

31 December 2025

To the Offer Shareholders

Dear Sir or Madam,

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

INTRODUCTION

Reference is made to the Joint Announcement.

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

All the Conditions have been satisfied and Completion took place on 30 October 2025.

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

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

The purpose of this Composite Document (of which this letter forms part) is to provide you with, among other things: (i) the details of the Offer (including the expected timetable and the terms of the Offer); (ii) information relating to the Group, the Joint Offerors and parties acting in concert with any of them, together with the Form of Acceptance; (iii) the letter from Lego Securities containing details of the Offer; (iv) a letter of recommendation from the Independent Board Committee to the Offer Shareholders in respect of the Offer; and (v) a letter of advice from the Joint Independent Financial Advisers to the Independent Board Committee on whether the Offer is fair and reasonable so far as the Offer Shareholders are concerned and on acceptance of the Offer.

Terms used in this letter shall have the same meanings as those defined in this Composite Document unless the context otherwise requires.

INDEPENDENT BOARD COMMITTEE AND JOINT INDEPENDENT FINANCIAL ADVISERS

Under Rule 2.1 and Rule 2.8 of the Takeovers Code, a board which receives an offer or which is approached with a view to an offer being made, must, in the interests of shareholders, establish an independent committee of the board to make a recommendation: (i) as to whether the offer is, or is not, fair and reasonable; and (ii) as to the acceptance.

The Independent Board Committee, which comprises all the non-executive and independent non-executive Directors who have no direct or indirect interest in the Offer, namely Ms. Ng Kwok Ying Isabella, Ms. Cheung Yuk Ki, Mr. Mak Tin Sang, Ms. Chen Weijie and Dr. Lowe Chun Yip, has been established for the purpose of making recommendations to the Offer Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

Cinda International Capital Limited and Rainbow Capital (HK) Limited have been appointed as the Joint Independent Financial Advisers to advise the Independent Board Committee in respect of the Offer. The appointment of the Joint Independent Financial Advisers has been approved by the Independent Board Committee.

You are advised to read the “Letter from the Independent Board Committee” to the Offer Shareholders, the “Letter from the Joint Independent Financial Advisers” and the additional information contained in the appendices to this Composite Document before taking any action in respect of the Offer.

The Offer

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

Lego Securities will make the Offer for and on behalf of the Joint Offerors in compliance with the Takeovers Code on the following basis:

For every Offer Share HK\$0.5941 in cash

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

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

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

As at the Latest Practicable Date, the Company has 433,332,181 Shares in issue. The Company does not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

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

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

INFORMATION ON THE JOINT OFFERORS

Your attention is drawn to the section headed “Information on the Joint Offerors” in the “Letter from Lego Securities” in this Composite Document for information on the Joint Offerors.

INFORMATION ON THE GROUP

The Company is an investment holding company listed on the Main Board. The Group is principally engaged in the design, development, manufacture, sales and marketing of various electronic products and smart wearable devices. Since the re-commencement of the Group’s operations in December 2023, the Group has resumed sales of electronic products under the “Oregon Scientific” trademark. Additionally, it launched its own online retail platform and established two online stores on foreign platforms. The Group is continuously expanding its product portfolio to meet new customer demands and enhance its market competitiveness.

Pursuant to Note 3 to Rule 2 of the Takeovers Code, the Board would like to draw the attention of the Offer Shareholders to the existence of a material uncertainty related to the Group’s ability to continue as a going concern as at 31 December 2022, 2023 and 2024 contained in Forvis Mazars CPA Limited’s report as set out in the annual reports of the Company for the years ended 31 December 2022, 2023 and 2024 (please refer to Appendix II to this Composite Document for details). The material uncertainty relating to the “going concern” basis of the Company means that the Offer Shareholders are advised to take into account the foregoing and consider carefully the terms of the Offer. If the Offer Shareholders decide not to accept the Offer, they should be aware of the potential risks associated with the material uncertainty in respect of the “going concern” issue.

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

SHAREHOLDING STRUCTURE OF THE COMPANY

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

	Immediately prior to Completion		Immediately upon Completion and before the Offer	
	<i>Number of Shares</i>	<i>Approximate % of issued Shares</i>	<i>Number of Shares</i>	<i>Approximate % of issued Shares</i>
The Receiver (<i>Note 1</i>)	312,432,503	72.10	–	–
The Joint Offerors and parties acting in concert with any of them				
Hunglap	–	–	203,666,125	47.00
Horizon Heights	–	–	108,766,378	25.10
Sub-total	–	–	312,432,503	72.10
Public Shareholders	120,899,678	27.90	120,899,678	27.90
Total	<u>433,332,181</u>	<u>100.00</u>	<u>433,332,181</u>	<u>100.00</u>

Note:

1. Tiger Energy directly owned 312,432,503 Shares (i.e. the Sale Shares) prior to Completion. Tiger Energy is directly owned as to 50% and 50% by Mr. Tiger Charles Chen and Mr. Wong Tung Yuen. The Receiver was appointed as receiver by Lead Winner Investment Limited (“LWIL”) as chargee on 1 October 2025 over the 312,432,503 Shares (i.e. the Sale Shares) pursuant to a share charge agreement dated 13 May 2025 executed by Tiger Energy as chargor in favour of LWIL.
2. Apart from the Sale Shares owned by Tiger Energy (owned as to 50% by Mr. Tiger Charles Chen who is an executive Director) immediately prior to Completion, no other Director held any interest in the Shares immediately prior to or after Completion.

INTENTION OF THE JOINT OFFERORS IN RELATION TO THE GROUP

Information on the intention of the Joint Offerors in relation to the business and management of the Group is set out in the subsection headed “INTENTION OF THE JOINT OFFERORS IN RELATION TO THE GROUP” in the section headed “Letter from Lego Securities” in this Composite Document. The Company is pleased to know that following the close of the Offer, it is the intention of the Joint Offerors that the Group will continue with its existing principal activities and maintain the employment of the existing employees of the Group including operational staff.

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

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

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

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

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

PUBLIC FLOAT AND MAINTENANCE OF THE LISTING STATUS OF THE COMPANY

The Joint Offerors intend to maintain the listing of the Shares on the Stock Exchange after the close of the Offer.

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

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

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

The Joint Offerors will undertake to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offer to ensure that sufficient public float exists in the Shares.

RECOMMENDATION

Your attention is drawn to (i) the “Letter from the Independent Board Committee” as set out on pages 23 to 24 of this Composite Document, which contains its recommendation to the Offer Shareholders as to whether the Offer is, or is not, fair and reasonable and as to their acceptance of the Offer; and (ii) the “Letter from the Joint Independent Financial Advisers” as set out on pages 25 to 45 of this Composite Document which contains their advice to the Independent Board Committee in relation to the Offer and the principal factors considered by them in arriving at its advice.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendices to this Composite Document. Further details on the terms and the procedures for acceptance of the Offer are set out in Appendix I “Further Terms and Procedures for Acceptance of the Offer” to this Composite Document and the accompanying Form of Acceptance.

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

By order of the Board of
IDT International Limited



Ng Kwok Ying Isabella
Non-executive Director