

16 January 2026

*To the Independent Board Committee of
XiangXing International Holding Limited*

Dear Sirs,

**THE CONDITIONAL VOLUNTARY CASH PARTIAL OFFER
BY LEGO SECURITIES LIMITED
FOR AND ON BEHALF OF
WESTWELL HOLDINGS (HONG KONG) LIMITED
TO ACQUIRE 371,200,000 SHARES IN
XIANGXING INTERNATIONAL HOLDING LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE
ACQUIRED BY THE OFFEROR AND
PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to the Independent Board Committee in respect of the Partial Offer, details of which are set out in the letter from the Board contained in the composite offer and response document dated 16 January 2026 (the “**Composite Document**”) jointly issued by Westwell Holdings (Hong Kong) Limited (the “**Offeror**”) and XiangXing International Holding Limited (the “**Company**”, collectively with its subsidiaries as the “**Group**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Composite Document unless the context requires otherwise.

Reference is made to the Joint Announcement, whereby the Offeror and the Company jointly announced that the Offeror would make a voluntary conditional cash partial offer to acquire 371,200,000 Shares (representing 29% of the Shares in issue as at the Latest Practicable Date) from the Qualifying Shareholders at the Offer Price of HK\$0.21 per Offer Share.

THE INDEPENDENT BOARD COMMITTEE

Pursuant to Rule 2.8 of the Takeovers Code, the Independent Board Committee, comprising Mr. Cheng Siu Shan, Ms. Li Zhao and Mr. Lin Guoquan, being all independent non-executive Directors, was formed to give advice to the Qualifying Shareholders as to whether the Partial Offer is fair and reasonable and as to the acceptance of the Partial Offer. We, Ample Capital Limited (“**Ample Capital**”), have been appointed by the Company as the Independent Financial Adviser in accordance with Rule 2.1 of the Takeovers Code to advise the Independent Board Committee in respect of the Partial Offer. Our appointment has been approved by the Independent Board Committee.

OUR INDEPENDENCE

As at the Latest Practicable Date, we are independent from and not connected with the Company, the Offeror, any of their respective substantial shareholders, or any party acting, or presumed to be acting, in concert with any of them. During the past two years immediately preceding and up to the date of our appointment as the Independent Financial Adviser, save for this appointment as the Independent Financial Adviser in respect of the Partial Offer, we, Ample Capital Limited, have no other connection, financial, business or otherwise with and there were no other engagements between Ample Capital and the Company, the Offeror, any of their respective substantial shareholders, or any party acting, or presumed to be acting, in concert with any of them. Apart from the normal advisory fee payable to us in connection with our appointment as the Independent Financial Adviser to advise the Independent Board Committee, no arrangement exists whereby we shall receive any other fees or benefits from the Offeror and the Company or any of their respective substantial shareholders or any person acting, or deemed to be acting, in concert with any of them. Accordingly, we are considered eligible to give independent advice on the Partial Offer.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on the statements, information, opinions and representations contained or referred to in the Composite Document and the information and representations provided to us by the Group, the Directors and/or senior management of the Company (the “**Management**”). We have assumed that all information, representations and opinions contained or referred to in the Composite Document or made, given or provided to us by the Company, the Directors and the Management, for which they are solely and wholly responsible, were true and accurate and complete in all material respects at the time when they were made and continue to be so as at the Latest Practicable Date. We have assumed that all the opinions and representations made by the Directors in the Composite Document have been reasonably made after due and careful enquiry. The Directors and the Management confirmed that to their knowledge after making reasonable enquiries, no material facts have been omitted from the information provided and referred to in the Composite Document. We have reviewed, among other things, (i) the Joint Announcement; (ii) the Composite Document; (iii) the annual report of the Company for the year ended 31 December 2024 (the “**2024 Annual Report**”); (iv) the interim report of the Company for the six months ended 30 June 2025 (the “**2025 Interim Report**”); (v) other information obtained from the public domain.

We consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations made to us untrue, inaccurate or misleading. We consider that we have performed all the necessary steps to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinion. We have also assumed that all statements of opinion made by the Directors and the Management in the Composite Document were reasonably made after due enquiries and careful consideration. The Directors have confirmed that, to the best of their information and knowledge, that no material fact or information has been omitted from the information supplied and that the representations made or opinions expressed have been arrived at after due and careful consideration and there are no other facts or representations the omission of which would make any statement in the Composite Document, including this letter, misleading. Should there be any material changes to such information and representations and/or our opinion contained in this letter after the Latest Practicable Date, the Shareholders would be notified as soon as possible in accordance with Rule 9.1 of the Takeovers Code.

While we have taken reasonable steps to satisfy the requirements under the Takeovers Code and the Listing Rules, we have not carried out any independent verification of the information, opinions or representations given or made by or on behalf of the Company as set out in the Composite Document, nor have we conducted an independent investigation into the business affairs or assets and liabilities of the Group or any of the other parties involved in the Partial Offer.

We have not considered the tax and regulatory implications on the Qualifying Shareholders of acceptance or non-acceptance of the Partial Offer since these depend on their individual circumstances. In particular, the Qualifying Shareholders who are resident overseas or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax positions, and if in any doubt, should consult their own professional adviser.

This letter is issued for the information for the Independent Board Committee and the Qualifying Shareholders solely in connection with their consideration of the Partial Offer, and except for its inclusion in the Composite Document, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendations, we have taken into consideration the following principal factors and reasons. Our conclusions are based on the results of all analyses taken as a whole.

1. Background of the Partial Offer

Reference is made to the Joint Announcement, whereby the Offeror and the Company jointly announced that the Offeror would make a voluntary conditional cash partial offer to acquire 371,200,000 Shares (representing 29% of the Shares in issue as at the Latest Practicable Date) from the Qualifying Shareholders at the Offer Price of HK\$0.21 per Offer Share.

The Partial Offer is being made by Lego Securities, for and on behalf of the Offeror, in compliance with the Takeovers Code on the basis set out below:

For each Offer Share HK\$0.21 in cash

Pre-Condition to the Partial Offer

As stated in the Joint Announcement, the making of the Partial Offer was subject to the obtaining of the consent from the Executive in respect of the Partial Offer pursuant to Rule 28.1 of the Takeovers Code. On 12 December 2025, the Offeror and the Company jointly announced that the Pre-Condition was fulfilled.

Condition to the Partial Offer

The Partial Offer is subject to the fulfilment of the Condition that valid acceptances have been received in respect of a minimum of 371,200,000 Offer Shares at or before 4:00 p.m. (Hong Kong time) on the First Closing Date (or such later date as the Offeror may decide and the Executive may approve).

In the event that valid acceptances are received:

- (i) for less than 371,200,000 Offer Shares by the First Closing Date, unless the First Closing Date is extended in accordance with the Takeovers Code, the Partial Offer will not proceed and will lapse immediately; and
- (ii) for not less than 371,200,000 Offer Shares on or before the First Closing Date, the Offeror will declare the Partial Offer unconditional as to acceptances on the day such condition is met.

Pursuant to Rule 15.1 of the Takeovers Code, an offer must initially be open for acceptance for at least 21 days after the date of despatch of the composite document.

