21/F, DL Tower
92 Wellington Street
Central, Hong Kong

21 August 2026

To the Independent Shareholders,

Dear Sir/Madam,

**UNCONDITIONAL MANDATORY CASH OFFER BY
DL SECURITIES (HK) LIMITED
FOR AND ON BEHALF OF
ZHUANGYAN INVESTMENT INTERNATIONAL LIMITED
TO ACQUIRE ALL THE ISSUED SHARES
OF CONTEL TECHNOLOGY COMPANY LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE
ACQUIRED BY THE OFFEROR AND/OR PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

References are made to (i) the Rule 3.5 Announcement dated 8 June 2026 in relation to, among other things, the Subscription, the Placing and the Offer; (ii) the joint announcements dated 29 June 2026, 3 July 2026 and 5 August 2026 issued by the Company and the Offeror in relation to the delay in despatch of this Composite Document; and (iii) the joint announcement dated 29 July 2026 issued by the Offeror and the Company in relation to, among other things, the Subscription Completion and the Placing Completion.

The Subscription and the Placing

On 5 May 2026 (before trading hours), 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, 271,230,595 Subscription Shares at the Subscription Price of HK$0.365 per Subscription Share.

On 8 June 2026, the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent conditionally agreed to procure on a best effort basis not less than six placees who and whose ultimate beneficial owner(s) (if applicable) shall be Independent Third Parties to subscribe 58,205,000 Placing Shares at the Placing Price of HK$0.365 per Placing Share.

The Subscription Completion and the Placing Completion took place simultaneously on 29 July 2026. Immediately upon the Subscription Completion and the Placing Completion and as at the Latest Practicable Date, the Offeror, its ultimate beneficial owner and parties acting in concert with any of them are interested in 271,230,595 Shares, representing approximately 58.81% of the total issued share capital of the Company.

Pursuant to Rule 26.1 of the Takeovers Code, upon the Subscription Completion, the Offeror is required to make an unconditional mandatory cash offer to acquire all of the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it). DL Securities is making the Offer for and on behalf of the Offeror and in compliance with the Takeovers Code.

This letter forms part of this Composite Document and sets out, among other things, details of the terms of the Offer, the information of the Offeror and the intention of the Offeror in relation to the Group. Further details of the terms and the procedures for acceptance of the Offer are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

The Independent Shareholders are strongly advised to consider carefully the information contained in "Letter from the Board", "Letter from the Independent Board Committee" and "Letter from the Independent Financial Adviser" as set out in this Composite Document, the appendices as set out in this Composite Document and the Form of Acceptance and to consult their professional advisers if in doubt before reaching a decision as to whether or not to accept the Offer.

THE OFFER

DL Securities, for and on behalf of the Offeror and in compliance with the Takeovers Code, is making the Offer on the following basis:

For each Offer Share .... HK$0.365 in cash

The Offer Price of HK$0.365 per Offer Share is equal to the price per Subscription Share paid by the Offeror under the Subscription Agreement.

The Offer is extended to all Independent Shareholders in accordance with the Takeovers Code.

The Offer Shares to be acquired under the Offer shall be fully paid and free from all Encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of despatch of the Composite Document.

The Offer is unconditional in all respects.

As at the Latest Practicable Date, there were no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company in issue other than the 461,209,833 Shares in issue.

The Company confirms that, as at the Latest Practicable Date, (i) it has not declared any dividend and/or other distribution and/or other return of capital which remains unpaid; and (ii) it does not intend to declare, make or pay any dividend and/or other distribution and/or other return of capital before the closing, lapse, withdrawal or termination of the Offer (whichever is earlier).

