

16 January 2026

*To Qualifying Shareholders*

Dear Sir or Madam,

**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**

References are made to (a) the Joint Announcement in relation to, among other things, the Partial Offer; and (b) the announcement dated 12 December 2025 and jointly issued by the Company and the Offeror in relation to, among other things, the satisfaction of the Pre-Condition.

As disclosed in the Joint Announcement, on 1 December 2025, 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.

This letter forms part of this Composite Document and sets out certain background information of the Offeror, the reasons for making the Partial Offer and the intention of the Offeror in relation to the Group. The terms of the Partial Offer are set out in this letter, Appendix I to this Composite Document and in the accompanying Form of Acceptance.

Your attention is drawn to the letter from the Board on pages 21 to 25, the letter from the Independent Board Committee on pages 26 to 28 and the letter from the Independent Financial Adviser on pages 29 to 55 in this Composite Document.

## THE PARTIAL OFFER

### Offer Price

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 held . . . . . 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 Condition 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.

**Shareholders and potential investors of the Company should note that the Partial Offer is subject to the satisfaction of the Condition. Accordingly, the Partial Offer may or may not become unconditional. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and, if they are in any doubt about their positions, they should consult their professional advisers.**

## **VALUE OF THE PARTIAL OFFER**

Subject to the Partial Offer becoming unconditional in all respects, each Qualifying Shareholder will receive a payment of HK\$0.21 in cash (subject to any adjustments as set out in the section headed “Effect of accepting the Partial Offer” below) for every Offer Share in respect of which that Qualifying Shareholder validly accepts the Partial Offer and which is taken up by the Offeror under the Partial Offer (less any seller’s ad valorem stamp duty arising therefrom).

### **Comparison of value**

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

- (a) 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;
- (b) 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;
- (c) 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;
- (d) 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;
- (e) 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;
- (f) 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

(g) 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.

#### **Highest and lowest Share price**

During the Relevant Period, the highest and lowest closing prices of the Shares as quoted on the Stock Exchange were HK\$0.320 (on 3 December 2025) and HK\$0.102 (on 5 and 6 June 2025), respectively.

#### **Total consideration of the Offer**

Assuming valid acceptance of all the Partial Offer for relevant number of Offer Shares has been tendered by the Qualifying Shareholders and based on the Offer Price of HK\$0.21 per Offer Share, the total cash consideration payable by the Offeror to purchase the 371,200,000 Offer Shares from the Qualifying Shareholders under the Partial Offer will be HK\$77,952,000.

#### **Confirmation of financial resources**

The Offeror will finance the cash required for the Partial Offer by internal resources.

Lego Corporate Finance, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to fully satisfy the consideration payable by the Offeror under the Partial Offer.

### **OTHER TERMS OF THE PARTIAL OFFER**

#### **Acceptance of the Partial Offer**

The Qualifying Shareholders may accept the Partial Offer in respect of some or all of the Offer Shares held by them.

Subject to the Partial Offer becoming unconditional in all respects: (i) if valid acceptances are received for 371,200,000 Shares, all Offer Shares validly accepted will be taken up; and (ii) if valid acceptances are received for more than 371,200,000 Shares as at the Final Closing Date, the total number of Offer Shares to be taken up by the Offeror from each accepting Qualifying Shareholder will be determined by the total number of Offer Shares tendered for acceptance in accordance with the following formula:

$$\frac{A}{B} \times C$$

A = 371,200,000 Shares, being the total number of Offer Shares for which the Partial Offer is made

B = the total number of Offer Shares validly tendered by all Qualifying Shareholders under the Partial Offer

C = the number of Offer Shares tendered by the relevant individual Qualifying Shareholder under the Partial Offer

#### **Partial nature of the Partial Offer and effect of fractions**

It is possible that, if a Qualifying Shareholder tenders all his/her/its Shares for acceptance under the Partial Offer, not all of such Shares will be taken up.

Fractions of Offer Shares will not be taken up under the Partial Offer and, accordingly, the number of Offer Shares that the Offeror will take up from each Qualifying Shareholder in accordance with the above formula will be rounded up or down to the nearest whole number at the discretion of the Offeror.

#### **Odd lots**

Qualifying Shareholders should note that acceptance of the Partial Offer may result in their holding odd lots of Shares. Accordingly, Lego Securities, whose address is at Room 1506, 15/F, Wheelock House, 20 Pedder Street, Central, Hong Kong (telephone number: +852 2128-9435, office hours: 9:00 a.m. to 5:30 p.m.) has been appointed by the Offeror to match sales and purchases of odd lot holdings of Shares in the market for a period of five weeks following the closing of the Partial Offer to enable such Qualifying Shareholders to dispose of their odd lots or to top up their odd lots to whole board lots. Qualifying Shareholders should note that the matching of odd lots is not guaranteed.

#### **Effect of accepting the Partial Offer**

Acceptance of the Partial Offer by any Qualifying Shareholder will constitute a warranty by such Shareholder to the Offeror that the Shares sold by it to the Offeror under the Partial Offer are fully paid, free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights and benefits at any time accruing and attaching thereto, including all rights to any dividend or other distributions the record date of which falls on or after the Final Closing Date.

As at the Latest Practicable Date, there has been no dividend or distribution declared by the Company for the financial year ended 31 December 2025 and up to the Latest Practicable Date. The Company confirms that it does not have any intention to make, declare or pay any further dividend or make other distributions between the Latest Practicable Date and the Final Closing Date and there is no dividend or distribution that has been declared but not yet paid.

If, after the Latest Practicable Date and up to the Final Closing Date, any dividend and distributions is declared in respect of the Offer Shares and the record date of which falls on or before the Final Closing Date, the Offeror reserves the right to reduce the Offer Price by an amount equal to the amount of such dividend or distributions declared, made or paid in respect of each Offer Share, in which case any reference in the Joint Announcement, this Composite Document or any other announcement or document to the Offer Price will be deemed to be a reference to the Offer Price as so reduced.

