
THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of the Partial Offer, this Composite Document and/or the accompanying Form of Acceptance or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in XiangXing International Holding Limited, you should at once hand this Composite Document and the accompanying Form of Acceptance to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities, or other agent through whom the sale or transfer was effected, for transmission to the purchaser(s) or the transferee(s).

This Composite Document should be read in conjunction with the accompanying Form of Acceptance, the contents of which form part of the terms and conditions of the Partial Offer.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Composite Document and the accompanying Form of Acceptance, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Composite Document and the accompanying Form of Acceptance.



WESTWELL HOLDINGS (HONG KONG) LIMITED **XIANGXING INTERNATIONAL HOLDING LIMITED**
西井控股(香港)有限公司 象興國際控股有限公司
(Incorporated in Hong Kong with limited liability) (Incorporated in the Cayman Islands with limited liability)



(Stock code: 1732)

COMPOSITE OFFER AND RESPONSE DOCUMENT IN RELATION TO 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)

Financial adviser to the Offeror



Financial adviser to the Company



Independent Financial Adviser to the Independent Board Committee



Capitalised terms used in this cover page have the same meaning as those defined in the section headed "Definition" in this Composite Document.

A letter from Lego Securities containing, among other things, the details of the terms and conditions of the Partial Offer is set out on pages 9 to 20 of this Composite Document. A letter from the Board is set out on pages 21 to 25 of this Composite Document. A letter from the Independent Board Committee containing its recommendation to the Qualifying Shareholders in respect of the Partial Offer is set out on pages 26 to 28 of this Composite Document. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Partial Offer is set out on pages 29 to 55 of this Composite Document.

The procedures for acceptance and settlement of the Partial Offer are set out in Appendix I to this Composite Document and in the accompanying Form of Acceptance. Acceptances of the Partial Offer should be received by the Share Registrar by no later than 4:00 p.m. on Friday, 6 February 2026, being the First Closing Date, or such later time and/or date as the Offeror may decide and announce and the Executive may approve.

Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Form of Acceptance to any jurisdiction outside of Hong Kong should read the sections headed "Important Notice" in this Composite Document and "Overseas Shareholders" in the letter from Lego Securities before taking any action. It is the responsibility of each Overseas Shareholder wishing to accept the Partial Offer to satisfy himself, herself or itself as to full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required and the compliance with other necessary formalities or legal requirements. Overseas Shareholders are advised to seek professional advice on deciding whether to accept the Partial Offer.

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EXPECTED TIMETABLE

The timetable set out below is indicative only and may be subject to change. Further announcement(s) will be jointly made by the Offeror and the Company as and when appropriate.

All references to time and dates contained in this Composite Document are to Hong Kong time and dates.

| Event | Hong Kong time and dates |
|---|---|
| Despatch date of this Composite Document and the accompanying Form of Acceptance and Partial Offer open for acceptance | Friday, 16 January 2026 |
| First Closing Date (<i>Note 1</i>) | Friday, 6 February 2026 |
| Latest time and date for acceptance of the Partial Offer on the First Closing Date (<i>Note 1</i>) | 4:00 p.m. on Friday, 6 February 2026 |
| Announcement of the results of the Partial Offer as at the First Closing Date to be posted on the website of the Stock Exchange (<i>Note 4</i>) | no later than 7:00 p.m. on Friday, 6 February 2026 |
| Latest time and date for the acceptance of the Partial Offer (assuming that the Partial Offer becomes or is declared unconditional as to acceptances on the First Closing Date) (i.e. the Final Closing Date) (<i>Note 1</i>) | 4:00 p.m. on Friday, 20 February 2026 |
| Announcement of the results of the Partial Offer as at the Final Closing Date to be posted on the website of the Stock Exchange (<i>Note 4</i>) | no later than 7:00 p.m. on Friday, 20 February 2026 |
| Designated agent starts to stand in the market to provide matching services for sale and purchase of odd lots holdings of Shares (assuming that the Partial Offer becomes or is declared unconditional as to acceptances on the First Closing Date) | 9:00 a.m. on Monday, 23 February 2026 |

EXPECTED TIMETABLE

| Event | Hong Kong time and dates |
|---|-------------------------------------|
| Latest date for posting of remittances for amounts due in respect of valid acceptances received under the Partial Offer and return of share certificate(s) for Shares tendered but not validly accepted under the Partial Offer at or before 4:00 p.m. on the Final Closing Date (assuming that the Partial Offer becomes or is declared unconditional as to acceptances on the First Closing Date) (<i>Note 5</i>) | Tuesday, 3 March 2026 |
| Latest time and date by which the Partial Offer can become or be declared unconditional as to acceptances (<i>Note 2</i>) | 7:00 p.m. on Tuesday, 17 March 2026 |
| Designated agent ceases to stand in the market to provide matching services for sale and purchase of odd lots holdings of Shares (assuming that the Partial Offer becomes or is declared unconditional as to acceptances on the First Closing Date) | Friday, 27 March 2026 |

Notes:

- Where the Partial Offer has not become or been declared unconditional as to acceptances by the First Closing Date, the Offeror may extend the closing date of the Partial Offer in accordance with the Takeovers Code. The latest time for receipt of acceptances under the Partial Offer will be 4:00 p.m. on the First Closing Date unless the Offeror revises or extends the Partial Offer in accordance with the Takeovers Code. The Offeror and the Company will issue a joint announcement on the Stock Exchange's website by 7:00 p.m. on the First Closing Date, stating the results of the Partial Offer and whether the Partial Offer has been revised or extended, has lapsed or has become or been declared unconditional in all respects. The Partial Offer must remain open for at least 21 days after the Despatch Date.

Where the Partial Offer has become or been declared unconditional as to acceptance on the First Closing Date, the Partial Offer will remain open for acceptance for 14 days thereafter in accordance with the Takeovers Code, then the Final Closing Date will be Friday, 20 February 2026, and may not be further extended. Where the Partial Offer has become or been declared unconditional as to acceptance before the First Closing Date, the Partial Offer will remain open for acceptance for not less than 14 days thereafter, provided that the Final Closing Date shall not be extended to a day beyond the 14th day after the First Closing Date. If the Partial Offer becomes or is declared unconditional in all respects by no later than the date falling 7 days following the Despatch Date, i.e. 23 January 2026, then the Partial Offer will close for acceptance on the First Closing Date and will not be further extended.
- In accordance with the Takeovers Code, except with the consent of the Executive, the Partial Offer may not become or be declared unconditional as to acceptances after 7:00 p.m. on the 60th day after the Despatch Date. Where a period laid down by the Takeovers Code ends on a day which is not a business day, the period is extended until the next business day. Accordingly, unless the Partial Offer has previously become unconditional as to acceptances, the Partial Offer will lapse after 7:00 p.m. on Tuesday, 17 March 2026, unless extended with the consent of the Executive.

EXPECTED TIMETABLE

3. Beneficial owners of Shares who hold their Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (set out in Appendix I to this Composite Document) for causing instructions to be given to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.
4. The announcement of the results of the Partial Offer will be jointly issued by the Offeror and the Company and posted on the Stock Exchange's website. Such announcement will comply with the disclosure requirements under Rule 19.1 and Note 7 to Rule 19 of the Takeovers Code.
5. Remittances in respect of the Offer Shares accepted and taken up by the Offeror under the Partial Offer (after deducting seller's ad valorem stamp duty) will be posted to the relevant Accepting Shareholders by ordinary post at their own risk 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.
6. If there is a tropical cyclone warning signal number 8 or above, or a "black" rainstorm warning in force or "extreme conditions" (as announced by the Hong Kong government) in Hong Kong:
 - (a) at any local time before 12:00 noon but no longer in force after 12:00 noon on the latest date for acceptance of the Partial Offer and the latest date for despatch of remittances for the amounts due under the Partial Offer in respect of valid acceptances, the latest time for acceptance of the Partial Offer will remain at 4:00 p.m. on the same business day and the latest date for the despatch of remittances will remain on the same business day; or
 - (b) at 12:00 noon and/or thereafter on the latest date for acceptance of the Partial Offer and the latest date for despatch of remittances for the amounts due under the Partial Offer in respect of valid acceptances, the latest time for acceptance of the Partial Offer and the latest date for the dispatch of remittances will be rescheduled on the following business day which does not have either of those warnings in force at 12:00 noon and/or thereafter.

Save as mentioned above, if the latest time for acceptance of the Partial Offer does not take effect on the date and time as stated above, the other dates mentioned above may be affected. The Offeror and the Company will jointly notify the Qualifying Shareholders by way of announcement(s) in the event of any change to the expected timetable as and when appropriate.

IMPORTANT NOTICE

NOTICE TO OVERSEAS SHAREHOLDERS

The making of the Partial Offer to the Overseas Shareholders who are citizens, residents or nationals of jurisdictions outside Hong Kong may be subject to the applicable laws of the relevant jurisdictions in which they are located. Such Overseas Shareholders should inform themselves about and observe any applicable legal or regulatory requirements in their own jurisdictions. It is the responsibility of any Overseas Shareholder wishing to accept the Partial Offer to satisfy himself/herself/itself (and, where necessary, seek independent legal advice) as to the full observance of the laws and regulations of the relevant jurisdictions in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any transfer or other taxes due from such Overseas Shareholders in such relevant jurisdictions.

