

GOOD FRIEND INTERNATIONAL HOLDINGS INC.

友佳國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2398)

21 October 2021

To the Independent Shareholders

Dear Sir or Madam

**(1) PROPOSAL FOR THE PRIVATISATION OF
GOOD FRIEND INTERNATIONAL HOLDINGS INC. BY THE OFFEROR
BY WAY OF A SCHEME OF ARRANGEMENT
(UNDER SECTION 86 OF THE COMPANIES ACT)
AND
(2) PROPOSED WITHDRAWAL OF LISTING**

We refer to the joint announcement dated 12 August 2021 issued by the Offeror and the Company and the document dated 21 October 2021 jointly issued by the Offeror and the Company in relation to the Proposal (the “**Scheme Document**”), of which this letter forms part. Unless the context requires otherwise, terms used in this letter shall have the same meanings as those defined in the Scheme Document.

We have been appointed by the Board as the Independent Board Committee to make a recommendation to the Independent Shareholders in respect of the Proposal and the Scheme, details of which are set out in the letter from the Board on pages 19 to 37 of the Scheme Document and the Explanatory Statement on pages 76 to 108 of the Scheme Document.

Somerley, the Independent Financial Adviser, has been appointed with our approval, to advise us in connection with the Proposal and the Scheme. The details of its advice and the principal factors and reasons taken into consideration in arriving at its recommendations are set out in the letter from the Independent Financial Adviser on pages 40 to 75 of the Scheme Document.

In the letter from the Independent Financial Adviser as set out on pages 40 to 75 of the Scheme Document, the Independent Financial Adviser states that it considers the terms of the Proposal and the Scheme are fair and reasonable so far as the Independent Shareholders are concerned, and advises the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the EGM to approve the Scheme and implement the Proposal.

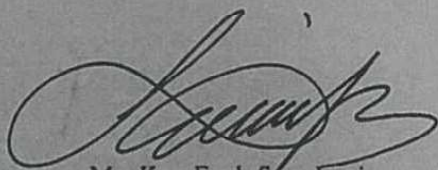
The Independent Board Committee, having considered the terms of the Proposal and the Scheme, and having taken into account the advice of the Independent Financial Adviser, in particular the factors, reasons and recommendations as set out in the section headed "Letter from the Independent Financial Adviser" of the Scheme Document, considers that the terms of the Proposal and the Scheme are fair and reasonable so far as the Independent Shareholders are concerned.

Accordingly, the Independent Board Committee recommends:

- (a) the Independent Shareholders to vote in favour of the resolution to approve the Scheme at the Court Meeting; and
- (b) the Independent Shareholders to vote, at the EGM, in favour of (i) the special resolution to approve and give effect to the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares as a result of the Scheme; (ii) the ordinary resolution to immediately thereafter increase the number of Shares in the issued share capital of the Company to the number prior to the cancellation and extinguishment of the Scheme Shares by an application of the reserve created as a result of the aforesaid cancellation and extinguishment of the Scheme Shares to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished as a result of the Scheme, credited as fully paid, to be allotted and issued to the Offeror; and (iii) the special resolution to approve the withdrawal of the listing of the Shares and the TDRs on the Stock Exchange and the Taiwan Stock Exchange, respectively upon the Scheme becoming effective.

The Independent Board Committee draws the attention of the Independent Shareholders to (i) the letter from the Board set out on pages 19 to 37 of the Scheme Document; (ii) the letter from the Independent Financial Adviser set out on pages 40 to 75 of the Scheme Document, which sets out the factors and reasons taken into account by the Independent Financial Adviser in arriving at its recommendations to the Independent Board Committee; and (iii) the Explanatory Statement set out on pages 76 to 108 of the Scheme Document.

Yours faithfully,
The Independent Board Committee



Mr. Koo Fook Sun, Louis
*Independent non-executive
Director*

Mr. Yu Yu-Tang
*Independent non-executive
Director*

Mr. Kao Wen-Cheng
*Independent non-executive
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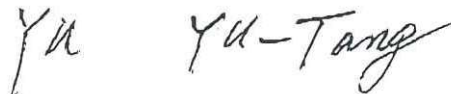
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W. C. Kao

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