THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **Miko International Holdings Limited**, you should at once hand this circular together with the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker, the licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its 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 circular.

MIKO INTERNATIONAL HOLDINGS LIMITED
米格國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1247)

(1) MAJOR AND CONNECTED TRANSACTION IN RELATION TO DISPOSAL OF A PROPERTY-HOLDING SUBSIDIARY; AND (2) NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

First Global Corporate Finance Co., Limited

The letter from the Board of the Company is set out on pages 5 to 16 of this circular. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 17 to 18 of this circular. A letter from the Independent Financial Adviser containing its recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 19 to 41 of this circular.

A notice convening the extraordinary general meeting (the "**EGM**") of Miko International Holdings Limited (the "**Company**") to be held at 3rd Floor, Redkids Office Building, No. 168 Chong Rong Street, Economic Technology Development Zone, Quanzhou City, Fujian Province, China on 30 January 2026 at 11:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular. Resolutions will be proposed at the EGM to consider and, if thought fit, to approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

A proxy form for use at the EGM is enclosed with this circular. Whether or not you intend to attend and vote at the EGM, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed on such form to the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event no later than 48 hours before the time appointed for the holding of the EGM or any adjournment of such meeting. Completion and return of the proxy form will not preclude you from subsequently attending and voting at the EGM in person or any adjourned meeting, as the case may be, should you so desire.

13 January 2026

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

"Announcement"	the announcement of the Company dated 2 December 2025 in relation to the Disposal
"applicable percentage ratio(s)"	has the same meaning ascribed thereto in the Listing Rules
"associate(s)"	has the same meaning ascribed thereto in the Listing Rules
"Board"	the board of Directors
"Business Day(s)"	a day from Monday to Friday, save and except a general holiday as defined under the General Holidays Ordinance (Cap.149) of the Laws of Hong Kong or a day on which typhoon signal No.8 or above or rain storm black warning is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.
"China" or "PRC"	the People's Republic of China, but for the purpose of this circular and for geographical reference only and except where the context requires, references in this circular to "China" and "PRC" do not apply to Taiwan, Macau Special Administrative Region and Hong Kong
"Company"	Miko International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on The Stock Exchange of Hong Kong Limited (stock code: 1247)
"Completion"	completion of the Disposal in accordance with the terms and conditions of the Sale and Purchase Agreement
"Completion Date"	the date on which Completion shall take place
"connected person(s)"	has the same meaning ascribed thereto under the Listing Rules
"Consideration"	RMB75.7 million, being the consideration for the Properties payable by the Purchaser to the Vendor pursuant to the Agreement
"Director(s)"	the director(s) of the Company
"Disposal"	the disposal of the entire equity interest of the Target Company by the Vendor to the Purchaser pursuant to the terms of the Sale and Purchase Agreement

"EGM"	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the Sale and Purchase Agreement and the transaction contemplated thereunder
"Group"	collectively, the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	an independent committee of the Board comprising the independent non-executive Directors, which has been established for the purpose of advising the Independent Shareholders in respect of the Sales and Purchase Agreement and the transactions contemplated thereunder
"Independent Financial Adviser"	First Global Corporate Finance Co., Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Sales and Purchase Agreement and the transactions contemplated thereunder
"Independent Shareholders"	Shareholders who do not have material interest in the transactions contemplated under the Sale and Purchase Agreement
"Independent Third Party(ies)"	third party(ies) independent of and not connected with the Company and its connected person(s)
"Independent Valuer"	Vincorn Consulting and Appraisal Limited, an independent valuer engaged by the Vendor for the Valuation of the Target Company
"Latest Practicable Date"	8 January 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
"Lease Arrangement"	the lease of the Relevant Properties entered into between the Target Company (as landlord) and Red Kids (China) (as tenant) for a term of two years commencing from 1 July 2025 to 30 July 2027
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mr. Ding"	Mr. Ding Peiji, an executive Director and the Chairman of the Board of the Company
"Notice of EGM"	the notice of EGM as set out in this circular

"Properties"	comprise of an industrial complex located at No. 168 Chong Rong Street, Jinjiang City, Quanzhou, Fujian Province, the PRC, which possess a site area of approximately 20,575.80 sq.m. and has a gross floor area of buildings of approximately 42,720.47 sq.m.
"Purchaser"	Fujian Quanzhou Langyaoda Investment Company Limited* (福建泉州朗曜達投資有限公司), a company incorporated in the PRC with limited liability, which is directly wholly-owned by Mr. Ding
"Red Kids (China)"	Red Kids (China) Co., Ltd 紅孩兒(中國)有限公司, a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"Relevant Properties"	being part of the Properties, comprises of industrial factory units, office units and dormitory units of a total area of approximately 9,898.9 sq.m., currently leased by the Target Company to Red Kids (China) and used by the Group for its business operation and office use
"RMB"	Renminbi, the lawful currency of the PRC
"Sale and Purchase Agreement"	the sale and purchase agreement dated 2 December 2025 entered into between the Vendor and the Purchaser in relation to the Disposal
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of HK$0.1 each in the share capital of the Company
"Shareholder(s)"	holder(s) of Share(s)
"sq.m."	square metres
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Quanzhou Hungyu Innovative Business Development Limited* (泉州紅隅科創產業發展有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"Valuation"	valuation of the Properties as at 31 October 2025 as set out in the Valuation Report

"Valuation Report"	the valuation report prepared by the Independent Valuer in respect of the valuation of the Properties as at 31 October 2025, which is set out in Appendix II of this circular
"Vendor"	Red Kids Group (Hong Kong) Limited (紅孩兒集團(香港)有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
"%"	per cent.

* *For identification purpose only*

Unless otherwise specified in this circular, the conversion of RMB into HK$ is based on the approximate exchange rate from HK$1.00 to RMB0.91. The exchange rate is adopted for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rate at all.

MIKO INTERNATIONAL HOLDINGS LIMITED
米格國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1247)

Executive Directors:
Mr. Ding Peiji *(Chairman)*
Ms. Liu Min
Mr. Yu Jianjun

Independent Non-executive Directors:
Mr. Ng Shing Kin
Mr. Chen Jun
Mr. Guo Zheng

Registered office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Principal place of business in Hong Kong:
Room 1601, Ho King Commercial Centre
2–16 Fa Yuen Street
Mong Kok, Kowloon
Hong Kong

13 January 2026

To the Shareholders

Dear Sir or Madam,

(1) MAJOR AND CONNECTED TRANSACTION IN RELATION TO DISPOSAL OF A PROPERTY-HOLDING SUBSIDIARY; AND (2) NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the Announcement of the Company dated 2 December 2025 in relation to, among others, the Disposal.

The purpose of this circular is to provide you with, among other things, (i) further information on the Disposal; (ii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders; (iii) recommendation from the Independent Board Committee to the Independent Shareholders; (iv) the Valuation Report prepared by the Independent Valuer; (v) a Notice of the EGM; and (vi) other information as required under the Listing Rules.

THE DISPOSAL

The Board is pleased to announce that on 2 December 2025 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company, and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the entire equity interest of the Target Company, at the Consideration of RMB75.7 million (equivalent to approximately HK$83.2 million).

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are as follows:

(1) Date:

2 December 2025 (after trading hours)

(2) Parties:

Vendor:

Red Kids Group (Hong Kong) Limited (紅孩兒集團(香港)有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company.

Purchaser:

Fujian Quanzhou Langyaoda Investment Company Limited* (福建泉州朗曜達投資有限公司), a company incorporated in the PRC with limited liability and directly wholly-owned by Mr. Ding. As at the Latest Practicable Date, Mr. Ding was an executive Director and the Chairman of the Board of the Company.

(3) Subject matter:

Pursuant to the Sales and Purchase Agreement, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the entire equity interest of the Target Company, at the Consideration of RMB75.7 million (equivalent to approximately HK$83.2 million).

(4) Consideration and payment terms:

The Consideration is RMB75.7 million (equivalent to approximately HK$83.2 million), which shall be payable by the Purchaser to the Vendor in cash at Completion. The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser with reference to, (i) the appraised value of the Properties as at 31 October 2025, as assessed by an Independent Valuer using market approach, which amounted to approximately RMB69.0 million; and (ii) the value of net assets of the Target Company (apart from the Properties) of approximately RMB6.7 million as at 31 October 2025 to be disposed of under the Disposal.

Directors' assessment on the valuation approach and valuation comparables used by the Independent Valuer in determining the appraised value of the Properties

The Directors are of the view that the market approach adopted by the Independent Valuer, which is the principal method prescribed under relevant valuation standards (including IVS 105 and HKIS Valuation Standards) for industrial properties, is fair and appropriate because of the use of active and accessible comparable data by the Independent Valuer, which includes three asking price comparables and two recent completed transactions within Quanzhou City (all within 18 months and the same city). The Directors considered alternative valuation methods such as income or cost approaches were less suitable as compared to the market approach due to the lack of market reflectivity and the lack of verifiable inputs. Furthermore, the Directors consider that the selection scope of comparables put forward by the Independent Valuer were specific and exhaustive, as they are all sourced from verified and well-known platforms, with property type, location and building age similar to the Properties, which ensure the direct market comparability and valuation accuracy. Please refer to Appendix II to this circular for further details on the valuation approach and valuation comparables used by the Independent Valuer in determining the appraised value of the Properties.

Directors' assessment on the reasonableness of quantitative inputs and adjustments

Furthermore, the Directors' consider that the adjustments given by the Independent Valuer to the comparables for differential factors, such as the time, location, quality, size, age, handover, and rights term of the relevant properties, were objectively derived from the Independent Valuer's market evidence, peer transaction analyses and independent legal opinion confirming unencumbered title/transferability under PRC law, which supports that the appraised value of the Properties as stated in the Valuation Report is fair and reliable.

Directors' assessment on the fairness and reasonableness of the Consideration

Having considered (i) the Independent Valuer is independent from the Company and has relevant experience in conducting the Valuation similar to that of the Properties; (ii) the adoption of market approach for the Properties, is an appropriate valuation methodology; and (iii) the reasonableness of the bases and assumptions adopted in the Valuation, the Directors are of the view that the appraised value of the Properties as set out in the Valuation Report in Appendix II to this circular is an appropriate reference point to assess the fairness and reasonableness of the Consideration under the Sale and Purchase Agreement, and the Consideration, which is determined based on the Valuation, is fair and reasonable and in the interests to the Company and its Shareholders.

The Independent Valuer adopted the market approach by making reference to comparable market transactions in its assessment of the market value of a property interest. This approach rests on the wide acceptance of the market transactions as the best indicator and pre-supposes that evidence of relevant transactions in the market place can be extrapolated to similar properties, subject to allowances for variable factors. The Directors have reviewed the assumptions adopted by the Independent Valuer and have been advised that the key assumptions adopted therein are commonly used in valuing similar companies. There are no irregularities noted by the Directors in relation to the quantitative inputs in such valuation. The Directors (excluding the independent non-executive Directors, who will provide their view in the circular after considering the letter from the Independent Financial Adviser) therefore consider that the key assumptions, quantitative inputs and methodology adopted in such valuation are fair and reasonable.

Please refer to the Valuation Report as set out in Appendix II of this circular for details of the Valuation.

(5) Condition Precedents and Completion of the Disposal:

Completion of the Disposal is conditional upon the satisfaction of, among others, the following conditions:

(a) the Vendor having obtained all necessary consents and/or authorisations required under any existing contractual arrangements or for the execution of the Sales and Purchase Agreement;

(b) the Purchaser having obtained all necessary consents and/or authorisations required under any existing contractual arrangements or for the execution of the Sales and Purchase Agreement; and

(c) the Sales and Purchase Agreement and the transactions contemplated thereunder having been approved by the Independent Shareholders at the EGM.

The above conditions cannot be waived and shall be satisfied on or before the long stop date of the Sales and Purchase Agreement, which shall be 6 months from the execution date of the Sales and Purchase Agreement. If any of the conditions is not satisfied on or before the long stop date, the Sale and Purchase Agreement shall lapse and be of no further effect.

Upon Completion, the Target Company will be owned as to 100% by the Purchaser and the Target Company will cease to be a subsidiary of the Company. The Company will cease to hold any shares of the Target Company and the financial results of the Target Company will no longer be consolidated into the consolidated financial statements of the Group.

(6) Undertaking provided by the Purchaser

Pursuant to the Sale and Purchase Agreement, after the Completion, the Purchaser shall not terminate the current lease entered into between the Target Company and Red Kids (China) and shall continue to let the Relevant Properties to the Group for its business operation and office use till 30 June 2027.

INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in PRC with limited liability and directly wholly-owned by Mr. Ding, who is an executive Director and the Chairman of the Board of the Company. The Purchaser is principally engaged in investment holding.

To the best of the directors knowledge, information and belief having made all reasonable enquiry, there is, and in the past twelve months, there has been, no material loan arrangement between (a) the Company, any connected person at the Company's level, and/or any connected person at the subsidiary level to the extent that such subsidiary is involved in the transaction and (b) the Purchaser, its directors and legal representatives and any ultimate beneficial owners of the Purchaser who can exert influence on the transaction.

