

2 June 2025

Dear Sir or Madam,

**CONDITIONAL VOLUNTARY CASH OFFER BY
MORTON SECURITIES LIMITED ON BEHALF OF
WAH CHEONG DEVELOPMENT (B.V.I.) LIMITED
TO ACQUIRE ALL ISSUED SHARES OF
DRAGON MINING LIMITED**

INTRODUCTION

Reference is made to the Joint Announcement in relation to, among other things, the Offer, which is subject to the satisfaction or (if capable of being waived) waiver of the Conditions.

This letter forms part of this Offer Document and sets out, among other things, the principal terms of the Offer, the information on the Offeror and its intentions in relation to DML. Further details of the Offer are also set out in Schedule 1 and Appendix I to this Offer Document and in the accompanying Form of Acceptance.

THE OFFER

Morton Securities, for and on behalf of the Offeror, is making the Offer to acquire all the Offer Shares in compliance with the Takeovers Code and the Corporations Act on the basis set out below:

For every Offer Share HK\$2.60 in cash

The Offer Price was determined after taking into account, among other things, the historical and prevailing trading prices of the DML Shares and the financial performance of the DML Group.

As at the Latest Practicable Date and Register Date, the Offeror and parties acting in concert with it own 51,441,727 DML Shares (comprising 46,877,727 DML Shares, 4,334,000 DML Shares, 220,000 DML Shares and 10,000 DML Shares held by Allied Properties, Mr. Nagahara, Mr. Dew and Mr. Yang respectively), representing approximately 32.54% of the entire issued shares of DML. Based on public information available to the Offeror, as at the Latest Practicable Date and Register Date, DML has 158,096,613 DML Shares in issue and DML has no outstanding options, warrants, derivatives or securities that carry a right to subscribe for or which are convertible into DML Shares. Further, DML has confirmed to the Offeror that it will not issue any relevant securities (as defined in Note 4 to Rule 22 of Takeovers Code) during the Offer Period. Accordingly, no further DML Shares can be issued during the Bid Period. As required under the Corporations Act, the Offer extends to Allied Properties, Mr. Nagahara, Mr. Dew and Mr. Yang. However, Allied Properties has provided the Offeror with the Irrevocable Undertaking not to accept the Offer and not to dispose of its DML Shares from the date of the Irrevocable Undertaking until the end of the Offer Period. Therefore, the maximum number of DML Shares the Offeror can acquire under the Offer is 111,218,886 Offer Shares.

Comparison of value

The Offer Price of HK\$2.60 represents:

- (i) a discount of approximately 2.62% to the closing price of HK\$2.67 per DML Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 6.14% to the average closing price of approximately HK\$2.77 per DML Share as quoted on the Stock Exchange over the five (5) consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a discount of approximately 13.33% to the average closing price of approximately HK\$3.00 per DML Share as quoted on the Stock Exchange over the ten (10) consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a premium of approximately 10.17% over the average closing price of approximately HK\$2.36 per DML Share as quoted on the Stock Exchange over the thirty (30) consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a premium of approximately 31.31% over the average closing price of approximately HK\$1.98 per DML Share as quoted on the Stock Exchange over the sixty (60) consecutive trading days immediately prior to and including the Last Trading Day;
- (vi) a discount of approximately 27.78% to the closing price of HK\$3.60 per DML Share as quoted on the Stock Exchange on the Latest Practicable Date;



- (vii) the same amount of the audited consolidated net asset value attributable to the DML Shareholders of approximately HK\$2.60 per DML Share (based on the audited consolidated net asset value of DML of approximately AU\$82,764,000 (equivalent to HK\$411,337,080) as at 31 December 2024 and 158,096,613 DML Shares in issue as at the Latest Practicable Date); and
- (viii) a premium of approximately 23.22% over the closing price of HK\$2.11 per DML Share as quoted on the Stock Exchange on 14 March 2025, being the last trading day of the DML Shares on the Stock Exchange before the publication of the announcement on the Allied Properties Offer dated 1 April 2025.

Highest and lowest closing prices of the DML Shares

The highest and lowest closing prices of the DML Shares as quoted on the Stock Exchange during the Relevant Period was HK\$3.72 per DML Share on 27 May 2025 and HK\$1.36 per DML Share on 20 January 2025, respectively.