Any acceptance by such Overseas Shareholders will be deemed to constitute a representation and warranty from such persons to the Company, the Offeror and their respective advisers, including Lego Securities, Lego Corporate Finance, Alpha Financial and Ample Capital, that those local laws and regulatory requirements have been complied with. If you are in doubt as to your position, you should consult your professional advisers. For further details, please refer to the section headed “Overseas Shareholders” in the letter from Lego Securities and Appendix I to this Composite Document.

The Offeror, the Company, Lego Securities, Lego Corporate Finance, Alpha Financial, Ample Capital, the Share Registrar, their respective ultimate beneficial owners, directors, officers, agents, advisers and associates and any other person involved in the Partial Offer shall be entitled to be fully indemnified and held harmless by such Overseas Shareholders for any taxes, duties and levy as such person may be required to pay. Please see the sections headed “11. Hong Kong Stamp Duty” and “12. Taxation Advice” in Appendix I to this Composite Document.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Composite Document contains forward-looking statements, which may be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “seek”, “estimate”, “will”, “would” or words of similar meaning, that involve risks and uncertainties, as well as assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The forward-looking statements included herein are made only as at the Latest Practicable Date. The Offeror, the Company, Lego Securities, Lego Corporate Finance, Alpha Financial, Ample Capital, the Share Registrar and/or their respective agents assume no obligation to correct or update the forward-looking statements or opinions contained in this Composite Document, except as required pursuant to applicable laws or regulations, including but not limited to the Listing Rules and/or the Takeovers Code.

DEFINITION

In this Composite Document, unless the context otherwise requires, the following expressions shall have the following meanings:

| | |
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| “Accepting Shareholder(s)” | Qualifying Shareholder(s) accepting the Partial Offer |
| “acting in concert” or “concert parties” | has the meaning ascribed to it under the Takeovers Code |
| “Alpha Financial” | Alpha Financial Group Limited, a corporation licensed by the SFC to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the financial adviser to the Company in relation to the Partial Offer |
| “associate(s)” | has the meaning ascribed to it under the Takeovers Code |
| “Board” | the board of Directors |
| “business day(s)” | the meaning ascribed thereto in the Takeovers Code |
| “CCASS” | Central Clearing and Settlement System established and operated by HKSCC |
| “Company” | XiangXing International Holding Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1732) |
| “Composite Document” | this composite offer and response document in respect of the Partial Offer jointly despatched by the Offeror and the Company to the Shareholders in compliance with the Takeovers Code |
| “Condition” | the condition to which the Partial Offer is subject, as set out under the section headed “Condition to the Partial Offer” in the letter from Lego Securities in this Composite Document |
| “Despatch Date” | 16 January 2026, the date of despatch of this Composite Document to the Shareholders in compliance with the Takeovers Code |
| “Director(s)” | the director(s) of the Company |
| “Executive” | the Executive Director of the Corporate Finance Division of the SFC from time to time and any delegate of such Executive Director |
| “Final Closing Date” | the date which is (i) the 14th day after the date on which the Partial Offer is declared unconditional as to acceptances or (ii) the First Closing Date, whichever is the later |

DEFINITION

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| “First Closing Date” | 6 February 2026, being the date stated in this Composite Document as the first closing date of the Partial Offer, which shall be at least 21 days after the Despatch Date, or such later date as may be extended by the Offeror in accordance with the Takeovers Code |
| “Form of Acceptance” | the form of acceptance in respect of the Partial Offer accompanying this Composite Document |
| “Group” | the Company together with its subsidiaries |
| “HK\$” | Hong Kong dollar(s), the lawful currency of Hong Kong |
| “HKSCC” | Hong Kong Securities Clearing Company Limited |
| “Hong Kong” | Hong Kong Special Administrative Region of the PRC |
| “Independent Board Committee” | an independent board committee of the Company, comprising all of the independent non-executive Directors, formed for the purpose of making a recommendation to the Qualifying Shareholders in respect of the Partial Offer, and as to acceptance of the Partial Offer |
| “Independent Financial Adviser” or “Ample Capital” | Ample Capital Limited, a corporation licensed by the SFC to conduct Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee in relation to the Partial Offer |
| “Joint Announcement” | the announcement dated 1 December 2025 jointly issued by the Company and the Offeror in relation to the Partial Offer |
| “Last Trading Day” | 18 November 2025, being the last trading day for the Shares immediately before the publication of the Joint Announcement |
| “Latest Practicable Date” | 13 January 2026, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained herein |
| “Lego Corporate Finance” | Lego Corporate Finance Limited, a corporation licensed by the SFC to conduct Type 6 (advising on corporate finance) regulated activity under the SFO, being the financial adviser to the Offeror in respect of the Partial Offer |
| “Lego Securities” | Lego Securities Limited, a corporation licensed by the SFC to conduct Type 1 (dealing in securities) regulated activity under the SFO, being the agent making the Partial Offer for and on behalf of the Offeror |

DEFINITION

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|-----------------------------|--|
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Mr. Tan” | Mr. Tan Limin |
| “Offer Period” | has the meaning ascribed to it under the Takeovers Code which commences on the date of the Joint Announcement and ends on the date on which the Partial Offer closes, lapses or has been withdrawn |
| “Offer Price” | HK\$0.21 for each Offer Share in cash payable by the Offeror to the Qualifying Shareholders accepting the Partial Offer |
| “Offer Share(s)” | the Share(s) held by the Qualifying Shareholders which are subject to the Partial Offer |
| “Offeror” | Westwell Holdings (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and held as to approximately 95.24% by Shanghai Westwell, 2.86% by Allasia Capital Limited, 1.71% by Sonic Express Developments Limited and 0.19% by Excel World Corporation Limited |
| “Overseas Shareholder(s)” | the Shareholder(s) whose address(es) as shown on the Register is/are outside Hong Kong |
| “Partial Offer” | the conditional voluntary cash partial offer being made by Lego Securities for and on behalf of the Offeror to the Qualifying Shareholders to acquire 371,200,000 Shares (representing 29% of the Shares in issue as at the Latest Practicable Date) on the terms and conditions set out in this Composite Document and set out in the Composite Document, and in compliance with the Takeovers Code |
| “PRC” | the People’s Republic of China which, for the purpose of this Composite Document, shall exclude Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan |
| “Pre-Condition” | the pre-condition as set out under the section headed “Pre-Condition to the Partial Offer” in the letter from Lego Securities in this Composite Document for the making of the Partial Offer, which was fulfilled on 12 December 2025 |
| “Qualifying Shareholder(s)” | Shareholder(s) other than the Offeror and parties acting in concert with it |

DEFINITION

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|-----------------------|---|
| “Register” | the register of members of the Company |
| “Relevant Period” | the period from 1 June 2025, being the date falling six months prior to the date of the Joint Announcement and ending on and including the Latest Practicable Date |
| “relevant securities” | has the meaning ascribed to it under Note 4 to Rule 22 of the Takeovers Code |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “SFC” | the Securities and Futures Commission of Hong Kong |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Shanghai Westwell” | Shanghai Westwell Technology Company Limited* (上海西井科技股份有限公司), a company established in the PRC and which directly holds approximately 95.24% of the total shares in the Offeror |
| “Shareholder(s)” | holders of the Share(s) |
| “Share(s)” | the ordinary share(s) of the Company |
| “Share Registrar” | Tricor Investor Services Limited, the Hong Kong branch share registrar of the Company, whose address is situated at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “subsidiaries” | has the meaning ascribed to it under the Listing Rules |
| “Takeovers Code” | The Code on Takeovers and Mergers issued by the SFC |
| “%” | per cent. |

** For identification purpose only*

LETTER FROM LEGO SECURITIES



Lego Securities Limited
Room 1506, 15/F
Wheelock House,
20 Pedder Street
Central, Hong Kong

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.

LETTER FROM LEGO SECURITIES

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.

LETTER FROM LEGO SECURITIES

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),

LETTER FROM LEGO SECURITIES

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.

LETTER FROM LEGO SECURITIES

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.

LETTER FROM LEGO SECURITIES

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.

LETTER FROM LEGO SECURITIES

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 % |
| The Offeror and the parties acting in concert with it | – | – | 371,200,000 | 29.00 |
| Qualifying Shareholders | | | | |
| Glory Fame Venture Limited (Note 1) | 562,500,000 | 43.95 | 399,375,000 | 31.20 |
| Public Shareholders | <u>717,500,000</u> | <u>56.05</u> | <u>509,425,000</u> | <u>39.80</u> |
| Total | <u>1,280,000,000</u> | <u>100</u> | <u>1,280,000,000</u> | <u>100</u> |

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;

LETTER FROM LEGO SECURITIES

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

LETTER FROM LEGO SECURITIES

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)* (上海複銀理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.

LETTER FROM LEGO SECURITIES

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

LETTER FROM LEGO SECURITIES

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

LETTER FROM LEGO SECURITIES

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

LETTER FROM THE BOARD



XIANGXING INTERNATIONAL HOLDING LIMITED

象興國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1732)

Executive Directors:

Mr. Cheng Youguo

Mr. Qiu Changwu

Independent Non-executive Directors:

Mr. Cheng Siu Shan

Ms. Li Zhao

Mr. Lin Guoquan

Registered Office:

Cricket Square,
Hutchins Drive, PO Box 2681,
Grand Cayman, KY1-1111,
Cayman Islands

Principal Place of Business

in Hong Kong:

Suite No. 2, 3rd Floor, Sino Plaza,
255-257 Gloucester Road,
Causeway Bay,
Hong Kong

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. Capitalised terms used herein shall have the same meanings as defined in the Composite Document unless the context requires otherwise.