INFORMATION ON THE VENDOR

The Vendor is an indirect wholly-owned subsidiary of the Company and is a property holding company. The Company is an investment holding company and the Group is principally engaged in (a) the wholesale business of design, manufacture and sales of children's apparel and other apparel related products; and (b) the supply chain management business of the Group which business scope covers the trading of bulk commodities in China.

INFORMATION OF THE TARGET COMPANY

The Target Company is a company established on 11 December 2024 in the PRC with limited liability, which is an indirect wholly-owned subsidiary of the Company. The Target Company is established as a property-holding company of the Group which solely owns the Properties. For the purpose of internal reorganization of the Group, the Target Company was spun off from its original entity, Red Kids (China) Co., Ltd. (紅孩兒(中國)有限公司), a company incorporated in the PRC on 20 January 2000 with limited liability and an indirect wholly-owned subsidiary of the Company in December 2024. Upon completion of the internal reorganization, the Group established a clearer operating structure as the Target Company holding the Properties as its key asset became a distinct entity while retaining the on-going business with Red Kids (China) Co., Ltd.

The unaudited net assets of the Target Company as at 30 June 2025 was approximately RMB37,136,000.

Set out below is a summary of the key financial data in relation to the Target Company based on its unaudited consolidated management account as at 31 October 2025:

	As at 31 October 2025 (Unaudited) *RMB'000*
Assets	
The Properties	28,764
Amount due from a Group company	6,265
Accounts receivables	502
Cash and cash equivalents	85
Total Assets	35,616
Less:	
Liabilities	(152)
Net Assets Value	35,464

	For the period from the date of incorporation of the Target Company to 31 October 2025 (Unaudited) *RMB'000*
Revenue	1,452
Gross profit	308
Loss before tax	(174)
Loss after tax	(176)

INFORMATION OF THE PROPERTIES

The Properties comprise an industrial complex and some ancillary buildings erected on a parcel of industrial land located at Jinjiang City, Quanzhou, Fujian Province, the PRC. The Properties have a site area of approximately 20,575.80 sq.m. and have a gross floor area of buildings of approximately 42,720.47 sq.m.. As at the date of the Sale and Purchase Agreement, part of the Properties was leased to Independent Third Parties while the remaining portion of the Properties (the "**Relevant Properties**") was leased to Red Kids (China), an indirect wholly-owned subsidiary of the Company and used by the Group for its business operation and office use (the "**Lease Arrangement**"). Rental income attributable to the Properties was RMB1,140,000 and RMB1,161,000 for the year ended 31 December 2023 and for the year ended 31 December 2024 respectively. Based on the Valuation Report, the Properties are currently leased subject to various tenancies with a total monthly rent of approximately RMB363,124 per month. The reason for the increase of current rental income in comparison with the rental income attributable to the Properties for the two years ended 31 December 2024 is that while the Properties are currently fully occupied and leased to either independent third party tenants or Red Kids (China). The Group failed to rent out all parts of Properties in both 2023 and 2024. The occupancy rates of the Properties were lower than 60% in both 2023 and 2024, which resulted in comparatively less rental income derived from the Properties for the years ended 31 December 2023 and 31 December 2024.

The Properties were classified as property, plant and equipment in the accounts of the Group as at 31 December 2024 with an audited carrying value of approximately RMB32.5 million. As at 31 October 2025, the unaudited carrying value of the Properties was approximately RMB28.8 million. Based on the valuation of the Properties as at 31 October 2025 assessed by an independent valuer, the Properties are valued at approximately RMB69.0 million.

FINANCIAL EFFECT OF THE DISPOSAL AND THE USE OF PROCEEDS

Based on the Consideration of RMB75.7 million and the unaudited net asset value of the Target Company of approximately RMB35.5 million of the Target Company, the Group expects to record a gain on disposal of approximately RMB40.2 million upon Completion. The actual gain of the Disposal for the Group as at the Completion Date is subject to audit and therefore may be different from the amount mentioned above.

Based on the Consideration of RMB75.7 million and given that the Group is expected to record an unaudited gain on the Disposal of approximately RMB40.2 million upon Completion, the estimated consolidated net asset value of the Group is expected to increase by approximately RMB39.3 million upon Completion, after taking into account (i) the net proceeds from the Disposal which is expected to be approximately RMB74.7 million; (ii) the estimated consolidated total assets of the Group is expected to decrease by approximately RMB35.6 million; and (iii) the estimated consolidated total liabilities of the Group is expected to decrease by approximately RMB0.2 million.

The net proceeds, being the Consideration net of relevant expenses, arising from the Disposal are estimated to be approximately RMB74.7 million and are expected to be used in the following manner:

(i) approximately RMB27.3 million (36.5% of the net proceeds) will be used for potential new projects for business expansion in relation to the existing apparel business of the Group in the PRC. For instance, the Group plans to collaborate with certain reputable local apparel brands and devote resources in the design, production, development and promotion of certain new lines of apparel products, which would help the Group in broadening its customer base and brushing up its brand awareness, and hence improving the Group's profitability in the long run;

(ii) approximately RMB31.8 million (42.6% of the net proceeds) will be used for the Group's business development in new supply chain management in Southeast Asia by devoting resources to expand the business scope to include the importing and exporting of bulk commodity products including but not limited to apparel, industrial, chemical and food products; and

(iii) approximately RMB15.6 million (20.9% of the net proceeds) will be used for general working capital of the Group.

REASONS AND BENEFITS OF THE DISPOSAL

The Group is constantly looking to improve its business and financial performance. One of the ways is to reallocate capital towards other growth prospects as in this case. On this basis, the Group has been periodically evaluating its assets and business and will consider divestiture as and when there are suitable offers. Based on the assessment on the market value of the Properties as set out in the Valuation Report, the Board is of the view the Consideration is reasonable and in line with the prevailing market price.

Taking into consideration the prevailing property market conditions, the increasing competition and gloomy future outlook in the property market in the PRC, the Board believes that the Disposal will allow the Group to realise its investment in the Properties and apply the net proceeds for the general working capital and business development of the Group, details of which are set out in the section headed "FINANCIAL EFFECT OF THE DISPOSAL AND THE USE OF PROCEEDS" above in this circular.

Although the Group currently has no other production base/sites to perform the same nature of usage as the Properties, pursuant to the Sale and Purchase Agreement, after the Completion, the Purchaser shall continue to let the Relevant Properties to the Group till 30 June 2027 which will enable the Group to continue to keep its office and production base on the Relevant Properties to ensure stable and sustainable production and business operation. Although the current production facilities situated in the Relevant Properties were leased by the Group till 30 June 2027 pursuant to the Lease Arrangement, the Group plans to continue its operation, and would endeavour to seek opportunities to develop and expand its existing apparel business, which is the principal business of the Group. The management may negotiate with the landlord of the Relevant Properties for renewal of the Lease Arrangement when needed and when the management finds it appropriate. Meanwhile, the Group would keep searching for places and facilities in other locations which would enhance the operation and development of the Group's business. The Directors confirm that they have no plan to downscale the Group existing apparel business upon Completion and is determined to continue the development of the Group's current principal business segment to maintain sustainable growth going forward.

Based on the above, the Board considers that the terms of the Sale and Purchase Agreement (including the Consideration) are on normal commercial terms and are fair and reasonable, and the entering into of the Sale and Purchase Agreement by the Vendor is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 25% and all applicable percentage ratios are less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and Shareholders' approval requirements under the Listing Rules.

As at the Latest Practicable Date, (1) Mr. Ding, who is an executive Director of the Company, through his wholly-owned Company and himself, held in aggregate 25,280,869 Shares of the Company, representing approximately 11.42% of the issued share capital of the Company, and hence was a connected person under the Listing Rules; and (2) the Purchaser is directly wholly-owned by Mr. Ding and hence was an associate of Mr. Ding pursuant to Chapter 14A of the Listing Rules. As such, the Disposal constitutes a connected transaction of the Company. As one or more of the applicable percentage ratios (within the meaning of the Listing Rules) in respect of the Disposal are more than 5% and the Consideration payable under the Sale and Purchase Agreement is more than HK$10,000,000, the Disposal constitute a connected transaction of the Company, which shall be subject to the reporting, annual review and announcement requirements, as well as the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Based on the current lease entered into between the Target Company and Red Kids (China), the Relevant Properties was leased by the Target Company to Red Kids (China) at an annual rent of approximately RMB1.0 million (equivalent to approximately HK$1.1 million). Given that pursuant to the Sale and Purchase Agreement, the Purchaser (being a connected person of the Company under the Listing Rules) undertakes to continue the Lease Arrangement, it is expected that the Lease Arrangement will constitute to a continuing connected transaction of the Company upon Completion. Pursuant to HKFRS 16, the transaction contemplated under the Lease Arrangement will require the Group to recognise the right-of-use asset in its consolidated statement of financial position. Therefore, the transaction contemplated under the Lease Arrangement will be regarded as an acquisition of asset by the Group under the definition of transaction set out in Rule 14.04(1)(a) of the Listing Rules. The unaudited value of the right-of-use asset recognised by the Company under the Lease Arrangement amounted to approximately RMB2.0 million. As all the applicable percentage ratio(s) in respect of the acquisition of right-of-use asset recognised by the Group pursuant to HKFRS 16 under the Lease Arrangement are less than 5% and the consideration is less than HK$3,000,000, the Lease Arrangement will be fully exempted from the annual reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee (comprising all the independent non-executive Directors) has been formed in accordance with Chapter 14A of the Listing Rules to advise the Independent Shareholders on Sales and Purchase Agreement and the transactions contemplated thereunder.

In this connection, First Global Corporate Finance Co., Limited has been appointed as the Independent Financial Adviser by the Company to advise the Independent Board Committee and the Independent Shareholders on the Sale and Purchase Agreement and the transactions contemplated thereunder.

EGM

Mr. Ding, being an executive Director and the Chairman of the Board of the Company, has abstained from voting on the Board resolutions in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder. Other than the aforementioned, to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, none of the remaining Directors has any material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder and is required to abstain from voting on the Board resolutions approving the Sale and Purchase Agreement and the transactions contemplated thereunder.

The Notice of EGM convening the EGM to be held at the Company's headquarters and place of business in the PRC, 3rd Floor, Redkids Office Building, No. 168 Chong Rong Street, Economic Technology Development Zone, Quanzhou City, Fujian Province, China on 30 January 2026 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the resolution as stated therein is set out on pages EGM-1 to EGM-2 of this circular. Ordinary resolutions will be proposed at the EGM to consider and, if thought fit, to approve Sale and Purchase Agreement and the transactions contemplated thereunder. The resolutions proposed to be approved at the EGM will be taken by poll and an announcement will be made by the Company following the conclusion of the EGM to inform you of its results.

Mr. Ding, who through his wholly-owned company and himself, held in aggregate 25,280,869 Shares of the Company, will abstain from voting in the EGM. Other than the aforementioned, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder or its/his/her associate(s) has a material interest in the Sales and Purchase Agreement and the transactions contemplated thereunder and accordingly, no Shareholder is required to abstain from voting if the Company were to convene a Shareholders' meeting for approving the Sale and Purchase Agreement and the transactions contemplated thereunder.

A form of proxy for use at the EGM is sent to the Shareholders together with this circular. Such form of proxy is also published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.redkids.com. Whether or not you intend to attend the EGM, you are required to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716 17th Floor, Hopewell Centre 183 Queen's Road East Wanchai Hong Kong, as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the EGM (i.e. not later than 11:00 a.m. on Wednesday, 28 January 2026) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 27 January 2026 to Friday, 30 January 2026 (both days inclusive) for the purpose of determining the Shareholder's right to attend and vote at the EGM.

In order to qualify for attending and voting at the EGM, all transfer documents, accompanied by the relevant share certificates, must be lodged with Hong Kong branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, 26 January 2026.

RECOMMENDATION

The Directors are of the view that, although the Sale and Purchase Agreement and the transactions contemplated are not in the ordinary and usual course of the Company's business, the Sale and Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve Sale and Purchase Agreement and the transactions contemplated thereunder.

The Independent Board Committee, after considering the advice from the Independent Financial Adviser, is of the view that the Sale and Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve Sale and Purchase Agreement and the transactions contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is drawn to the financial information of the Group, the Valuation Report on the Properties and general information as set out in the appendices to this circular.

Yours faithfully,
For and on behalf of
Miko International Holdings Limited
Liu Min
Executive Director

MIKO INTERNATIONAL HOLDINGS LIMITED
米格國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1247)

13 January 2026

To Independent Shareholders

Dear Sir or Madam,

MAJOR AND CONNECTED TRANSACTION IN RELATION TO DISPOSAL OF A PROPERTY-HOLDING SUBSIDIARY

We refer to the circular of the Company dated 13 January 2026 (the "**Circular**"), of which this letter forms part. Unless the context requires otherwise, terms and expressions defined in the Circular shall have the same meanings in this letter.

We, being the independent non-executive Directors, have been appointed by the Company as members of the Independent Board Committee to advise the Independent Shareholders in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder. First Global Corporate Finance Co., Limited has been appointed as the Independent Financial Adviser to advise the Independent Shareholders and us in this regard. Details of the advice and recommendations from the Independent Financial Adviser, together with the principal factors and reasons taken into consideration by it in arriving at such advice and recommendations, are set out in the "Letter from the Independent Financial Adviser" on pages 19 to 41 of the Circular.

