



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

11 February 2026

To the Shareholders

Dear Sir or Madam,

**CONDITIONAL VOLUNTARY CASH PARTIAL OFFER BY
YU MING INVESTMENT MANAGEMENT LIMITED
FOR AND ON BEHALF OF SINA HONG KONG LIMITED
TO ACQUIRE 32,500,000 SHARES IN TIAN GE INTERACTIVE
HOLDINGS LIMITED (STOCK CODE: 1980)
(OTHER THAN THOSE ALREADY OWNED BY SINA HONG KONG
LIMITED AND PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

On 8 January 2026 (after trading hours), the Offeror notified the Offeree that it has firm intention to make the Partial Offer (in compliance with the Takeovers Code) to acquire 32,500,000 Offer Shares (representing approximately 2.93% of the Offeree's issued share capital as at the Latest Practicable Date) not already owned by the Offeror and parties acting in concert with it at the Offer Price of HK\$0.70 per Offer Share.

The making of the Partial Offer is subject to the satisfaction of the Pre-Conditions. As disclosed in the announcement made by the Offeror dated 4 February 2026, the Pre-Conditions have been satisfied on 4 February 2026, and the Partial Offer is subject to the Condition as set out in this Offer Document.

As at the Latest Practicable Date, the Offeror holds 300,000,000 Shares (representing approximately 27.04% of the Offeree's issued share). Save as disclosed above, as at the Latest Practicable Date, the Offeror and the parties acting in concert with it are not interested directly or indirectly in any voting rights or rights over any Shares, convertible securities, warrants or options of the Offeree or any derivatives in respect of such securities.

Pursuant to the monthly return for the month ended 31 January 2026 published by the Offeree on 6 February 2026, as at 31 January 2026, the Offeree has 1,109,390,162 Shares in issue. Save as disclosed above, the Offeree does not have any outstanding options, derivatives, warrants or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) which are convertible or exchangeable into Shares, nor has it entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.



This letter forms part of this Offer Document and sets out, among other things, principal terms of the Partial Offer, together with the information on the Offeror and the intention of the Offeror regarding the Offeree. Further details of the terms and procedures for acceptance of the Partial Offer are set out in Appendix I to this Offer Document and the accompanying Form of Acceptance.

THE PARTIAL OFFER

Principal terms of the Partial Offer

The Partial Offer is made by Yu Ming for and on behalf of the Offeror in compliance with the Takeovers Code on the basis set out below:

For each Offer Share HK\$0.70 in cash

The Offer Price of HK\$0.70 per Share was determined after taking into account, among other things, the historical closing prices of the Shares prior to the Last Trading Day.

The Partial Offer will be extended to all Qualifying Shareholders in accordance with the requirements of the Takeovers Code.

Pre-Conditions to the Partial Offer

The making of the Partial Offer is subject to:

- (i) the consent from the Executive in respect of the Partial Offer pursuant to Rule 28.1 of the Takeovers Code, and
- (ii) the ruling from the Executive that the Offeror and Fu Concert Parties are not parties acting in concert pursuant to note (1) to the definition of acting in concert under the Takeovers Code.

As disclosed in the announcement of the Offeror dated 4 February 2026, (a) the consent from the Executive to the Partial Offer under Rule 28.1 of the Takeovers Code has been obtained; and (b) the Executive has ruled that the class (1) presumption of the definition of acting in concert under the Takeovers Code between the Offeror and Fu Concert Parties is rebutted. As such, all Pre-Conditions have been satisfied.

Condition to the Partial Offer

The Partial Offer will be subject to the Condition that valid acceptances are received (and not, where permitted, withdrawn) in respect of not less than 32,500,000 Offer Shares at or before 4:00 p.m. (Hong Kong time) on the First Closing Date, which shall be at least 28 days following the Despatch Date of the Offer Document issued by the Offeror in respect of the Partial Offer, or such later date as may be announced by the Offeror in accordance with the requirements of the Takeovers Code.



In the event that valid acceptances are received:

- (i) for less than the required number of 32,500,000 Offer Shares by the First Closing Date, unless the First Closing Date is extended in accordance with the requirements of the Takeovers Code, the Partial Offer will not proceed and will lapse immediately; or
- (ii) for not less than the required number of 32,500,000 Offer Shares on or before the First Closing Date, the Offeror will declare the Partial Offer unconditional as to acceptances on or before the First Closing Date.