LETTER FROM THE BOARD

As disclosed in the Joint Announcement, on 1 December 2025, the Offeror and the Company jointly announced that Lego Securities, on behalf of the Offeror, would make a voluntary conditional cash partial offer to acquire 371,200,000 Shares (representing 29% of the Company's issued share capital as at the Latest Practicable Date) from the Qualifying Shareholders at the Offer Price of HK\$0.21 per Offer Share.

The purpose of this Composite Document (of which this letter forms part) is to provide you with, among other things, (i) further information relating to each of the Group, the Offeror and the Partial Offer; (ii) the letter from Lego Securities containing details of the Partial Offer; (iii) the letter from the Independent Board Committee containing its recommendation and advice to the Qualifying Shareholders in respect of the Partial Offer; and (iv) the letter from the Independent Financial Adviser, containing its advice to the Independent Board Committee on whether the Partial Offer is fair and reasonable so far as the Qualifying Shareholders are concerned and as to acceptance in respect of the Partial Offer.

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 HK\$0.21 in cash

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).

Further details of the Partial Offer are set out in the letter from Lego Securities in this Composite Document, Appendix I to this Composite Document and the accompanying Form of Acceptance.

As at the Latest Practicable Date, there were 1,280,000,000 Shares in issue and the Company had no other Share, options, derivatives, warrants or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) which are convertible or exchangeable into Shares, nor has it entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

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 in the section headed "SHAREHOLDING STRUCTURE OF THE COMPANY AND EFFECT OF THE PARTIAL OFFER" in the letter from Lego Securities in this Composite Document.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE PARTIAL OFFER

Your attention is drawn to the section headed “REASONS FOR AND BENEFITS OF THE PARTIAL OFFER” in the letter from Lego Securities in this Composite Document.

INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

Your attention is drawn to the section headed “INTENTION OF THE OFFEROR” in the letter from Lego Securities in this Composite Document which sets out, among other things, the intention of the Offeror in relation to the business and management of the Group. The Board notes that the Offeror intends that the Group will continue its existing business and the employment of the 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.

The Board acknowledges the intention of the Offeror and is willing to cooperate with the Offeror and act in the best interest of the Company and its Shareholders as a whole.

INFORMATION ON THE GROUP

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 and Chengdu cities of the PRC.

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

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

LETTER FROM THE BOARD

- 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 and all the Offer Shares tendered are from Shareholders which are counted towards the public float, 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. 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 Company notes that 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.

RECOMMENDATION

An Independent Board Committee, which comprises all of the independent non-executive Directors, namely Mr. Cheng Siu Shan, Ms. Li Zhao and Mr. Lin Guoquan, has been established by the Board in accordance with Rules 2.1 and 2.8 of the Takeovers Code to make a recommendation to the Qualifying Shareholders as to whether the Partial Offer is fair and reasonable and as to acceptance of the Partial Offer, taking into account the advice from the Independent Financial Adviser to the Independent Board Committee.

Your attention is drawn to the letter from the Independent Financial Adviser in this Composite Document. The Independent Financial Adviser has been appointed with the approval of the Independent Board Committee to advise the Independent Board Committee in respect of the Partial Offer and in particular as to whether the Partial Offer is fair and reasonable and as to acceptance of the Partial Offer. The Qualifying Shareholders are strongly recommended to read the full text of the letter from the Independent Financial Adviser in this Composite Document.

Your attention is drawn to the letter from the Independent Board Committee in this Composite Document. Having considered the terms of the Partial Offer and the advice from the Independent Financial Adviser, the Independent Board Committee is of the view that the Partial Offer is fair and reasonable so far as the Qualifying Shareholders are concerned and accordingly, recommends the Qualifying Shareholders to accept the Partial Offer. The Qualifying Shareholders are strongly recommended to read the full text of the letter from the Independent Board Committee in this Composite Document.

The Directors (excluding the members of the Independent Board Committee, whose view is set out in the letter from the Independent Board Committee in this Composite Document) concur with the views of the Independent Board Committee and the Independent Financial Adviser and are of the view that the Partial Offer is fair and reasonable so far as the Qualifying Shareholders are concerned and accordingly, recommend the Qualifying Shareholders to accept the Partial Offer.

LETTER FROM THE BOARD

GENERAL

Your attention is drawn to the letter from Lego Securities, Appendix I to this Composite Document and the accompanying Form of Acceptance for the principal terms and the acceptance and settlement procedures in relation to the Partial Offer.

Your attention is drawn to (1) the letter from the Independent Board Committee in this Composite Document, which contains the Independent Board Committee's advice to Qualifying Shareholders in respect of acceptance of the Partial Offer; and (2) the letter from the Independent Financial Adviser in this Composite Document, which contains, among other things, the Independent Financial Adviser's advice to the Independent Board Committee in respect of the Partial Offer and principal factors and reasons considered by it in arriving at such advice.

Your attention is further drawn to the general information as set out in Appendix III to this Composite Document.

Yours faithfully,
For and on behalf of the Board
XiangXing International Holding Limited
Cheng Youguo
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



XIANGXING INTERNATIONAL HOLDING LIMITED

象興國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1732)

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)**

We refer to the Composite Document dated 16 January 2026 jointly issued by the Offeror and the Company, of which this letter forms part. Unless specified otherwise, terms used herein shall have the same meanings as those defined in the Composite Document.

We have been appointed by the Board to form the Independent Board Committee to consider the terms of the Partial Offer and to advise you as to whether, in our opinion, the Partial Offer is fair and reasonable so far as the Qualifying Shareholders are concerned and to make a recommendation as to the acceptance of the Partial Offer.

Ample Capital has been appointed as the Independent Financial Adviser to advise us in respect of the terms of the Partial Offer and as to the acceptance of the Partial Offer, and such appointment has been approved by us. Your attention is drawn to the letter from the Independent Financial Adviser in the Composite Document containing its advice to us and the principal factors and reasons taken into account by it in arriving at such advices.

We also wish to draw your attention to the letter from Lego Securities and the letter from the Board in the Composite Document as well as the additional information set out in the Appendices to the Composite Document.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

RECOMMENDATION

Having considered the terms of the Partial Offer, the information contained in the Composite Document and the principal factors and reasons considered by, and the independent advice of the Independent Financial Adviser, as set out in its letter of advice, we are of the view that the Partial Offer is fair and reasonable so far as the Qualifying Shareholders are concerned and accordingly, we recommend the Qualifying Shareholders to accept the Partial Offer.

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.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The procedures for acceptance of the Partial Offer are set out in Appendix I to the Composite Document and the accompanying Form of Acceptance. Qualifying Shareholders are urged to read the timetable set out in the Composite Document and any revised timetable (if any) to be announced by the Offeror and the Company carefully and act accordingly if they wish to accept the Partial Offer.

The Qualifying Shareholders are also strongly recommended to read the full text of the letter from the Independent Financial Adviser in the Composite Document.

Yours faithfully,
For and on behalf of the
Independent Board Committee
XiangXing International Holding Limited

Mr. Cheng Siu Shan
*Independent non-executive
Director*

Ms. Li Zhao
*Independent non-executive
Director*

Mr. Lin Guoquan
*Independent non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Partial Offer, which has been prepared for the purpose of incorporation into this Composite Document.

AmCap
Ample Capital Limited
豐盛融資有限公司

Ample Capital Limited
Room 903, Far East Consortium Building
121 Des Voeux Road Central, Hong Kong
Hong Kong

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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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 enquires, 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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:

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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 | 2023 | 2025 | 2024 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | (audited) | (audited) | (unaudited) | (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

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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.

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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 RMB'000 (unaudited) | As at 31 December 2024 RMB'000 (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).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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.

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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.

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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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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 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 (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)* (上海複銀理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.

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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 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.

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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

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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 synergetic 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 synergetic 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

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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

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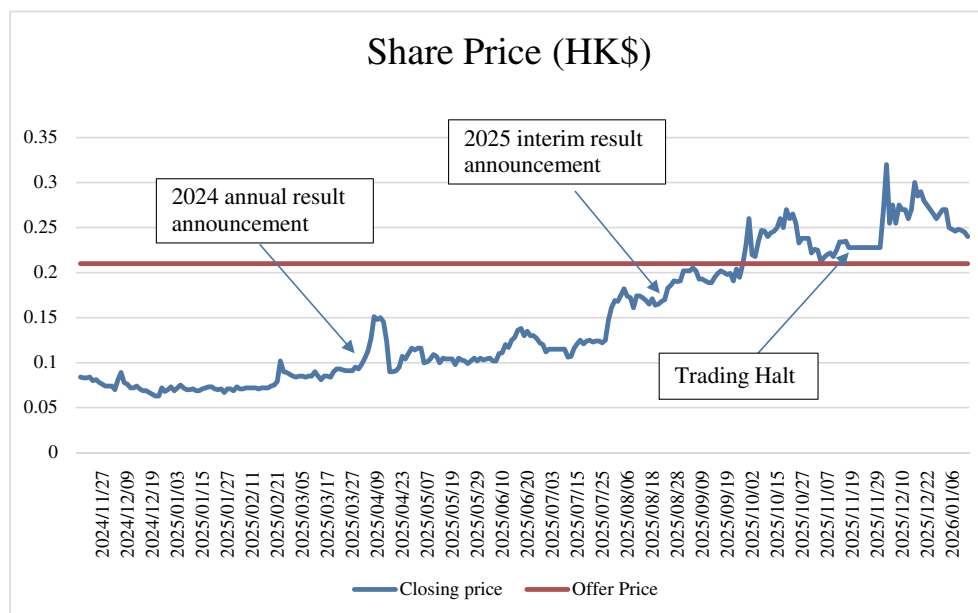
- (vii) a premium of approximately 17.32% over the unaudited consolidated net asset value per Share attributable to Shareholders of approximately HK\$0.179 as at 30 June 2025 (being the date to which the latest published unaudited interim financial results of the Group were made up) calculated based 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.