Pursuant to Rule 15.3 of the Takeovers Code, where a conditional offer becomes or is declared unconditional in all respects, it should remain open for acceptance for not less than 14 days thereafter. Pursuant to Rule 28.4 of the Takeovers Code, an offeror must declare the partial offer unconditional as to acceptance on the day the acceptance condition is met, and extend the final closing day to the 14th day after. The offeror cannot extend the final closing date to a day beyond the 14th day after the first closing date.

Accordingly, if the Partial Offer is declared unconditional as to acceptance (and accordingly becoming unconditional in all respects) on or before the 7th day after the Despatch Date, then the Final Closing Date would be on (but no earlier than) the First Closing Date. If the Partial Offer is declared unconditional as to acceptance (and accordingly becoming unconditional in all respects) later than the 7th day after the Despatch Date, then the Final Closing Date would be the 14th day after the date of such declaration.

Further announcement(s) will be made as and when appropriate in relation to the revision, extension or lapse of the Partial Offer (as the case may be), or the fulfilment of the Conditions of the Partial Offer, in accordance with the requirements of the Takeovers Code.

The latest time on which the Offeror can declare the Partial Offer unconditional in all respects will be 7:00 p.m. on the 60th day after the date of the Despatch Date.

Further details of the Partial Offer, including the procedures for acceptance and settlement and acceptance period, are set out in the letter from Lego Securities in the Composite Document, Appendix I to the Composite Document and the accompanying Form of Acceptance.

2. Background and information and financial overview of the Group

2.1 Principal business

As stated in the letter from the Board, the Group is principally engaged in provision of intra-port services, logistics services and supply chain operations in the area of Xiamen, Quanzhou, Wuhan and Chengdu cities of the PRC.

2.2 Financial information of the Group

Set out below are the summarised consolidated income statements of the Group for (i) the years ended 31 December 2023 and 2024 (“FY2023” and “FY2024”, respectively) as extracted from the 2024 Annual Report; and (ii) the six months ended 30 June 2024 and 2025 (“6M2024” and “6M2025”, respectively) as extracted from the 2025 Interim Report.

	For the year ended 31 December		For the six months ended 30 June	
	2024 RMB'000 (audited)	2023 RMB'000 (audited)	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Revenue	232,677	175,556	103,672	120,374
– Import and export agency services	8,596	5,705	2,636	3,079
– Container and stone blocks road freight forwarding services	19,326	19,380	8,539	8,641
– Intra-port ancillary services	56,678	54,507	27,008	26,843
– Intra-port container transportation services	74,212	81,065	35,862	35,967
– Trading of building materials and automobile accessories	73,865	14,899	29,627	45,844
Gross profit	43,596	37,297	25,106	25,422
Profit before tax	1,526	17,605	9,912	10,299
(Loss)/profit for the year/ period	(4,893)	10,521	6,938	7,436
(Loss)/profit for the year/ period attributable to:				
Equity shareholders of the Company	(4,694)	10,937	6,998	7,576
Non-controlling interests	(199)	(416)	(60)	(140)

FY2024 vs FY2023

As set out in the 2024 Annual Report, the Group’s total revenue increased from approximately RMB175.6 million for FY2023 to approximately RMB232.7 million for FY2024, representing an increase of approximately RMB57.1 million or 32.5%. The increase in revenue mainly due to the increase in revenue of approximately RMB59.0 million from trading of building materials and automobile accessories. As a result of the improvement in the market conditions in the Sichuan-Chongqing region, the Group intensified its efforts to expand the building materials supply chain operation business, achieving a year-on-year growth of 268.6% in building materials trade volume in 2024, which offset the decrease in revenue of approximately RMB6.9 million from intra-port container transportation services. The Group

recorded an overall gross profit of approximately RMB43.6 million, representing an increase of approximately 16.9% from approximately RMB37.3 million in the FY2023. Gross profit margin for the FY2024 was approximately 18.7% (FY2023: gross profit margin of approximately 21.2%). The decline in overall gross profit margin is primarily due to the decrease in gross margin for logistics services segment which offset the turnover in gross profit margin for supply chain operations.

The Group recorded a loss for the FY2024 of approximately RMB4.9 million, representing a turnaround from profit as compared to a profit of approximately RMB10.5 million for the FY2023. The turnaround was primarily attributed to the increase in the impairment losses on (i) prepayment mainly made to two suppliers of the Group of approximately RMB13.1 million, and (ii) trade and other receivables, net of approximately RMB6.3 million.

6M2025 vs 6M2024

As set out in the 2025 Interim Report, the Group's total revenue decreased from approximately RMB120.4 million for the 6M2024 to approximately RMB103.7 million for 6M2025, representing a decrease of approximately RMB16.7 million or 13.9%. The decrease in revenue was mainly attributable to a decrease in revenue from trading of building materials. The significant decline in the revenue of supply chain operation business was primarily due to the absence of the trading of large number of high-value building materials during the 6M2025, as was the case in the same period last year. Although the trading volume increased during the 6M2025, the lower average unit price resulted in lower revenue. The Group recorded an overall gross profit of approximately RMB25.1 million, representing a slight decrease of approximately 1.2% from approximately RMB25.4 million in the 6M2024. Gross profit margin for the 6M2025 was approximately 24.2% (6M2024: gross profit margin of approximately 21.1%). The increase in gross profit margin is primarily due to the increase in gross profit margin for supply chain operation.

The Group recorded a net profit of approximately RMB6.9 million for the 6M2025, representing a decrease of approximately RMB0.5 million compared to a net profit of approximately RMB7.4 million for the 6M2024. Such decrease was primarily attributed to the decrease in the revenue as mentioned above.

The Group recorded a loss for the FY2024 of approximately RMB4.9 million, representing a turnaround from profit in the second half of 2024 as compared to a profit of approximately RMB7.4 million for the first half of 2024. The turnaround was primarily attributed to the increase in the impairment losses on the prepayment mainly made to two suppliers of the Group of approximately RMB13.1 million. No impairment loss on prepayment is recognised in 6M2025, instead a reversal of impairment losses on prepayment of approximately RMB0.4 million is recognised.

Set out below are the summarised statements of financial position as at 31 December 2024 and 30 June 2025 as extracted from the 2025 Interim Report, respectively.

	As at 30 June 2025 <i>RMB'000</i> (unaudited)	As at 31 December 2024 <i>RMB'000</i> (audited)
Non-current assets	38,785	30,415
Current assets	200,709	195,370
Total assets	239,494	225,785
Current liabilities	22,272	21,057
Total liabilities	28,583	21,181
Net assets	210,911	204,604
Net assets attributable to owners of the Company	209,666	203,299

We noted from the 2025 Interim Report that the Group recorded net assets attributable to owners of the Company of approximately RMB209.7 million as at 30 June 2025 compared to approximately RMB203.3 million as at 31 December 2024.

Total assets of the Group increased by approximately 6.1% from approximately RMB225.8 million as at 31 December 2024 to approximately RMB239.5 million as at 30 June 2025. Such increase in the total assets of the Group as at 30 June 2025 mainly due to (i) cash and cash equivalents of approximately RMB38.5 million as at 30 June 2025 compared to approximately RMB31.3 million as at 31 December 2024, representing an increase of approximately 23.0%; and (ii) property, plant and equipment of approximately RMB38.7 million as at 30 June 2025 compared to approximately RMB30.4 million as at 31 December 2024, representing an increase of approximately 27.3%.