Having considered, among other things, the factors and reasons considered by, and the advice and recommendations of the Independent Financial Adviser, we concur with their views and consider that, although the Sale and Purchase Agreement and the transactions contemplated thereunder are not in the ordinary and usual course of the Company's business, the Sale and Purchase Agreement and the transactions contemplated are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as far as the Company and the Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favor of the resolutions to be proposed at the EGM to approve the Sale and Purchase Agreement and the transactions contemplated.

Yours sincerely,
For and on behalf of
Independent Board Committee

Mr. Ng Shing Kin	**Mr. Chen Jun**	**Mr. Guo Zheng**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*

The following is the full text of a letter of advice from First Global Corporate Finance Co., Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the major and connected Transaction, which has been prepared for the purpose of incorporation in this circular.



Room 1706-07, 17/F
China Insurance Group Building
No.141 Des Voeux Road Central
Central, Hong Kong

13 January 2026

To: The Independent Board Committee and the Independent Shareholders

Dear Sir or Madam,

MAJOR AND CONNECTED TRANSACTION IN RELATION TO DISPOSAL OF A PROPERTY-HOLDING SUBSIDIARY

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Sale and Purchase Agreement with Red Kids Group (Hong Kong) Limited ("**Vendor**") and Fujian Quanzhou Langyaoda Investment Company Limited* (福建泉州朗曜達投資有限公司) (the "**Purchaser**"), pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the entire equity interest of the Quanzhou Hungyu Innovative Business Development Limited* (泉州紅隅科創產業發展有限公司), at the Consideration of RMB75.7 million (equivalent to approximately HK$83.2 million) (the "**Transaction**"), details of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular of the Company dated 13 January 2026 (the "**Circular**"), of which this letter of advice forms a part. Unless the context requires otherwise, capitalised terms used in this letter of advice shall have the same meanings as defined in the Circular.

The Disposal

On 2 December 2025 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company, and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the entire equity interest of the Target Company, at the Consideration of RMB75.7 million (equivalent to approximately HK$83.2 million).

Upon the Completion, the Company will cease to have any interests in the Target Company and the financial results and assets and liabilities of the Target Company will no longer be consolidated into the consolidated financial statements of the Group.

The Target Company is a company established on 11 December 2024 in the PRC with limited liability, which is an indirect wholly-owned subsidiary of the Company. The Target Company is established as a property-holding company of the Group which solely owns the Properties. The Properties comprise an industrial complex and some ancillary buildings erected on a parcel of industrial land located at Jinjiang City, Quanzhou, Fujian Province, the PRC. The Properties have a site area of approximately 20,575.80 sq.m. and have a gross floor area of buildings of approximately 42,720.47 sq.m.. As at the date of the Sale and Purchase Agreement, part of the Properties was leased to Independent Third Parties while the remaining portion of the Properties (the "**Relevant Properties**") was leased to Red Kids (China), an indirect wholly-owned subsidiary of the Company, and used by the Group for its business operation and office use.

Listing Rules implications

As the highest applicable percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 25% and all applicable percentage ratios are less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and Shareholders' approval requirements under the Listing Rules.

As at the Latest Practicable Date, (1) Mr. Ding Peiji ("**Mr. Ding**"), through his wholly-owned subsidiary and himself, held in aggregate 25,280,869 shares of the Company, representing approximately 11.42% of the issued share capital of the Company, and hence was a connected person under the Listing Rules; and (2) the Purchaser is directly wholly-owned by Mr. Ding and hence was an associate of Mr. Ding pursuant to Chapter 14A of the Listing Rules. As such, the Disposal constitutes a connected transaction of the Company. As one or more of the applicable percentage ratios (within the meaning of the Listing Rules) in respect of the Disposal are more than 5% and the Consideration payable under the Sale and Purchase Agreement is more than HK$10,000,000, the Disposal shall be subject to the reporting, annual review and announcement requirements, as well as the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Based on the current lease entered into between the Target Company and Red Kids (China), the Relevant Properties was leased by the Target Company to Red Kids (China) at an annual rent of approximately RMB1.0 million (equivalent to approximately HK$1.1 million). Pursuant to the Sale and Purchase Agreement, the Purchaser (being a connected person of the Company under the Listing Rules undertakes to continue the Lease Arrangement, it is expected that the Lease Arrangement will constitute to a continuing connected transaction of the Company upon Completion. Pursuant to HKFRS 16, the transaction contemplated under the Lease Arrangement will require the Group to recognise the right-of-use asset in its consolidated statement of financial position. Therefore, the transaction contemplated under the Lease Arrangement will be regarded as an acquisition of asset by the Group under the definition of transaction set out in Rule 14.04(1)(a) of the Listing Rules. The unaudited value of the right-of-use asset recognised by the Company under the Lease Arrangement amounted to approximately RMB2.0 million. As all the applicable percentage ratio(s) in respect of the acquisition of right-of-use asset recognised by the Group pursuant to HKFRS 16 under the Lease Arrangement are less than 5% and the consideration is less than HK$3,000,000, the Lease Arrangement will be fully exempted from the annual reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

EGM AND VOTING AT THE EGM

Mr. Ding, being an executive Director and the Chairman of the Board of the Company, has abstained from voting on the Board resolutions in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder. Other than the aforementioned, to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, none of the remaining Directors has any material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder and is required to abstain from voting on the Board resolutions approving the Sale and Purchase Agreement and the transactions contemplated thereunder.

The Notice of EGM convening the EGM to be held at the Company's headquarters and place of business in the PRC, 3rd Floor, Redkids Office Building, No. 168 Chong Rong Street, Economic Technology Development Zone, Quanzhou City, Fujian Province, China on 30 January 2026 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the resolution as stated therein is set out on pages EGM-1 to EGM-2 of this circular. Ordinary resolutions will be proposed at the EGM to consider and, if thought fit, to approve Sale and Purchase Agreement and the transactions contemplated thereunder. The resolutions proposed to be approved at the EGM will be taken by poll and an announcement will be made by the Company following the conclusion of the EGM to inform you of its results.

Mr. Ding, who through his wholly-owned company and himself, held in aggregate 25,280,869 Shares of the Company, will abstain from voting in the EGM. Other than the aforementioned, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder or its/his/her associate(s) has a material interest in the Sales and Purchase Agreement and the transactions contemplated thereunder and accordingly, no Shareholder is required to abstain from voting if the Company were to convene a Shareholders' meeting for approving the Sale and Purchase Agreement and the transactions contemplated thereunder.

THE INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Ng Shing Kin, Mr. Chen Jun and Mr. Guo Zheng, has been established to consider and advise the Independent Shareholders as to whether the terms of the Sale and Purchase Agreement are fair and reasonable and the Transaction contemplated thereunder are (i) fair and reasonable; (ii) on normal commercial terms or better and in the ordinary and usual course of business of the Company; (iii) in the interests of the Company and the Shareholders as a whole; and (iv) how the Independent Shareholders should vote in favour of the Transaction. None of the members of the Independent Board Committee has any material interest in the Transaction.

We, First Global Corporate Finance Co., Limited ("**First Global**"), have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. First Global is a licensed corporation licensed under the Securities and Futures Ordinance ("**SFO**") to carry out Type 6 (advising on corporate finance) regulated activity. Ms. Wendy Liu ("**Ms. Liu**") is the person signing off the opinion letter from First Global contained in the Circular. Ms. Liu has been a responsible officer of Type 6 (advising on corporate finance) regulated activity under the SFO since 2014. Ms. Liu has participated in and completed various independent financial advisory Transaction in Hong Kong.

OUR INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, save for this engagement of us as the Independent Financial Adviser, no other relationship has been formed and no direct engagement has been performed between the Group, the other party(ies) to the Transaction, or a close associate or core connected person of any of them and us. As at the Latest Practicable Date, we did not have any relationship with, or interest in, the Group, the other party(ies) to the Transaction, or a close associate or core connected person of any of them and us, or other parties that could reasonably be regarded as relevant to our independence. Apart from the normal advisory fee payable to us in connection with our engagement as the Independent Financial Adviser, no arrangement exists whereby we shall receive any other fees or benefits from the Company and its subsidiaries or their respective substantial shareholders or any party acting in concert, or presumed to be acting in concert, with any of them. Accordingly, we considered that we are independent to act as the Independent Financial Adviser in respect of the Transaction pursuant to Rule 13.84 of the Listing Rules.

BASIS OF OUR OPINION

In formulating our opinion and recommendation to the Independent Board Committee and the Independent Shareholders, we have relied on the information and facts supplied, opinions expressed, statements and representations made to us by the management of the Group (including but not limited to those contained or referred to in the Circular). We have reviewed the documents including but not limited to (i) the Sale and Purchase Agreement; (ii) the property valuation report of the Properties as set out in Appendix II to this Circular (the "**Valuation Report**"); (iii) the Circular and the Letter from the Board contained therein; (iv) the interim reports of the Company for the six months ended 30 June 2025 (the "**2025 Interim Report**") and the annual reports of the Company for the year ended 31 December 2023 and 2024, respectively (the "**2024 Annual Report**"); and (v) the relevant supporting documents in respect of the Transaction provided by the Company, including but not limited to historical documents and records, to formulate our opinion and recommendation. We have assumed that the information and facts supplied, opinions expressed, statements and representations made to us by the management of the Group were true, accurate and complete at the time they were made and continue to be true, accurate and complete in all material aspects until the date of the EGM. The Shareholders will be informed should there be any material change of information in the Circular up to the date of the EGM. We have also assumed that all statements of belief, opinions, expectation and intention made by the management of the Group in the Circular were reasonably made after due enquiry and careful consideration. Where applicable, we have also conducted independent desktop search and confirmed that there was no material difference between our search result and the information and facts supplied, opinions expressed, statements and representations made to us by the management of the Group. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its management and/or advisers, which have been provided to us.

The Directors have collectively and individually accepted full responsibility of the Circular and have confirmed, having made all reasonable enquiries, that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We considered that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs or future prospects of the Group, or their respective shareholders, subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Transaction. Our opinion is necessarily based on the market, financial, economic and other conditions in effect and the information made available to us as at the Latest Practicable Date. Nothing contained in this letter of advice should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion in respect of the Transaction, we have considered the following principal factors and reasons:

I. Background of the Group

(i) Background information of the Group

The Group is principally engaged in the business of design, manufacture and sales of children and other apparel products. The Company is also engaged in supply chain management and mainly conducts its businesses in the Chinese market.

(ii) Historical financial performance and position of the Group

Set out below is certain financial information of the Group for years ended 31 December 2023 ("**FY2023**") and 2024 ("**FY2024**") as extracted from the 2024 Annual Report, and for each of the six months ended 30 June 2024 ("**1H2024**") and 2025 ("**1H2025**") as extracted from the 2025 Interim Report:

	1H2025 **(unaudited)** *RMB'000*	**1H2024** **(unaudited)** *RMB'000*	**For the FY2024** **(audited)** *RMB'000*	**For the FY2023** **(audited)** *RMB'000*
Wholesales business	50,824	103,903	260,336	150,614
Supply chain management business	239,084	–	128,801	–
Revenue	**289,908**	**103,903**	**389,137**	**150,614**
Gross Profit	**10,780**	**12,411**	**19,120**	**25,534**
Net Loss	**(4,522)**	**(1,054)**	**(28,417)**	**(12,716)**

Discussion on the Group's financial performance for the 1H2025 as compared with that for the 1H2024

Based on the 2025 Interim Report, the Group's revenue reached approximately RMB289.9 million for 1H2025, representing an increase of approximately 179.0% as compared with revenue of approximately RMB103.9 million for 1H2024. Wholesales business of children's apparel and other apparel related products amounted to approximately RMB50.8 million or approximately 17.5% for the Group's revenue during 1H2025 as compared to that of approximately RMB103.9 million for 1H2024. Supply chain management business in trading of bulk commodity products amounted to approximately RMB239.1 million or 82.5% for the Group's revenue during 1H 2025. Gross profit decreased from approximately RMB12.4 million for 1H 2024 to approximately RMB10.8 million for 1H2025. Gross profit margin was approximately 3.7% for 1H 2025, representing a decrease of approximately 8.2 percentage points as compared to that of 11.9% for 1H2024. The Group's net loss for the 1H2025 amounted to approximately RMB4.5 million as compared to the loss for 1H2024 approximately RMB1.1 million.

Discussion on the Group's financial performance for the FY2024 as compared with that for the FY2023

Based on the 2024 Annual Report, the Group's revenue reached approximately RMB389.10 million in FY2024, with a year-on-year growth of approximately 158.4% as compared with revenue of approximately RMB150.6 million for FY2023. Wholesales business of children's apparel and other apparel related products amounted to approximately RMB260.3 million or approximately 66.9% for the Group's revenue during FY2024 as compared to that of approximately RMB150.6 million for FY2023. Supply chain management business in trading of bulk commodity products amounted to approximately RMB128.8 million or 33.1% for the Group's revenue during FY2024. Gross profit decreased by approximately RMB6.4 million or approximately 25.1%, from approximately RMB25.5 million for FY2023 to approximately RMB19.1 million for FY2024. Gross profit margin decreased by 12.1 percent points, from 17.0% for FY2023 to 4.9% for FY2024. The Group's net loss for the FY2024 amounted to approximately RMB28.4 million as compared to the loss for FY2023 approximately RMB12.7 million.

