

# Morgan Stanley

27 January 2025

*To the Independent Shareholders,*

Dear Sir or Madam,

**CONDITIONAL CASH OFFER BY MORGAN STANLEY ASIA LIMITED  
ON BEHALF OF  
CHINA NATIONAL BUILDING MATERIAL COMPANY LIMITED TO BUY-  
BACK UP TO 841,749,304 H SHARES AT HK\$4.03 PER H SHARE  
AND  
APPLICATION FOR WHITEWASH WAIVER**

## INTRODUCTION

On 6 December 2024, the Board announced that Morgan Stanley, on behalf of the Company, firmly intends, subject to the satisfaction of the Pre-Conditions, to make a conditional cash offer to buy-back for cancellation, up to the Maximum Number, being 841,749,304 H Shares, representing approximately 9.98% of the issued Shares and approximately 18.47% of the issued H Shares as at the Latest Practicable Date, at the Offer Price of HK\$4.03 per H Share.

On 24 January 2025, the Company announced that the Pre-Conditions had been satisfied.

The H Shares to be bought-back by the Company will not exceed the Maximum Number. If the Offer is fully accepted, it will result in the Company paying HK\$3,392,249,695 in aggregate to the Accepting Shareholders, which will be paid in cash and will be funded by internal cash resources of the Group.

This letter sets out details of the terms of the Offer. Further details of the terms and conditions of the Offer are set out in Appendix I to this Offer Document and the accompanying Form of Acceptance.

Your attention is drawn to the “Letter from the Board” as set out on pages 7 to 22 of this Offer Document. You are also strongly advised to read the “Letter from the Independent Board Committee” as set out on pages 34 to 35 of this Offer Document which contains its recommendation to the Independent Shareholders in respect of the Offer and the Whitewash Waiver, and the “Letter from Gram Capital” as set out on pages 36 to 59 of this Offer Document containing its advice to the Independent Board Committee in respect of the Offer and the Whitewash Waiver.

## SALIENT TERMS OF THE OFFER

The Offer is being made by Morgan Stanley on behalf of the Company subject to fulfilment of the Conditions to buy-back the H Shares at the Offer Price, for up to the Maximum Number, being 841,749,304 H Shares.

For every H Share . . . . . HK\$4.03 in cash

All Qualifying Shareholders are entitled to accept the Offer by submitting the Forms of Acceptance for the sale of any number of their H Shares to the Company.

The salient terms of the Offer are as follows:

- (a) Morgan Stanley will make the Offer to the Qualifying Shareholders on behalf of the Company to buy-back the H Shares, up to the Maximum Number, at the Offer Price;
- (b) Qualifying Shareholders may accept the Offer in respect of any number of their H Shares at the Offer Price up to their entire shareholding (subject to the procedures for scaling down and the treatment of fractions described under the section headed “OTHER TERMS OF THE OFFER” below);
- (c) The Offer is conditional upon the Conditions set out under the section headed “CONDITIONS OF THE OFFER” below, including but not limited to the Maximum Number being tendered for buy-back (unless otherwise waived);
- (d) All H Shares validly tendered will be bought-back to the extent that the aggregate number of H Shares bought-back pursuant to the Offer will not thereby exceed the Maximum Number. If the number of H Shares validly tendered exceeds the Maximum Number, the number of H Shares to be bought-back from each Accepting Shareholder will be reduced proportionally so that the number of H Shares bought-back by the Company in aggregate is equal to the Maximum Number. Further details of the procedures for scaling down are described under the section headed “OTHER TERMS OF THE OFFER” below;
- (e) A Form of Acceptance duly received by or on behalf of the Company will become irrevocable and cannot be withdrawn after the Offer has been declared unconditional unless in accordance with Rule 19.2 of the Takeovers Code;
- (f) H Shares will be bought-back in cash, free of commission, levies and dealing charges, save that the amount of seller’s *ad valorem* stamp duty due on the H Shares bought-back attributable to the Accepting Shareholders, calculated at a rate of 0.1% of the market value of the H Shares to be bought-back under the Offer, or the consideration payable by the Company in respect of relevant acceptances of the Offer, whichever is the higher, will be deducted from the amount payable to the Accepting Shareholders and the Company will arrange for payment of the seller’s *ad valorem* stamp duty on behalf of the Accepting Shareholders in respect of the Offer;