Total liabilities of the Group increased by approximately 34.9% from approximately RMB21.2 million as at 31 December 2024 to approximately RMB28.6 million as at 30 June 2025. Such increase in the total liabilities of the Group as at 30 June 2025 mainly due to (i) increase in bank borrowings of approximately RMB7.0 million as at 30 June 2025 compared to no bank borrowing as at 31 December 2024; (ii) increase in amount due to a director of approximately RMB1.5 million as at 30 June 2025 compared to nil as at 31 December 2024. As at 30 June 2025, the current ratio was approximately 9.01 times (31 December 2024: 9.28 times).

3. Background information of the Group

3.1 Principal Business

As disclosed in the letter from the Board, the Company is a company incorporated in the Cayman Islands with limited liability and its Shares are listed on the Main Board of the Stock Exchange. The Group is principally engaged in provision of intra-port services, logistics services and supply chain operations in the area of Xiamen, Quanzhou, Wuhan and Chengdu cities of the PRC.

In summary, the Group principal business includes:

(a) *Intra-port services*

The intra-port services consist of (i) intra-port ancillary services; and (ii) intra-port container transportation services. The Group provides the intra-port services principally through Xiangxing Terminal in Haitian Port in the Dongdu Port Area in Xiamen, Yuanhai Port and Tongda Port in the Haicang Port Area in Xiamen, through Quanzhou Xiangxing in Shihu Port in the Shihu Port Area in Quanzhou and Weitou Port in the Weitou Port Area in Quanzhou; and through Wuhan Xiangxing in the Phase II Terminal of Yangluo Port Area in Wuhan. Customers of the Group's intra-port services comprise container port operators in ports in Xiamen, Quanzhou and Wuhan.

Intra-port ancillary services

The Group provides intra-port ancillary services including assisting in loading and unloading of containers and bulk/general cargos for international and domestic trade, berthing, unberthing and mooring/unmooring of the vessels; and ancillary services in respect of container and cargo inspection and other ancillary services.

Intra-port container transportation services

The Group provides intra-port container transportation services within the respective ports. The Group transports containers between front loading areas, unloading areas and container stacking yards inside the port.

(b) *Logistics services*

The Group's logistics services consist of (i) import and export agency services; and (ii) road freight forwarding services.

Import and export agency services

The Group's import agency service mainly involved in providing inspection services for imported hides at the designated yards in Haicang Port Area and providing comprehensive services including booking, inland transportation and settlement of port and ocean freight for import and export customers.

Road freight forwarding services

The Group also provides container road freight forwarding services in the hinterland of Xiamen Port through Xiangxing Logistics, stone-block road transportation services in the hinterland of Quanzhou Port through Quanzhou Xiangxing, and building-materials road transportation services in the Chengdu-Chongqing Economic Zone through Chengdu Xiangxing. The road transportation services focus on picking up cargo (including containers, stone blocks or infrastructure materials, etc.) at the designated locations of customers and delivering them to the destinations.

(c) Supply chain operations

The Group's supply chain operation consists of (i) trading of heavy-duty auto parts and tires; and (ii) trading of building materials.

3.2 Future prospects and recent developments of the Group

Port and logistics services businesses

As outlined in the 2025 Interim Report, the Group's port and logistics services businesses, which are heavily dependent on foreign trade, came under considerable pressure due to significant changes in the international landscape and a slowdown in the global economy during 2025. In October 2025, the International Monetary Fund (IMF) predicted that global economic growth would slow to 3.2% in 2025 from 3.3% in 2024, and further decline to 3.1% in 2026.

In the face of such difficult market conditions, as set out in the 2025 Interim Report, the Group continued to explore potential in areas such as personnel and equipment to enhance its market competitiveness. This effort aimed to solidify the port services business as a cornerstone of the Group's operations. According to the 2024 Annual Report, the intra-port services segments represented approximately 55.2% and 75.0% of the total revenue for FY2024 and FY2025, respectively. The Group has progressively upgraded vehicles for port services and introduced a substantial number of new energy vehicles into port production, achieving energy conservation and emission reduction together with the terminals, and enhancing operational efficiency. However, the international situation continued to change dramatically in the second half of 2025 as the U.S. began charging additional port fees on Chinese-made or Chinese-operated ships in October 2025. China responded with the imposition of similar fees for U.S. ships, thus increasing the cost of Trans-Pacific logistics.

These “tit-for-tat” fees have compressed the margins of port service providers and shipping lines. Despite the benefit of the operational efficiency from the upgraded vehicles, the intra-port services segments still remain challenging and uncertain as the global economy weakens.

Supply Chain business

As mentioned above in the section “2.2 Financial information of the Group”, the decline in the revenue of supply chain operation business was primarily due to the absence of the trading of large number of high-value building materials during the 6M2025, as was the case in the same period last year. However, the Group is currently monitoring the development of the Chengdu-Chongqing economic circle in Sichuan Province, which comprise Chengdu, 27 districts (and counties) in Chongqing and 14 other Sichuan cities identified by the CPC Central Committee and the State Council in its “Master Plan for the Construction of the Chengdu-Chongqing Economic Circle” issued in October 2021. It envisaged this economic circle will gradually become an important economic centre at the region with national influence, as well as a technology and innovation centre with reform potentials and high-quality living environment. In addition, the Chengdu-Chongqing region is one of the hubs linking domestic and international markets. According to Chongqing Municipal People’s Government, over the past five years, the China-Europe Railway Express (Chengdu-Chongqing) has developed into a national model for joint development, efficient operation, and high-quality growth, creating a new pathway for the nation’s railway express services. As of November 2025, the China-Europe Railway Express (Chengdu-Chongqing) routes have reached over 100 cities worldwide, with cumulative trips exceeding 38,000. As of November 2025, the China-Europe Railway Express (Chengdu-Chongqing) has attracted over 200 major industrial projects, driving the Chengdu-Chongqing region to form four trillion-yuan-level industrial clusters in electronic information, automobile manufacturing, equipment manufacturing, and new materials. Through a network of rail, roads and waterways, the advantages of the region in connecting with Southeast Asia, South Asia, Central Asia and Europe are gradually emerging.

These conditions have made the Chengdu-Chongqing region an ideal place for strengthening domestic and international circulation on the mainland. Besides becoming an important outpost for China’s goods and services trade with foreign countries, the region can also attract more technologies and investment to the country. This development in the region potentially represents new opportunities for the Group’s supply chain business in Chengdu.

Although the positive effects of the development in the region are yet to be reflected in the financial performance of the Group, having considered the Group’s supply chain business which mainly comprise trading of heavy-duty auto parts and tires and building materials, the development and reshape of the Chengdu-Chongqing region provides a positive outlook for the Group’s supply chain business.

4. Background and Intention of the Offeror and reasons for the Partial Offer

4.1 Information of the Offeror

As disclosed in the letter from Lego Securities, the Offeror is a company incorporated in Hong Kong with limited liability and is principally engaged in technical research and development within the field of artificial intelligence, and provision of intelligent logistics equipment and scenario-specific smart solutions to overseas clients. The Offeror is held as to approximately (i) 95.24% by Shanghai Westwell; (ii) 2.86% by Allasia Capital Limited; (iii) 1.71% by Sonic Express Developments Limited; and (iv) 0.19% by Excel World Corporation Limited. Shanghai Westwell is a company established in the PRC in 2015 and is principally engaged in the provision of artificial-intelligence (AI)-driven and environmentally-friendly logistics solutions, especially for large-scale containers. Allasia Capital Limited is a company owned as to 50% by Mr. Wei Chen Jason and 50% by Ms. Li Qian. Sonic Express Developments Limited is a company wholly-owned by Mr. Chan Kei Yu. Excel World Corporation Limited is a company wholly-owned by Mr. Lee Cheuk Yin Dennis.

