



12 August 2016

*To: the Independent Board Committee
of Sun East Technology (Holdings) Limited*

Dear Sirs,

**UNCONDITIONAL MANDATORY CASH OFFER BY
QUAM SECURITIES COMPANY LIMITED
FOR AND ON BEHALF OF
UNIS TECHNOLOGY STRATEGY INVESTMENT LIMITED
TO ACQUIRE ALL THE ISSUED SHARES
(OTHER THAN THE EXCLUDED SHARES) OF
SUN EAST TECHNOLOGY (HOLDINGS) LIMITED**

We refer to our appointment as the independent financial adviser to the Independent Board Committee in respect of the Offer and our letter of advice to the Independent Board Committee set out in the Composite Document (the “**First Letter**”). Unless otherwise stated, terms used in this letter shall have same meanings as those defined in the Composite Document and the Supplement Document of which this letter forms part.

We note that in light of the recent developments as disclosed in the Profit Warning Announcement, the closing time and date of the Offer will be extended so as to provide additional time for the Independent Shareholders to consider the Offer in light of the audited annual results of the Group for the financial year ended 31 March 2016.

In this connection, we have further enquired the Directors and the management of the Company on the recent affairs of the Company and the Directors have confirmed that all information and representations contained in the Composite Document and this Supplemental Document and/or provided to us by the Directors continue to be true and accurate as at the date hereof and that no material facts have been changed from the information provided to us and/or made by them in the Composite Document and this Supplemental Document were reasonably made after due enquiry and continue to be valid as at the date hereof. We are satisfied that we have been provided with sufficient information by the management of the Company to form a reasonable basis of our opinion. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and have been advised by the Directors that no material facts have been omitted from the information provided to us and/or referred to the Composite Document and the

Supplemental Document. We have not, however, conducted any verification of the information supplied to us, nor have we conducted an in-depth investigation into the business and affairs of the Group.

We note that subsequent to the publication of the Composite Document, the following information would require to be updated and they are set out in the following:

- 1) Further to the section head “2. Financial performance and prospects of the Group” in the First Letter, in order to reassess the fairness and reasonableness of the Offer, we have updated to include with the financial figures for the year ended 31 March 2016. A summary of the financial performance and prospects of the Group are set out below for reference. Further information of the financial information of the Group for the year ended 31 March 2016 could be found in Appendix I to the Supplemental Document.

a. Financial information of the Group – financial performance

	For the year ended 31 March		
	2014	2015	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Audited)	(Audited)	(Audited)
Revenue			
Production lines and production equipment	442,037	416,103	384,060
Brand name production equipment	<u>345,566</u>	<u>422,100</u>	<u>342,915</u>
Total revenue	787,603	838,203	726,975
Cost of sales	<u>(679,266)</u>	<u>(731,685)</u>	<u>(628,705)</u>
Gross profit	108,337	106,518	98,720
Other income and gains	20,049	28,600	18,271
Selling and distribution expenses	(55,749)	(63,540)	(46,276)
Administrative expenses	(53,747)	(55,777)	(59,007)
Other expenses	(5,229)	(6,886)	(13,091)
Finance costs	(865)	(4,594)	(7,036)
Profit before tax for the year	12,796	4,321	(8,869)
Income tax expenses	<u>(3,370)</u>	<u>(1,786)</u>	<u>433</u>
Net Profit/(Net Loss)	<u><u>9,426</u></u>	<u><u>2,535</u></u>	<u><u>(8,436)</u></u>

For the two years ended 31 March 2014 and 2015

As stated in the 2015 Annual Report, the Group's revenue increased approximately 6.4% to approximately HK\$838.2 million in 2015. The increase was mainly due to the increase in sales of wire bonders which

benefited from the China-ASEAN Free Trade Agreement removing the import tariff on the wire bonders.

Comparing to 2014, the profit mix shifted with slightly more weights on segment of brand name production equipment which accounted for approximately 50.4% of the total revenue.