- (g) H Shares bought-back will be treated as cancelled and will not be entitled to any dividend declared for any record date set subsequent to the date of their cancellation and the registered capital of the Company will be reduced accordingly. As at the Latest Practicable Date, the Company does not intend to announce, declare or pay any special dividend, distribution or other return of capital other than the Possible 2024 Final Dividend; and
- (h) H Shares will be bought-back free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature. Accordingly, the submission of a Form of Acceptance by an Accepting Shareholder will be deemed to constitute a warranty by that Accepting Shareholder to Morgan Stanley and the Company that the H Shares are being sold free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights accruing or attaching thereto, including, without limitation, the right to receive dividends and other distributions declared, made or paid, if any, on or after the date of their cancellation. As at the Latest Practicable Date, there are no dividends or other distributions declared by the Company that have not been paid.

In compliance with Rule 3 of the Share Buy-backs Code, the Offer will be subject to the approval by the Independent Shareholders in a general meeting by a majority of votes by way of poll and will also be subject to the other Conditions as referred to in the section headed “CONDITIONS OF THE OFFER” below.

Pursuant to Rule 5.1 of the Share Buy-backs Code and Rule 15.3 of the Takeovers Code, if the Offer is declared unconditional, Qualifying Shareholders who have not tendered their H Shares for acceptance will be able to tender their H Shares for acceptance under the Offer for a period of 14 days thereafter.

### **THE OFFER PRICE**

The Offer Price of HK\$4.03 per H Share values the entire issued share capital of the Company as at the Latest Practicable Date at approximately HK\$33,992 million. The Offer Price represents:

- (a) a premium of approximately 12.3% over the closing price of the H Shares of HK\$3.59 per H Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a premium of approximately 15.1% over the closing price of the H Shares of HK\$3.50 per H Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a premium of approximately 16.7% over the average closing price of approximately HK\$3.45 per H Share as quoted on the Stock Exchange for the last 5 trading days up to and including the Last Trading Day;
- (d) a premium of approximately 19.8% over the average closing price of approximately HK\$3.36 per H Share as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Trading Day;
- (e) a premium of approximately 19.5% over the average closing price of approximately HK\$3.37 per H Share as quoted on the Stock Exchange for the last 30 trading days up to and including the Last Trading Day;

- (f) a premium of approximately 29.1% over the average closing price of approximately HK\$3.12 per H Share as quoted on the Stock Exchange for the last 60 trading days up to and including the Last Trading Day;
- (g) a discount of approximately 70.2% to the Group's audited net asset value attributable to the Shareholders of approximately RMB12.49 (equivalent to approximately HK\$13.52 based on the exchange rate of HK\$1:RMB0.9235) per Share pursuant to the latest audited consolidated financial statements of the Company as at 31 December 2023 (prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board), calculated based on the audited consolidated net asset value attributable to the Shareholders of RMB105,325,482 (amount in thousands) as at 31 December 2023 and 8,434,770,662 Shares in issue as at the Latest Practicable Date;
- (h) a discount of approximately 68.3% to the Group's unaudited net asset value attributable to the Shareholders of approximately RMB11.72 (equivalent to approximately HK\$12.70 based on the exchange rate of HK\$1:RMB0.9235) per Share pursuant to the unaudited consolidated financial statements of the Company as at 30 June 2024 (prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board), calculated based on the unaudited consolidated net asset value attributable to the Shareholders of RMB98,888,406 (amount in thousands) as at 30 June 2024 and 8,434,770,662 Shares in issue as at the Latest Practicable Date; and
- (i) a discount of approximately 68.6% to the Group's unaudited net asset value attributable to the Shareholders of approximately RMB11.86 (equivalent to approximately HK\$12.84 based on the exchange rate of HK\$1:RMB0.9235) per Share pursuant to the unaudited consolidated financial statements of the Company as at 30 September 2024 (prepared in accordance with PRC GAAP), calculated based on the unaudited consolidated net asset value attributable to the Shareholders of RMB100,023,628,409 as at 30 September 2024 and 8,434,770,662 Shares in issue as at the Latest Practicable Date.