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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.

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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.

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(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 Shares during the month/period to 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⁾ |
|---|------------------------|--|--|---|
| 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.

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- (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

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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 | Net Asset Value | Revenue | P/B Ratio (Note 1) | P/S Ratio (Note 2) |
|---------------|-----------------------------|---|--|--------------------|--------------|-----------------------|-----------------------|
| | | | HK\$ million | HK\$ million | HK\$ million | times | times |
| 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 |

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| Stock Code | Company name | Principal activities | Market capitalisation as at the Last Trading Day | Net Asset Value | Revenue | P/B Ratio | P/S Ratio |
|---------------|---|--|--|---------------------|-------------------|-------------------|-------------------|
| | | | HK\$ million | HK\$ million | HK\$ million | (Note 1) times | (Note 2) times |
| 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 (Note 5) | 1.06 (Note 6) |

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

Notes:

- 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.
- 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.
- 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.
- 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.

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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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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 synergetic 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.

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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 **Jenny Law**
President *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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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.

APPENDIX I FURTHER TERMS AND PROCEDURES FOR ACCEPTANCE OF THE PARTIAL OFFER

1. GENERAL PROCEDURES FOR ACCEPTANCE OF THE PARTIAL OFFER

To accept the Partial Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms of the Partial Offer.

- (i) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities in respect thereof) (if applicable) in respect of the Shares is/are in the name of the Qualifying Shareholder(s), and he/she/it wishes to accept the Partial Offer whether in full or in respect of part of his/her/its holding of the Shares, he/she/it should complete and return the accompanying Form of Acceptance in accordance with the instructions printed in this Composite Document and on the Form of Acceptance to the Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong. The instructions in this Composite Document should be read together with the instructions on the Form of Acceptance (which instructions form part of the terms of the Partial Offer).
- (ii) In order to be valid, the completed Form of Acceptance should be forwarded, together with the Share certificate(s), transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (if applicable) for not less than the number of Shares in respect of which the relevant Qualifying Shareholder wishes to accept the Partial Offer, by post or by hand to Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong in an envelope marked “XiangXing International Holding Limited – Partial Offer” as soon as possible but in any event so as to reach the Share Registrar by no later than 4:00 p.m. (Hong Kong time) on the Final Closing Date, or such later time and/or date as the Offeror may decide and announce and the Executive may approve.
- (iii) Unless the Partial Offer is extended or revised in accordance with the Takeovers Code, no Form of Acceptance received after the Final Closing Date will be accepted.
- (iv) If the Form of Acceptance is executed by a person other than the registered holder, appropriate documentary evidence of authority (e.g., a grant of probate or certified copy of a power of attorney) to the satisfaction of the Share Registrar must be delivered to the Share Registrar with the completed Form of Acceptance.
- (v) No acknowledgement of receipt of any Form of Acceptance, Share certificate(s), transfer receipt(s) or other document(s) of title (and/or any indemnity or indemnities in respect thereof) (if applicable) will be given.
- (vi) In relation to any acceptance(s) of the Partial Offer in respect of Shares held in CCASS, the Offeror reserves the right to make such alterations, additions or modifications to the terms of the Partial Offer as may be necessary or desirable to give effect to any purported acceptance of the Partial Offer, whether to comply with the facilities or requirements of CCASS or

APPENDIX I FURTHER TERMS AND PROCEDURES FOR ACCEPTANCE OF THE PARTIAL OFFER

otherwise, provided such alterations, additions or modifications are consistent with the requirements of the Takeovers Code and any applicable laws and regulations or are otherwise made with the Executive's consent.

2. 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

3. 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.

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4. NOMINEE HOLDINGS

- (a) If the Share certificate(s), transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (if applicable) in respect of a Qualifying Shareholder's Share(s) is/are in the name of a nominee company or some name other than his/her/its own, and such Qualifying Shareholder wishes to accept the Partial Offer (either in full or in respect of part of his/her/its holding(s) of Shares), he/she/it must either:
- (1) lodge the Share certificate(s), transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (if applicable) with the nominee company, or other nominee, with instructions authorising it to accept the Partial Offer on his/her/its behalf and requesting it to deliver the Form of Acceptance duly completed and signed together with the relevant Share certificate(s), transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (if applicable) to the Share Registrar, within such deadline (which may be earlier than the deadline specified under the Partial Offer) as may be stipulated by the nominee; or
 - (2) arrange for the Shares to be registered in his/her/its name by the Company through the Share Registrar, and send the Form of Acceptance duly completed and signed together with the relevant share certificate(s), transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (if applicable) to the Share Registrar on or before 4:00 p.m. (Hong Kong time) on the Final Closing Date, or such later time and/or date as the Offeror may decide and announce and the Executive may approve; or
 - (3) where his/her/its Shares have been deposited in CCASS via his/her/its licensed securities dealer/broker/custodian bank, instruct his/her/its licensed securities dealer/broker/custodian bank to authorise HKSCC Nominees Limited to accept the Partial Offer on his/her/its behalf on or prior to the deadline set by HKSCC Nominees Limited or any other date as shall be determined by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, that Qualifying Shareholder should check with his/her/its licensed securities dealer/broker/custodian bank for the timing on processing his/her/its instruction, and submit such instruction to his/her/its licensed securities dealer/broker/custodian bank as required by them; or
 - (4) if the Shares have been lodged with his/her/its investor participant account with CCASS, authorize his/her/its instruction via the CCASS phone system or CCASS internet system no later than one business day before the deadline set by HKSCC Nominees Limited or any other date as shall be determined by HKSCC Nominees Limited.

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- (b) Qualifying Shareholders with a nominee holding of Shares should ensure that they undertake the above applicable course of action promptly to allow their nominee(s) sufficient time to complete the acceptance procedure on his/her/its behalf before the Final Closing Date, or such later time and/or date as the Offeror may decide and announce and the Executive may approve.

5. TIMING OF ACCEPTANCES UNDER THE PARTIAL OFFER

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.

6. RECENT TRANSFERS

If a Qualifying Shareholder has lodged transfer(s) of Shares for registration in his/her/its name and has not yet received the Share certificate(s) and wishes to accept the Partial Offer, he/she/it should nevertheless complete and sign the Form of Acceptance and deliver it to the Share Registrar together with the transfer receipt(s) duly signed by him/her/it. Such action will be deemed to be an irrevocable authority to the Offeror, Lego Securities, Lego Corporate Finance and/or any of their respective agent(s) or such other person(s) as any of them may direct for the purpose of collecting from the Company or the Share Registrar on his/her/its behalf the relevant Share certificate(s) when issued and to deliver such Share certificate(s), subject to the terms of the Partial Offer, as if it was/they were delivered to the Share Registrar with the Form of Acceptance.

7. LOST OR UNAVAILABLE SHARE CERTIFICATES

- (i) If the Share certificate(s), transfer receipt(s) and/or any other document(s) of title is/are not readily available and/or is/are lost and a Qualifying Shareholder wishes to accept the Partial Offer, the Form of Acceptance should nevertheless be completed, signed and delivered, together with a letter stating that he/she/it has lost one or more of his/her/its Share certificate(s) and/or transfer receipts and/or other document(s) of title or that it/they is/are not readily available, to the Share Registrar so as to reach the Share Registrar no later than 4:00 p.m. (Hong Kong time) on the First Closing Date, or such later time and/or date as the Offeror

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may decide and announce and the Executive may approve. If the Qualifying Shareholder finds such document(s) or if it/they become available, the relevant Share certificate(s), transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (if applicable) should be forwarded to the Share Registrar as soon as possible thereafter and in any event no later than 4:00 p.m. (Hong Kong time) on the First Closing Date, or such later time and/or date as the Offeror may decide and announce and the Executive may approve.

- (ii) In addition, if a Qualifying Shareholder has lost his/her/its Share certificate(s), transfer receipt(s) and/or any other document(s) of title, he/she/it should also write to the Share Registrar and request a letter of indemnity in respect of the lost Share certificate(s), transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (as the case may be) which, when completed in accordance with the instructions given, should be returned to the Share Registrar, together with the Form of Acceptance and any Share certificate(s), transfer receipt(s) and/or any other document(s) of title which are available, to the Share Registrar either by post or by hand, so as to arrive not later than 4:00 p.m. (Hong Kong time) on the First Closing Date or such later time and/or date as the Offeror may decide and announce and the Executive may approve. In such cases, the Qualifying Shareholder will be informed of the fees and/or expenses payable to the Share Registrar for which he/she/it will be responsible. The Offeror shall have the absolute discretion to decide whether any Shares in respect of which the Share certificate(s), transfer receipt(s) and/or any other document(s) of title is/are not readily available and/or is/are lost will be taken up by the Offeror.

