

15 September 2022

*To the Shareholders*

Dear Sir or Madam,

**(1) MANDATORY UNCONDITIONAL CASH OFFER BY  
CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG  
SECURITIES LIMITED FOR AND ON BEHALF OF SAIC MOTOR CORPORATION  
LIMITED\* FOR ALL THE H SHARES IN SHANGHAI DONGZHENG AUTOMOTIVE  
FINANCE CO., LTD.\* (OTHER THAN THOSE ALREADY OWNED BY OR  
AGREED TO BE ACQUIRED BY SAIC MOTOR CORPORATION LIMITED\*  
AND/OR OFFEROR CONCERT PARTIES); AND  
(2) MANDATORY UNCONDITIONAL CASH OFFER BY  
SAIC MOTOR CORPORATION LIMITED\* FOR ALL THE DOMESTIC SHARES  
IN SHANGHAI DONGZHENG AUTOMOTIVE FINANCE CO., LTD.\***

## 1. INTRODUCTION

Reference is made to (a) the Joint Announcement in relation to, among other things, the Acquisition and the Offers; and (b) the Completion Announcement in relation to Completion.

On 19 May 2022, the Offeror won the Auction at the bid price of RMB1,606,812,970 (equivalent to HK\$1,899,101,391) for the Sale Shares, which represents a consideration of RMB1.0572 per Sale Share (equivalent to HK\$1.2430 per Sale Share). The Online Bidding Confirmation (網絡競價成交確認書) was released on 19 May 2022 through the online platform (www.jd.com).

On 4 August 2022, the change in the Shareholder of the Sale Shares was registered with CSDC reflecting the Offeror as the holder of the Sale Shares, and the Offeror became interested in such 1,520,000,000 Unlisted Foreign Shares, representing approximately 71.04% of the issued share capital of the Company as at the Latest Practicable Date. Accordingly, pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make mandatory unconditional general offers in cash for all the issued Domestic Shares and H Shares held by the Independent Shareholders.

This letter forms part of this Composite Document and sets out, among other things, details of the Offers, information on the Offeror, and the Offeror's intentions in relation to the Company. Further details on the terms and the procedures for acceptances of the Offers are set out in Appendix I to this Composite Document and the accompanying Forms of Acceptance. Terms used in this letter shall have the same meanings as those defined in this Composite Document unless the context otherwise requires.

\* *For identification purposes only*

## 2. MANDATORY UNCONDITIONAL CASH OFFERS

### 2.1 Principal terms of the Offers

The Offeror is making the Domestic Share Offer for all the Domestic Shares and we, for and on behalf of the Offeror, are making the H Share Offer for all the H Shares (other than those already owned or agreed to be acquired by the Offeror or Offeror Concert Parties), on the following basis:

**For each Domestic Share . . . . . RMB1.0572 in cash**

**For each H Share . . . . . HK\$1.2430 in cash**

The H Share Offer Price of HK\$1.2430 per H Share is equivalent to RMB1.0572 (being the Domestic Share Offer Price) converted into Hong Kong dollars at the exchange rate of RMB0.85057 to HK\$1, being the median exchange rate as announced by the People's Bank of China on the China Foreign Exchange Trading System of the PRC on 26 May 2022 (which is the date of the Joint Announcement).

The Offers are extended to all Independent Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offers shall be fully paid and shall be acquired 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 Offers are made, being the Despatch Date.

The Company confirmed that as at the Latest Practicable Date, the Company does not have any declared and unpaid dividend and does not have any intention to make, declare or pay any future dividend or make other distribution until the close of the Offers.

### 2.2 Comparisons of value

The H Share Offer Price of HK\$1.2430 per H Share or the Domestic Share Offer Price of RMB1.0572 per Domestic Share represents:

- a premium of approximately 70.27% over the closing price of HK\$0.73 per H Share as quoted on the Stock Exchange on the last Business Day prior to the commencement of the Offer Period, being 2 February 2021;
- a premium of approximately 25.56% over the closing price of HK\$0.99 per H Share as quoted on the Stock Exchange on the Last Trading Day;
- a premium of approximately 26.84% over the average closing price of approximately HK\$0.98 per H Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to and including the Last Trading Day;

