



LEGEND STRATEGY INTERNATIONAL HOLDINGS GROUP COMPANY LIMITED

枋濬國際集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1355)

Executive Director:

Ms. Lee Tsz Yan

Non-executive Directors:

Mr. Yuan Fuer (*Chairman*)

Mr. Hu Xinglong

Independent non-Executive Directors:

Mr. Wu Jilin

Mr. Lam Cheung Shing Richard

Mr. So Yin Wai

Registered office:

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Central

Hong Kong

28 January 2025

To the Qualifying Shareholders and, for information only, the Excluded Shareholders (if any)

Dear Sir or Madam,

**I. PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;
II. PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS
SHARE FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE
ON A NON-UNDERWRITTEN BASIS;
III. PROPOSED CHANGE IN BOARD LOT SIZE; AND
IV. NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

References are made to the Announcement in relation to, among other matters, the Increase in Authorised Share Capital, the Rights Issue and the Change in Board Lot Size.

The purpose of this circular is to provide you with, among other things, (i) further details of the Increase in Authorised Share Capital, the Rights Issue and the Change in Board Lot Size; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Rights Issue; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue; and (iv) a notice convening the EGM.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

In order to accommodate the future expansion and growth of the Group and to provide the Company with greater flexibility to raise funds by the Rights Issue, the Board proposes to increase the authorised share capital of the Company from HK\$7,800,000 divided into 780,000,000 Shares of HK\$0.01 each to HK\$20,000,000 divided into 2,000,000,000 Shares of HK\$0.01 each by creating an additional 1,220,000,000 unissued Shares.

Subject to the passing of an ordinary resolution by the Shareholders at the EGM to approve the Increase in Authorised Share Capital, the Increase in Authorised Share Capital will become effective on the date of the EGM. The Board believes that the Increase in Authorised Share Capital is in the interests of the Company and the Shareholders as a whole.

PROPOSED RIGHTS ISSUE

Conditional upon the Increase in Authorised Share Capital becoming effective and the approval by the Independent Shareholders at the EGM, the Board proposes to raise gross proceeds of up to approximately HK\$47.3 million (assuming full subscription under the Rights Issue) by way of issuing up to 538,033,708 Rights Shares assuming no change in the number of Shares in issue on or before the Record Date) at the Subscription Price of HK\$0.088 per Rights Share on the basis of one (1) Rights Share for every one (1) existing Share held by the Qualifying Shareholders at the close of business on the Record Date. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders (if any). Further details of the Rights Issue are set out below:

Rights Issue statistics

Basis of the Rights Issue	: One (1) Rights Share for every one (1) existing Share held by the Qualifying Shareholders at the close of business on the Record Date
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Subscription Price	:	HK\$0.088 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	538,033,708 Shares
Maximum number of Rights Shares to be issued	:	538,033,708 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Approximate aggregate nominal value of the Rights Shares	:	HK\$5,380,337.08 (assuming no change in the number of Shares in issue on or before the Record Date)
Number of Shares in issue upon completion of the Rights Issue (assuming the Rights Issue is fully subscribed)	:	1,076,067,416 Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Net subscription price per Rights Share (i.e. Subscription Price less Rights Issue expenses)	:	Approximately HK\$0.086 per Rights Share
Maximum gross proceeds to be raised from the Rights Issue before expenses	:	Approximately HK\$47.3 million
Maximum net proceeds to be raised from the Rights Issue after expenses	:	Approximately HK\$46.3 million
Rights of excess application	:	Qualifying Shareholders may apply for the Rights Shares in excess of their provisional allotments

Assuming no change in the number of issued Shares on or before the Record Date and that no new Shares will be allotted and issued on or before completion of the Rights Issue, the 538,033,708 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represents (i) 100% of the total issued share capital of the Company as at the Latest Practicable Date; and (ii) 50% of the total issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

As at the Latest Practicable Date, the Company has no outstanding derivatives, warrants, options or convertible securities or other similar rights which are convertible or exchangeable into Shares.

The Subscription Price

The Subscription Price is HK\$0.088 per Rights Share, which shall be payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue or when a transferee of the nil-paid Rights Share(s) applies for the Rights Share(s).

The Subscription Price represents:

- (i) a discount of approximately 53.44% to the closing price of HK\$0.189 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 49.71% to the closing price of HK\$0.175 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 49.60% to the average closing price of approximately HK\$0.1746 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 50.87% to the average closing price of approximately HK\$0.1791 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;

