



YU MING INVESTMENT MANAGEMENT LIMITED
禹銘投資管理有限公司

24 October 2016

Dear Sir or Madam,

**VOLUNTARY CONDITIONAL CASH OFFERS BY
YU MING INVESTMENT MANAGEMENT LIMITED
ON BEHALF OF
STAR FLY LIMITED AND FRESH CHOICE HOLDINGS LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
PERFECTECH INTERNATIONAL HOLDINGS LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED OR AGREED
TO BE ACQUIRED BY
STAR FLY LIMITED AND FRESH CHOICE HOLDINGS LIMITED AND
PARTIES ACTING IN CONCERT WITH THEM) AND
TO CANCEL ALL OUTSTANDING SHARE OPTIONS**

INTRODUCTION

On 3 October 2016, the Offerors and the Company jointly announced that voluntary conditional cash offers would be made by Yu Ming, on behalf of the Offerors (i) to acquire all of the Shares in the entire issued share capital of the Company (other than those Shares already owned or agreed to be acquired by the Offerors and their Concert Parties); and (ii) to cancel all the outstanding Options in compliance with Rule 13 of the Takeovers Code.

This letter sets out, amongst other things, the principal terms of the Offers, together with the information on the Offerors and the Offerors' intentions regarding the Group. Further details of the terms of the Offers and procedures for acceptance are also set out in Appendix I to this Composite Document and the accompanying Forms of Acceptance.

THE OFFERS

Yu Ming, on behalf of the Offerors, hereby makes the voluntary conditional cash offers to all Independent Shareholders and Independent Optionholders (i) to acquire all of the Shares in the entire issued share capital of the Company (other than those Shares already owned or agreed to be acquired by the Offerors and their Concert Parties); and (ii) to cancel all the outstanding Options on the following basis:



The Share Offer

For each Offer Share HK\$ 1.815 in cash

The Offer Shares to be acquired under the Share Offer shall be fully paid and shall be acquired free from all encumbrances and together with all rights attaching to them as at the Closing Date or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the Closing Date.

As at the Latest Practicable Date, there are 326,923,607 Shares in issue, and the Offerors and their Concert Parties are not interested in any Shares (other than as a result of the execution of the Irrevocable Undertakings).

Further details of the terms of the Share Offer and the procedures for acceptance are set out in Appendix I to this Composite Document and the accompanying Form of Share Offer Acceptance.

Comparison of value

The Share Offer Price of HK\$1.815 per Offer Share represents:

- (i) a premium of approximately 8.04% to the closing price of HK\$1.68 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 7.40% over the average closing price of approximately HK\$1.69 per Share for the last five (5) trading days immediately prior to and including the Last Trading Day;
- (iii) a premium of approximately 6.76% over the average closing price of approximately HK\$1.70 per Share for the last ten (10) trading days immediately prior to and including the Last Trading Day;
- (iv) a premium of approximately 12.04% over the average closing price of approximately HK\$1.62 per Share for the last thirty (30) trading days immediately prior to and including the Last Trading Day;
- (v) a premium of approximately 1.40% over the closing price of HK\$1.79 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (vi) a premium of approximately 2.88 times over the unaudited consolidated net asset value per Share as at 30 June 2016 of approximately HK\$0.63 (which was calculated by dividing (i) the sum of the unaudited consolidated net asset value of the Group as at 30 June 2016 of approximately HK\$206.76 million by 326,923,607 Shares in issue as at Latest Practicable Date).



Highest and lowest Share prices

The highest closing price of the Shares as quoted on the Stock Exchange during the Relevant Period was HK\$1.84 per Share on 10 December 2015 and the lowest closing price of the Shares as quoted on the Stock Exchange during the Relevant Period was HK\$1.13 on 20 January 2016.

The Option Offer

The Offerors will make appropriate offers to the Independent Optionholders in accordance with Rule 13 of the Takeovers Code to cancel all outstanding Options (whether vested or not) in exchange for cash.