Net profit margin in 2015 was approximately 0.3%. Net profit decreased approximately 73.1% to approximately HK\$2.5 million in 2015 which was mainly due to i) the increase in salary of sales staff and cost of management personnel and ii) the increase on the finance cost in relation to the interest on bank and other borrowings.

For the two years ended 31 March 2015 and 2016

As stated in the Results Announcement, the Group's revenue decreased by approximately 13.3% from approximately HK\$838.2 million for the year ended 31 March 2015 to HK\$727.0 million for the year ended 31 March 2016. The decrease was mainly attributed to the sales decrease in the segment of brand name production equipment arising from reduced demand for SMT machines and semi-conductor as a result of the slowdown of China economy.

The Group recorded a net loss of approximately HK\$8.4 million for the year ended 31 March 2016. The net loss was mainly attributed to i) an increase on the other expenses of approximately 90.1% to approximately HK\$13.1 million in 2016 due to exchange loss of approximately HK\$10.3 million caused by RMB depreciation against USD; and ii) the increase on the finance cost in relation to the interest on bank and other borrowings from approximately HK\$4.9 million for the year ended 31 March 2015 to approximately HK\$7.0 million for the year ended 31 March 2016.

b. Financial information of the Group – financial position

Set out below are the latest published consolidated financial positions of the Group extracted from the Results Announcement.

	As at 31 March 2016 HK\$'000 (Audited)	As at 31 March 2015 HK\$'000 (Audited)
Non-current assets	163,943	178,530
Current assets	<u>590,579</u>	<u>645,849</u>
Total assets	<u><u>754,522</u></u>	<u><u>824,379</u></u>
Current liabilities	<u>422,015</u>	<u>468,184</u>
Net current assets	<u>168,564</u>	<u>177,665</u>
Non-current liabilities	<u>13,327</u>	<u>13,143</u>
Net assets/Total equity	<u><u>319,180</u></u>	<u><u>343,052</u></u>
Net asset value (the "NAV") per Share attributable to owners of the Company (<i>Note</i>)	<u><u>HK\$0.61</u></u>	<u><u>HK\$0.65</u></u>

Note: The NAV per Share attributable to owners of the Company is calculated based on 525,000,000 Shares in issue as at the end of the period.

Financial positions of the Group as at 31 March 2016 and 2015

As set out in the Results Announcement, non-current assets of the Group decreased by approximately HK\$14.6 million from approximately HK\$178.5 million as at 31 March 2015 to approximately HK\$163.9 million as at 31 March 2016. For current assets, they amounted to approximately HK\$590.6 million as at 31 March 2016 and approximately HK\$645.9 million as at 31 March 2015, representing a decrease of approximately 8.6%. Such decrease was mainly attributed to the decrease in inventories and trade and bill receivables from approximately HK\$166.3 million and HK\$373.6 million respectively as at 31 March 2015 to approximately HK\$112.7 million and HK\$338.3 million respectively as at 31 March 2016. Although the Group's current liabilities decreased approximately 9.9% from approximately HK\$468.2 million as at 31 March 2015 to approximately HK\$422.0 million as at 31 March 2016, net current assets of the Group decreased approximately 5.1% to approximately HK\$168.6 million as at 31 March 2016 due to substantial decrease in current assets.

