



31 December 2025

To the Offer Shareholders,

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY
LEGO SECURITIES LIMITED
FOR AND ON BEHALF OF THE JOINT OFFERORS
TO ACQUIRE ALL THE ISSUED SHARES OF
IDT INTERNATIONAL LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED
TO BE ACQUIRED BY THE JOINT OFFERORS AND
PARTIES ACTING IN CONCERT WITH ANY OF THEM)**

INTRODUCTION

Reference is made to the Joint Announcement.

The Sale and Purchase Agreement

As disclosed in the Joint Announcement, on 22 October 2025 (before trading hours), the Joint Offerors (as purchasers) and the Receiver (as receiver) entered into the Sale and Purchase Agreement, pursuant to which the Joint Offerors have conditionally agreed to acquire, and the Receiver has (as receiver exercising his power pursuant to the Share Charge) conditionally agreed to sell, the Sale Shares, being 312,432,503 Shares (representing approximately 72.10% of the entire issued share capital of the Company as at the Latest Practicable Date). The Consideration is HK\$185,616,150, equivalent to approximately HK\$0.5941 per Sale Share. Completion took place on 30 October 2025.

Immediately prior to Completion, the Joint Offerors and parties acting in concert with any of them did not hold, own, control or have direction over any Shares in the share capital or voting rights of the Company. Immediately upon Completion, the Joint Offerors and parties acting in concert with any of them are interested in 312,432,503 Shares (representing approximately 72.10% of the entire issued share capital of the Company).

Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Joint Offerors are required to make a mandatory unconditional cash offer for all issued Shares (other than those already owned or agreed to be acquired by the Joint Offerors and parties acting in concert with any of them).

Purpose of this letter

This letter forms part of this Composite Document and sets out, among other things, principal terms of the Offer, together with the information on the Joint Offerors and the intention on the Joint Offerors in relation to the Group. Further details of the Offer are also set out in Appendix I to this Composite Document and the accompanying Form of Acceptance. Your attention is also drawn to the “Letter from the Board”, the “Letter from the Independent Board Committee” to the Offer Shareholders and the “Letter from the Joint Independent Financial Advisers” to the Independent Board Committee as contained in this Composite Document.

THE OFFER

Principal terms of the Offer

Lego Securities, for and on behalf of the Joint Offerors, is making the Offer to acquire all the Offer Shares in accordance with the Takeovers Code and on the terms set out in this Composite Document and in the Form of Acceptance on the following basis:

Offer Price for each Offer Share. HK\$0.5941 in cash

The Offer Price of HK\$0.5941 per Offer Share is the same as the price of HK\$0.5941 per Sale Share paid by the Joint Offerors under the Sale and Purchase Agreement.

The Offer is unconditional in all respects. The Offer is extended to all Shares in issue other than those Shares held by the Joint Offerors and parties acting in concert with any of them.

As at the Latest Practicable Date, 433,332,181 Shares were in issue and the Company does not have any outstanding options, derivatives, warrants or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares or which confer rights to require the issue of Shares.

The Board confirms that, as at the Latest Practicable Date, (i) the Company has not declared any dividend or other distribution which remains unpaid; and (ii) it does not have any intention to make, declare or pay any future dividend/make other distributions on or before the close of the Offer. If, after the Latest Practicable Date, any dividend or other distribution is made or paid in respect of the Offer Shares, the Joint Offerors will reduce the Offer Price by an amount equal to the gross amount of such dividend or other distribution received or receivable by the Offer Shareholders pursuant to Note 3 to Rule 26.3 and Note 11 to Rule 23.1 of the Takeovers Code.

The Joint Offerors will not increase the Offer Price for the Offer Shares as set out above. Shareholders and potential investors should be aware that, following the making of this statement, the Joint Offerors will not be allowed to increase the Offer Price and the Joint Offerors do not reserve the right to increase the Offer Price.