- a premium of approximately 35.11% over the average closing price of approximately HK\$0.92 per H Share as quoted on the Stock Exchange for the last 10 consecutive trading days immediately prior to and including the Last Trading Day;
- a premium of approximately 57.34% over the average closing price of approximately HK\$0.79 per H Share as quoted on the Stock Exchange for the last 30 consecutive trading days immediately prior to and including the Last Trading Day;
- a premium of approximately 67.97% over the average closing price of approximately HK\$0.74 per H Share as quoted on the Stock Exchange for the last 90 consecutive trading days immediately prior to and including the Last Trading Day;
- a premium of approximately 47.98% over the average closing price of approximately HK\$0.84 per H Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days immediately prior to and including the Last Trading Day; and
- a discount of approximately 29.84% to the audited consolidated net asset per Share value of the Company of approximately RMB1.51 (equivalent to approximately HK\$1.78) per H Share as at 31 December 2021, based on a total of 2,139,651,400 Shares in issue as at 31 December 2021 and the Latest Practicable Date and the audited consolidated net asset value of the Company of approximately RMB3,224,467,000 as at 31 December 2021.

### **2.3 Highest and lowest prices**

During the Relevant Period:

- (a) the highest closing price of the H Shares quoted on the Stock Exchange was HK\$1.25 per H Share on 11 August 2022, 12 August 2022 and 16 August 2022; and
- (b) the lowest closing price of the H Shares quoted on the Stock Exchange was HK\$0.38 per H Share on 15 September 2020.

### **2.4 Acceptance**

Each of the Offers is capable of acceptance on and from 15 September 2022 and will remain open for acceptance until 6 October 2022, being the Closing Date, unless extended or revised in accordance with the Takeovers Code. The Offeror reserves the right to revise or extend the Offers in accordance with the Takeovers Code.

Unless the Offers have previously been revised or extended with the consent of the Executive, to be valid, the Forms of Acceptance relating to each of them must be received by no later than 4:00 p.m. (Hong Kong time) on 6 October 2022. Acceptance of the Offers shall be unconditional and irrevocable and shall not be capable of being withdrawn, except as permitted under the Takeovers Code.

Please also refer to Appendix I to this Composite Document for further terms of the Offers.

## **2.5 Value of the Offers**

Based on the issued share capital of the Company as at the Latest Practicable Date, 539,651,400 H Shares and 80,000,000 Domestic Shares are subject to the H Share Offer and the Domestic Share Offer, respectively.

The H Share Offer is valued at HK\$670,786,691 based on the H Share Offer Price of HK\$1.2430 per H Share, and the Domestic Share Offer is valued at RMB84,576,000 based on the Domestic Share Offer Price of RMB1.0572 per Domestic Share. SAIC Motor will pay the total cash consideration of the Offers and all costs and expenses payable in relation to the Transactions incurred. SAIC Motor has remitted its funds from the PRC to Hong Kong for the purposes of payment of the total cash consideration of the H Share Offer and other costs and expenses payable in relation to the Transactions incurred or to be incurred outside the PRC and SAIC HK has agreed to pay such amounts on behalf of the Offeror.

## **2.6 Financial resources available to the Offeror**

The maximum cash amount to be paid to the H Shareholders in respect of acceptances under the H Share Offer is approximately HK\$670,786,691, based on the H Share Offer Price of HK\$1.2430 per H Share and 539,651,400 H Shares. The maximum cash amount to be paid to Domestic Shareholder(s) in respect of acceptance under the Domestic Share Offer is approximately RMB84,576,000, based on the Domestic Share Offer Price of RMB1.0572 per Domestic Share and 80,000,000 Domestic Shares, which is equivalent to approximately HK\$99,434,497 based on the exchange rate of RMB0.85057 to HK\$1, being the median exchange rate as announced by the People's Bank of China on the China Foreign Exchange Trading System of the PRC on 26 May 2022 (which is the date of the Joint Announcement).

The maximum total cash consideration payable for the Offers is approximately HK\$770,221,188, which will be funded by internal resources of the Offeror Group.

CICC, the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are available to the Offeror to satisfy the amount of funds required for the full acceptances of the Offers.

## **2.7 Restrictions on dealings by the Offeror in Shares**

According to applicable laws and regulations in the PRC, the Offeror shall not transfer any Shares acquired by it within five years from the date of obtaining such Shares (including the Sale Shares and any Shares acquired by the Offeror pursuant to the Offers), unless otherwise approved by the CBIRC.

