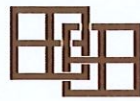




Lego Securities Limited
力高證券有限公司



富中證券有限公司
FORTUNE ORIGIN SECURITIES LIMITED

To the Independent Shareholders and the Optionholders:

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFERS BY
LEGO SECURITIES LIMITED AND
FORTUNE ORIGIN SECURITIES LIMITED
FOR AND ON BEHALF OF
ESSA FINANCIAL GROUP LTD
TO ACQUIRE ALL THE ISSUED SHARES IN
TOKYO CHUO AUCTION HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED
OR TO BE ACQUIRED BY
ESSA FINANCIAL GROUP LTD, THE OTHER PURCHASERS
AND PARTIES ACTING IN CONCERT WITH ANY OF THEM) AND
TO CANCEL ALL THE OUTSTANDING SHARE OPTIONS OF
TOKYO CHUO AUCTION HOLDINGS LIMITED**

INTRODUCTION

Reference is made to the Joint Announcement in relation to, among others, the Sale and Purchase Agreement and the Offers. Unless otherwise specified, capitalised terms used in this letter shall have the same meanings as those defined in this Composite Document.

As disclosed in the Joint Announcement, on 25 April 2025, the Vendor, the Offeror and the Other Purchasers entered into the Sale and Purchase Agreement pursuant to which the Vendor has agreed to sell and the Offeror and the Other Purchasers have agreed to purchase an aggregate of 374,967,278 Sale Shares, representing approximately 74.99% of the total issued share capital of the Company as at the date of the Joint Announcement. The total consideration for the Sale Shares is HK\$164,985,602.32, which is equivalent to HK\$0.44 per Sale Share. Completion took place on 25 April 2025.

Upon Completion, the Offeror, the Other Purchasers and the parties acting in concert with any of them were interested in a total of 374,967,278 Shares, representing approximately 74.99% of the total issued share capital of the Company.

Pursuant to Rules 13 and 26.1 of the Takeovers Code, upon Completion, the Offeror is required to make a mandatory unconditional cash offers for all the issued Shares (other than those already owned or to be acquired by the Offeror, the Other Purchasers and the parties acting in concert with any of them) and to cancel all the outstanding Share Options.

This letter forms part of this Composite Document and sets out, among other things, details of the terms of the Offers, the information of the Offeror and the intention of the Offeror in relation to the Group. Further details of the terms and the procedures of acceptance of the Offers are set out in Appendix I to this Composite Document and the accompanying Forms of Acceptance.

MANDATORY UNCONDITIONAL CASH OFFERS

Principal terms of the Offers

Lego Securities and Fortune Origin Securities, for and on behalf of the Offeror, are jointly making the Offers in compliance with the Takeovers Code on the following basis:

The Share Offer

For each Offer Share HK\$0.44 in cash

The Share Offer Price of HK\$0.44 per Offer Share is equal to the price per Sale Share paid by the Offeror and the Other Purchasers under the Sale and Purchase Agreement.

As at the Latest Practicable Date, (a) no dividends or distributions have been declared but unpaid; and (b) there is no intention for the Company to make, declare or pay any dividends or distributions.

The Option Offer

For cancellation of each Share Option with
exercise price of HK\$0.8 per Share HK\$0.0001 in cash

Pursuant to Rule 13 of the Takeovers Code, the Offeror is making an appropriate cash offer to the Optionholders for the cancellation of the Share Options. The Option Offer Price would normally be the see-through price which represents the amount by which the Share Offer Price per Offer Share exceeds the exercise price of each Share Option. Under the Option Offer, as the exercise price of all outstanding Share Options exceeds the Share Offer Price, the “see-through” price is negative and the Option Offer Price is at the nominal amount of HK\$0.0001 per Share Option. Following acceptance of the Option Offer, the relevant Share Options together with all rights attaching thereto will be entirely cancelled and renounced.

The Offers are unconditional in all aspects when being made.