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

Offer Price

The Offer Price of HK\$0.5941 per Offer Share represents:

- (i) a discount of approximately 81.94% over the closing price of HK\$3.29 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 68.90% to the closing price of HK\$1.91 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 70.88% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day of approximately HK\$2.04 per Share;
- (iv) a discount of approximately 71.16% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day of approximately HK\$2.06 per Share;
- (v) a discount of approximately 71.98% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day of approximately HK\$2.12 per Share;
- (vi) a discount of approximately 63.77% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the 60 consecutive trading days up to and including the Last Trading Day of approximately HK\$1.64 per Share;
- (vii) a premium of approximately 262.26% over the unaudited consolidated net asset value attributable to the owners of the Company of approximately HK\$0.164 per Share as at 30 June 2025 based on 433,332,181 Shares in issue as at the Latest Practicable Date; and
- (viii) a premium of approximately HK\$1.122 over the audited consolidated net liabilities attributable to the owners of the Company of approximately HK\$0.528 per Share as at 31 December 2024 based on 433,332,181 Shares in issue as at the Latest Practicable Date.

Highest and lowest Share prices

The highest closing price of the Shares quoted on the Stock Exchange during the Relevant Period was HK\$3.71 on 25 November 2025.

The lowest closing price of the Shares quoted on the Stock Exchange during the Relevant Period was HK\$0.79 on 8, 9 and 10 September 2025.

Total value of the Offer

As at the Latest Practicable Date, the Company has 433,332,181 Shares in issue. On the basis of the Offer Price of HK\$0.5941 per Offer Share, the total issued share capital of the Company is valued at HK\$257.4 million. The Offer is made to the Offer Shareholders.

On the basis that there are 120,899,678 Shares subject to the Offer and assuming no change in the issued share capital of the Company from the Latest Practicable Date up to the close of the Offer, the value of the Offer is approximately HK\$71.8 million.

Financial resources available for the Offer

The maximum consideration payable under the Offer will amount to approximately HK\$71.8 million, of which Hunglap shall be responsible for approximately HK\$46.8 million and Horizon Heights will be responsible for approximately HK\$25.0 million. Each of the Joint Offerors intends to finance the Offer by its own internal resources.

Lego Corporate Finance, being the financial adviser to the Joint Offerors, is satisfied that sufficient financial resources are available to each of the Joint Offerors to satisfy the full acceptance of the Offer.

Effect of accepting the Offer

By accepting the Offer, Shareholders will sell their Shares free from all encumbrances and together with all rights accruing or attaching to them, including, without limitation, the right to receive all dividends and distributions which may be recommended, declared, made or paid, if any, at any time on or after the date on which the Offer is made, being the date of posting of the Composite Document. Acceptance of the Offer by any Shareholder will be deemed to constitute a warranty by such person that all Shares sold by such person under the Offer are free from all Encumbrances and together with all rights accruing or attaching to them, including, without limitation, the right to receive all dividends and distributions which may be recommended, declared, made or paid, if any, at any time on or after the date on which the Offer is made.

Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

Offer Shareholders are reminded to read the recommendations of the Independent Board Committee and the advice of the Joint Independent Financial Advisers in respect of the Offer which are included in the “Letter from the Independent Board Committee” and the “Letter from the Joint Independent Financial Advisers” as contained in this Composite Document.

Payment

Payment in cash in respect of acceptances of the Offer, net of seller's Hong Kong ad valorem stamp duty, will be made as soon as possible but in any event no later than seven (7) Business Days after the date of receipt of a duly completed and valid acceptance of the Offer. Relevant documents evidencing title must be received by the Registrar on behalf of the Joint Offerors to render such acceptance of the Offer complete and valid.

No fractions of a cent will be payable and the amount of cash consideration payable to a Shareholder who accepts the Offer will be rounded up to the nearest cent.

Hong Kong Stamp duty

Seller's ad valorem stamp duty arising in connection with acceptance of the Offer amounting to 0.1% of the amount payable in respect of relevant acceptances by the Offer Shareholders, or the market value of the Shares as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong), whichever is higher, will be deducted from the cash amount payable to the Offer Shareholders who accept the Offer. The Joint Offerors will arrange for payment of the seller's ad valorem stamp duty on behalf of accepting Offer Shareholders and will pay the buyer's ad valorem stamp duty in connection with the acceptances of the Offer.

