Day; and
- (vi) a premium of approximately 71.64% over the audited net asset value (“NAV”) of the Group of approximately HK\$0.134 per Share as at 31 March 2024, based on a total of 1,050,500,000 Shares in issue as at the Latest Practicable Date and the audited NAV of the Group of approximately HK\$140,774,000 as at 31 March 2024.

To assess the fairness and reasonableness of the Share Offer Price, we have analysed the Share Offer Price with reference to (i) the historical price performance of the Shares; (ii) the historical trading price against NAV per Share; (iii) the historical trading liquidity of the Shares; and (iv) the comparison with market comparables.

(i) Historical price performance of the Shares

The chart below depicts the closing price level of the Shares as quoted on the Stock Exchange from 1 April 2023 (being around 1-year before the Last Trading Day) and up to and including the Latest Practicable Date (the “**Review Period**”), and the comparison of the Share price performance and Share Offer Price with Hang Seng Index:



Source: Website of the Stock Exchange (www.hkex.com.hk)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We consider the length of the Review Period to be reasonably long enough to illustrate the historical trend and level of movement of the closing prices of the Shares.

As shown in the chart above, there was a decreasing trend in the closing price of the Shares from HK\$0.312 at the beginning of the Review Period on 1 April 2023 to HK\$0.199 on 20 September 2023. Then, the closing price of the Shares moved upwards and reached HK\$0.305 on 12 October 2023, then moved downwards gradually. The price trend of the Shares was generally in line with the trend of the Hang Seng Index during the Review Period as shown in the chart above. Annual results, reporting decrease in annual revenue and net profit, and special dividend for FY2023 were announced, and 2023 AR was published, by the Company after trading hours on 21 June 2023 and 6 July 2023 respectively, and the closing price of the Shares increased in the one to few trading days after those publications but then declined. Profit warning and interim results for 1H 9/2023 were announced by the Company after trading hours on 8 and 17 November 2023 respectively, and there was a decrease in the closing price of the Shares. Other than that, no particular news was announced by the Company. We have made enquiries with the management of the Company and understand that they were not aware of any specific reason for the aforesaid movement in the closing price of the Shares before the trading halt on 3 April 2024 pending the publication of the Joint Announcement.

The Share price closed below the Share Offer Price from around mid-November 2023 up to the date before trading suspension on 3 April 2024 pending publication of the Joint Announcement announcing the Sale and Purchase Agreement and the possible Offers. Following the resumption of trading of the Shares on 29 April 2024, the closing price of the Shares moved upwards to HK\$0.248 and closed at HK\$0.245 on the Latest Practicable Date. As advised by the management of the Company, they believed that the aforesaid movement in the closing price of the Shares was due to the announcement of the possible Offers.

Taking into account (i) the Share price closed below the Share Offer Price since around mid-November 2023 and up to before the publication of the Joint Announcement; (ii) the premium of 27.78%, 27.78%, 27.78% and 36.90% represented by the Share Offer Price to the Share closing price on the Last Trading Day, the average Share closing price for the last five (5), ten (10) and thirty (30) consecutive trading days up to and including the Last Trading Day respectively; (iii) despite the price of the Shares closed above the Share Offer Price from 29 April 2024 which is believed to be due to the announcement of the possible Offers on 26 April 2024 and as at the Latest Practicable Date, it is uncertain if the Share closing price can maintain at a level higher than the Share Offer Price after the close of the Offers taking into account the Group was loss making for FY2024 due to revenue drop and the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

challenging operating environment as advised by the Company; and (iv) the premium of 71.64% as represented by the Share Offer Price over the audited NAV per Share of the Group as at 31 March 2024, the Share Offer Price is fair and reasonable.

Independent Shareholders and Optionholders should note that the information set out above is not an indicator of the future performance of the Shares and that the price of the Shares may increase or decrease from its closing price after the Latest Practicable Date.

(ii) Historical trading liquidity of the Shares

The table below sets out the trading volume of the Shares and the percentages of average daily trading volume to the total number of issued Shares and Shares held by the public Shareholders, respectively during the Review Period:

Month/period	Total trading volume for the month/period	Number of trading days	Average daily trading volume	Average daily trading volume	Average daily trading volume
				over total	over total
	Shares	days	Shares	number of issued Shares	number of issued Shares held by the public Shareholders
			(Note 1)	(Note 2)	(Note 3)
			Shares	%	%
2023					
April	6,850,000	17	402,941	0.04	0.13
May	740,000	21	35,238	0.00	0.01
June	270,000	21	12,857	0.00	0.00
July	470,000	20	23,500	0.00	0.01
August	2,270,000	23	98,696	0.01	0.03
September	490,000	19	25,789	0.00	0.01
October	760,000	20	38,000	0.00	0.01
November	930,000	22	42,273	0.00	0.01
December	2,540,000	19	133,684	0.01	0.04
2024					
January	100,000	22	4,545	0.00	0.00
February	180,000	19	9,474	0.00	0.00
March	215,000	20	10,750	0.00	0.00
April	12,410,000	20	620,500	0.06	0.21
May	16,930,000	21	806,190	0.08	0.27
June	3,990,000	19	210,000	0.02	0.07
July (up to the Latest Practicable Date)	3,150,000	4	787,500	0.07	0.26

Source: Website of the Stock Exchange (www.hkex.com.hk)

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Notes:

1. Calculated by dividing the total trading volume for the month/period by the number of trading days during the month/period.
2. Calculated by dividing the average daily trading volumes of the Shares by the total issued Shares at the end of each month or as at the Latest Practicable Date, where applicable.
3. Calculated by dividing the average daily trading volumes of the Shares by the total issued Shares held by the public Shareholders at the end of each month or as at the Latest Practicable Date, where applicable.

During the Review Period, the average daily trading volume ranged from approximately 4,545 Shares (in January 2024) to approximately 806,190 Shares (in May 2024), representing approximately 0.00% to 0.08% of the total number of issued Shares, and approximately 0.00% to 0.27% of the total number of issued Shares held by the public Shareholders, as at the end of the respective month. Total trading volume reached over 12 million Shares and 16 million Shares in April and May 2024 respectively which, as advised by the Company, was considered due to the announcement of the possible Offers in late April 2024.

Given the inactive trading of the Shares during the Review Period before the Joint Announcement in April 2024, it is uncertain whether the Independent Shareholders (especially those with relatively sizeable shareholdings) will encounter difficulties in selling a significant number of Shares in the open market in one batch and at a price higher than the Share Offer Price after the close of the Offers without negatively impacting the trading price of the Shares. The Share Offer represents an assured opportunity for Independent Shareholders to realise their investment in the Shares in one batch at a fixed price should they wish so.

(iii) Peer comparison

In order to assess the fairness and reasonableness of the Share Offer Price, we have sought to identify comparable companies on the website of the Stock Exchange for peer comparison based on the criteria that the company is (i) listed on the Stock Exchange; and (ii) similar to the Group, principally engaged in the provision of VCMA solution and maintenance services mainly in Hong Kong, which contributed to over 90% of its total revenue in the latest preceding year. However, no comparable company can be identified. Hence, peer comparison is not applicable.

We have thus focused our analysis of the Share Offer Price on historical trading performance, trading volume of the Shares and underlying fundamentals of the Company as discussed above.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(4) The Option Offer

As at the Latest Practicable Date, the Company had 3,000,000 outstanding Options at the exercise price of HK\$0.54 per Share. The Joint Financial Advisers are making the Option Offer for and on behalf of the Offeror at the Option Offer Price of HK\$0.0001 for cancellation of each Option from the accepting Optionholders.

In accordance with the terms of the Share Option Scheme, the Optionholders are entitled to exercise their Options in full (to the extent not already exercised) at any time after the date on which the Option Offer is declared unconditional and up to the close of the Option Offer (or any revised offer), after which the Options will lapse automatically (to the extent not exercised).

Pursuant to Rule 13 and Practice Note 6 of the Takeovers Code, the Offeror will make an appropriate cash offer to the Optionholders to cancel their Options. The consideration for the cancellation of each Option would normally be the see-through price which represents the excess of the Share Offer Price per Offer Share and the exercise price of each Option. As the exercise price of all the outstanding Options is above the Share Offer Price, the “see-through” price is zero and the Option Offer Price will be a nominal value of HK\$0.0001 per Option.

Given the “see-through” value of the outstanding Options is zero, we consider that the Option Offer Price of HK\$0.0001 offered to the Optionholders is fair and reasonable so far as the Optionholders are concerned.

RECOMMENDATION

Taking into account

- (a) the worsening financial performance of the Group as indicated by the revenue decrease for FY2024 compared with FY2023, and loss for the year recorded for FY2024 compared with profit for FY2023;
- (b) the Share Offer Price represents a premium of 27.78%, 27.78%, 27.78% and 36.90% over the Share closing price on the Last Trading Day, the average Share closing price for the last five, ten and thirty consecutive trading days up to and including the Last Trading Day respectively;
- (c) despite the price of the Shares closed above the Share Offer Price from 29 April 2024 which is believed to be due to the announcement of the possible Offers on 26 April 2024 and as at the Latest Practicable Date, it is uncertain if the Share closing price can maintain at a level higher than the Share Offer Price after the close of the Offers as the Group was loss making for FY2024 due to revenue drop and the challenging operating environment as advised by the Company;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (d) a premium of 71.64% as represented by the Share Offer Price over the audited NAV of the Group as at 31 March 2024;
- (e) given the relatively inactive trading of the Shares, it is uncertain whether the Independent Shareholders will encounter difficulties in selling a significant number of the Shares in the open market in one batch and at a price higher than the Share Offer Price after the close of the Offers without negatively impacting the trading price of the Shares. The Share Offer represents an assured opportunity for Independent Shareholders to realise their investment in the Shares in one batch at a fixed price should they wish so;
- (f) the Option Offer Price of HK\$0.0001 is higher than the “see-through” value of the outstanding Options (i.e. zero);
- (g) as advised by the Directors, while the recent policies implemented by the Hong Kong Government encouraging international and mainland companies to set up and expand business operation in Hong Kong favour the Group as one of the VCMA service providers, the operating environment of the Group remains challenging, and the Group may consider to reduce, or re-evaluate its development strategies of, its IT+OT managed services business should the adverse market conditions or project delays persist; and
- (h) while the Offeror has no intention to introduce major changes to the existing business, assets or management (save for the potential change in the composition of the Board) of the Group, the future operating performance of the Group will be subject to any business plans and strategies for the business development of the Group to be formulated by the Offeror and the new Board which is uncertain as at the Latest Practicable Date,

we are of the view that the Offers are fair and reasonable so far as the Independent Shareholders and Optionholders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders and Optionholders to accept the Share Offer and Option Offer respectively.

Yours faithfully,

For and on behalf of

Capital 9 Limited

Tan Ye Kai Byron Chan Man Yee

Director

Director

Tan Ye Kai Byron and Chan Man Yee are licensed persons and responsible officers of Capital 9 Limited registered with the Securities and Futures Commission to carry out Type 6 (advising on corporate finance) regulated activity under the SFO and have over 25 years and 15 years of experience respectively in the corporate finance industry.

1. GENERAL PROCEDURES FOR ACCEPTANCE OF THE SHARE OFFER

- (a) To accept the Share Offer, you should complete and sign the accompanying **WHITE** Form of Share Offer Acceptance in accordance with the instructions printed thereon, which form part of the terms of the Share Offer.
- (b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name, and you wish to accept the Share Offer in respect of your Shares (whether in full or in part), you must send the **WHITE** Form of Share Offer Acceptance duly completed and signed together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for the number of Shares in respect of which you intend to accept the Share Offer, by post or by hand, to the Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, marked “i-Control Holdings Limited – Share Offer” on the envelope as soon as possible and in any event by no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code.
- (c) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Share Offer in respect of your Shares (whether in full or in part), you must either:
 - (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares with the nominee company, or other nominee, and with instructions authorising it to accept the Share Offer on your behalf and requesting it to deliver the **WHITE** Form of Share Offer Acceptance duly completed and signed together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares to the Registrar; or
 - (ii) arrange for the Shares to be registered in your name by the Company through the Registrar, and deliver the **WHITE** Form of Share Offer Acceptance duly completed and signed together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares to the Registrar; or

- (iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Share Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
- (iv) if your Shares have been lodged with your investor participant's account maintained with CCASS, give your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.
- (d) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Share Offer in respect of your Shares, the **WHITE** Form of Share Offer Acceptance should nevertheless be completed and delivered to the Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares or that it is/they are not readily available. If you subsequently find such document(s) or if it/they become(s) available, the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares should be forwarded to the Registrar as soon as possible thereafter. If you have lost the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares, you should also write to the Registrar for a letter of indemnity which, when completed in accordance with the instructions given should be provided to the Registrar.
- (e) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the Share Offer in respect of your Shares, you should nevertheless complete and sign the **WHITE** Form of Share Offer Acceptance and deliver it to the Registrar together with the transfer receipt(s) duly signed by yourself and other document(s) of title (as the case may be). Such action will constitute an irrevocable authority to the Offeror and/or FFC and/or their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share

certificate(s) to the Registrar on your behalf and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the Share Offer, as if it/they were delivered to the Registrar with the **WHITE** Form of Share Offer Acceptance.