8. SETTLEMENT

- (i) Provided that the Partial Offer becomes or is declared unconditional in all respects and a duly completed Form of Acceptance and the relevant documents required to tender the relevant acceptance under the Partial Offer are received by the Share Registrar by no later than 4:00 p.m. (Hong Kong time) on the Final Closing Date, or such later time and/or date as the Offeror may decide and announce and the Executive may approve, and are in good order in all respects and in accordance with the Takeovers Code, the Share Registrar will send to the relevant accepting Shareholder by ordinary post, at his/her/its own risk, (a) a remittance for the amount due to him/her/it under the Partial Offer (taking into account any scaling down of his/her/its acceptance, seller's ad valorem stamp duty payable by the relevant accepting Shareholder and, if applicable, the fees payable to the Share Registrar in respect of lost or unavailable Share certificates); and (b) (if applicable) any Share certificate(s) and/or any transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities in respect thereof) (if applicable) for Shares not taken up by the Offeror, in each case, as soon as possible but in any event no later than seven business days following the Final Closing Date.

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- (ii) Settlement of the consideration to which any accepting Shareholder is entitled under the Partial Offer will be implemented in full in accordance with the terms of the Partial Offer (save with respect to payment of seller's ad valorem stamp duty as set out in paragraph above) without regard to any lien, right of set-off, counterclaim, or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such accepting Shareholder.
- (iii) No fractions of a cent will be payable and the amount of cash consideration payable to an accepting Shareholder will be rounded up to the nearest cent.
- (iv) If the Partial Offer does not become, or is not declared, unconditional in all respects within the time permitted by the Takeovers Code, or is withdrawn or lapsed, the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) received by the Share Registrar will be returned to persons who have accepted the Partial Offer by ordinary post at his/her/its own risk as soon as possible but in any event no later than seven business days after the Partial Offer is withdrawn or lapsed.
- (v) If part of the Shares tendered by the Qualifying Shareholders are not taken up by the Offeror under the Partial Offer, the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (if applicable) for the Shares not taken up by the Offeror will be returned to persons who have accepted the Partial Offer by ordinary post at his/her/its own risk as soon as possible but in any event no later than seven business days following the Final Closing Date.

9. EFFECT OF ACCEPTING THE PARTIAL OFFER

Acceptance of the Partial Offer by any Qualifying Shareholder will constitute a warranty by such Qualifying 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.

Acceptance of the Partial Offer shall be irrevocable and shall not be capable of being withdrawn, except as permitted under the Takeovers Code.

(i) Right of withdrawal

The Form of Acceptance which has been duly completed and received by the Share Registrar will constitute irrevocable acceptance of the Partial Offer in respect of the number of the Shares inserted in the Form of Acceptance and subject to the terms and conditions set out in this Composite Document, except in compliance with Rule 17 of the Takeovers Code, which provides that an acceptor of the Partial Offer shall be entitled to withdraw his/her/its acceptance after 21 days from the First Closing Date if the Partial Offer has not by then become unconditional as to acceptances.

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Furthermore, Rule 19.2 of the Takeovers Code relates to failure to announce the results of the Partial Offer as set out in the section headed “Announcements” in this Appendix and provides that the Executive may require that accepting Shareholders be granted a right of withdrawal, on terms acceptable to the Executive, until the requirements of Rule 19 of the Takeovers Code can be met.

If acceptance of the Partial Offer is withdrawn by the accepting Shareholders with the consent of the Executive in accordance with the Takeovers Code, the Offeror shall, as soon as possible but in any event no later than seven business days thereof, return the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (if applicable) in respect of such number of Shares lodged with the Form of Acceptance to the relevant accepting Shareholder(s) by ordinary post.

(ii) Representations and warranties

If the Qualifying Shareholder is a resident or a citizen outside Hong Kong, he/she/it hereby represents and warrants that (i) all local laws and requirements in connection with such acceptance have been complied with and (ii) the Partial Offer can be accepted by such Qualifying Shareholder under the laws and regulations of the relevant jurisdiction and such acceptance shall be valid and binding in accordance with all applicable laws and regulations. If the Qualifying Shareholders are in doubt with the relevant requirement, Qualifying Shareholders should consult their professional advisers.

(iii) Appointment and authority

Due execution of the Form of Acceptance constitutes an irrevocable instruction to the Offeror, Lego Securities, Lego Corporate Finance, or such other person as any of them may direct to complete and execute the Form of Acceptance and/or any other document on behalf of the person accepting the Partial Offer and to do any other acts or things (such as, among others, due execution of instruments of transfer to effect transfers of Shares accepted by the Qualifying Shareholders pursuant to the Partial Offer to the Offeror and to tender the relevant Share certificate(s) for cancellation) as may be necessary, expedient or desirable for the purpose of the Offeror to acquire some or all of the Shares (as the Offeror may in its absolute discretion determine in accordance with the formula as set out in the section headed “2. Acceptance of the Partial Offer” in this Appendix in respect of which such person has accepted the Partial Offer).

(iv) Undertaking

By executing the Form of Acceptance, he/she/it:

- (a) undertakes to deliver to the Share Registrar the share certificate(s), transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (if applicable) in respect of the Shares for which the Partial

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Offer is accepted, or an indemnity or indemnities acceptable to the Offeror in lieu thereof, or to procure the delivery of such document(s) to the Share Registrar as soon as possible thereafter and, in any event, no later than 4:00 p.m. (Hong Kong time) on the Final Closing Date, or such later time and/or date as the Offeror may decide and announce and the Executive may approve;

- (b) undertakes to do all such acts and things and execute all such deeds and documents as may be necessary to carry into effect or to give legal effect to his/her/its acceptance of the Partial Offer, including, without limitation, to sell any Shares in respect of which he/she/it has accepted the Partial Offer 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.

(v) General

- (a) The provisions of the Form of Acceptance and the other terms and conditions in this Composite Document are deemed to be incorporated into the terms and conditions of the Partial Offer.
- (b) The Offeror or such other person as the Offeror may direct is authorised to despatch by post the consideration to which the Qualifying Shareholder is entitled at his/her/its risk to the address of the registered Shareholder or the first named of joint registered Shareholders on the Register or, if different, to the name and address of the person as specified on the Form of Acceptance.
- (c) In making their decisions, the Qualifying Shareholders must rely on their own examination of the Group and the terms of the Partial Offer including the merits and risks involved. The contents of this Composite Document together with the Form of Acceptance, shall not be construed as any legal or business advice on the part of the Offeror, the Company, Lego Securities, Lego Corporate Finance, Alpha Financial, Ample Capital, the Share Registrar or their respective professional advisers. Shareholders should consult their own professional advisers for professional advice in relation to their decisions.
- (d) The Qualifying Shareholders may accept the Partial Offer by completing the Form of Acceptance in accordance with the instructions set out in the Form of Acceptance (which constitute part of the terms of the Partial Offer). A Form of Acceptance may be rejected as invalid if the procedures contained in this Composite Document and in the Form of Acceptance are not complied with.

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- (e) The Partial Offer and all acceptances of it, the Form of Acceptance and all contracts made pursuant to the Partial Offer, and all action taken or made or deemed to be taken or made pursuant to these terms will be governed by and construed in accordance with Hong Kong laws. Delivery of a Form of Acceptance will constitute submission to the non-exclusive jurisdiction of the Hong Kong courts.
- (f) The accidental omission to despatch, or the failure of any person to receive this Composite Document or the Form of Acceptance will not invalidate any aspect of the Partial Offer. Extra prints of these documents are available to any Qualifying Shareholder at the office of the Share Registrar during the period from the date of this Composite Document to the Final Closing Date (both days inclusive), between 9:00 a.m. and 4:00 p.m. (Hong Kong time) from Monday to Friday (other than public holidays), and on the Stock Exchange's website at www.hkexnews.hk.
- (g) The Offeror reserves the right, subject to the Takeovers Code, any applicable law or regulatory requirements and the requirements of the Executive, to amend the Offer Price or other terms of the Partial Offer. In the event of such amendment, a supplemental document and new Form of Acceptance will be despatched to the Qualifying Shareholders. Any revised Partial Offer will be kept open for at least 14 days following the date on which the revised offer document is posted. If in the course of the Partial Offer, the Offeror revises the terms of the Partial Offer, all Qualifying Shareholders, whether they have accepted the Partial Offer or not, will be entitled to the revised terms.
- (h) The right of acceptance of the Partial Offer is personal to the Qualifying Shareholders and is not capable of being assigned or renounced in favour of others or otherwise transferred by the Qualifying Shareholders.
- (i) Subject to (a) the terms of the Partial Offer as set out in this Composite Document; (b) the provisions of the Takeovers Code; and (c) any requirements of the Executive, the Offeror shall determine the calculation of the number of Shares to be taken up by the Offeror from each accepting Shareholder, the Offer Price to be paid therefor, whether an acceptance tendered fully complies with the terms of the Partial Offer and all other questions as to the validity, form and eligibility (including the time of receipt) of an acceptance (provided that this is determined consistently with the requirement of the Takeovers Code or otherwise with the Executive's consent). In the absence of manifest error, such a determination by the Offeror shall be conclusive.
- (j) All communications, notices, the Form of Acceptance, Share certificate(s), transfer receipt(s), other document(s) of title (and/or any indemnity or indemnities in respect thereof) and remittances to be delivered or sent by, to or from any Shareholders will be delivered or sent by, to and from them, or their designated agents, at their own risks and none of the Offeror, the Company, Lego Securities, Lego Corporate Finance, Alpha

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Financial, Ample Capital, the Share Registrar or any of their respective directors or professional advisers or any other person involved in the Partial Offer accepts any liability for any loss or any other liabilities whatsoever which may arise as a result.