As disclosed in the "Letter from the Board" in this Offer Document, the Offer Price was determined after taking into account, among other things, the historical prices of the H Shares traded on the Stock Exchange, historical financial information of the Company, the prevailing market conditions and sentiments, and with reference to share buy-back transactions in Hong Kong in recent years.

#### **CONFIRMATION OF FINANCIAL RESOURCES**

At the Offer Price, the Offer, if accepted in full, will result in the Company paying HK\$3,392,249,695 in aggregate to the Accepting Shareholders in cash which will be funded by internal cash resources of the Group. Morgan Stanley is satisfied that sufficient financial resources are available to the Company to enable it to satisfy acceptances of the Offer in full.

## CONDITIONS OF THE OFFER

The Offer is conditional upon fulfilment or waiver (where applicable) of all of the following Conditions:

- (a) the passing of special resolutions by a majority of not less than two-thirds (2/3) of the votes cast by way of poll by the H Shareholders present and voting in person or by proxy at the H Shareholders' Class Meeting in respect of matters relating to the Offer, the reduction of the registered capital of the Company and relevant arrangements;
- (b) the passing of special resolutions by a majority of not less than two-thirds (2/3) of the votes cast by way of poll by the Domestic Shareholders present and voting in person or by proxy at the Domestic Shareholders' Class Meeting in respect of matters relating to the Offer, the reduction of the registered capital of the Company and relevant arrangements;
- (c) the approval at the EGM by:
  - (i) a majority of not less than two-thirds (2/3) of the votes cast by way of poll by the Shareholders present and voting in person or by proxy in respect of matters relating to the Offer, the reduction of the registered capital of the Company and relevant arrangements;
  - (ii) a majority of not less than 50% of the votes cast by way of poll by the Independent Shareholders present and voting in person or by proxy in respect of the Offer; and
  - (iii) at least 75% of the votes cast by way of poll by the Independent Shareholders present and voting in person or by proxy in respect of the Whitewash Waiver;
- (d) valid acceptances of the Offer being received (and not, where permitted, withdrawn) in respect of the Maximum Number by 4:00 p.m. on the closing day of the Offer (or such later time and date as the Company may, subject to the Takeovers Code, decide);
- (e) the Executive granting the Whitewash Waiver and the satisfaction of any condition attached to the Whitewash Waiver and the Whitewash Waiver not having been revoked or withdrawn; and
- (f) all necessary consents in connection with the Offer which may be required under any existing contractual or other obligations of the Group, joint ventures and controlled corporations of the Company having been obtained and remaining in effect.

Save for Conditions (d) and (f) which may be waived by the Company, none of the above Conditions can be waived.

The CNBM Parent Concert Group and those who are involved in or interested in the Whitewash Waiver and/or the Offer (other than as a Shareholder) will abstain from voting on the resolutions in respect of the Offer and the Whitewash Waiver to be proposed at the EGM.

The Offer is subject to all of the Conditions being fulfilled or waived (where applicable). If the Whitewash Waiver is not granted by the Executive, or if the resolutions to approve the Offer or the Whitewash Waiver are not passed by the Independent Shareholders, the Offer will not proceed and will immediately lapse. Shareholders are advised to consider the detailed terms of the Offer and the Whitewash Waiver and read, among other things, the letter from the Independent Board Committee and the letter of advice from the Independent Financial Adviser to the Independent Board Committee to be contained in this Offer Document before deciding whether to vote for or against the resolutions in respect of the Offer and the Whitewash Waiver to be proposed at (as applicable) the EGM, the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting. Shareholders should also note that their voting decision on the resolutions in respect of the Offer, the reduction of the registered capital of the Company and relevant arrangements and the Whitewash Waiver to be proposed at (as applicable) the EGM, the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting will not affect their ability to accept or not accept the Offer. If Shareholders are in any doubt as to any aspect of the Offer and the Whitewash Waiver or as to the action to be taken, they should seek independent professional advice.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares and should consult their professional advisers when in doubt.