The Offeror will not increase the Share Offer Price. Shareholders, Optionholders and potential investors are reminded to monitor the announcements to be made by the Company or jointly by the Offeror and the Company in respect of the progress of the Offers and are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Comparison of value

The Share Offer Price of HK\$0.44 per Offer Share represents:

- (i) a discount of approximately 63.33% to the closing price of HK\$1.20 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 70.67% to the closing price of HK\$1.50 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 34.91% to the average of the closing prices as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.676 per Share;
- (iv) a discount of approximately 7.95% to the audited consolidated net asset value attributable to the owners of the Company of approximately HK\$0.478 per Share (based on the total number of the issued Shares as at the Latest Practicable Date) as at 31 March 2024, being the date to which the latest published audited annual financial results of the Group were made up; and
- (v) a discount of approximately 9.28% to the unaudited consolidated net asset value attributable to the owners of the Company of approximately HK\$0.485 per Share (based on the total number of the issued Shares as at the Latest Practicable Date) as at 30 September 2024, being the date to which the latest published unaudited interim financial results of the Group were made up.

Highest and lowest Share prices

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the Relevant Period were HK\$1.50 per Share (on 22 April 2025 and 12 May 2025) and HK\$0.42 per Share (on 11, 12, 13, 14, 17, 18, 19, 20 and 21 March 2025), respectively.

Value of the Offers

Based on the Share Offer Price of HK\$0.44 per Offer Share and 500,000,000 Shares in issue as at the Latest Practicable Date, the entire issued share capital of the Company is valued at HK\$220 million.

Pursuant to the Undertakings, all the Optionholders have irrevocably and unconditionally undertaken to and covenant with the Company and the Offeror that they shall not exercise any of the Share Options held by them until the Share Options are cancelled or lapsed.

As at the Latest Practicable Date, excluding the total number of 374,967,278 Shares held by the Offeror, the Other Purchasers and the parties acting in concert with any of them, a total of 125,032,722 Shares will be subject to the Share Offer and the value of the

Share Offer is approximately HK\$55.01 million (assuming there is no change in the number of issued Shares before the close of Offers and no Share Option is exercised prior to the close of the Share Offer).

Assuming no Share Option is exercised prior to the close of the Share Offer given the Undertakings, a total of 48,000,000 Share Options will be subject to the Option Offer and the value of the Option Offer is HK\$4,800.

Confirmation of financial resources available for the Offers

The Offeror intends to finance the entire consideration payable under the Offers by a facility extended by Fortune Origin Securities in the amount of up to HK\$56.0 million. Pursuant to the terms of the facility, so long as any part of the facility or any other amounts payable under the facility remain outstanding, the Offer Shares acquired by the Offeror under the Offers shall be deposited to the margin securities account of the Offeror with Fortune Origin Securities from time to time.

Lego Corporate Finance, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the total consideration payable by the Offeror upon full acceptances of the Offers.

Effect of accepting the Offers

By accepting the Share Offer, the Shareholders will sell their Shares to the Offeror free from all encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Share Offer is made, being the date of this Composite Document.

By accepting the Option Offer, the Optionholders will agree to the cancellation of their tendered Share Options and all rights attached thereto with effect from the date on which the Option Offer is made, being the date of this Composite Document. In accordance with the Share Option Scheme, the Share Options will lapse automatically (to the extent not exercised) upon the close of the Offers.

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

Hong Kong stamp duty

Seller's Hong Kong ad valorem stamp duty on acceptances of the Share Offer at a rate of 0.1% of the total consideration payable in respect of the relevant acceptances or, if higher, the market value of the Offer Shares subject to such acceptance, will be deducted from the amounts payable to Independent Shareholders who accept the Share Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the Independent Shareholders who accept the Share Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Share Offer and the transfers of the relevant Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

No stamp duty is payable in connection with the Option Offer.

Payment

Payment in cash in respect of the Offers will be made as soon as possible but in any event no later than seven (7) Business Days after the date on which the duly completed Form(s) of Acceptance and the relevant documents of title of the Shares or the Share Options (as the case may be) are received by the Registrar in respect of the Share Offer or the Company in respect of the Option Offer to render each such acceptance under the Offers complete and valid pursuant to Rule 20.1 and Note 1 to Rule 30.2 of the Takeovers Code.