Pursuant to Rule 15.1 of the Takeovers Code, where the Offeree board circular is posted after the date of the Offer Document, the Partial Offer must initially be open for acceptance for at least 28 days following the Despatch Date.

Pursuant to Rule 15.3 of the Takeovers Code, where a conditional offer becomes or is declared unconditional (whether as to acceptances or in all respects), it should remain open for acceptance for not less than 14 days thereafter. Pursuant to Rule 28.4 of the Takeovers Code, if the acceptance condition is fulfilled before the First Closing Date, the Offeror must declare the Partial Offer unconditional as to acceptances on the day the acceptance condition is met, provided that the Partial Offer would remain open for acceptance for not less than 14 days thereafter. The Offeror cannot extend the Final Closing Date to a day beyond the 14th day after the First Closing Date stated in the Offer Document.

Accordingly, if the Partial Offer is declared unconditional in all respects during the period between the Despatch Date and the date which is 14 days before the First Closing Date, then the Final Closing Date would be on (but no earlier than) the First Closing Date. If the Partial Offer is declared unconditional in all respects within the 14 days period before the First Closing Date, the Final Closing Date would be 14 days after the date of such declaration.

The Offeror will issue an announcement in relation to the revision, extension or lapse of the Partial Offer or the fulfilment of the Condition in accordance with the Takeovers Code and the Listing Rules. The latest time on which the Offeror can declare the Partial Offer unconditional in all respects is 7:00 p.m. on the 60th day after the Despatch Date (or such later date to which the Executive may consent).

Comparison of value for the Offer Price

The Offer Price of HK\$0.70 per Offer Share represents:

- (i) a discount of approximately 14.63% to the closing price of HK\$0.82 per Share as quoted on the Stock Exchange on 6 February 2026, being the Latest Practicable Date;
- (ii) the closing price of HK\$0.70 per Share as quoted on the Stock Exchange on 8 January 2026, being the last trading day before the Partial Offer was first communicated to the Offeree;



- (iii) a discount of approximately 1.41% over the closing price of HK\$0.71 per Share as quoted on the Stock Exchange on 15 January 2026, being the Last Trading Day;
- (iv) a discount of approximately 1.41% to the average of the closing prices of the Shares of approximately HK\$0.71 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (v) the average of the closing prices of the Shares of approximately HK\$0.70 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day;
- (vi) a premium of approximately 2.94% over the average of the closing prices of the Shares of approximately HK\$0.68 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day;
- (vii) a discount of approximately 69.03% to the audited consolidated net asset value attributable to the owners of the Company of approximately HK\$2.26 per Share (based on (a) the Offeree's audited consolidated net assets attributable to the owners of the Offeree of approximately RMB2,234,448,000 (equivalent to approximately HK\$2,502,581,760) as at 31 December 2024; and (b) the total number of the issued Shares as at the Latest Practicable Date) as at 31 December 2024, based on the latest published audited annual financial results of the Offeree; and
- (viii) a discount of approximately 68.18% to the unaudited consolidated net asset value attributable to the owners of the Offeree of approximately HK\$2.20 per Share (based on (a) the Offeree's unaudited consolidated net assets attributable to the owners of the Offeree of approximately RMB2,180,742,000 (equivalent to approximately HK\$2,442,431,040) as at 30 June 2025; and (b) the total number of the issued Shares as at the Latest Practicable Date) as at 30 June 2025, based on the latest published unaudited interim financial results of the Offeree.

Highest and lowest Share prices

During the Relevant Period:

- (i) the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.82 per Share on 29 January 2026 and 6 February 2026; and
- (ii) the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.63 per Share on 2 October 2025.



Total value of the Partial Offer

Based on the Offer Price of HK\$0.70 per Offer Share, and assuming full valid acceptances of the Partial Offer for all required number of 32,500,000 Offer Shares are tendered by the Qualifying Shareholders, the total cash consideration payable by the Offeror to purchase the 32,500,000 Offer Shares from the Qualifying Shareholders under the Partial Offer will be HK\$22,750,000.