	As at 30 June 2025 (unaudited)	**As at 31 December 2024 (audited)**	**As at 31 December 2023 (audited)**
	RMB'000	*RMB'000*	*RMB'000*
Total Assets	250,565	206,058	218,553
Total Liabilities	80,712	73,582	74,717
Net Assets	169,853	132,476	143,836

Discussion on the Group's financial position as at 30 June 2025 as compared with that as at 31 December 2024

The total assets of the Group were approximately RMB250.6 million and RMB206.1 million as of 30 June 2025 and 31 December 2024, respectively, representing an approximately 21.6% increase, which is mainly attributable to the increase in cash and cash equivalents. The total liabilities of the Group were approximately RMB80.7 million and RMB73.6 million at 30 June 2025 and 31 December 2024, respectively, representing an approximately 9.7% increase, which is mainly attributable to the increase in trade and other payables. The financial position of the Group remained healthy, with consolidated net assets increasing by approximately 28.2%, from approximately RMB132.5 million as of 31 December 2024 to approximately RMB169.9 million as of 30 June 2025.

Discussion on the Group's financial position as at 31 December 2024 as compared with that as at 31 December 2023

The total assets of the Group were approximately RMB206.1 million and RMB218.6 million as of 31 December 2024 and 31 December 2023, respectively, representing an approximately 5.7% decrease, which is mainly attributable to the decrease in inventories. The total liabilities of the Group were approximately RMB73.6 million and RMB74.7 million at 31 December 2024 and 31 December 2023, respectively, representing an approximately 1.52% decrease, which is mainly attributable to the decrease in trade and other payables. The financial position of the Group remained healthy, with consolidated net assets decreasing by approximately 7.9%, from approximately RMB143.8 million as of 31 December 2023 to approximately RMB132.5 million as of 31 December 2024.

II. The Disposal

(i) Background information of the Purchaser and Vendor

INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in PRC with limited liability and directly wholly-owned by Mr. Ding, who is an executive Director and the Chairman of the Board of the Company. The Purchaser is principally engaged in investment holding.

To the best of the directors knowledge, information and belief having made all reasonable enquiry, there is, and in the past twelve months, there has been, no material loan arrangement between (a) the Company, any connected person at the Company's level, and/or any connected person at the subsidiary level to the extent that such subsidiary is involved in the transaction and (b) the Purchaser, its directors and legal representatives and any ultimate beneficial owners of the Purchaser who can exert influence on the transaction.

INFORMATION ON THE VENDOR

The Vendor is an indirect wholly-owned subsidiary of the Company and is a property holding company. The Company is an investment holding company and the Group is principally engaged in (a) the wholesale business of design, manufacture and sales of children's apparel and other apparel related products; and (b) the supply chain management business of the Group which business scope covers the trading of bulk commodities in China.

(ii) Background information of the Target Company and the Properties

The Target Company is a company established on 11 December 2024 in the PRC with limited liability, which is an indirect wholly-owned subsidiary of the Company. The Target Company is established as a property-holding company of the Group which solely owns the Properties. For the purpose of internal reorganization of the Group, the Target Company was spun off from its original entity, Red Kids (China) Co., Ltd. (紅孩兒(中國)有限公司), a company incorporated in the PRC on 20 January 2000 with limited liability and an indirect wholly-owned subsidiary of the Company in December 2024. Upon completion of the reorganization, the Group established a clearer operating structure as the Target Company holding the Properties became a distinct entity while retaining the on-going business with Red Kids (China) Co., Ltd..

The unaudited net assets of the Target Company as at 30 June 2025 was approximately RMB37,136,000.

Set out below is a summary of the key financial data in relation to the Target Company based on its unaudited consolidated management account as at 31 October 2025:

	As at 31 October 2025 (Unaudited) *RMB'000*
Assets	
The Properties	28,764
Amount due from a Group company	6,265
Accounts receivables	502
Cash and cash equivalents	85
Total Assets	35,616
Less:	
Liabilities	(152)
Net Assets Value	35,464

	For the period from the date of incorporation of the Target Company to 31 October 2025 (Unaudited) *RMB'000*
Revenue	1,452
Gross profit	308
Loss before tax	(174)
Loss after tax	(176)

The Properties comprise an industrial complex and some ancillary buildings erected on a parcel of industrial land located at Jinjiang City, Quanzhou, Fujian Province, the PRC. The Properties have a site area of approximately 20,575.80 sq.m. and have a gross floor area of buildings of approximately 42,720.47 sq.m.. As at the date of the Sale and Purchase Agreement, part of the Properties was leased to Independent Third Parties while the remaining portion of the Properties (the "**Relevant Properties**") was leased to Red Kids (China), an indirect wholly-owned subsidiary of the Company, and used by the Group for its business operation and office use the ("**Lease Arrangement**"). Rental income attributable to the Property was RMB1,140,000 for the year ended 31 December 2023 and RMB1,161,000 for the year ended 31 December 2024. Based on the Valuation Report, the Properties are currently leased subject to various tenancies with a total monthly rent of approximately RMB363,124 per month. The reason for the increase of current rental income in comparison with the rental income attributable to the Properties for the two years ended 31 December 2024 is that while the Properties are currently fully occupied and leased to either independent third party tenants or Red Kids (China). The Group failed to rent out all parts of Properties in both 2023 and 2024. The occupancy rates of the Properties were lower than 60% in both 2023 and 2024, which resulted in comparatively less rental income derived from the Properties for the years ended 31 December 2023 and 31 December 2024.

The Properties were classified as property, plant and equipment in the accounts of the Group as at 31 December 2024 with an audited carrying value of approximately RMB32.5 million. As at 31 October 2025, the unaudited carrying value of the Properties was approximately RMB28.8 million. Based on the valuation of the Properties as at 31 October 2025 assessed by the Independent Valuer, the Properties are valued at approximately RMB69.0 million.

(iii) Reasons for and benefits of the Disposal

The Group is constantly looking to improve its business and financial performance. One of the ways is to reallocate capital towards other growth prospects as in this case. On this basis, the Group has been periodically evaluating its assets and business and will consider divestiture as and when there are suitable offers. Based on the assessment on the market value of the Properties as set out in the Valuation Report, the Board is of the view the Consideration is reasonable and in line with the prevailing market price.

Taking into consideration the prevailing property market conditions, the increasing competition and gloomy future outlook in the property market in the PRC, the Board believes that the Disposal will allow the Group to realise its investment in the Properties and apply the net proceeds for the general working capital and business development of the Group.

Although the Group currently has no other production base/sites to perform the same nature of usage as the Properties, pursuant to the Sale and Purchase Agreement, after the Completion, the Purchaser shall continue to let the Relevant Properties to the Group till 30 June 2027 which will enable the Group to continue to keep its office and production base on the Relevant Properties to ensure stable and sustainable production and business operation. Although the current production facilities situated in the Relevant Properties were leased by the Group till 30 June 2027 pursuant to the Lease Arrangement, the Group plans to continue its operation, and would endeavour to seek opportunities to develop and expand its existing apparel business, which is the principal business of the Group. The management may negotiate with the landlord of the Relevant Properties for renewal of the Lease Arrangement when needed and when the management finds it appropriate. Meanwhile, the Group would keep searching for places and facilities in other locations which would enhance the operation and development of the Group's business. The Directors confirm that they have no plan to downscale the Group existing apparel business upon Completion and is determined to continue the development of the Group's current principal business segment to maintain sustainable growth going forward.

Based on the above, the Board considers that the terms of the Sale and Purchase Agreement (including the Consideration) are on normal commercial terms and are fair and reasonable, and the entering into of the Sale and Purchase Agreement by the Vendor is in the interests of the Company and the Shareholders as a whole.

In assessing the fairness and reasonableness of the Disposal, we have reviewed the Annual Report 2024 and Interim Report 2025 and noted that the Group recorded net losses attributable to the owners of the Company for FY2023, FY2024, and 1H2025. We have discussed with the Company to understand the reasons behind the losses, which were primarily attributed to more cautious consumer spending, particularly in relation to non-essential consumer goods. This cautious sentiment among consumers has led to lower and softer demand in the wholesale and retail markets in Mainland China.

Given the unprecedented challenges and market uncertainties, the Group has prioritized preserving cash and strengthening its liquidity during this period. In response to these market conditions, the Group has taken proactive measures to streamline its operations by sharply managing operating expenses, marketing and promotional costs, and finance costs in recent years.

Based on the unaudited consolidated management account as at 31 October 2025, the unaudited net assets value of the Target Group was approximately RMB35,464,000, we noted that the Consideration is substantially higher than the book value of the Target Company. Rental income attributable to the Property was RMB1,140,000 and RMB1,161,000 for the year ended 31 December 2023 and 31 December 2024, respectively.

We have also performed desktop research on the industrial property market. According to the "China Investment Q2/2025" report published by Savills, a leading global real estate services provider, established in 1855 and listed on the London Stock Exchange, China's en-bloc investment market recorded a total transaction volume of RMB204.9 billion in the 12 months to 15 June 2025, representing a 36.0% year-on-year decline – the sharpest drop in recent years. Transaction volumes across all major asset classes, including industrial properties, experienced contractions during this period.

Specifically, the industrial, logistics, and data center sector recorded a substantial 55.5% year-on-year decline in transaction volumes, reaching RMB39.8 billion. The decline was driven by slower e-commerce growth, increasing price competition from new supply, and cost-cutting efforts by tenants. Geopolitical risks and trade uncertainties have further weighed on tenant and investor confidence, while foreign buyer activity in the sector dropped significantly, by 87% year-on-year.

Looking ahead, the industrial property market is expected to remain under pressure in the near term due to ongoing uncertainties and challenges. While supportive policies, such as the development of public REITs, may provide some stability, the market's recovery trajectory remains unclear, requiring investors to adopt a cautious and flexible approach.

Having considered that (i) the Group's consecutive net losses attributable to owners of the Company for FY2023, FY2024, and 1H2025, as disclosed in the Annual Report 2024 and Interim Report 2025, which were primarily driven by cautious consumer spending and lower demand in the wholesale and retail markets in Mainland China; (ii) the Group's focus on preserving cash and strengthening liquidity in light of the unprecedented challenges and market uncertainties impacting the property market and the Group's financial position; (iii) the Disposal will enable the Group to realize its investment in the Properties and apply the net proceeds as general working capital and for business development, thereby improving its liquidity position; (iv) the undertaking provided by the Purchaser will allow the Group to retain its office and production base in its current location in the PRC, ensuring continuity of operations without disruptions; (v) the Disposal is in line with the Group's measures to streamline operations and control operating, marketing, and finance costs in response to challenging market conditions; (vi) the Consideration is substantially higher than the book value of the Target Company and (vii) the significant challenges and uncertainty of the industrial property market in the PRC, we are of the view that the Disposal, are on normal commercial terms and are fair and reasonable, and the entering into of the Sale and Purchase Agreement by the Vendor is in the interests of the Company and the Shareholders as a whole.

(iv) Principal terms of the Disposal

The principal terms of the Disposal are set out below:

Date: 2 December 2025 (after trading hours)

Parties:

1. Red Kids Group (Hong Kong) Limited, as Vendor; and
2. Fujian Quanzhou Langyaoda Investment Company Limited* (福建泉州朗曜達投資有限公司), as Purchaser

Consideration:

The Consideration is RMB75.7 million (equivalent to approximately HK$83.2 million), which shall be payable by the Purchaser to the Vendor in cash at Completion. The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser with reference to, among other things, (i) the appraised value of the Properties as at 31 October 2025, as assessed by the Independent Valuer using market approach, which amounted to approximately RMB69.0 million; and (ii) the value of net assets of the Target Company (apart from the Properties) of approximately RMB6.7 million as at 31 October 2025 to be disposed of under the Disposal. The Independent Valuer adopted the market approach by making reference to market comparables in its assessment of the market value of a property interest. This approach rests on the wide acceptance of the market comparables as the best indicator and pre-supposes that evidence of relevant comparables in the market place can be extrapolated to similar properties, subject to allowances for variable factors. The Directors have reviewed the assumptions adopted by the independent valuer and have been advised that the key assumptions adopted therein are commonly used in valuing similar companies. There are no irregularities noted by the Directors in relation to the quantitative inputs in such valuation. The Directors therefore consider that the key assumptions, quantitative inputs and methodology adopted in such valuation are fair and reasonable.

Directors' assessment on the valuation approach and valuation comparables used by the Valuer in determining the appraised value of the Properties

The Directors are of the view that the market approach adopted by the Valuer, which is the principal method prescribed under relevant valuation standards (including IVS 105 and HKIS Valuation Standards) for industrial properties, is fair and appropriate because of the use of active and accessible comparable data by the Valuer, which includes three asking price comparables and two recent completed transactions within Quanzhou City (all within 18 months and the same city). The Directors considered alternative valuation methods such as income or cost approaches were less suitable as compared to the market approach due to the lack of market reflectivity and the lack of verifiable inputs. Furthermore, the Directors consider that the selection scope of comparables put forward by the Valuer were specific and exhaustive, as they are all sourced from verified and well-known platforms, with property type, location and building age similar to the Properties, which ensure the direct market comparability and valuation accuracy. Please refer to Appendix II to the circular for further details on the valuation approach and valuation comparables used by the Valuer in determining the appraised value of the Properties

Directors' assessment on the reasonableness of quantitative inputs and adjustments

Furthermore, the Directors' consider that the adjustments given by the Valuer to the comparables for differential factors, such as the time, location, quality, size, age, handover, and rights term of the relevant properties, were objectively derived from the Valuer's market evidence, peer transaction analyses and independent legal opinion confirming unencumbered title/ transferability under PRC law, which supports that the appraised value of the Properties as stated in the Valuation Report is fair and reliable.