Taxation Advice

Shareholders and Optionholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offers. None of the Offeror, parties acting in concert with the Offeror, the Company, Lego Corporate Finance, Lego Securities, Fortune Origin Securities, Emperor Corporate Finance, Diligent Capital and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offers accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

Availability of the Offers

The Offeror is making the Offers available to all Independent Shareholders and Optionholders, including the Overseas Shareholders and Overseas Optionholders. Based on the register of members of the Company, there were no Overseas Shareholders as at the Latest Practicable Date. However, the Offers to persons not resident in Hong Kong may be affected by the laws and regulations of the relevant jurisdiction in which they are resident. The making of the Offers to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or limited by the laws or regulations of the relevant jurisdictions. Overseas Shareholders and/or Overseas Optionholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should fully observe any applicable legal or regulatory requirements and, where necessary, seek independent legal advice. It is the responsibilities of the Overseas Shareholders and the Overseas Optionholders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers (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 due from such Overseas Shareholders and/or Overseas Optionholders in respect of such jurisdictions).

Any acceptance of the Offers by any Overseas Shareholders and/or Overseas Optionholders will be deemed to constitute a representation and warranty from such Overseas Shareholders and/or Overseas Optionholders to the Offeror that the local laws and requirements have been complied with. Overseas Shareholders and Overseas Optionholders should consult their professional advisers if in doubt.

INFORMATION ON THE OFFEROR, MR. HUANG AND THE OTHER PURCHASERS

The Offeror and Mr. Huang

The Offeror is incorporated in the British Virgin Islands with limited liability, and is an investment holding company ultimately wholly and beneficially owned by Mr. Huang. The sole director of the Offeror is Mr. Huang.

Mr. Huang, aged 44, graduated with an Executive Master of Business Administration degree from Tsinghua University and a Master of Business Administration degree from The Chinese University of Hong Kong in a programme jointly offered by both universities. Mr. Huang is the chairman of 深圳金雅福控股集團有限公司 (Shenzhen Kinghood Holding Group Company Limited*) (“**Shenzhen Kinghood**”), a company principally engaged in gold and jewellery industry chain. Shenzhen Kinghood ranked 295th in 2024 Fortune China 500. Mr. Huang holds approximately 57.06% equity interest directly in Shenzhen Kinghood and approximately 40.87% indirectly in Shenzhen Kinghood through a company owned as to 95% by him. Mr. Huang is also a member of the 12th and 13th Guangdong Provincial Committee of the Chinese People’s Political Consultative Conference, the vice chairman of the Shenzhen Federation of Industry and Commerce, and the chairman of the Shenzhen Federation of New Social Class People* (深圳市新的社會階層人士聯合會). Notwithstanding that Mr. Huang’s background and experience may not directly correlate with the Company’s principal business, the Offeror intends to provide values to the Group by leveraging Mr. Huang’s personal background, management experience, extensive network and business connections in the PRC. Please refer to the section headed “INTENTION OF THE OFFEROR ON THE COMPANY” in this letter for further information.

Mr. Huang is the brother of Mr. Huang Shifeng, being the nominated executive Director.

The Other Purchasers

Ruihe Data is a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 3680). Ruihe Data and its subsidiaries are principally engaged in provision of data solutions, sales of hardware and software and related services as an integrated service, information technology maintenance and support services and trading of commodities. Based on the public information available, no shareholders of Ruihe Data hold 30% or more of the voting rights of Ruihe Data.

Mr. Li, aged 58, graduated with a Master of Business Administration degree from The University of Sunderland by way of distance learning. Mr. Li holds the qualification of senior engineer specialising in architectural decoration design approved by Beijing Senior Specialized Technique Qualification Evaluation Committee. Mr. Li is now the owner of JKL Investment, s.r.o., a company incorporated in Czech Republic which is principally engaged in investment holdings.