Financial resources available to the Offeror

The Offeror will finance the consideration payable under the Partial Offer by its internal resources.

Yu Ming has been appointed as the financial adviser to the Offeror in respect of the Partial Offer, and is satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum consideration payable by the Offeror upon full acceptance of the Partial Offer.

Acceptance of the Partial Offer

The Partial Offer will be extended to all Qualifying Shareholders in accordance with the requirements of the Takeovers Code.

Qualifying Shareholders may accept the Partial Offer in respect of some or all of the Shares held by them. Subject to the Partial Offer becoming unconditional in all respects, if valid acceptances are received for more than the required number of 32,500,000 Offer Shares on the (i) First Closing Date or (ii) a date which is the 14th day after the date on which the Partial Offer is declared unconditional as to acceptances, whichever is the later, provided that the Partial Offer will be open for acceptance for at least 28 days following the Despatch Date, the total number of Offer Shares to be taken up by the Offeror from each accepting Qualifying Shareholder will be determined by the total number of Offer Shares tendered for acceptance in accordance with the following formula (the “**Formula**”):

$$\frac{A}{B} \times C$$

- A = the maximum number of Offer Shares under the Partial Offer (i.e. 32,500,000 Offer Shares)
- B = the total number of Offer Shares validly tendered for acceptance by all Qualifying Shareholders under the Partial Offer
- C = the number of Offer Shares tendered for acceptance by the relevant individual Qualifying Shareholder under the Partial Offer



Partial nature of the Partial Offer and effect of fractions

It is possible that, if a Qualifying Shareholder tenders all his/her/its Shares for acceptance under the Partial Offer, not all of such Shares will be taken up.

Fractions of Offer Shares will not be taken up under the Partial Offer and, accordingly, the number of Offer Shares that the Offeror will take up from each Qualifying Shareholder in accordance with the above Formula will be rounded up or down to the nearest whole number at the discretion of the Offeror, and in any event, the total number of Offer Shares to be taken up by the Offeror will not exceed 32,500,000 Offer Shares.

Odd lots

Qualifying Shareholders should note that acceptance of the Partial Offer may result in their holding odd lots of Shares. Accordingly, Mr. Mak Chi Pui of Valuable Capital Limited, whose address is at Room 3606, 36/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong (telephone number: (852) 2500 0301, office hours: 9:00 a.m. to 4:00 p.m.) has been appointed by the Offeror to match sales and purchases of odd lot holdings of Shares in the market during the period from 9:00 a.m. on Tuesday, 14 April 2026 to 4:00 p.m. on Friday, 22 May 2026 (both dates inclusive) to enable such Qualifying Shareholders to dispose of their odd lots or to top up their odd lots to whole board lots. Shareholders should note that the matching of odd lots is not guaranteed.

Effect of accepting the Partial Offer

Acceptance of the Partial Offer by any Qualifying Shareholder will constitute a warranty by such Qualifying Shareholder to the Offeror that the Shares sold by it to the Offeror under the Partial Offer are fully paid, free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights and benefits at any time accruing and attaching thereto, including all rights to any dividend or other distributions the record date of which falls on or after the Final Closing Date.

If, after the Latest Practicable Date and up to the Final Closing Date, any dividend or other distribution is declared in respect of the Offer Shares and the record date of which falls on or before the Final Closing Date, the Offeror reserves the right to reduce the Offer Price by an amount equal to the amount of such dividend or distribution declared, made or paid in respect of each Offer Share, in which case any reference in this Offer Document or any other announcement or document to the Offer Price will be deemed to be a reference to the Offer Price as so reduced.



Based on the published information of the Offeree available to the public, save for the final dividend of HK\$0.02 per Share announced on 28 March 2025 and the interim dividend of HK\$0.01 per Share announced on 29 August 2025, as at the Latest Practicable Date, there has been no dividend or distribution declared by the Offeree for the financial year ended 31 December 2025 and up to the Latest Practicable Date. As at the Latest Practicable Date, the Offeree has not declared any dividends or other distributions which remain unpaid.

Acceptance of the Partial Offer shall be irrevocable and shall not be capable of being withdrawn, except as permitted under the Takeovers Code.