- (f) Acceptance of the Share Offer will be treated as valid only if the completed and signed **WHITE** Form of Share Offer Acceptance is received by the Registrar by not later than 4:00 p.m. on the Closing Date (or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code) and the Registrar has recorded that the **WHITE** Form of Share Offer Acceptance and any relevant documents required by Note 1 to Rule 30.2 of the Takeovers Code have been so received, and is:
- (i) accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of your Shares for which you intend to accept the Share Offer and, if that/those share certificate(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) is/are not in your name, such other documents (e.g., a duly stamped transfer of the relevant Share(s) in blank or in favour of the acceptor executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares; or
 - (ii) from a registered Independent Shareholder or his/her personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under another sub-paragraph of this paragraph (f)); or
 - (iii) certified by the Registrar or the Stock Exchange.
- (g) If the **WHITE** Form of Share Offer Acceptance is executed by a person other than the registered Independent Shareholders, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of power of attorney) to the satisfaction of the Registrar must be produced.
- (h) Seller's ad valorem stamp duty (rounded up to the nearest HK\$1) payable by the Independent Shareholders who accept the Share Offer and calculated at a rate of 0.1% of the market value of the Offer Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, whichever is the higher, will be deducted from the amount payable by the Offeror to the relevant Independent Shareholders on the acceptance of the Share Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the Independent Shareholders who accept the Share Offer and will pay the buyer's ad valorem stamp

duty in connection with the acceptance of the Share Offer and the transfer of the Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

- (i) No acknowledgement of receipt of any **WHITE** Form of Share Offer Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares tendered for acceptance will be given.

2. COURSES OF ACTION AVAILABLE TO THE OPTIONHOLDERS

You may take any of the following courses of action with respect to your outstanding Options:

- (a) to the extent any of your outstanding Options are not exercised on or prior to the Closing Date, you may accept the Option Offer in accordance with its terms (as set out in this Composite Document and the **PINK** Form of Option Offer Acceptance) and receive the Option Offer Price by returning the duly completed and signed **PINK** Form of Option Offer Acceptance enclosed together with the relevant document(s) as soon as possible and in any event no later than 4:00 p.m. on the Closing Date or such later time(s) and/or date(s) as the Offeror may determine and announce in compliance with the requirements of the Takeovers Code, to the company secretary of the Company at Units A&B, 12/F, MG Tower 133 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong marked “i-Control Holdings Limited – Option Offer” on the envelop;
- (b) you may in accordance with the terms of the Share Option Scheme exercise some or all of outstanding vested Options (to the extent not already exercised), by submitting a notice for exercising the Options together with a cheque for payment of the subscription monies and the related certificates (if applicable) for the Options to the company secretary of the Company no later than 4:00 p.m. on the Closing Date or such later time(s) and/or date(s) as the Offeror may determine and announce in compliance with the requirements of the Takeovers Code, and the Shares issued as a result of the exercise of such Options will be subject to and eligible to participate in the Share Offer. If an Optionholder fails to exercise his/her Options as aforesaid, there is no guarantee that the Company may issue the relevant share certificates in respect of the Shares allotted pursuant to his/her/its exercise of the Options to such Optionholder in time for him/her to accept the Share Offer as a Shareholder of such Shares under the terms of the Share Offer. Please refer to details in this Composite Document for the details of the Share Offer and the acceptance thereof; or
- (c) you may do nothing, unexercised Options will lapse automatically after the Closing Date and you will not receive the Option Offer Price.

3. GENERAL PROCEDURES FOR ACCEPTANCE OF THE OPTION OFFER

- (a) To accept the Option Offer, you should complete and sign the accompanying **PINK** Form of Option Offer Acceptance in accordance with the instructions printed thereon, which form part of the terms of the Option Offer.
- (b) If you are an Optionholder and you wish to accept the Option Offer in respect of your Options, you must send the duly completed and signed **PINK** Form of Option Offer Acceptance together with the relevant certificate(s), document(s) of title in respect of the Options, and/or other document(s) (if applicable) evidencing the grant of the Options to you (and/or satisfactory indemnity or indemnities required in respect thereof) for your holding of Options (or if applicable, for not less than the number of Options in respect of which you intend to accept the Option Offer), by post or by hand, to the company secretary of the Company at Units A&B, 12/F, MG Tower 133 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong marked “i-Control Holdings Limited – Option Offer”, as soon as possible and in any event no later than 4:00 p.m. on the Closing Date or such later time(s) and/or date(s) as the Offeror may determine and announce in compliance with the requirements of the Takeovers Code. However, no Option shall be capable of acceptance if at the time of acceptance such Option has lapsed.
- (c) If the relevant certificate(s), document(s) of title in respect of your Options, and/or other document(s) (if applicable) evidencing the grant of the Options to you (and/or satisfactory indemnity or indemnities required in respect thereof) is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Option Offer in respect of your Options, the **PINK** Form of Option Offer Acceptance should nevertheless be completed and delivered to the Company together with a letter stating that you have lost one or more of your option certificate(s) (if applicable) or that it/they is/are not readily available. If you subsequently find such document(s) or if it/they become(s) available, it/they should be forwarded to the Company as soon as possible thereafter. If you have lost your option certificate(s) and/or document(s) of title in respect of your Options (if applicable), you should also write to the Company requesting a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Company.
- (d) If the relevant certificate(s), document(s) of title in respect of your Options, and/or other document(s) (if applicable) evidencing the grant of the Options to you (and/or satisfactory indemnity or indemnities required in respect thereof) is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Share Offer, you must exercise the Options to the extent exercisable as indicated in paragraph (b) of the section headed “2. Courses of action available to the Optionholders” of this Appendix above, but (i) the relevant exercise notice and cheque for the subscription monies must reach the Company before the Closing Date;

and (ii) the relevant **PINK** Form of Share Offer Acceptance must reach the Company on or before 4:00 p.m. on the Closing Date. You should also write to the Company requesting a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Company.

- (e) No stamp duty will be deducted from the amount paid or payable to the Optionholder who accepts the Option Offer.
- (f) No acknowledgment of receipt of any **PINK** Form of Option Offer Acceptance, certificate(s) of the Options (if applicable) and/or any other document(s) of title (and/or any satisfactory indemnity/indemnities required in respect thereof) in respect of the Options will be given.

4. SETTLEMENT OF THE OFFERS

(a) The Share Offer

- (i) Pursuant to Rule 20.1 of the Takeovers Code, provided that a valid **WHITE** Form of Share Offer Acceptance and the relevant certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the relevant Shares are complete in all respects and have been received by the Registrar before the close of the Share Offer, a cheque for the amount (rounding up to the nearest cent) due to each of the Independent Shareholders who accepts the Share Offer less seller's ad valorem stamp duty in respect of the Shares tendered by him/her/it under the Share Offer will be despatched to such Independent Shareholder by ordinary post at his/her/its own risk as soon as possible but in any event within seven (7) business days following the date of receipt by the Registrar of the duly completed acceptances of the Share Offer and all relevant document(s) of title which render such acceptance complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code.
- (ii) Settlement of the consideration to which any accepting Independent Shareholder is entitled under the Share Offer will be implemented in full in accordance with the terms of the Share Offer (save with respect to the payment of seller's ad valorem stamp duty), without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such accepting Independent Shareholder.
- (iii) Cheque(s) not presented for payment within six months from the date of issue of the relevant cheques will not be honoured and be of no further effect, and in such circumstances cheque holders should contact the Offeror for payment.

(b) The Option Offer

- (i) Pursuant to Rule 20.1 of the Takeovers Code, provided that a valid **PINK** Form of Option Offer Acceptance and the relevant option certificate(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete in all respects and have been received by the company secretary of the Company before the close of the Option Offer, payment of the consideration for the Options surrendered for cancellation under the Option Offer will be made to the Company as the agent of the Optionholders, by cheque(s) drawn in the name of the Company which will be delivered to the Company's principal place of business in Hong Kong at Units A&B, 12/F, MG Tower 133 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong or, at the election of the Offeror, by wire transfer to the bank account of the Company, and the Company will transfer any payment received to respective Optionholders by issue of cheque or wire transfer, in each case, within seven (7) business days following the date of receipt by the company secretary of the Company of the duly completed acceptances of the Option Offer and all relevant documents which render such acceptance complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code.
- (ii) Settlement of the consideration to which any accepting Optionholder is entitled under the Option Offer will be implemented in full in accordance with the terms of the Option Offer, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such accepting Optionholder.
- (iii) Cheque(s) not presented for payment within six months from the date of issue of the relevant cheques will not be honoured and be of no further effect, and in such circumstances cheque holders should contact the Offeror for payment.

5. NOMINEE REGISTRATION

To ensure equality of treatment of all Shareholders, those Shareholders who hold Shares as nominee on behalf of more than one beneficial owner should, as far as practicable, treat the holding of such beneficial owner separately. It is essential for the beneficial owners of the Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offers.

6. ANNOUNCEMENTS

- (a) Unless the Offers have previously been extended with the consent of the Executive, to be valid, the Forms of Acceptance must be received by the Registrar (in respect of the Share Offer) or the company secretary of the Company (in respect of Option Offer) in accordance with the instructions printed thereon by 4:00 p.m. on the Closing Date.
- (b) If the Offers are extended, the Offeror and the Company will issue an announcement in relation to any extension of the Offers, which announcement will state either the next closing date or, a statement that the Offers will remain open until further notice. In the latter case, at least fourteen (14) days' notice in writing must be given before the Offers are closed to those Independent Shareholders and Optionholders who have not accepted the relevant Offers.
- (c) If the Closing Date is extended, any reference in this Composite Document and in the Forms of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the subsequent closing date.
- (d) As required under Rule 19 of the Takeovers Code, by 6:00 p.m. on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the extension or expiry of the Offers. The Offeror must publish an announcement in accordance with the requirements of the Listing Rules by 7:00 p.m. on the Closing Date stating whether the Offers have been extended.

Such announcement must state, amongst other information required under Rule 19.1 of the Takeovers Code, the following:

- (i) the total number of Shares and Options for which acceptances of the Offers have been received;
- (ii) the total number of Shares and Options held, controlled or directed by the Offeror and/or parties acting in concert with it before the Offer Period;
- (iii) the total number of Shares and Options acquired or agreed to be acquired during the Offer Period by the Offeror and/or parties acting in concert with it; and
- (iv) details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company in which the Offeror or any parties acting in concert with it has borrowed or lent, saved for any borrowed Shares which have been either on-lent or sold.

The announcement will specify the percentages of the issued share capital of the Company and the percentages of voting rights of the Company represented by the number of securities as referred to in (i) to (iv) above.

- (a) In computing the total number of Shares and Options for which acceptances of the Offers have been received, only valid acceptances that are complete which have been received by the Registrar (in respect of Share Offer) or the company secretary of the Company (in respect of Option Offer) no later than 4:00 p.m. on the Closing Date, and/or date as the Offeror may determine and announce in accordance with the Takeovers Code, being the latest time and date for acceptance of the Offers, shall be included.
- (b) As required under the Takeovers Code, all announcements in relation to the Offers which the Executive and the Stock Exchange have confirmed that they have no further comments thereon must be made in accordance with the requirements of the Takeovers Code and the Listing Rules respectively.

7. RIGHT OF WITHDRAWAL

- (a) Acceptance of the Offers tendered by the Independent Shareholders and Optionholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in (b) below.
- (b) In the circumstances set out in Rule 19.2 of the Takeovers Code (which is to the effect that the Offeror is unable to comply with any of the requirements of making announcements relating to the Offers as described in the paragraph headed “6. Announcements” above, the Executive may require that the acceptors of the Offers be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements set out in that paragraph are met.

In such case, when the Independent Shareholder(s) and/or the Optionholders withdraw(s) the acceptances, the Offeror shall, as soon as possible but in any event within seven (7) Business Days thereof, return by ordinary post the Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title lodged with the Form(s) of Acceptance to the relevant Independent Shareholders and/or Optionholders at their own risks.