Mr. Zheng, aged 36, graduated with a bachelor's degree in information and computing science from Dalian Ocean University in 2013. Mr. Zheng worked in China Merchants Bank from July 2013 to June 2023 with the last position as the president of Renmin Road Sub-branch, Zhuhai Branch of China Merchants Bank. Mr. Zheng is one of the founding partners of 沁灣(深圳)私募股權基金管理合夥企業(有限合夥)(Qinwan (Shenzhen) Private Equity Fund Management Partnership (Limited Partnership)*) ("Qinwan"), which is principally engaged in private equity fund management. He has been a compliance and risk control officer of Qinwan since June 2023.

INTENTION OF THE OFFEROR ON THE COMPANY

The Group is principally engaged in the provision of auction and related services as well as artwork sales in Hong Kong and Japan. The Offeror has no intention (i) to discontinue the employment of the employees; (ii) to dispose (other than the change in proposed change of the Board composition as detailed below) of or re-deploy the assets of the Group other than those in its ordinary course of business; and (iii) to downsize, cease or dispose of any of the existing businesses, operations and assets of the Group. The Offeror also intends to continue the existing principal business of the Group immediately following Completion. It is currently intended that, subject to the review by the Offeror from time to time, current directors of the Group's subsidiary who are necessary to participate in the Group's ongoing operations will remain as directors at the relevant Group company following Completion.

The Group is principally engaged in the provision of auction and related services as well as artwork sales in Hong Kong and Japan. As in line with the Group's aim to establish and enhance brand image and influence in other major Asian cities and the global markets, in addition to the Group's aspiration to diversify its business scope into contemporary artworks and jewellery and further expanding business in Taiwan markets, the Offeror and the Group are open to explore the possibilities of tapping into the auction and related services market in the Guangdong-Hong Kong-Macao Greater Bay Area in the future. By leveraging Mr. Huang's personal background, management experience, extensive network and business connections in the PRC, the Offeror intends to provide values to the Group in exploring continuous business development in the auction and related services sector and other potential business opportunities that will be synergised with the Group's current businesses. Nevertheless, the Offeror will conduct a detailed review on the existing principal businesses and operations, and the financial position of the Group for the purpose of formulating business plans and strategies for the Group's long-term business development and will explore other business opportunities for the Group. Subject to the results of the review, and should suitable investment or business opportunities arise, the Offeror may consider whether any assets and/or business acquisitions or disposals by the Group will be appropriate in order to enhance its growth. As at the Latest Practicable Date, no investment or business opportunity has been identified nor have the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group.

PROPOSED CHANGE OF BOARD COMPOSITION

As at the Latest Practicable Date, the Board comprised of four executive Directors, namely Mr. Ando Shokei, Mrs. Ando Eri, Mr. Katsu Bunkai and Mr. Sun Hongyue, and three independent non-executive Directors, namely Mr. Chung Kwok Mo John, Ms. Lam Suk Ling Shirley and Mr. Chun Chi Man.

It was intended that all of the executive Directors and independent non-executive Directors would resign with effect from the earliest time permitted under the Takeovers Code. The Offeror intends to nominate new Directors for appointment to the Board with effect from the earliest time permitted under the Takeovers Code and any such appointment will be made in compliance with the Takeovers Code and the Listing Rules.

As at the Latest Practicable Date, the Offeror has nominated Mr. Huang as an executive Director and chairman of the Board and Mr. Huang Shifeng (“**Mr. Huang SF**”), Ms. Qian Yuanyuan (“**Ms. Qian**”) and Mr. Tong Jun (“**Mr. Tong**”) as executive Directors, Mr. Li and Mr. Zheng as non-executive Directors, and Professor He Jia (“**Professor He**”), Professor Hu Zuohao (“**Professor Hu**”) and Mr. Leung Ting Yuk (“**Mr. Leung**”) as independent non-executive Directors. The appointment of the Directors will take effect after the posting of this Composite Document. The change of the chairman of the Board will take effect from the first Closing Date.