## **3. INFORMATION REGARDING THE OFFEROR AND OFFEROR CONCERT PARTIES**

### **3.1 The Offeror**

The Offeror is a company established in the PRC and listed on the Shanghai Stock Exchange, with stock code 600104. The Offeror is a leading automobile group in the PRC which sold approximately 5.46 million units of automobiles and recorded revenue of approximately RMB779.8 billion based on its audited financial statements for the year ended 31 December 2021. It is principally engaged in the research and development, manufacture and sale of automobiles and automobile components, automobile finance business and the provision of mobility service. The Offeror is owned as to approximately 68.50% by SAIC Group, 3.45% by Shanghai International Group, 3.54% by Yuejin Automobile Group Co., Ltd.\* (躍進汽車集團有限公司) and 24.51% by public shareholders as at the Latest Practicable Date. SAIC Group and Shanghai International Group are both in turn wholly-owned by Shanghai SASAC.

### **3.2 The principal parties acting in concert with the Offeror**

SAIC HK is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Offeror. It is principally engaged in investment holding. SAIC Motor has remitted its funds from the PRC to Hong Kong for the purposes of payment of the total cash consideration of the H Share Offer and other costs and expenses payable in relation to the Transactions incurred or to be incurred outside the PRC and SAIC HK has agreed to pay such amounts on behalf of the Offeror.

The Offeror confirms that, as at the Latest Practicable Date, save for the 1,520,000,000 Unlisted Foreign Shares acquired by the Offeror in the Acquisition, the Offeror and Offeror Concert Parties do not hold, control or have direction over any Shares, convertible securities, warrants or options and do not have, control or have direction over any other interests in the issued Shares or voting rights of the Company.

## **4. THE OFFEROR'S INTENTIONS REGARDING THE COMPANY**

Upon Completion, the Offeror became the controlling shareholder of the Company and is interested in approximately 71.04% of the total issued share capital of the Company as at the Latest Practicable Date.

The Offeror intends that the Company will continue with its principal automotive loan business and maintain the employment of the operational employees of the Company (save for senior management and staff movements in the ordinary and usual course of business or due to reasons including but not limited to personal performance or conduct issues). As at the Latest Practicable Date, the Offeror (a) does not have any intention, understanding, negotiation or arrangement (concluded or otherwise) to downsize, cease or dispose of any of the existing businesses and assets of the Company; and (b) believes that with the support of its financing capabilities as a state-owned platform and business resources as a leading automobile manufacturer, it could create synergy and provide an extensive customer base for the Company. It also intends to explore and pursue appropriate investment and business plans and strategies to promote the development of the Company's automotive finance business in due course. The Offeror will continue developing the principal business of the Company in accordance with the requirements of PRC regulatory authorities.

The Board is currently made up of seven Directors, comprising two executive Directors, namely Mr. Lin Fan and Mr. Shao Yongjun; two non-executive Directors, namely Mr. Koh Tee Choong and Mr. Li Guozhou; and three independent non-executive Directors, namely Mr. Wong Man Chung Francis, Ms. Liang Yanjun and Professor Qin Zheng.

Subject to and in accordance with the applicable requirements of relevant governmental authorities, the Offeror intends to procure the following Director appointments: the appointment of Ms. Xu Ying as Chairman and a non-executive Director, Mr. Wu Zheng as an executive Director, and Dr. Zhou Qi and Ms. Lin Weihua as non-executive Directors. The appointments of such Director candidates as Directors shall each be subject to the approval of the CBIRC, the approval of the Shareholders at a general meeting of the Company and the entering into of individual Director's service contracts between the aforementioned Director candidates and the Company. Any changes to the composition of the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement(s), including but not limited to the details required by Rule 13.51(2) of the Listing Rules, will be made upon any resignation and appointment of the Directors becoming effective.

The Offeror understands that Mr. Lin Fan, Mr. Shao Yongjun, Mr. Koh Tee Choong and Mr. Li Guozhou have not reached any final decision on whether or not they will resign as Directors, and if any of them opt to tender their resignations as Directors, their resignations shall take effect no earlier than after the close of the Offers. It is anticipated that a general meeting of the Shareholders in relation to any changes in the Board composition and changes in any Supervisors (if any) would only be held after the close of the Offers. The Offeror further understands that each of Mr. Wong Man Chung Francis, Ms. Liang Yanjun and Professor Qin Zheng intend to remain as independent non-executive Directors of the Company.