8. OVERSEAS SHAREHOLDERS AND OVERSEAS OPTIONHOLDERS

The Offers will be made available to all the Independent Shareholders and Optionholders, including the Overseas Shareholders and the Overseas Optionholders. The availability of the Offers to any Overseas Shareholders and Overseas Optionholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Shareholders and Overseas Optionholders should observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibilities of the Overseas Shareholders and the Overseas Optionholders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders and Overseas Optionholders in respect of such jurisdictions). Based on the record in the register of members and the register of optionholders of the Company, there is (i) no Overseas Shareholder; and (ii) one Overseas Optionholder whose address, as shown on the register of Optionholders of the Company, is in the PRC, as at the Latest Practicable Date.

9. STAMP DUTY AND OTHER FEES

The seller's Hong Kong ad valorem stamp duty on acceptances of the Offers (or part thereof) at a rate of 0.1% of the consideration payable in respect of the relevant acceptances by the Shareholders, or if higher, the market value of the Offer Shares subject to such acceptance, will be deducted from the amount payable to those relevant Shareholders who accept the Offers.

The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Shareholders who accept the Offers and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptances of the Offers and the transfers of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

10. TAX IMPLICATIONS

Independent Shareholders and Optionholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offers. None of the Offeror, parties acting in concert with the Offeror, the Company, the Joint Financial Advisers and their respective ultimate beneficial owners, directors, officers, advisers, agents and associates or any other person involved in the Offers accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

11. GENERAL

- (a) All communications, notices, Form(s) of Acceptance, Share certificate(s), transfer receipt(s), other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offers to be delivered by or sent to or from the Independent Shareholders and Optionholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of the Offeror, parties acting in concert with the Offeror, the Company and any of their respective directors nor the Registrar or other parties involved in the Offers or any of their respective agents accepts any liability for any loss in postage or any other liabilities that may arise as a result thereof.
- (b) The provisions set out in the Form(s) of Acceptance form part of the terms and conditions of the Offers.
- (c) The accidental omission to despatch this Composite Document and/or Form(s) of Acceptance or any of them to any person to whom the Offers are made will not invalidate the Offers in any way.
- (d) The Offers are, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong.
- (e) Due execution of the Forms of Acceptance will constitute an authority to the Offeror, the Joint Financial Advisers, Capital 9 or such person or persons as the Offeror may direct to complete, amend and execute any document on behalf of the person or persons accepting the Offers and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror, or such person or persons as it may direct, the Shares in respect of which such person or persons has/have accepted the Offers.
- (f) By accepting the Offers, the Independent Shareholders will sell their Shares to the Offeror or the Optionholders will tender their Options to the Offeror (as the case may be) free from all Encumbrances and together with all rights attaching or accruing thereto, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offers are made, being the date of this Composite Document. The making of the Offers to a person with a registered address in a jurisdiction outside Hong Kong may be affected by the applicable laws of the relevant jurisdiction. Overseas Shareholders and Overseas Optionholders with registered addresses in jurisdictions outside Hong Kong should inform themselves about and observe any applicable legal requirements in their own jurisdictions.

- (g) Acceptance of the Offers by any nominee will be deemed to constitute a warranty by such nominee to the Offeror that the number of Shares in respect of which it is indicated in the Form(s) of Acceptance is the aggregate number of Shares held by such nominee for such beneficial owner who is accepting the Offers.
- (h) Reference to the Offers in this Composite Document and in the Form(s) of Acceptance shall include any extension or revision thereof.
- (i) All acceptances, instructions, authorities and undertakings given by the Independent Shareholders and Optionholders in the Form(s) of Acceptance shall be irrevocable except as permitted under the Takeovers Code.
- (j) In making their decision, the Independent Shareholders and Optionholders, in addition to considering the information contained in the “Letter from the Joint Financial Advisers”, “Letter from the Board”, “Letter from the Independent Board Committee” and “Letter from the Independent Financial Adviser” as set out in this Composite Document, must rely on their own examination of the Offeror, the Group and the terms of the Offers, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Form(s) of Acceptance, shall not be construed as any legal or business advice on the part of the Offeror, their respective ultimate beneficial owners, the Company, the Joint Financial Advisers and Capital 9. The Independent Shareholders and Optionholders should consult their own professional advisers for professional advice.
- (k) The English text of this Composite Document and the Form(s) of Acceptance shall prevail over their respective Chinese text for the purpose of interpretation.

1. FINANCIAL SUMMARY OF THE GROUP

The following is a summary of the financial information of the Group for each of the three years ended 31 March 2022, 2023 and 2024 as extracted from the Company's annual reports:

	For the year ended 31 March		
	2024	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)	(audited)
Revenue	130,181	157,844	171,448
Cost of sales	(84,073)	(97,499)	(110,584)
Staff cost	40,534	(41,394)	(39,201)
Depreciation and amortisation	(4,978)	(4,360)	(3,037)
Other income and net (loss)/gain	(677)	1,160	331
Impairment losses on trade receivables and contract assets	(716)	–	–
Impairment loss on loan to an investee	(752)	–	–
Impairment losses on intangible assets	(3,155)	–	–
Other operating expenses	(8,610)	(8,157)	(9,880)
Finance costs	(1,037)	(710)	(371)
(Loss)/profit before taxation	(14,351)	6,884	8,706
Income tax credit/(expenses)	23	(1,644)	(2,021)
(Loss)/profit for the year	(14,328)	5,240	6,685
Other comprehensive (expense)/income			
Items that will not be reclassified subsequently to profit or loss:			
Net change in fair value of financial asset at fair value through other comprehensive income ("FVTOCI")	(7,076)	5,124	–
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translating foreign operations	(619)	(869)	358
Total comprehensive (expenses)/income for the year	(22,023)	9,495	7,043

	For the year ended 31 March		
	2024	2023	2022
	<i>HK\$'000</i> (audited)	<i>HK\$'000</i> (audited)	<i>HK\$'000</i> (audited)
(Loss)/profit for the year attributable to:			
Equity shareholders of the Company	(12,882)	5,739	6,697
Non-controlling interests	<u>(1,446)</u>	<u>(499)</u>	<u>(12)</u>
	<u>(14,328)</u>	<u>5,240</u>	<u>6,685</u>
Total comprehensive (expenses)/income for the year attributable to:			
Equity shareholders of the Company	(20,511)	10,057	7,084
Non-controlling interests	<u>(1,512)</u>	<u>(562)</u>	<u>(41)</u>
	<u>(22,023)</u>	<u>9,495</u>	<u>7,043</u>
(Loss)/earnings per share (in Hong Kong cents)			
Basic	<u>(1.23)</u>	<u>0.55</u>	<u>0.65</u>
Diluted	<u>(1.23)</u>	<u>0.55</u>	<u>0.65</u>

Save as disclosed above, there was no item of any income or expense which was material in respect of the consolidated financial information of the Group for the years ended 31 March 2022, 2023 and 2024.

There was no change in the Group's accounting policy during each of the years ended 31 March 2022, 2023 and 2024 which would result in the figures in its consolidated financial statements being not comparable to a material extent.

For the year ended 31 March 2022, the Board recommended the payment of a final dividend of HK0.5 cents per Share, amounting to an aggregate of HK\$5.253 million for to the Shareholders whose names appeared on the Company's register of members at the close of business on Wednesday, 28 September 2022. An ordinary resolution was passed in the annual general meeting of the Company held on 16 September 2022 to declare such dividend and such dividend was paid 20 October 2022.

For the year ended 31 March 2023, the Board recommended the payment of a final dividend of HK0.5 cents per Share and a special dividend of HK1.2 cents per share, amounting to an aggregate of HK\$17.859 million to the Shareholders whose names appeared on the Company's register of members at the close of business on Wednesday, 16 August 2023. An ordinary resolution was passed in the annual general meeting of the Company held on 8 August 2023 to declare such dividend and such dividend was paid on 6 September 2023.

Save as disclosed, there was no dividend declared during each of the years ended 31 March 2022, 2023 and 2024.

The consolidated financial statements of the Group for the years ended 31 March 2022, 2023 and 2024 were audited by the current auditor of the Company, Shinewing (HK) CPA Limited ("**Shinewing (HK)**"). Shinewing (HK) did not issue any modified audit opinion and emphasis of matter or material uncertainty related to going concern in respect of the financial statements of the Group for each of the three years ended 31 March 2022, 2023 and 2024. Save as disclosed above, the Group had no items which are exceptional because of size, nature or incidence for each of the three years ended 31 March 2022, 2023 and 2024.

2. CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

The Company is required to set out or refer to in this Composite Document the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in the audited consolidated financial statements of the Group for each of the years ended 31 March 2022, 2023 and 2024 (the "**Financial Statements**"), together with the significant accounting policies together with the notes to the relevant published consolidated financial statements which are of major relevance to the appreciation of the above consolidated financial information.

The Financial Statements are set out in the following documents which have been published on the websites of the Company (www.i-controlholdings.com) and the Stock Exchange (www.hkexnews.hk), and can be accessed by the links below:

- Annual report of the Company for the year ended 31 March 2022 (pages 57 to 114):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0722/2022072201248.pdf>
- Annual report of the Company for the year ended 31 March 2023 (pages 59 to 116):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0706/2023070600463.pdf>
- Annual report of the Company for the year ended 31 March 2024 (pages 62 to 128):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0702/2024070201766.pdf>

The Financial Statements (but not any other part of the aforementioned documents in which they respectively appear) are incorporated by reference into this Composite Document and form part of this Composite Document.

3. INDEBTEDNESS STATEMENT

At the close of business on 30 April 2024, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this Composite Document, the indebtedness of the Group was as follows:

Bank Borrowings

As at the close of business on 30 April 2024, being the latest practicable date for the purpose of this indebtedness statement prior to printing of this Composite Document, the Group had outstanding secured and guaranteed bank borrowings of approximately HK\$13,994,000. The amounts were secured by the land and buildings of the Group of approximately HK\$74,673,000.

Contingent liabilities

As at the close of business on 30 April 2024, the Group shall be liable to a penalty of approximately HK\$365,000 (equivalent to approximately RMB338,000) on overdue payment under a contract of sales and purchase dated 27 March 2023. The directors of the Company do not expect that the litigation will have a material adverse effect on the Group's financial position or results of operations. No provision for liabilities in this respect has been made as at the close of the business on 30 April 2024.

Lease liabilities

As at the close of business on 30 April 2024, the Group had current and non-current lease liabilities of approximately HK\$587,000 and HK\$645,000 respectively.

Amount due to a related company

As at the close of business on 30 April 2024, the Group had amount due to a related company of approximately HK\$539,000 (equivalent to RMB500,000).

Save as aforesaid and apart intra-group liabilities, as at the close of business on 30 April 2024, the Group did not have any other debt securities issued and outstanding, and authorised or otherwise created but unissued loans or any term loans (secured, unsecured, guaranteed or otherwise), any other borrowings or indebtedness in the nature of borrowing including bank overdrafts and any liabilities under acceptances (other than normal trade bills) or similar indebtedness, debentures, mortgages, charges, loans, acceptance credits, hire purchase commitments (guaranteed, unguaranteed, secured or otherwise), guarantees or other material contingent liabilities.

4. MATERIAL CHANGE

The Directors confirm that there has been no material change in the financial or trading position or outlook of the Group since 31 March 2024, being the date to which the latest published audited consolidated financial statements of the Company were made up, up to and including the Latest Practicable Date.

The following is the valuation report prepared for the purpose of incorporation in this document received from LCH (Asia-Pacific) Surveyors Limited, an independent property valuer, in connection with its valuation as at 30 April 2024 of the property interests of i-Control Holdings Limited.



利駿行測量師有限公司

LCH (Asia-Pacific) Surveyors Limited

PROFESSIONAL SURVEYOR
PLANT AND MACHINERY VALUER
BUSINESS & FINANCIAL ASSETS VALUER

*The readers are reminded that the report which follows has been prepared in accordance with the reporting guidelines set by the HKIS Valuation Standards 2020 (the “**HKIS Standards**”) and published by The Hong Kong Institute of Surveyors (the “**HKIS**”). The standards entitles the valuer to make assumptions which may on further investigation, for instance by the readers’ legal representative, prove to be inaccurate. Any exception is clearly stated below. Headings are inserted for convenient reference only and have no effect in limiting or extending the language of the paragraphs to which they refer. Translations of terms in English or in Chinese are for the reader’s identification purpose only and have no legal status or implication in this report. Piecemeal reference to this report is considered to be inappropriate and no responsibility is assumed on our part for such piecemeal reference. It is emphasised that the findings and conclusion presented below are based on the documents and facts known to us at the Latest Practical Date. If additional documents and facts are made available, we reserve the right to amend this report and its conclusion.*

17th Floor
Champion Building
Nos. 287-291 Des Voeux Road
Central
Hong Kong

9 July 2024

The Board of Directors
i-Control Holdings Limited
Units A and B, 12th Floor
MG Tower
No. 133 Hoi Bun Road
Kwun Tong, Kowloon
Hong Kong

Dear Sirs,

In accordance with the instructions to us by the present management of i-Control Holdings Limited (hereinafter referred to as the “**Instructing Party**”) to value the designated real properties (same as the word *properties* in this report) currently held by i-Control Holdings Limited (the “**Company**”) and its subsidiaries (collectively, hereinafter together with the Company referred to as the “**Group**”) in Hong Kong, we confirm that we have made inspection, enquiries and obtained such further information as we consider necessary to support our findings and our opinion of value of the properties as at 30 April 2024 (hereinafter referred to as the “**Valuation Date**”). Our work product is for the Company’s internal management reference purpose. We are given to understand our report will be disclosed in a public document of the Company for its shareholders’ reference. This valuation report comprises the text section, a summary of values and property particulars with values sections.