**OTHER TERMS OF THE OFFER**

Qualifying Shareholders may accept the Offer in respect of some or all of their shareholding. If valid acceptances are received for the Maximum Number, all H Shares validly accepted will be bought-back. If valid acceptances received exceed the Maximum Number, the total number of H Shares to be bought-back by the Company from each Accepting Shareholder will be determined in accordance with the following formula:

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

A = 841,749,304, being the Maximum Number

B = Total number of H Shares tendered by all Accepting Shareholders under the Offer

C = Total number of H Shares tendered by the relevant individual Accepting Shareholder under the Offer

As a result, it is possible that not all of such H Shares tendered by an Accepting Shareholder will ultimately be bought-back. The total number of H Shares which will be bought-back by the Company will not exceed the Maximum Number.

Fractions of H Shares will not be bought-back under the Offer and, accordingly, the number of H Shares that the Company will buy-back from each Accepting Shareholder in accordance with the above formula will be rounded up or down to the nearest whole number at the discretion of the Company, provided that the total number of H Shares which will be bought-back by the Company will not exceed the Maximum Number.

The decision of the Company as to any scaling down of acceptances in accordance with the above formula and as to the treatment of fractions will be conclusive and binding on all Shareholders.

## **WHITEWASH WAIVER**

As at the Latest Practicable Date, the CNBM Parent Concert Group held 3,797,269,981 Shares (including 183,964,000 H Shares and 3,613,305,981 Domestic Shares), representing approximately 45.02% of the total number of issued Shares as at the Latest Practicable Date. Pursuant to Rule 32 of the Takeovers Code and Rule 6 of the Share Buy-backs Code, if as a result of a share buy-back, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code.

Depending on the level of acceptances received from the Accepting Shareholders pursuant to the Offer, taking into account all the Conditions are fulfilled or waived (where applicable), the aggregate interests of the CNBM Parent Concert Group may increase to a maximum level of approximately 50.01% of the issued share capital of the Company upon completion of the Offer, thereby triggering an obligation under Rule 26 of the Takeovers Code for CNBM Parent to make a mandatory general offer for all the Shares not already owned by it and parties acting in concert with it. Accordingly, an application has been made to the Executive by CNBM Parent for the Whitewash Waiver.

The Offer is conditional upon the approval of the relevant resolutions at the EGM, the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting, the Offer and the Whitewash Waiver being approved by the Independent Shareholders at the EGM and the Whitewash Waiver being granted by the Executive.

**If the Offer or the Whitewash Waiver is not approved by the Independent Shareholders, or if the Whitewash Waiver is not granted by the Executive, the Offer will not proceed and will immediately lapse.**

Depending on the level of acceptances received from the Accepting Shareholders pursuant to the Offer and in the event that the aggregate interests of the CNBM Parent Concert Group exceed 50% of the issued Shares upon completion of the Offer, the CNBM Parent Concert Group may increase its aggregate shareholding in the Company subsequent to completion of the Offer without triggering any obligation under Rule 26 of the Takeovers Code to make a mandatory general offer.

As at the Latest Practicable Date, the Company did not believe that the transactions under the Offer and the Whitewash Waiver would give rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules) in Hong Kong. The Company notes that the Executive may not grant the Whitewash Waiver if the transactions under the Offer and the Whitewash Waiver do not comply with other applicable rules and regulations.

## **PROCEDURES FOR ACCEPTANCE**

The Offer is open for acceptance from the date of this Offer Document, but payment of the Offer will only be made after the close of the Offer. The consideration under the Offer will not be despatched until after the Form of Acceptance is completed in all respects and the Title Documents have been received by the

Registrar. Assuming the Offer has become unconditional, H Shares tendered under the Offer shall be paid for by the Company as soon as possible but in any event no later than 7 Business Days after the close of the Offer.

In order to accept the Offer, Qualifying Shareholders should complete and return the accompanying Form of Acceptance in compliance with Note 1 to Rule 30.2 of the Takeovers Code and in accordance with the instructions set out in this Offer Document and the instructions printed on the Form of Acceptance. The instructions in this Offer Document should be read together with the instructions on the Form of Acceptance (which instructions form part of the terms of the Offer).