Directors' assessment on the fairness and reasonableness of the Consideration

Having considered (i) the Valuer is independent from the Company and has relevant experience in conducting the Valuation similar to that of the Properties; (ii) the adoption of market approach for the Properties, is an appropriate valuation methodology; (iii) the reasonableness of the bases and assumptions adopted in the Valuation, the Directors are of the view that the appraised value of the Properties as set out in the Valuation Report in Appendix II to this circular is an appropriate reference point to assess the fairness and reasonableness of the Consideration under the Sale and Purchase Agreement, and the Consideration, which is determined based on the Valuation, is fair and reasonable and in the interests to the Company and its Shareholders.

Subject Matter: Pursuant to the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the entire equity interest of the Target Company, at the Consideration of RMB75.7 million (equivalent to approximately HK$83.2 million).

Conditions precedent: Completion of the Disposal is conditional upon the satisfaction of, among others, the following conditions:

(a) the Vendor having obtained all necessary consents and/or authorisations required under any existing contractual arrangements or for the execution of the Sale and Purchase Agreement;

(b) the Purchaser having obtained all necessary consents and/or authorisations required under any existing contractual arrangements or for the execution of the Sale and Purchase Agreement; and

(c) the Sale and Purchase Agreement and the Transaction contemplated thereunder having been approved by the Shareholders at the EGM.

The above conditions cannot be waived and shall be satisfied on or before the long stop date of the Sales and Purchase Agreement, which shall be 6 months from the execution date of the Sales and Purchase Agreement. If any of the conditions is not satisfied on or before the long stop date, the Sale and Purchase Agreement shall lapse and be of no further effect.

Considering the conditions precedent having taken into account, among other things, the necessary regulatory approval in relation to the Transaction (e.g. the approval of Independent Shareholders at EGM), the Directors are of the view and we concurred that the terms of the Disposal is on normal commercial terms and fair and reasonable.

Upon Completion, the Target Company will be owned as to 100% by the Purchaser and the Target Company will cease to be a subsidiary of the Company. The Company will cease to hold any shares of the Target Company and the financial results of the Target Company will no longer be consolidated into the consolidated financial statements of the Group.

Our Assessment of the Consideration under the Disposal

As disclosed in the Letter from the Board, the consideration for the Target Company was determined by the parties after arm's length negotiations with reference to the appraised market value of the Properties as at 31 October 2025 (the "**Valuation Date**").

Independent Shareholders' attention is drawn to the full text of the Valuation Report conducted by Vincorn Consulting and Appraisal Limited (the "**Vincorn**" or "**Valuer**"), an independent property valuer, as set out in Appendix II to the Circular. In assessing the fairness and reasonableness of the Valuation, we have taken into the following consideration:

The qualification and scope of work of the Valuer

In order to assess the expertise and independence of the Valuer, we have obtained and reviewed (i) the engagement letter of the Valuer; and (ii) the Valuer's relevant qualifications and experience.

We understand that the Valuer is a professional valuation firm since 2019 with possession of relevant professional qualifications and experience required to perform the Valuation Report. As confirmed by the Valuer, (i) it is registered as a firm regulated by Royal Institution of Chartered Surveyors ("**RICS**"); and (ii) the signatory of the Valuation Report, namely, Mr. Kit Cheung and Mr. Vincent Cheung, both of them are chartered surveyor who has over 17 and 28 years' experience respectively in the valuation of properties in Hong Kong and the PRC as well as relevant experience in the Asia-Pacific region. For due diligence purpose, we have conducted telephone discussion with the working team of the Valuer to understand its previous experiences on valuation projects, the methodologies, basis and assumptions they have adopted in the Valuation Report as well as the steps and measures taken by the Valuer in conducting the valuation.

Based on the above, we consider that the Valuer is qualified and possesses relevant experience in conducting the valuations, and the terms and scope of the engagement between the Company and the Valuer are appropriate to the opinion the Valuer is required to give.

Valuation methodologies

We have reviewed the Valuation Report and discussed with the Valuer on the methodologies of, and basis and assumptions adopted therein. We understand that the Valuer has considered a generally accepted valuation method, namely the market approach.

We also understand from the Valuer that the Valuer has also obtained legal opinion for the Properties from Fujian Tenet & Partners Law Firm, which confirms the following:

1. The Target Company has legally obtained the real estate title certificate for the property;

2. The relevant lease agreements are legally and duly performed and do not restrict the title holder and lessor's right to transfer the property; and

3. The property is free from any title defects or encumbrances, is not subject to any ownership disputes or litigation, is exempt from tax-related risks, contains no illegal structures, and is not exposed to any legal risks that may result in administrative penalties. The property may be lawfully and freely transferred.

This legal opinion provides further assurance on the legal status and transferability of the Properties.

The Valuer advises that the selection of market approach, instead of cost approach and income approach, to be the most appropriate methodology for the valuation of the Properties and were valued at RMB69,000,000 as at 31 October 2025. Given the active and accessible comparable data in the area (including both asking and transacted comparables), which supports the market approach, and the ability of this method to reflect fair market value, the market approach was adopted. We understand from the Valuer that market approach is fully in line with the relevant valuation and market standards for appraising the properties being same type as the Properties in the PRC.

We have discussed with the Valuer on the methodology adopted in the Valuation and understood that there are three generally accepted valuation approaches, namely the market approach, the income approach and the cost approach. Market approach was adopted for the Valuation. As advised by the Valuer, market approach is universally considered as the most accepted valuation approach for valuing most forms of property. This involves the analysis of recent market evidence of similar properties to compare with the subject under valuation. Each comparable is analysed on the basis of its unit rate; each attribute of the comparables is then compared with the subject and where there are any differences, the unit rate is adjusted in order to arrive at the appropriate unit rate for the subject. This is done by making percentage adjustments to the unit rate for various factors, such as time, location, building age, building quality and so on.

Based on our independent research, we note that the market approach is a standard and widely accepted methodology for property valuation when there is publicly available market pricing for comparable properties. Given that the Valuer identified and analyzed various relevant market evidences (including both asking and transacted comparables) in the locality which have similar characteristics as the Properties, the Valuer considers that the market approach is a suitable approach for evaluating the Properties. In light of these considerations, we find the adoption of the market approach in the Valuation Report to be reasonable. Given that the Properties primarily comprise an industrial complex and some ancillary building with readily available comparable data (including both asking and actual transactions), we concur with the Valuer's application of the market approach. This methodology aligns with industry best practices and ensures a fair and reliable valuation.

We have tried to cross-check the Valuation using other valuation methodologies. As an alternative, we having considered the suitability of two other valuation methodologies, being cost approach and income approach. However, we are of the view that alternative methodologies in valuing the Properties is not appropriate after discussion with the Valuer as follows:

– Cost approach: the cost approach considers the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation arising from condition, utility, age, wear and tear, or obsolescence (physical, functional or economical) present, taking into consideration past and present maintenance policy and rebuilding history. We understand that the Valuer has not adopted the cost approach since such approach fails to consider the economic benefits generated by the Properties. The Valuer believes that the depreciated replacement costs may not truly reflect the value of the Properties, as the value will be attributed to the transferability of the Properties in the market.

– Income approach: the income approach is the conversion of expected periodic benefits of ownership into an indication of value. It is based on the principle that an informed buyer would pay no more for a property than an amount equal to the present worth of anticipated rental income from the same or a substantially similar property with similar physical and locational attributes. This approach allows for the prospective valuation of rental incomes and there are various significant assumptions for capitalizing the rental incomes. We understand that the Valuer has not adopted the income approach since such approach is dependent on the capitalization rates and anticipated rental incomes to be applied, in which the inputs are relatively unobservable and the result may be very sensitive to certain inputs.

We have attempted to consider the income approach, and noted that the parameters required and assumptions under the income approach may not be easily verified or reasonably justified, while the cost approach required to analyse appropriate cost data on the current cost of replacing an asset with its modern equivalent asset, such as construction costs and other overheads including materials and labour costs, to estimate the cost of replacement. According to the International Valuation Standard, such method may be used as the primary approach when there is either no evidence of sale prices for similar property or no identifiable actual or notional income stream. Therefore, having considered the above and from our experience, it is common for valuers to adopt the most appropriate methodology in valuation, we concur with the Valuer that the market approach is appropriate for valuing the Properties and the results is appropriate.

Our analysis on the model being adopted under the market approach

As advised by the Valuer, it has selected market comparables (the "**Comparables**") for the Valuation Report based on, (i) asking comparables, being the recent asking prices for listed sales; (ii) transacted comparables that were done within 18 months to the Valuation Date; (iii) are located in the same city as the Properties; (iv) have the same usage and land use rights nature as the Properties; and (v) have similar building ages. We understand from the Valuer that the Comparables for the purpose of the Valuation are exhaustive and representative. Our review indicates that the Comparables meet the aforementioned selection criteria. We note from circulars which contained industrial property valuation report published by Hong Kong listed companies that the above-mentioned selection criteria were commonly adopted in industrial property valuation. In addition, we have confirmed with the Valuer that the selection criteria adopted for the Comparables are consistent with those commonly applied in the valuation of industrial property with similar characteristics. As discussed with the Valuer, we are given to understand that due to the intransparency of transaction records in the local market, in addition to the transacted comparables, the Valuer has also referred to the asking comparables falling within the aforesaid selection criteria. In order to address the variances between the asking prices and transacted prices, the Valuer has negotiated with the local agents to verify the achievable price discounts and applied relevant adjustments in terms of nature of transaction to the asking comparables. As advised by the Valuer, it is a common industry practice to consider both comparable asking prices and actual transacted prices for valuation of properties with similar nature. We note from circular which contained industrial property valuation report published by Hong Kong listed company that the above-mentioned selection criteria was adopted in industrial property valuation. Therefore, we are of the view that the adoption of comparable asking prices is fair and representative samples for valuation purpose.

The Valuer has relied on 58 Tongcheng and Real Capital Analytics ("**RCA**") as the sources of information for the Comparables. Based on our independent research, 58 Tongcheng is a well-established life services platform in the PRC, founded in 2005. Its real estate platform provides extensive property listings for sales and leasing, offering a range of features designed to streamline the property search process. These include filters for location, price, size, and other criteria. While RCA is a subscribed leading independent data and analytics platform specializing in commercial real estate investment data, tracking global transactions, pricing, and capital flows for investors, lenders, and brokers. We have confirmed with the Valuer that 58 Tongcheng and RCA are a commonly used and industry-recognized sources of information for property valuations of a similar nature. We have also tried to identify useful information from other sources such as Anjuke (https://hk.fang.anjuke.com), Fangtianxia (https://fang.com) and Lianjia (https://lianjia.com), however, we considered results from 58 Tongcheng is more informative and comprehensive as it provides more sales data for asking comparables of industrial properties. Based on our research, we also noted that RCA is the only platform provides readily available transacted sales data of industrial properties in the PRC. Therefore, we are of the view that the sources of information for the Comparables is reliable.

We have reviewed the Comparables adopted by the Valuer and discussed with the Valuer regarding the reasons for adoption of those Comparables and the calculations to arrive at the Valuation. In evaluating the completeness of the Comparables, we note the following: (i) the Valuer has advised that adopting five recent comparables (including three asking comparables and two recent completed transactions) as of the Valuation Date is consistent with prevailing industry practice for determining the market value of the Properties; and (ii) the Valuer has confirmed that these five recent comparables are sufficient, representative, and appropriate for assessing the market value of the Properties. The Valuer considers that these extensively selected Comparables are capable of reflecting the latest market value of industrial properties in the vicinity of the Properties as of the Valuation Date. Furthermore, we have conducted independent searches on 58 Tongcheng and RCA to verify the Comparables and have noted that their unit rates are consistent with the latest information available on the platform. We further noted that all industrial sale comparables adopted comprise industrial complexes located in Quanzhou, which were listed or transacted within 18 months prior to the Valuation Date. Therefore, we are of the view that the Valuer has undertaken an exhaustive and thorough search for comparable sale evidence (including both asking and transacted comparables). The Valuer has excluded market evidence (including both asking and transacted comparables), which is located far away from the subject property, or has incomparable use, or has incomparable building quality. Several comparables are generally preferable to a single comparable or event. Evidences that happen closer to the valuation date is more representative of the market at that date than older dated transactions, particularly in volatile markets. The Valuer also advised that, in general, three to five comparables would be considered enough to conduct the market approach, which is in line with market practice. In order to further assess the fairness and reasonableness of using asking comparables in valuation, we have conducted a research on the Stock Exchange website and noted that two other companies listed on the Stock Exchange applied same valuation methodology by using asking comparables in valuing properties in the PRC by the market approach with relevant circulars issued within

the three months immediately prior to the date of the Sale and Purchase Agreement. We believe that these properties valuations with circular issued implies that they have been approved by shareholders and directors of other listed companies in Hong Kong and thus the valuation methodology are meaningful for reference. Therefore, based on the above, we are of the view that the five recent comparables adopted by the Valuer is representative and reasonable.