- (v) a discount of approximately 33.08% to the theoretical ex-rights price of approximately HK\$0.1315 per Share based on the benchmarked price of HK\$0.175 per Share (as defined under Rule 7.27B of the Listing Rules), taking into account the higher of (i) the closing price of HK\$0.175 per Share on the Last Trading Day; and (ii) the average closing price of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day of HK\$0.1746 per Share);
- (vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 24.86% of the theoretical diluted price of approximately HK\$0.1315 per Share to the benchmarked price of approximately HK\$0.175 per Share (as defined under Rule 7.27B of the Listing Rules), taking into account the higher of (i) the closing price of HK\$0.175 per Share on the Last Trading Day; and (ii) the average closing price of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day of HK\$0.1746 per Share);
- (vii) a premium of approximately HK\$0.2418 over the audited consolidated net liability value per Share as at 31 December 2023 of approximately HK\$0.1538 per Share based on the audited consolidated net liabilities of the Company of approximately HK\$82,741,000 as at 31 December 2023 and the total number of 538,033,708 Shares in issue as at the Latest Practicable Date; and
- (viii) a premium of approximately HK\$0.2372 over the unaudited consolidated net liability value per Share as at 30 June 2024 of approximately HK\$0.1492 per Share based on the unaudited consolidated net liabilities of the Company of approximately HK\$80,299,000 as at 30 June 2024 and the total number of 538,033,708 Shares in issue as at the Latest Practicable Date.

The net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the provisional allotment of the Rights Shares will be approximately HK\$0.086.

The Rights Issue will not result in a theoretical dilution effect of 25% or more. As such the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

The Subscription Price was determined with reference to the followings:

- (i) *Prevailing market price of the Shares:* the daily closing price of the Shares demonstrated an overall downward trend during the six months prior to and including the Last Trading Day, decreasing from HK\$0.270 per Share on 22 May 2024 to HK\$0.175 per Share on the Last Trading Day;
- (ii) *Financial position of the Group:* According to the Company's interim report for the six months ended 30 June 2024 (the "**2024 Interim Report**"), the Group recorded net liabilities of approximately HK\$80.3 million and the Group's total revenue decreased by approximately 37.4% from approximately HK\$30.5 million for the six months ended 30 June 2023 to approximately HK\$19.1 million for the six months ended 30 June 2024. Further, based on the Company's annual report for the year ended 31 December 2023 which sets forth the latest published audited consolidated financial statements of the Company, the Company recorded total comprehensive loss of approximately HK\$61.9 million for the year ended 31 December 2023, resulting in loss per Share of approximately HK\$8.51 for the corresponding year;
- (iii) *Trading volume of the Shares:* During the six months prior to and including the Last Trading Day, the Company's average daily trading volume (calculated based on the total trading volume divided by the total number of trading days during the six months prior to and including the Last Trading Day) represented merely approximately 0.86% of the total issued share capital of the Company;
- (iv) *Reasons for and benefits of the proposed Rights Issue:* As mentioned in the paragraph headed "Reasons for and benefits of the Rights Issue and the use of proceeds" in this section, the Company intends to develop healthcare and beauty business specialised in the sale of bioregenerative, collagen and anti-aging skincare products. Taking into consideration the Group's cash and cash equivalent of approximately HK\$1.4 million as at 30 June 2024, the Directors consider that the Company has imminent needs to raise funding to capture any business opportunities in the healthcare and beauty industry; and

- (v) *Amount of funds intended to be raised under the Rights Issue:* the maximum gross proceeds of approximately HK\$47.3 million to be raised under the Rights Issue (assuming the Rights Issue is fully subscribed) is relatively large as compared to the market capitalisation of the Company of approximately HK\$94.2 million as at the Last Trading Day.

Under the prevailing market conditions and economic sentiment and with reference to (i) the overall downward trend of the market price of the Shares during the six months prior to and including the Last Trading Day; (ii) the recent market performance of the Shares particularly the Company's average daily trading volume during the six months prior to and including the Last Trading Day as illustrated above indicated a lack of liquidity and demand for the Shares; and (iii) the latest business performance and financial position of the Group, particularly the Group experienced a decrease in revenue during the six months ended 30 June 2024 and recorded net liabilities as at 30 June 2024; the Directors consider that it is fair and reasonable and more practical and commercially sensible to set a subscription price which is lower than the prevailing market price in order to enhance the attractiveness of the Rights Issue and encourage the Qualifying Shareholders and investors to participate in the Rights Issue.

The Directors (excluding the members of the Independent Board Committee, whose opinion will be provided after taking into account the advice of the Independent Financial Adviser) consider that, despite any potential dilution impact of the proposed Rights Issue on the shareholding interests of the Shareholders, the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account that (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue can sell the nil-paid rights in the market; (ii) the Rights Issue allows the Qualifying Shareholders to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company at a relatively low price as compared to the historical market price of the Shares and discount to the recent closing prices of the Shares; and (iii) the proceeds from the Rights Issue can fulfil the funding needs of the Group.

Non-underwritten Basis

Subject to the fulfilment of conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. In the event that the Rights Issue is not fully-subscribed, any Unsubscribed Rights Shares together with the ES Unsold Rights Shares will be made available for excess application under the EAFs. There are no statutory requirements regarding the minimum subscription levels in respect of the Rights Issue and there is no minimum amount to be raised under the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, Shareholder(s) who apply to take up all or part of his/her/its entitlement under the PAL and/or Excess Rights Shares under the EAF may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code or cause the public float of the Company to decrease to below 25%. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder for his/her/its assured entitlement under the Rights Issue or Excess Rights Shares under the EAF will be scaled down to a level which (a) does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5)(b) of the Listing Rules; and (b) does not cause the Company's public float to decrease to below 25%. Shares subject to scale down will be available for application as Excess Rights Shares to other Qualifying Shareholders, any subscription monies not utilised due to the scaled-down application of entitled Rights Shares or Excess Rights Shares will be refunded to the affected applicants.

Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Excluded Shareholders, if any, should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.

Conditions of the Rights Issue

The Rights Issue is conditional upon the following conditions being fulfilled:

- (i) the Increase in Authorised Share Capital having become effective;
- (ii) the passing by the Independent Shareholders at the EGM of the necessary resolution(s) to approve the Rights Issue and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Rights Shares in their nil-paid and fully-paid forms;
- (iii) the Listing Committee granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, all the Rights Shares (in their nil-paid and fully-paid forms);
- (iv) the electronic delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively of the Prospectus Documents in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Prospectus Posting Date; and
- (v) the Prospectus Documents having been made available to the Qualifying Shareholders and the publication of the Prospectus Documents on the website of the Stock Exchange on or before the Prospectus Posting Date.

None of the above conditions can be waived. As at the Latest Practicable Date, none of the above conditions has been fulfilled. If any of the conditions referred to above is not fulfilled by Friday, 30 May 2025, the Rights Issue will not proceed.

The Rights Issue is subject to the fulfilment of conditions including the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. If the conditions to the Rights Issue are not fulfilled, the Rights Issue will not proceed.

Basis of provisional allotments

The Rights Shares will be allotted on the basis of one (1) Rights Share for every one (1) existing Share held by the Qualifying Shareholders as at the close of business on the Record Date at the Subscription Price payable in full on acceptance.

The PAL relating to the Rights Shares will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares as shown therein. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made with the Registrar on or before the Latest Time for Acceptance by lodging a duly completed PAL and a remittance for the Rights Shares being applied for.

Status of the Rights Shares

The Rights Shares, when allotted and issued, shall rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders (if any). To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company as at the close of business on the Record Date and not be an Excluded Shareholder.

In order to be registered as members of the Company on the Record Date, all transfers of the Shares (together with the relevant share certificate(s) and/or the instrument(s) of transfer) must be lodged with the Registrar at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration by no later than 4:00 p.m. on Tuesday, 25 February 2025 (Hong Kong time).

Beneficial owners whose Shares are held by nominee companies (or held in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Beneficial owners with their Shares held by nominee companies (or held in CCASS) are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date. Shareholders and investors should consult their professional advisers if they are in doubt as to their status and action to be taken.

Subject to the registration of the Prospectus Documents in accordance with the applicable laws and regulations, the Prospectus Documents will be made available and/or despatched (as the case may be) to the Qualifying Shareholders on the Prospectus Posting Date. Copies of the Prospectus Documents will also be made available on the websites of the Company (www.legend-strategy.com) and the Stock Exchange (www.hkexnews.hk). The Prospectus only (excluding the PAL and EAF) will be made available and/or despatched (as the case may be) to the Excluded Shareholders for their information purpose only to the extent permitted under the relevant laws and regulations and reasonably practicable. The Company will despatch the PAL and EAF in printed form to the Qualifying Shareholders but will not despatch the PAL and EAF to the Excluded Shareholders.

Qualifying Shareholders who take up their pro-rata entitlement in full will not suffer any dilution to their interests in the Company.

If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

The Overseas Shareholders

The Prospectus Documents to be issued in connection with the Rights Issue will not be registered or filed under the securities law of any jurisdiction other than Hong Kong. If, at the close of business on the Record Date, a Shareholder's address on the Company's register of members is in a place outside Hong Kong, such Shareholder may not be eligible to take part in the Rights Issue.

Pursuant to Rule 13.36(2)(a) of the Listing Rules, the Company will make necessary enquiries regarding the feasibility of extending the Rights Issue to Overseas Shareholders (if any) under the laws of the relevant overseas jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges. If, based on legal advice, the Board is of the opinion that it would be necessary or expedient not to offer the Rights Shares to any Overseas Shareholders on account either of the legal restrictions under the laws of relevant place(s) or the requirements of the relevant overseas regulatory body or stock exchange, no provisional allotment of the nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such Overseas Shareholder(s). Such Overseas Shareholders will be regarded as Excluded Shareholders and will not qualify for the Rights Issue. The basis of exclusion of Excluded Shareholders, if any, will be disclosed in the Prospectus.

As at the Latest Practicable Date, based on the register of members of the Company, there is one Overseas Shareholder, namely Hehui International (being a Controlling Shareholder), with registered address located in the PRC. Hehui International is interested in 269,564,510 Shares, representing approximately 50.10% of the total issued share capital of the Company. Taking into account the advice provided by legal adviser in the PRC, the Directors are of the view that the relevant PRC legal restrictions and requirements of the regulatory body or stock exchange in the PRC do not make it necessary or expedient to exclude Hehui International, the Overseas Shareholder with registered addresses located in the PRC, from the Rights Issue. Therefore, Hehui International is not an Excluded Shareholder and the Rights Issue will be extended to Hehui International. Save for Hehui International, there were no other Overseas Shareholders based on the register of members of the Company as at the Latest Practicable Date.