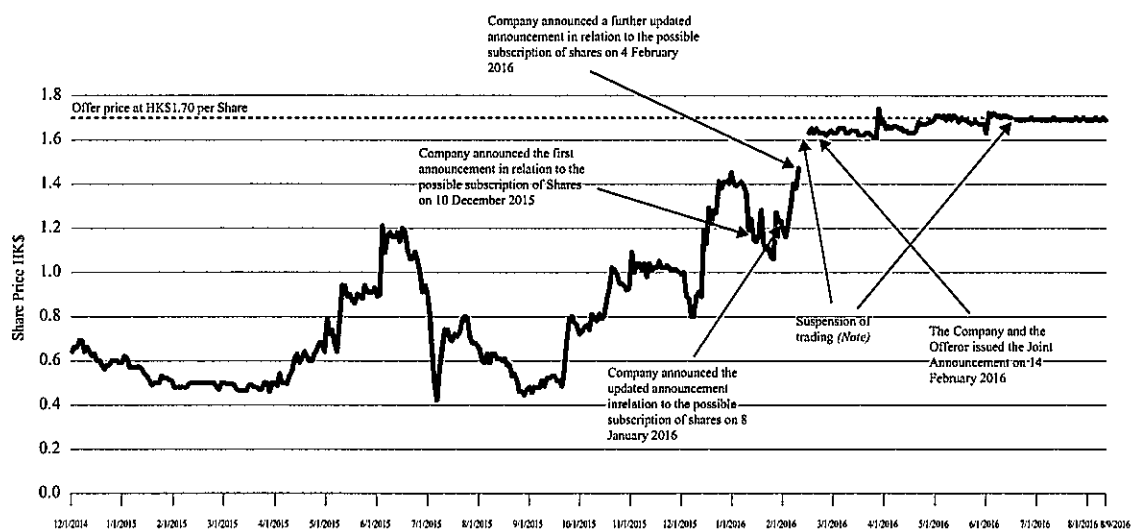
The Group's total equity decreased approximately 7.0% from approximately HK\$343.1 million as at 31 March 2015 to approximately HK\$319.2 million as at 31 March 2016. Moreover, the NAV per share

attributable to owners of the Company decreased approximately 6.2% from HK\$0.65 as at 31 March 2015 and approximately HK\$0.61 as at 31 March 2016.

- 2) Further to the section head “3. Analysis of price performance and trading liquidity” in the First Letter, in order to reassess the fairness and reasonableness of the Offer, we have updated and reviewed the price performance and trading liquidity analysis. We have updated and extend our Review Period from 1 December 2014 up to the Latest Practicable Date (the “**New Review Period**”). A summary of the analysis of price performance and trading liquidity are set out below for reference.

a. Review of trading of Shares

Set out below is a chart showing the daily closing price of the Shares as quoted on the Stock Exchange from 1 December 2014 up to and including the Latest Practicable Date:



Source: Stock Exchange

Note: Trading of the Shares was suspended from 5 February 2016 to 13 February 2016 pending the release of the Joint Announcement in relation to the Subscription Agreement and the Offer, and on 15 June 2016 pending the release of profit warning announcement relating to financial results of the Company for the year ended 31 March 2016.

In the First letter, the Review Period had covered a roughly 18-months period which was more than 12 months before and including the Joint Announcement in relation to the Subscription and the Offer on 14 February 2016. We have updated the chart above in order to cover the period after the Previous Latest Practicable Date and up to the Latest Practicable Date. We consider that the length of the New Review Period to be reasonably long enough to illustrate the relationship between the historical trend of the closing price of the Shares and the Offer. The chart above represents the daily movement in the closing prices of the Shares against the Offer Price during the New Review Period.

Prior to the release of the announcement in relation to the possible share subscription on 10 December 2015 (the “**First Announcement**”), the lowest and highest closing price of the Shares during 1 December 2014 to 9 December 2015 (the “**First Review Period**”) were HK\$0.42 per Share recorded on 8 July 2015 and HK\$1.21 per Share recorded on 5 June 2015 respectively. The average daily closing price of the Shares during the First Review Period before the release of the First Announcement was approximately HK\$0.70 per Share. The Offer Price of HK\$1.70 per Share represents (i) a premium of approximately 304.76% over the lowest closing price during the First Review Period before the release of the First Announcement; (ii) a premium of approximately 40.50% over the highest closing price during the First Review Period before the release of the First Announcement; and (iii) a premium of approximately 142.86% over the average daily closing price during the First Review Period before the release of the First Announcement. In this regard, the Shares have been traded at a price substantially lower than the Offer Price before the First Announcement.