Comparison of value

The Offer Price of HK$0.365 per Offer Share represents:

(a) a discount of approximately 74.83% to the closing price of HK$$1.45 per Share as quoted on the Stock Exchange on 19 August 2026, being the Latest Practicable Date;

(b) a discount of approximately 34.82% to the closing price of HK$0.56 per Share as quoted on the Stock Exchange on the Last Trading Day;

(c) a discount of approximately 22.83% to the average closing price of HK$0.473 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;

(d) a discount of approximately 16.09% to the average closing price of approximately HK$0.435 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;

(e) a discount of approximately 6.17% to the average closing price of approximately HK$0.389 per Share as quoted on the Stock Exchange for the last thirty consecutive trading days up to and including the Last Trading Day;

(f) a premium of approximately 17.36% over the unaudited consolidated net asset value attributable to the Company of approximately US$0.040 (equivalent to approximately HK$0.311) per Share (based on the number of issued Shares as at the date of Rule 3.5 Announcement, being 131,774,238 Shares) as at 30 September 2025 calculated based on the information as set out in the Company’s interim report for the six months ended 30 September 2025; and

(g) a premium of approximately HK$0.487 over the audited consolidated net liabilities value attributable to owners of the Company of approximately US$0.016 (equivalent to approximately HK$0.122) per Share (based on the number of issued Shares as at the date of the Rule 3.5 Announcement, being 131,774,238 Shares) as at 31 March 2026 calculated based on the information as set out in the Company's annual report for the year ended 31 March 2026.

Highest and lowest closing prices of Shares

During the Relevant Period, the highest closing price of the Shares quoted on the Stock Exchange was HK$2.16 per Share on 11 June 2026 and the lowest closing price of the Shares quoted on the Stock Exchange was HK$0.355 per Share on 19 March 2026, 10 April 2026, 13 April 2026 and 14 April 2026.

Value of the Offer

Based on the 461,209,833 Shares in issue as at the Latest Practicable Date and excluding the 271,230,595 Shares held by the Offeror, its ultimate beneficial owner and parties acting in concert with any of them immediately after the Closing, a total of 189,979,238 Shares will be subject to the Offer. Assuming there is no change in the issued share capital of the Company from the Latest Practicable Date to the close of the Offer, the consideration of the Offer is valued at HK$69,342,421.87 based on the Offer Price of HK$0.365 per Offer Share and the basis of full acceptance of the Offer.

Confirmation of financial resources

The Offeror intends to finance and satisfy the maximum consideration payable under the Offer by the funds provided by its sole legal and beneficial shareholder Mr. Zhuang. Mr. Zhuang owns and operates different companies which are principally engaged in the import and export trade, as well as the wholesale and retail, of consumer electronics integrated circuit components and semiconductor modules, mainly in the PRC and other Asia-Pacific countries for over 10 years. The funds for the Subscription and the Offer are derived from the wealth accumulated over the years through the business operations of Mr. Zhuang's companies.

Each of DL Securities and Alpha Financial, being a joint financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are and will remain available to the Offeror to satisfy the maximum payment obligations upon full acceptance of the Offer.

Effect of accepting the Offer

Acceptance of the Offer by any Independent Shareholders will be deemed to constitute a warranty by such person that all Offer Shares to be sold by such person under the Offer are fully paid and free from all Encumbrances and with all rights and benefits at any time accruing and attached thereto, including but not limited to receive all dividends and distributions declared, made or paid on or after the date on which the Offer is made, that is, the date of posting of the Composite Document. The Company confirms that, as at the Latest Practicable Date, (i) it has not declared any dividend and/or other distribution and/or other return of capital which remains unpaid; and (ii) it does not intend to declare, make or pay any dividend and/or other distribution and/or other return of capital before the closing, lapse, withdrawal or termination of the Offer (whichever is earlier).

The Offer is unconditional in all respects and will not be conditional upon acceptances being received in respect of a minimum number of Offer Shares or any other conditions. Acceptance of the Offer would be irrevocable and would not be capable of being withdrawn, except as otherwise permitted under the Takeovers Code, details of which are set out in the section headed "6. RIGHT OF WITHDRAWAL" in Appendix I to this Composite Document.