Overseas Shareholders and beneficial owners of Shares residing outside Hong Kong should note that they may or may not be able to participate in the Rights Issue, subject to the results of enquiries made by the Company pursuant to the notes to Rule 13.36(2)(a) of the Listing Rules. The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities laws or other laws or regulations of any territory or jurisdiction. The Rights Issue does not constitute any offer or invitation to sell, issue or solicit for Shares in any jurisdiction in which such actions are unlawful or otherwise restricted. Accordingly, Overseas Shareholders and beneficial owners of Shares residing outside Hong Kong should inform themselves of and observe any such restrictions, if applicable, and exercise caution when dealing in the Shares.

Excluded Shareholder(s) (if any)

The Company will not extend the Rights Issue to the Excluded Shareholders. Accordingly, no provisional allotment of the Rights Shares will be made to the Excluded Shareholders and the Excluded Shareholders will not be entitled to apply for the Rights Shares.

Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders will be made available for excess application by the Qualifying Shareholders under the EAFs.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence on the Stock Exchange and in any event before the last day for dealings in nil-paid Rights Shares if a premium (net of expenses) can be obtained. The proceeds of each sale, less expenses and stamp duty, above HK\$100 will be distributed by the Company to the relevant Excluded Shareholders pro rata to their shareholdings on the Record Date (but rounded down to the nearest cent) in Hong Kong dollars. The Company will retain individual amounts of HK\$100 or less for the benefit of the Company. Any unsold nil-paid Rights Shares of the Excluded Shareholders will be made available for excess application by the Qualifying Shareholders.

The Prospectus Documents, together with the PAL and EAF, will be made available and/or despatched (as the case may be) to the Qualifying Shareholders only and to the extent reasonably practicable and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, the Prospectus (excluding the PAL and EAF) will be made available and/or despatched (as the case may be) to the Excluded Shareholders for their information only. The Company will despatch the PAL and EAF in printed form to the Qualifying Shareholders but will not despatch the PAL and EAF to the Excluded Shareholders.

Fractional Entitlements to the Rights Shares

On the basis of provisional allotment of one (1) Rights Share for every one (1) existing Share held on the Record Date, no fractional entitlements to the Rights Shares shall be issued to the Shareholders.

Application for Excess Rights Shares

All Qualifying Shareholder are entitled to apply, by way of excess application under the EAFs, for additional Rights Shares in excess of their assured entitlements.

The Excess Rights Shares will comprise:

- (i) any Rights Shares provisionally allotted but not accepted by any of the Qualifying Shareholders or otherwise not subscribed for by transferees of nil-paid Rights Shares prior to the Latest Time for Acceptance;
- (ii) any Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders; and
- (iii) any Rights Shares which would otherwise be allotted but subject to scale down (as described below).

Application for Excess Rights Shares can be made only by Qualifying Shareholders duly completing the EAFs (in accordance with the instructions printed thereon) and lodging the same with a separate remittance for the Excess Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance, which is expected to be 4:00 p.m. on Wednesday, 19 March 2025.

Qualifying Shareholders who wish to apply for Excess Rights Shares in addition to their provisional allotments must complete both the PAL and the EAF.

A Shareholder who applies to take up all or part of his/her/its entitlement under the PAL and/or Excess Rights Shares under the EAF may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code or cause the public float of the Company to decrease to below 25%. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder for his/her/its assured entitlement under the Rights Issue or Excess Rights Shares under the EAF will be scaled down to a level which (a) does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5)(b) of the Listing Rules; and (b) does not cause the Company's public float to decrease to below 25%. Shares subject to scale down will be available for application as Excess Rights Shares to other Qualifying Shareholders, any subscription monies not utilised due to scaled-down application of entitled Rights Shares or Excess Rights Shares will be refunded to the affected applicants.

Basis of allocation of Excess Rights Shares

Subject to any scaling down of subscriptions, the Company will allocate the Excess Rights Shares at its discretion on a fair and equitable basis as far as practicable on the following principles:

- (i) if there are insufficient Excess Rights Shares to satisfy all EAFs, Excess Rights Shares will be allocated on a pro rata basis by reference to the number of Excess Rights Shares applied for in the relevant EAFs by the relevant Qualifying Shareholders; and
- (ii) otherwise (i.e. if the aggregate number of Rights Shares not taken up by the Qualifying Shareholders and/or transferees of nil-paid Rights Shares under the PALs is greater than the aggregate number of Excess Rights Shares applied for through the EAFs), Excess Rights Shares will be allocated in full in accordance with the EAFs to each Qualifying Shareholder who applies for Excess Rights Shares.

For the avoidance of doubt, in applying the principles above, reference will only be made to the number of Excess Rights Shares being applied for in the relevant EAFs, and no reference will be made to the Rights Shares comprised in applications through PAL or the existing number of Shares held by the relevant Qualifying Shareholders; and no preference will be given to applications for topping up odd lots.