Upon the release of the First Announcement, the Share price surged from HK\$0.89 per Share, being the closing price on 9 December 2015 as the last full trading day before the release of the First Announcement, to HK\$1.63 per Share on 15 February 2016, being the first day of resumption of trading after release of the Joint Announcement. The Share price peaked on 24 March 2016, closing at HK\$1.74 per Share as quoted on Bloomberg. The Share price became steady after 16 February 2016 and up to the Latest Practicable Date ranging from HK\$1.61 per Share to HK\$1.74 per Share. The Shares price closed at HK\$1.69 per Share as at the Latest Practicable Date.

Over the New Review Period, the average closing price was approximately HK\$1.038 per share, over which the Offer Price of HK\$1.70 represents a premium of approximately 63.78%.

Shareholders should note that the information set out above is not an indicator of the future performance of the Shares and that the price of the Shares may increase or decrease from its closing price as at the Latest Practicable Date.

b. Trading liquidity of the Shares

The table below sets out the total trading volume per month/period, the number of trading days per month/period, the average daily trading volume of Shares during each month/period of the New Review Period and the percentage of average daily trading volume to the total number of issued Shares:

	No. of Trading Days	Total Daily Trading Volume (note)	Average Daily Trading Volume	Total no. of issued Shares	Percentage of average daily trading volume to the total no. of Shares in issue (Approximate)	Percentage of the total daily trading volume of the Shares to the public float (Approximate)
2014						
December	21	14,870,000	708,095	525,000,000	0.135%	5.929%
2015						
January	21	4,656,000	221,714	525,000,000	0.042%	1.856%
February	18	422,000	23,444	525,000,000	0.004%	0.168%
March	22	670,000	30,455	525,000,000	0.006%	0.267%
April	19	15,141,046	796,897	525,000,000	0.152%	6.037%
May	19	180,636,217	9,507,169	525,000,000	1.811%	72.021%
June	22	179,040,264	8,138,194	525,000,000	1.550%	71.385%
July	22	26,805,866	1,218,448	525,000,000	0.232%	10.688%
August	21	8,648,977	411,856	525,000,000	0.078%	3.448%
September	20	26,545,200	1,327,260	525,000,000	0.253%	10.584%
October	20	59,466,800	2,973,340	525,000,000	0.566%	23.710%
November	21	20,788,044	989,907	525,000,000	0.189%	8.288%
December	22	104,527,707	4,751,259	525,000,000	0.905%	41.676%
2016						
January	20	64,752,021	3,237,601	525,000,000	0.617%	25.82%
February	15	106,754,369	7,116,958	525,000,000	1.356%	42.56%
March	21	81,465,200	3,879,295	525,000,000	0.739%	32.48%
April	20	30,259,200	1,512,960	525,000,000	0.289%	12.06%
May	21	40,020,585	1,905,742	1,455,000,000	0.131%	8.877%
June	21	36,256,041	1,726,478	1,455,000,000	0.119%	8.042%
July	20	21,783,000	1,089,150	1,455,000,000	0.075%	12.310%
August (up to the Latest Practicable Date)	6	3,226,000	537,667	1,455,000,000	0.037%	1.823%

Note: Source: Bloomberg

As set out in the above table, the highest average daily trading volume of the Shares during the First Review Period was approximately 9.5 million Shares in May 2015, representing approximately 72.02% of the public float. In fact, the average daily trading volume from April 2015 to June 2015 was substantially higher than previous months which coincided with the very active Hong Kong capital markets during that period when daily turnover on the Stock Exchange reached new highs until the PRC stock market crashed in July 2015 and the average trading volume subsided to approximately the same level before April 2015, the daily average trading volume remained stable since August 2015.

However, the daily average trading volume climbed significantly to approximately 7.1 million Shares in February 2016 which could be due to the publication of Joint Announcement in relation to the Subscription Agreement and the Offer. After a dramatic rise in the average trading volume in February 2016, the daily average trading volume declined to approximately 3.9 million in March 2016 and remained steady up to August 2016 (up to the Latest Practicable Date).

c. Offer Price comparisons

The closing price of the Shares as quoted on the Stock Exchange on the Last Trading Day was HK\$1.47.