10. 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.

11. 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).

12. TAXATION ADVICE

Qualifying Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Partial Offer. None of the Offeror and parties acting in concert with it, Lego Securities, the Company, Lego Corporate Finance, Alpha Financial, Ample Capital and their respective ultimate beneficial owners, directors, officers,

APPENDIX I FURTHER TERMS AND PROCEDURES FOR ACCEPTANCE OF THE PARTIAL OFFER

advisers, agents or associates or any other person involved in the Partial Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Partial Offer.

13. ANNOUNCEMENTS

The announcement of the results of the Partial Offer will be issued by the Offeror and posted on the website of the Stock Exchange by 7:00 p.m. on the day when the Partial Offer has become or been declared unconditional in all respects (if such date is prior to the First Closing Date) or on the First Closing Date, as the case may be, and on the Final Closing Date. Such announcement will comply with the disclosure requirements under Rule 19.1 and Note 7 to Rule 19 of the Takeovers Code and will include, among other things, the results of the Partial Offer and details of the way in which each accepting Shareholder's pro-rata entitlement was determined. In any announcement of an extension of the Partial Offer, either the next closing date must be stated or, if the Partial Offer is unconditional as to acceptance, a statement may be made that the Partial Offer will remain open for acceptance for 14 days thereafter in accordance with the Takeovers Code. The Offeror cannot extend the Final Closing Date to a day beyond the 14th day after the First Closing Date pursuant to Rule 28.4 of the Takeovers Code.

The results announcements shall specify the total number of Shares: (i) for which acceptances of the Partial Offer have been received; (ii) held, controlled or directed by the Offeror or parties acting in concert with it before the Offer Period; and (iii) acquired or agreed to be acquired during the Offer Period by the Offeror or any parties acting in concert with it.

The results announcements must include the details of the way in which each of the accepting Shareholder's pro-rata entitlement was/is to be determined in compliance with Note 7 to Rule 19 of the Takeovers Code.

The results announcements must include details of any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company which the Offeror or any parties acting in concert with it has borrowed or lent, save for any borrowed Shares which have been either on-lent or sold.

The results announcements shall include the percentages of the relevant classes of share capital of the Company, and the percentages of voting rights, represented by these numbers.

If the Offeror, any parties acting in concert with it or its advisers make any statement about the level of acceptances or the number or percentage of accepting Shareholders during the Offer Period, then the Offeror must make an immediate announcement in compliance with Note 2 to Rule 19 of the Takeovers Code.

As required under the Takeovers Code and the Listing Rules, all announcements in relation to the Partial Offer in respect of which the Executive and the Stock Exchange have confirmed that they have no further comments thereon, will be published on the website of the Stock Exchange.

| | |
|-------------------|---|
| APPENDIX I | FURTHER TERMS AND PROCEDURES FOR ACCEPTANCE OF THE PARTIAL OFFER |
|-------------------|---|

14. 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.

(A) SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

Set out below is a summary of the audited consolidated financial information of the Group for each of the years ended 31 December 2022, 2023 and 2024 as extracted from annual reports for the years ended 31 December 2022, 2023 and 2024 of the Company respectively and the unaudited consolidated financial information of the Group for the six months ended 30 June 2024 and 2025 as extracted from the interim report of the Company for the six months ended 30 June 2025.

The consolidated financial statements of the Group for each of the years ended 31 December 2022, 2023 and 2024 were audited by Crowe (HK) CPA Limited and did not contain any qualified or modified opinion, nor any emphasis of matter or material uncertainty related to going concern.

APPENDIX II

FINANCIAL INFORMATION OF THE GROUP

| | For the year ended 31 December | | | For the six months ended 30 June | |
|--|--------------------------------|------------------|------------------|----------------------------------|------------------|
| | 2022 | 2023 | 2024 | 2024 | 2025 |
| | (RMB'000) | (RMB'000) | (RMB'000) | (RMB'000) | (RMB'000) |
| | (audited) | (audited) | (audited) | (unaudited) | (unaudited) |
| Revenue from contracts with customers | 237,273 | 175,556 | 232,677 | 120,374 | 103,672 |
| Cost of sales and services rendered | (205,306) | (138,259) | (189,081) | (94,952) | (78,566) |
| Gross profit | 31,967 | 37,297 | 43,596 | 25,422 | 25,106 |
| Other income | 15,555 | 2,289 | 1,677 | 803 | 1,364 |
| Other operating expenses | (1,014) | (708) | (545) | (248) | (412) |
| Administrative expenses | (23,091) | (19,830) | (22,132) | (15,219) | (16,124) |
| Impairment losses on trade and other receivables, net | (6,233) | (681) | (6,303) | (425) | (336) |
| (Provision for)/reversal of impairment losses on prepayment | – | – | (13,111) | – | 364 |
| Impairment losses on property, plant and equipment | – | (522) | (1,587) | – | – |
| Profit from operations | 17,184 | 17,845 | 1,595 | 10,333 | 9,962 |
| Finance costs | (651) | (240) | (69) | (34) | (50) |
| Profit before taxation | 16,533 | 17,605 | 1,526 | 10,299 | 9,912 |
| Income tax | (6,449) | (7,084) | (6,419) | (2,863) | (2,974) |
| Profit/(loss) for the year/period | 10,084 | 10,521 | (4,893) | 7,436 | 6,938 |
| Other comprehensive income/(loss) for the year/period, net of income tax | | | | | |
| Item that will not be reclassified to profit or loss: | | | | | |
| Exchange difference on translation from functional currency to presentation currency | (1,172) | 1,294 | 311 | 231 | (370) |
| Item that may be reclassified subsequently to profit or loss: | | | | | |
| Exchange differences on translation of operations outside the PRC | 1,282 | 352 | (164) | (26) | (261) |
| Other comprehensive income/(loss) for the year/period | 110 | 1,646 | 147 | 187 | (631) |
| Total comprehensive (loss)/income for the year/period | 10,194 | 12,167 | (4,746) | 7,623 | 6,307 |
| Profit/(loss) for the year/period attributable to: | | | | | |
| Equity shareholders of the Company | 10,217 | 10,937 | (4,694) | 7,576 | 6,998 |
| Non-controlling interests | (133) | (416) | (199) | (140) | (60) |
| | 10,084 | 10,521 | (4,893) | 7,436 | 6,938 |
| Total comprehensive income/(expenses) for the year/period attributable to: | | | | | |
| Equity shareholders of the Company | 10,327 | 12,583 | (4,547) | 7,763 | 6,367 |
| Non-controlling interests | (133) | (416) | (199) | (140) | (60) |
| | 10,194 | 12,167 | (4,746) | 7,623 | 6,307 |
| Earnings/(Loss) per share | <i>RMB cents</i> | <i>RMB cents</i> | <i>RMB cents</i> | <i>RMB cents</i> | <i>RMB cents</i> |
| Basic and diluted | 1.02 | 0.93 | (0.38) | 0.63 | 0.55 |

The Company did not distribute any dividends to the Shareholders for the years ended 31 December 2022, 2023 and 2024 and for the six months ended 30 June 2024 and 2025 respectively. Save as disclosed above, there are no other items of income or expenses which were material in respect of the audited consolidated financial statements of the Group for the three years ended 31 December 2022, 2023 and 2024 and the unaudited consolidated financial statements of the Group for the six months ended 30 June 2024 and 2025. There was no change in accounting policy for the three years ended 31 December 2022, 2023 and 2024 and for the six months ended 30 June 2024 and 2025 which would result in the financial figures for such years/periods not being comparable to a material extent.

(B) CONSOLIDATED FINANCIAL INFORMATION

The Company is required to set out or refer to in this Composite Document the consolidated statement of financial position, statement of cash flows and any other primary statement as shown in the audited consolidated financial statements of the Group for the years ended 31 December 2022, 2023 and 2024 and for the six months ended 30 June 2024 and 2025, together with the significant accounting policies and any points from the notes to the relevant published financial statements which are of major relevance to the appreciation of the above financial information.

The unaudited consolidated financial statements of the Group for the six months ended 30 June 2024 and 2025 has been set out on pages 13 to 35 of the interim report of the Company for the six months ended 30 June 2025 which was posted on 4 September 2025 on the Stock Exchange's website (<http://www.hkexnews.hk>).

Please see below the link to the interim report of the Company for the six months ended 30 June 2025:

English: <https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0904/2025090401209.pdf>

Chinese: https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0904/2025090401210_c.pdf

The audited consolidated financial statements of the Group for the year ended 31 December 2024 has been set out on pages 68 to 147 of the annual report of the Company for the year ended 31 December 2024 which was posted on 22 April 2025 on the Stock Exchange's website (<http://www.hkexnews.hk>).

Please see below the link to the annual report of the Company for the year ended 31 December 2024:

English: <https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0422/2025042201165.pdf>

Chinese: https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0422/2025042201166_c.pdf

The audited consolidated financial statements of the Group for the year ended 31 December 2023 has been set out on pages 68 to 145 of the annual report of the Company for the year ended 31 December 2023 which was posted on 18 April 2024 on the Stock Exchange's website (<http://www.hkexnews.hk>).

Please see below the link to the annual report of the Company for the year ended 31 December 2023:

English: <https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0418/2024041800300.pdf>

Chinese: https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0418/2024041800301_c.pdf

The audited consolidated financial statements of the Group for the year ended 31 December 2022 has been set out on pages 67 to 139 of the annual report of the Company for the year ended 31 December 2022 which was posted on 19 April 2023 on the Stock Exchange's website (<http://www.hkexnews.hk>).