The biographical details of three of the nominated Directors namely, Mr. Huang, Mr. Li and Mr. Zheng are set out in the section headed “INFORMATION ON THE OFFEROR, MR. HUANG AND THE OTHER PURCHASERS” above. The biographical details of the remaining six nominated Directors, being Mr. Huang SF, Ms. Qian, Mr. Tong, Professor He, Professor Hu and Mr. Leung are set out below:

Mr. Huang Shifeng

Mr. Huang SF, aged 42, graduated with a bachelor’s degree in optical information and science technology from the South China Normal University, the PRC in July 2007. Mr. Huang SF has ample experience in the field of gold and jewellery science and technology and technology research and development innovation. Mr. Huang SF has been the executive president and head of the innovation centre of Shenzhen Kinghood since January 2009 and the general manager of Shenzhen Shangshan Intelligent Company Limited* (深圳上善智能有限公司) since May 2020.

Mr. Huang SF is the brother of Mr. Huang, being the nominated executive Director and chairman of the Board.

Ms. Qian Yuanyuan

Ms. Qian, aged 41, obtained a doctor of philosophy in management from Zhejiang University, the PRC in June 2010. From July 2010 to June 2016, Ms. Qian worked at Shenzhen Gold Investment Co., Ltd. Ms. Qian joined Shenzhen Kinghood in May 2018 and had been the general manager of training from May 2018 to December 2020, the assistant to the president of the gold and jewelry banking channel from December 2020 to March 2025 and the vice president since April 2025.

Mr. Tong Jun

Mr. Tong, aged 60, obtained a master of business administration from The Chinese University of Hong Kong in December 2009. From March 2012 to September 2016, Mr. Tong was the general manager of Shenzhen Kinghood and since May 2020, Mr. Tong has been the executive vice president of Shenzhen Kinghood. From December 2016 to November 2018, Mr. Tong was the associate vice president and director of senior management training of the Shenzhen Finance Institute, Chinese University of Hong Kong-Shenzhen. He was also the deputy general manager of the financial and securities department of Shenzhen Neptunus Group Co., Ltd. from July 2002 to February 2012.

Professor He Jia

Professor He, aged 70, studied as a worker-peasant-soldier student in the mathematics department of Heilongjiang University, the PRC from October 1975 to July 1978, graduated with a master's degree in computer science and decision-making from Shanghai Jiao Tong University, the PRC in December 1983 and obtained a doctor of philosophy in finance from The Wharton School of the University of Pennsylvania, the United States of America in August 1988. Professor He has more than 35 years of experience in academia in higher education institutes in the PRC and the United States of America. Since October 2021, Professor He has been the chair professor at Shandong University and from May 2021 to July 2024, Professor He was the Qiushi chair professor of the International Business School of Zhejiang University. Since February 2022, Professor He has been the chairman of the internet investment and financing working committee of the Internet Society of China* (中國互聯網協會互聯網投融資工作委員會). Professor He has also been the independent director of CGS International Holdings Limited since 2011.

Professor He has been appointed as (i) an independent non-executive director of China Chengtong Development Group Limited (Stock Code: 217) since September 2015, a company listed on the Main Board of the Stock Exchange; (ii) an independent director of Tibet Huayu Mining Co., Ltd. (Stock Code: 601020) since December 2024, a company listed on the Shanghai Stock Exchange; and (iii) an independent non-executive director of Bank of Tianjin Co., Ltd. (Stock Code: 1578) from June 2018 to January 2025, a company listed on the Main Board of the Stock Exchange.

Professor Hu Zuohao

Professor Hu, aged 60, graduated with a bachelor's degree in solid mechanics from Huazhong Institute of Technology* (華中工學院), the PRC (presently known as Huazhong University of Science and Technology) in July 1985. He then obtained a master's degree in industrial management engineering from Zhejiang University, the PRC in July 1988 and a doctor of philosophy in economics from Kyoto University, Japan, in January 2000. Professor Hu has been a professor of the School of Economics and Management at Tsinghua University since December 2007, an associate professor of the School of Economics and Management at Tsinghua University from August 2001 to November 2007, a lecturer at the School of Economics and Management at

Tsinghua University from August 2000 to August 2001 and a lecturer at the School of Management at Zhejiang University from August 1988 to October 1995. Professor Hu is also currently the vice chairman and the enterprise working committee director of the Chinese Marketing Association of Universities and the executive deputy director of the China Enterprise Research Centre* (中國企業研究中心) of the School of Economics and Management at Tsinghua University.