The biographies of the aforesaid Directors candidates are set out below:

**Ms. Xu Ying**, aged 44, is a proposed candidate for the positions of Chairman and non-executive Director of the Company. She is currently the secretary of the Party Committee of SAIC Finance, and has held such position since March 2021. Ms. Xu joined SAIC Finance in July 1999. Prior to assuming her current position, Ms. Xu was successively an officer of foreign exchange department, the assistant manager, business manager, deputy manager, deputy general manager and general manager of the corporate finance department. As at the Latest Practicable Date, she has had over 23 years of experience in the automotive finance industry. She is currently a representative of the 15th Shanghai Municipal People's Congress.

Ms. Xu Ying obtained a bachelor's degree in international finance from Shanghai International Studies University in July 1999, and a master's degree in business administration (international) jointly conferred by the University of Hong Kong and Fudan University in September 2012. Ms. Xu is an economist in the PRC.

Subject to fulfilment of applicable legal requirements, Ms. Xu Ying will enter into a Director's service contract with the Company and her term of office will commence on the later of (a) the date on which approval is obtained from the CBIRC in respect of her appointment as a Director and (b) the date on which her appointment as a Director has been approved by the Shareholders at a general meeting of the Company and end on the expiry of the second session of the Board, subject to re-election and retirement as required by the Articles of Association and with such other terms and emoluments to be determined by the Board based on the recommendations of the Remuneration and Evaluation Committee.

**Mr. Wu Zheng**, aged 35, is a proposed candidate for the positions of executive Director and general manager of the Company. He is currently the general manager of Anji Leasing, and has held such position since August 2021.

Mr. Wu joined the Offeror Group in July 2009, and prior to assuming his current position with Anji Leasing, he served successively as warehouse inspector of SAIC Finance, account manager of SAIC Finance, regional marketing director of the passenger vehicle business department (marketing department I) of SAIC Finance, acting assistant general manager of the marketing and marketing support department of SAIC Finance, general manager of Shanghai Changfan, assistant general manager of the innovation and development department of SAIC Finance, assistant general manager of Anji Leasing, deputy general manager and general manager of the innovation and development department of SAIC Finance. As at the Latest Practicable Date, Mr. Wu has had over 13 years of experience in the automotive finance industry. Mr. Wu obtained a bachelor's degree in human resources management from Tianjin University of Commerce Boustead College in July 2009.



Subject to fulfilment of applicable legal requirements, Mr. Wu Zheng will enter into a Director's service contract with the Company and his term of office will commence on the later of (a) the date on which approval is obtained from the CBIRC in respect of his appointment as a Director and (b) the date on which his appointment as a Director has been approved by the Shareholders at a general meeting of the Company and end on the expiry of the second session of the Board, subject to re-election and retirement as required by the Articles of Association and with such other terms and emoluments to be determined by the Board based on the recommendations of the Remuneration and Evaluation Committee.

**Dr. Zhou Qi**, aged 43, is a proposed candidate for the position of non-executive Director. He is currently the general manager of the legal department of SAIC Motor, a position which he has served in since October 2017. Prior to assuming his current position with SAIC Motor, he was a legal assistant at Ince & Co's Shanghai office from January 2005 to April 2006. After joining the Offeror Group in April 2006, he served successively as an inhouse legal counsel, supervisor, deputy manager, manager, chief supervisor and deputy general manager of the legal affairs section of the legal department at SAIC Motor between April 2006 and October 2017.

Dr. Zhou Qi received his bachelor's degree in international economic law from Zhejiang University, the PRC in June 2001, a master's degree in law from Ludwig Maximilian University of Munich, Germany in July 2003, a master's degree in European and international economic law from Ludwig Maximilian University of Munich, Germany in July 2004, and a doctorate in international law from East China University of Political Science and Law, the PRC in June 2016. Dr. Zhou is a qualified lawyer and a qualified enterprise legal adviser in the PRC.

Subject to fulfilment of applicable legal requirements, Dr. Zhou Qi will enter into a Director's service contract with the Company and his term of office will commence on the later of (a) the date on which approval is obtained from the CBIRC in respect of his appointment as a Director and (b) the date on which his appointment as a Director has been approved by the Shareholders at a general meeting of the Company and end on the expiry of the second session of the Board, subject to re-election and retirement as required by the Articles of Association and with such other terms and emoluments to be determined by the Board based on the recommendations of the Remuneration and Evaluation Committee.