In order to be valid, the duly completed Form of Acceptance should be forwarded, together with the Title Documents for not less than the number of H Shares in respect of which the relevant Qualifying Shareholder wishes to accept the Offer, by post or by hand to the Registrar, Tricor Investor Services Limited at 17/F Far East Finance Centre, 16 Harcourt Road, Hong Kong, in an envelope marked “**China National Building Material Company Limited – Buy-back Offer**” as soon as possible after receipt of the Form of Acceptance but in any event so as to reach the Registrar by no later than 4:00 p.m. (Hong Kong time) on Wednesday, 5 March 2025, or such later time and/or date as the Company may, subject to the Codes, decide and announce.

No Form of Acceptance received after the Latest Acceptance Time will be accepted.

If the Form of Acceptance is executed by a person other than the registered holder, appropriate evidence of authority (for instance, a grant of probate or certified copy of a power of attorney) must be delivered to the Registrar with the completed Form of Acceptance.

No acknowledgement of receipt of any Form of Acceptance or Title Documents will be given.

Only one Form of Acceptance may be submitted by each Qualifying Shareholder to the Registrar.

Acceptances duly received will become irrevocable and cannot be withdrawn after the Offer has been declared unconditional unless in accordance with Rule 19.2 of the Takeovers Code.

## **OVERSEAS H SHAREHOLDERS**

The making of the Offer to Overseas H Shareholders may be subject to the laws of the relevant jurisdictions. The laws of the relevant jurisdictions may prohibit the making of the Offer to Overseas H Shareholders or require compliance with certain filing, registration or other requirements in respect of the Offer.

The availability of the Offer to any Overseas H Shareholders may be affected by the applicable laws, regulations and rules of their relevant jurisdictions of residence. The Overseas H Shareholders should observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers in the relevant jurisdictions.

**It is the responsibility of each Overseas H Shareholder who wishes to accept the Offer to satisfy himself or herself as to the full observance of the laws of the relevant jurisdictions in that connection, including the obtaining of any governmental or other consents which may be required or compliance**



**with other necessary formalities or legal requirements. Any acceptance of the Offer by any Shareholder shall be deemed to constitute a representation and warranty from such Shareholder to the Company and Morgan Stanley that all applicable local laws and requirements have been observed and complied with. Shareholders should consult their professional advisers if in doubt.**

According to the Register of Members, as at the Latest Practicable Date, the Company had 6 Overseas H Shareholder with registered address located in Australia, Canada, the mainland of the PRC, the United Kingdom and Macau. As at the Latest Practicable Date, the Company has made enquiries and is not aware of applicable restrictions with respect to extending the Offer to such Overseas H Shareholders, and accordingly, the Offer is so extended.

The Company shall give notice of any matter in relation to the Offer to the Shareholders by issuing announcements or advertisements in accordance with its articles of association, the Codes and the Listing Rules and, if so given, shall be deemed to have been sufficient for all effective purposes, despite any failure by any Overseas H Shareholder to receive the same.

#### **ODD LOTS**

The H Shares are currently traded in board lot of 2,000 H Shares each. There is no intention to change the board lot size as a result of the Offer. Qualifying Shareholders should note that acceptance of the Offer may result in their holding of odd lots of H Shares.

GF Securities (Hong Kong) Brokerage Limited, whose address is at 27/F, GF Tower, 81 Lockhart Road, Wan Chai, Hong Kong (contact person: Mr. Chen Chi Kit, Robinson (陳志傑); telephone number: +852 3719-1201) has been appointed by the Company as the designated broker to, on a best effort basis, match sales and purchases of odd lot holdings of H Shares in the market for a period of six weeks from the completion of the Offer to enable Accepting Shareholders to dispose of their odd lots or to top up their odd lots to whole board lots. Such Accepting Shareholders should note that the matching of odd lots is not guaranteed. Further details of the related arrangements will be announced after the Offer has become unconditional, as and if appropriate.

#### **NOMINEE REGISTRATION OF SHARES**

To ensure equality of treatment of all Qualifying Shareholders, those registered Shareholders who hold H Shares as nominees for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for beneficial owners of the H Shares, whose investments are registered in nominee names (including those whose interests in H Shares are held through CCASS), to accept the Offer, it is essential that they provide instructions to their nominee agents of their intentions with regard to the Offer as soon as possible. Qualifying Shareholders with their H Shares held by a nominee company may consider whether they would like to arrange for registration of the relevant H Shares in the name of the beneficial owner(s).