Payment

Payment in cash in respect of acceptances of the Offer will be made pursuant to Rule 20.1 of the Takeovers Code as soon as possible but in any event no later than seven (7) Business Days after the date on which the duly completed acceptance of the Offer and the relevant documents of title of the Shares in respect of such acceptance are received by or for the Offeror to render each such acceptance complete and valid pursuant to Note 1 to Rule 30.2 of the Takeovers Code.

No fractions of a Hong Kong cent will be payable and the amount of cash consideration payable to an Independent Shareholder who accepts the Offer will be rounded up to the nearest Hong Kong cent.

Hong Kong stamp duty

The seller's Hong Kong ad valorem stamp duty payable by the Independent Shareholders who accept the 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 acceptance of the Offer, will be deducted from the cash amount payable by the Offeror to the Independent Shareholders who accept the Offer.

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

Taxation advice

Independent Shareholders are recommended to consult their own professional advisers as to the taxation implications of accepting or rejecting the Offer. None of the Offeror and the parties acting in concert with it, the Company, DL Securities, Alpha Financial, the Independent Financial Adviser, the Registrar or any of their respective ultimate beneficial owners, directors, officers, agents and associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

Availability of the Offer

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

Overseas Independent Shareholders who wish to participate in the Offer but with a registered address outside Hong Kong 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 Independent Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe relevant applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibility of the Overseas Independent 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 Independent Shareholders in respect of such jurisdictions).

Based on the register of members of the Company, as at the Latest Practicable Date, there was one Overseas Independent Shareholder. It is the intention of the Offeror and the Company to despatch this Composite Document to the Overseas Independent Shareholder.

Any acceptance by the Overseas Independent Shareholders will be deemed to constitute a representation and warranty from such Overseas Independent Shareholders to the Offeror that the local laws and requirements have been complied with and such acceptance shall be valid and binding in accordance with all applicable laws and regulations. Such Overseas Independent Shareholders should consult their respective professional advisers if in doubt.

INFORMATION ON THE GROUP

Your attention is drawn to the section headed "INFORMATION ON THE GROUP" in the "Letter from the Board" in this Composite Document, Appendices II and III to this Composite Document which contain financial information and general information of the Group.

INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in the British Virgin Islands with limited liability on 6 March 2026 and is an investment holding company. Mr. Zhuang is the sole legal and beneficial shareholder and the sole director of the Offeror.

Mr. Zhuang is an experienced businessman with more than 10 years of experience in the consumer electronics industry. He currently owns and operates different companies which are principally engaged in the import and export trade, as well as the wholesale and retail, of consumer electronics integrated circuit components and semiconductor modules, mainly in the PRC and other Asia-Pacific countries. Over the past decade, Mr. Zhuang has developed strong expertise in supply chain management, cross-border logistics, quality control, and customer relationship management.

INTENTIONS OF THE OFFEROR REGARDING THE GROUP

It is the intention of the Offeror that the Group will continue with its existing principal businesses after the close of the Offer and will maintain the listing status of the Company on the Stock Exchange.

The Offeror intends to leverage its experience, business network and financial resources to support the Group's continued development, improve its operational and financial performance, and strengthen its competitiveness. Following the close of the Offer, 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.