For outstanding Options with an exercise price of HK\$0.77 each

For the cancellation of each such Option HK\$ 1.045 in cash

For outstanding Options with an exercise price of HK\$1.46 each

For the cancellation of each such Option HK\$ 0.355 in cash

As at the Latest Practicable Date, there are 16,452,000 outstanding Options granted under the Share Option Scheme, carrying rights to subscribe for 16,452,000 new Shares. 16,366,000 of the outstanding Options have an exercise price of HK\$1.46, and the remaining 86,000 outstanding Options have an exercise price of HK\$0.77.

As at the Latest Practicable Date, Mr. Poon, being one of the Controlling Shareholders, and his Concert Parties hold 6,058,000 Options carrying rights to subscribe for 6,058,000 new Shares.

The Option Offer is conditional upon the Share Offer becoming or being declared unconditional in all respects. Following acceptance of the Option Offer, the relevant Options together with all rights attaching thereto will be entirely cancelled and renounced.

Further terms of the Option Offer and the procedures for acceptance are set out in Appendix I to this Composite Document and the accompanying Form of Option Offer Acceptance.

Value of the Offers

As at the Latest Practicable Date, there are 326,923,607 Shares in issue and 16,452,000 outstanding Options. Save as disclosed above, the Company has no other relevant securities (as defined in note 4 of Rule 22 of the Takeovers Code) as at the Latest Practicable Date.

On the basis of the Share Offer Price of HK\$1.815 per Offer Share and assuming that no outstanding Options are exercised prior to the Closing Date, the Share Offer is valued at approximately HK\$593,366,347 and the value of the Option Offer at approximately HK\$5,899,800.



Assuming all outstanding Options are exercised in full by the Optionholders prior to the Closing Date, the total issued shares of the Company would increase to 343,375,607 Shares, the value of the Share Offer will be approximately HK\$623,226,727.

Confirmation of financial resources

Each of the Offerors is interested in 50% of the Offers and will acquire the Offer Shares tendered for acceptance by the Independent Shareholders pursuant to and in accordance with the terms of the Share Offer and to cancel all the outstanding Options tendered for acceptance by the Independent Optionholders pursuant to and in accordance with the terms of the Option Offer in with respect to each of the Offerors' respective interest. Assuming all outstanding Options have been exercised in full by the Optionholders prior to the Closing Date, the financial resources requirement required from the Offerors to satisfy the total consideration for the Offers shall amount to an aggregate of HK\$623,226,727.

The Offerors intend to finance the entire consideration payable under the Offers by way of cash advanced from their respective ultimate beneficial owners. Mr. Zhai Jun ("Mr. Zhai"), being the sole shareholder of Star Fly, has advanced a shareholder's loan representing 50% of the total consideration for the Offers to Star Fly to satisfy its obligations under the Offers; Mr. Gao Xiaorui ("Mr. Gao"), who is the legal and beneficial owner as to 90% of the issued share capital of Fresh Choice and Mr. Wu Zhenlong ("Mr. Wu"), who is the legal and beneficial owner as to 10% of the issued share capital of Fresh Choice, have each advanced shareholder's loan representing 45% and 5% respectively of the total consideration for the Offers to Fresh Choice to satisfy its obligations under the Offers. Yu Ming, the financial adviser to the Offerors in respect of the Offers, is satisfied that sufficient financial resources are available to the Offerors to satisfy full acceptance of the Offers.

Conditions of the Offers

The Share Offer is subject to the fulfillment or waiver, as applicable, the following Conditions:

- (a) valid acceptances of the Share Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date (or such later time or date as the Offerors may, subject to the Takeovers Code, decide) in respect of such number of Shares which, together with Shares acquired or agreed to be acquired before or during the Offers, will result in the Offerors and their Concert Parties together holding not less than 70% of the voting rights of the Company;
- (b) the Shares remaining listed and traded on the Stock Exchange up to the Closing Date save for any temporary suspension(s) of trading in the Shares as a result of the Offers and no indication being received on or before the Closing Date from the SFC and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn, other than as a result of the Offers; and
- (c) no events, up to the Closing Date, having occurred which would make the Offers or the acquisition of any of the Shares or cancellation of the Options under the Offers void, unenforceable or illegal or their implementation being prohibited or which would impose material conditions, limitations or obligations with respect to the Offers.