Shareholders whose Shares are held by a nominee (or held through CCASS) should note that the Board will regard such nominee (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, the aforesaid arrangement for allocation of Excess Rights Shares by the Company may not be extended to the beneficial owners individually. Beneficial owners whose Shares are held by a nominee (or held through CCASS) are advised to consider whether they would like to arrange for the registration of their Shares in their own names on or prior to the Last Day for Transfer.

Certificates of the Rights Shares and refund cheques for the Rights Issue

Subject to fulfilment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be posted on or before Thursday, 27 March 2025 to those entitled thereto at their registered addresses by ordinary post at their own risk. If the Rights Issue does not become unconditional, refund cheques without interest are expected to be posted on or before Thursday, 27 March 2025 by ordinary post to the respective applicants, at their own risk, to their registered addresses.

Application for listing of the Rights Shares

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) to be allotted and issued pursuant to the Rights Issue. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

The nil-paid Rights Shares and the fully-paid Rights Shares will be traded in the board lot size of 20,000 Shares.

Stamp duty and other applicable fees

Dealing in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the register of members of the Company in Hong Kong will be subject to payments of stamp duty, Stock Exchange trading fee, SFC transaction levy, AFRC transaction levy or any other applicable fees and charges in Hong Kong.

Irrevocable Undertaking

As at the Latest Practicable Date, the Board has not received any information or undertaking from any Shareholders of their intention to take up or not to take up the securities of the Company to be provisionally allotted to them under the Rights Issue.

Taxation

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange, or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND THE USE OF PROCEEDS

The Group is principally engaged in rental of accommodation and conference facilities, provision of property facilities management and accommodation consultation services. As disclosed in the Company's interim report for the six months ended 30 June 2024, leveraging the Group's expertise, network and experience in conducting business in the PRC, the Company is actively assessing the viability of business diversification. The Group has been actively studying business opportunities in areas including the healthcare and beauty industry in the PRC.

According to a market research report publicly available, the PRC skincare market was valued at approximately US\$54.47 billion in 2023 and is anticipated to grow from approximately US\$59.08 billion in 2024 to approximately US\$128.61 billion by 2032, representing a CAGR of approximately 11.75% during the forecast period. In light of the robust growth in the PRC skincare market, the Board considers that it is in the interests of the Company and the Shareholders as a whole for the Group to develop its healthcare and beauty business specialised in the sale of bioregenerative, collagen and anti-aging skincare products. The Group plans to develop its healthcare and beauty business through collaboration with key players in the healthcare and beauty industry as well as self-development of proprietary rights and technology.

As at the Latest Practicable Date, the Company has established Shenzhen Ailansi Bio-technology Co. Ltd.* (深圳雅蘭斯生物科技有限公司) ("**Shenzhen Ailansi**"), a wholly-owned subsidiary of the Company in the PRC, to conduct healthcare and beauty business. The Company has allocated up to HK\$5 million for the initial setup and operation of Shenzhen Ailansi. The Company has recruited (i) an independent consultant, who is a licensed pharmacist and has accumulated over 20 years of experience in the healthcare, beauty and pharmaceutical industry, primarily responsible for the development, management and formulation of business strategies of the Group's healthcare and beauty business; and (ii) another independent research and development staff, who has accumulated over 30 years of research and development experience in the healthcare and beauty industry. Since the fourth quarter of 2024, the Group has embarked on the sales and promotion of healthcare and beauty products supplied by third party suppliers under its own branding through direct sales channel in the PRC and generated revenue of approximately RMB1.0 million up to the Latest Practicable Date. Taking into consideration the Group's healthcare and beauty products have been well received by the market, the Group has been prompted to further develop and strengthen its market share in the healthcare and beauty industry in the PRC.

As at the Latest Practicable Date, the Company has not identified any potential targets for the formation of business collaboration or joint venture in relation to its planned development of healthcare and beauty business. Apart from the anticipated business collaboration with key players in the healthcare and beauty industry, the Group also plans to (i) recruit management and technical staff with established knowledge and experience in the healthcare and beauty industry; (ii) conduct research activities for the development of proprietary rights and technology related to bioregenerative, collagen and anti-aging skincare products; and (iii) set up a sales and marketing team designated for the promotion of skincare products and the development of its healthcare and beauty business.

As at 30 June 2024, the Group recorded total liabilities of approximately HK\$191.6 million mainly comprising borrowings and lease liabilities of approximately HK\$28.6 million and HK\$143.9 million, respectively. Besides, the Group recorded net liabilities of approximately HK\$80.3 million as at 30 June 2024. Taking into consideration the Group's indebtedness and gearing ratio, the Directors consider that it is financially prudent for the Group to conduct equity financing in the form of the Rights Issue to strengthen its general working capital reserve and to finance the development of its healthcare and beauty business.

