



Donvex Capital Limited
富城資本有限公司

1305, 13/F.,
Carpo Commercial Building,
18-20 Lyndhurst Terrace,
Central, Hong Kong

14 April 2020

To the Independent Shareholders and Convertible Noteholders

Dear Sirs or Madam,

**THE MANDATORY CONDITIONAL CASH OFFER BY
I-ACCESS
FOR AND ON BEHALF OF WEALTHY PORT HOLDINGS LIMITED
TO ACQUIRE ALL THE ISSUED SHARES
AND OUTSTANDING CONVERTIBLE NOTES OF
SUNWAY INTERNATIONAL HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED
BY WEALTHY PORT HOLDINGS LIMITED AND PARTIES
ACTING IN CONCERT WITH IT)**

INTRODUCTION

Reference is made to the Joint Announcement and the circular of the Company dated 29 February 2020 in relation to the subscription of new Shares under specific mandate in connection with the Subscription Agreement.

The Subscription

On 29 November 2019 (after trading hours of the Stock Exchange), the Company and the Subscriber entered into the Subscription Agreement pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue the Subscription Shares (i.e. a total of 149,063,676 Shares) at the Subscription Price of HK\$0.100 per Subscription Share.

Upon the Subscription Completion, the Offeror and parties acting in concert with it will be interested in 373,078,531 Shares, representing approximately 41.54% of the issued Shares of the Company as at the Latest Practicable Date, assuming no changes to the issued Shares from the date of the joint announcement up to the Latest Practicable Date.

Implication of the Restructuring on the Offers

Due to the Subscription and pursuant to Rule 26.1 and Rule 13 of the Takeovers Code, upon the Subscription Completion, the Offeror is required to make a mandatory conditional general offer in cash for all the relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company (other than those already owned or to be acquired by the Offeror and parties acting in concert with it).

The Share Offer is conditional upon valid acceptances of the Share Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the first Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide), together with Shares already owned by the Offeror and parties acting in concert with it and acquired before or during the Offers, will result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of the Company. The Convertible Notes Offer is conditional upon the Share Offer becoming or being declared unconditional in all respects.

This letter sets out, among other things, the principal terms of the Offers, together with the information on the Offeror and the intention of the Offeror regarding the Group. Further details of the terms of the Offers and procedures of acceptance are also set out in Appendix I to this Composite Document and the accompanying Form(s) of Acceptance. Your attention is also drawn to the letter from the Board as well as the letter from the Takeovers Code Independent Board Committee and the letter from the Independent Financial Adviser in respect of the Offers, as contained in this Composite Document.

THE OFFERS

As at the Latest Practicable Date, the Offeror was interested in a total of 368,468,531 Shares, representing approximately 41.03% of the total issued share capital of the Company. Assuming there is no change in the total number of issued Shares from the Latest Practicable Date up to the Closing Date, there will be 529,531,469 Shares subject to the Share Offer, representing approximately 58.97% of the existing issued Shares of the Company.

As at the Latest Practicable Date, there are outstanding Convertible Notes in the principal amount of HK\$30,000,000 which carry rights to convert into approximately 16,393,442 new conversion Shares (rounded down) in full based on the existing conversion price of HK\$1.83 per conversion share (assuming the Share Consolidation in relation to the Convertible Notes are valid and completed), and none of the Offeror and parties acting in concert with it has any interest in the Convertible Notes.

As at the Latest Practicable Date, save for the outstanding Convertible Notes, the Company did not have any other outstanding options, derivatives, warrants, relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) or securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

I-Access is making the Offers on behalf of the Offeror, subject to the terms set out in this Composite Document and in the Form of Acceptance, on the following basis:

Principal terms of the Share Offer

For every Share HK\$0.100 in cash

The Offer Price of HK\$0.100 per Offer Share under the Share Offer is equal to the Subscription Price per Subscription Share paid by the Offeror under the Subscription Agreement.

The Offer Shares to be acquired shall be fully paid and free from all Encumbrances whatsoever and together with all rights accruing or attaching thereto, including without limitation, the right to receive all dividends and distributions declared, paid or made, if any, on or after the date on which the Share Offer is made, being the date of the despatch of this Composite Document.