The Offerors reserve the right, acting jointly, to waive, in whole or in part, Condition (b). Conditions (a) and (c) cannot be waived.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offerors should not invoke Condition (c) so as to cause the Offers to lapse unless the circumstances which give rise to the right to invoke any such Condition are of material significance to the Offerors in the context of the Offers.

The Option Offer is conditional upon the Share Offer becoming or being declared unconditional in all respects.

The Offerors reserve the right to revise the terms of the Offers in accordance with the Takeovers Code.

Effect of accepting the Offers

Acceptance of the Share Offer will constitute a warranty to each of the Offerors by each person accepting it that the Shares acquired under the Share Offer and sold by such persons are free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the Closing Date or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the Closing Date.

Acceptance of the Option Offer by Optionholders will result in the cancellation of those outstanding Options, together with all rights attaching thereto.

Acceptance of the Offers would be irrevocable and would not be capable of being withdrawn, subject to the provisions of the Takeovers Code.

Overseas Independent Shareholders and Independent Optionholders

The Offerors intend to make the Share Offer and Option Offer available to all Independent Shareholders and Independent Optionholders respectively, including those who are not resident in Hong Kong. The availability of the Offers to persons who are not resident in Hong Kong may be affected by the laws of the relevant overseas jurisdictions. The making of the Offers to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or affected by the laws or regulations of the relevant jurisdictions. Such Independent Shareholders and Independent Optionholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe relevant applicable legal or regulatory requirements and, where necessary, seek legal advice. This Composite Document will not be filed, nor approval for its issuance sought, under the applicable securities or equivalent legislation or rules of any jurisdiction other than Hong Kong.



According to the register of members of the Company as at the Latest Practicable Date, there are seven Shareholders with registered addresses located in Macau and one Shareholder with registered address located in Canada. According to the register of Optionholders as at the Latest Practicable Date, there is no Optionholder with a registered address outside Hong Kong. The Company and the Offerors have enquired about the legal restrictions under the applicable securities legislation of the relevant jurisdictions and the requirements of the relevant regulatory body or stock exchange with respect to the extension of the Share Offer to such Overseas Shareholders.

The Company and the Offerors have obtained advice from a law firm qualified to advise on Macau law, which opined that there is no requirement for any of the Company, Yu Ming or the Offerors to obtain any prior approval, consent or registration with any governmental, regulatory or such other authority in Macau in relation to the extension of the Share Offer, and the despatch of the Composite Document to Independent Shareholders with registered addresses in Macau.

The Company and the Offerors have sought legal advice from a law firm qualified to advise on Canadian law, which opined that the extension of the Share Offer to a Shareholder whose registered address is at Toronto, Canada ("Canadian Shareholder") will be subject to the Province of Ontario Securities Act and the applicable regulations in Ontario. To comply with the local regulations in Canada would be unduly burdensome to the Company and the Offerors, as the shareholding of the Canadian Shareholder represents only approximately 0.0126% of the total issued share capital of the Company, the Offerors have therefore applied to the Executive for a waiver pursuant to Note 3 to Rule 8 of the Takeovers Code, and subject to the Executive's consent, that the Composite Document will not be despatched to the Canadian Shareholder.

Whether or not the Composite Document is sent to the overseas Independent Shareholders or Independent Optionholders, the Composite Document will be published on the websites of the Company and the Stock Exchange, and will be available for collection in the office of the Share Registrar. It is the responsibility of the individual Independent Shareholders or Independent Optionholders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers (including the obtaining of any regulatory or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions).

Any acceptance by any Independent Shareholder or Independent Optionholder who is not resident in Hong Kong will be deemed to constitute a representation and warranty from such Shareholder or Optionholder to the Offerors that the local laws and requirements have been complied with. All such Independent Shareholders and Independent Optionholders should consult their professional advisers if in doubt.