We understand that the use of our work product (regardless of form of presentation) will form part of the Instructing Party’s due diligence but we have not been engaged to make specific sales or purchase recommendations, or to give opinion for any financing arrangement. We further understand that the use of our work product will not supplant other due diligence which the Instructing Party should conduct in reaching its business decision regarding the properties valued. Our work is designed solely to provide information that will give the Instructing Party a reference in its due diligence process, and our work should not be the only factor to be referenced by the Instructing Party. Our findings and conclusion of values of the properties are documented in this valuation report and submitted to the Instructing Party at today’s date.

BASIS OF VALUE AND ASSUMPTIONS

According to the HKIS Standards, there are two valuation bases, namely market value basis and valuation bases other than market value. In this engagement, having considered the inherent characteristic of each property, that is, whether the property can be freely transferred in the market, we have provided our value of each of the properties on the market value basis.

The term “Market Value” is defined by HKIS Standards as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

Unless otherwise stated, our valuations of the properties have been made on the assumptions, that, as at the Valuation Date:

- the legally interested party in each of the properties has absolute title to its relevant property interests; and
- the legally interested party in each of the properties has free and uninterrupted rights to assign its relevant property interest for the whole of the unexpired term as granted, and any premiums payable have already been fully paid.

APPROACH TO VALUE

There are three generally accepted approaches in arriving at the market value of a property on an absolute title basis, namely the Sales Comparison Approach (or known as the Market Approach), the Cost Approach and the Income Approach.

In valuing the properties which are held for owner occupation, we have adopted the Sales Comparison Approach on the assumption that the properties could be sold with the benefit of vacant possession as at the Valuation Date. This approach considers the sales, listings or offering of similar or substitute properties and related market data and establishes a value of a property that a reasonable investor would have to pay for a similar property of comparable utility and with an absolute title.

Unless otherwise stated, we have not carried out valuation on possible alternative development basis and the study of possible alternative development options and the related economics do not come within the scope of our work.

MATTERS THAT MIGHT AFFECT THE VALUES REPORTED

For the sake of valuations, we have adopted the areas as appeared in the copies of the documents as available to us or obtained from the relevant authorities, and no further verification work has been conducted. Should it be established subsequently that the adopted areas were not the latest approved, we reserve the right to revise our report and the valuations accordingly.

Unless otherwise stated, no allowance has been made in our valuations for any charges, mortgages, outstanding premiums or amounts owing on the properties valued nor any expenses or taxation which may be incurred in effecting a sale for the properties. Unless otherwise stated, it is assumed that the properties are free from all encumbrances, restrictions, and outgoings of an onerous nature which could affect their value.

Unless otherwise stated, in our valuations, we have assumed that the properties are able to sell and purchase in the market without any legal impediment (especially from the regulators). Should this not be the case, it will affect the reported value significantly. The readers are reminded to have their own legal due diligence work on such issues. No responsibility or liability is assumed.

According to the information provided by the management of the Company, the properties are held by the Group for operation purpose and the Group has no immediate plan to sell the properties and it is unlikely that the Hong Kong profits tax liability be crystallised in the near future.

Unless otherwise stated, as at the Latest Practicable Date of this document, we are unable to identify any adverse news against the properties which may affect the reported findings or values in our work product. Thus, we are not in a position to report and comment on its impact (if any) on the properties. However, should it be established subsequently that such news did exist at the Valuation Date, we reserve the right to adjust the findings or values reported herein.

ESTABLISHMENT OF TITLES

In the course of valuation, we have conducted title searches on the properties in the Land Registry of Hong Kong. However, we have not inspected the original documents to verify ownership or to verify any amendment which may not appear on the copies handed to us. We are not in the legal profession and we are unable to ascertain the titles and to report any encumbrances (if any) that are registered against the properties. No responsibility or liability is assumed.

In our report, we have assumed that the registered owners of the properties have free and uninterrupted rights to occupy, transfer, mortgage or to let its relevant properties interests (in this instance, an absolute title) for the whole of the unexpired terms as granted, free of all encumbrances, and that there would have no legal impediment (especially from the regulators) for the registered owner to continue the legal titles of the properties. Should this not be the case, it will affect our findings or conclusions of value in this report significantly. The readers are reminded to have their own legal due diligence work on such issues. No responsibility or liability is assumed.

INSPECTIONS AND INVESTIGATIONS OF THE PROPERTIES

We have inspected the property, where possible, the interior of the property. The properties were inspected in April 2024. In our inspection, we have not inspected those parts of the properties which were covered, unexposed or inaccessible and such parts have been assumed to be in a reasonable condition. We cannot express an opinion about or advise upon the conditions of the properties and our work product should not be taken as making any implied representation or statement about the conditions of the properties. No building survey, structural survey, investigation or examination has been made, but in the course of our inspections, we did not note any serious defects in the properties inspected. We are not, however, able to report that the properties are free from rot, infestation or any other structural defects. We assumed all usual main services of water, electricity, telephone and drainage are provided to the properties. No tests were carried out on the services (if any) and we are unable to identify those services either covered, unexposed or inaccessible.

Our valuations have been made on the assumption that no unauthorised alteration, extension or addition has been made to the properties, and that the use of the valuation report should not be used as the building surveys of the properties. If the Instructing Party or any party interested in the properties want to satisfy themselves with the condition of the properties, they should obtain a surveyor's detailed inspection and report of their own.

We have not carried out on-site measurements to verify the correctness of the floor areas of the properties, but have assumed that the floor areas shown on the documents and official floor plans handed to us are correct. All dimensions, measurements and areas are approximations.

Our engagement did not include land survey to verify the legal boundaries and the exact locations of the properties. We need to state that we are not in the land survey profession, therefore, we are not in the position to verify or ascertain the correctness of the representation of the Company's personnel with regards to the legal boundaries and locations of the properties. No responsibility is assumed in this regard.

We have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous materials have been used in the construction of the properties, or have since been incorporated into the properties, and we are therefore unable to report that the properties are free from risk in this respect. For the purpose of these valuations, we have assumed that such investigations would not disclose the presence of any such materials to any significant extent.

We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the properties and which may draw attention to any contamination or the possibility of any such contamination. In undertaking our work, we have assumed that no contaminative or potentially contaminative uses have ever been carried out in the properties. We have not carried out any investigation into past or present uses, either of the properties or of any neighbouring land, to establish whether there is any contamination or potential for contamination to the properties from these uses or sites, and have therefore assumed that none exists. However, should it be established subsequently that contamination, seepage or pollution exists at the properties or on any neighbouring land, or that the premises have been or are being put to a contaminative use, this might reduce the values now reported.

SOURCES OF INFORMATION AND ITS VERIFICATION

In the course of valuation, we have provided with copies of the documents regarding the properties, and these copies have been referenced without further verifying with the relevant bodies and/or authorities. Our procedures to value did not require us to conduct any searches or inspect the original documents to verify ownership or to verify any amendment which may not appear on the copies handed to us. We need to state that we are not in the legal profession, therefore, we are not in the position to advise and comment on the legality and effectiveness of the documents provided by the Instructing Party.

We have relied solely on the information provided by the Instructing Party or appointed personnel of the Company and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, occupation, site and floor areas and all other relevant matters.

Information furnished by others, upon which all or portions of our work product are based, is believed to be reliable but has not been verified in all cases. Our agreed procedures to value or work do not constitute an audit, review, or compilation of the information provided. Thus, no warranty is made nor liability assumed for the accuracy of any data, advice, opinions, or estimates identified as being furnished by others which have been used in formulating our work product.

Our valuations have been made only based on the advice and information made available to us. While a limited scope of general inquiries have been made to the local property market practitioners, we are not in a position to verify and ascertain the correctness of the advice given by the relevant personnel. No responsibility or liability is assumed.

When we adopted the work products from other professions, external data providers and/or the Instructing Party or appointed personnel of the Company in our valuation, the assumptions and caveats adopted by them in arriving at their opinion also applied in our valuation. The procedures we have taken do not require us to examine all the evidences, like an auditor, in reaching at our opinion. As we have not performed an audit, we are not expressing an audit opinion in our valuation.

The scope of our work has been determined by reference to the property list provided by the Instructing Party. All properties on the list have been included in our report. The Instructing Party has confirmed to us that the Company has no property interests other than those specified on the list supplied to us.

We are unable to accept any responsibility for the information that has not been supplied to us by the appointed personnel of the Group or the Instructing Party. Also, we have sought and received confirmation from the appointed personnel of the Group or the Instructing Party that no materials factors have been omitted from the information supplied. Our analysis and valuations are based upon full disclosure between us and the Group or the Instructing Party of material and latent facts that may affect our work.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Instructing Party or appointed personnel of the Company. We consider that we have been provided with sufficient information to reach an informed view, and have had no reason to suspect that any material information has been withheld.

Unless otherwise stated, all monetary amounts are in Hong Kong dollars (“**HK\$**”).

OPINION OF VALUES

Based on the above information and assumptions, we are of the opinion that the Market Value of the properties held by the Group for internal management reference purpose as at the Valuation Date in their existing states, and assuming free of all encumbrances, was in the order of **HONG KONG DOLLAR ONE HUNDRED SIX MILLION TWO HUNDRED AND TWENTY THOUSAND ONLY (HK\$106,220,000)**.

LIMITING CONDITIONS

Our findings and values of the properties in the valuation report are valid only for the stated purpose as at the Valuation Date and for the sole use of the Instructing Party or the Group. We or our personnel shall not be required to give testimony or attendance in court or to any government agency by reason of this report, and we accept no responsibility whatsoever to any other person. Our valuations have been made on the assumption that no unauthorised alteration, extension or addition has been made to the properties, and that the use of this report does not purport to be a building survey of the properties

No responsibility is taken for changes in market conditions and local government policy, and no obligation is assumed to revise this report to reflect events or conditions, which occur or make known to us subsequent to the date hereof. Neither the whole nor any part of this report or any reference made hereto may be included in any published documents, circular or statement, or published in any way, without our written approval of the form and context in which it may appear. Nonetheless, we consent to the publication of this report in this document for the Company's shareholders' reference.

Our liability for loss or damage shall be limited to such sum as we ought reasonably to pay having regard to our responsibility for the same on the basis that all other consultants and specialists, where appointed, shall be deemed to have provided to the Instructing Party contractual undertakings in respect of their services and shall be deemed to have paid to the Instructing Party such contribution as may be appropriate having regard to the extent of their responsibility for such loss or damage.

Our liability for any loss or damage arising out of the action or proceedings aforesaid shall, notwithstanding the preceding provisions, in any event be limited to a sum not exceeding the charges paid to us for the portion of services or work products giving rise to liability. In no event shall we be liable for consequential, special, incidental or punitive loss, damage or expense (including without limitation, loss of profits, opportunity cost, etc.), even if it has been advised of their possible existence. For the avoidance of doubt, our liability shall never exceed the lower of the sum calculated in accordance with the preceding provisions and the sum provided for in this clause.

It is agreed that the Instructing Party and the Company are required to indemnify and hold us and our personnel harmless from any claims, liabilities, costs and expenses (including, without limitation, attorney's fees and the time of our personnel involved) brought against, paid or incurred by us at a time and in any way based on the information made available in connection with our engagement except to the extent that any such losses, expenses, damages or liabilities are ultimately determined to be the result of gross negligence, misconduct, wilful default or fraud of our engagement team in conducting its work. This provision shall survive even after the termination of this engagement for any reason.

STATEMENTS

Our report has been prepared in line with requirements contained in Chapter 5 of the Listing Rules Governing the Listing of Securities on the Main Board of HKEX and Rule 11 of the Code on Takeovers and Mergers of the Securities and Futures Commission as well as the reporting guidelines as contained in the HKIS Standards. The valuations have been undertaken by us, acting as external valuer, qualified for the purpose of the valuations.