Professor Hu has been the independent director of each of (i) Qingdao Richen Food Co. Ltd. (Stock Code: 603755) since May 2022, a company listed on the Shanghai Stock Exchange; (ii) Beijing Tri-Prime Gene Pharmaceutical Co., Ltd. (Stock Code: 837344) since May 2024, a company listed on the Beijing Stock Exchange; and (iii) Ocean's King Lighting Science & Technology Co., Ltd. (Stock Code: 002724) since June 2020, a company listed on the Shenzhen Stock Exchange.

Mr. Leung Ting Yuk

Mr. Leung, aged 50, graduated with a bachelor of commerce in accountancy from the University of Wollongong, Australia, in July 2000. Mr. Leung has been accredited as a Certified Practising Accountant of CPA Australia in November 2006 and as a Certified Public Accountant of The Hong Kong Institute of Certified Public Accountants in January 2008. Mr. Leung has more than 19 years of experience in the financial management, accounting and auditing field.

Mr. Leung has been appointed as an independent non-executive director of Yanchang Petroleum International Limited (Stock Code: 346) since December 2009, an independent non-executive director of Most Kwai Chung Limited (Stock Code: 1716) since March 2018, an independent non-executive director of Xinyi Energy Holdings Limited (Stock Code: 3868) since November 2018 and an independent non-executive director of Tai United Holdings Limited (Stock Code: 718) since July 2023, each being companies listed on the Main Board of the Stock Exchange.

The Company will enter into a service contract with each of Mr. Huang, Mr. Huang SF, Ms. Qian and Mr. Tong, respectively, with a term of one year from the date of appointment which shall be renewed automatically for successive terms of one year unless terminated by either party with one month's written notice. Each of Mr. Huang, Mr. Huang SF, Ms. Qian and Mr. Tong shall be subject to retirement by rotation and re-election at the annual general meeting in accordance with the articles of association of the Company. Pursuant to the service contract to be entered into, each of Mr. Huang, Mr. Huang SF, Ms. Qian and Mr. Tong is entitled to a Director's fee in the amount as set out below. The Director's fee for Mr. Huang, Mr. Huang SF, Ms. Qian and Mr. Tong will be reviewed annually by the Board with reference to his/her duties and responsibilities with the Group and the Group's remuneration policy. During their terms of service, save for the Director's fee, no remuneration shall be paid by the Company to each of Mr. Huang, Mr. Huang SF, Ms. Qian and Mr. Tong for his/her service as a Director, and no other welfare or bonus shall be paid.

Nominated Director	Director's fee per annum
Mr. Huang	HK\$480,000
Mr. Huang SF	HK\$360,000
Ms. Qian	HK\$240,000
Mr. Tong	HK\$240,000

The Company will enter into a letter of appointment with each of Mr. Li, Mr. Zheng, Professor He, Professor Hu and Mr. Leung, respectively, with a term of one year from the date of appointment which shall be renewed automatically for successive terms of one year unless terminated by either party with one month's written notice. Each of Mr. Li, Mr. Zheng, Professor He, Professor Hu and Mr. Leung shall be subject to retirement by rotation and re-election at the annual general meeting in accordance with the articles of association of the Company. Pursuant to the letter of appointment to be entered into, each of Mr. Li, Mr. Zheng, Professor He, Professor Hu and Mr. Leung is entitled to a Director's fee in the amount as set out below. The Director's fee for Mr. Li, Mr. Zheng, Professor He, Professor Hu and Mr. Leung will be reviewed annually by the Board with reference to his duties and responsibilities with the Group and the Group's remuneration policy. During their terms of service, save for the Director's fee, no remuneration shall be paid by the Company to each of Mr. Li, Mr. Zheng, Professor He, Professor Hu and Mr. Leung for his service as a Director, and no other welfare or bonus shall be paid.