Based on the information of Mr. Zhuang as set out above, it is expected that Mr. Zhuang's experience in the consumer electronics integrated circuit components and semiconductor modules sector in the PRC and other Asia-Pacific countries and his past responsibilities to source potential investment opportunities and provision of strategic guidance, will bring in a positive impact and benefit to the business operation of the Group. His solid track record in the wholesale and retail of consumer electronics IC components and semiconductor modules, coupled with his extensive industry network and operational expertise, would position the Offeror, of which Mr. Zhuang is the ultimate beneficial owner, to contribute strategically to the Group's ongoing development. The Offeror's familiarity with the Group's business strategies, standards, and requirements, as well as its established relationships with key customers and suppliers in the sector, would enable it to maintain and strengthen the Group's existing commercial connections. Through the Offeror and the appointment of new directors to the Company, Mr. Zhuang would be able to provide valuable complementary expertise, industry resources, and access to customer and supply chain networks, thereby enhancing the Group's operational capabilities and supporting its long-term growth objectives. Save for the Offeror's intention regarding the Group as set out above, subject to the review of the Group's operation aforesaid, the Offeror has no intention to (i) make material changes to the employment of the management and employees of the Group (save as disclosed in the section headed "Proposed Changes to the Composition of the Board" below); and (ii) dispose of or redeploy the assets of the Group other than those in its ordinary and usual course of business. Nonetheless, the Offeror reserves the right to make any changes that it deems necessary or appropriate to the benefit of the Group.

Proposed Changes to the Composition of the Board

As at the Latest Practicable Date, the Board comprises Mr. Lam Keung and Ms. Cheng Yu Pik as executive directors; Mr. Dan Kun Lei, Raymond, Mr. Chan Kwok Kuen Kenneth and Mr. Lai Man Shun as independent non-executive directors.

Resignation

All existing Directors will resign with effect from after the publication of the closing announcement on the Closing Date (being the earliest date as permitted under Rule 7 of the Takeovers Code).

Appointment

The Offeror intends to nominate Mr. Chong Ka Yee and Mr. Lee Byungduck as executive Directors, and Mr. Tseung Yuk Hei, Kenneth, Ms. Lu Zhuo and Mr. Li Wei as independent non-executive Directors with effect from after the Composite Document is posted (being the earliest date as permitted under Rule 26.4 of the Takeovers Code).

The biographical information of the proposed Directors nominated by the Offeror is set out below:

*Mr. Chong Ka Yee ("**Mr. Chong**")*

Mr. Chong, aged 42, graduated from the University of Melbourne in Australia with a bachelor's degree in Commerce in 2004. He has been a member of CPA Australia since 2022 and a CFA Charter Holder since 2011.

Mr. Chong has been in the investment banking industry for more than 15 years. Mr. Chong has extensive experience in financial management, capital markets, corporate finance and risk management.

Mr. Chong has been serving as the president of Wan Kei Group Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 1718) since July 2026. He has also been serving as a director of QMMM Holdings Ltd. (a company listed on NASDAQ, stock code: QMMM) since 30 June 2025. He served as the president of Fortune Shiny (Hong Kong) Limited, a wholly owned subsidiary of Wan Kei Group Holdings Limited from August 2023 to June 2026. He has been serving as an independent non-executive director, the chairman of the audit committee and a member of each of the nomination committee and the remuneration committee of OCI International Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 329) since March 2023. He was the managing director of CSFG International Securities Limited, a subsidiary of Shandong Hi-Speed Holdings Group Limited (previously known as China Shandong Hi-Speed Financial Group, a company listed on the Main Board of the Stock Exchange, stock code: 412) from November 2020 to October 2021. He was a non-executive director of Web3 Meta Limited (previously known as Million Stars Holding Limited, a company listed on GEM of the Stock Exchange, stock code: 8093) from November 2017 to June 2019. He served as a non-executive director of Pak Tak International Limited (a company listed on the Main Board of the Stock Exchange, stock code: 2668) from February 2016 to August 2016. He was the group executive vice president of Mason Group Holdings Limited (a company delisted from the Main Board of the Stock Exchange, previous stock code: 273) from August 2016 to July 2020 and the chief executive officer of Mason Administrative Services Limited, a wholly-owned subsidiary of Mason Group Holdings Limited from August 2016 to July 2020. He served as a director and the chairman of risk management committee of Shengang Securities Co., Ltd.* (申港證券有限公司) from February 2018 to October 2020. He also worked in various positions in Haitong International Securities Company Limited, a wholly-owned subsidiary of Haitong International Securities Group Limited (a company delisted from the Main Board of the Stock Exchange, previous stock code: 665) from April 2005 to August 2016, with his last position being the senior vice president of leveraged and acquisition finance department of Haitong International Securities Company Limited.

