

LOTUS HORIZON HOLDINGS LIMITED

智中國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 6063)

Executive Directors:

Mr. CHU Kwok Fun

(Chairman and Chief Executive Officer)

Mr. YEUNG Kin Wa

(Chief Financial Officer)

Independent non-executive Directors:

Ms. LEUNG Yin Fai

Mr. MA Tsz Chun

Ms. YUEN Wai Yee

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

Principal place of business

in Hong Kong:

Unit 2102–2107, 21/F, Delta House

3 On Yiu Street

Shatin, New Territories

Hong Kong

29 September 2026

To the Independent Shareholders

Dear Sirs,

**MANDATORY UNCONDITIONAL CASH OFFER BY
RAINBOW CAPITAL (HK) LIMITED FOR AND ON BEHALF OF
VICTOR XU LIMITED TO ACQUIRE ALL THE ISSUED SHARES OF
LOTUS HORIZON HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE
ACQUIRED BY VICTOR XU LIMITED, ITS ULTIMATE BENEFICIAL
OWNERS OR PARTIES ACTING IN CONCERT WITH ANY OF THEM)**

INTRODUCTION

Reference is made to the Joint Announcement jointly published by the Offeror and the Company dated 8 September 2026 in relation to, among other things, the Acquisition and the Offer.

As disclosed in the Joint Announcement, on 2 September 2026 (after trading hours of the Stock Exchange), the Offeror (as the purchaser) and the Vendor (as the vendor) entered into the Sale and Purchase Agreement, pursuant to which the Vendor agreed to sell and the Offeror

agreed to acquire, the Sale Shares (i.e. a total number of 1,495,000,000 Shares, being 74.75% of the entire issued share capital of the Company as at the Latest Practicable Date), for total cash consideration of HK\$101,660,000 (equivalent to HK\$0.068 per Sale Share). Pursuant to the Sale and Purchase Agreement, the Vendor agreed to sell 1,495,000,000 Sale Shares (representing 74.75% of the entire issued share capital of the Company as at the Latest Practicable Date). The Consideration in the amount of HK\$101,660,000 payable by the Offeror to the Vendor under the Sale and Purchase Agreement at Completion. The Consideration was fully settled by the Offeror by cash from its internal resources immediately upon the signing of the Sale and Purchase Agreement. Such internal resources were neither borrowed from nor provided by any third party.

Completion took place immediately upon the signing of the Sale and Purchase Agreement on 2 September 2026.

The purpose of this Composite Document (of which this letter forms part) is to provide you with, among other things, (i) further information relating to the Group, the Offeror and parties acting in concert with it and the Offer; (ii) the Letter from Rainbow Capital containing, among others, the details of the Offer; (iii) the letter from the Independent Board Committee containing its recommendations to the Independent Shareholders in respect of the Offer; and (iv) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the terms of the Offer and as to the acceptance of the Offer.

Terms used in this letter shall have the same meanings as those defined in this Composite Document unless the context otherwise requires.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Under Rule 2.1 of the Takeovers Code, a board which receives an Offer or is approached with a view to an Offer being made, must, in the interests of shareholders, establish an independent committee of the board to make a recommendation: (i) as to whether the Offer is, or is not, fair and reasonable; and (ii) as to acceptance.

The Independent Board Committee comprising all the independent non-executive Directors who have no direct or indirect interest in the Offer, namely Ms. Leung Yin Fai, Mr. Ma Tsz Chun and Ms. Yuen Wai Yee, has been established in accordance with Rules 2.1 and 2.8 of the Takeovers Code to make a recommendation to the Independent Shareholders in respect of the Offer as to whether the Offer is fair and reasonable and as to acceptance of the Offer.

First Global has been appointed as the Independent Financial Adviser with the approval of the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code to advise the Independent Board Committee in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer. The advice of the Independent Financial Adviser and the recommendations of the Independent Board Committee are included in the Composite Document despatched to the Independent Shareholders.