Nominated Director	Director's fee per annum
Mr. Li	HK\$60,000
Mr. Zheng	HK\$60,000
Professor He	HK\$120,000
Professor Hu	HK\$120,000
Mr. Leung	HK\$120,000

Each of Mr. Huang, Mr. Huang SF, Ms. Qian, Mr. Tong, Mr. Li, Mr. Zheng, Professor He, Professor Hu and Mr. Leung has confirmed that, save as disclosed in this Composite Document, as at the Latest Practicable Date, he/she did not (i) hold any directorship in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (ii) have any relationship with any director, senior management or substantial or controlling shareholders of the Company; (iii) hold any position in the Company or other members of the Group; and (iv) have nor deemed to have any interest 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).

Save as disclosed in this Composite Document, there is no other information relating to the appointment of Mr. Huang, Mr. Huang SF, Ms. Qian, Mr. Tong, Mr. Li, Mr. Zheng, Professor He, Professor Hu and Mr. Leung that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

Any changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement will be made by the Company as and when appropriate.

MAINTAINING THE LISTING STATUS OF THE COMPANY

Pursuant to the Listing Rules, the Stock Exchange has stated that if, at the close of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares (excluding treasury shares), are held by the public, or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend dealings in the Shares.

The Offeror intends the Company to remain listed on the Stock Exchange after the close of the Offers. The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offers. The sole director of the Offeror and the new Directors to be appointed to the Board have jointly and severally undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares, such as disposal of Shares held by the Offeror or parties acting in concert with it and/or issue of additional Shares by the Company for this purpose. The Company and the Offeror will issue a separate announcement as and when necessary in this regard.

PROCEDURES FOR ACCEPTANCE AND SETTLEMENT

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

COMPULSORY ACQUISITION

The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offers.

GENERAL

All documents and remittances to be sent to the Independent Shareholders and the Optionholders will be sent to them by ordinary post at their own risk. Such documents and remittances will be sent to them at their respective addresses as they appear in the register of members of the Company and in the case of joint Independent Shareholders, to such Independent Shareholder whose name appears first in the register of members of the Company, or in the case of joint Optionholders, to such Optionholder whose name appears first in the records of the Company. None of the Offeror, the Company, Lego Securities, Fortune Origin Securities, Lego Corporate Finance, Emperor Corporate Finance, Diligent Capital, Registrar and (as the case may be) their respective ultimate beneficial owners, directors, officers, agents, advisers or associates or any other person involved in the Offers 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 or in connection therewith.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Composite Document and the accompanying Forms of Acceptance, which form parts of this Composite Document. You are reminded to read carefully the "Letter from the Board", the "Letter from the Independent Board Committee", the "Letter from the Joint Independent Financial Advisers" and other information about the Group, which are set out in this Composite Document, before deciding whether or not to accept the Offers.

If you are in doubt about your position in connection with the Offers, 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
Fortune Origin Securities Limited

Nicholas Pong
Responsible Officer

Yours faithfully
For and on behalf of
Lego Securities Limited



Kelvin Li
Director

GENERAL


All documents and remittances to be sent to the Independent Shareholders and the Optionholders will be sent to them by ordinary post at their own risk. Such documents and remittances will be sent to them at their respective addresses as they appear in the register of members of the Company and in the case of joint Independent Shareholders, to such Independent Shareholder whose name appears first in the register of members of the Company, or in the case of joint Optionholders, to such Optionholder whose name appears first in the records of the Company. None of the Offeror, the Company, Lego Securities, Fortune Origin Securities, Lego Corporate Finance, Emperor Corporate Finance, Diligent Capital, Registrar and (as the case may be) their respective ultimate beneficial owners, directors, officers, agents, advisers or associates or any other person involved in the Offers 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 or in connection therewith.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Composite Document and the accompanying Forms of Acceptance, which form parts of this Composite Document. You are reminded to read carefully the "Letter from the Board", the "Letter from the Independent Board Committee", the "Letter from the Joint Independent Financial Advisers" and other information about the Group, which are set out in this Composite Document, before deciding whether or not to accept the Offers.

If you are in doubt about your position in connection with the Offers, 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
Fortune Origin Securities Limited


Nicholas Pong
Responsible Officer

Yours faithfully
For and on behalf of
Lego Securities Limited

Kelvin Li
Director