The Offeror will not increase the Share Offer Price as set out above. Shareholders and potential investors of the Company should be aware that, following the making of this statement, the Offeror do not reserve the right to increase the Share Offer Price.

The Offers will not be extended beyond the first Closing Date unless the Offers become or are declared unconditional and the Offers would then remain open for acceptance for not less than 14 days thereafter in accordance with the Takeovers Code.

Principal terms of the Convertible Notes Offer

For every HK\$10,000,000 nominal value of the Convertible Notes HK\$546,448 in cash

The Convertible Notes to be acquired shall be fully-paid and free from all Encumbrances whatsoever and together with all rights accruing or attaching thereto, including without limitation, the right to receive all dividends and distributions declared, paid or made, if any, on or after the date on which the Convertible Notes Offer is made, being the date of despatch of this Composite Document.

The Convertible Notes Offer is conditional upon the Share Offer becoming or being declared unconditional in all respects, details of which are set out in the section headed “Conditions of the Offers” below.

As at the Latest Practicable, there are outstanding Convertible Notes in the principal amount of HK\$30,000,000 which carry rights to convert into approximately 16,393,442 new conversion Shares (rounded down) in full based on the existing conversion price of HK\$1.83 per conversion share (assuming the Share Consolidation in relation to the Convertible Notes are valid and completed), and none of the Offeror and parties acting in concert with it has any interest in the Convertible Notes.

The proposed offer price of the Convertible Notes is HK\$546,448 for every HK\$10,000,000 nominal value of the Convertible Notes, determined in accordance with Rule 13 of and Practice Note 6 to the Takeovers Code as the “see-through” consideration for the Convertible Notes, being the number of new Shares which the Convertible Notes could be convertible into (i.e. approximately 16,393,442 new conversion Shares (assuming the Share Consolidation in relation to the Convertible Notes are valid and completed)) multiplied by the Share Offer Price of HK\$0.10 per Offer Share, valuing the total Convertible Notes Offer at approximately HK\$1,639,344.

The Convertible Notes Offer is made by the Offeror in compliance of Rule 13.1 of the Takeovers Code. The Company emphasises that any Convertible Notes Offer made shall not be made or construed to be prejudicial to the Company’s claims and/or counterclaims in any legal actions and procedures against the Convertible Noteholders.

Conditions of the Offers

The Share Offer is conditional only on valid acceptances of the Share Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the first Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide), and the number of Shares in respect of which, together with Shares already owned by the Offeror and parties acting in concert with it and acquired or to be acquired before or during the Offers, resulting in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of the Company in accordance with the Takeovers Code. The Convertible Notes Offer is conditional upon the Share Offer becoming or being declared unconditional in all respects.

WARNING: The Offers are conditional. If the total number of Offer Shares in respect of the valid acceptances, which the Offeror has received at or before 4:00 p.m. on the first Closing Date (or such other time as the Offeror may, subject to the Takeovers Code, decide) under the Offers, together with the Shares acquired before or during the Offers, does not result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of the Company, the Offers will not become or be declared unconditional and will lapse. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If Shareholders and potential investors are in any doubt about their position, they should consult their own professional advisers.

In accordance with Rule 15.1 and Rule 15.3 of the Takeovers Code, the Offeror must publish an announcement when the Offers become or are declared unconditional as to acceptances and when the Offers become or are declared unconditional in all respects. The Offers must also remain open for acceptance for at least 14 days after the Offers become or are declared unconditional in all respects. The Independent Shareholders are reminded that the Offeror does not have any obligation to keep the Offers open for acceptance beyond this 14-days period.

Return of documents

If the Offers do not become, or are not declared, unconditional in all respects within the time permitted by the Takeovers Code, the Share certificate(s), certificate(s) of the Convertible Notes and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) received by the Registrar (in the case of Share Offer) and/or the company secretary of the Company (in the case of Convertible Notes Offer) will be returned to the Independent Shareholders and the Convertible Noteholders, as the case maybe, who have accepted the Offers, by ordinary post at such Independent Shareholders' or Convertible Noteholders' own risk as soon as possible but in any event within 10 days after the Offers have lapsed.