Total consideration for the Offer

As at the Latest Practicable Date and Register Date, the Offeror and the parties acting in concert with it hold a total of 51,441,727 DML Shares (representing approximately 32.54% of the entire issued shares of DML). Based on public information available to the Offeror, DML has no outstanding options, warrants, derivatives or securities that carry a right to subscribe for or which are convertible into DML Shares as at the Latest Practicable Date and Register Date.

As at the Register Date and Latest Practicable Date, based on publicly available information, there are 158,096,613 DML Shares in issue. Based on 111,218,886 Offer Shares and the Offer Price of HK\$2.60, and assuming acceptance of the Offer in full (excluding those DML Shares held by Allied Properties), the total amount of cash required for the Offer will be HK\$289,169,103.60.



Confirmation of financial resources

The Offeror intends to finance the Offer and the relevant transaction costs by the Facility granted by Mr. Lee to the Offeror pursuant to the Facility Agreement (see the section titled "Information on the Offeror and AGL Group" for information about Mr. Lee's connection to the Offeror) and the cash resources of AGL. Mr. Lee will fund the Facility of HK\$273 million to the Offeror by his existing cash resources. This amount represents approximately 91% of the total amount available to the Offeror to pay the consideration due under the Offer and the related transaction costs. Yu Ming, the financial adviser to the Offeror in respect of the Offer, is satisfied that (i) Mr. Lee holds sufficient cash to fund the Facility; (ii) AGL has earmarked HK\$27 million in cash to finance the Offer; and (iii) sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer (excluding the DML Shares held by Allied Properties) and payment of the relevant transaction costs. Repayment of the Facility by the Offeror is not dependent to any significant extent on the business of DML.

The Facility is unconditional and is readily available for drawdown for a 12-month period from the date of the Facility Agreement. Any drawdown amount shall bear the interest rate of HIBOR plus 0.8% per annum.

However, upon the occurrence of an event of default, Mr. Lee may, by notice to the Offeror declare that (a) the Offeror's obligations to make the loan available immediately terminate; and (b) all amounts owing by the Offeror to Mr. Lee under or in connection with the Facility Agreement become immediately due and payable.

For the purposes of this clause, an "event of default" includes:

- (i) the Offeror failing to pay any "Indebtedness" (which includes interest, with interest payments commencing 1 month after the initial draw down under the Facility Agreement); and
- (ii) the occurrence of any event or the existence of any circumstance which, in the opinion of Mr. Lee, is likely to have a material adverse effect on the Offeror's ability to perform its obligations or otherwise comply with any term of the Facility Agreement or any drawdown notice.

In addition to the above, AGL has issued a commitment letter (the "Commitment Letter") to the Offeror confirming it will provide up to HK\$27 million in cash to partially fund the Offer. This amount represents approximately 9% of the total amount available to the Offeror to pay the consideration due under the Offer and the related transaction costs. AGL has confirmed in the Commitment Letter that there are no circumstances that may prevent it from fulfilling its obligations to provide funds to the Offeror as contemplated by the Commitment Letter.

Under the Commitment Letter, AGL has agreed to provide an interest-free, unconditional loan to the Offeror, which may be drawn down in one or more tranches. The funds made available under the Commitment Letter may only be used for the purpose of paying the consideration due under the Offer and any associated transaction costs. The loan is repayable on demand after the date the Offer completes.

The undertaking provided within the Commitment Letter by AGL to provide such funds will terminate on the earlier of the date:

- (i) the Offeror discharges all of its obligations in relation to payment of the consideration due under, and the transaction costs relating to, the Offer; and
- (ii) the Offer is cancelled, terminated, rescinded or ceases to be capable of becoming unconditional.

Conditions to completion of the Offer

The completion of Offer is subject to the satisfaction or waiver (if capable of being waived) of the following conditions:

- 1. the Offeror obtaining any necessary waivers, approvals, modifications or consents from the SFC or ASIC that have been applied for by the Offeror before the First Closing Date or the date the Offer becomes or is declared unconditional as to acceptances (whichever is later), and are required to facilitate or complete the Offer in circumstances where the Offeror faces a conflict between the regulations and laws of Hong Kong and Australia;
- 2. no Prescribed Occurrence happening between the date of the Joint Announcement and the First Closing Date or the date the Offer becomes or is declared unconditional as to acceptances (whichever is later);
- 3. between the date of the Joint Announcement and the First Closing Date or the date the Offer becomes or is declared unconditional as to acceptances (whichever is later), the DML Group maintaining and complying with its mining tenement and processing licenses and all related Authorisations, and no regulatory authority taking any action in respect of the DML Group that is adverse to such tenements, processing licenses or Authorisations; and
- 4. valid acceptances of the 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 Offeror may, subject to the Takeovers Code and the Corporations Act, decide) in respect of such number of the DML Shares which, together with the DML Shares acquired or agreed to be acquired before or during the Offer Period, will result in the Offeror and parties acting in concert with it together holding more than 50% of the voting rights of DML.