Use of proceeds

Assuming there will be no change in the total number of issued Shares from the Latest Practicable Date up to and including the Record Date and full subscription of the Rights Issue, the maximum net proceeds from the Rights Issue (after deducting the related expenses) is expected to be approximately HK\$46.3 million. The Company intends to apply the net proceeds from the Rights Issue as follows:

- (i) approximately 51.8% of the net proceeds or approximately HK\$24.0 million for developing the healthcare and beauty business of the Group. The Company currently intends to apply the net proceeds allocated for the development of the healthcare and beauty business of the Group as follows during the 12 months following the completion of the Rights Issue: (a) approximately HK\$10.0 million for the acquisition of research and development equipment for the development of proprietary rights and technology related to bioregenerative, collagen and anti-aging skincare products; (b) approximately HK\$4.0 million for costs associated with the continuous testing and development of skincare products; (c) approximately HK\$3.0 million for the recruitment of management and technical staff with established knowledge and over three years of experience in the Hong Kong and/or PRC healthcare and beauty industry; and (d) approximately HK\$7.0 million for setting up a sales and marketing team and engaging key opinion leaders (KOL) to promote the skincare products developed by the Group; and

The table below sets forth a summary of the intended timeline for the application of the net proceeds from the Rights Issue for the development of the healthcare and beauty business of the Group:

	Within the first to sixth month period following the completion of the Rights Issue <i>HK\$'million</i>	Within the seventh to twelfth month period following the completion of the Rights Issue <i>HK\$'million</i>	Total <i>HK\$'million</i>
Acquisition of research and development equipment	10.0	–	10.0
Continuous testing and development of skincare products	2.0	2.0	4.0
Recruitment of management and technical staff	1.2	1.8	3.0
Setting up a sales and marketing team and engaging KOL	3.0	4.0	7.0
	<u>16.2</u>	<u>7.8</u>	<u>24.0</u>

- (ii) approximately 48.2% of the net proceeds or approximately HK\$22.3 million for enhancing the general working capital of the Group.

In the event that there is an undersubscription of the Rights Issue, the net proceeds of the Rights Issue will be utilised in proportion to the above uses.

Other fund-raising alternatives

Apart from the Rights Issue, the Directors have considered other debt/equity fund raising alternatives such as bank borrowings, placing, or an open offer.

In respect of debt financing, the Directors noted that bank borrowings will carry interest costs and may require the provision of security and creditors will rank before the Shareholders. Debt financing will also result in additional interest burden, higher gearing ratio of the Group and subject the Group to repayment obligations. In addition, debt financing may not be achievable on favourable terms in a timely manner.

As for equity fund raising, such as placing of new Shares, it is relatively smaller in scale as compared to fund raising through rights issue and it would lead to immediate dilution in the shareholding interest of the existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company.

As opposed to an open offer, the Rights Issue enables the Shareholders to sell the nil-paid rights in the market. The Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Company.

Having considered the abovementioned alternatives, the Directors consider raising funds by way of the Rights Issue is more attractive in the current market condition and the Rights Issue will enable the Company to strengthen its working capital base and enhance its financial position, while at the same time, allowing the Qualifying Shareholders to maintain their proportional shareholdings in the Company.

As at the Latest Practicable Date, the Company has no plan to conduct any further fundraising activity in the next twelve months even in the event the Rights Shares are not fully subscribed. However, in the event there is any change to the business environment and/or financial position of the Company due to unforeseeable circumstances, and the Company is required to conduct further fund raising exercises when suitable opportunities arise in order to support future development of the Group, the Company will publish further announcement(s) in compliance with the Listing Rules, as and when appropriate.

Based on the above, the Board (excluding the members of the Independent Board Committee whose opinion will be rendered after considering the advice from the Independent Financial Adviser) considers that raising capital through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

The Board considers that it is in the interests of the Company to proceed with the Rights Issue on a non-underwritten basis taking into consideration (i) there are no statutory requirements regarding the minimum subscription levels in respect of the Rights Issue and there is no minimum amount to be raised under the Rights Issue; (ii) in light of (a) the recent market performance of the Shares particularly the Company's average daily trading volume during the six months prior to and including the Last Trading Day indicated a lack of liquidity and demand for the Shares; and (b) the latest business performance and financial position of the Group, particularly the Group experienced a decrease in revenue during the six months ended 30 June 2024 and recorded net liabilities as at 30 June 2024, the Directors consider that there would be a lack of interest for underwriters to underwrite the Rights Shares; and (iii) the Subscription Price, being set at a discount to the prevailing market prices of the Shares, shall encourage the Qualifying Shareholders and investors to participate in the Rights Issue, thereby raising the necessary funding for the Company.

Based on the above illustration, the Board considers that the terms of the Rights Issue are in the interest of the Company and its Shareholders as a whole.

However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Excluded Shareholder(s), if any, should note that their shareholdings will be diluted.