As at the Latest Practicable Date, Mr. Tan (i) directly holds 4.67% of the interest in Shanghai Westwell; and (ii) has entered into concert party agreements with shareholders of Shanghai Westwell (including Shanghai Eastwell Corporate Management Consulting Center (Limited Partnership)* (上海東井企業管理諮詢中心(有限合夥)), Shanghai Southwell Management Consulting Partnership (Limited Partnership)* (上海南井管理諮詢合夥企業(有限合夥)), Shanghai Northwell Management Consulting Partnership (Limited Partnership)* (上海北井管理諮詢合夥企業(有限合夥)), Shanghai Redwell Management Consulting Partnership (Limited Partnership)* (上海紅井管理諮詢合夥企業(有限合夥)), Shanghai Hejing Management Consulting Partnership (Limited Partnership)* (上海和井管理諮詢合夥企業(有限合夥)) and Shanghai Zejing Management Consulting Partnership (Limited Partnership)* (上海澤井管理諮詢合夥企業(有限合夥)), which are employee shareholding platforms established according to the employee incentive schemes of Shanghai Westwell) which directly hold an aggregate of 22.85% of the interest in Shanghai Westwell. Hence, Mr. Tan controls a total of approximately 27.52% of the voting rights in Shanghai Westwell.

Mr. Tan is the founder and chairman of Shanghai Westwell. Although he holds less than 30% of the voting rights in Shanghai Westwell, Mr. Tan is responsible for overseeing and managing, and participates in the decision-making in respect of, the general affairs of Shanghai Westwell and its subsidiaries (including the Offeror) through his position as chairman and exercise of his voting rights as the largest shareholder in respect of the voting rights in Shanghai Westwell.

As Shanghai Westwell is undergoing tutoring in relation to its proposed initial public offering and listing on the Shanghai Stock Exchange and has conducted multiple rounds of pre-IPO fundraising, it has a relatively dispersed shareholding structure. The other 72.48% of the interest in Shanghai Westwell is held as to approximately 7.20% by Shanghai Lianselenium Enterprise Management Center (Limited Partnership)* (上海聯硒企業管理中心(有限合夥)) (“**Shanghai Lianselenium**”), 6.98% by Shanghai Fuyinxinghe Enterprise Management Partnership (Limited Partnership)* (上海複銀琨合企業管理合夥企業(有限合夥)) (“**Shanghai Fuyinxinghe**”), 5.18% by Jiaxing Pinghui Lihai Equity Investment Partnership (Limited Partnership)* (嘉興平匯利海股權投資合夥企業(有限合夥)) (“**Jiaxing Pinghui**”), and the remaining 53.11% by 56 shareholders each holding between 3.47% and 0.04% interest.

Shanghai Lianselenium is beneficially owned as to approximately 49.89% by Shanghai Lianyi Investment Centre (Limited Partnership)* (上海聯一投資中心(有限合夥)) (“**Shanghai Lianyi**”), which is a limited partnership established in the PRC and is principally engaged in investment, and approximately 49.89% by Shanghai Dual-Use Industry Equity Investment Fund (Limited Partnership) 上海軍民融合產業股權投資基金合夥企業(有限合夥), which is a limited partnership established in the PRC and is principally engaged in investment. The executive general partner of Shanghai Lianyi is Shanghai Lianxin Capital Management Co., Ltd.* (上海聯新資本管理有限公司), which is owned as to 80% by Shanghai Lianyi Investment Management Centre (Limited Partnership)* (上海聯一企業管理中心 (有限合夥)) (“**Shanghai Lianyi Management**”) and 20% by Shanghai Lianhe Asset Management Company Limited* (上海聯和資產管理有限公司). The largest shareholder of Shanghai Lianyi Management is Mr. Qu Liefeng holding 68.66%. The executive general partner of Shanghai Dual-Use Equity Investment Fund (Limited Partnership) is Shanghai Junsheng Xiechuang Private Equity Fund Management Co., Ltd. (上海君盛協創私募基金管理有限公司) (“**Shanghai Junsheng**”), and there is no single ultimate beneficial owner of over one third of the shareholding interest in Shanghai Junsheng.

Shanghai Fuyinxinghe is beneficially owned as to approximately 51.00% by Fosun International Limited, which is a company incorporated in Hong Kong and listed on the Main Board of the Stock Exchange (stock code: 656), and as to approximately 49.00% by the State Council of the PRC.

Jiaxing Pinghui is beneficially owned as to approximately 99.98% by Ping An Insurance (Group) Company of China, Ltd., which is a joint stock company established in the PRC and listed on the Main Board of the Stock Exchange (stock code: 2318) and the Shanghai Stock Exchange (stock code: 601318).

Save for the above, there is no other ultimate beneficial owner of over one third of the shareholding interest in Shanghai Lianselenium, Shanghai Fuyinxinghe or Jiaxing Pinghui.

The aforementioned remaining 56 shareholders of Shanghai Westwell each holding between 3.47% and 0.04% interest mainly comprise investment funds and asset management companies.

The Offeror and parties acting in concert with it did not hold any Shares as at the Latest Practicable Date.

4.2 *Intention of the Offeror*

As set out in the letter from Lego Securities, following the completion of the Partial Offer, the Offeror seeks to complement and create synergistic effects with the Company and therefore intends that the Group will continue its existing business and the employment of employees of the Group in their ordinary courses. The Offeror has no intention to introduce any major changes in the business of the Company and any redeployment of the fixed assets of the Company. As at the Latest Practicable Date, no material investment or business opportunity has been identified nor has the Offeror entered into any agreement, arrangement, understanding, or negotiation in relation to the injection of any assets or business into the Group.

The Offeror intends to nominate new Director(s) to the Board in accordance with relevant requirements of the Takeovers Code, the Listing Rules or other applicable regulations. Any changes to the Board composition will be made in compliance with the Takeovers Code and the Listing Rules. As at the Latest Practicable Date, the Offeror has not reached any final decision as to who will be nominated as new Director(s).

4.3 Reasons for and Benefits of the Partial Offer

As set out in the letter from Lego Securities, the Offeror is of the view that the investment in the Company provides an attractive platform to complement the existing business activity of the Offeror and Shanghai Westwell. The Partial Offer is expected to bring together the core competencies of the Offeror and Shanghai Westwell, which are principally engaged in the provision intelligent logistics solutions and equipment, and the Group, which is principally engaged in provision of intra- port services, logistics services and supply chain operations in the PRC, and has potential to create synergetic effects with significant strategic value.

As to the Qualifying Shareholders, they will be given an attractive opportunity to realise part of their investment at a premium to the net asset value of the Shares, and at the same time retain the balance of their shareholding in the Company in order to participate in and benefit from the future growth of the Group.