Acceptance of the Partial Offer shall be irrevocable and shall not be capable of being withdrawn, except as permitted under the Takeovers Code. Please refer to the section headed “9. EFFECT OF ACCEPTING THE PARTIAL OFFER” on page I-6 of this Composite Document.

#### **Settlement of consideration**

Subject to the Partial Offer becomes unconditional in all respects, each Qualifying Shareholder will receive a payment of the Offer Price in cash (subject to any adjustments as set out in the section headed “Effect of accepting the Partial Offer” above) for every Offer Share in respect of which that Qualifying Shareholder validly accepts the Partial Offer and which is taken up by the Offeror under the Partial Offer (less any seller’s ad valorem stamp duty arising therefrom).

Settlement of the consideration payable by the Offeror in respect of acceptance of the Partial Offer will be made as soon as possible but in any event no later than 7 business days (as defined in the Takeovers Code) after the Final Closing Date.

#### **Overseas Shareholders**

The availability of the Partial Offer to persons who are not resident in Hong Kong may be affected by the applicable laws of the relevant jurisdiction in which they reside. Qualifying Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements in their own jurisdictions and, where necessary, seek their own legal advice. It is the responsibility of those Qualifying Shareholders who wish to accept the Partial Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Partial Offer (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 by such Qualifying Shareholders in respect of such jurisdictions).

**Acceptance of the Partial Offer by any Qualifying Shareholder will be deemed to constitute a representation and warranty from such Qualifying Shareholder to the Offeror that the local laws and requirements have been complied with and that the Partial Offer can be accepted by such Qualifying Shareholder lawfully under the laws of the relevant jurisdiction. Qualifying Shareholders should consult their professional advisers if in doubt.**

## SHAREHOLDING STRUCTURE OF THE COMPANY AND EFFECT OF THE PARTIAL OFFER

The shareholding structure of the Company, as at the Latest Practicable Date and immediately upon completion of the Partial Offer, assuming that the Qualifying Shareholders have in aggregate validly tendered 371,200,000 Shares in proportion to the number of Shares held by each of them over the Shares held by all of them, and that there are no other changes to the issued share capital of the Company or shareholdings held by all parties, is set out below:

	As at the Latest Practicable Date		Immediately upon completion of the Partial Offer (Note 2)	
	Number of Shares	Approximate %	Number of Shares	Approximate %
<b>The Offeror and the parties acting in concert with it</b>	—	—	371,200,000	29.00
<b>Qualifying Shareholders</b>				
Glory Fame Venture Limited (Note 1)	562,500,000	43.95	399,375,000	31.20
Public Shareholders	717,500,000	56.05	509,425,000	39.80
<b>Total</b>	<b><u>1,280,000,000</u></b>	<b><u>100</u></b>	<b><u>1,280,000,000</u></b>	<b><u>100</u></b>

*Note 1:* Glory Fame Venture Limited is wholly owned by Mr. Cheng Youguo, an executive Director.

*Note 2:* It is noted that 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 at the Latest Practicable Date, save for Mr. Cheng Youguo, none of the other Directors is interested in any Shares.

## PUBLIC FLOAT OF THE COMPANY

The Stock Exchange has stated that:

- (a) if, at the close of the Partial Offer, the Stock Exchange believes that:
  - a false market exists or may exist in the trading of the Shares; or
  - an orderly market does not exist or may not exist;

it will consider exercising its discretion to suspend dealings in the Shares; and

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

- the Stock Exchange will add a designated marker to the stock name of the Shares; and
- 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.

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. The Offeror intends 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.

## INFORMATION ON THE OFFEROR

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 Dannis.

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 (namely 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 (“IPO”) 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)\* (上海複銀涅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.

#### **REASONS FOR AND BENEFITS OF THE PARTIAL OFFER**

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.

#### **INTENTION OF THE OFFEROR**

Following the completion of the Partial Offer, the Offeror seeks to complement and create synergetic 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). Further announcement(s)/disclosure(s) will be made upon any changes to the composition to the Board in accordance with the requirements of the Listing Rules and the Takeovers Code as and when appropriate.

#### **Hong Kong stamp duty**

In Hong Kong, the seller's ad valorem stamp duty arising in connection with acceptance of the Partial Offer will be payable by the relevant Qualifying Shareholders at a rate of 0.1% of (i) the market value of the relevant Offer Shares accepting the Partial Offer; or (ii) the consideration payable by the Offeror in respect of the relevant acceptance of the Partial Offer, whichever is higher, which will be deducted from the cash amount payable by the Offeror to such Qualifying Shareholder on acceptance of the Partial Offer (where the stamp duty calculated includes a fraction of HK\$1, the stamp duty will be rounded-up to the nearest HK\$1). The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Qualifying Shareholders accepting the Partial Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Partial Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

#### **COMPULSORY ACQUISITION**

The Offeror does not intend to avail itself of any powers of compulsory acquisition.

#### **FURTHER TERMS OF ACCEPTANCE OF THE PARTIAL OFFER**

Further terms of acceptance of the Partial Offer, including, among other things, procedures for acceptance and settlement and the acceptance period, are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

#### **ADDITIONAL INFORMATION**

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

Your attention is drawn to the letter from the Board on pages 21 to 25, the letter from the Independent Board Committee on pages 26 to 28 and the letter from the Independent Financial Adviser on pages 29 to 55 in this Composite Document. In considering what action to take in connection with the

Partial Offer, you should consider your own tax and financial positions and, if you are in doubt, 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  
**Lego Securities Limited**



**Kelvin Li**  
*Director*