**Ms. Lin Weihua**, aged 43, is a proposed candidate for the position of non-executive Director. She is currently the general manager of the fixed income department and of the securities investment department of SAIC Finance, being positions she has held since October 2021 and April 2022 respectively. Ms. Lin joined SAIC Finance in March 2003, and has successively served as officer, business supervisor, business manager, deputy general manager and general manager of the planning and finance department of SAIC Finance from March 2003 to October 2021 before assuming her current positions. As at the Latest Practicable Date, Ms. Lin has had over 19 years of experience in the automotive finance industry.



Ms. Lin Weihua obtained a bachelor's degree in accounting from Shanghai Jiao Tong University in July 2000 and a master's degree in accounting from Shanghai Jiao Tong University in January 2003. She is also a certified public accountant in the PRC.

Subject to fulfilment of applicable legal requirements, Ms. Lin Weihua will enter into a Director's service contract with the Company and her term of office will commence on the later of (a) the date on which approval is obtained from the CBIRC in respect of her appointment as a Director and (b) the date on which her appointment as a Director has been approved by the Shareholders at a general meeting of the Company, and end on the expiry of the second session of the Board, subject to re-election and retirement as required by the Articles of Association and with such other terms and emoluments to be determined by the Board based on the recommendations of the Remuneration and Evaluation Committee.

Save as disclosed above, each of Ms. Xu Ying, Mr. Wu Zheng, Dr. Zhou Qi and Ms. Lin Weihua (i) does not hold any other position with the Company or any of its subsidiaries; (ii) has not held any other directorship in public companies the securities of which are listed on any security market in Hong Kong or overseas in the three years prior to the Latest Practicable Date; (iii) does not have any relationship with any Directors, senior management or substantial or controlling shareholders (as defined under the Listing Rules) of the Company; (iv) does not have any interest in the Shares or underlying Shares (within the meaning of Part XV of the SFO). There is no other information in relation to the appointments of Ms. Xu Ying, Mr. Wu Zheng, Dr. Zhou Qi and Ms. Lin Weihua that is required to be disclosed nor are/were any of them involved in any of the matters required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

Any changes to the members of the Board and to the Board of Supervisors, if any, will be made in compliance with the Takeovers Codes and the Listing Rules and further announcement(s) will be made in relation thereto as and when appropriate.

## **5. MAINTAINING THE LISTING STATUS OF THE COMPANY**

The Offeror intends to maintain the listing status of the Company. The Stock Exchange has stated that if, at the close of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of its issued Shares, are held by the public, or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares or (ii) there are insufficient Shares in the public hands to maintain an orderly market, then the Stock Exchange will consider exercising its discretion to suspend dealings in the H Shares on the Stock Exchange. The Offeror intends for the Company to remain listed on the Stock Exchange.

In this case, subject to the compliance with the relevant requirements of the CBIRC and other applicable PRC authorities, the Offeror will take such steps as are necessary to ensure, or procure the Company to take such steps as are necessary to ensure, that the Company will have an adequate public float so as to comply with the applicable requirements under the Listing Rules. The directors of the Offeror and the new Director candidates to be proposed to be appointed as Directors have jointly and severally

undertaken to the Stock Exchange to take appropriate steps to ensure sufficient public float exists in the Shares. Any restoration of public float may involve the issue of new Shares by the Company. Under PRC laws, the Offeror does not have compulsory acquisition rights to acquire the remaining Shares not acquired under the Offers after closing of the Offers.

## 6. OVERSEAS SHAREHOLDERS

The Offeror intends to make the Offers available to all Independent Shareholders, including the Overseas Shareholders. However, the Offers to persons not resident in Hong Kong may be affected by the laws of the relevant jurisdiction in which they are resident. The making of the Offers to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or limited by the laws or regulations of the relevant jurisdictions. Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek independent legal advice. It is the responsibility of Overseas Shareholders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due from the accepting Overseas Shareholders in respect of such jurisdictions). The Offeror, the Company, CICC, Somerley, H Share Registrar, and parties acting in concert with any of them and their respective ultimate beneficial owners, directors, officers, agents, advisers and associates and any other person involved in the Offers shall be entitled to be fully indemnified and held harmless by such person for any taxes as such person may be required to pay.