Subject to the Corporations Act, the Offeror alone is entitled to the benefit of the Conditions, or to rely on any non-fulfilment of any of them. Each Condition is a separate, severable and distinct condition. No Condition will be taken to limit the meaning or effect of any other Condition.

In respect of Condition 1, Practice Note 27 issued by the SFC permits the Closing Date to be automatically extended to the next Business Day where certain extreme weather declarations or warnings are in force in Hong Kong on the Closing Date at 12:00 noon or after (see paragraph 9(b) in the Expected Timetable section above for more information), while the Corporations Act does not have such provision and does not permit an extension of the Closing Date in those circumstances. To rectify this conflict, the Offeror applied to ASIC for, and ASIC has granted, the 624 Declaration.

As at the Latest Practicable Date, save for the 624 Declaration, the Offeror is not aware of any waivers, approvals, modifications or consents to be obtained from the SFC or ASIC to facilitate and complete the Offer.

Conditions 1, 2 or 3 can be waived while Condition 4 cannot be waived.

As at the Latest Practicable Date, none of the Conditions have been satisfied or (if capable of being waived) waived. Further announcement(s) will be made as and when appropriate in respect of the satisfaction or (if capable of being waived) waiver of the Conditions.

Once you have accepted the Offer, you will be unable to revoke your acceptance, the contract resulting from your acceptance will be binding on you, and you will consequently be unable to withdraw your DML Shares from the Offer (except as permitted under Rule 17 of the Takeovers Code and the Corporations Act) or otherwise dispose of your DML Shares, unless the Offer lapses. If the Conditions are not satisfied or waived (as applicable) on or before the Closing Date, the Offer will lapse unless the Offer Period is extended by the Offeror with the Executive's consent and in accordance with the Corporations Act, and all contracts resulting from the acceptance of the Offer will automatically terminate and your DML Shares will be returned to you.

In accordance with section 650F of the Corporations Act, the Offeror may waive Conditions 1, 2 or 3 by giving a notice to DML (meaning this Offer and any contract resulting from its acceptance will no longer be subject to the relevant Condition). This notice may be given:

- (i) in the case of Condition 2, not later than the end of the Bid Period; and
- (ii) in the case of Conditions 1 and 3, not less than seven days before the end of the Bid Period.

Although section 650F of the Corporations Act permits Condition 2 to be waived up to 3 Business Days after the end of the Bid Period, under the terms of this Offer, Condition 2 can only be satisfied or waived (as applicable) on or before the Closing Date in compliance with the Takeovers Code.

In accordance with Rule 15.7 of the Takeovers Code, except with the consent of the Executive, all Conditions must be fulfilled or waived, or the Offer will lapse within 21 days after the First Closing Date or after the date the Offer becomes or is declared unconditional as to acceptances, whichever is later.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror should not invoke any Conditions, other than the acceptance condition, so as to cause the Offer to lapse unless the circumstances which give rise to the right to invoke the Conditions are of material significance to the Offeror in the context of the Offer. Unless the circumstances of Conditions 1, 2 or 3 to be involved are of material significance to the Offeror in the context of the Offer, the Offeror will not invoke any Conditions so as to cause the Offer to lapse.

The Offeror will give DML and ASIC the Condition Status Update as required by the Corporations Act on 25 July 2025 (subject to extension if the Bid Period is extended). Further announcements will be made by the Offeror in this regard in compliance with the Takeovers Code.

In the event that the Offer becomes or is declared unconditional in all respects before the First Closing Date (i.e. 1 August 2025), the Offer will close on the First Closing Date (i.e. 1 August 2025) or 14 days after the Offer becomes or is declared unconditional in all respects, whichever is later.

WARNING: Completion of the Offer is subject to the Conditions above being fulfilled or waived (where applicable). The issue of this Offer Document does not in any way imply that the Offer will be completed. The Offer may or may not become unconditional and will lapse if it does not become unconditional. Accordingly, DML Shareholders and potential investors of DML are advised to exercise caution when dealing in the securities of DML. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional adviser.