The full texts of the letter from the Independent Board Committee addressed to the Independent Shareholders and the letter from the Independent Financial Adviser addressed to the Independent Board Committee are set out in this Composite Document.

You are strongly advised to read the “Letter from the Independent Board Committee” to the Independent Shareholders, the “Letter from the Independent Financial Adviser” and the additional information contained in the appendices to this Composite Document before taking any action in respect of the Offer.

THE OFFER

Principal terms of the Offer

As disclosed in the “Letter from Rainbow Capital”, Rainbow Capital is making the Offer for and on behalf of the Offeror in compliance with the Takeovers Code on the following basis:

For each Offer Share HK\$0.068 in cash

The Offer Price of HK\$0.068 per Offer Share is equivalent to the Consideration paid by the Offeror (i.e. HK\$101,660,000), divided by the number of the Sale Shares (i.e. 1,495,000,000 Shares).

Save for the acquisition of the Sale Shares under the Sale and Purchase Agreement, the Facility Agreement and the share charges over the Sale Shares in connection with the Facility, neither the Offeror, its sole director (i.e. Mr. Xu), the Offeror’s ultimate beneficial owners nor any parties acting in concert with any of them (including but not limited to High Surplus and Mr. Yiu To Wa) had dealt for value in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities during the Relevant Period.

The Offer is unconditional in all respects and is not conditional upon acceptances being received in respect of a minimum number of Offer Shares or any other conditions.

The Offer is extended to all Independent Shareholders, being Shareholders other than the Offeror, its ultimate beneficial owners and parties acting in concert with any of them in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer shall be fully paid and free from all encumbrance and together with all rights and benefits attached and accrued thereto, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of despatch of this Composite Document.

As at the Latest Practicable Date, there are 2,000,000,000 Shares in issue. The Company does not have any other outstanding Shares, options, derivatives, warrants or other securities which are convertible or exchangeable into Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code), and has not entered into any agreement for the issue

of such Shares, options, derivatives, warrants or securities which are convertible or exchangeable into Shares or other relevant securities in the Company.

The Company confirms that as at the Latest Practicable Date, (i) it has not declared any dividend which is not yet paid; (ii) there was no dividend declared but unpaid; and (iii) it does not have any intention to make, declare or pay any future dividend or make other distributions prior to and including the date of closing of the Offer.

Further details of the terms of the Offer and the procedures for acceptance of the Offer are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

The Offer Price

Please see the paragraphs headed “Comparison of value” and “Highest and lowest Share Prices” in the “Letter from Rainbow Capital” for details of the Offer Price.

Total Value of the Offer

Please see the paragraphs headed “Total Value of the Offer” in the “Letter from Rainbow Capital” for details of the Offer Price.

Further details of the Offer

Further details of the Offer, including, among other things, its extension to the Overseas Independent Shareholders, information on taxation, the terms and conditions and the procedures for acceptance and settlement and acceptance period can be found in the “Letter from Rainbow Capital” and “Appendix I – Further Terms and Procedures of Acceptance of the Offer” to this Composite Document and the accompanying Form of Acceptance.

INFORMATION ON THE GROUP

The Company was incorporated in the Cayman Islands with limited liability and the Shares are listed on the main board of the Stock Exchange (stock code: 6063) since 15 April 2020. The Company is an investment holding company and its subsidiaries are principally engaged in the provision of design, supply and installation services for façade works and building metal finishing works.

Set out below is the summary of the financial information of the Group for the financial years ended 31 March 2026 and 31 March 2025 as extracted from the annual report of the Company for the year ended 31 March 2026:

	For the year ended 31 March	
	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)
Revenue	225,980	259,826
Profit/(Loss) before taxation	(3,130)	3,637
Profit/(Loss) for the year	(3,307)	3,193
	As at 31 March	
	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)
Total assets	171,075	160,768
Total equity	125,658	128,963

Your attention is also drawn to Appendices II and III to this Composite Document which contain respectively further financial information and general information of the Group.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the authorized share capital of the Company was HK\$100,000,000 divided into 10,000,000,000 ordinary Shares, and there are 2,000,000,000 Shares in issue. Save as aforesaid, the Company has no other outstanding Shares, options, warrants, derivatives or other securities that are convertible or exchangeable into Shares or other relevant securities in the Company (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the Latest Practicable Date.