The Share Offer Price

The Share Offer Price of HK\$0.100 per Share represents:

- (i) a premium of approximately 25.00% to the closing price of HK\$0.0800 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 24.07% to the average of the closing prices of the Share as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.0806 per Share;
- (iii) a premium of approximately 3.09% to the closing price of HK\$0.097 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (iv) a discount of approximately 80.20% over the audited consolidated net asset value attributable to the Shareholders as at 31 December 2018 of approximately HK\$0.505 per Share (based on the audited consolidated net asset value attributable to Shareholders as at 31 December 2018 (the date to which the latest audited financial results of the Group were made up) divided by 898,000,000 Shares in issue as at the Latest Practicable Date);
- (v) a discount of approximately 59.51% to the unaudited consolidated net asset value attributable to the Shareholders as at 30 June 2019 of approximately HK\$0.247 per Share (based on the unaudited consolidated net asset value attributable to the Shareholders as at 30 June 2019 (the date to which the latest unaudited financial results of the Group were made up) divided by 898,000,000 Shares in issue as at the Latest Practicable Date; and
- (vi) a discount of approximately 45.65% to the unaudited consolidated net asset value attributable to the Shareholders as at 31 December 2019 of approximately HK\$0.184 per Share (based on the unaudited consolidated net asset value attributable to the Shareholders as at 31 December 2019 (the date to which the latest unaudited financial results of the Group were made up) divided by 898,000,000 Shares in issue as at the date of the Latest Practicable Date).

Highest and lowest Shares prices

During the Relevant Period:

- (i) the highest closing price of the Shares quoted on the Stock Exchange was HK\$0.140 per Share on 23 July 2019; and
- (ii) the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.077 per Share on 9 September 2019.

Value and total consideration of the Offers

As at the Latest Practicable Date, there were 898,000,000 Shares in issue. On the basis of the Share Offer Price at HK\$0.100 per Share, the entire issued ordinary share capital of the Company would be valued at approximately HK\$89.8 million.

Assuming that there is no change in the total number of issued Shares, the Offeror was interested in 368,468,531 Shares and 529,531,469 Shares not already owned or agreed to be acquired by the Offeror will be subject to the Share Offer and the consideration of the Share Offer is therefore valued at approximately HK\$53.0 million based on the Share Offer Price and the basis of full acceptance of the Share Offer.

Assuming the Convertible Notes Offer is accepted in full, the consideration of the Convertible Notes Offer is valued at approximately HK\$1,639,344. As such, the total consideration of the Offers is valued at approximately HK\$54.6 million.

Irrevocable undertaking in relation to the Share Offer

As at the Latest Practicable Date, Mr. Li holds 4,610,000 Shares, representing approximately 0.51% of the total issued share capital of the Company. Mr. Li has entered into the Irrevocable Undertaking, pursuant to which Mr. Li has undertaken to the Offeror that he will not (a) accept the Share Offer with respect to, and (b) until the close of the Share Offer or the Share Offer lapses, whether directly or indirectly, sell, transfer, encumber or otherwise dispose of, the 4,610,000 Shares held by him. The Irrevocable Undertaking shall cease to be binding upon the Closing Date.

Confirmation on financial resources available for the Offers

The Offeror intend to finance and satisfy the amount payable under the Offers by cash through its own internal cash resources. The Offeror has no intention and there is no arrangement contemplated that the payment of interest on, repayment of or security for any liability (contingent or otherwise) will depend to any significant extent on the business of the Company. Donvex Capital, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum payment obligations upon full acceptance of the Share Offer in respect of 524,921,469 Offer Shares (excluding the 4,610,000 Shares held by Mr. Li, in respect of which Mr. Li has irrevocably undertaken not to accept the Share Offer) and the Convertible Notes Offer.

Effect of accepting the Offers

The Offers are conditional. Subject to the Offers becoming or being declared unconditional, provided that valid acceptance forms and the relevant certificate(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete and in good order and have been received by the branch share registrar of the Company in Hong Kong, the Independent Shareholders will sell their tendered Shares to the Offeror free from all liens, claims, charges, options, equities, adverse interests, third party rights or Encumbrances whatsoever and together with all rights accruing or attaching thereto, including without limitation, the right to receive all dividends and distributions declared, paid or made, if any, on or after the date on which the Share Offer is made, being the date of the despatch of this Composite Document.

