28 August 2026

To the Offer Shareholders

Dear Sir or Madam,

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

INTRODUCTION

Reference is made to the Joint Announcement.

As disclosed in the Joint Announcement, the Board was informed by the Offeror that on 12 June 2026 (after trading hours): (i) the Offeror (as subscriber), Hunglap (as issuer) and Pinghu Maoshui entered into the Subscription Agreement; and (ii) Pinghu Maoshui (as assignor), the Offeror (as assignee) and Hunglap (as debtor) entered into the Deed of Assignment. Details of the Subscription Agreement and the Deed of Assignment are set out in the "Letter from Lego Securities" in this Composite Document.

Completion of the Transactions took place on the Completion Date, being 13 June 2026. Immediately upon Completion, the Offeror and parties acting in concert with it are interested (directly, and indirectly through the Offeror's control of Hunglap) in 312,603,420 Shares, representing approximately 60.12% of the entire issued share capital of the Company as at the Latest Practicable Date.

Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Offeror is required to make a mandatory unconditional cash offer for all issued Shares (other than those already owned or agreed to be acquired by the Offeror, Hunglap and parties acting in concert with any of them). Pursuant to Note 8 to Rule 26.1 and Practice Note 19 to the Takeovers Code, a chain principle offer was triggered.

The purpose of this Composite Document (of which this letter forms part) is to provide you with, among other things: (i) the details of the Offer (including the expected timetable and the terms of the Offer); (ii) information relating to the Group, the Offeror and parties acting in concert with it, together with the Form of Acceptance; (iii) the letter from Lego Securities containing details of the Offer; (iv) a letter of recommendation from the Independent Board Committee to the Offer Shareholders in respect of the Offer; and (v) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Offer Shareholders on whether the Offer is fair and reasonable so far as the Offer Shareholders are concerned and on 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 and Rule 2.8 of the Takeovers Code, a board which receives an offer or which 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, which comprises all the independent non-executive Directors who have no direct or indirect interest in the Offer, namely Ms. Chen Weijie, Mr. Mak Tin Sang and Mr. Li Bo, has been established for the purpose of making recommendations to the Offer Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

Altus Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Offer Shareholders in respect of the Offer. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee.

You are advised to read the "Letter from the Independent Board Committee" to the Offer 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

The terms of the Offer as set out in the "Letter from Lego Securities" are extracted below. You are recommended to refer to the "Letter from Lego Securities" as set out in this Composite Document and the Form of Acceptance for further details.

Lego Securities is making the Offer for and on behalf of the Offeror in compliance with the Takeovers Code on the following basis:

For every Offer Share . . . . **HK$0.5941 in cash**

The Offeror 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 Offeror will not be allowed to increase the Offer Price and the Offeror does not reserve the right to increase the Offer Price.

The Offer Price of HK$0.5941 per Offer Share is equal to (i) the effective acquisition price per effective acquisition Share paid by the Offeror under the Transactions; and (ii) the Previous Offer Price.

The Offer is unconditional in all respects and will not be conditional upon acceptances being received in respect of a minimum number of Shares or any other conditions. The Offer is extended to all Shares in issue other than those Shares held by the Offeror and parties acting in concert with it.

As at the Latest Practicable Date, the Company has 519,984,181 Shares in issue. The Company does not have any outstanding options, derivatives, warrants or securities 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.

The Company confirms that, as at the Latest Practicable Date, it has not declared any dividend which is not yet paid and it does not have any intention to declare or pay any future dividend or make other distributions prior to and including the Closing Date.

Further details regarding the Offer, including the terms and procedures for acceptance of the Offer, are set out in the "Letter from Lego Securities" and Appendix I to this Composite Document and the accompanying Form of Acceptance.

INFORMATION ON THE OFFEROR

Your attention is drawn to the section headed "Information on the Offeror" in the "Letter from Lego Securities" in this Composite Document for information on the Offeror.

INFORMATION ON THE GROUP

The Company is an investment holding company listed on the Main Board. The Group is principally engaged in the design, development, manufacture, sales and marketing of various electronic products and the provision of AI infrastructure services. The Group's electronic products include communication equipment, consumer electronic equipment and battery equipment etc.. With regard to the provision of AI infrastructure services, this relates (i) to the Group's strategic development towards AI integration, which commenced in 2025 through the Group's investment in and acquisition of AI servers as an initial step in expanding its technology infrastructure as discussed in the annual report of the Company for the year ended 31 December 2025; and (ii) to the leasing out of idle capacity during off-peak periods to generate additional revenue since the first half of 2026. The Group is specialised in the design, development, manufacturing and sales of electronic products and the provision of AI infrastructure services. Following the COVID-19 outbreak and as a result of the lockdowns and control measures imposed by authorities globally, many businesses, including the Group's business operation were disrupted and significantly affected and the business operations of the Group had been substantially suspended. Since the re-commencement of the Group's operations in December 2023, the Group has resumed sales of electronic products under the "Oregon Scientific" trademark. In 2025, the Group commenced the expansion of its product ecosystem toward AI integration, including through the acquisition of AI servers for the purpose of expanding the Group's AI infrastructure.