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

Shareholders	Immediately before Completion		Immediately after Completion and as at the Latest Practicable Date	
	Number of Shares	Approximate %	Number of Shares	Approximate %
The Offeror, its ultimate beneficial owners or parties acting in concert with any of them				
– The Offeror	–	–	1,495,000,000	74.75
Vendor				
Platinum Lotus Holdings Limited ⁽¹⁾	1,500,000,000	75.00	5,000,000	0.25
Public Shareholders ⁽²⁾	<u>500,000,000</u>	<u>25.00</u>	<u>500,000,000</u>	<u>25.00</u>
Total⁽³⁾	<u><u>2,000,000,000</u></u>	<u><u>100.00</u></u>	<u><u>2,000,000,000</u></u>	<u><u>100.00</u></u>

Notes:

1. The entire issued share capital of Platinum Lotus Holdings Limited is legally, beneficially and wholly-owned by Mr. Chu (an executive Director and the chairman of the Board), which in turn held 1,500,000,000 Shares. Therefore, Mr. Chu is deemed to be interested in 1,500,000,000 Shares held by Platinum Lotus Holdings Limited, and he is deemed, or taken to be, interested in all the Shares held by Platinum Lotus Holdings Limited by virtue of Part XV of the SFO. Ms. Dai Wing Yi Marjor is the spouse of Mr. Chu and is therefore deemed to be interested in all the Shares which Mr. Chu is interested in for the purpose of the SFO.
2. Other than Mr. Chu, none of the Directors held any Shares immediately before and following Completion and as at the Latest Practicable Date.
3. Certain percentage figures included in this table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

INFORMATION ON THE OFFEROR

Your attention is drawn to the section headed “Information on the Offeror” in the “Letter from Rainbow Capital” and Appendix IV “General Information of the Offeror” to this Composite Document.

INTENTIONS OF THE OFFEROR REGARDING THE GROUP

Your attention is drawn to the section headed “Intentions of the Offeror regarding the Group” in the “Letter from Rainbow Capital” in this Composite Document.

The Board is pleased to note that, as at the Latest Practicable Date, it is the intention of the Offeror that the Group's existing principal activities will be maintained in the long run and does not intend to introduce any major changes to the existing operations and business of the Group immediately after close of the Offer and will neither redeploy nor dispose of any of the assets (including fixed assets) of the Group other than in the ordinary and usual course of business. However, the Offeror reserves the right and cannot rule out making any changes that it deems necessary or appropriate to the Group's businesses and operations to enhance the value of the Group.

Nevertheless, it is also noted by the Board that in order to enhance and strengthen the business of the Group, the Offeror intends to conduct a detailed review over the Group by appraising and assessing the existing principal businesses, operations, financial position and investments of the Group for the purpose of formulating long-term business plans and strategies for the future business development of the Group. Subject to the results of such review and should suitable investment or business opportunities arise, the Offeror may explore such arisen opportunities and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Company.

Any acquisition or disposal of the assets or business of the Group, if any, will be conducted in compliance with the Listing Rules.

As at the Latest Practicable Date, the Board is given the understanding that (i) the Offeror did not have any intention, understanding, negotiation, arrangement, and agreements (whether formal or informal, express or implied, verbal or in writing) to downsize or dispose of any existing business or assets of the Group; and (ii) no investment or business opportunity have been identified nor had the Offeror entered into any agreement, arrangement, understanding or negotiation (whether formal or informal, express or implied, verbal or in writing) in relation to the disposal of any assets or business of the Group.