We understand from the Valuer that relevant adjustments have been made to the Comparables based on its professional judgment and experience. These adjustments take into account, among other factors, location, property attributes, and land use rights nature of the properties, to reflect the differences between the Comparables and the Properties. The average of the adjusted unit rates of the Comparables was then applied as the unit rate in determining the valuation of the Properties. We also noted that the adjusted unit rate falls within the range of the asking and transacted prices of the Comparables.

We have obtained and reviewed the list of comparable properties identified by the Valuer for determining the unit price. Based on discussions with the Valuer, it is noted that relevant adjustments, where necessary, have been made to account for the following factors: (i) nature of transaction; (ii) time; (iii) building age; (iv) location; (v) size; and (vi) land use rights term of the reference properties. We are of the view that comparing the adjusted unit rate to the asking and transacted prices of the Comparables is fair and reasonable as the adjusted unit rate is the result of a structured adjustment process designed to compensate for differences between the Comparables and the Properties taking into account factors such as nature of transaction, time, location, building age, size and land use rights terms. With regard to the difference between the asking prices and the transacted prices of the Comparables, we noted that the Valuer has applied a 5% discount to the prices of the asking comparables, we have independently verified the discount by making calls to local agents to enquire about the discount % applied to sales listing of industrial properties in Quanzhou, we observed that a 5% discount can normally be applied to listing prices, therefore, we considered that the 5% adopted by the Valuer is fair and reasonable. We have also conducted a research on the Stock Exchange website and noted that two other companies listed on the Stock Exchange applied same valuation methodology by using asking comparables in valuing properties in the PRC with relevant circulars issued within the three months immediately prior to the date of the Sale and Purchase Agreement. We observed that the discount range adopted in these valuation reports is between 3% to 10%, therefore, we are of the view that the 5% adopted by the Valuer is within range and is considered to be fair and reasonable. In addition, with regard to the land use rights terms, we noted that the adjustment percentage has been derived by the ratio of year purchase adopting the capitalization rate of 4.9%, which is the prevailing 5-year-plus base lending rate announced by the People's Bank of China ("**PBOC**"), we have reviewed the formula in calculating the ratio of year purchase and capitalization rate is one of the factors in the formula reflecting the expected rate of return of holding the asset along the remaining land use rights term which can be indicated by the costs of funding the asset along the period. We are of the view that PBOC base lending rate is representative of the costs of funding in the PRC market and thus is considered as an appropriate capitalization rate for adjustment. We have

also considered the 10-year government bond yield but consider that it is not appropriate to be adopted as capitalization rate in this case as it only reflects the country risk and currency risk without taking into account the risk premium for asset holding. To support this view, we have performed desktop research and understand that the capitalization rate must account for liquidity and asset-specific risks that a risk-free bond yield inherently excludes. The PBOC lending rate serves as a more realistic proxy for the commercial cost of funding required to hold such land interests. Therefore, we consider relying on the objective and transparent PBOC benchmark rate remains the most prudent and reasonable approach to ensure the valuation is not overstated. In general, all the comparables are subject to longer remaining land use rights terms compared with the Properties and thus they are all adjusted downward in terms of the land use rights term. We have discussed with the Valuer about the rationale and methodology for the adjustments and note that the above-mentioned adjustments (including the adjustments to the difference between asking and transacted prices as well as the land use rights terms) were commonly adopted in valuations of properties located in the PRC by different valuers for the purposes of issuing circulars or interim/annual reports of Hong Kong listed companies, therefore, we are of the view that the adjustments are in line with market practice. Accordingly, we are of the view that the adjustments are reasonable and appropriate.

Taking the above into account, we consider that the key valuation assumptions and methodologies adopted by the Valuer in the Valuation are fair and reasonable. However, Independent Shareholders should note that the Valuation involves certain assumptions. As such, the market values derived may not reflect the exact transaction values of the Properties if they were to be sold in the market.

Our view in relation to the Disposal

Having considered (i) the Valuer is independent from the Company and has relevant experience in conducting the valuation similar to that of the Properties; (ii) the adoption of market approach for the Properties, is an appropriate valuation methodology; (iii) the reasonableness of the bases and assumptions adopted in the Valuation; (iv) the key assumptions adopted in the model are fair and reasonable and (v) the assumptions adopted in the Valuation has been reviewed and agreed by the Directors, we consider that the valuation methodology adopted by the Valuer behind the Consideration is fair and reasonable. We consider that the Valuation as set out in the Valuation Report in Appendix II to the Circular is an appropriate reference point to assess the fair and reasonableness of the Consideration under the Sale and Purchase Agreement.

POSSIBLE FINANCIAL EFFECTS OF THE DISPOSAL

Based on the Consideration of RMB75.7 million and the unaudited net asset value of the Target Company of approximately RMB35.5 million of the Target Company, the Group expects to record a gain on disposal of approximately RMB40.2 million upon Completion. The actual gain of the Disposal for the Group as at the Completion Date is subject to audit and therefore may be different from the amount mentioned above.

Based on the Consideration of RMB75.7 million and given that the Group is expected to record an unaudited gain on the Disposal of approximately RMB40.2 million upon Completion, the estimated consolidated net asset value of the Group is expected to increase by approximately RMB39.3 million upon Completion, after taking into account (i) the net proceeds from the Disposal which is expected to be approximately RMB74.7 million; (ii) the estimated consolidated total assets of the Group is expected to decrease by approximately RMB35.6 million; (iii) the estimated consolidated total liabilities of the Group is expected to decrease by approximately RMB0.2 million.

The net proceeds, being the Consideration net of relevant expenses, arising from the Disposal are estimated to be approximately RMB74.7 million and are expected to be used in the following manner:

(i) approximately RMB27.3 million (36.5% of the net proceeds) will be used for potential new projects for business expansion in relation to the existing apparel business of the Group in the PRC. For instance, the Group plans to collaborate with certain reputable local apparel brands and devote resources in the design, production, development and promotion of certain new lines of apparel products, which would help the Group in broadening its customer base and brushing up its brand awareness, and hence improving the Group's profitability in the long run;

(ii) approximately RMB31.8 million (42.6% of the net proceeds) will be used for the Group's business development in new supply chain management in Southeast Asia by devoting resources to expand the business scope to include the importing and exporting of bulk commodity products including but not limited to apparel, industrial, chemical and food products; and

(iii) approximately RMB15.6 million (20.9% of the net proceeds) will be used for general working capital of the Group.

RECOMMENDATION

Having considered the principal factors and reasons discussed above, we are of the opinion that although the entering into of the Sale and Purchase Agreement and the Disposal are not conducted in the ordinary and usual course of business of the Group but it is in the interests of the Company and the Shareholders as a whole and the terms of the Sale and Purchase Agreement are on normal commercial terms and are fair and reasonable. Accordingly, we advise the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the ordinary resolution to be proposed for approving the Sale and Purchase Agreement and the Disposal.

Yours faithfully,
For and on behalf of
First Global Corporate Finance Co., Limited
Wendy Liu
Managing Director

Ms. Liu is a licensed person registered with SFC and regarded as a responsible officer of Type 6 (advising on corporate finance) of First Global Corporate Finance Co., Limited. Ms. Liu has been a responsible officer of Type 6 (advising on corporate finance) regulated activities under SFO since 2014.

1. FINANCIAL INFORMATION

The financial information of the Group for the years ended 31 December 2022, 2023 and 2024, and the financial information of the Group for the 6 months ended 30 June 2025 are disclosed in the following documents and have been published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.redkids.com:

- annual report of the Company for the year ended 31 December 2022 published on 27 April 2023 (pages 76 to 161) on the Stock Exchange's website (https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0427/2023042704258.pdf)

- annual report of the Company for the year ended 31 December 2023 published on 29 April 2024 (pages 75 to 161) on the Stock Exchange's website (https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0429/2024042905455.pdf)

- annual report of the Company for the year ended 31 December 2024 published on 29 April 2025 (pages 80 to 159) on the Stock Exchange's website (https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0429/2025042904316.pdf)

- interim report of the Company for the 6 months ended 30 June 2025 published on 29 September 2025 (pages 20-36) on the Stock Exchange's website (https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0929/2025092902578.pdf)

2. INDEBTEDNESS STATEMENT

As at 30 November 2025, being the most recent practicable date for the purpose of this indebtedness statement, the Group had unsecured lease liabilities amount to approximately RMB1,690,000, of which approximately RMB1,102,000 is the current portion and the remaining of approximately RMB588,000 is the non-current portion.

Save as disclosed above and apart from intra-group liabilities and normal trade payables in the ordinary course of business, the Group did not, as of the close of business on 30 November 2025, have any debt securities issued and outstanding, or authorised or otherwise created but unissued, any other term loans, any other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptance (other than normal trade bills) or acceptance credits or hire purchase commitments, any other mortgages and charges, and any other mortgages and charges or any guarantees or any finance lease commitments or material contingent liabilities.

3. WORKING CAPITAL

Taking into account the Group's cash and cash equivalents on hand, financial resources available to the Group and cash generated from future operations, the Directors after due and careful enquiry, are of the view that, in the absence of unforeseeable circumstances, the Group has sufficient working capital for the Group's present requirements, that is, for at least 12 months from the date of this circular. The Company has obtained the relevant letter as required under Rule 14.66(12) of the Listing Rules.

4. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial and trading position of the Group since 31 December 2024, being the date to which the latest published audited accounts of the Company were made up.

5. FINANCIAL AND TRADING PROSPECTS

The principal activities of the Group are engaged in (a) the wholesale business of design, manufacture and sales of children's apparel and other apparel related products; and (b) the supply chain management business of the Group which business scope covers the trading of bulk commodities in China.

During the year of 2024, the economy of China faced a challenging period of time even the Chinese government continued to implement certain stimulated policies on domestic demand and consumption. Changes in consumption pattern, lower confidence and lower income of the consumers were observed as the consumers became more cautious in spending and the consumption of the goods.

To achieve the Company's strategic objectives, the Company is committed to enhancing operational efficiency by actively improving internal production systems, refining processes, enhancing quality, and lowering costs. In addition, the Company is continuously strengthening budget management, reduced costs, enhanced efficiency and controlled expenses to manage spending, lower costs, and reduce losses. The Company will be committed to deepening marketing and commercialization, actively responding to our challenges in the Chinese market. The Company will enhance the capabilities of our commercialization team through internal training and recruitment of talents with relevant expertise.

As disclosed in the annual report of the Company for the financial year ended 31 December 2024, the Group expects the business scope of the supply chain management business to be expanded to the importing and exporting of bulk commodity including but not limited to industrial and food products. In addition, the Group aims to further diversify its business by exploring new opportunities in relation to the Group's existing apparel business in the PRC.

As disclosed in the interim report of the Company for the six months ended 30 June 2025, the overall Group's sales performance increased by 179% for the six months ended 30 June 2025 as compared with the same period in 2024 with the emergence of supply chain management business. To bring satisfactory and suitable returns to the Company's shareholders, the Directors will use its best endeavor to maintain the Group's existing apparel business, and at the same time, keep exploring the opportunities emerged from the Group's new business segments such as its supply chain management business, and all other opportunities for investments of new scope of businesses other than the Group's existing business segments that can have sustainable growth going forward.

Considering the unprecedented challenges and market uncertainty, the Company is committed to strengthening operational cost management to preserve liquidity and maintain competitiveness. Concurrently, leveraging its extensive industry experience, the Company intends to strategically redirect financial resources towards more resilient and profitable business segments, such as the supply chain management business and exploration of new business opportunities. Looking ahead, the Company will endeavor to capitalize on emerging opportunities, reduce exposure to sector-specific volatilities, and foster sustainable long-term growth in alignment with the Group's strategic objectives.

Therefore, the Disposal allowed the Group to realise its investment in the Properties gained over time with the net proceeds thereof applied to general working capital and business development of the Group and mitigating its liquidity risk as described in the section headed "WORKING CAPITAL" above.

The following is the text of a letter and a valuation certificate prepared for the purpose of incorporation in this circular received from Vincorn Consulting and Appraisal Limited, an independent valuer, in connection with its valuation of the property interests to be disposed of by the Group. Terms defined in this appendix applies to this appendix only.

Vincorn Consulting and Appraisal Limited
Units 1602-4, 16/F
308 Central Des Voeux
No. 308 Des Voeux Road Central
Hong Kong

VINCORN
appraisal · brokerage · consulting

The Board of Directors
Miko International Holdings Limited
Room 1601, Ho King Commercial Centre,
Nos. 2-16 Fa Yuen Street,
Mong Kok, Kowloon,
Hong Kong

13 January 2026

Dear Sirs,

INSTRUCTION AND VALUATION DATE

We refer to your instructions for us to assess the Market Values of the property interests located in The People's Republic of China ("**The PRC**") to be disposed of by Miko International Holdings Limited (the "**Company**") and its subsidiaries (hereinafter together referred to as the "**Group**") for the purposes of public disclosure. We confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary in order to provide you with our opinion of the Market Value of the property interests as at 31 October 2025 (the "**Valuation Date**").