Stamp duty

In Hong Kong, seller's ad valorem stamp duty arising in connection with acceptances of the Share Offer will be payable by the relevant Independent Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offerors in respect of the relevant acceptances of the Share Offer, whichever is higher. An amount equivalent to the aforesaid stamp duty



will be deducted from the cash amount payable by the Offerors to such Independent Shareholder who accepts the Share Offer (where the stamp duty calculated includes a fraction of HK\$1, the stamp duty would be rounded-up to the nearest HK\$1). The Offerors will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Independent Shareholders accepting the Share Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptances of the Share Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

No stamp duty is payable in connection with the Option Offer.

IRREVOCABLE UNDERTAKINGS

On 27 September 2016 (after trading hours), each of the Controlling Shareholders has executed the Poons Irrevocable Undertakings in favour of the Offerors, pursuant to which each of Mr. Poon, Ms. Lau and Mime has irrevocably undertaken to the Offerors that they will accept the Share Offer in respect of the Shares held by each of them.

On 30 September 2016, each of Mr. Leung and his Affiliates has executed the Leungs Irrevocable Undertakings in favour of the Offerors, pursuant to which each of Mr. Leung and his Affiliates has irrevocably undertaken to the Offerors that they will accept the Share Offer in respect of the Shares held by each of them.

As at the Latest Practicable Date, the Controlling Shareholders, namely, Mr. Poon, Ms. Lau and Mime are beneficial owners of 22,764,000 Shares, 16,404,000 Shares and 101,139,430 Shares, representing approximately 6.96%, 5.02% and 30.94% of the total issued Shares, respectively; Mr. Leung and his Affiliates are interested in 61,365,200 Shares, representing approximately 18.77% of the total issued Shares.

Prior to the closing, lapse or withdrawal of the Share Offer, each of Mr. Poon, Ms. Lau, Mime and Mr. Leung and his Affiliates has undertaken not to sell or transfer (or cause the same to be done) or otherwise dispose of (or permit any such action to occur in respect of) any interest in any Shares beneficially owned by them and not to withdraw or procure the withdrawal of acceptance of the undertaking Shares.

The Poons Irrevocable Undertakings will remain effective unless the Offers lapse or are withdrawn. The Leungs Irrevocable Undertakings will remain effective unless the Offers lapse and will otherwise remain valid and effective for a period of 100 days from the date of the execution of each undertaking. Save for disclosed above, there are no other circumstances under which the Irrevocable Undertakings may cease to be binding.

INFORMATION ON THE OFFERORS

The Offerors consist of Star Fly and Fresh Choice, both of which are companies incorporated in the British Virgin Islands with limited liability.

Star Fly is an investment holding company wholly-owned by Mr. Zhai, its sole director. Mr. Zhai, aged 47, has over 20 years of experience in the financial and securities industry and has worked at leading financial institutions and a leading accounting firm, specialising in direct investment and corporate finance. Mr. Zhai graduated from Murdoch University in Australia with a bachelor's degree in



commerce, and is a member of the Shanxi Provincial People's Political Consultative Conference. Save for entering into the Exclusivity Agreement and engaging advisers for the purposes of the Offers, Star Fly has not conducted any business since its incorporation.

Fresh Choice is an investment holding company owned as to 90% by Mr. Gao and 10% by Mr. Wu. Mr. Gao, aged 36, is the sole director of Fresh Choice. He has over 10 years of experience in the investment and accounting fields. Mr. Gao graduated from Communication University of China with a bachelor's degree in accounting and finance. Mr. Wu, aged 52, has over 25 years of experience in international sales and marketing. He graduated from Beijing Jiaotong University with a bachelor's degree in civil engineering. Save for entering into the Exclusivity Agreement and engaging advisers for the purposes of the Offers, Fresh Choice has not conducted any business since its incorporation.