Closing of the Offer

In accordance with Rule 15.1 of the Takeovers Code and the Corporations Act, the Closing Date of the Offer must be at least 28th day and 1 month after the date of the Offer Document, respectively. The Offer will close at 4:00 p.m. on 1 August 2025 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

Under the Takeovers Code, where the Offer becomes or is declared unconditional (whether as to acceptances or in all respects), it should remain open for acceptance for not less than fourteen (14) days thereafter. DML Shareholders are reminded that the Offeror does not have any obligation to keep the Offer open for acceptance beyond the minimum 14-day period prescribed under the Takeovers Code.

Under Rule 15.5 of the Takeovers Code, the latest time on which the Offer may become or may be declared unconditional as to acceptance is 7:00 p.m. on the 60th day after the posting of this Offer Document (or such later date to which the Executive may consent) and the Offer timetable will also be required to comply with the Corporations Act.

Effect of accepting the Offer

Acceptance of the Offer by any Offer Shareholders will be deemed to constitute a warranty by such person that all the DML Shares sold by such person under the Offer are fully paid-up and free from all Encumbrances, together with all rights attached thereto on or after the date on which the Offer is made, being the date of this Offer Document, including the right to receive in full all dividends and other distributions, if any, declared, made or paid, the record date of which falls on or after the date of this Offer Document.

Acceptance of the Offer will be irrevocable and not capable of being withdrawn, except as permitted under Rule 17 of the Takeovers Code and the Corporations Act.

As at the Latest Practicable Date, (i) DML has no dividend or other distributions declared but not paid; and (ii) DML has advised the Offeror that it will not declare and pay any dividend or other distributions before the Closing Date.



Overseas DML Shareholders

The Offeror intends to make the Offer available to all the DML Shareholders, including the Overseas DML Shareholders. However, the Offer is in respect of securities of a company incorporated in Western Australia and is subject to the procedural and disclosure requirements of Hong Kong and Australia which may be different from other jurisdictions.

Overseas DML Shareholders who wish to participate in the Offer but with a registered address outside Hong Kong and Australia are subject to, and may be limited by, the laws and regulations of their respective jurisdictions in connection with their participation in the Offer. Overseas DML Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong and Australia should observe relevant applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibility of the Overseas DML Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such accepting Overseas DML Shareholder in respect of such jurisdictions).

In the event that the receipt of the Offer Document by Overseas DML Shareholders is prohibited by any relevant law or may only be effected after compliance with conditions or requirements that would be unduly burdensome, this Offer Document, may not (subject to the Executive's consent) be despatched to such Overseas DML Shareholders.

As at the Latest Practicable Date, there are 7 Overseas DML Shareholders holding an aggregate of 33,394 DML Shares (representing approximately 0.02% of the total issued shares of DML), whose address is in the U.S. which is outside Hong Kong. The Offer Document will be despatched to such Overseas DML Shareholder pursuant to applicable U.S. laws and regulations or an available exemption therefrom and otherwise in accordance with the requirements of the SFO.

Any acceptance by any DML Shareholders and beneficial owners of the Offer Shares will be deemed to constitute a representation and warranty from such DML Shareholders to the Offeror that the local laws and requirements have been complied with. The Overseas DML Shareholders should consult their professional advisers if in doubt.

Hong Kong stamp duty

Seller's ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by each Offer Shareholder at the rate of 0.1% of (i) the consideration payable by the Offeror to such DML Shareholders in respect of the relevant Offer Shares or, (ii) if higher, the market value of the Offer Shares subject to such acceptance, and will be deducted from the cash amount due to such accepting Offer Shareholder. The Offeror will arrange for payment of sellers' ad valorem stamp duty on behalf of such accepting Offer Shareholder and pay the buyer's ad valorem stamp duty and will account to the Stamp Office of Hong Kong for all stamp duty payable on the sale and purchase of Offer Shares in respect of which valid acceptances are received under the Offer.

Taxation advice

DML Shareholders are recommended to consult their own professional advisers as to the taxation implications of accepting or rejecting the Offer. The Offeror and the parties acting in concert with it, accept no responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

Under Australian law, the tax consequences under Australia's tax laws of an Offer Shareholder residing in Australia accepting the Offer are required to be summarised in this Offer Document. Please see section headed "Australian Tax Considerations" in Schedule 1 for information.