VALUATION STANDARDS

The valuation has been prepared in accordance with the HKIS Valuation Standards 2024 published by The Hong Kong Institute of Surveyors effective from 31 December 2024 with reference to the International Valuation Standards published by the International Valuation Standards Council effective from 31 January 2025; and the requirements set out in the Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

VALUATION BASIS

Our valuation has been undertaken on the basis of Market Value. Market Value is defined 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".

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

No allowances have been made for any charges, mortgages or amounts owing on the property interests, nor for any expenses or taxations which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect the values of the property interests.

As the property interests are held under long term land use rights, we have assumed that the owner has free and uninterrupted rights to use the property interests for the whole of the unexpired term of the land use rights.

VALUATION METHODOLOGY

When valuing the property interests to be disposed of by the Group, we have adopted Market Approach.

Market Approach is universally considered as the most accepted valuation approach for valuing most forms of property. This involves the analysis of recent market evidence of similar properties to compare with the subject under valuation. Each comparable is analysed on the basis of its unit rate; each attribute of the comparables is then compared with the subject and where there are any differences, the unit rate is adjusted in order to arrive at the appropriate unit rate for the subject. This is done by making percentage adjustments to the unit rate for various factors, such as time, location, building age, building quality and so on.

LAND TENURE AND TITLE INVESTIGATION

We have been provided with copies of documents in relation to the titles of the property interests. However, we have not scrutinized the original documents to verify ownership or to verify any amendments, which may not appear on the copies handed to us. We have relied to a considerable extent on information provided by the Group.

We have relied on the advice given by The PRC legal adviser of the Group, Fujian Tenet & Partners Law Firm, regarding the titles of the property interests located in The PRC. We do not accept liability for any interpretation that we have placed on such information, which is more properly placed within the sphere of the legal adviser.

All legal documents disclosed in this letter and the valuation certificate are for reference only. No responsibility is assumed for any legal matters concerning the legal titles to the property interests set out in this letter and the valuation certificate.

INFORMATION SOURCES

We have relied to a considerable extent on information provided by the Group and the legal adviser, in respect of the titles of the property interests located in The PRC. We have also accepted advice given to us on matters such as identification of the properties, particulars of occupancy, areas and all other relevant matters. Dimensions, measurements and areas included in the valuation are based on information contained in the documents provided to us and are, therefore, only approximations.

We have also been advised by the Group that no material factors or information have been omitted or withheld from information supplied and consider that we have been provided with sufficient information to reach an informed view. We believe that the assumptions used in preparing our valuation are reasonable and have had no reason to doubt the truth and accuracy of information provided to us by the Group which is material to the valuation.

INSPECTION AND INVESTIGATIONS

The property was inspected externally and internally. Although not all areas were accessible for viewing at the time of inspection, we have endeavoured to inspect all areas of the property. Investigations were carried out as necessary. Our investigations have been conducted independently and without influence from any third party in any manner.

We have not tested any services of the property and are therefore unable to report on their present conditions. We have not undertaken any structural surveys of the property and are therefore unable to comment on the structural conditions. We have not carried out any investigations on site to determine the suitability of the ground conditions for any future developments. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be required.

We have not carried out any on-site measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the documents or deduced from the plans are correct. All documents and plans have been used as reference only and all dimensions, measurements and areas are therefore approximations.

CURRENCY

Unless otherwise stated, all monetary figures stated in this report are in Renminbi ("**RMB**").

The valuation certificate is attached hereto.

Yours faithfully,
For and on behalf of
Vincorn Consulting and Appraisal Limited

Kit Cheung	**Vincent Cheung**
BSc(Hons) FHKIS MRICS R.P.S.(GP)	*BSc(Hons) MBA FHKIS FRICS R.P.S.(GP)*
MCIREA MHIREA	*MCIREA MHKSI MISCM MHIREA FHKIoD*
RICS Registered Valuer	*RICS Registered Valuer*
Registered Real Estate Appraiser PRC	*Registered Real Estate Appraiser & Agent PRC*
Certified ESG Planner CEP®	*Certified ESG Planner CEP®*
Executive Director	*Managing Director*

Note:

Vincent Cheung is a fellow of the Hong Kong Institute of Surveyors, a fellow of the Royal Institution of Chartered Surveyors, a Registered Professional Surveyor (General Practice) under the Surveyors Registration Ordinance (Cap. 417) in Hong Kong, a member of China Institute of Real Estate Appraisers and Agents, a member of Hong Kong Securities and Investment Institute, a member of Institute of Shopping Centre Management, a member of Hong Kong Institute of Real Estate Administrators, a fellow of the Hong Kong Institute of Directors, a Registered Valuer of the Royal Institution of Chartered Surveyors, a Registered Real Estate Appraiser and Agent People's Republic of China and a Certified ESG Planner CEP®. He is suitably qualified to carry out the valuation and has over 28 years of experience in the valuation of fixed and intangible assets of this magnitude and nature in the subject region.

Kit Cheung is a fellow of the Hong Kong Institute of Surveyors, a member of the Royal Institution of Chartered Surveyors, a Registered Professional Surveyor (General Practice) under the Surveyors Registration Ordinance (Cap. 417) in Hong Kong, a member of China Institute of Real Estate Appraisers and Agents, a member of Hong Kong Institute of Real Estate Administrators, a Registered Valuer of the Royal Institution of Chartered Surveyors, a Registered Real Estate Appraiser People's Republic of China and a Certified ESG Planner CEP®. He is suitably qualified to carry out the valuation and has over 17 years of experience in the valuation of fixed and intangible assets of this magnitude and nature in the subject region.

VALUATION CERTIFICATE

Property Interests to be Disposed of by the Group in The PRC

Property	Description and Tenure	Occupancy Particulars	Market Value in the Existing State as at 31 October 2025
An industrial complex located at No. 168 Chong Rong Street, Jinjiang City, Quanzhou, Fujian Province, The PRC	The property comprises various industrial buildings and ancillary structures erected on a parcel of industrial land located at Jinjiang City, Quanzhou, Fujian Province, The PRC. As per the Real Estate Title Certificates, the property has a site area of approximately 20,575.80 square metres ("**sq.m.**") and a gross floor area ("**GFA**") of approximately 42,720.47 sq.m. It was completed during 2003 and 2016. The area breakdown of the property is listed below:-	As per our on-site inspection and the information provided by the Group, the property is currently leased subject to various tenancies with a total rent of approximately RMB363,124 per month inclusive of taxes and exclusive of utility charges, expiring on various dates from 31 December 2026 to 30 June 2027.	RMB69,000,000 (RENMINBI SIXTY NINE MILLION) 100.00% Interest Attributable to the Group before Disposal: RMB69,000,000 (RENMINBI SIXTY NINE MILLION)

Portion	GFA *(sq.m.)*
No. 1 Factory Building	8,102.50
No. 2 Factory Building	18,592.31
Warehouse No. 1	3,168.61
Dormitories A & B	7,515.45
Research and Development Building	5,341.60
	42,720.47

The land use rights of the property were granted for a term expiring on 20 August 2047 for industrial uses.

Notes:

1. The property was inspected by Charlotte Xu *BSc(Hons) MRICS RICS Registered Valuer* on 16 October 2025.

2. The valuation and this certificate were prepared by Vincent Cheung *BSc(Hons) MBA FHKIS FRICS R.P.S.(GP) MCIREA MHKSI MISCM MHIREA FHKIoD RICS Registered Valuer Registered Real Estate Appraiser & Agent PRC Certified ESG Planner CEP®* and Kit Cheung *BSc(Hons) FHKIS MRICS R.P.S.(GP) MCIREA MHIREA RICS Registered Valuer Registered Real Estate Appraiser PRC Certified ESG Planner CEP®*.

3. Pursuant to five Real Estate Title Certificates, dated 13 June 2025 and issued by Quanzhou City Natural Resources and Planning Bureau, the land use rights of the subject site with a total site area of 20,578.80 sq.m. and the building ownership rights of the property with a total GFA of 42,720.47 sq.m. were legally vested in Quanzhou Hungyu Innovative Business Development Limited.

   The details of the Real Estate Title Certificates are summarized below:

Certificate No.	**Property**	**Site Area** *(sq.m.)*	**GFA** *(sq.m.)*
Min (2025) Bu Dong Chan Quan Di No. 0022420	No. 2 Factory Building	7,690.20	18,592.31
Min (2025) Bu Dong Chan Quan Di No. 0022421	No. 1 Factory Building	4,616.90	8,102.5
Min (2025) Bu Dong Chan Quan Di No. 0022422	Warehouse No. 1		3,168.61
Min (2025) Bu Dong Chan Quan Di No. 0022418	Dormitories A & B	8,268.7	7,515.45
Min (2025) Bu Dong Chan Quan Di No. 0022417	Research and Development Building		5,341.6
		20,575.80	**42,720.47**

4. As per the information provided by the Group, the details of the existing tenancies are summarized below:

Tenant	:	Red Kids (China) Co., Ltd and other tenants
GFA (sq.m.)	:	42,720.471
Commencement Date	:	1 July 2025
Expiry Date	:	Various dates from 31 December 2026 to 30 June 2027
Monthly Unit Rent	:	RMB8.5 per sq.m. per month (inclusive of taxes and exclusive of utility charges)

5. The general description and market information of the property are summarised below:

Location	:	The property is located at No. 168 Chong Rong Street, Jinjiang City, Quanzhou, Fujian Province, The PRC.
Transportation	:	Quanzhou Jinjiang International Airport and Jinjiang Station are located approximately 10.4 kilometres and 17.0 kilometres away from the property respectively.
Nature of Surrounding Area	:	The area is predominately an industrial area in Jinjiang City.
Market Rent	:	The market rent of industrial developments in Jinjiang City area ranges from RMB8.0 to RMB9.0 per sq.m. per month.

6. We have been provided with a legal opinion regarding the property by Fujian Tenet & Partners Law Firm, which contains, inter alia, the following:

(a) Quanzhou Hungyu Innovative Business Development Limited has legally obtained the Real Estate Title Certificates of the property;

(b) The relevant tenancy agreements are legally and duly performed, and do not restrict the rights of the real estate title holder and lessor to transfer the property; and

(c) The property is free from any defects in title or encumbrances and is not subject to any ownership disputes or litigations. It is exempted from any tax-related risks, does not contain any illegal structures, and is not exposed to any legal risks that may result in administrative penalties. Hence, the property can be lawfully and freely transferred.

7. As per the legal opinion received, the ancillary structures including a power distribution room and carport are yet to be granted with a proper title certificate of building ownership rights. In the course of our valuation, we have attributed no commercial value to such structures. The reference value of such structures, assuming that they have been granted with a proper title certificate of building ownership rights and they can be freely transferred, as at the Valuation Date was circa RMB310,000.

8. In the course of valuation of the property by Market Approach, we have considered and analyzed the industrial comparables in the vicinity.

The industrial comparables have been collected on an exhaustive basis subject to the following selection criteria:

Property Type	:	Industrial complex
Location	:	Located within Quanzhou, Fujian Province, The PRC
Time	:	Within 18 months from the valuation date
Building Age	:	Completed after 2000

Based on the above selection criteria, five industrial comparables with unit rates ranging from RMB1,647 to RMB2,519 per sq.m. on the basis of GFA as tabled below have been collected for the assessment of the property.

	Comparable 1	**Comparable 2**	**Comparable 3**
Name of Development	An Industrial Plant Located at Qunxian Village Unit 150	An Industrial Complex Located at Jinxin Road	An Industrial Complex Located at Intersection of Dashen Road and Longshi Road
District	Hui'an County	Jinjiang City	Jinjiang City
City	Quanzhou	Quanzhou	Quanzhou
Property Type	Industrial	Industrial	Industrial
Year of Completion	2018	2020	2024
GFA (sq.m.)	34,752	29,382	55,555
Remaining Land Use Rights Term (year)	36.0	37.4	38.3
Consideration (RMB)	57,240,000	65,584,300	128,000,000
Gross Unit Rate (RMB/sq.m.)	1,647	2,232	2,304
Date	Jan 2025	Sep 2024	Oct 2025
Naure of Transaction	Transacted	Transacted	Asking
Adjustment			
Nature of Transaction	0.0%	0.0%	(5.0%)
Time	(1.3%)	(2.0%)	0.0%
Building Age	(3.8%)	(4.3%)	(5.3%)
Location	15.0%	0.0%	5.0%
Size	1.6%	1.1%	3.7%
Land Use Rights Term	(21.1%)	(22.2%)	(22.9%)
Adjusted Gross Unit Rate (RMB/sq.m.)	1,442	1,648	1,742

	Comparable 4	**Comparable 5**
Name of Development	An Industrial Complex Located at Shandou Village	An Industrial Complex Located at Wuli Industrial Zone
District	Jinjiang City	Jinjiang City
City	Quanzhou	Quanzhou
Property Type	Industrial	Industrial
Year of Completion	2025	2025
GFA (sq.m.)	12,000	33,350
Remaining Land Use Rights Term (year)	39.2	38.8
Consideration (RMB)	26,800,000	84,000,000
Gross Unit Rate (RMB/sq.m.)	2,233	2,519
Date	Oct 2025	Oct 2025
Naure of Transaction	Asking	Asking
Adjustment		
Nature of Transaction	(5.0%)	(5.0%)
Time	0.0%	0.0%
Building Age	(5.5%)	(5.5%)
Location	0.0%	0.0%
Size	(0.7%)	1.5%
Land Use Rights Term	(23.5%)	(23.2%)
Adjusted Gross Unit Rate (RMB/sq.m.)	1,523	1,762

We have relied on 58 Tongcheng and Real Capital Analytics ("**RCA**") as the sources of asking and transacted comparables respectively. 58 Tongcheng was founded in 2005 as a lifestyle service platform in The PRC. Its real estate section provides a broad range of informative listings for both sales and leasing, featuring tools and resources designed to allow for easy and efficient searches of property information, such as filters for location, GFA and other variables. RCA is a leading independent data and analytics platform available by subscription, specializing in commercial real estate investment intelligence. It monitors global transactions, pricing trends, and capital flows. It is widely adopted by investors, lenders, and brokers. As 58 Tongcheng and RCA are widely recognized and frequently utilized sources of information within the

industry for property valuation purposes, we consider the sources of information to be reliable. In addition, we have attempted to research data from alternative platforms, including Anjuke (https://hk.fang.anjuke.com), Fangtianxia (https://fang.com) and Lianjia (https://lianjia.com). Among these sources, asking comparable data of industrial properties from 58 Tongcheng is regarded as the most comprehensive and only RCA provides readily available transacted sales data of industrial properties.