Acceptance of the Convertible Notes Offer by any Convertible Noteholders shall be made subject to the terms and conditions of the Convertible Notes, and will be deemed to constitute a warranty by such person that all Convertible Notes sold by such person under the Convertible Notes Offer are free from all Encumbrances whatsoever, and that the Convertible Noteholders have the full right, power and authority to sell and pass the title and ownership of their Convertible Notes absolutely.

Acceptance of the Offers will be governed and construed in accordance with all the applicable laws and regulations of all relevant jurisdictions in connection therewith. The Independent Shareholders and Convertible Noteholders shall fully observe the applicable laws and regulations, and tender acceptances that are valid and binding, and as permitted under the applicable laws and regulations.

As at the Latest Practicable Date, no dividend has been paid or declared by the Company and it is advised by the Board that no dividend is expected to be declared during the Offer Period.

Acceptance of the Offers will be irrevocable and not be capable of being withdrawn except with the consent of the Executive.

Independent Shareholders and Convertible Noteholders are reminded to read the recommendations of the Takeovers Code Independent Board Committee and the advice of the Independent Financial Adviser appointed by the Takeovers Code Independent Board Committee in respect of the Offers which will be included in this Composite Document.

Payment

Subject to the Offers having become, or has been declared, unconditional in all respects, settlement of the consideration in respect of acceptances of the Offers will be made as soon as possible but in any event within 7 Business Days of the date on which the duly completed and valid Form(s) of Acceptance together with the relevant documents of title of the Offer Shares or the Convertible Notes in respect of such acceptances are received by the Offeror or its agent acting on its behalf to render each such acceptance of the Offers complete and valid, or the date on which the Offers have become or are declared unconditional in all respects, whichever is later.

No fractions of a cent (HK\$) will be payable and the amount of cash consideration payable to a Shareholder or a Convertible Noteholder who accepts the Offers will be rounded up to the nearest cent (HK\$). Save for payment of stamp duty as set out in this Composite Document, settlement of the amounts due to the accepting Shareholders will be implemented in full without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be entitled against such Shareholder or Convertible Noteholder.

Taxation advice

Independent Shareholders and Convertible Noteholders 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 Offeror and parties acting in concert with it, the Company, Donvex Capital, I-Access and/or their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offers accept any responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

Overseas Independent Shareholders and Overseas Convertible Noteholders

The Offeror intends to make the Offers available to all Independent Shareholders (but including Mr. Li) and all Convertible Noteholders, including those with a registered address in a jurisdiction outside Hong Kong. The availability of the Offers to persons with a registered address in a jurisdiction outside Hong Kong may be affected by the laws of the relevant overseas jurisdictions. The making of the Offers to a person with a registered address in a jurisdiction outside Hong Kong may be affected by the applicable laws and regulations of the relevant jurisdiction. Overseas Independent Shareholders and Overseas Convertible Noteholders with registered addresses in jurisdictions outside Hong Kong should inform themselves about and observe any applicable legal or regulatory requirements or restrictions in their own jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Independent Shareholders and Overseas Convertible Noteholders in respect of such jurisdictions).

Any acceptance of the Offers by any Overseas Independent Shareholder and Overseas Convertible Noteholders will be deemed to constitute a representation and warranty from such Overseas Independent Shareholder and Overseas Convertible Noteholders to the Offeror that the local laws and requirements have been complied with. The Overseas Independent Shareholders and Overseas Convertible Noteholders should consult their professional advisers if in doubt.

Acceptance and Settlement

Your attention is further drawn to the details regarding the terms and procedures for acceptance and settlement of the Offers as set out in Appendix I to this Composite Document and the accompanying Form(s) of Acceptance.

Hong Kong stamp duty

The seller's Hong Kong ad valorem stamp duty payable by the Independent Shareholders who accept the Share Offer and calculated at a rate of 0.1% of the higher of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, whichever is higher, will be deducted from the amount payable by the Offeror to such person on acceptance of the Share Offer.