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

The Company has conducted the following fund-raising activities involving issue of its securities in the past 12 months immediately preceding the Latest Practicable Date:

Date of announcement	Completion date	Fund raising	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
2 September 2024	20 September 2024	Placing of 89,670,000 new shares at the placing price of HK\$0.169 per placing share under general mandate granted to the Directors at the annual general meeting of the Company held on 27 May 2024	HK\$15 million	Renovation of accommodation facilities and general working capital use	Approximately HK\$9.2 million has been applied as intended

Save as disclosed above, the Company did not conduct any equity fund raising activities in the past twelve months immediately prior to the Latest Practicable Date.

CHANGE IN SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately upon completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders under the Rights Issue:

Name of Shareholders	As at the Latest Practicable Date		Immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares by all Qualifying Shareholders	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Hehui International	269,564,510 (Note 1)	50.10	539,129,020	50.10
Public Shareholders	<u>268,469,198</u>	<u>49.90</u>	<u>536,938,396</u>	<u>49.90</u>
	<u><u>538,033,708</u></u>	<u><u>100.00</u></u>	<u><u>1,076,067,416</u></u>	<u><u>100.00</u></u>

Notes:

- These 269,564,510 Shares were registered in the name of Hehui International. Mr. Yuan held the entire issued share capital of Hehui International and was deemed to be interested in the 269,564,510 Shares in which Hehui International was interested pursuant to the SFO. As disclosed in the Company's announcement dated 19 August 2024, these 269,564,510 Shares were charged in favour of Osibao Cosmetics International Limited which is a company incorporated in Hong Kong ("**Osibao Cosmetics HK**"). Mr. Cheung Ching Mo held the entire issued share capital of Osibao Cosmetics International Limited which is a company incorporated in the British Virgin Islands ("**Osibao Cosmetics BVI**") and Osibao Cosmetics BVI held the entire issued share capital of Osibao Cosmetics HK.
- The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the Latest Practicable Date, the existing Shares are traded on the Stock Exchange in the board lot size of 2,000 Shares. The Board proposes that the board lot size of the Shares for trading on the Stock Exchange will be changed from 2,000 Shares to 20,000 Shares with effect from 9:00 a.m. on Wednesday, 5 March 2025.

Based on the theoretical ex-rights price of HK\$0.1315 per Share (calculated based on the benchmarked price of HK\$0.175 per Share (as defined under Rule 7.27B of the Listing Rules), taking into account the higher of (i) the closing price of HK\$0.175 per Share on the Last Trading Day; and (ii) the average closing price of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day of HK\$0.1746 per Share), the market value of each existing board lot of 2,000 Shares is HK\$263 and the estimated market value of each proposed new board lot of 20,000 Shares would be HK\$2,630.

The Change in Board Lot Size will not result in change in the relative right of the Shareholders. Shareholders should take note that Shareholders' approval is not required for the Change in Board Lot Size.

Arrangement on odd lot trading and matching services

In order to alleviate the difficulties of the trading of odd lots (if any) of the Shares arising from the Change in Board Lot Size, the Company has appointed Bonus Eventus Securities Limited, a corporation licensed to carry out type 1 (dealing in securities) regulated activity under the SFO, as the designated broker to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Shares to make up a full board lot, or to dispose of their holding of odd lots of the Shares. Shareholders who wish to take advantage of this facility may directly or through their brokers, contact Mr. Lam at Room 1601B, 16/F, Park Commercial Centre, 180 Tung Lo Wan Road, Causeway Bay, Hong Kong (telephone number: (852) 2327 3052) during office hours (i.e. 9:00 a.m. to 6:00 p.m.) from 9:00 a.m. on Wednesday, 5 March 2025 to 4:00 p.m. on Tuesday, 25 March 2025 (both dates inclusive).

Holders of the Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. The Shareholders are recommended to consult their professional advisers if they are in doubt about the above arrangement. All existing share certificates in board lot of 2,000 Shares will remain good evidence of the legal title to the Shares and continue to be valid for delivery, transfer, trading and settlement purposes. No new share certificates for existing Shareholders will be issued as a result of the Change in Board Lot Size, and therefore no arrangement for free exchange of the existing share certificates in board lot of 2,000 Shares to new share certificate in board lot of 20,000 Shares is necessary.

Reasons for the Change in Board Lot Size

Pursuant to the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by The Hong Kong Exchange and Clearing Limited, the expected value per board lot should be greater than HK\$2,000 taking into account the minimum transaction costs for a securities trade. In view of the fact that the closing price of the Shares as quoted on the Stock Exchange as at the Last Trading Day was HK\$0.175 per Share, the value of each existing board lot of 2,000 Shares was HK\$350, which was less than HK\$2,000.

Based on the above and with the view to complying with the trading requirements under the Listing Rules, the Board resolved to propose the Change in Board Lot Size, resulting in (i) HK\$3,500 per board lot of 20,000 Shares based on the closing price of HK\$0.175 per Share as quoted on the Stock Exchange as at the Last Trading Day; and (ii) HK\$2,630 per board lot of 20,000 Shares based on the theoretical ex-rights price of HK\$0.1315 per Share (calculated based on the bench marked price of HK\$0.175 per Share (as defined under Rule 7.27B of the Listing Rules), taking into account the higher of (i) the closing price of HK\$0.175 per Share on the Last Trading Day; and (ii) the average closing price of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day of HK\$0.1746 per Share).