We retain a copy of this report together with the data from which it was prepared, and these data and documents will, according to the laws of Hong Kong, be kept for a period of 6 years from the date it provided to us and to be destroyed thereafter. We consider these records confidential, and we do not permit access to them by anyone, with the exception for law enforcement authorities or court order, without the Instructing Party's authorisation and prior arrangement made with us. Moreover, we will add the Company's information to our client list for future reference.

The analysis and valuations of the properties depend solely on the assumptions made in this report and not all of which can be easily quantified or ascertained exactly. Should some or all of the assumptions prove to be inaccurate at a later date, it will affect the reported findings or values significantly.

We hereby certify that the fee for this service is not contingent upon our conclusion of values and we have no significant interest in the properties, the Company or the value reported.

Yours faithfully,

For and on behalf of

LCH (Asia-Pacific) Surveyors Limited

Elsa Ng Hung Mui *B.Sc. M.Sc. RPS (GP)*

Executive Director

Contributing valuer:

Emily Hui *BSSc*

Sr Elsa Ng Hung Mui is a Registered Professional Surveyor who has been conducting valuation of real estate properties in Hong Kong, Macau and mainland China since 1994. She is a Fellow Member of HKIS and a valuer on the List of Property Valuers for Undertaking Valuation for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers published by the HKIS.

SUMMARY OF VALUES

Properties held by the Group in Hong Kong and valued on the basis of Market Value

Property	Amount of valuations in existing state as at 30 April 2024	Interest attributable to the Group	Amount of valuations in existing state attributable to the Group as at 30 April 2024
1. Office A on 12th Floor MG Tower No. 133 Hoi Bun Road Kwun Tong Kowloon	HK\$23,450,000	100 per cent.	HK\$23,450,000
2. Office B on 12th Floor MG Tower No. 133 Hoi Bun Road Kwun Tong Kowloon	HK\$12,970,000	100 per cent.	HK\$12,970,000
3. Office K on 12th Floor MG Tower No. 133 Hoi Bun Road Kwun Tong Kowloon	HK\$12,990,000	100 per cent.	HK\$12,990,000
4. Office L on 12th Floor MG Tower No. 133 Hoi Bun Road Kwun Tong Kowloon	HK\$12,620,000	100 per cent.	HK\$12,620,000
5. Car Parking Space No. P52 on 2nd Floor MG Tower No. 133 Hoi Bun Road Kwun Tong Kowloon	HK\$1,620,000	100 per cent.	HK\$1,620,000

Property	Amount of valuations in existing state as at 30 April 2024	Interest attributable to the Group	Amount of valuations in existing state attributable to the Group as at 30 April 2024
6. Car Parking Space No. P53 on the 2nd Floor MG Tower No. 133 Hoi Bun Road Kwun Tong Kowloon	HK\$1,620,000	100 per cent.	HK\$1,620,000
7. Car Parking Space No. P54 on the 2nd Floor MG Tower No. 133 Hoi Bun Road Kwun Tong Kowloon	HK\$1,620,000	100 per cent.	HK\$1,620,000
8. Car Parking Space No. P85 on the 2nd Floor MG Tower No. 133 Hoi Bun Road Kwun Tong Kowloon	HK\$1,620,000	100 per cent.	HK\$1,620,000
9. Car Parking Space No. P27 on the 2nd Floor MG Tower No. 133 Hoi Bun Road Kwun Tong Kowloon	HK\$1,620,000	100 per cent.	HK\$1,620,000

PROPERTY PARTICULARS WITH VALUES

Properties held by the Group in Hong Kong and valued on the basis of Market Value

Property	Description and tenure	Particulars of occupancy	Amount of valuation in existing state as at 30 April 2024
1. Office A on 12th Floor of MG Tower No. 133 Hoi Bun Road Kwun Tong Kowloon	The property comprises an office unit of a 25-storeyed office building including a 3-storey car park and shop podium. The building was completed in 2011.	As advised by the appointed personnel of the Company, as at the Valuation Date, the property was occupied by the Group for office purpose.	HK\$23,450,000 (100 per cent. interest)
372/70,000th shares of and in the Remaining Portion of Kwun Tong Inland Lot No. 756 (the "Lot")	The property has a total gross floor area of approximately 345.78 square meters (3,722 square feet) and a saleable area of approximately 242.10 square meters (2,606 square feet). The Lot is held under a Conditions of Exchange No. 20086 for a term of 50 years commencing from 14 October 2009. The current annual rent payable for the property is equal to 3% of the rateable value for the time being of the property per annum.		

Notes:

- The registered owner of the property is View Mark Limited, a wholly-owned subsidiary of the Company, vide an Assignment with Plan dated 18 July 2011 and registered in the Land Registry by Memorial No. 11080802130056 on 8 August 2011.
- The property is subject to a Mortgage in favour of The Hongkong and Shanghai Banking Corporation Limited in the consideration to secure all moneys in respect of general banking facilities (pt.) dated 25 September 2014 and registered in the Land Registry by Memorial No. 14102202510048 on 22 October 2014.

Property	Description and tenure	Particulars of occupancy	Amount of valuation in existing state as at 30 April 2024
2. Office B on 12th Floor of MG Tower No. 133 Hoi Bun Road Kwun Tong Kowloon	The property comprises an office unit of a 25-storeyed office building including a 3-storeyed car park and shop podium.	As advised by the appointed personnel of the Company, as at the Valuation Date, the property was occupied by the Group for office purpose.	HK\$12,970,000 (100 per cent. interest)
206/70,000th shares of and in the Remaining Portion of Kwun Tong Inland Lot No. 756 (the "Lot")	The building was completed in 2011. The property has a total gross floor area of approximately 191.19 square meters (2,058 square feet) and a saleable area of approximately 133.885 square meters (1,441 square feet).	The Lot is held under a Conditions of Exchange No. 20086 for a term of 50 years commencing from 14 October 2009.	
	The current annual rent payable for the property is equal to 3% of the rateable value for the time being of the property per annum.		

Notes:

1. The registered owner of the property is Modern China Business Consultants Limited, a wholly-owned subsidiary of the Company, vide an Assignment with Plan dated 18 July 2011 and registered in the Land Registry by Memorial No. 11080802130076 on 8 August 2011.
2. The property is subject to a Mortgage in favour of The Hongkong and Shanghai Banking Corporation Limited in the consideration to secure all moneys in respect of general banking facilities (pt.) dated 25 September 2014 and registered in the Land Registry by Memorial No. 14102202510078 on 22 October 2014.

Property	Description and tenure	Particulars of occupancy	Amount of valuation in existing state as at 30 April 2024
3. Office K on 12th Floor of MG Tower No. 133 Hoi Bun Road Kwun Tong Kowloon	<p>The property comprises an office unit of a 25-storeyed office building including a 3-storeyed car park and shop podium.</p> <p>The building was completed in 2011.</p>	As advised by the appointed personnel of the Company, as at the Valuation Date, the property was vacant.	HK\$12,990,000 (100 per cent. interest)
218/70,000th shares of and in the Remaining Portion of Kwun Tong Inland Lot No. 756 (the "Lot")	<p>The property has a total gross floor area of approximately 202.53 square meters (2,180 square feet) and a saleable area of approximately 138.70 square meters (1,493 square feet).</p> <p>The Lot is held under a Conditions of Exchange No. 20086 for a term of 50 years commencing from 14 October 2009.</p> <p>The current annual rent payable for the property is equal to 3% of the rateable value for the time being of the property per annum.</p>		

Notes:

- The registered owner of the property is Billion Peace Limited, a wholly-owned subsidiary of the Company, vide an Assignment with Plan dated 18 July 2011 and registered in the Land Registry by Memorial No. 11080802130115 on 8 August 2011.
- The property is subject to a Mortgage in favour of The Hongkong and Shanghai Banking Corporation Limited in the consideration to secure all moneys in respect of general banking facilities (pt.) dated 25 September 2014 and registered in the Land Registry by Memorial No. 14102202510132 on 22 October 2014.

Property	Description and tenure	Particulars of occupancy	Amount of valuation in existing state as at 30 April 2024
4. Office L on 12th Floor of MG Tower No. 133 Hoi Bun Road Kwun Tong Kowloon	<p>The property comprises an office unit of a 25-storeyed office building including a 3-storeyed car park and shop podium.</p> <p>The building was completed in 2011.</p>	As advised by the appointed personnel of the Company, as at the Valuation Date, the property was occupied by the Group for office purpose.	HK\$12,620,000 (100 per cent. interest)
212/70,000th shares of and in the Remaining Portion of Kwun Tong Inland Lot No. 756 (the "Lot")	<p>The property has a total gross floor area of approximately 196.77 square meters (2,118 square feet) and a saleable area of approximately 134.80 square meters (1,451 square feet).</p> <p>The Lot is held under a Conditions of Exchange No. 20086 for a term of 50 years commencing from 14 October 2009.</p> <p>The current annual rent payable for the property is equal to 3% of the rateable value for the time being of the property per annum.</p>		

Notes:

- The registered owner of the property is View Mark Limited, a wholly-owned subsidiary of the Company, vide an Assignment with Plan dated 18 July 2011 and registered in the Land Registry by Memorial No. 11080802130098 on 8 August 2011.
- The property is subject to a Mortgage in favour of The Hongkong and Shanghai Banking Corporation Limited in the consideration to secure all moneys in respect of general banking facilities (pt.) dated 25 September 2014 and registered in the Land Registry by Memorial No. 14102202510048 on 22 October 2014.

Property	Description and tenure	Particulars of occupancy	Amount of valuation in existing state as at 30 April 2024
5. Car Parking Space No. P52 on the 2nd Floor MG Tower No. 133 Hoi Bun Road Kwun Tong Kowloon	The property comprises a car parking space of a 25-storeyed office building including a 3-storeyed car park and shop podium. The building was completed in 2011.	As advised by the appointed personnel of the Company, as at the Valuation Date, the property was occupied by the Group for car parking purpose.	HK\$1,620,000 (100 per cent. interest)
4/70,000th shares of and in the Remaining Portion of Kwun Tong Inland Lot No. 756 (the "Lot")	The Lot is held under a Conditions of Exchange No. 20086 for a term of 50 years commencing from 14 October 2009. The current annual rent payable for the property is equal to 3% of the rateable value for the time being of the property per annum.		

Notes:

- The registered owner of the property is View Mark Limited, a wholly-owned subsidiary of the Company, vide an Assignment with Plan dated 18 July 2011 and registered in the Land Registry by Memorial No. 11080802130010 on 8 August 2011.
- The property is subject to a Mortgage in favour of The Hongkong and Shanghai Banking Corporation Limited in the consideration to secure all moneys in respect of general banking facilities (pt.) dated 25 September 2014 and registered in the Land Registry by Memorial No. 14102202510048 on 22 October 2014.

Property	Description and tenure	Particulars of occupancy	Amount of valuation in existing state as at 30 April 2024
6. Car Parking Space No. P53 on the 2nd Floor MG Tower No. 133 Hoi Bun Road Kwun Tong Kowloon	<p>The property comprises a car parking space of a 25-storeyed office building including a 3-storeyed car park and shop podium.</p> <p>The building was completed in 2011.</p> <p>The Lot is held under a Conditions of Exchange No. 20086 for a term of 50 years commencing from 14 October 2009.</p> <p>The current annual rent payable for the property is equal to 3% of the rateable value for the time being of the property per annum.</p>	As advised by the appointed personnel of the Company, as at the Valuation Date, the property was occupied by the Group for car parking purpose.	HK\$1,620,000 (100 per cent. interest)
4/70,000th shares of and in the Remaining Portion of Kwun Tong Inland Lot No. 756 (the "Lot")			

Notes:

- The registered owner of the property is View Mark Limited, a wholly-owned subsidiary of the Company, vide an Assignment with Plan dated 18 July 2011 and registered in the Land Registry by Memorial No. 11080802130023 on 8 August 2011.
- The property is subject to a Mortgage in favour of The Hongkong and Shanghai Banking Corporation Limited in the consideration to secure all moneys in respect of general banking facilities (pt.) dated 25 September 2014 and registered in the Land Registry by Memorial No. 14102202510048 on 22 October 2014.

Property	Description and tenure	Particulars of occupancy	Amount of valuation in existing state as at 30 April 2024
7. Car Parking Space No. P54 on the 2nd Floor MG Tower No. 133 Hoi Bun Road Kwun Tong Kowloon	The property comprises a car parking space of a 25-storeyed office building including a 3-storeyed car park and shop podium. The building was completed in 2011.	As advised by the appointed personnel of the Company, as at the Valuation Date, the property was occupied by the Group for car parking purpose.	HK\$1,620,000 (100 per cent. interest)
4/70,000th shares of and in the Remaining Portion of Kwun Tong Inland Lot No. 756 (the "Lot")	The Lot is held under a Conditions of Exchange No. 20086 for a term of 50 years commencing from 14 October 2009. The current annual rent payable for the property is equal to 3% of the rateable value for the time being of the property per annum.		