*Mr. Lee Byungduck ("**Mr. Lee**")*

Mr. Lee, aged 50, graduated from the Korea University with a bachelor's degree in Arts in February 2001. He also obtained a degree of Master of Laws in International Law from the University of International Business and Economics in the PRC in June 2004. He passed the Fund Practitioner Qualification Exam held by the Asset Management Association of China in May 2019 and passed the Securities Practitioner Qualification Exam held by the Securities Association of China in November 2020.

Mr. Lee has been in the semiconductor and technology venture capital industry for over 15 years. He has extensive experience in mergers and acquisitions, technology project investment, corporate venture capital, strategic partnership planning, and fund fundraising. He has held senior executive roles at leading global tech enterprises and financial institutions.

Currently, Mr. Lee has been serving as the vice president of Zhuangyan Group Limited, an investment holding company incorporated in Hong Kong and principally engaged in the investment across semiconductor, real estates and other sectors, since February 2026. He has been serving as a director of Prosperita Equity Partners Limited, a company incorporated in Hong Kong and principally engaged in investment and mergers and acquisitions, since June 2025. He has been concurrently serving as a general manager in the investment department of Shanghai Fantai Fuxing Technology Co., Ltd.* (上海泛太賦興科技有限公司), a company established in the PRC and principally engaged in providing consulting services to South Korean companies investing in the PRC, since October 2025. He served as the executive director of investment management department of Wuxi Junhai Lianxin Investment Management Co., Ltd.* (無錫君海聯芯投資管理有限公司) from February 2022 to October 2025. He also served as a part-time distinguished expert at the International Innovation Centre of Tsinghua University, Shanghai from February 2022 to February 2025. He was a group head in the digital tech division of Cheil Pengtai China Co., Ltd., a subsidiary of Cheil Worldwide Inc. (a company listed on the Korea Exchange, stock code: 030000) from October 2014 to October 2017. Mr. Lee worked as a manager in the business strategy department and Beijing representative office of Korea Trade-Investment Promotion Agency from November 2003 to July 2012.

*Mr. Tseung Yuk Hei, Kenneth ("**Mr. Tseung**")*

Mr. Tseung, aged 60, graduated from Macquarie University in Australia with a bachelor's degree in Economics in May 1989. He has been a chartered accountant in Australia since 1992 and a chartered accountant in both Australia and New Zealand since 2014.

Mr. Tseung has been in the auditing and the investment banking industry for more than 30 years. He was a representative of HeungKong Capital Limited from September 2020 to October 2020 and a responsible officer from October 2020 to February 2023, which was principally engaged in Type 6 (advising on corporate finance) regulated activities under the SFO and was dissolved by deregistration on 12 July 2024. He served as the group managing director and corporate finance — senior managing director of Mason Administrative Services Limited from February 2017 to April 2020. He served as the managing director and head of investment banking, China of CIMB Securities Limited from August 2012 to January 2017. Mr. Tseung served as a managing director of Standard Chartered Bank (HK) Ltd from November 2009 to July 2012. He was the head of ECM Hong Kong/China, Global Markets of ABN AMRO Bank N.V., Hong Kong branch from November 2004 to November 2009. He was an executive director of the corporate finance department of BNP Paribas Capital (Asia Pacific) Limited (previously known as BNP Paribas Peregrine Capital Limited) from July 1994 to September 2004.