Settlement of consideration

Settlement of the consideration (after deducting the seller's ad valorem stamp duty) payable by the Offeror in respect of valid acceptances of the Partial Offer will be made as soon as possible but, in any event, no later than seven (7) business days after the Final Closing Date.

No fractions of a cent will be payable and the amount of cash consideration payable to any Qualifying Shareholder who accepts the Partial Offer will be rounded up to the nearest cent.

Hong Kong stamp duty

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

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

Return of documents

If the Partial Offer is withdrawn or lapsed, any 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) received by Receiving Agent will be returned to persons who have accepted the Partial Offer by ordinary post at his/her/its own risk as soon as possible but in any event no later than seven (7) business days after the Partial Offer is withdrawn or lapsed.



If part of the Shares tendered by the Qualifying Shareholders are not taken up by the Offeror under the Partial Offer, the 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) (if applicable) for the Shares not taken up by the Offeror will be returned to persons who have accepted the Partial Offer by ordinary post at his/her own risk as soon as possible but in any event no later than seven (7) business days following the Final Closing Date.

Taxation advice

Qualifying Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Partial Offer. None of the Offeror and parties acting in concert with it, Yu Ming, and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Partial Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Partial Offer.

Overseas Shareholders

The Offeror intends to make available the Partial Offer to all Qualifying Shareholders, including those who are residents outside Hong Kong and a copy of this Offer Document will be sent to each Shareholder with registered addresses in Hong Kong or jurisdictions outside Hong Kong. The making of the Partial Offer to persons who are not residents in Hong Kong or who have registered addresses outside Hong Kong may be prohibited or affected by the applicable laws and regulations of their relevant jurisdictions of residence.

Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should satisfy themselves as to the observance of any applicable legal or regulatory requirements in their own jurisdictions and, where necessary, consult their own professional advisers. It is the responsibility of any such persons who wish to accept the Partial Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection therewith (including the obtaining of any governmental, exchange control or other consents which may be required or the compliance with other necessary formalities or legal requirements or the payment of any transfer or other taxes due from such persons in respect of such jurisdictions).

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



SHAREHOLDING STRUCTURE OF THE OFFEREE AND EFFECT OF THE PARTIAL OFFER

Set out below is the shareholding structure of the Offeree as at the Latest Practicable Date and immediately upon completion of the Partial Offer (assuming (i) there will be no change to the issued share capital of the Offeree between the Latest Practicable Date and up to the Final Closing Date; (ii) no other change to the shareholding structure of the Offeree between the Latest Practicable Date and up to the Final Closing Date; and (iii) all Qualifying Shareholders tender 100% of their Shares for acceptance under the Partial Offer).

	As at the Latest Practicable Date		Immediately upon completion of the Partial Offer	
	Number of Shares	%	Number of Shares	%
The Offeror (Note 1) and its concert parties	300,000,000	27.04%	332,500,000	29.97%
Directors of the Offeree				
Mr. Fu (Note 2)	511,096,339	46.07%	490,573,936	44.22%
Mr. Mai Shi'en (Note 3)	4,050,000	0.37%	3,887,378	0.35%
Mr. Zhao Weiwen (Note 4)	1,105,203	0.10%	1,060,825	0.10%
Other Shareholders				
Xinshow Limited (Note 5)	61,881,197	5.57%	59,396,439	5.35%
Other Public Shareholders	231,257,423	20.85%	221,971,584	20.01%
Total:	1,109,390,162	100.00%	1,109,390,162	100.00%

(i) Notes:

- As at the Latest Practicable Date, the Offeror directly holds 300,000,000 Shares.
- Based on the public information, as at the Latest Practicable Date, Mr. Fu is an executive director and chairman of the board of the Offeree, he beneficially owns 200,000 Shares, and is deemed to be interested in (i) 330,695,000 Shares through UBS Trustees (B.V.I.) Limited, the trustee of Mr. Fu's Trust, holds the entire issued share capital of Three-Body Holdings Ltd through its nominee, UBS Nominee Limited. Three-Body Holdings Ltd holds the entire issued share capital of Blueberry Worldwide. Blueberry Worldwide in turn holds 330,695,000 Shares. Mr. Fu's Trust is a discretionary trust established by Mr. Fu (as the settlor) and the discretionary beneficiaries of which are Mr. Fu and his family members. Accordingly, each of Mr. Fu, UBS Trustees (B.V.I.) Limited, Three-Body Holdings Ltd and Blueberry Worldwide is deemed to be interested in 330,695,000 Shares held by Blueberry Worldwide; and (ii) 180,201,339 Shares through Truesense Trading Limited which is a company incorporated in the British Virgin Islands with limited liability and is wholly and beneficially owned by Ms. Hong Yan. Ms. Hong Yan is the spouse of Mr. Fu.
- Mr. Mai Shi'en is an executive director of the Offeree.
- Mr. Zhao Weiwen is the chief executive officer of the Offeree.



5. Based on the public information, as at the Latest Practicable Date, Xinshow Limited, the nominee to the trustee of the 2024 Share Scheme, is wholly owned by TCT (BVI) Limited, which is in turn wholly owned by The Core Trust Company Limited. Therefore, TCT (BVI) Limited and The Core Trust Company are deemed to be interested in 66,412,002 Shares held by Xinshow Limited. As at the Latest Practicable Date, amongst such 66,412,002 Shares, (i) 500,000 Shares are to be used to satisfy the unvested share awards granted to an employee of the Offeree Group under the 2024 Share Scheme (which should be considered as Shares held by public Shareholders pursuant to the note to Rule 8.24 of the Listing Rules); (ii) 61,881,197 Shares are to be used to satisfy future grants of share awards under the 2024 Share Scheme; and (iii) the remaining 4,030,805 Shares are held in respect of vested share awards under the 2024 Share Scheme and the post-IPO restricted share unit scheme of the Offeree approved and adopted on 16 June 2014 (and subsequently amended on 30 March 2021) which have not been transferred to the share award holders yet due to administrative reasons. As the relevant share award holders may deal with the Shares in respect of the vested share awards themselves directly, such 4,030,805 Shares are not included in the shares held by Xinshow Limited and instead are included in the Shares held by other Shareholders in the table above.

INFORMATION ON THE OFFEREE GROUP

The Offeree is a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are currently listed on the Main Board of the Stock Exchange (stock code: 1980). The Offeree Group is principally engaged in the operating of online interactive entertainment services and other services in the Middle East, the PRC and other global regions.

Set out below is the summary of the financial information of the Offeree Group for the financial years ended 31 December 2023 and 2024 as extracted from the annual report of the Offeree for the year ended 31 December 2024, and for the six months ended 30 June 2025 as extracted from the interim report of the Offeree for the six months ended 30 June 2025:

	For the year ended 31 December		For the six months ended 30 June
	2024	2025	2025
	(audited)	(audited)	(unaudited)
	(RMB\$'000)	(RMB\$'000)	(RMB\$'000)
Revenue	67,621	10,160	32,425
Profit/(Loss) before income tax	(123,778)	26,177	(30,682)
Profit/(Loss) for the year/period	(135,052)	19,916	(24,647)
	As at 31 December		As at 30 June
	2023	2024	2025
	(audited)	(audited)	(unaudited)
	(RMB\$'000)	(RMB\$'000)	(RMB\$'000)
Total assets	2,560,083	2,619,747	2,576,344
Total equity	2,252,984	2,234,497	2,179,046



INFORMATION ON THE OFFEROR

The Offeror is an indirect wholly-owned subsidiary of New Wave, which in turn is ultimately owned as to approximately 61.2% by Mr. Chao, 30.0% by Mr. Yunli Liu, and the remaining by senior management of companies controlled by New Wave holding less than 5.0% equity interest each, including Ms. Hong Du, Mr. Gaofei Wang and Ms. Bonnie Yi Zhang. All the voting shares in New Wave are held by Mr. Chao, and the rest are all non-voting shares. New Wave is an investment holding company incorporated in the British Virgin Islands and controlled by Mr. Chao.