## **RESPONSIBILITY FOR DOCUMENTS**

All communications, notices, Forms of Acceptance, Title Documents and remittances to be delivered or sent by, to or from any Qualifying Shareholder will be delivered or sent by, to or from him/her/it, or his/her/its designated agents, at his/her/its risk and none of the Company, Morgan Stanley, the Registrar or any of their respective directors or any other person involved in the Offer accepts any liability for any loss or any other liabilities whatsoever which may rise as a result.

## **SETTLEMENT**

Subject to the Offer becoming unconditional and provided that a duly completed Form of Acceptance, accompanied by the Title Documents, are received by the Registrar by not later than the Latest Acceptance Time (or such later time and/or date as the Company may, with the prior consent of the Executive, decide and announce in accordance with the Codes), the Registrar will inform the relevant Accepting Shareholder by ordinary post of the buy-back of his/her/its H Shares. At the same time, the Registrar will send, by ordinary post at that Accepting Shareholder's risk, a remittance for such total amount as is due to that Accepting Shareholder under the Offer (subject to deduction of seller's *ad valorem* stamp duty due on the buy-back of the H Shares from the amount payable in cash) no later than 7 Business Days after the close of the Offer.

If the number of H Shares tendered under the Offer by an Accepting Shareholder is smaller than the number of H Shares as shown in the Title Documents submitted by such Accepting Shareholder together with the Form of Acceptance and/or the H Shares tendered under the Offer have not been bought-back by the Company in full, the Title Documents in respect of the balance of such H Shares or a replaced certificate therefor will be returned or sent to him/her/it by ordinary post at his/her/its risk no later than 7 Business Days after the close of the Offer.

If the Offer does not become unconditional, the Title Documents will be returned and/or sent to each Accepting Shareholder (by ordinary post, at that Accepting Shareholder's own risk) no later than 7 Business Days after the lapse of the Offer. Where such Accepting Shareholder has sent one or more transfer receipt(s) and in the meantime one or more H Share certificate(s) has/have been collected on that Accepting Shareholder's behalf in respect thereof, that Accepting Shareholder will be sent (by ordinary post, at that Shareholder's own risk) such H Share certificate(s) in lieu of the transfer receipt(s).

## **TAX IMPLICATIONS**

Qualifying Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of their acceptance of the Offer. It is emphasised that none of the Company, its ultimate beneficial owners and parties acting in concert with any of them, Morgan Stanley, Gram Capital, the Registrar or any of their respective directors or any persons involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any person or persons as a result of acceptance of the Offer.

### **EGM, the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting**

The EGM will be convened and held for the purposes of considering and, if thought fit, approving the Offer, the reduction of the registered capital of the Company and relevant arrangements and the Whitewash Waiver. The H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting will be convened and held for the purposes of considering and, if thought fit, approving matters relating to the Offer, the reduction of the registered capital of the Company and relevant arrangements. Notices convening the EGM, the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting are set out on pages EGM-1 to DSCM-3 of this Offer Document. Shareholders are advised to read the notices and to complete and return the enclosed forms of proxy for use at the EGM, the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting in accordance with the instructions printed thereon.

Further details on the terms and conditions of the Offer including, among other things, procedures for acceptance and settlement, acceptance period and taxation matters, are set out in Appendix I to this Offer Document and in the Form of Acceptance.

You are strongly advised to consider carefully the information as contained in the "Letter from the Board", the recommendation as contained in the "Letter from the Independent Board Committee" and the advice of Gram Capital as contained in the "Letter from Gram Capital" in this Offer Document, and to consult their professional advisers as they see fit.

Your attention is also drawn to the information as set out in the appendices to this Offer Document which form part of this Offer Document.

**It should be noted that dealings in the Shares will continue notwithstanding that any of the Conditions may remain unfulfilled, and that persons dealing in the Shares will bear the risk that the Offer may lapse.**

Yours faithfully,  
For and on behalf of  
**Morgan Stanley Asia Limited**

A handwritten signature in black ink, appearing to read 'Richard J. Wong', with a stylized flourish at the end.

**Richard J. Wong**  
*Managing Director*