The Offeror decided to make the Partial Offer instead of a general offer for all the Shares, considering that (i) it is the first time for Shanghai Westwell to make a substantial investment in a company listed on the Stock Exchange, hence the Offeror opts for a more prudent investment approach; and (ii) as mentioned above, the Offeror seeks to complement and create synergetic effects with the Company in view of their respective existing business activities rather than to obtain a controlling stake in the Company. The acquisition of 29% of the issued Shares pursuant to the Partial Offer will enable the Offeror to make a substantial investment in the Company to the extent without triggering a mandatory general offer obligations under Rule 26.1 of the Takeovers Code.

The Offer Price of HK\$0.21 per Offer Share is determined with reference to the recent trading price of the Shares as quoted on the Stock Exchange and the financial position of the Group.

4.4 Public Float of the Company

As disclosed in the letter from Lego Securities, as at the Latest Practicable Date, the Company has a public float of approximately 56.05% of the Shares in issue. Assuming that there are no changes to the issued share capital of the Company between the Latest Practicable Date and up to the Final Closing Date, the Company will have at least a public float of approximately 27.05% of the Shares in issue immediately following the close of the Partial Offer (assuming the full amount of the Offer Shares are taken up by the public shareholders as at the Latest Practicable Date). Accordingly, the number of Shares in public hands will continue to meet the 25% minimum public float requirement under Rule 8.08 of the Listing Rules immediately following the close of the Partial Offer, and it is the intention of the Offeror for the Company to remain listed on the Stock Exchange. The directors of the Offeror have jointly and severally undertaken to the Stock Exchange that if, at the close of the Partial

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.

4.5 Our View

As mentioned in the 2024 Annual Report, the Group was in face of a complex and ever-changing domestic and international market environment, particularly under heightened challenges faced by traditional industries, and the Group strived to overcome a series of adverse impacts, including market instability, rapid technological advancements driving market shifts, and shortages of frontline technical personnel. In order to align with technological progress and sustainability trends, the Group prioritised green development and smart production initiatives, such as deploying additional electric tractors for intra-port transportation and advancing feasibility studies on autonomous driving solutions.

As mentioned in the letter from Lego Securities, the Offeror is of the view that the investment in the Company provides an attractive platform to complement the existing business activity of the Offeror and Shanghai Westwell and has potential to create synergistic effects with significant strategic value, for example, aligns with the green development strategy and smart production initiatives of the Group. However, successful implementation and achievement of the Offeror's investment goals and plans is subject to further assessment and actual application, the actual benefits to the operation, development and/or financial performance of the Company are not guaranteed and remain uncertain. In addition, Mr. Cheng Youguo, the executive Director and chairman of the Group, through his shareholding in Glory Fame Venture Limited, has held 562,500,000 Shares as at the Latest Practicable Date, representing approximately 43.95% of the entire issued share capital of the Company, and, assuming that the Qualifying Shareholders (including Glory Fame Venture Limited) will validly tender 371,200,000 Shares in proportion to the number of Shares held by each of them over the Shares held by all of them, will hold 399,375,000 Shares immediately after the closing of the Partial Offer, representing approximately 31.20% of the entire issued share capital of the Company. Mr. Cheng Youguo has indicated that he intended to accept the Partial Offer in respect of his beneficial interests (through Glory Fame Venture Limited) in no more than 178,500,000 Shares, representing approximately 13.95% of the Shares in issue as at the Latest Practicable Date in order to maintain his controlling interest in the Company, as Glory Fame Venture Limited does not intend to cease to be the largest Shareholder nor lose its controlling interest in the Company. Hence, upon completion of the Partial Offer, each of the Offeror and Glory Fame Venture Limited will own more than 20% of the issued Shares and will therefore be presumed to be parties acting in concert in accordance with Class (1) of the definition of "acting in concert" in the Takeovers Code. As no material investment or business opportunity has been identified nor has the Offeror entered into any agreement, arrangement, understanding, or negotiation in relation to the injection of any assets or business into the Group as at the Latest Practicable Date, the Qualifying Shareholders are advised to pay attention to the announcement(s) of the Company and consider whether the Offeror's investment plans will be implemented, the implementation risks and timeline of the Offeror.

Having considered that the Offeror's investment in the Company has potential to create synergistic effects between the Offeror and the Group, the Qualifying Shareholders are expected to be benefited from the Partial Offer by (i) being offered an opportunity to realise part of their investment

at a premium of 21.39% to the net asset value of the Shares, and/or (ii) retain the balance of their shareholding in the Company in order to participate in the future growth of the Group expected from the synergetic effects.

Having considered that the Offeror is intended to continue with the Group's existing principal business and the Offeror has no intention to (i) introduce any major changes to the existing business and operation of the Group; (ii) discontinue the employment of any employees of the Group in their ordinary courses; or (iii) re-deploy the fixed assets of the Group, we do not expect that there would be substantial change in the principal business activities of the Group as a direct result of the Partial Offer.

5. Evaluation of the Offer Price

5.1 The Offer Price

The Offer Price of HK\$0.21 per Offer Share represents:

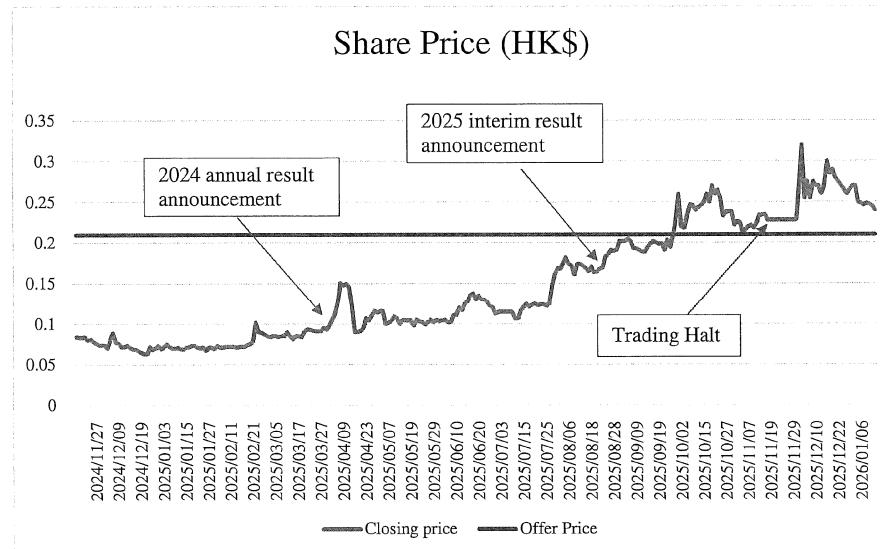
- (i) a discount of 12.5% to the closing price of HK\$0.240 per Share as quoted on the Stock Exchange on 13 January 2026, being the Latest Practicable Date;
- (ii) a discount of approximately 7.89% to the closing price of HK\$0.228 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 9.09% to the average closing price of HK\$0.231 per Share, being the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 6.67% to the average closing price of HK\$0.225 per Share, being the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 11.76% to the average closing price of HK\$0.238 per Share, being the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day;
- (vi) a premium of approximately 21.39% over the audited consolidated net asset value per Share attributable to Shareholders of approximately HK\$0.173 as at 31 December 2024 (being the date to which the latest published audited annual financial results of the Group were made up), calculated based on the audited consolidated net asset value attributable to Shareholders of approximately RMB203.3 million (equivalent to approximately HK\$221.6 million based on the exchange rate of HK\$1.09: RMB1) as at 31 December 2024 and 1,280,000,000 Shares in issue as at the Latest Practicable Date; and

- (vii) a premium of approximately 17.32% over the unaudited consolidated net asset value per Share attributable to Shareholders of approximately HK\$0.179 as at 30 June 2025 (being the date to which the latest published unaudited interim financial results of the Group were made up) calculated based on the unaudited consolidated net asset value attributable to Shareholders of approximately RMB209.7 million (equivalent to approximately HK\$228.6 million based on the exchange rate of HK\$1.09: RMB1) as at 30 June 2025 and 1,280,000,000 Shares in issue as at the Latest Practicable Date.