The Offer Price of HK\$1.70 per Offer Share represents:

- (a) a premium of approximately 15.65% over the closing price of HK\$1.47 per Share as quoted on the Stock Exchange on 4 February 2016, being the Last Trading Day;
- (b) a premium of approximately 4.29% over the closing price of HK\$1.63 per Share as quoted on the Stock Exchange on the Previous Latest Practicable Date;
- (c) a premium of approximately 0.59% over the closing price of HK\$1.69 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (d) a premium of approximately 25.00% over the average closing price of approximately HK\$1.36 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (e) a premium of approximately 32.09% over the average closing price of approximately HK\$1.287 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day;
- (f) a premium of approximately 33.82% over the average closing price of approximately HK\$1.27 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day;
- (g) a premium of approximately 91.01% over the closing price of HK\$0.89 per Share as quoted on the Stock Exchange on 9 December 2015, being the full last trading day prior to the commencement of the Offer Period; and
- (h) a premium of approximately 178.69% over the audited consolidated net asset value per Share of approximately HK\$0.61 as at 31 March 2016.

d. Highest and lowest Share price

During the New Review Period (i.e. from 1 December 2014 up to the Latest Practicable Date)

- i. the highest closing price of the Shares as quoted on the Stock Exchange was HK\$1.74 per Share on 24 March 2016; and
- ii. the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.42 per Share on 8 July 2015.

Having considered that (i) the Offer Price is substantially higher than the historical prices of the Shares during the New Review Period prior to the release of the Joint Announcement; and (ii) although the Share price has risen substantially after the release of the Joint Announcement with the Offer Price being known by the public, the current level of Share price may not be sustainable if it were solely due to market speculation, we are of the view that the Offer Price is fair and reasonable so far as the Independent Shareholders are concerned.

During the First Review Period (i.e. from 1 December 2014 up to 9 December 2015)

- i. the highest closing price of the Shares as quoted on the Stock Exchange was HK\$1.21 per Share on 5 June 2015; and
- ii. the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.42 per Share on 8 July 2015.

Having considered that the Shares have been traded notably below the Offer Price for majority of the duration of the First Review Period. The Offer Price represents a premium of approximately 91.01% over the closing price of HK\$0.89 as quoted on 9 December 2015. The Offer Price also represents a premium of approximately 178.69% and approximately 161.54% over the Group's audited consolidated net asset value per Share attributable to owners of the Company of approximately HK\$0.61 and approximately HK\$0.65 as at 31 March 2016 and 2015, respectively, based on the number of the issued Shares as at 31 March 2016 and 2015, respectively. On this basis, we consider the Offer Price to be fair and reasonable so far as the Independent Shareholders are concerned.

- 3) Further to the subsection head "Comparison of the Offer Price" in the First Letter, in order to reassess the fairness and reasonableness of the Offer, we have updated and reviewed the comparison of the price-to-earnings ratio (the "**P/E Ratio**") and the price-to-book ratio (the "**P/B Ratio**") of the Comparable Companies. To the best of our knowledge and belief, it is an exhaustive list of the Comparable Companies. We have not been able to identify any company listed on the Stock

Exchange which is principally engaged in the design, manufacture and distribution of production lines and production equipment, and the distribution of brand name production equipment.

Taking into account the importance and representation of the sale of production lines and production equipment in the Group's overall business where such segment has been a major growth driver of the Group in recent years, we consider that the Comparable Companies which are principally engaged in the design and manufacture and sale of electronic equipment are relevant in giving valuation information in relation to the Group's business.