Notes:

- The registered owner of the property is Modern China Business Consultants Limited, a wholly-owned subsidiary of the Company, vide an Assignment with Plan dated 18 July 2011 and registered in the Land Registry by Memorial No. 11080802130032 on 8 August 2011.
- The property is subject to a Mortgage in favour of The Hong Kong and Shanghai Banking Corporation Limited in the consideration to secure all moneys in respect of general banking facilities (pt.) dated 25 September 2014 and registered in the Land Registry by Memorial No. 14102202510078 on 22 October 2014.

Property	Description and tenure	Particulars of occupancy	Amount of valuation in existing state as at 30 April 2024
8. Car Parking Space No. P85 on the 2nd Floor MG Tower No. 133 Hoi Bun Road Kwun Tong Kowloon	The property comprises a car parking space of a 25-storeyed office building including a 3-storeyed car park and shop podium. The building was completed in 2011.	As advised by the appointed personnel of the Company, as at the Valuation Date, the property was occupied by the Group for car parking purpose.	HK\$1,620,000 (100 per cent. interest)
4/70,000th shares of and in the Remaining Portion of Kwun Tong Inland Lot No. 756 (the "Lot")	The Lot is held under a Conditions of Exchange No. 20086 for a term of 50 years commencing from 14 October 2009. The current annual rent payable for the property is equal to 3% of the rateable value for the time being of the property per annum.		

Notes:

- The registered owner of the property is Billion Peace Limited, a wholly-owned subsidiary of the Company, vide an Assignment with Plan dated 18 July 2011 and registered in the Land Registry by Memorial No. 11080802130044 on 8 August 2011.
- The property is subject to a Mortgage in favour of The Hongkong and Shanghai Banking Corporation Limited in the consideration to secure all moneys in respect of general banking facilities (pt.) dated 25 September 2014 and registered in the Land Registry by Memorial No. 14102202510132 on 22 October 2014.

Property	Description and tenure	Particulars of occupancy	Amount of valuation in existing state as at 30 April 2024
9. Car Parking Space No. P27 on the 2nd Floor MG Tower No. 133 Hoi Bun Road Kwun Tong Kowloon	The property comprises a car parking space of a 25-storeyed office building including a 3-storeyed car park and shop podium. The building was completed in 2011.	As advised by the appointed personnel of the Company, as at the Valuation Date, the property was vacant.	HK\$1,620,000 (100 per cent. interest)
4/70,000th shares of and in the Remaining Portion of Kwun Tong Inland Lot No. 756 (the "Lot")	The Lot is held under a Conditions of Exchange No. 20086 for a term of 50 years commencing from 14 October 2009. The current annual rent payable for the property is equal to 3% of the rateable value for the time being of the property per annum.		

Note:

- The registered owner of the property is Billion Peace Limited, a wholly-owned subsidiary of the Company, vide an Assignment dated 31 May 2016 and registered in the Land Registry by Memorial No. 16061400700041 on 14 June 2016.

Property	Description and tenure	Particulars of occupancy	Amount of valuation in existing state as at 30 April 2024
10. Unit Nos. 32, 33, 34, 35, 36, 37, 38, 39 and 40 and Flat Roofs 39 and 40 on 5th Floor Pacific Trade Centre No. 2 Kai Hing Road Kowloon Bay Kowloon	The property comprises 9 adjoining industrial units and 2 associated flat roofs thereto of a 16-storeyed (including a basement level) industrial building with car parking facilities in the basement level. The building was completed in 1990.	As advised by the appointed personnel of the Company, as at the Valuation Date, the property was occupied by the Group for office and godown purpose.	HK\$33,490,000 (100 per cent. interest)
137/12,041th shares of and in the New Kowloon Inland Lot No. 6036 (the "Lot")	The Lot is held under a Conditions of Sale No. 11936 for a lease term from 23 March 1987 until 30 June 2047. The current annual rent payable for the property is equal to 3% of the rateable value for the time being of the property per annum.		

Notes:

- The registered owner of the property is Deluxe Peace Limited, a wholly-owned subsidiary of the Company, vide an Assignment (pt.) dated 24 July 2015 and registered in the Land Registry by Memorial No. 15081100790048 on 11 August 2015.
- The property is subject to a Mortgage in favour of The Hongkong and Shanghai Banking Corporation Limited in the consideration of all moneys (pt.) dated 24 July 2015 and registered in the Land Registry by Memorial No. 15081100790057 on 11 August 2015.

Property	Description and tenure	Particulars of occupancy	Amount of valuation in existing state as at 30 April 2024
11. Car Parking Space No. L22 on Basement Pacific Trade Centre No. 2 Kai Hing Road Kowloon Bay Kowloon	The property comprises a car parking space of a 16-storeyed (including a basement level) industrial building with car parking lots in the basement level. The building was completed in 1990.	As advised by the appointed personnel of the Company, as at the Valuation Date, the property was occupied by the Group for car parking purpose.	HK\$2,600,000 (100 per cent. interest)
3/12,041th shares of and in the New Kowloon Inland Lot No. 6036 (the "Lot")	The Lot is held under a Conditions of Sale No. 11936 for a lease term from 23 March 1987 until 30 June 2047. The current annual rent payable for the property is equal to 3% of the rateable value for the time being of the property per annum.		

Notes:

- The registered owner of the property is Deluxe Peace Limited, a wholly-owned subsidiary of the Company, vide an Assignment dated 24 July 2015 and registered in the Land Registry by Memorial No. 15081100790061 on 11 August 2015.
- The property is subject to a Mortgage in favour of The Hongkong and Shanghai Banking Corporation Limited in the consideration of all moneys (pt.) dated 24 July 2015 and registered in the Land Registry by Memorial No. 15081100790057 on 11 August 2015.

1. RESPONSIBILITY STATEMENT

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this Composite Document (other than those relating to the Offeror Concert Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests of the directors and chief executives of the Company in the securities of the Company and the securities of the associated corporations of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company and their associates in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code or which were required to be disclosed under the Takeovers Code were as follows:

Name of Director	Nature of interest	Number of Shares or underlying Shares held <i>(Note 1)</i>	Approximate % of shareholding <i>(Note 2)</i>
Dr. Wong King Keung	Beneficial owner	150,000,000	14.28
	Interest of controlled corporation	600,000,000 <i>(Note 3)</i>	57.12

Notes:

- (1) All interest stated are long positions.
- (2) Based on 1,050,500,000 Shares issued as at the Latest Practicable Date.
- (3) The Offeror is owned as to 50% by Newmark Group Limited which is in turn owned as to 40.60% by Dr. Wong King Keung, being a non-executive Director. As such, Dr. Wong King Keung is deemed or taken to be interested in the 600,000,000 Shares held by the Offeror by virtue of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company nor their associates had any interest or short positions in the shares, underlying shares or debentures of the Company, its specified undertakings or any of its other associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to Section 352 of the SFO and the Hong Kong Companies Ordinance (Cap.622), to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange or which were required to be disclosed under the Takeovers Code.

(b) Interests of substantial shareholders in the securities of the Company

As at the Latest Practicable Date, as far as known to the Directors, the following persons or entities (not being a Director or a chief executive of the Company) who had interests or short positions in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name	Nature of interest	Number of Shares or underlying Shares <i>(Note 1)</i>	Approximate percentage of existing issued share capital of the Company <i>(Note 2)</i>
Ms. Wong Lau Sau Yee Angeli	Interest of spouse	750,000,000 <i>(Note 3)</i>	71.40%
The Offeror	Beneficial owner	600,000,000 <i>(Note 4)</i>	57.12%
Knight Sky	Interest of controlled corporation	600,000,000 <i>(Note 4)</i>	57.12%
Newmark Group Limited	Interest of controlled corporation	600,000,000 <i>(Note 4)</i>	57.12%
Mr. Cheng Kai Ming, Charles	Interest of controlled corporation	600,000,000 <i>(Note 4)</i>	57.12%
Ms. Chim Mei Hing	Interest of spouse	600,000,000 <i>(Note 4)</i>	57.12%

Notes:

- (1) All interest stated are long positions.
- (2) Based on 1,050,500,000 Shares issued as at the Latest Practicable Date.
- (3) Ms. Wong Lau Sau Yee Angeli is the spouse of Dr. Wong King Keung. Pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, Ms. Wong Lau Sau Yee Angeli is deemed to have an interest in all Shares in which Dr. Wong King Keung has, or deemed to have, an interest.
- (4) The Offeror is owned as to (i) 50% by Knight Sky which is in turn wholly owned by Mr. Cheng Kai Ming, Charles, and (ii) 50% by Newmark Group Limited which is in turn owned as to 40.60% by Dr. Wong King Keung, being a non-executive Director. As such, each of Knight Sky, Newmark Group Limited, Mr. Cheng Kai Ming, Charles and Dr. Wong King Keung is deemed or taken to be interested in the 600,000,000 Shares held by the Offeror by virtue of the SFO.
- (5) Ms. Chim Mei Hing is the spouse of Mr. Cheng Kai Ming, Charles. Pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, Ms. Chim Mei Hing is deemed to have an interest in all Shares in which Mr. Cheng Kai Ming, Charles has, or deemed to have, an interest.

Save as disclosed above, as at Latest Practicable Date, the Company had not been notified by any person (other than the Directors or the chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company pursuant to the provision of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

3. SHAREHOLDINGS AND DEALINGS

As at the Latest Practicable Date and save as disclosed in this Composite Document:

- (i) the Company did not own, control or had direction over any shares in the Offeror or any convertible securities, warrants, options or derivatives in respect of shares of the Offeror and save for Mr. Tong Sai Wong, Mr. Chan Wing Yiu, Mr. Chan Wing Lun and Dr. Wong King Keung, all being Directors who were at the same time the shareholders of Newmark Group Limited, the holder of 50% of the shareholding interest of the Offeror, no Director was interested in any relevant securities in the Offeror, and the Company and Directors had not dealt for value in any relevant securities in the Offeror during the Relevant Period;
- (ii) save as disclosed in the paragraph headed “2. Disclosure of Interests — (a) Interests of the directors and chief executives of the Company in the securities of the Company and the securities of the associated corporations of the Company” in this Appendix IV, no Director was interested in any relevant securities in the Company;

- (iii) save for the entering into of the Sale and Purchase Agreement among the Offeror (in which Mr. Tong Sai Wong, Mr. Chan Wing Yiu, Mr. Chan Wing Lun and Dr. Wong King Keung all being Directors, had an indirect 50% shareholding interest through Newmark Group Limited, a company wholly-owned by the four of them), the Vendor (in which Mr. Zhong Naixiong, an executive Director, is the beneficial owner) and the Warrantor, none of the Directors had dealt for value in any relevant securities in the Company during the Relevant Period;
- (iv) no (i) subsidiary of the Company; (ii) pension fund of the Company or any of its subsidiaries; or (iii) person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of acting in concert in the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of associate in the Takeovers Code (but excluding exempt principal traders and exempt fund managers), held, owned, controlled or dealt with any relevant securities in the Company;
- (v) no person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of acting in concert or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of associate under the Takeovers Code and no such person had owned, controlled or dealt for value in any Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares;
- (vi) no relevant securities in the Company were managed on a discretionary basis by fund managers (other than exempt fund managers) connected with the Company;
- (vii) save for Dr. Wong King Keung who has indicated that he does not intend to tender any Shares held by him for acceptance of the Share Offer, none of the Directors held any beneficial shareholdings in the Company which would otherwise entitle them to accept or reject the Share Offer;
- (viii) no relevant securities in the Company were borrowed or lent by any of the Directors or by the Company or by the Offeror or parties acting in concert with it; and
- (ix) there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between any Shareholder on one hand, and the Company, its subsidiaries or associated companies on the other hand.

4. SHARE CAPITAL

As at the Latest Practicable Date, the authorised share capital of the Company was HK\$20,000,000 divided into 2,000,000,000 Shares of HK\$0.01 each and the issued share capital of the Company was HK\$10,505,000 divided into 1,050,500,000 Shares of HK\$0.01 each. All the existing issued Shares are fully paid and rank *pari passu* in all respects including all rights as to capital, dividends and voting.

The Company had not issued any other new Shares since 31 March 2024, being the date on which the latest audited financial statements of the Group were made up, and up to the Latest Practicable Date.

The Shares are listed and traded on the Stock Exchange. No part of the Shares is listed or dealt in, nor in any listing or permission to deal in the Shares being or proposed to be sought, on any other stock exchange.