INFORMATION ON THE OFFEROR AND AGL GROUP

The Offeror, a company incorporated in the British Virgin Islands with limited liability, is principally engaged in investment holding and is an indirect wholly-owned subsidiary of AGL. Mr. Edwin Lo King Yau and Mr. Yang are the directors of the Offeror.

As at the Latest Practicable Date, AGL is beneficially owned as to approximately 74.99% by Lee and Lee Trust (inclusive of Mr. Lee's personal interests), being a discretionary trust.



AGL is a company incorporated in Hong Kong with limited liability, and the shares of which are listed on the Main Board of the Stock Exchange.

The principal business activity of AGL is investment holding. The principal business activities of its major subsidiaries are development and investment of residential, office and commercial properties, hospitality related activities, investment and operation of hospital, eldercare and health related businesses, provision of property management, cleaning and security guarding services, and the provision of finance, investments in listed and unlisted securities and funds management.

INTENTION OF THE OFFEROR IN RELATION TO THE DML GROUP

The DML Group operates gold mines and processing facilities in Finland and Sweden. Annual production from the DML Group is in the range of 20,000 to 30,000 ounces of gold in concentrate depending on the grade of ore and gold concentrate feed.

According to the audited annual financial results of DML as set out in DML's 2024 annual report, for the year ended 31 December 2024, the revenue of DML Group amounted to approximately AU\$72.80 million (2023: AU\$60.50 million) and net profit of DML Group amounted to approximately AU\$12.88 million (2023: AU\$5.19 million), representing an increase of approximately 20.33% and 148.17% respectively. Such improvement is mainly due to the increase in gold price from an average gold price of US\$1,943 per ounce in 2023 to US\$2,430 per ounce in 2024. In view of the above, in particular the production capacity of DML Group and its financial performance in 2024, the AGL Board has gained confidence in the long-term prospects of the DML Group and the benefits of taking control of DML after publication of DML's annual results announcement on 13 March 2025. The AGL Board considers that the Offer, if it becomes unconditional, will facilitate the Offeror and parties acting in concert with it to obtain a controlling stake in DML at a reasonable price.

The Offeror is supportive of the DML Board and management team of DML and their current strategy. It is the intention of the Offeror to continue the existing business of the DML Group and it has no intention to put forward any major changes to the businesses of the DML Group after the Closing Date (including in relation to its funding arrangements). The Offeror will be supportive of DML using its existing financial resources to expand its operations in gold mining and hiring sufficient properly qualified staff in support of such expansion.

The Offeror has no intention to discontinue any employment of the employees of the DML Group or to dispose of or re-allocate the DML Group's assets which are not in the ordinary and usual course of business of the DML Group.

The Offeror has no intention, understanding, obligation, negotiation or arrangement (concluded or otherwise) to downsize, cease or dispose existing business of the DML Group.

The Offeror has no intention to make any change to DML's current dividend policy.

The intentions of the Offeror have been formed on the basis of facts and information concerning DML, and the general business environment, which are known at the time of preparing this Offer Document. Final decisions will only be reached by the Offeror in light of material information and circumstances at the relevant time. Accordingly, the statements set out above are statements of intention only and accordingly, may vary as new information becomes available or circumstances change. The Offeror will notify the DML Shareholders of any material changes as soon as possible in compliance with Rule 9.1 of the Takeovers Code.

PROPOSED CHANGES TO THE DML BOARD COMPOSITION

If the Offer becomes unconditional, the Offeror intends to nominate not more than three new DML Directors to the DML Board after the Closing Date. It is expected that not more than three of the DML Directors as at the Latest Practicable Date will resign. Any changes to the composition of the DML Board and biographies of any new DML Directors to be appointed will be made as and when appropriate in compliance with the Takeovers Code, the Listing Rules and the Corporations Act. As at the Latest Practicable Date, the Offeror has not identified any candidates for nomination as new DML Directors and has not determined the existing DML Directors who will resign.

EXERCISE OF COMPULSORY ACQUISITION RIGHTS

The Offeror does not intend to exercise any right which may be available to it to compulsorily acquire any outstanding Offer Shares not acquired under the Offer after the Closing Date.