Furthermore, the Offeror intends to nominate new director(s) to the Board with effect from a date which is no earlier than that permitted under the Listing Rules and the Takeovers Code or such later time as the Offeror considers to be appropriate. It is intended that Mr. Xu will be appointed as a Director, and the Offeror is in the course of identifying additional candidates for the Board. As at the Latest Practicable Date, the Offeror has not reached any final decision as to (i) who will be nominated as new Director(s) of the Company; and (ii) the final composition of the Board. Any changes to the Board will be made in compliance with the Takeovers Code, the Listing Rules and the articles of association of the Company, and a separate announcement will be made in this regard in accordance with the Listing Rules as and when appropriate.

As at the Latest Practicable Date, no Director has expressed and/or indicated intention to resign.

Save for the Offeror's intention regarding the Group set out above, the Offeror has no intention to make material changes to the employment of the employees of the Group.

The Board is willing to cooperate with the Offeror and act in the best interests of the Company and its Shareholders as a whole.

PUBLIC FLOAT AND MAINTENANCE OF THE LISTING STATUS OF THE COMPANY

As disclosed in the paragraph headed "Public Float and Maintenance of the Listing Status of the Company" in the "Letter from Rainbow Capital" of this Composite Document, the Board is aware that the Offeror intends to maintain the listing of the Shares on the Stock Exchange following the close of the Offer and that the Offeror does not intend to avail itself of any powers of compulsory acquisition of any outstanding Offer Shares after the close of the Offer.

The Stock Exchange has stated that if, at the close of the Offer, the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) an orderly market does not exist or may not exist,

the Stock Exchange will consider exercising its discretion to suspend trading in the Shares. Furthermore, if, at the close of the Offer, the Company has a Significant Public Float Shortfall, then:

- (i) the Stock Exchange will add a designated marker to the stock name of the Shares; and
- (ii) the Stock Exchange will cancel the listing of the Company's Shares if the Company fails to re-comply with Rule 13.32B of the Listing Rules for a continuous period of 18 months from the commencement of the Significant Public Float Shortfall.

The Board is aware that the sole director of the Offeror has undertaken, and the new Director(s) (if any) proposed by the Offeror will jointly and severally undertake, to the Stock Exchange that if, at the close of the Offer, the Company fails to comply with the requirement of Rule 13.32B of the Listing Rules, they will take appropriate steps to ensure the Company's compliance with Rule 13.32B of the Listing Rules at the earliest possible moment.

RECOMMENDATION

None of the members of the Independent Board Committee is interested in or involved in the Offer.

Your attention is drawn to (i) the "Letter from the Independent Board Committee" as set out on pages IBC-1 to IBC-2 of this Composite Document which contains its recommendation to the Independent Shareholders as to whether the Offer is, or is not, fair and reasonable and as to

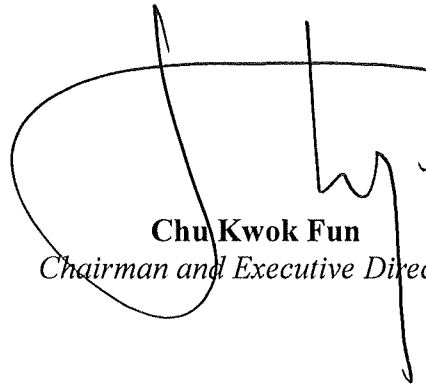
their acceptance of the Offer; and (ii) the “Letter from the Independent Financial Adviser” as set out on pages IFA-1 to IFA-23 of this Composite Document which contains its advice to the Independent Board Committee in connection with the Offer and the principal factors considered by it in arriving at its advice.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendices to the Composite Document. Further details on the terms and the procedures for acceptance of the Offer are set out in Appendix I “Further Terms and Procedures of Acceptance of the Offer” to the Composite Document and the accompanying Form of Acceptance.

In considering what action to take in connection with the Offer, you should consider your own tax positions, if any, and, in case of any doubt, consult your professional advisers.

By Order of the Board
Lotus Horizon Holdings Limited

A large, stylized handwritten signature in black ink, consisting of a large loop on the left and a vertical line on the right with a small flourish at the top.

Chu Kwok Fun
Chairman and Executive Director