5.2 Our Analysis on Historical Share Price Performance

In order to assess the fairness and reasonableness of the Offer Price, we have reviewed the movements in the closing price per Share during the period from 18 November 2024, being 12 months immediately preceding the Last Trading Day, to the Latest Practicable Date (the “**Review Period**”), which is commonly adopted for share price analysis. Set out below is the chart showing the daily closing price of the Shares as quoted on the Stock Exchange during the Review Period, where the trading of the Shares has been suspended from 19 November 2025 to 1 December 2025 pending the release of the Joint Announcement.

Historical daily closing price of the Shares during the Review Period



Source: the website of the Stock Exchange(www.hkex.com.hk)

We noted from the above chart that, during the Review Period, the Shares closed on the Stock Exchange within the range of the lowest of HK\$0.063 per Share on 20 and 23 December 2024 to the highest of HK\$0.32 per Share on 3 December 2025. The Offer Price is higher than the average closing price of approximately HK\$0.147 per Share during the Review Period, which represents a premium of approximately 42.8% over the average closing price per Share during the Review Period.

Since the commencement of the Review Period (i.e. 18 November 2024) and up to the trading day immediately before the date of the publication of the Joint Announcement (i.e. 18 November 2025), the closing price per Share was in a general increasing trend and has been increased from HK\$0.091 per Share to HK\$0.228 per Share. Subsequently from the publication of the annual results announcement for FY2024 on 31 March 2025, the closing price per Share experienced an increasing trend from HK\$0.093 per Share and reached the highest of HK\$0.15 per Share on 10 April 2025. The Share price then experienced a sudden correction and subsequently decreased to HK\$0.09 on 16 April 2025. Then, the Share price remained relatively stable at approximately HK\$0.09 to HK\$0.122 per Share from mid-April 2025 to 28 July 2025. After that, the Share price increased sharply in a short period from HK\$0.122 to HK\$0.182 per Share and exhibited an increasing trend until 19 October 2025. In 2025, the Hong Kong stock market experienced a recovery with active trading as the Hang Seng Index (HSI) was seen to have rebounded from a low of 18,694 and climbed to a peak of 27,444 on 2 October 2025. The fluctuations in the price of the Shares are generally in line with the increasing trend of the market. From 20 October 2025, the closing price per Share experienced a slightly decreasing trend from HK\$0.27 per Share and reached HK\$0.228 on the Last Trading Day. We have made enquiry with the Management and were advised that save for the publication of the annual results announcement of the Company as described above, the Directors were not aware of any specific reasons which may have an impact of the fluctuations of Share prices during the Review Period.

Following the resumption of trading of the Shares after the publication of the Joint Announcement, the Shares price continued to rise, reaching a peak of HK\$0.32 per share on 3 December 2025. The temporary price increase is likely to be driven by market reaction to the Joint Announcement. After reaching the peak, the closing price of the Shares has remained fluctuated at a level above the Offer Price since the publication of the Joint Announcement and up to the Latest Practicable Date.

During the period from 2 December 2025 (from the resumption of trading after the release of the Joint Announcement) up to and including the Latest Practicable Date (the “**Post-Announcement Period**”), the Offer Price of HK\$0.21 per Share represents (i) a discount of approximately 12.5% over the lowest closing price of HK\$0.24 per Share; and (ii) a discount of approximately 34.4% to the highest closing price of HK\$0.32 per Share during the Post-Announcement Period.

The Offer Price itself represents a premium of approximately 42.8% of the average closing price of approximately HK\$0.147 per Share during the Review Period, having considered that (i) the Offer Price is within the range of closing prices per Share during the Review Period; and (ii) the Shares had traded below the Offer Price during the majority of the Review Period which spanned nearly eleven months, with the trading price of the Shares fluctuating narrowly around the Offer Price since September 2025 (excluding the recent increase during the Post-Announcement Period) and uncertainty as to whether such trading price can be sustained at a level higher than the Offer Price during and after the Offer Period, in view of the economy uncertainties as mentioned in the above section headed “3.2 Future prospects and recent developments of the Group”, we consider that the Offer Price is fair and reasonable so far as the Qualifying Shareholders are concerned.

(i) *Analysis on the historical trading liquidity of the Shares*

The table below sets out the average daily trading volume of the Shares for each month/period during the Review Period.

Month/Period	Number of trading days	Average daily trading volume of the Shares during the month/period	Average daily trading volume as a percentage of the total number of issued Shares ⁽¹⁾	Average daily trading volume as a percentage of the Shares during the month/period to the public float ⁽²⁾
			Shares during the month/period to the total number of issued Shares ⁽¹⁾	Shares during the month/period to the public float ⁽²⁾
2024				
18 November to 29 November	10	3,498,000	0.27%	0.50%
December	20	2,472,000	0.19%	0.35%
2025				
January	19	3,990,526	0.31%	0.56%
February	20	1,983,000	0.15%	0.28%
March	21	2,400,000	0.15%	0.26%
April	19	4,809,474	0.38%	0.67%
May	20	1,895,000	0.15%	0.26%
June	21	2,154,286	0.17%	0.30%
July	22	3,602,727	0.28%	0.50%
August	21	1,538,895	0.12%	0.21%
September	22	2,113,636	0.17%	0.29%
October	20	1,875,000	0.15%	0.26%
November ⁽³⁾	12	910,000	0.07%	0.13%
December ⁽³⁾	20	6,945,465	0.54%	0.97%
2026				
January (up to and including the Latest Practicable Date)	8	987,500	0.08%	0.14%

Source: the website of the Stock Exchange (www.hkex.com.hk)

Notes:

(1) Calculated based on average daily trading volume over the month/period divided by the total number of shares at each month/period end according to the monthly returns filed by the Company.

- (2) The calculation is based on the average daily trading volume of the Shares divided by the total number of Shares in issue held by public Shareholders at the Latest Practicable Date.
- (3) Trading of the Shares on the Stock Exchange has been suspended from 19 November to 1 December 2025 pending the release of the Joint Announcement.

As set out in the table above, during the Review Period, the percentage of average daily trading volume of the Shares for the respective month/period were in the range from the lowest of approximately 0.07% to the highest of approximately 0.54% with an average of approximately 0.21% as to the total number of issued Shares at the end of the respective month/period.

During the Review Period and up to and including the Latest Practicable Date, we noted that the average daily trading volume of the Shares as a percentage to the public float in January 2025, April 2025, July 2025 and December 2025 were relatively high as compared to that of the rest of the other months. We have enquired with the Management regarding the relatively high trading volume of the Shares to the public float comparing to that of the rest of the other months during the Review Period and we were advised that the Company is not aware of any particular reason that led to the higher trading volume of the Shares. Following the resumption of trading of the Shares after the publication of the Joint Announcement, the average daily trading volume of the Shares as a percentage to the public float was approximately 0.97% in December 2025 (excluding the date of suspension of Shares), such high trading volume is likely be driven by market reaction to the Joint Announcement.