As at the Latest Practicable Date, the Company has 3,000,000 outstanding Options at the exercise price of HK\$0.54 per Share. Out of the total outstanding Options, (i) 900,000 are exercisable during the exercise period from 20 April 2022 to 20 April 2028, (ii) 900,000 are exercisable during the exercise period from 20 April 2023 to 20 April 2028, and (iii) the remaining 1,200,000 are exercisable during the exercise period from 20 April 2024 to 20 April 2028. All the 3,000,000 outstanding Options were granted pursuant to the Share Option Scheme. The Options are not listed on any stock exchange.

Save for the Options, as at the Latest Practicable Date, there were no outstanding options, warrants, derivatives or other securities which are convertible or exchangeable into Shares.

5. MARKET PRICES

Please refer to the section headed “2. Market Prices” in Appendix V to this Composite Document for details of the closing prices of the Shares quoted on the Stock Exchange: (i) the last day on which trading took place in each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date.

6. MATERIAL LITIGATION

As at the Latest Practicable Date, neither the Company nor any other members of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any members of the Group.

7. MATERIAL CONTRACTS

None of the Company and its subsidiaries had, within two years before the Offer Period and up to and including the Latest Practicable Date, entered into any contract (not being a contract entered into in the ordinary course of business carried on or intended to be carried on by the Company or any of its subsidiaries), which is or may be material.

8. ARRANGEMENT AFFECTING DIRECTORS

As at the Latest Practicable Date,

- (i) none of the Directors had been given any benefit as compensation for loss of office or otherwise in connection with the Offers;
- (ii) there was no agreement or arrangement between any Directors and any other persons which is conditional on or dependent upon the outcome of the Offers or otherwise connected with the Offers; and
- (iii) save for the Sale and Purchase Agreement, there was no material contracts entered into by the Offeror in which any Director had a material personal interest.

9. DIRECTORS' SERVICE AGREEMENTS

Particulars of the relevant Directors' service contracts are set out as follows:

Date of service contract	Name of Director	Position	Term of the service contract	Amount of remuneration
1 April 2024	Chan Wing Lun	Executive Director	1 April 2024 to 31 March 2025	(i) Director fee of HK\$820,680 per annum; (ii) discretionary payment and other benefits that his position is entitled from the Company as from time to time in force; and (iii) housing related fringe benefit
1 April 2024	Chan Wing Yiu	Executive Director	1 April 2024 to 31 March 2025	(i) Director fee of HK\$820,680 per annum; and (ii) discretionary payment and other benefits that his position is entitled from the Company as from time to time in force

Date of service contract	Name of Director	Position	Term of the service contract	Amount of remuneration
1 April 2024	Tong Sai Wong	Executive Director	1 April 2024 to 31 March 2025	(i) Director fee of HK\$820,680 per annum; and (ii) discretionary payment and other benefits that his position is entitled from the Company as from time to time in force
1 April 2024	Wong King Keung	Non-Executive Director	1 April 2024 to 31 March 2025	(i) Director fee of HK\$194,760 per annum; and (ii) discretionary payment and other benefits that his position is entitled from the Company as from time to time in force

Save for the service contracts of Mr. Chan Wing Lun, Mr. Chan Wing Yiu, Dr. Wong King Keung and Mr. Tong Sai Wong as disclosed above, as at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any of its subsidiaries or associated companies which:

- (i) (including both continuous and fixed term contracts) have been entered into or amended within six months before the commencement of the Offer Period;
- (ii) are continuous contracts with a notice period of 12 months or more; and
- (iii) are fixed term contracts with more than 12 months to run irrespective of the notice period.

10. EXPERTS' QUALIFICATIONS AND CONSENTS

In addition to those listed under the paragraph headed "7. Experts' Qualifications and Consents" in Appendix V to this Composite Document, set out below are the qualifications of the experts who have given opinions or advices in relation to the Group contained in this Composite Document:

Name	Qualifications
Capital 9 Limited	a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO
LCH (Asia-Pacific) Surveyors Limited	independent property valuer

As at the Latest Practicable Date, each of the above experts had given and had not withdrawn its written consent to the issue of this Composite Document with the inclusion of its opinions, letter and/or references to its name in the form and context in which they respectively appear.

11. MISCELLANEOUS

- (i) The address of the registered office of the Company is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.
- (ii) The address of the principal place of business of the Company in Units A&B, 12/F, MG Tower, 133 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong.
- (iii) The Hong Kong branch share registrar of the Company is Tricor Investor Services Limited, whose address is at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (iv) The principal business address of the Independent Financial Adviser is Room 1219, 12/F, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong.
- (v) In case of inconsistency, the English text of this Composite Document and the Forms of Acceptance shall prevail over the Chinese text.

12. DOCUMENTS AVAILABLE ON DISPLAY

In addition to the documents relating to the Offeror as set out in the paragraph headed “9. Documents Available on Display” in Appendix V to this Composite Document, copies of the following documents will be available on display on the SFC’s website at <http://www.sfc.hk> and on the Company’s website at <http://www.i-controlholdings.com>, from the date of this Composite Document up to and including the Closing Date:

- (i) the memorandum of association and articles of association of the Company;
- (ii) the annual reports of the Company for each of the years ended 31 March 2022, 2023 and 2024;
- (iii) the letter from the Board as set out on pages 21 to 26 of this Composite Document;
- (iv) the letter from the Independent Board Committee as set out on pages 27 to 28 of this Composite Document;
- (v) the letter from the Independent Financial Adviser as set out on pages 29 to 44 of this Composite Document;

- (vi) the Directors' service agreements referred to in the section headed "9. Directors' service agreements" in this appendix;
- (vii) the written consents referred to in the section headed "10. Experts' qualifications and consents" in this appendix;
- (viii) the property valuation report from the independent property valuer, the text of which is set out on pages III-1 to III-23 of this Composite Document; and
- (ix) this Composite Document and the accompanying Forms of Acceptance.

1. RESPONSIBILITY STATEMENT

All directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Group), and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

2. MARKET PRICES

The table below shows the closing prices of the Shares quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date.

Date	Closing price per Share HK\$
2023	
31 October	0.250
30 November	0.183
29 December	0.182
2024	
31 January	0.190
29 February	0.155
28 March	0.180
Last Trading Day, being 2 April	0.180
30 April	0.248
31 May	0.243
28 June	0.244
Latest Practicable Date, being 5 July	0.245

Note: Trading of Shares was halted with effect from 9:00 a.m. on 3 April 2024 until the resumption of trading of Shares with effect from 9:00 a.m. on 29 April 2024.

The Options are not listed nor transferable. No information is available as to the number and price of transactions which have taken place at the end of each of the calendar months during the Relevant Period.

During the Relevant Period, the highest closing price of the Shares quoted on the Stock Exchange was HK\$0.290 per Share on 26 October 2023 and the lowest closing price of the Shares quoted on the Stock Exchange was HK\$0.155 per Share on 23, 26, 27, 28 and 29 February 2024, and 1, 4, 5 and 6 March 2024.

3. DISCLOSURE OF INTERESTS IN SHARES

The Offeror is beneficially owned (i) as to 50% by Knight Sky, which is in turn wholly-owned by Mr. Cheng Kai Ming Charles and (ii) as to 50% by Newmark Group Limited, which is in turn owned as to 40.60% by Dr. Wong King Keung (the non-executive Director) and as to 19.80% by each of Mr. Chan Wing Yiu, Mr. Tong Sai Wong and Mr. Chan Wing Lun (all being executive Directors).

The Offeror owns 600,000,000 Shares upon Completion, while Dr. Wong King Keung already owns 150,000,000 Shares as of the Latest Practicable Date. As such, as at the Latest Practicable Date, the Offeror, its ultimate beneficial owners and parties acting in concert with any of them are interested in an aggregate of 750,000,000 Shares, representing approximately 71.40% of the entire issued share capital of the Company.

Save as disclosed above and as at the Latest Practicable Date, none of the Offeror, its directors and parties acting in concert with any of them own, control or has direction over any other interest in any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

4. DEALINGS IN SECURITIES OF THE COMPANY

As at the Latest Practicable Date:

- (a) save for the entering into of the Sale and Purchase Agreement, none of the Offeror, its ultimate beneficial owners, its directors and parties acting in concert with any of them had dealt for value in the Shares, outstanding options, derivatives, warrants or other securities convertible into Shares during the Relevant Period;
- (b) save for the Sale and Purchase Agreement, no arrangement of the kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code existed between any of the Offeror or any parties acting in concert with any of them or associates of the Offeror and any other person;
- (c) no person owning or controlling any shareholding in the Company with whom the Offeror or any person acting in concert with the Offeror had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code, and no such person had dealt in any Shares, convertible securities, warrants, options or derivatives of the Company during the Relevant Period; and

- (d) none of the Offeror, their respective ultimate beneficial owners, and/or any party acting in concert with any of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

5. OTHER ARRANGEMENTS IN RELATION TO THE OFFERS

As at the Latest Practicable Date:

- (a) save for Dr. Wong King Keung who has indicated that he does not intend to tender any Shares held by him for acceptance of the Share Offer, none of the Offeror, their respective ultimate beneficial owners, and/or parties acting in concert with any of them has received any irrevocable commitment to accept or reject the Offers;
- (b) the Offeror had no intention, nor had it entered into any agreement, arrangement or understanding to transfer, charge or pledge the Shares acquired pursuant with the Offers to any other persons;
- (c) save for the Sale and Purchase Agreement and the Loan Agreement, there are no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror or parties acting in concert with it on the one hand, and the Vendor or any parties acting in concert with it on the other hand;
- (d) save for the Sale and Purchase Agreement, there are no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between any Shareholder on the one hand, and the Offeror and any party acting in concert with it on the other hand;
- (e) save as disclosed under section headed “Proposed change of Board composition” in the “Letter from the Joint Financial Advisers” in this Composite Document, there was no agreement, arrangement or understanding (including any compensation arrangement) between any member of the Offeror Concert Group, and any Director, recent Director, Shareholder or recent Shareholder which had any connection with or dependent on the Offers;
- (f) save for the Sale and Purchase Agreement, there is no agreement or arrangement to which the Offeror, their ultimate beneficial owners and/or parties acting in concert with any of them is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offers; and
- (g) no benefit (other than statutory compensation) was or will be given to any Directors as compensation for loss of office or otherwise in connection with the Offers.

6. COMPULSORY ACQUISITION

The Offeror has no intention to avail itself of any powers of compulsory acquisition.

7. EXPERTS' QUALIFICATIONS AND CONSENTS

In addition to those listed under the paragraph headed "10. Experts' Qualifications and Consents" in Appendix IV to this Composite Document, the following are the qualifications of the experts whose advice, letters or opinions are contained in this Composite Document in relation to the Offers:

Name	Qualification
Diligent Capital	a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO
Red Sun Capital	a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO

Each of Diligent Capital and Red Sun Capital has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of its opinions, letter and/or the references to its name in the form and context in which it appears.

8. GENERAL

- (a) The registered office of the Offeror is situated at Portcullis Chambers, 4th Floor Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, British Virgin Islands VG1110 with the correspondence address in Hong Kong at 16th Floor, Wah Kit Commercial Centre, 300 Des Voeux Road Central, Hong Kong. The Offeror is beneficially owned as to 50% by Knight Sky and as to 50% by Newmark Group Limited. The directors of the Offeror are Mr. Cheng Kai Ming Charles and Dr. Wong King Keung. The principal members of the Offeror Concert Group are the Offeror, Knight Sky, Newmark Group Limited, Mr. Cheng Kai Ming Charles and Dr. Wong King Keung.
- (b) Knight Sky is wholly-owned by Mr. Cheng Kai Ming Charles and the registered office of which is situated at Portcullis Chambers, 4th Floor Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, British Virgin Islands VG1110. The correspondence address of Mr. Cheng Kai Ming Charles is 16/F, Wah Kit Commercial Centre, 300 Des Voeux Road Central, Hong Kong. Mr. Cheng Kai Ming Charles is the sole director of Knight Sky.
- (c) Newmark Group Limited is owned as to 40.60% by Dr. Wong King Keung and as to 19.80% by each of Mr. Chan Wing Yiu, Mr. Tong Sai Wong and Mr. Chan Wing Lun, the registered office of which is situated at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. The correspondence address of Dr. Wong King Keung is Flat B, 9/F, Tower 1, Eden Gate,

11 Ede Road, Kowloon Tong, Hong Kong, the correspondence address of Mr. Chan Wing Yiu is Flat A, 28/F, Tower 8, The Wings, 9 Tong Yin Street, Tseung Kwan O, N.T., Hong Kong, the correspondence address of Mr. Tong Sai Wong is Flat 33, 12/F, Tower 4, Hong Kong Parkview, No.88 Tai Tam Reservoir Road, Hong Kong, and the correspondence address of Mr. Chan Wing Lun is Flat B, 28/F, Tower 2B, 18 Che Kung Miu Road, The Pavilia Farm, Sha Tin, New Territories, Hong Kong. Dr. Wong King Keung is the sole director of Newmark Group Limited.