Due to the intransparency of transaction records in the local market, in addition to the transacted comparables, we have also referred to the asking comparables falling within the aforesaid selection criteria. In order to address the variances between the asking prices and transacted prices, we have negotiated with the local agents to verify the achievable price discounts and applied relevant adjustments in terms of nature of transaction to the asking comparables.

In addition to nature of transaction, adjustments in terms of other aspects, including time, location, size, building age and land use rights term have been made to the unit rates of the comparables. After due adjustments in terms of the aforesaid aspects, the adjusted unit rates of the comparables arrive at a range of RMB1,442 to RMB1,762 per sq.m. on the basis of GFA, which are then weighted evenly to derive the adopted unit rate of RMB1,620 per sq.m. on the basis of GFA of No. 2 Factory Building as a benchmark. The rationale of the abovementioned adjustment factors are summarized below:

Adjustment Factor	**Basis of Adjustment**
Nature of Transaction	It refers to the difference between the asking prices and the transacted prices. Upon our negotiation with the local agents, we have noted that the achievable price discounts on the asking prices are about 5% and thus we have applied –5% to the prices of the asking comparables.
Time	It refers to the difference in market conditions between the valuation date and the transaction date of the transacted comparables.
Building Age	It refers to the difference in building age between the property and the comparables. We have applied +/–0.3% per 1-year difference in year of completion of the buildings.
Location	It refers to the difference in accessibility between the location of the property and that of the comparables. For the comparables that are situated in locations inferior to the property, we have made adjustments ranging from +5% to +15%.
Size	It refers to the difference in size between the property and the comparables. We have applied +/–1.0% per 10,000 sq.ft. difference in GFA. In general, the smaller the area, the higher the unit rate.
Land Use Rights Term	It refers to the difference between the remaining land use rights term of the property and that of the comparables. The adjustment percentage has been derived by the ratio of year purchase subject to the following formula:– $[1 - (1/(1+r)^{p})] / [1 - (1/(1+r)^{c})] - 1$ r : capitalization rate reflecting the expected rate of return of holding the asset along the remaining land use rights p : remaining land use rights term of the property c : remaining land use rights term of each comparable By applying the ratio of year purchase, the interests along different remaining land use rights term between the property and each comparable can be capitalized and compared. The prevailing 5-year-plus base lending rate of 4.9% announced by the People's Bank of China has been adopted as the capitalization rate since it is considered as the appropriate rate of return reflecting the relatively long-term asset holding risk along the remaining land use rights term. In general, all the comparables are subject to longer remaining land use rights terms compared with the property and thus they are all adjusted downward in terms of the land use rights term by applying the above-mentioned formula.

Since the other buildings of the property have different size and building age compared with No. 2 Factory Building, further adjustments in terms of size and building age have been made to the unit rate of the No. 2 Factory Building to derive the unit rate for other buildings as shown below:

Building	Size (sq.m.)	Year of Completion	Size Adjustment	Building Age Adjustment	Adopted Unit Rate on the Basis of GFA
No. 1 Factory Building	18,592.31	2003	0.0%	0.0%	RMB1,620 per sq.m.
No. 1 Factory Building	8,102.50	2003	(1.0%)	(0.0%)	RMB1,603 per sq.m.
Warehouse No. 1	3,168.61	2003	(1.5%)	(0.0%)	RMB1,595 per sq.m.
Dormitory A&B	7,515.45	2003	(1.1%)	(0.0%)	RMB1,602 per sq.m.
Research and Development Building	5,341.60	2016	(1.3%)	3.3%	RMB1,650 per sq.m.

By applying the aforesaid unit rates to each building of the property, we have arrived at the valuation of RMB69,000,000 by Market Approach.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company and/or their respective close associates in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which (i) were required to be 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 which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Name of Director	**Number of Shares held** *(Note 1)*	**Number of underlying shares held** *(Note 2)*	**Total**	**Percentage** *(Note 4)*
Mr. Ding Peiji ("**Mr. Ding**")	25,190,869 *(Note 3)*	90,000	25,280,869	11.42%

Notes:

1. Think Wise Holdings Investment Limited ("**Think Wise**") is wholly-owned and controlled by Mr. Ding. Accordingly, Mr. Ding is deemed to be interested in all the Shares in which Think Wise is interested pursuant to the SFO.

2. Mr. Ding, an executive Director, has been granted an option to subscribe for 90,000 Shares under the share option scheme of the Company granted on 2 November 2018.

3. All the interests disclosed above were long positions.

4. This represented the approximate percentage of the total number of issued Shares as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company and/or their respective close associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which (i) were required to be 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 which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

3. INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at the Latest Practicable Date, so far as known to the Directors or chief executive of the Company, the interests and short positions of the substantial shareholders of the Company or other persons (other than the Directors or chief executive of the Company) in the Shares and underlying shares of the Company, which have been disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO and have been recorded in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

Substantial shareholders	**Nature of interests**	**Capacity**	**Number of Shares held** *(Note 4)*	**Percentage** *(Note 5)*
Think Wise *(Note 1)*	Personal interests	Beneficial owner	24,817,669	11.21%
Mr. Ding *(Note 1)*	Corporate interests	Interests of controlled corporation	24,817,669	11.21%
	Personal interests	Beneficial owner	373,200	0.17%
	Personal interests	Beneficial owner	90,000 *(Note 2)*	0.04%
Goldrun Limited *(Note 3)*	Personal interests	Beneficial owner	20,704,000	9.35%
Chen Hsin Fu *(Note 3)*	Corporate interests	Interests of controlled corporation	20,704,000	9.35%

Notes:

1. Think Wise is wholly-owned and controlled by Mr. Ding. Accordingly, Mr. Ding is deemed to be interested in all the Shares in which Think Wise is interested pursuant to the SFO.

2. Mr. Ding, an executive Director, has been granted an option to subscribe for 90,000 Shares under the share option scheme of the Company granted on 2 November 2018.

3. Based on the notices of disclosures of interests of Goldrun Limited and Mr. Chen Hsin Fu each filed with the Stock Exchange dated 13 June 2025, these interests are held by Goldrun Limited, which is wholly owned by Mr. Chen Hsin Fu.

4. All the interests in the Shares disclosed above were long positions. Also, no underlying shares of the Company were held by the substantial shareholders of the Company and other persons stated above.

5. This represented the approximate percentage of the total number of issued Shares as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, the Company had not been notified of any other interests and short positions in the Shares and underlying shares of the Company which would fall to be disclosed to the Company pursuant to 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 pursuant to section 336 of the SFO.

4. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or any of their respective associates had interest in any business that competes or may compete with the business of the Group.

5. INTERESTS IN ASSETS AND CONTRACTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have, since 31 December 2024 (being the date to which the latest published audited accounts of the Company were made up), been (i) acquired or disposed of by; or (ii) leased to; or (iii) proposed to be acquired or disposed of by; or (iv) proposed to be leased to, any member of the Group.

None of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group.

6. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which does not expire or is not determinable by the Group within one (1) year without payment of compensation (other than statutory compensation).

7. MATERIAL CONTRACTS

The following are contracts (not being contracts entered into in the ordinary course of business) entered into by the members of the Group within the two (2) years immediately preceding the Latest Practicable Date and are or may be material:

(i) the Sale and Purchase Agreement.

8. LITIGATION

As at the Latest Practicable Date, there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

9. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinions or advice contained in this circular:

Name	Qualification
Vincorn Consulting and Appraisal Limited	Independent property valuer
First Global Corporate Finance Co., Limited	Independent financial adviser

The expert listed above has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and reference to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, the expert listed above had no shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the expert listed above had no direct or indirect interest in any assets which had been, since 31 December 2024 (being the date to which the latest published audited accounts of the Company were made up), (i) acquired or disposed of by; or (ii) leased to; or (iii) proposed to be acquired or disposed of by; or (iv) proposed to be leased to, any member of the Group.

10. DOCUMENTS ON DISPLAY

Copies of the following documents are published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.itcproperties.com for a period of fourteen (14) days from the date of this circular:

(i) the Sale and Purchase Agreement;

(ii) the letter from the Independent Financial Adviser as set out on pages 19 to 41 of this circular;

(iii) the letter from the Independent Board Committee as set out on pages 17 to 18 of this circular;

(iv) the letter of consent referred to in the paragraph headed "Expert and Consent" in this appendix; and

(v) the valuation report on the Properties as set out in Appendix II to this circular.

11. GENERAL

(a) The company secretary of the Company is Mr. Pang Wing Hong. He is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.

(b) The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

(c) The Company's headquarters and place of business in the PRC is situated at No. 168, Chong Rong Street, Economic Technology Development Zone, Quanzhou City, Fujian Province, the PRC.

(d) The Company's principal place of business in Hong Kong is situated at Room 1601, Ho King Commercial Centre, 2–16 Fa Yuen Street, Mong Kok, Kowloon, Hong Kong.

(e) The branch share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(f) In case of any inconsistency, the English version of this circular shall prevail over the Chinese version.

MIKO INTERNATIONAL HOLDINGS LIMITED
米格國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1247)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting ("**Meeting**") of the shareholders of Miko International Holdings Limited (the "**Company**") will be held at 3rd Floor, Redkids Office Building, No. 168 Chong Rong Street, Economic Technology Development Zone, Quanzhou City, Fujian Province, China on 30 January 2026 at 11:00 a.m. to consider and, if thought fit, transact the following business:

ORDINARY RESOLUTIONS

"**THAT**

1. the sale and purchase agreement dated 2 December 2025 (the "**Sale and Purchase Agreement**") (a copy of which is produced to the Meeting marked "A" and signed by the chairman of the Meeting for identification purpose) entered into between Red Kids Group (Hong Kong) Limited ("**Red Kids**") and Fujian Quanzhou Langyaoda Investment Company Limited* (福建泉州朗曜達投資有限公司) (the "**Purchaser**") pursuant to which Red Kids has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the entire equity interest of Quanzhou Hungyu Innovative Business Development Limited* (泉州紅隅科創產業發展有限公司) (the "**Target Company**") for a consideration of RMB75.7 million (equivalent to approximately HK$83.2 million) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and

2. any one or more directors of the Company be and are hereby authorised to execute all documents and do all such things and take all such steps which, in his opinion, may be necessary, appropriate, desirable or expedient to implement and/or give effect to the terms of, or the transactions contemplated in and for the completion of the Sale and Purchase Agreement and to agree to such variation, amendment or waiver in relation thereto."

* *For identification purpose only*

By order of the Board of
Miko International Holdings Limited
Liu Min
Executive Director

Hong Kong
13 January 2026

Notes:

1. Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted by a show of hands. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

2. The register of members of the Company will be closed from Tuesday, 27 January 2026 to Friday, 30 January 2026, both days inclusive, during which no transfer of shares of the Company will be registered. In order to be entitled to attend and vote at the Meeting, shareholders of the Company must ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Monday, 26 January 2026. The record date for determining attendance and voting at the EGM is Friday, 30 January 2026.

3. Any shareholder of the Company entitled to attend and vote at the Meeting is entitled to appoint another person as his or her proxy to attend and vote on his or her behalf. A shareholder of the Company who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a shareholder of the Company.

4. Where there are joint registered holders of any shares of the Company, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such shares as if he or she was solely entitled to do so. However, if more than one of such joint holders be present at any Meeting personally or by proxy, the joint holder whose name stands first on the register of members of the Company in respect of the relevant joint holding shall alone be entitled to vote in respect of such joint holding.

5. In order to be valid, a proxy form in the prescribed form together with the power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 48 hours before the time fixed for holding the Meeting or any adjournment of such meeting.

6. For the purpose of this notice, unless otherwise specified, the conversion of RMB into HK$ is based on the approximate exchange rate from HK$1.00 to RMB0.91. The exchange rate is adopted for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rate at all.

As at the date of this notice, our executive Directors are Mr. Ding Peiji, Ms. Liu Min and Mr. Yu Jianjun; and our independent non-executive Directors are Mr. Ng Shing Kin, Mr. Chen Jun and Mr. Guo Zheng.