Mr. Chao has served as chairman of the board of directors of Weibo Corporation (Stock Code: 9898), a China-based company mainly engaged in social media advertising business, since its inception. Weibo Corporation's main product is the social platform Weibo. Mr. Chao has held various positions in Sina Corporation (a wholly owned subsidiary of New Wave) since 2001, including chairman of the board of directors, director, chief executive officer, chief financial officer, chief operating officer. Mr. Chao is currently the sole director of the Offeror and New Wave. Mr. Chao holds a Bachelor of Arts in Journalism from Fudan University in Shanghai, China, a Master of Arts degree from the University of Oklahoma and a Master of Professional Accounting degree from the University of Texas at Austin.

REASONS FOR THE PARTIAL OFFER

The Offeror is a financial investor whose primary objective is to achieve capital appreciation and investment returns, rather than to assume control over the management of its investee companies. This investment philosophy also applies to its stake in the Offeree. The Offeror is interested in increasing its voting rights in the Offeree through making the Partial Offer and intends to, *inter alia*, exert further pressure and influence to persuade the Offeree's board of Directors to increase the amount of dividend.

INTENTION OF THE OFFEROR

As at the Latest Practicable Date, the Offeror has no intention to (i) downsize, cease or dispose of any of the Offeree's existing businesses and operations; (ii) discontinue the employment of any employees of the Offeree Group; (iii) introduce major changes to the principal business of the Offeree, including the dispose of or re-deploy the fixed assets of the Offeree Group other than those in its ordinary and usual course of business; and (iv) no material investment or business opportunity has been identified nor has the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Offeree Group.



BENEFITS OF THE PARTIAL OFFER TO QUALIFYING SHAREHOLDERS

The Offeror is of the view that the Partial Offer is beneficial to Qualifying Shareholders given that the Partial Offer would offer an opportunity to Qualifying Shareholders who wish to realise all or part of their investment.

PUBLIC FLOAT OF THE OFFEREE

As at the Latest Practicable Date, the Offeree has a public float of approximately 20.85% of the Shares in issue, which is below the minimum level of public float under the Listing Rules. Assuming (i) full acceptances of the number of the Offer Shares under the Partial Offer by the public Shareholders only (i.e. Qualifying Shareholders other than the Directors); and (ii) that there are no changes to the issued share capital of the Offeree between the Latest Practicable Date and up to the Final Closing Date, the public float of the Offeree will decrease from approximately 20.85% to 17.92%.

The Stock Exchange has stated that:

(a) if, at the close of the Partial 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 Partial Offer, the Offeree has a Significant Public Float Shortfall (as defined in rule 13.32F), 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 Offeree fails to re-comply with rule 13.32B for a continuous period of 18 months from the commencement of the Significant Public Float Shortfall.

The Offeror intends the Offeree to remain listed on the Stock Exchange. The sole director of the Offeror and the new directors to be appointed to the board of the Offeree (if any) will jointly and severally undertake to the Stock Exchange that if, at the close of the Partial Offer, the Offeree fails to comply with the requirement of rule 13.32B, the sole director of the Offeror and new directors to be appointed to the board of the Offeree (if any) will take appropriate steps to ensure the issuer's compliance with rule 13.32B at the earliest possible moment.

The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after Closing Date.



ACCEPTANCE AND SETTLEMENT OF THE PARTIAL OFFER

Your attention is drawn to the details regarding the procedures for acceptance and settlement of the Partial Offer as set out in Appendix I to this Offer Document and the accompanying Form of Acceptance.

NO COMPULSORY ACQUISITION

The Offeror will not have the power of compulsory acquisition of any Offer Shares outstanding and not acquired under the Partial Offer after the close of the Partial Offer.

GENERAL

All documents and remittances will be sent to the 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 of the Offeree, or, in case of joint holders to the Shareholder whose name appears first in the said register of members. None of the Offeror, parties acting in concert with it, Yu Ming and their respective ultimate beneficial owners, directors, advisers, agents or associates or any other person involved in the Partial 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.

WARNING

Shareholders and potential investors of the Offeree should note that the Partial Offer is subject to the Condition. Accordingly, the Partial Offer may or may not become unconditional. Shareholders and potential investors of the Offeree are advised to exercise caution when dealing in the securities of the Offeree. Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information regarding the Partial Offer as 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

Yu Ming Investment Management Limited

P.P.

Warren Lee

Managing Director