Taking into account the fact that the average daily trading volume of the Shares during the Review Period was approximately 0.21% of the total number of issued Shares and approximately 0.38% of the public float of the Company, we are of the view that the trading volume of Shares can be considered as low, and in normal circumstances, if the Qualifying Shareholders are to dispose of a large number of Shares in the market, it may exert downward pressure on the market price of Shares.

Given the overall thin historical daily trading volume of the Shares during the Review Period, the Qualifying Shareholders (especially those with relatively sizeable shareholdings) may find it difficult to dispose of a large volume of Shares in the open market at a fixed cash price within a short period of time without exerting downward pressure on the Shares price. The Partial Offer, therefore, represents an opportunity for the Qualifying Shareholders, particularly for those who hold a large volume of Shares, to dispose of at least part of their shareholdings at the Offer Price if they so wish.

(ii) Comparison with other comparable companies

To further assess the fairness and reasonableness of the Offer Price, we have analysed commonly used trading multiples, including the price-to-book ratio (the “**P/B Ratio**”), price-to-earnings ratio (the “**P/E Ratio**”), and price-to-sales ratio (the “**P/S Ratio**”). Since the Group recorded loss for the year ended 31 December 2024, the P/E Ratio analysis was not applicable. P/B Ratio is used in the analysis because intra-port

services and logistics service segments are asset-intensive, and P/S Ratio is commonly used to value non-profitable companies. Therefore, we consider the P/B Ratio and P/S Ratio to be suitable and reliable indicators for evaluating the fair values of the comparable companies.

Based on the Offer Price of HK\$0.21 per Offer Share and the total number of issued Shares of 1,280,000,000 as at the Last Trading Day, the Company is valued at approximately HK\$268.8 million. The P/B Ratio of the Company implied by the Offer Price is approximately 1.17 times (the “**Implied P/B Ratio**”) based on the unaudited consolidated net asset value attributable to owners of the Company of approximately HK\$229.4 million (equivalent to approximately RMB209.7 million) as at 30 June 2025.

In assessing the fairness and reasonableness of the Offer Price, we consider that it is relevant to assess the Offer Price by making reference to market valuation for companies listed in Hong Kong which are principally engaged in business similar to those of the Group. Since approximately 56.3% of the revenue of the Group was generated from the provision of intra-port related services including intra-port ancillary services and intra-port container transportation services for FY2024, we have identified a list of comparable companies (the “**Comparable Companies**”), which represents an exhaustive list of companies that meets the following selection criteria: (i) listed on the main board of the Stock Exchange; (ii) with revenue generated from intra-port related services accounted for not less than 50% of total revenue for the latest financial year; and (iii) having a market capitalisation of HK\$1,000 million or below as at the Last Trading Day, having considered the implied market capitalisation of the Partial Offer of approximately HK\$268.8 million and the historical market capitalisation of the Company during the Review Period. Companies with market capitalisation exceeding HK\$1,000 million were excluded from our analysis, as we consider that such companies typically trade at higher multiples due to greater stability and liquidity, rendering their valuations less comparable to that of the Company. We consider these Comparable Companies to provide an appropriate basis for assessing the fairness and reasonableness of the Offer Price. The details of the Comparable Companies are set out below:

Stock Code	Company name	Principal activities	Market capitalisation as at the Last Trading Day			P/B Ratio (Note 1) times	P/S Ratio (Note 2) times
			Net Asset Value HK\$ million	Revenue HK\$ million			
			HK\$ million				
498	Blue River Holdings Limited	i. Ports development; ii. Operation of ports; iii. Compressed Natural Gas distribution; and iv. logistics businesses	160.3	873.5	39.0	0.18	4.11

Stock Code	Company name	Principal activities	Market capitalisation as at the Last Trading Day		Net Asset HK\$ million	Revenue HK\$ million	P/B Ratio	P/S Ratio
			HK\$ million	HK\$ million			(Note 1)	(Note 2)
560	Chu Kong Shipping Enterprises (Group) Company Limited	i. Cargo transportation; ii. Cargo handling and storage; iii. Passenger transportation; and iv. Fuel supply	863.3	3,184.7	2,716.5	0.27	0.32	
6117	Rizhao Port Jurong Co., Ltd.	i. Stevedoring service; ii. Storage service; and iii. Port management service	574.0	3,209.6 (Note 3)	927.1 (Note 4)	0.18	0.62	
		Maximum				0.27	4.11	
		Minimum				0.18	0.32	
		Average				0.21	1.68	
		Median				0.18	0.62	
	The Company		268.8	229.4	254.5	1.17	1.06	
						(Note 5)	(Note 6)	

Source: website of the Stock Exchange and the financial reports of the respective Comparable Companies

Notes:

1. As computed by dividing the respective market capitalisation as at the Last Trading Day by the net assets attributable to owners of the company as extracted from the latest interim results, interim reports or annual reports.
2. As computed by dividing the respective market capitalisation as at the Last Trading Day by the respective revenue recorded by the company as extracted from the latest published audited annual reports.
3. As computed by multiplying the net assets attributable to owners of Rizhao Port Jurong Co., Ltd. of RMB2,934.0 million as at 30 June 2025 as extracted from the interim report for the six months ended 30 June 2025, and the exchange rate of RMB1.0939 to HK\$1 as quoted by Hong Kong Monetary Authority on the Last Trading Day.
4. As computed by multiplying the revenue of Rizhao Port Jurong Co., Ltd. of RMB847.5 million for the year ended 31 December 2024 as extracted from the annual report for the year ended 31 December 2024, and the exchange rate of RMB1.0939 to HK\$1 as quoted by Hong Kong Monetary Authority on the Last Trading Day.

5. The Implied P/B Ratio is calculated by dividing the theoretical market capitalisation of the Company with reference to the Offer Price by the net assets attributable to owners of the Company of RMB209.7 million as at 30 June 2025 as extracted from the 2025 Interim Report. For the purpose of this table, the translation of RMB into HK\$ is based on the exchange rate of RMB1.0939 to HK\$1 as quoted by Hong Kong Monetary Authority on the Last Trading Day.
6. The Implied P/S Ratio is calculated by dividing the theoretical market capitalisation of the Company with reference to the Offer Price by the revenue of RMB232.7 million for the year ended 31 December 2024 as extracted from the 2024 Annual Report. For the purpose of this table, the translation of RMB into HK\$ is based on the exchange rate of RMB1.0939 to HK\$1 as quoted by Hong Kong Monetary Authority on the Last Trading Day.

As illustrated in the table above, the P/B Ratios of the Comparable Companies ranged from approximately 0.18 times to 0.27 times. The Implied P/B Ratio is approximately 1.17 times, which is the highest as compared with the Comparable Companies. This indicates the implied valuation of the Company based on the Offer Price is higher than the valuations of the Comparable Companies based on their respective closing share prices from the perspective of P/B Ratio. The P/S Ratios of the Comparable Companies ranged from approximately 0.32 times to 4.11 times. The Implied P/S Ratio of approximately 1.06 times, is below the average of the three Comparable Companies but exceeds the median and two of the Comparable Companies, ranking second highest among the three Comparables Companies and only lower than the highest of the Comparable Companies. Accordingly, we are of the view that the Offer Price is set at a higher price as compared with the Comparable Companies and is favourable from the perspective of market comparable analysis using P/B and P/S Ratio.