Further, the Change in Board Lot Size would reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction cost for each securities trade.

In addition, the Board considers that the Change in Board Lot Size would maintain the trading amount for each board lot at a reasonable level which will increase the attractiveness of investing the Shares from a broader range of institutional and professional investors and thus would help to further broaden the shareholder base of the Company and improve the value of the Shares in the long run.

Accordingly, the Board considers that the Change in Board Lot Size would maintain the trading amount for each board lot at a reasonable level in order to attract potential investors and to extend the shareholder base of the Company. The Board believes that the Change in Board Lot Size is in the interests of the Company and the Shareholders as a whole and that will not have any material adverse effect on the financial position of the Group nor result in any changes in the relative rights of the Shareholders.

LISTING RULES IMPLICATION

The Rights Issue

In accordance with Rule 7.19A(1) and Rule 7.27A(1) of the Listing Rules, as the Rights Issue will increase the total number of issued Shares by more than 50% within a 12 month period immediately preceding the Latest Practicable Date, the Rights Issue will be subject to the approval by the Independent Shareholders at the EGM by way of poll at which the Controlling Shareholders and their associates or, where there are no Controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) relating to the Rights Issue at the EGM.

As at the Latest Practicable Date, Hehui International, being a Controlling Shareholder, directly holds 269,564,510 Shares, representing approximately 50.10% of the total issued share capital of the Company as at the Latest Practicable Date. Hehui International is a company wholly-owned by Mr. Yuan, the chairman of the Board and a non-executive Director of the Company. Accordingly, Hehui International, Mr. Yuan and their respective associates shall abstain from voting in favour of the Rights Issue in accordance with Rule 7.27A of the Listing Rules.

The Rights Issue will not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

GENERAL

The EGM will be convened for the Shareholders to consider and, if thought fit, approve the Increase in Authorised Share Capital and the Rights Issue. For the purpose of determining the Shareholders' entitlements to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 14 February 2025 to Thursday, 20 February 2025 (both days inclusive).

In order to be registered as a member of the Company on the record date for attendance and voting at the EGM, all transfers of Shares (together with the relevant share certificate(s)) must be lodged with the Registrar by no later than 4:00 p.m. (Hong Kong time) on Thursday, 13 February 2025.

A notice convening the EGM to be held at Suite 1702, 17/F, World-Wide House, No. 19 Des Voeux Road Central, Hong Kong on Thursday, 20 February 2025 at 3:00 p.m. is set out on pages EGM-1 to EGM-4 of this circular. Whether you are able to attend the EGM or not, you are requested to complete the enclosed proxy form in accordance with the instructions printed on it and return the completed proxy form to the Registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event so that it is received at least 48 hours before the time appointed for the EGM (i.e. Tuesday, 18 February 2025 at 3:00 p.m.) or adjourned meeting (as the case may be). Submission of a proxy form shall not preclude you from attending the EGM (or any adjournment of such meeting) and voting in person should you so wish.

DESPATCH OF PROSPECTUS DOCUMENTS

Subject to the fulfilment of the conditions of the Rights Issue, the Prospectus Documents containing, among other matters, details of the Rights Issue, will be made available and/or despatched (as the case may be) to the Qualifying Shareholders on or before Wednesday, 5 March 2025. Copies of the Prospectus Documents will also be made available on the websites of the Company (www.legend-strategy.com) and the Stock Exchange (www.hkexnews.hk). The Prospectus only (excluding the PAL and EAF) will be made available and/or despatched (as the case may be) to the Excluded Shareholders for their information purpose only to the extent permitted under the relevant laws and regulations and reasonably practicable. The Company will despatch the PAL and EAF in printed form to the Qualifying Shareholders but will not despatch the PAL and EAF to the Excluded Shareholders.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

The Rights Issue is subject to the fulfilment of conditions including the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. If the conditions to the Rights Issue are not fulfilled, the Rights Issue will not proceed.

Any Shareholder or other person dealing in the Shares and/or the nil-paid Rights Shares up to the date on which all the conditions of the Rights Issue are fulfilled will accordingly bear the risk that the Rights Issue may not proceed.

Subject to the fulfilment of conditions, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Excluded Shareholders, if any, should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

RECOMMENDATION

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Wu Jilin, Mr. Lam Cheung Shing Richard and Mr. So Yin Wai, has been established to advise the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM. Messis Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable.

Your attention is drawn to the letter from the Independent Board Committee set out on pages 41 to 42 of this circular which contains its recommendation to the Independent Shareholders in relations to the Rights Issue, and the letter from the Independent Financial Adviser set out on pages 43 to 70 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders.

The Directors (including the independent non-executive Directors whose views are expressed in the letter from the Independent Board Committee) consider that the terms of the Rights Issue and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors whose views are expressed in the letter from the Independent Board Committee) recommend the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,

By order of the Board

Legend Strategy International Holdings Group Company Limited



Yuan Fuer

Chairman