The recent development of AI applications, the integration of electronic products and AI technologies has been deepening across the industry. For example, the integration of AI into consumer electronic products enables broadened application scenarios and more natural intelligent interaction, thereby further enhancing overall user experience. As the Group's integration of its electronic product ecosystem with AI commenced relatively later than certain peers, this results in a weakening of electronic product competitiveness compared to its peers and, consequently, a certain impact on sales performance. In addition, the Group's import and export business was affected by a rise in tariffs caused by the China-US trade war. Despite the Group's sales to customers in the United States of America accounted for only around 6.0% and 9.4% of total revenue in FY2024 and FY2025 respectively, such rise in tariffs had adversely impacted sales to customers in the PRC whose end customers were located in the United States of America. According to the annual report of the Company for the year ended 31 December 2025, approximately 39.8%, 33.0%, 17.8% and 9.4% of its revenue in the year ended 31 December 2025 was generated from Europe, the PRC, Asia Pacific (excluding the PRC) and the United States of America respectively.

Pursuant to Note 3 to Rule 2 of the Takeovers Code, the Board would like to draw the attention of the Offer Shareholders to the existence of a material uncertainty related to the Group's ability to continue as a going concern as at 31 December 2023 and 2024 contained in Forvis Mazars CPA Limited's report as set out in the annual reports of the Company for the years ended 31 December 2023 and 2024 (please refer to Appendix II to this Composite Document for details). The material uncertainty relating to the "going concern" basis of the Company means that the Offer Shareholders are advised to take into account the foregoing and consider carefully the terms of the Offer. All Offer Shareholders should be aware of the potential risks associated with the material uncertainty in respect of the "going concern" issue, when making their decision in respect of the Offer.

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

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) immediately prior to Completion; and (ii) immediately upon Completion and as at the Latest Practicable Date (assuming no changes to the issued share capital of the Company from the Latest Practicable Date):

	Immediately prior to Completion		**Immediately upon Completion and as at the Latest Practicable Date**	
	Number of Shares	*Approximate %*	*Number of Shares*	*Approximate %*
The Offeror and parties acting in concert with it (save and except for Pinghu Maoshui and Hunglap)	108,825,857	20.93	108,825,857	20.93
Pinghu Maoshui			– (Note 4)	–
Hunglap (Note 1)	203,777,563	39.19	203,777,563	39.19
Sub-total for the Offeror and parties acting in concert with it	**108,825,857** (Note 2)	**20.93**	**312,603,420** (Note 3)	**60.12**
Sub-total	**312,603,420**	**60.12**	**312,603,420**	**60.12**
Public Shareholders	207,380,761	39.88	207,380,761	39.88
Total	**519,984,181**	**100.00**	**519,984,181**	**100.00**

Notes:

1. Hunglap was wholly owned by Pinghu Maoshui immediately prior to Completion. Immediately upon Completion, Hunglap is held as to 89.39% and 10.61% by the Offeror and Pinghu Maoshui respectively.

2. Representing the 108,825,857 Shares directly held by the Offeror and parties acting in concert with it (save and except for Pinghu Maoshui and Hunglap) immediately prior to Completion.

3. Upon Completion and up to the Latest Practicable Date, the Offeror is interested in approximately 89.39% of the enlarged issued share capital of Hunglap. Accordingly, the Offeror is deemed to be interested in the Shares in which Hunglap is interested in pursuant to the SFO. Representing (a) 108,825,857 Shares directly held by the Offeror; and (b) 203,777,563 Shares indirectly held by the Offeror through its control of Hunglap.

4. Upon Completion and up to the Latest Practicable Date, Pinghu Maoshui is interested in approximately 10.61% of the enlarged issued share capital of Hunglap. Accordingly, Pinghu Maoshui ceased to have control in Hunglap and is therefore deemed to have ceased to be interested in the Shares in which Hunglap is interested in pursuant to the SFO.

INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

Information on the intention of the Offeror in relation to the business and management of the Group is set out in the section headed "Intention of the Offeror in relation to the Group" in the "Letter from Lego Securities" in this Composite Document. The Company notes that, following the close of the Offer, it is the intention of the Offeror that the Group will continue with its existing principal activities and maintain the employment of the existing employees of the Group including operational staff. The Offeror has no plan and/or intention to downsize or change the scale of the Group's existing principal business.

Based on the above, the Board is of the view that the intention of the Offeror in relation to the Group, its employees and its assets is reasonable as it would ensure continuity and stability of the Group's business operations going forward and is not expected to have a material adverse impact on the existing business of the Group.

PUBLIC FLOAT AND MAINTENANCE OF THE LISTING STATUS OF THE COMPANY

The Offeror intends the Company to remain listed on the Stock Exchange.

The Stock Exchange has stated that

(1) if, at the close of the Offer, the Stock Exchange believes that:

    (a) a false market exists or may exist in the trading of the Shares; or

    (b) an orderly market does not exist or may not exist, it will consider exercising its discretion to suspend dealings in the shares; and

(2) if, at the close of the Offer, the Company has a Significant Public Float Shortfall (as defined in Rule 13.32F of the Listing Rules), then:

    (a) the Stock Exchange will add a designated marker to the stock name of the Shares; and

    (b) the Stock Exchange will cancel the listing of the 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 director of the Offeror and the new directors to be appointed to the Board of the Company, if any, 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, they will take appropriate steps to ensure the issuer's compliance with Rule 13.32B at the earliest possible moment.

RECOMMENDATION

Your attention is drawn to (i) the "Letter from the Independent Board Committee" as set out on pages 24 to 25 of this Composite Document, which contains its recommendation to the Offer 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 26 to 51 of this Composite Document which contains its advice to the Independent Board Committee and the Offer Shareholders in relation to 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 this 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 for Acceptance of the Offer" to this Composite Document and the accompanying Form of Acceptance.

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

By order of the Board of
IDT International Limited

Liu Kun
Director