Mr. Tseung is an independent non-executive director of Evergreen Products Group Limited (a company listed on the Main Board of the Stock Exchange, stock code: 1962) from May 2026 and served the same position from October 2021 to May 2023 previously. He was an independent non-executive director of Sky Chinafortune Holdings Group Limited (previously known as Great China Holdings Limited, a company delisted from the Main Board of the Stock Exchange, previous stock code: 141) from November 2017 to April 2023. He was an independent non-executive director of Great Wall Motor Company Limited (a company listed on the Main Board of the Stock Exchange, stock code: 2333) from June 2009 to May 2010. He was an independent non-executive director of Chinese Energy Holdings Limited (previously known as iMerchants Limited, a company delisted from GEM of the Stock Exchange, previous stock code: 8009) from September 2004 to September 2007.

*Ms. Lu Zhuo ("**Ms. Lu**")*

Ms. Lu, aged 43, graduated from the University of Newcastle in the United Kingdom with a master's degree.

Ms. Lu has over 10 years of extensive experience across international investment banking, financial advisory, corporate finance, and corporate governance.

Ms. Lu previously served as an independent non-executive director of Huiyin Holdings Group Limited (a company delisted from the Main Board of the Stock Exchange, previous stock code: 1178) from 2018 to 2020. She served as the chairman of the board, chief executive officer and an executive director of Rui Feng Group Holdings Company Limited (a company delisted from GEM of the Stock Exchange, previous stock code: 8312) from 2017 to 2019.

Ms. Lu previously worked at Goldman Sachs International in London and CITIC Securities International Company Limited.

*Mr. Li Wei ("**Mr. Li**")*

Mr. Li, aged 71, graduated from the Beijing Institute for Foreign Trade in the PRC in July 1980.

Mr. Li has over 25 years of extensive experience in the area in international trade and corporate management.

He has been an independent non-executive director of Qianhai Health Holdings Limited (previously known as Hang Fat Ginseng Holdings Company Limited, a company listed on the Main Board of the Stock Exchange, stock code: 911) since May 2016. He also served as an independent non-executive director of Yantai North Andre Juice Co Ltd (a company listed on the Main Board of the Stock Exchange, stock code: 2218) from May 2016 to May 2022. He has been an independent non-executive director of VSTECS Holdings Limited (previously known as VST Holdings Limited, a company listed on the Main Board of the Stock Exchange, stock code: 856), since August 2007. He has been an independent non-executive director of Transtech Optelecom Science Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code:9963) since November 2020. He served as an independent non-executive director of Transtech Optelecom Science Holdings Limited (a company delisted from GEM of the Stock Exchange, previous stock code: 8465 and transferred its listing to the Main Board of the Stock Exchange, stock code: 9963) since June 2017. Mr. Li has successively been a commentator or host at several broadcasting stations and television stations in Hong Kong, Beijing and Shenzhen from 2003 to 2012.

Mr. Li was a director of several companies incorporated in Hong Kong which were dissolved or struck off during the period when Mr. Li was one of its directors, namely China Equity International Limited which was principally engaged in the trading of mineral products and was dissolved by deregistration on 8 July 2005; Link Success International Development Limited which was principally engaged in the trading of mineral products and was dissolved by striking off on 21 September 2001; Uni-Link International Limited which was principally engaged in the trading of mineral products and was dissolved by deregistration on 4 October 2013; Winform Development

Limited which was principally engaged in the trading of imported equipment and was dissolved by deregistration on 30 July 2004; and World Grace International Limited which was principally engaged in the trading of imported equipment and was dissolved by deregistration on 27 June 2008.

As at the Latest Practicable Date, each of Mr. Tseung, Ms. Lu and Mr. Li had confirmed (i) his/her independence as regards each of the factors referred to in rule 3.13(1) to (8) of the Listing Rules; (ii) that he/she had no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company; and (iii) that there were no other factors that may affect his/her independence.