The seller's Hong Kong ad valorem stamp duty payable by the Convertible Noteholders who accept the Convertible Notes Offer and calculated at a rate of 0.1% of the higher of (i) the market value of the Convertible Notes; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Convertible Notes Offer, whichever is higher, will be deducted from the amount payable by the Offeror to such person on acceptance of the Convertible Notes Offer.

The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Independent Shareholders or the Convertible Noteholders who accept the Offers and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptances of the Offers and the transfers of the Offer Shares or the Convertible Notes in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Close of the Offers

If the Condition is not satisfied on the first Closing Date, the Offers will lapse.

The Offeror will issue an announcement in relation to the revision, extension or lapse of the Offers or the fulfillment of the Condition in accordance with the Takeovers Code.

The latest time on which the Offeror can declare the Offers unconditional as to acceptance is 7:00 p.m. on Monday, 15 June 2020, being the 60th day after the posting of this Composite Document (or such later date to which the Executive may consent).

In accordance with the Takeovers Code, where the Offers become or are declared unconditional in all respects, the Offers should remain open for acceptance for not less than 14 days thereafter. If the Condition is satisfied, the Shareholders will be notified by way of an announcement in accordance with the Takeovers Code and the Listing Rules as soon as practicable thereafter. Further terms of the Offers, including, amongst other things, the procedures for acceptance and settlement, the acceptance period and taxation matters are set out in Appendix I to this Composite Document and the accompanying Form(s) of Acceptance.

INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in Hong Kong with limited liability principally engaged in investment holding, which is a substantial shareholder of the Company as at the Latest Practicable Date. Mr. Chim is the sole director and sole shareholder of the Offeror.

Mr. Chim, aged 24, was appointed as an executive Director and the chairman of the Board on 28 May 2019. Mr. Chim has working experience in cross-border investment, private equities and financial products. Mr. Chim has previously worked as an analyst at Widus Partners, a cross-border strategic advisory and investment firm with presence in Seoul, Hong Kong, Singapore and San Francisco, during 2018 and 2019. His duties included conducting research on different investment tools in various region and assisting to provide investment strategies to clients. As a fluent Arabic speaker, Mr. Chim served as a transformation associate consultant at Americana Group, a UAE-based F&B company operating more than 1,800 restaurants across 13 markets of the Middle East, North Africa (MENA) and Kazakhstan, during 2017 and 2018. Prior to graduating from the University of Pennsylvania in Modern Middle East Studies, Mr. Chim received training at Monitor Deloitte in Dubai, the National Bank of Abu Dhabi in Abu Dhabi, International New York Times and Meitu in Hong Kong during 2014 and 2015.

As at the Latest Practicable Date, Mr. Chim is interested in the 368,468,531 Shares of the Company owned by the Offeror, which represented approximately 41.03% of the issued share capital in the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

DEALING AND INTERESTS IN THE COMPANY'S SECURITIES

The Offeror confirms that, as at the Latest Practicable Date,

- (i) save for the 373,078,531 Shares already owned by the Offeror and parties acting in concert with it, none of the Offeror and parties acting in concert with it has dealt in or owned any Shares, warrants, options, derivatives or other securities convertible into Shares during the period commencing six months preceding the date of the Joint Announcement and up to the Latest Practicable Date;
- (ii) save for the 373,078,531 Shares already owned by the Offeror and parties acting in concert with it, none of the Offeror and parties acting in concert with it holds, owns or has control or direction over any voting rights or rights over Shares or convertible securities, warrants, options or derivatives of the Company;
- (iii) none of the Offeror and parties acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (iv) save for the Irrevocable Undertaking, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares which might be material to the Offers;
- (v) save for the Irrevocable Undertaking, there is no agreement or arrangement to which the Offeror or parties acting in concert with it is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or condition to the Offers;
- (vi) save for the Irrevocable Undertaking, none of the Offeror and parties acting in concert with it has received any irrevocable commitment(s) to accept or reject the Offers;
- (vii) there is no other consideration, compensation or benefits paid by the Offeror and parties acting in concert with it;
- (viii) no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror or any parties acting in concert with it on the one hand, and the Company, any Independent Shareholders and any parties acting in concert with any of them on the other hand;
- (ix) no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) in relation to the Irrevocable Undertaking between the Offeror on the one hand, and Mr. Li on the other hand; and
- (x) no understanding, arrangement, agreement or special deal between (1) any Shareholder; and (2)(a) the Offeror and any party acting in concert with it, or (b) the Company, its subsidiaries or associated companies.

INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

It is the intention of the Offeror that the Group will continue with its existing principal businesses after the close of the Offers and will maintain the listing status of the Company on the Stock Exchange. The Group is principally engaged in manufacturing and trading of pre-stressed high strength concrete pile, ready-mixed concrete, sand-lime bricks, aerated concrete products and eco-concrete products.

The Offeror will conduct a review on the existing principal businesses and the financial position of the Group for the purpose of formulating business plans and strategies for the future business development of the Group. In this regard, the Offeror may look into business opportunities and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Company. Should such corporate actions materialise, further announcement(s) will be made in accordance with the Listing Rules as and when appropriate. As at the Latest Practicable Date, the Offeror has no intention or concrete plans for any acquisition of assets and/or business, nor any intention to dispose of any assets and/or existing business by the Group.

Save for the Offeror's intention regarding the Group as set out above, the Offeror has no intention to (i) discontinue the employment of any employees of the Group; or (ii) re-deploy the fixed assets of the Group other than those in its ordinary and usual course of business.

PROPOSED CHANGE OF BOARD COMPOSITION OF THE COMPANY

As at the Latest Practicable Date, the Board comprises three executive Directors, namely Mr. Chim, Mr. Li Chongyang and Mr. Law Chun Choi, one non-executive Director, namely, Mr. Lum Pak Sum, and three independent non-executive Directors, namely, Mr. Choi Pun Lap, Mr. Tong Leung Sang and Mr. Chan Sung Wai.

The Offeror did not propose to nominate any new Directors to the Board. The Offeror has no intention to make any change to the composition of the Board.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror intends the issued Shares to remain listed on the Stock Exchange upon the close of the Offers.

Pursuant to the Listing Rules, if, at the closing of the Offers, less than 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,

the Stock Exchange will consider exercising its discretion to suspend trading in the Shares until a level of sufficient public float is attained.

The Offeror has undertaken to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offers to ensure that sufficient public float (i.e. not less than 25% of the issued Shares) exists in the Shares after the close of the Offers.

COMPULSORY ACQUISITION

The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Offer Shares outstanding and not acquired under the Offers after the close of the Offers.

INFORMATION ON THE GROUP

Your attention is drawn to the section headed “INFORMTION ON THE GROUP” in the “LETTER FROM THE BOARD” which contain information on the Group, and Appendices II, IV and V of this Composite Document which contain further financial and general information of the Group.

SHAREHOLDING STRUCTURE OF THE COMPANY

Your attention is drawn to the section headed “SHAREHOLDING STRUCTURE OF THE COMPANY” in the “LETTER FROM THE BOARD”.

GENERAL

All communications, notices, Form(s) of Acceptance, Share certificate(s), transfer receipt(s), other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offers to be delivered by or sent to or from the Independent Shareholders and Convertible Noteholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of the Offeror, parties acting in concert with it, Donvex Capital, I-Access, Ample Capital and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offers accept any liability for any loss in postage or any other liabilities that may arise as a result thereof. Further details have been set out in Appendix I to this Composite Document and in the Form(s) of Acceptance.

ADDITIONAL INFORMATION

Your attention is drawn to the “LETTER FROM THE BOARD”, the “LETTER FROM THE TAKEOVERS CODE INDEPENDENT BOARD COMMITTEE” and the “LETTER FROM THE INDEPENDENT FINANCIAL ADVISER” as set out in this Composite Document, the accompanying Form(s) of Acceptance and the additional information set out in the appendices to, which form part of, this Composite Document.

Yours faithfully,
For and on behalf of
Donvex Capital Limited



Sy Wai Shuen
Director