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

## 7. PROCEDURES FOR ACCEPTANCE AND SETTLEMENT

### 7.1 Procedures for Acceptance of the Offers

To accept the H Share Offer, you must complete and sign the accompanying WHITE Form of Acceptance in accordance with the instructions printed thereon, which forms part of the terms of the H Share Offer. To accept the Domestic Share Offer, you must complete and sign the accompanying GREEN Form of Acceptance in accordance with the instructions printed thereon, which forms part of the terms of the Domestic Share Offer.

Your attention is also drawn to the section headed “1. Procedures for Acceptance of the Offers and Settlements” of Appendix I to this Composite Document and the accompanying Forms of Acceptance.

## **7.2 Settlement of the Offers**

Payment in cash in respect of acceptances of the Offers will be made as soon as possible but in any event within seven (7) Business Days following the date of receipt of duly completed Forms of Acceptance together with all valid requisite documents from the Independent Shareholders accepting the Offers in accordance with the Takeovers Code.

Relevant documents evidencing title must be received by or on behalf of the Offeror to render such acceptance of the Offers complete and valid.

No fractions of a cent will be payable and the amount of the consideration payable to a Shareholder who accepts the Offers will be rounded up to the nearest cent.

Your attention is also drawn to the section headed “1. Procedures for Acceptance of the Offers and Settlements” of Appendix I to this Composite Document and the accompanying Forms of Acceptance.

## **7.3 Hong Kong stamp duty**

Seller’s Hong Kong ad valorem stamp duty arising in connection with acceptances of the H Share Offer will be payable by the relevant Shareholders at a rate of 0.13% of the market value of the H Shares or consideration payable by the Offeror in respect of the relevant acceptances of the H Share Offer, whichever is higher, and will be deducted from the amount payable to the relevant Shareholder on acceptance of the Offers (where the stamp duty calculated includes a fraction of HK\$1.00, the stamp duty would be rounded-up to the nearest HK\$1.00). The Offeror will arrange for payment of the seller’s Hong Kong ad valorem stamp duty on behalf of accepting H Shareholders and pay the buyer’s Hong Kong ad valorem stamp duty in connection with such Offer Shares and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong). For the avoidance of doubt, no stamp duty is payable in connection with acceptances of the Domestic Share Offer, but the Offeror and such accepting Shareholder under the Domestic Share Offer shall be required to pay the Domestic Share Offer Transfer Fee to the CSDC in connection with the registration of transfer of such Domestic Shares tendered for acceptance under the Domestic Share Offer.

## **7.4 Taxation Advice**

Independent 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 Offers. It is emphasised that none of the Company, the Offeror, CICC, Somerley, H Share Registrar or parties acting in concert with any of them or any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offers accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

## **7.5 Nominee registration**

To ensure the equality of treatment of all Independent Shareholders, those Independent Shareholders who hold Share(s) as nominees on behalf of more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for beneficial owners of Share(s) whose investments are registered in the names of nominees (including those whose interests in Shares are held through CCASS) to accept the Offers, it is essential that they provide instructions of their intentions with regard to the Offers to their respective nominees.

## **8. FURTHER DETAILS OF THE OFFERS**

Further details of the Offers are set out in Appendix I to this Composite Document and the accompanying Forms of Acceptance.

Information on the Company is set out in the section headed “Information on the Company” in the “Letter from the Board” and Appendix III as contained in this Composite Document.

## **9. 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.

All documents and remittances to be sent to the Independent Shareholders by ordinary post are at their own risk. Such documents and remittances will be sent to the Independent Shareholders at their address specified on the relevant Shareholder’s Form(s) of Acceptance. None of the Company, the Offeror, Somerley, CICC, H Share Registrar or parties acting in concert with any of them or any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other parties involved in the Offers will be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof or in connection therewith.


## **10. ADDITIONAL INFORMATION**

Your attention is drawn to the additional information set out in the appendices to this Composite Document and the accompanying Forms of Acceptance, which form part of this Composite Document. You are reminded to carefully read the “Letter from the Board”, the “Letter from the Independent Board Committee”, the “Letter from the Independent Financial Adviser” and other information about the Company, which are set out in this Composite Document before deciding whether or not to accept the Offers.

Yours faithfully,

For and on behalf of

**CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED**



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Name: David CHING

Title: Executive Director