Other than (i) in relation to the making of the Offers, (ii) and the relationship between Mr. Gao and Mr. Wu as shareholders of, and lenders to, Fresh Choice as disclosed in this Composite Document, there is no prior or present relationship (whether business, financial or otherwise) between each of Mr. Zhai, Mr. Gao and Mr. Wu. As at the date hereof, none of Mr. Zhai, Mr. Gao nor Mr. Wu intends or contemplates entering into any relationship with each other in the future (whether business, financial or otherwise).

As at the Latest Practicable Date, Mr. Zhai has advanced a shareholder's loan representing 50% of the total consideration for the Offers to Star Fly; and each of Mr. Gao and Mr. Wu has advanced a shareholder's loan representing 45% and 5% respectively of the total consideration for the Offers to Fresh Choice. Subject to the Share Offer becoming unconditional in all respects, it is intended that each of Star Fly and Fresh Choice will finance the Offers on an equal basis, and that their respective shareholding interests in the Company will be proportionate to their respective financial contributions to the Offers.

INFORMATION ON THE GROUP

The Company is incorporated in Bermuda and is an investment holding company. Its subsidiaries are principally engaged in manufacturing and the sales of novelties, decoration and toy products.

Your attention is drawn to the details of the information of the Group as set out under the section headed "Information on the Group" in the "Letter from the Board" and in Appendices II and III to this Composite Document.

INTENTIONS OF THE OFFERORS REGARDING THE GROUP

The Offerors intend to continue the existing businesses of the Group. As at the Latest Practicable Date, the Offerors have no plan to inject any assets or businesses into the Group or to procure the Group to acquire or dispose of any assets.

Immediately after the close of the Offers, the Offerors will conduct a review of the financial position and operations of the Group in order to formulate a long-term strategy for the Group and explore other business/investment opportunities for enhancing its future development and strengthening its revenue bases. As at the Latest Practicable Date, the Offerors have not identified such investment or business opportunities.

The Offerors have no intention to terminate the employment of any employees of the Group or to make significant changes to any employment (except for the proposed change of the Board composition as detailed in the section headed "Proposed change of composition of the Board" below) or to dispose of or re-allocate the Group's assets which are not in the ordinary and usual course of business of the Group.



Proposed change of composition of the Board

Upon close of the Offers, save for Mr. Poon Wai Yip, Albert, all other existing Directors will resign with effect from the earliest time as permitted under the Takeovers Code which is the day immediately after the first Closing Date of the Offers or is declared unconditional or such later date.

The Offerors intend to nominate new directors to the Board upon the Offers becoming unconditional in all respects or such later date.

Any changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement will be made as and when appropriate.

Maintaining the listing status of the Company

The Offerors have no intention to privatise the Group and intend to maintain the listing of the Shares on the Stock Exchange. The remaining Director and directors of the Offerors have jointly and severally undertaken to the Stock Exchange that in the event that after the close of the Offers, the public float of the Company falls below 25%, they would take appropriate steps to restore the minimum public float as required under the Listing Rules as soon as possible, to ensure that sufficient public float exists for the Shares. The directors of the Offerors will also procure the new directors to be appointed to the Board to undertake the same upon their appointments.

The Stock Exchange has stated that if, upon closing of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public or if the Stock Exchange believes that:

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

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

ACCEPTANCES OF THE OFFERS

Procedures for acceptance

To accept the Offers, you should complete and sign the accompanying Form(s) of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms and conditions of the Offers.

The duly completed and signed Form of Share Offer Acceptance, should be sent, together with the relevant 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), to the Registrar, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, marked "**Perfectech Share Offer**" on the envelope, in any event not later than 4:00 p.m., on the Closing Date or such later time and/or date as the Offerors may determine and announce with the consent of the Executive and in accordance with the Takeovers Code.