Company Name (stock code)	Principal business	Market capitalisation as at the Latest Practicable Date (HK\$ million) (Note 1)	PE Ratio (Note 2)	PB Ratio (Note 3)
Asia Tele-Net And Technology Corporation Ltd. (stock code: 679)	Design, manufacturing and sale of custom-built electroplating equipment, sale of spare parts of electroplating machinery and provision of repairs and maintenance services.	434.99	14.99	1.45
Wuxi Sunlit Science and Technology Co. Ltd. (stock code: 1289)	Research and development, design, manufacture, equipment supply, installation, testing, repair and maintenance of production lines for manufacturing steel wire products.	407.04	N/A	0.64
CW Group Holdings Ltd. (stock code: 1322)	Provision of precision engineering solutions, machine tool manufacturing and distribution as well as cement production equipment and components manufacturing and distribution.	1,610.54	7.31	1.07

Company Name (stock code)	Principal business	Market capitalisation as at the Latest Practicable Date (HK\$ million) (Note 1)	PE Ratio (Note 2)	PB Ratio (Note 3)
CIMC Enric Holdings Ltd. (stock code: 3899)	Design, development, manufacturing, engineering and sales of, and provision of technical maintenance services for, a wide spectrum of transportation, storage and processing equipment that used in energy, chemical and liquid food industries.	6,197.59	9.67	0.82
Huazhang Technology Holding Ltd. (stock code: 1673)	Research and development, manufacture and sale of industrial automation and sludge treatment products and the provision of after-sales service in the PRC.	1,414.53	41.06	6.68
North Asia Strategic Holdings Ltd. (stock code: 8080)	Trading of surface mount technology assembly equipment, machinery & spare parts; provide related installation, training, repair & maintenance services; provide advisory services in mining exploration, exploitation & valuation projects.	193.41	N/A	0.24
Maximum			41.06	6.68
Minimum			7.31	0.24
Average			18.26	1.82
Median			12.33	0.94
The Group at the Offer Price			N/A (Note 4)	7.75 (Note 5)

Notes:

- As extracted from Bloomberg.

2. P/E Ratio is calculated based on the market capitalisation of the respective Comparable Companies as at the Latest Practicable Date divided by the net profit attributable to shareholders of the respective Comparable Companies as extracted from their respective latest annual reports.
3. P/B Ratio is calculated based on the market capitalisation of the respective Comparable Companies as at the Latest Practicable Date divided by the latest published net assets attributable to shareholders of the respective Comparable Companies as extracted from their respective latest published financial results.
4. The P/E Ratio implied by the Offer Price is not applicable due to the loss making of the Group for the year ended 31 March 2016.
5. The P/B Ratio implied by the Offer Price is calculated by multiplying the Offer Price of HK\$1.70 per Offer Share by the total number of issued Shares as at the Latest Practicable Date, divided by the net assets attributable to Shareholders of the Group as at 31 March 2016 of HK\$319.2 million.

With regard to P/E Ratio, given that the Company is loss making for the year ended 31 March 2016, it is impracticable to compare the Company with the Comparable Companies in terms of P/E Ratio. Therefore, we have attempted to conduct an analysis with reference to the P/B Ratios.

As illustrated in the analysis above, the P/B Ratios of the Comparable Companies range from the lowest of approximately 0.24 times to the highest of approximately 6.68 times with the average figure being approximately 1.82 times. Accordingly, the implied P/B Ratio of the Company (based on the Offer Price) of approximately 7.75 times is higher than all of the P/B Ratios of the Comparable Companies, which is considered favorable.

4. SUPPLEMENTAL INFORMATION OF THE OFFEROR

The Offeror is a wholly-owned subsidiary of Tsinghua Unigroup and was established for the purpose of the UNISTECH Subscription. Tsinghua Unigroup is one of the key enterprises under Tsinghua Holdings. It aims to become the industry leader in the integrated circuit industry and is committed to the development of an integrated circuit production chain. Principal subsidiaries of Tsinghua Unigroup include Unigroup Guoxin Co., Ltd., a company listed on the Shenzhen Stock Exchange (Stock Code: 002049) and Spreadtrum Communications, Inc.