RECOMMENDATION

Based on our analyses above, having considered the following:

- (i) notwithstanding that the Group recorded a loss for the FY2024, the turnaround from a profit in FY2023 was mainly attributable to an increase in the impairment losses on prepayment of approximately RMB13.1 million. The Group strived to overcome a series of adverse impacts, including market instability, rapid technological advancements driving market shifts, etc. and the provision of intelligent logistics solutions and equipment by the Offeror and Shanghai Westwell has potential to create synergetic effects and is aligned with the business development strategy of the Group and can align with technological progress and sustainability trends as stated in the section headed “4.3 Reasons for and Benefits of the Partial Offer” above in this letter. Although enhanced operational efficiency and lower average operating costs are expected from applying these intelligent logistics solutions, thereby improving the Group’s financial performance, the actual financial benefits remain uncertain and have not yet materialised, as successful implementation and achievement of the Offeror’s investment goals and plans is not guaranteed. As no material investment or business opportunity has been identified nor has the Offeror entered into any agreement, arrangement, understanding, or negotiation in relation to the injection of any assets or business into the

Group as at the Latest Practicable Date, the Qualifying Shareholders are advised to pay attention to the announcement(s) of the Company and consider whether the Offeror's investment plans will be implemented, the implementation risks and timeline of the Offeror;

- (ii) the Group's port and logistics services businesses, which are heavily dependent on foreign trade, came under considerable pressure due to significant changes in the international landscape and a slowdown in the global economy during 2025;
- (iii) the Offer Price is fair and reasonable considered that (a) it represented a premium of approximately 42.8% to the average closing price of approximately HK\$0.147 per Share during the Review Period; (b) the increase in the trading price of the Shares during the Post-Announcement Period is likely due to the market reaction to the Joint Announcement. There remains uncertainty as to whether such trading price can be sustained at a level higher than the Offer Price during and after the Offer Period; (c) the historical trading volume of the Shares was low, which is similar to many Hong Kong listed companies, with a range of average daily trading volume of the Shares as compared to the Shares held by the public from approximately 0.13% to approximately 0.97% and it is uncertain as to whether there would be sufficient liquidity in the Shares for the Qualifying Shareholders to dispose of a large volume of Shares in the open market at a fixed cash price within a short period of time without exerting downward pressure on the Shares price. Therefore, the Partial Offer may represent an opportunity for the Qualifying Shareholders to dispose of part or all of their Shares at the Offer Price if they so wish and the Partial Offer may represent an opportunity for them to realise their investment;
- (iv) the Implied P/B and P/S Ratios of the Company are the highest, as compared with the Comparable Companies, while the Implied P/S Ratio exceeds the median and two of the Comparable Companies, implying that the Offer Price is set at a higher price overall as compared with the Comparable Companies and is favourable from the perspective of market comparable analysis using P/B and P/S Ratio; and
- (v) while the Offeror only seeks to complement existing business activities of the Company and to create synergistic effects between their respective operations, rather than to obtain a controlling stake in the Company, and intends that the Group will continue its existing business and the employment of its employees in their ordinary courses, with no plans to introduce major changes to the Company's business or redeploy its fixed assets, as such, we do not expect any material change to the existing principal business of the Group as a result of the Partial Offer.

On balance, we consider that the Partial Offer is fair and reasonable so far as the Qualifying Shareholders are concerned and the Partial Offer provides an exit alternative for the Qualifying Shareholders who would like to realise their investments in the Shares. On this basis, we recommend the Independent Board Committee to recommend, and we ourselves recommend, the Qualifying Shareholders to accept the Partial Offer. However, the Qualifying Shareholders who are attracted to the future prospects of the Group may consider retaining some or all of their Shares.

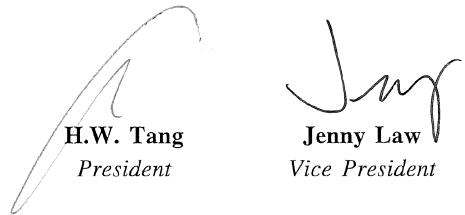
Given the closing price of the Shares has remained fluctuated at a level above the Offer Price since the publication of the Joint Announcement and up to the Latest Practicable Date likely due to the market reaction to the Joint Announcement, the Qualifying Shareholders, in particular those who may wish to realise their investment in the Shares, are reminded to monitor the market price and liquidity of the Shares closely during the period of the Partial Offer. During the period of the Partial Offer, if it transpires that the market price of the Shares exceeds the Offer Price and the sales proceeds (net of transaction costs) exceed the net proceeds receivable under the Partial Offer, or if the Shares continue to trade above the Offer Price, the Qualifying Shareholders may consider, if they are able to do so, disposing of their Shares in the open market at a higher price than the Offer Price instead of accepting the Partial Offer. However, if market conditions do not allow for disposal of Shares over the Offer Price or if it is believed that the price of the Shares may not exceed the Offer Price in the medium term, those Qualifying Shareholders who wish to sell more than 29.00% of their holdings which may be taken up under the terms of the Partial Offer should consider tendering more than 29.00% of their total holdings in the Shares. The Qualifying Shareholders should consider the overall perspective of the various factors contained in different sections of this letter before making their decision on the acceptance of the Partial Offer.

On the other hand, those Qualifying Shareholders who, after considering the information on the Offeror and the future intentions of the Offeror regarding the Group, are attracted by the future prospects of the Group following the Partial Offer, may consider retaining their Shares or tendering less than all their Shares under the Partial Offer. If acceptances are received in respect of more than 371,200,000 Shares, not all Shares tendered will be taken up under the Partial Offer, so Qualifying Shareholders who tendered their Shares under the Partial Offer will continue to hold some Shares in any event, unless they sell in the market.

Notwithstanding our recommendations, the Qualifying Shareholders are strongly advised that the decision to accept the Partial Offer or to dispose their investments in the Shares is subject to individual circumstances and investment objectives. As different Qualifying Shareholders would have different investment criteria, objectives, risk preferences and tolerance levels and/or circumstances, we would recommend any Qualifying Shareholder who may require advice in relation to any aspect of the Composite Document, or as to the action to be taken, to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser before making the decision to, whether or not, accept the Partial Offer.

Qualifying Shareholders should read carefully the procedures for accepting the Partial Offer as detailed in Appendix I to the Composite Document and the Form of Acceptance.

Yours faithfully,
for and on behalf of
Ample Capital Limited



H.W. Tang
President

Jenny Law
Vice President

Mr. H.W. Tang is a licensed person registered with the SFC and a responsible officer of Ample Capital Limited, which is licensed under the SFO to carry out Type 6 (advising on corporate finance) regulated activity. Mr. Tang has over 20 years' experience in the corporate finance industry.

Ms. Jenny Law is a licensed person registered with the SFC and a responsible officer of Ample Capital Limited, which is licensed under the SFO to carry out Type 6 (advising on corporate finance) regulated activity. Ms. Law has over 10 years' experience in the corporate finance industry.