Please see below the link to the annual report of the Company for the year ended 31 December 2022:

English: <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0419/2023041900011.pdf>

Chinese: https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0419/2023041900012_c.pdf

The audited consolidated financial statements of the Group for each of the three years ended 31 December 2022, 2023 and 2024 (but not any other parts of the annual reports for the years ended 31 December 2022, 2023 and 2024) and the unaudited consolidated financial statements of the Group for the six months ended 30 June 2025 (but not any other parts of the interim report for the six months ended 30 June 2025) are incorporated by reference into this Composite Document and form part of this Composite Document.

(C) STATEMENT OF INDEBTEDNESS

As at the close of business on 30 November 2025, being the latest practicable date for the purpose of ascertaining this indebtedness statement prior to the printing of this Composite Document, the Group had total indebtedness of approximately RMB15,580,000, details of which are set out as follows:

- (i) interest-bearing bank borrowings of approximately RMB14,117,000 are secured by a corporate guarantee from Xiamen Xiangxing International Logistics Service Co., Ltd, a wholly owned subsidiary of the Company, and a personal guarantee from an executive director of the Company and his spouse; and
- (ii) amount due to a director of approximately RMB1,463,000, which is unsecured, interest-free and unguaranteed.

Save as aforesaid and apart from intra-group liabilities, the Group did not, at the close of business on 30 November 2025, have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, charges or debentures, mortgages, borrowings or other similar indebtedness, finance leases or hire purchase commitment, liabilities under acceptance (other than normal trade bills and payables), acceptance credits, or any guarantees or other material contingent liabilities.

(D) MATERIAL CHANGE

The Directors confirm that, save for and except for the followings, there has been no material change in the financial or trading position or outlook of the Group subsequent to 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date:

- (i) as disclosed in the interim report of the Company for the six months ended 30 June 2025 (the “**Interim Report**”), interest-bearing bank borrowings, which are secured and guaranteed, increased from nil as at 31 December 2024 to approximately RMB7.0 million as at 30 June 2025, and further increased to approximately RMB14.1 million as at 30 November 2025, as disclosed in the section headed “Statement of Indebtedness” in this Appendix II;
- (ii) as disclosed in the Interim Report, the amount due to a director, which is unsecured, interest-free and unguaranteed, increased from nil as at 31 December 2024 to approximately RMB1.5 million as at 30 June 2025, and remained at a similar level of approximately RMB1.5 million as at 30 November 2025, as disclosed in the section headed “Statement of Indebtedness” in this Appendix II;
- (iii) as disclosed in the Interim Report, revenue decreased by approximately 13.9% from RMB120.4 million for the six months ended 30 June 2024 to approximately RMB103.7 million for the six months ended 30 June 2025, such decrease was mainly due to supply chain operation in Chengdu being intentionally scaled down to minimise the higher risk from the long overdue receivable from certain customers; and
- (iv) as disclosed in the annual report of the Company for the year ended 31 December 2024, the Group recorded impairment expenses amounting approximately RMB21.0 million for the year ended 31 December 2024, of which RMB13.1 million related to prepayments arising from identified defaults by two suppliers; as disclosed in the Interim Report, impairment loss on trade receivables decreased from RMB0.4 million for the six months ended 30 June 2024 to approximately RMB0.3 million for the six months ended 30 June 2025, reversal of impairment losses on prepayment increased from nil for the six months ended 30 June 2024 to approximately RMB0.4 million for the six months ended 30 June 2025. As at the Latest Practicable Date, the Company has not yet commenced the impairment assessment process for the year ended 31 December 2025 and has not identified any additional supplier defaults and therefore does not anticipate further prepayment impairments to be recognised for the year ended 31 December 2025.

RESPONSIBILITY STATEMENT

This Composite Document includes particulars given in compliance with the Takeovers Code for the purpose of giving information with regard to the Partial Offer.

As at the Latest Practicable Date, the Board comprises Mr. Cheng Youguo and Mr. Qiu Changwu as executive Directors, and Mr. Cheng Siu Shan, Ms. Li Zhao and Mr. Lin Guoquan as independent non-executive Directors. The Directors jointly and severally accept full responsibility for the accuracy of information contained in this Composite Document (other than the information relating to the Offeror) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

As at the Latest Practicable Date, the directors of the Offeror are Mr. Tan Limin and Ms. Yang Ming. The directors of the Offeror accept full responsibility for the accuracy of information contained in this Composite Document (other than the information relating to the Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

SHARE CAPITAL

As at the Latest Practicable Date, the authorised and issued share capital of the Company were as follows:

Authorised share capital

| | |
|--|------------------------------|
| 4,000,000,000 ordinary shares of HK\$0.01 each | <u><u>HK\$40,000,000</u></u> |
|--|------------------------------|

Issued and fully paid share capital

| | |
|--|------------------------------|
| 1,280,000,000 ordinary shares of HK\$0.01 each | <u><u>HK\$12,800,000</u></u> |
|--|------------------------------|

As at the Latest Practicable Date, other than the 1,280,000,000 Shares in issue, the Company has no other relevant securities in issue. All existing Shares rank equally in all respects, including in particular as to capital, dividends and voting. The issued shares are listed on the Main Board of the Stock Exchange. No part of the Shares is listed or dealt in, nor is any listing of or permission to deal in the Shares being or proposed to be sought on, any other stock exchange. No Shares has been issued by the Company since 31 December 2025 (being the end of the last financial year of the Company).

DISCLOSURE OF INTERESTS

(a) Interests of the Directors in the Shares

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or shares and debentures of any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed to have under such provisions of the SFO); or recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, or required to be disclosed under the Takeovers Code were as follows:

| | | Number of Shares or underlying Shares (<i>Note 1</i>) | Approximate percentage of the issued share capital of the Company (%) (<i>Note 1</i>) |
|--------------------------------------|--------------------------------------|--|--|
| Name of Director/ Chief Executive | Capacity | | |
| Mr. Cheng Youguo | Interest of a controlled corporation | 562,500,000 (L) | 43.95 |

Notes:

1. The letter "L" denotes the person's long position in such securities. The number of Shares are the number of Shares held as at the Latest Practicable Date and the percentage of the issued share capital of the Company is calculated on the basis of 1,280,000,000 Shares in issue as at the Latest Practicable Date.
2. These 562,500,000 Shares are held through Glory Fame Venture Limited, a company wholly owned by Mr. Cheng Youguo. Accordingly, Mr. Cheng Youguo is deemed to be interested in the 562,500,000 Shares held by Glory Fame Venture Limited under the SFO.
3. The approximate percentage figures are rounded to the nearest two decimal places.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests and short positions in the Shares, underlying Shares and debentures of the Company or shares and debentures of any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed to have under such provisions of the SFO); or recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, or required to be disclosed under the Takeovers Code.

(b) Interests of substantial Shareholders in the Shares

As at the Latest Practicable Date, Shareholders (other than the interest disclosed above in respect of the Directors or the chief executives of the Company) who had interests and short positions in the Shares, underlying Shares and debentures of the Company which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

| Name of Shareholder | Capacity | Number of Shares or underlying Shares (Note 1) | Approximate percentage of the issued share capital of the Company (%) (Note 1) |
|----------------------------|--------------------|---|---|
| Glory Fame Venture Limited | Beneficial owner | 562,500,000 (L) | 43.95 |
| Ms. Huang Meili (Note 2) | Interest of spouse | 562,500,000 (L) | 43.95 |

Notes:

1. The letter "L" denotes the person's long position in such securities. The number of Shares are the number of Shares held as at the Latest Practicable Date and the percentage of the issued share capital of the Company is calculated on the basis of 1,280,000,000 Shares in issue as at the Latest Practicable Date.
2. Ms. Huang Meili is the spouse of Mr. Cheng Youguo and is deemed to be interested in all the Shares in which Mr. Cheng Youguo is interested by virtue of the SFO.
3. The approximate percentage figures are rounded to the nearest two decimal places.

Save as disclosed above, as at the Latest Practicable Date, there was no person who (a) had interests and short positions in the Shares, underlying Shares and debentures of the Company which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO; or (b) were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying the right to vote in all circumstances at general meetings of the Company or any options in respect of such capital.

(c) Interests and short positions of the Offeror and parties acting in concert with it in the Shares

As at the Latest Practicable Date, none of the Offeror or directors of the Offeror or the parties acting in concert with it had any interest in, owned, controlled or directed any Shares or other relevant securities of the Company.