- (d) The registered office of Diligent Capital is situated at 8/F, Hip Shing Hong Centre, 55 Des Voeux Road Central, Hong Kong.
- (e) The registered office of Red Sun Capital is situated at Room 310, 3/F, China Insurance Group Building, 141 Des Voeux Road Central, Hong Kong.
- (f) The English text of this Composite Document shall prevail over its Chinese text in the case of inconsistency.

9. DOCUMENTS AVAILABLE ON DISPLAY

In addition to the documents relating to the Group set forth in the paragraph headed “12. Documents Available on Display” of Appendix IV to this Composite Document, copies of the following documents are available for inspection on the websites of the SFC (<http://www.sfc.hk>) and the Company (<http://www.i-controlholdings.com>) from the date of this Composite Document up to and including the Closing Date:

- (a) the memorandum and articles of association of the Offeror;
- (b) the letter from the Joint Financial Advisers as set out on pages 10 to 20 of this Composite Document; and
- (c) the written consents from the experts as referred to under the section headed “7. Experts’ qualifications and consents” in this Appendix V.

Set out below is a sample of the Option Offer Letter being sent to the Optionholders in connection with the Option Offer.

9 July 2024

To the Optionholders

Dear Sir/Madam,

**OPTION OFFER
IN RELATION TO
THE MANDATORY UNCONDITIONAL CASH OFFERS BY
DILIGENT CAPITAL LIMITED AND RED SUN CAPITAL LIMITED
FOR AND ON BEHALF OF THE OFFEROR FOR
ALL THE ISSUED SHARES IN I-CONTROL HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED OR
AGREED TO BE ACQUIRED BY THE OFFEROR
AND PARTIES ACTING IN CONCERT WITH IT) AND
FOR THE CANCELLATION OF ALL OUTSTANDING OPTIONS OF
I-CONTROL HOLDINGS LIMITED**

A composite document issued jointly by Luxurious Bay Capital Limited (the “**Offeror**”) and i-Control Holdings Limited (the “**Company**”) dated the same date as this letter (the “**Composite Document**”) is enclosed with this letter. Terms used but not defined in this letter shall have the same meanings and construction as in the Composite Document. This letter should be read in conjunction with the Composite Document.

The Offeror and the Company issued jointly the Joint Announcement dated 26 April 2024 in relation to, among other things, the Sale and Purchase Agreement and the Offers, which refers to the Share Offer and the Option Offer collectively. As stated in the Joint Announcement, conditional upon the Completion, which took place on 2 July 2024, the Offeror would make (or procure to be made on their behalf) a mandatory unconditional cash offer in compliance with Rule 13 of the Takeovers Code to cancel all outstanding Options (other than those already owned and/or agreed to be acquired by the Offeror Concert Group) in accordance with the terms and conditions set out in the Composite Document.

This letter explains the actions you may take in relation to your Option(s). You are advised to refer to the Composite Document when considering them.

Your attention is also drawn to the terms and conditions of the Share Option Scheme.

TERMS OF THE OPTION OFFER

We are making the Option Offer with respect to the Option(s) held by you.

In accordance with the terms of the Share Option Scheme, Optionholders are entitled to exercise their Options in full (to the extent not already exercised) at any time after the date on which the Option Offer is declared unconditional and up to the close of the Option Offer (or any revised offer), after which the Options will lapse automatically (to the extent not exercised).

You may accept the Option Offer by lodging a completed PINK Form of Option Offer Acceptance in respect of the Option Offer by the prescribed deadline.

The consideration for the cancellation of each Option would normally be the see-through price which represents the excess of the Share Offer Price per Offer Share and the exercise price of each Option. As the exercise price of all the Options is above the Share Offer Price, the “see-through” price is zero and the Option Offer Price will be a nominal value of HK\$0.0001 per Option. Under the terms of the Option Offer, the Options of the accepting Optionholders (together with all rights attaching thereto) will be cancelled. All payments in respect of the Option Offer Price will be made by cheques in Hong Kong dollars.

You are further advised to refer to the sections headed “Payment”, “Effect of accepting the Offers”, “Taxation advice”, “Overseas Shareholders and Overseas Optionholders” and “Stamp duty” in the Letter from the Joint Financial Advisers in the Composite Document.

Your attention is drawn to the letter from the Independent Board Committee and the letter from the Independent Financial Adviser set out in the Composite Document, which contain the recommendation of the Independent Board Committee and of the Independent Financial Adviser, respectively, in relation to the Offers.

The Optionholders are recommended to consult their own professional advisers as to the tax implications that may arise from accepting the Option Offer. It is emphasised that none of the Offeror, the Company, Diligent Capital and Red Sun Capital and their agents or any of their respective directors, officers or associates or any other person involved in the Offers accepts responsibility or has any liability for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Option Offer.

COURSES OF ACTION AVAILABLE TO OPTIONHOLDERS

In summary, the choices available to you in respect of your outstanding Option(s) are set out below.

(a) Accept the Option Offer

To the extent any of your outstanding Options are not exercised on or prior to the Closing Date, you may accept the Option Offer in accordance with its terms (as set out in this letter, including all declarations and undertakings, and the PINK Form of Option Offer Acceptance) and receive the Option Offer Price by returning the duly completed and signed PINK Form of Option Offer Acceptance enclosed together with the relevant document(s) as soon as possible and in any event no later than 4:00 p.m. on the Closing Date or such later time(s) and/or date(s) as the Offeror may determine and announce in compliance with the requirements of the Takeovers Code, to the company secretary of the Company at Units A&B, 12/F, MG Tower, 133 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong marked “i-Control Holdings Limited – Option Offer” on the envelop.

(b) Exercise the Options and accept the Share Offer

You may in accordance with the terms of the Share Option Scheme exercise some or all of outstanding vested Options (to the extent not already exercised), by submitting a notice for exercising the Options together with a cheque for payment of the subscription monies and the related certificates (if applicable) for the Options to the company secretary of the Company no later than 4:00 p.m. on the Closing Date or such later time(s) and/or date(s) as the Offeror may determine and announce in compliance with the requirements of the Takeovers Code, and the Shares issued as a result of the exercise of such Options will be subject to and eligible to participate in the Share Offer. Please refer to details in the Composite Document for the details of the Share Offer and the acceptance thereof.

(c) Inaction or failure to complete the Form of Acceptance

Following receipt of this letter, if you (i) choose to do nothing (including not returning a Form of Acceptance) or (ii) fail to complete or sign the Form of Acceptance, in which case, you will be treated as if not having accepted the Option Offer in respect of all Options held by you as at the Closing Date. Your Options will lapse automatically on the Closing Date, and you will receive neither the Option Offer Price nor the Share Offer Price.

For further details, please refer to the remaining sections of this letter, the Composite Document, the Form of Acceptance and the terms of the Share Option Scheme.

OPTIONS HELD AS AT THE LATEST PRACTICABLE DATE

Information on the Option(s) held by you as at the Latest Practicable Date is available from the company secretary of the Company. If there is any exercise of your Option(s) after the Latest Practicable Date, you may accept the Option Offer only in respect of such outstanding Option(s) which remain unexercised as at the Closing Date.

LAPSED OPTIONS

Please note that nothing in this letter or the Composite Document serves to extend the life of an Option which lapses, will lapse, or has already lapsed, under the terms of the Share Option Scheme. You cannot exercise any Option or accept the Option Offer in respect of an Option which will have lapsed in accordance with its terms.

All outstanding Options will lapse automatically and not be exercisable (to the extent not already exercised or lapsed) upon the final closing date of the Option Offer.

PROFESSIONAL ADVICE

The information provided in this letter is intended to give you factual details on which to base your decision as to the action you wish to take.

If you are in doubt as to any aspect of this letter, the Composite Document, or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

DECLARATION

By signing and returning the completed PINK Form of option offer Acceptance, you thereby:

- (a) warrant and confirm that each Option in respect of which you accept the Option Offer is valid and subsisting, free from all liens, charges, mortgages and third party interests of any nature whatsoever and you acknowledge that any option certificate or documents in respect of such Option shall become void once that Option has been cancelled as a result of your acceptance of the Option Offer pursuant to the Form of Acceptance;
- (b) acknowledge and agree that you cease to have any rights and obligations, and waive all rights and claims against any party (including the Offeror and the Company), in respect of all the Option(s) held by you for which you accept the Option Offer, that all rights and obligations under all such Option(s) will be cancelled;
- (c) confirm that the decisions which you have made on the Form of Acceptance cannot be withdrawn or altered;

- (d) authorise the Offeror, the Company, and/or such person or persons as any of them may direct to do all acts and things and to complete, amend and execute any document on your behalf as may be necessary or desirable to give effect to or in connection with the acceptance you have made on the Form of Acceptance, and you hereby undertake to execute any further assurance that may be required in respect of such acceptance;
- (e) undertake to confirm and ratify any action properly or lawfully taken on your behalf by any person authorised or appointed by or pursuant to this letter and the Form of Acceptance; and
- (f) confirm that you have read, understood and agreed to the terms and conditions of the Option Offer (including, without limitation, those set out in the Composite Document, this letter and the Form of Acceptance), and that you have received and read the Composite Document and this letter.

GENERAL

- (a) All communications, notices, Forms of Acceptance, cheques, certificates and other documents of any nature to be delivered by or sent to or from the Optionholders will be delivered by or sent to or from them, or their designated agents, at their risk, and none of the Offeror or the Company accepts any liability for any loss or any other liabilities whatsoever which may arise as a result.
- (b) The provisions set out in the Form of option offer Acceptance form part of the terms of the Option Offer.
- (c) The Option Offer and all acceptances will be governed by and construed in accordance with the laws of Hong Kong.
- (d) Due execution of the Form of Acceptance in respect of the Option Offer will constitute an authority to the Offeror, the Company, or such person(s) as any of them may direct to complete and execute on behalf of the accepting Optionholder, the Form of Acceptance and any document and to do any other act that may be necessary or expedient for the purpose of cancelling, or vesting in the Offeror or such person(s) as the Offeror shall direct, all rights of the Optionholders in respect of the Option(s) which are the subject of such acceptance.
- (e) The delivery of the Form of Acceptance, duly signed, may, if the Offeror determines it appropriate, be as effective as if it were duly completed, executed and received notwithstanding that it is not completed, executed or received strictly in accordance with the Forms of Acceptance and this letter, including the date specified for receipt or the absence of any witness attesting to the execution of any Form of Acceptance.

- (f) By completing the Form of Acceptance in respect of a particular outstanding Option, you irrevocably and at your own risk elect to authorise the Offeror, the Company, and/or their respective agent(s) to send to you, or procure the sending to you of, the payment to which you are entitled.

ACTIONS TO BE TAKEN FOR ACCEPTING THE OPTION OFFER

In order to accept the Option Offer, you must complete and return the duly completed and executed Form of Acceptance together with relevant certificate(s) (if any) or any other document(s) evidencing the grant of the Option(s) to you or other document(s) of title or entitlement (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Company at its principal place of business at Units A&B, 12/F, MG Tower, 133 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong for the attention of the company secretary of the Company and marked “i-Control Holdings Limited – Option Offer” by no later than 4:00 p.m. (Hong Kong time) on Tuesday, 30 July 2024 (or such later date and time as may be notified to you by the Offeror or by way of joint announcement by the Offeror and the Company on the website of the Stock Exchange). If you do not complete a Form of Acceptance, your Option(s) will lapse.

Before forwarding the Form of Acceptance to the board of directors of the Offeror, please ensure that you have duly executed the Form of Acceptance and that your signature has been witnessed.

Assuming the Option Offer will close on Tuesday, 30 July 2024, payment for the Option Offer Price is expected to be made within seven (7) business days of the date on which the duly completed acceptance of the Option Offer is received.

No acknowledgement of receipt of any Form of Acceptance, the relevant certificate(s) (if any) or any other document(s) evidencing the grant of the Option(s) or other document(s) of title or entitlement (and/or any satisfactory indemnity of indemnities required in respect thereof) will be given.

RESPONSIBILITY STATEMENT

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this letter and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this letter have been arrived at after due and careful consideration and there are no other facts not contained in this letter, the omission of which would make any statement in this letter misleading.

Yours faithfully,
For and on behalf of
LUXURIOUS BAY CAPITAL LIMITED
Cheng Kai Ming Charles
Director