As at the Latest Practicable Date, the directors of the Offeror were Mr. Zhao Weiguo and Mr. Zhang Yadong and the directors of Tsinghua Unigroup were Mr. Zhao Weiguo, Mr. Li Zhongxiang, Mr. Li Yanhe, Mr. Zhang Yadong, Mr. Li Yi, Mr. Qi Lian and Ms. Zhou Yanhua.

Save as disclosed above, no other information would require to be updated.

5. RECOMMENDATION

Having considered the abovementioned factors and reasons as set out in this letter, in particular:

- i. the Offer Price is substantially higher than the historical prices of the Shares prior to the release of the Joint Announcement;
- ii. the Offer Price represents a premium of approximately 15.65% over the closing price of the Shares of HK\$1.47 per Share as quoted on the Stock Exchange on the Last Trading Day;
- iii. the Offer Price represents a significant premium of (a) approximately 161.54% over the audited consolidated net asset value per Share (based on the number of the issued Shares as at 31 March 2015) of the Company of approximately HK\$0.65; and (b) 178.69% over the audited consolidated net asset value per Share (based on the number of the issued Shares as at 31 March 2016) of the Company of approximately HK\$0.61; and
- iv. the P/B Ratio represented by the valuation for the Offer Shares is significantly higher than the mean and maximum of those of the Comparable Companies.

Based on the findings in the above, our review of the letter from the Board contained in the Supplemental Letter and the First Letter, the updates thereto have not changed our views. Accordingly, we hereby confirm that our views and recommendations as stated in the First Letter remain unchanged.

Having considered the above and also the principal factors and reasons as stated in the First Letter, we consider that the terms of the Offer (including the Offer Price) are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to accept the Offer.

The Independent Shareholders who hold a positive view on the future prospect of the Group may consider keeping their Shares instead of accepting the Offer. The Independent Shareholders who would like to realise part or all of their investments in the Shares should monitor the market prices of the Shares (which may reflect the potential investors' expectation due to the announcement of the Offer Price in the Joint Announcement, the change in controlling shareholder subsequent to the publication of the Joint Announcement and the potential change in the prospect of the Group) during the Offer Period. In the event that the market price of the Shares exceeds the Offer Price during the Offer Period, the Independent Shareholders should consider selling their Shares in the open market instead of accepting the Offer.

In view of the recent surge in the Share price of the Group, Independent Shareholders who wish to realize their investment in the Group are reminded that they should carefully and closely monitor the market price of the Group during the Offer Period and consider selling their Shares in the open market during the Offer Period, rather than accepting the

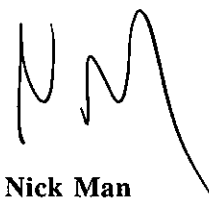
Offer, if the net proceeds from the sales of such Shares in the open market would exceed the net amount receivable under the Offer.

The Independent Shareholders may consider searching for other potential purchaser(s) to purchase the Shares and to consider selling their Shares to those potential purchaser(s), if possible, instead of accepting the Offer, if the net proceeds from such sales exceed the amount receivable under the Offer.

Those Independent Shareholders who decide to retain part or all of their investment in the Shares should carefully monitor the intentions of the Offeror regarding the Group in the future and the potential difficulties the Independent Shareholders may encounter in disposing of their investments in the Shares after the close of the Offer. Further details and terms of the Offer are set out in the "Letter from Quam Capital" and Appendix I to the Composite Document.

As different Shareholders would have different investment criteria, objectives, risk preference and tolerance level and/or circumstances, we would recommend any Shareholder who may require advice in relation to any aspect of the Composite Document and this Supplemental 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.

Yours faithfully,
For and on behalf of
VMS Securities Limited

A handwritten signature in black ink, consisting of stylized, overlapping letters that appear to be 'N' and 'M'.

Nick Man
Managing Director
Corporate Finance

Note: Mr. Nick Man is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of VMS Securities Limited to carry out type 6 (advising on corporate finance) regulated activities under the SFO and has over 10 years of experience in corporate finance industry.