Save as disclosed above, as at the Latest Practicable Date, each of Mr. Chong, Mr. Lee, Mr. Tseung, Ms. Lu and Mr. Li (i) did not hold any other position with the Company or any of its subsidiaries; (ii) had not held any other directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (iii) did not have any relationships with any Directors, senior management, substantial or controlling shareholders of the Company; and (iv) did not have any interests in any shares in the Company within the meaning of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, there was no other information that needed to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules and there was no other matter relating to proposed appointments of Mr. Chong, Mr. Lee, Mr. Tseung, Ms. Lu and Mr. Li that needed to be brought to the attention of the Shareholders.

Further announcement(s) will be made upon any changes to the composition of the Board have taken effect in accordance with the requirements of the Listing Rules and the Takeovers Code as and when appropriate.

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror intends to continue the listing of the Shares on the Stock Exchange following the close of the Offer.

The Stock Exchange has stated that:

(a) if, at the close of the Offer, the Stock Exchange believes that:

- a false market exists or may exist in the trading of the Shares; or
- an orderly market does not exist or may not exist;

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

(b) if, at the close of the Offer, the Company has a Significant Public Float Shortfall, then:

- the Stock Exchange will add a designated marker to the stock name of the Shares; and

- the Stock Exchange will cancel the listing of the Shares if the Company fails to re-comply with rule 13.32B of the Listing Rules for a continuous period of 18 months from the commencement of the Significant Public Float Shortfall.

The Offeror intends the Company to remain listed on the Stock Exchange following the close of the Offer. The sole director of the Offeror and all the then Directors have jointly and severally undertaken to the Stock Exchange that if, at the close of the Offer, the Company fails to comply with the minimum prescribed public float under Rule 13.32B of the Listing Rules, they will take appropriate steps to ensure the Company's compliance with Rule 13.32B of the Listing Rules at the earliest possible moment after the close of the Offer. The steps that the Offeror may take include but not limited to placing down or selling sufficient number of accepted Shares it acquired from the Offer to the Independent Third Parties or in the market.

Further announcement(s) regarding the restoration of public float (if any) will be made by the Company as and when appropriate.

COMPULSORY ACQUISITION

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

ACCEPTANCE AND SETTLEMENT

Your attention is drawn to the further details regarding further terms and conditions of the Offer, the procedures for acceptance and settlement and the acceptance period as set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

GENERAL

This Composite Document has been prepared for the purposes of complying with the laws of Hong Kong, the Takeovers Code and the Listing Rules and the information disclosed may not be the same as which would have been disclosed if this Composite Document had been prepared in accordance with the laws of jurisdictions outside Hong Kong.

To ensure equality of treatment of all Independent Shareholders, those Independent Shareholders who hold Shares as nominee on behalf of more than one beneficial owner should, as far as practicable, treat the holding of such beneficial owner separately. It is essential for the beneficial owners of the Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offer.

Attention of the Overseas Independent Shareholders is drawn to the section headed "7. OVERSEAS INDEPENDENT SHAREHOLDERS" in Appendix I to this Composite Document.

All documents and remittances to be sent to the Independent Shareholders will be sent to them by ordinary post at their own risk. Such documents and remittances will be sent to the Independent Shareholders at their respective addresses as they appear in the register of members of the Company, or in the case of joint Shareholders, to such Shareholder whose name appears first in the register of members of the Company. None of the Offeror and the parties acting in concert with it, the Company, DL Securities, Alpha Financial, the Independent Financial Adviser, the Registrar or any of their respective ultimate beneficial owners, directors, officers, agents, advisers and associates and 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 or in connection therewith.

WARNING

Independent Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

ADDITIONAL INFORMATION

Your attention is drawn to the "Letter from the Board", the "Letter from the Independent Board Committee" and the "Letter from the Independent Financial Adviser" in this Composite Document, the accompanying Form of Acceptance and the additional information set out in the appendices to, which form part of, this Composite Document and to consult your professional advisers, before deciding whether or not to accept the Offer.

Yours faithfully
For and on behalf of
DL SECURITIES (HK) LIMITED

Tommy Cheng
Managing Director
Corporate Finance Division

Nathan Au
Managing Director
Corporate Finance Division