Taxation advice

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

Overseas Shareholders

The Offer will be made to all Offer Shareholders, including those who are not resident in Hong Kong. The making and the implementation of the Offer to Offer Shareholders who are not resident in Hong Kong may be subject to the laws of the relevant overseas jurisdictions in which such Offer Shareholders are located. Such Offer Shareholders should observe any applicable requirements and restrictions in their own jurisdictions, and where necessary, seek independent legal advice in respect of the Offer. It is the responsibility of such Offer Shareholders who have registered addresses outside Hong Kong and wish to accept the Offer to satisfy themselves as to the full observance of the applicable laws and regulations of the relevant jurisdiction in connection therewith (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes payable by such Offer Shareholders in such jurisdiction).

As at the Latest Practicable Date, details of Overseas Shareholders are as follows:

Jurisdiction in which the registered address is located at	Number of Offer Shareholders	Total number of Shares held as at the Latest Practicable Date	Approximate % of issued Shares
Macau	1	10,000	0.00
Switzerland	1	3	0.00
Japan	2	225	0.00
British Virgin Islands	3	36,000,000	8.31
Cayman Islands	1	18,000,000	4.15

Advice has been obtained from law firm qualified to advise on the laws of British Virgin Islands, Cayman Islands, Macau, Switzerland and Japan, which opined that there is no requirement for any of the Company, Lego Securities or the Joint Offerors to obtain any prior approval, consent or registration with any governmental, regulatory or such other authority in the relevant jurisdictions in relation to the extension of the Offer, and the despatch of this Composite Document to the Overseas Shareholders with registered addresses in British Virgin Islands, Cayman Islands, Macau, Switzerland and Japan.

Any acceptance of the Offer by any Offer Shareholders will be deemed to constitute a representation and warranty from such Offer Shareholders to the Joint Offerors that the local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt. Offer Shareholders who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

INFORMATION ON THE GROUP

Your attention is also drawn to the information on the Group set out in the section headed “Information on the Group” in the “Letter from the Board” and Appendices II and IV as contained in this Composite Document.

INFORMATION ON THE JOINT OFFERORS

Hunglap is a company incorporated in Hong Kong with limited liability, principally engaging in investment holding. As at the Latest Practicable Date, save for entering into the Sale and Purchase Agreement, Hunglap has not engaged in any business activities.

As at the Latest Practicable Date, Hunglap is direct wholly-owned by Pinghu City Maoshui Investment Development Group Limited* (平湖市柳水投資發展集團有限公司)(“**Pinghu Maoshui**”), a company principally engaging in construction and asset management, which in turn is owned as to 40% by Pinghu City Xindai Town Government Affairs Service Center* (平湖市新埭鎮政務服務中心)(“**Xindai Service Center**”), and 60% by Pinghu City Investment Development Co., Ltd.* (平湖市投資發展有限公司) (“**Pinghu City Investment**”). Xindai Service Center is a public institution with legal person status (事業單位法人) established in the PRC principally engaging in the daily management and operational support of local community service points, its organising unit being the People’s Government of Xindai Town in Pinghu City (平湖市新埭鎮人民政府). Pinghu City Investment is wholly-owned by Pinghu City Finance Bureau* (平湖市財政局) of the PRC.

Horizon Heights is a company incorporated in the Cayman Islands with limited liability, principally engaged in investment holding. As at the Latest Practicable Date, save for entering into the Sale and Purchase Agreement, Horizon Heights has not engaged in any business activities.

* For identification purposes only

As at the Latest Practicable Date, Horizon Heights is indirectly wholly-owned by Ms. Shen. Ms. Shen Jingwei, aged 51, has substantial experience in corporate finance and capital operations involving listed companies on the Shanghai Stock Exchange and Shenzhen Stock Exchange. Ms. Shen has previously served as project manager and executive president of the investment banking division of Northeast Securities Co., Ltd. (東北證券股份有限公司), a company listed on the Shenzhen Stock Exchange, and as executive president of the mergers and acquisitions division of Anxin Securities Co., Ltd.* (安信證券股份有限公司) (now SDIC Securities Co., Ltd. (國投證券股份有限公司)). Ms. Shen is currently a director at Range Technology Development Co., Ltd. (潤澤智算科技集團股份有限公司), a company listed on the ChiNext of Shenzhen Stock Exchange.

INTENTION OF THE JOINT OFFERORS IN RELATION TO THE GROUP

Following the close of the Offer, it is the intention of the Joint Offerors that the Group will continue with its existing principal activities and maintain the employment of the existing employees of the Group including operational staff.