However, under the Corporations Act, if at the end of the Bid Period, the Offeror and its Corporations Act associates have in aggregate a Relevant Interest in at least 90% of the DML Shares, the Offeror must offer the remaining DML Shareholders the right to sell their DML Shares to the Offeror (on the same terms of the Offer immediately prior to the Bid Period) and the holders of securities that are convertible into DML Shares (either on terms agreed between the Offeror and holder or determined by a court) to the Offeror (the "Buy Out Offer"). The Offeror is not obligated to offer to acquire any DML Shares issued after the date of the Condition Status Update. As at the Latest Practicable Date and Register Date, DML has no outstanding options, warrants, derivatives or securities that carry a right to subscribe for or which are convertible into DML Shares. Further, DML has confirmed to the Offeror that it will not issue any relevant securities (as defined in Note 4 to Rule 22 of Takeovers Code and which includes securities convertible into DML Shares) during the Offer Period. Accordingly, the Buy Out Offer will only apply to the DML Shares in issue. The remaining holders of DML Shares may accept or reject the Buy Out Offer. For the avoidance of doubt, the Buy Out Offer does not constitute a compulsory acquisition.



MAINTAINING THE LISTING STATUS OF DML

Pursuant to Rule 14.81 of the Listing Rules, the Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to DML, being 25% of the DML Shares (excluding treasury shares, if any), 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 DML Shares; or (ii) there are insufficient DML Shares in public hands to maintain an orderly market, the Stock Exchange will consider exercising its discretion to suspend dealings in the DML Shares.

The Offeror intends to retain the listing of the DML Shares on the Stock Exchange following the Closing Date. The Offeror does not intend to avail itself of any powers of compulsory acquisition of any DML Shares outstanding after Closing Date.

The directors of the Offeror and the new directors to be appointed to the DML Board (if any) have jointly and severally undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the DML Shares. The Offeror considers that the appropriate actions to be taken after the Closing Date (which could be after the close of the Buy Out Offer process, if applicable) shall include placing down a sufficient number of accepted DML Shares where appropriate. The Offeror will issue a further announcement as and when necessary in this regard.

ACCEPTANCES OF THE OFFER

Procedures for acceptance

To accept the Offer for all or some of your Offer Shares, you should complete and sign a hard copy of the Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms and conditions of the Offer.

The duly completed and signed Form of 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 Receiving Agent, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, marked "DML Offer" on the envelope, with sufficient time to be received by the Receiving Agent not later than 4:00 p.m. on the First Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code and the Corporations Act.

No acknowledgment of receipt of any Form of Acceptance, 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) will be given.

Your attention is drawn to "Further terms and procedures of acceptance of the Offer" as set out in Appendix I to this Offer Document and the accompanying Form of Acceptance.



Settlement of the Offer

Subject to the Offer becoming or being declared unconditional and provided that the accompanying Form of Acceptance, together with the DML Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are valid, complete and in good order and have been received by the Receiving Agent no later than 4:00 p.m. on the First Closing Date (or such later time and/or date as the Executive consents and the Corporations Act permits), a cheque in Hong Kong dollars for the amount due to each of the accepting DML Shareholders in respect of the Offer Shares tendered under the Offer (less seller's ad valorem stamp duty payable by them, as the case maybe) will be despatched to the accepting DML Shareholders by ordinary post at their own risk within 7 Business Days following the later of the date on which the Offer becomes or is declared unconditional and the date of receipt of all relevant documents which render such acceptance complete and valid by the Receiving Agent in compliance with Note 1 to Rule 30.2 of the Takeovers Code.

Settlement of the consideration to which any accepting DML Shareholders is entitled under the Offer will be paid by the Offeror in full in accordance with the terms of the Offer (save with respect of the payment of seller's ad valorem stamp duty) set out in this Offer Document and the accompanying Form of Acceptance, 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 DML Shareholders.

No fraction of a cent will be payable and the amount of consideration payable to a DML Shareholder who accepts the Offer will be rounded up to the nearest cent.

GENERAL

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

All documents and remittances will be sent to the DML Shareholders by ordinary post at their own risk. These documents and remittances will be sent to them at their respective addresses as they appear in the register of members, in case of joint holders whose name appear first in the said register of members, unless otherwise specified in the accompanying Form of Acceptance completed, returned and received by the Registrar. None of the Offeror and parties acting in concert with it, Morton Securities, Yu Ming, the Registrar or any of their ultimate beneficial owners, respective directors, officers, associates, agents or any other person involved in the Offer 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.



萬基證券有限公司
MORTON SECURITIES LIMITED

ADDITIONAL INFORMATION

Your attention is drawn to the additional information regarding the Offer set out in the appendices to this Offer Document and the accompanying Form of Acceptance, which form part of this Offer Document.

Yours faithfully,
For and on behalf of
Morton Securities Limited

Cheung Chor Yu
Director