(d) Other disclosures

As at the Latest Practicable Date:

- (1) none of the Offeror or parties acting in concert with it has received any irrevocable commitment to accept the Partial Offer;
- (2) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Company and which may be material to the Partial Offer (as referred to in Note 8 to Rule 22 of the Takeovers Code);
- (3) there is no agreement or arrangement to which the Offeror or any of the parties acting in concert with it is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a precondition or a condition to the Partial Offer;
- (4) the Company had no shareholding in the Offeror or any warrants, options, convertible securities or derivatives or relevant securities in respect of any shares of the Offeror;
- (5) none of the Directors were interested in any shares of the Offeror or any warrants, options, convertible securities or derivatives or relevant securities in respect of any shares of the Offeror;
- (6) save as disclosed in the section headed “Interests of the Directors in the Shares” above, none of the Directors were interested in any Shares or any warrants, options, convertible securities or derivatives or relevant securities in respect of any Shares;
- (7) none of the subsidiaries of the Company, pension funds of the Company or of a subsidiary of the Company or a person who is presumed to be acting in concert with the Company by virtue of Class (5) of the definition of “acting in concert” under the Takeovers Code or an associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code but excluding any exempt principal traders and exempt fund managers, owned or controlled any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares;
- (8) no person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Offeror or any person acting in concert with it;
- (9) no person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code;
- (10) no fund managers (other than exempt fund managers) connected with the Company had managed any relevant securities on a discretionary basis;

- (11) neither the Company nor any of the Directors had borrowed or lent any Shares or any convertible securities, warrants, options or derivatives or relevant securities in respect of any Shares, save for any borrowed Shares which have been either on-lent or sold;
- (12) none of the Offeror nor parties acting in concert with it has borrowed or lent any relevant securities in the Company, save for any borrowed Shares which have been either on-lent or sold;
- (13) save for Mr. Cheng Youguo through his shareholding in Glory Fame Venture Limited, none of the Directors is Qualifying Shareholder who is subject to the Partial Offer. Mr. Cheng Youguo has indicated that he intended to accept the Partial Offer in respect of his beneficial interests 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;
- (14) other than the Offer Price under the Partial Offer, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or parties acting in concert with it in connection with the Partial Offer;
- (15) there was no agreement, arrangement or understanding that the Offer Shares acquired in pursuance to the Partial Offer would be transferred, charged or pledged to any other persons;
- (16) there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between any Shareholder on the one hand and the Company, its subsidiaries or associated companies on the other hand; and
- (17) there was no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between any Shareholder on the one hand and the Offeror and any parties acting in concert with it on the other hand.

ARRANGEMENTS AFFECTING OR RELATING TO THE DIRECTORS

As at the Latest Practicable Date:

- (1) no benefit (other than statutory compensation) was or would be given to any Director as compensation for loss of office or otherwise in connection with the Partial Offer;
- (2) there was no agreement or arrangement between any Director and any other person which is conditional on or dependent upon the outcome of the Partial Offer or otherwise connected with the Partial Offer;
- (3) no agreement, arrangement or understanding (including any compensation arrangement) existed between the Offeror or any person acting in concert with it and any Directors or recent Directors, or any Shareholders or recent Shareholders which had any connection with or dependence upon the Partial Offer; and

- (4) no material contracts had been entered into by the Offeror in which any Director has a material personal interest.

DEALING IN SHARES

- (1) Neither the Company, any of its subsidiaries, nor any Directors had dealt for value in any shares of the Offeror or any other convertible securities, warrants, options or derivatives in respect of the shares of the Offeror during the Relevant Period;
- (2) none of the Offeror or parties acting in concert with it had dealt for value in any of the relevant securities of the Company during the Relevant Period;
- (3) none of the Company or the Directors had dealt for value in any Shares, convertible securities, warrants, options or derivatives or any relevant securities in respect of any Shares during the Relevant Period;
- (4) none of the subsidiaries of the Company, pension funds of the Company or of a subsidiary of the Company or a person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” under the Takeovers Code or an associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code but excluding any exempt principal traders and exempt fund managers, had dealt for value in any Shares or any convertible securities, warrants, options or derivatives of the Company during the period commencing at the start of the Offer Period and ending on the Latest Practicable Date;
- (5) no person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code and no such person dealt for value in any Shares or any convertible securities, warrants, options or derivatives of the Company during the period commencing at the start of the Offer Period and ending on the Latest Practicable Date; and
- (6) no fund managers connected with the Company who managed funds on a discretionary basis had dealt for value in any Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares during the period commencing at the start of the Offer Period and ending on the Latest Practicable Date.

MARKET PRICES

The table below shows the closing price per Share as quoted on the Stock Exchange on (a) the Latest Practicable Date; (b) the Last Trading Day; and (c) the last trading day of each of the calendar months during the Relevant Period.

| Date | Closing price per Share HK\$ |
|--|---|
| 30 June 2025 | 0.112 |
| 31 July 2025 | 0.169 |
| 29 August 2025 | 0.191 |
| 30 September 2025 | 0.260 |
| 31 October 2025 | 0.222 |
| Last Trading Day (i.e. 18 November 2025) | 0.228 |
| 28 November 2025 | 0.228 |
| 31 December 2025 | 0.270 |
| Latest Practicable Date (i.e. 13 January 2026) | 0.240 |

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.

MATERIAL CONTRACT

Save for the placing agreement dated 7 June 2024 entered into between the Company as the issuer and I Win Securities Limited as the placing agent in respect of the placing of up to 80,000,000 new Shares at the placing price of HK\$0.12 per Share, the Group had not, within the two years immediately preceding the commencement of the Offer Period and up to and including the Latest Practicable Date, entered into any contract (not being a contract entered into in the ordinary course of business carried on or intended to be carried on by the Group), which is or may be material. For further details of the placing agreement dated 7 June 2024, please refer to the announcements of the Company dated 7 June 2024 and 14 June 2024.

MATERIAL LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service contracts with the Company or any of its subsidiaries or associated companies which (i) (including both continuous and fixed-term contracts) have been entered into or amended within 6 months preceding the commencement of the Offer Period; (ii) are a continuous contracts with a notice period of 12 months or more; or (iii) are fixed-term contracts with more than 12 months to run irrespective of the notice period.

EXPERTS AND CONSENTS

The following are the names and qualifications of each of the experts who has been named in this Composite Document or who has given opinion or advice, which is contained in or referred to in this Composite Document:

| Name | Qualification |
|--------------------------------|---|
| Lego Corporate Finance Limited | a corporation licensed by the SFC to conduct Type 6 (advising on corporate finance) regulated activity under the SFO, being the financial adviser to the Offeror in respect of the Partial Offer |
| Lego Securities Limited | a corporation licensed by the SFC to conduct Type 1 (dealing in securities) regulated activity under the SFO, being the agent making the Partial Offer for and on behalf of the Offeror |
| Ample Capital Limited | a corporation licensed by the SFC to conduct Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee in relation to the Partial Offer |

Each of the abovementioned experts has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion in this Composite Document of the opinion, letter or report (as the case may be) and references to its name in the form and context in which it is included.

MISCELLANEOUS

- (1) Information regarding the Offeror and its principal concert party is set out below:
 - (i) The registered office of the Offeror is at Unit 4307, 43/F, Central Plaza, 18 Harbour Road, Wan Chai, Hong Kong. The directors of the Offeror are Mr. Tan Limin and Ms. Yang Ming.
 - (ii) As at the Latest Practicable Date, the principal concert parties of the Offeror are Shanghai Westwell, which directly holds approximately 95.24% of the total shares in the Offeror and Mr. Tan, who is the chairman of Shanghai Westwell and controls a total of approximately 27.52% of the voting rights in Shanghai Westwell. The registered address of Shanghai Westwell is at Room 503-3, 398 Jiangsu Road, Changning District, Shanghai, the PRC and the correspondence address of Shanghai Westwell and Mr. Tan in Hong Kong is Unit 4307, 43/F, Central Plaza, 18 Harbour Road, Wan Chai, Hong Kong. The directors of the Shanghai Westwell are Mr. Tan Limin, Mr. Peng Cong, Mr. Jin Bi, Mr. Dai Jianhong, Mr. Sun Zuolei, Mr. Shi Jun, Mr. Zhang Jun, Mr. Zhong Rong and Ms. Chen Yifei.
- (2) The registered office of Lego Securities is at Room 1506, 15/F, Wheelock House, 20 Pedder Street, Central, Hong Kong.

- (3) The registered office of Lego Corporate Finance Limited is at Room 1505, 15/F, Wheelock House, 20 Pedder Street, Central, Hong Kong.
- (4) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company in Hong Kong is Suite No. 2, 3rd Floor, Sino Plaza, 255-257 Gloucester Road, Causeway Bay, Hong Kong.
- (5) The registered office of the Independent Financial Adviser is situated at Room 903, Far East Consortium Building, 121 Des Voeux Road Central, Central, Hong Kong.
- (6) The Hong Kong branch share registrar of the Company is Tricor Investor Services Limited, whose address is situated at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (7) In case of inconsistency, the English text of this Composite Document and the Form of Acceptance shall prevail over the Chinese texts.

DOCUMENTS ON DISPLAY

Copies of the following documents are available on display (i) on the SFC's website at www.sfc.hk; and (ii) on the Company's website at www.xxlt.com.cn, during the period from the Despatch Date, up to the Final Closing Date:

- (1) the memorandum and articles of association of the Offeror;
- (2) the memorandum and articles of association of the Company;
- (3) the annual reports of the Company for the three financial years ended 31 December 2022, 2023 and 2024;
- (4) the interim report of the Company for the six months ended 30 June 2025;
- (5) the letter from Lego Securities, the text of which is set out on pages 9 to 20 of this Composite Document;
- (6) the letter from the Board, the text of which is set out on pages 21 to 25 of this Composite Document;
- (7) the letter from the Independent Board Committee, the text of which is set out on pages 26 to 28 of this Composite Document;
- (8) the letter from the Independent Financial Adviser, the text of which is set out on pages 29 to 55 of this Composite Document;
- (9) the material contract referred in the section headed "Material Contract" in this Appendix III; and

- (10) the written consents as referred to in the section headed “Experts and Consents” in this Appendix III.