Leveraging on the experience of Ms. Shen in corporate finance and capital operations involving listed companies and the resources and network of Hunglap, the Joint Offerors will continue to explore possible business opportunities appropriate to the Group's business and operations with a view to enhance the value of the Group. It is also the business intention of the Joint Offerors to explore the feasibility of investing into the electronic and information industry. As at the Latest Practicable Date, the Joint Offerors have not identified any particular target company(ies) and yet to have formulated any detailed plan in this regard. Upon the close of the Offer, the Joint Offerors will conduct a detailed review of the operations of the Group and formulate business strategies for the Group's long-term development.

The Joint Offerors noted from the circular of the Company dated 24 January 2025 that the Group previously announced its plan to implement the Previously Announced Restructuring of carving out certain non-core subsidiaries with net liabilities to strengthen the Group's overall financial standing (which may include, but not limited to, winding up of these entities). The Joint Offerors will continue to work with the Group to facilitate completion of the Previously Announced Restructuring.

As at the Latest Practicable Date, no investment or business opportunities has been identified nor have the Joint Offerors entered into any agreement, arrangements, understandings or negotiation in relation to (a) the injection of any assets or business into the Group; or (b) the disposal or downsizing of any assets or business of the Group other than those conducted by the Company in its ordinary course of business and/or the completion of the Previously Announced Restructuring.

As at the Latest Practicable Date, the Joint Offerors have no intention to (i) nominate or appoint any new directors to the Board; (ii) discontinue the employment of any employees of the Group or change the composition of the board of the directors of the Group's subsidiaries; (iii) redeploy the fixed assets of the Group other than those in its ordinary and usual course of business; or (iv) introduce any major changes in the existing operations and business of the Group, following the close of the Offer.

* For identification purposes only

Public float and maintaining the listing status of the Company

The Stock Exchange has stated that, if, at the close of the Offer, less than the minimum prescribed percentage applicable to the listed issuer, being 25% of the issued Shares (excluding treasury shares), are held by the public, or if the Stock Exchange believes that:

- (a) a false market exists or may exist in the trading of the Shares; or
- (b) there are insufficient Shares in public hands to maintain an orderly market,

the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares.

The Joint Offerors intend the Company to remain listed on the Stock Exchange after the close of the Offer. The director of each of the Joint Offerors will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

ACCEPTANCE AND SETTLEMENT OF THE OFFER

Your attention is drawn to the details regarding the procedures for acceptance and settlement of the Offer as set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

COMPULSORY ACQUISITION

The Joint Offerors does not intend to exercise any right which may be available to it to acquire compulsorily any Shares not tendered for acceptance under the Offer.

GENERAL

To ensure equality of treatment of all Offer Shareholders, those Offer Shareholders who hold the Shares as nominee for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for the beneficial owners of the Shares, whose investments are registered in nominee names, to accept the Offer, it is essential that they provide instructions to their nominees of their intentions with regard to the Offer.

All documents and remittances will be sent to the Offer Shareholders by ordinary post at their own risk. These documents and remittances will be sent to them at their respective addresses as they appear in the register of members of the Company, or, in case of joint holders, to the Offer Shareholder whose name appears first in the said register of members. None of the Joint Offerors, their ultimate beneficial owners and/or parties acting in concert with any of them, the Company, Lego Corporate Finance, Lego Securities, the Joint Independent Financial Advisers, the Registrar nor their respective ultimate beneficial owners, directors, officers, advisers, agents or associates, as applicable, or any other person involved in the Offer will be responsible for any loss or delay in transmission of such documents and remittances or any other liabilities that may arise as a result thereof.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information regarding the Offer set out in the appendices to this Composite Document and the accompanying Form of Acceptance, which form part of this Composite Document. You are reminded to read carefully the “Letter from the Board”, the “Letter from the Independent Board Committee” and the letter of advice by the Joint Independent Financial Advisers to the Independent Board Committee in respect of the Offer as set out in the “Letter from the Joint Independent Financial Advisers” as contained in this Composite Document before deciding whether or not to accept the Offer. If you are in doubt about your position in connection with the Offer, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

Yours faithfully,
For and on behalf of

A handwritten signature in black ink, appearing to be 'Kelvin Li', written in a cursive style.

Lego Securities Limited
Kelvin Li
Director