

Eternity Technology Holdings Limited
恒達科技控股有限公司

13 May 2021

To the Independent Shareholders:

Dear Sir/Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY
KINGSTON SECURITIES LIMITED
FOR AND ON BEHALF OF
HONG KONG AEROSPACE TECHNOLOGY GROUP LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
ETERNITY TECHNOLOGY HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR AGREED
TO BE ACQUIRED BY THE OFFEROR AND/OR
PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

We refer to the composite offer and response document dated 13 May 2021 jointly issued by the Offeror and the Company (the “**Composite Document**”), of which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as those defined in the Composite Document.

We have been appointed by the Board to form the Independent Board Committee to consider the terms of the Offer and to make a recommendation to you as to whether, in our opinion, the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned, and as to acceptance thereof.

INCU has been appointed, with our approval, as the Independent Financial Adviser to advise us in respect of the fairness and reasonableness of the Offer and as to the acceptance of the Offer. Your attention is drawn to the section headed “Letter from the Independent Financial Adviser” set out on pages 32 to 54 of the Composite Document which contains the details of its advice and the principal factors and reasons taken into consideration in arriving at its recommendation in respect of the Offer.

We also wish to draw your attention to the section headed “Letter from Kingston Securities” set out on pages 10 to 21 of the Composite Document which contains, inter alia, information about the Offer; the section headed “Letter from the Board” set out on pages 22 to 29 of the Composite Document and the additional information set out in the Composite Document, including the appendices to the Composite Document and the accompanying Form of Acceptance in respect of the terms of the Offer and acceptance and settlement procedures for the Offer.

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OPINION AND RECOMMENDATION

Taking into account the terms of the Offer and the independent advice from the Independent Financial Adviser, and the principal factors and reasons taken into account in arriving at its recommendation, we consider that the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned. However, the price of the Shares has been traded substantially higher than the Offer Price, since the publication of the Joint Announcement up to the Latest Practicable Date. As such, we recommend and remind the Independent Shareholders, who wish to dispose all or part of their shareholding, that they should closely monitor the market price and liquidity of the Shares during the Offer Period to dispose of their Shares in the market, should there be sufficient liquidity of the Shares; and the net proceeds obtained from such disposal of the Shares (after deducting all transaction costs) would be higher than the net proceeds from accepting the Offer, and those who are unable to do so during the Offer Period should accept the Offer. Independent Shareholders are recommended to read the full text of the letter from the Independent Financial Adviser set out in the Composite Document.

For those Independent Shareholders who wish to realise their investment in the Company in the open market should also consider and monitor the trading volume of the Shares during the Offer Period by taking into account the thin historical trading volume of the Shares on the Stock Exchange as they may experience the difficulty in disposing of their Shares in the open market without creating downward pressure on the price of the Shares.

Notwithstanding our recommendation, the Independent Shareholders are strongly advised that the decision to realise or to hold their investment is subject to individual circumstances and investment objectives. If in doubt, the Independent Shareholders should consult their own professional advisers for advice. Furthermore, the Independent Shareholders who wish to accept the Offer are recommended to read carefully the terms and procedures for acceptance of the Offer as detailed in the Composite Document and the accompanying Form of Acceptance.

Eternity Technology Holdings Limited

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Yours faithfully,

**The Independent Board Committee of
Eternity Technology Holdings Limited**



Wu Chi-luen
*Independent non-executive
Director*

Chan Chung Kik, Lewis
*Independent non-executive
Director*

Chow Kit Ting
*Independent non-executive
Director*

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*Independent non-executive
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