The duly completed and signed Form of Option Offer Acceptance should be sent, together with the certificate(s) of the Options and/or other document(s) of title (and/or any satisfactory indemnity or



indemnities required in respect thereof) stating the number of Options in respect of which you intend to accept the Option Offer, to the company secretary of the Company at Units C & D, 9/F, Sing Teck Factory Building, 44 Wong Chuk Hang Road, Aberdeen, Hong Kong, marked “**Perfectech Option Offer**” on the envelope, as soon as possible and in any event so as to reach the company secretary of the Company at the aforesaid address by no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offerors may determine and announce with the consent of the Executive and in accordance with the Takeovers Code.

No acknowledgment of receipt of any Forms of Acceptance, share certificate(s) and/or transfer receipt(s) and/or the certificate(s) of the Options and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

Your attention is drawn to “Further terms and procedures of acceptance of the Offers” as set out in Appendix I to this Composite Document and the accompanying Forms of Acceptance.

Settlement of the Offers

Subject to the Offers becoming unconditional, remittances in respect of the cash consideration for the Offer Shares or the Options tendered under the Offers will be despatched to the accepting Shareholder(s) (to the address specified on the relevant Shareholder’s Form of Share Offer Acceptance) or Optionholder(s) (to the company secretary of the Company for collection by the relevant Optionholder) by ordinary post at his/her/its own risk as soon as possible, but in any event within seven (7) Business Days following the later of (i) the date of receipt by the Registrar (in the case of Offer Shares) or the company secretary of the Company (in the case of Options) of all the relevant documents to render the acceptance under the Offers complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code; and (ii) the date on which the Offers become or are declared unconditional in all respects.

No fractions of a cent will be payable and the amount of cash consideration payable to a Shareholder or an Optionholder (as the case may be) who accepts the Share Offer or the Option Offer (as the case may be) will be rounded up to the nearest cent.

Nominee registration

To ensure equality of treatment of all Shareholders and Optionholders, those Shareholders and Optionholders who hold Shares and Options as nominees on behalf of more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for beneficial owners of Shares and Options, whose investments are registered in the names of nominees, to accept the Offers, it is essential that they provide instructions of their intentions with regard to the Offers to their nominees.

Tax implications

Independent Shareholders and Independent Optionholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offers.



None of the Offerors, the Company, their ultimate beneficial owners and parties acting in concert with any of them, Yu Ming, INCU, Astrum, the Registrar or any of their respective directors or any persons involved in the Offers is in a position to advise the Independent Shareholders on their individual tax implications. Independent Shareholders and Independent Optionholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offers. It is emphasised that none of the Offerors, the Company, their ultimate beneficial owners and parties acting in concert with any of them, Yu Ming, INCU, Astrum, the Registrar or any of their respective directors, officers or associates or any persons involved in the Offers accepts responsibility for any taxation effects on, or liabilities of, any person or persons as a result of their acceptance or rejection of the Offers.

COMPULSORY ACQUISITION

The Offerors do not intend to exercise any right which may be available to them under the provisions of the laws of Bermuda to compulsorily acquire any outstanding Offer Shares not acquired pursuant to the Share Offer after the close of the Offers.

GENERAL

All documents and remittances will be sent to the Shareholders by ordinary post at such Shareholder's own risk. These documents and remittances will be sent to them at their respective addresses as they appear in the register of members of the Company, or in the case of joint Shareholders, to the Shareholder whose name appears first in the said register of members, unless otherwise specified in the accompanying Forms of Acceptance completed, returned and received by the Registrar. None of the Offerors, the Company, their ultimate beneficial owners and parties acting in concert with any of them, Yu Ming, INCU, Astrum, the Registrar or any of their respective directors, officers or associates or any other person involved in the Offers will be responsible for any loss or delay in transmission of such documents and remittances or any other liabilities that may arise as a result thereof.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information regarding the Offers set out in the appendices to this Composite Document and the accompanying Forms of Acceptance, which form part of this Composite Document. In addition, your attention is also drawn to the "Letter from the Board", the "Letter from the Independent Board Committee" and the letter of advice by the independent financial adviser to the Independent Board Committee as set out in the "Letter from Astrum" contained in this Composite Document.

Yours faithfully,

For and on behalf of

Yu Ming Investment Management Limited

Warren Lee

Managing Director