

26th February, 2010

To the Qualifying Privateco Shareholders

Dear Sir or Madam,

**VOLUNTARY UNCONDITIONAL CASH OFFER
FOR THE PRIVATECO SHARES
BY ACCESS CAPITAL ON BEHALF OF RED DYNASTY
(OTHER THAN THOSE PRIVATECO SHARES ALREADY OWNED
OR AGREED TO BE ACQUIRED BY
RED DYNASTY AND PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

On 29th September, 2009, it was announced that after Completion, Access Capital would, on behalf of the Red Dynasty and pursuant to the Takeovers Code, make the Privateco Offer. Completion took place on 10th February, 2010. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as defined in the Composite Offer Document.

PRIVATECO OFFER

Access Capital on behalf of Red Dynasty, is now making the Privateco Offer on a voluntary and unconditional basis pursuant to the Takeovers Code. The Privateco Shares to be acquired under the Privateco Offer will include such Privateco Shares held by Mr. Simon Yung but not those owned or agreed to be acquired by Red Dynasty Concert Party on the following basis:

for every Privateco Share held HK\$1.80 in cash

The Privateco Offer price of HK\$1.80 each represents a discount of approximately 50.3% to the unaudited pro forma consolidated net asset value per Privateco Share of approximately HK\$3.619 calculated based on the 523,484,562 Privateco Shares in issue as at the Latest Practicable Date and the unaudited pro forma consolidated net asset value of the Privateco Group as at 30th June, 2009 of approximately HK\$1,894.7 million as set out in Appendix III to this Composite Offer Document.

TOTAL CONSIDERATION

As at the Latest Practicable Date, Privateco had 523,484,562 Privateco Shares in issue, of which 196,587,178 Privateco Shares (representing approximately 37.55% of the issued share capital of Privateco) were not owned or controlled by Red Dynasty and parties acting in concert with it. At the Privateco Offer price of HK\$1.80 each, the 196,587,178 Privateco Shares subject to the Privateco Offer are valued at approximately HK\$353.9 million.

FINANCING FOR THE PRIVATECO OFFER

The Privateco Offer will be financed by a facility of HK\$354 million provided by The Hongkong and Shanghai Banking Corporation Limited ("HSBC"). Access Capital is satisfied that sufficient financial resources are available to Red Dynasty to satisfy the full acceptances of the Privateco Offer. Red Dynasty confirms that it does not intend that the payment of interest on, repayment or security for the liability (contingent or otherwise) arising from, the use of the aforesaid facility will depend to any significant extent on the business of the Privateco Group.

EFFECT OF ACCEPTING THE PRIVATECO OFFER

By accepting the Privateco Offer, the Qualifying Privateco Shareholders will sell their Privateco Shares and all rights attached thereto to Red Dynasty free from all liens, charges, claims and encumbrances and any third party rights together with all rights attached to them, including the right to receive all dividends and distributions declared, paid or made at or after the date of the issue of those Privateco Shares.

The Privateco Offer also provides a cash exit to the Qualifying Privateco Shareholders (at HK\$1.80 per Privateco Share) to realise all or part of their shareholdings in the Privateco, which are unlisted and may be illiquid, upon Completion. The Board also considers it may not be practicable to re-list the Privateco Shares on the Stock Exchange in the near term given the current loss-making position and the diverged line of unrelated businesses of the Privateco Group. As such, there is no intention to list the Privateco Shares upon Completion.

It is intended that it will be a condition of the issue of the Privateco Shares that the share certificates of Privateco will be posted only to the Privateco Shareholders who do not accept the Privateco Offer so that the despatch of the share certificates to the Privateco Shareholders can be managed in an efficient manner.

HONG KONG STAMP DUTY

Since Privateco is a company incorporated in Bermuda and its register of members is located and maintained there, no Hong Kong stamp duty is payable on any transfer of the Privateco Shares.

COMPULSORY ACQUISITION

Subject to sufficient Privateco Shares being acquired, Red Dynasty intends to avail itself of any right under the Companies Act 1981 of Bermuda and the Takeovers Code to compulsorily acquire the remaining Privateco Shares not already acquired under the Privateco Offer. Further announcements will be made about the exercise of such compulsory acquisition rights. Under section 103 of the Company Act 1981 of Bermuda, Red Dynasty can compulsorily acquire the Privateco Shares of the remaining Privateco Shareholders once it holds 95% of all issued Privateco Shares. In addition to the aforesaid requirement, Rule 2.11 of the Takeovers Code requires acceptances of the Privateco Offer during the period of 4 months after posting of the Privateco Offer document to total 90% of the disinterested Privateco Shares.

INFORMATION ON RED DYNASTY

Red Dynasty is a company incorporated in BVI with limited liability and is beneficially owned by Mr. Billy Yung, Ms. Hsu and Madam Yung as to 99.996%, 0.002% and 0.002% respectively. Mr. Billy Yung is also the sole director of Red Dynasty.

Mr. Billy Yung is a director of Listco and Privateco. Mr. Billy Yung received a Bachelor's degree in Electrical Engineering from University of Washington and a Master's degree in Industrial Engineering from Stanford University. Mr. Billy Yung has over 30 years of experience in managing manufacturing, retailing, transportation, semi-conductor, computer hardware and software business in USA, Hong Kong and China. He has also over 25 years of experience in real-estate investment and development in USA, Canada, Holland, Hong Kong, Taiwan, Macau and China. He is also a director in various members of the Privateco Group.

Ms. Hsu is the spouse of Mr. Billy Yung and a director of Privateco.

Madam Yung is the mother of Mr. Billy Yung and is a director of Privateco. Madam Yung has been involved in the development of the Distributed Businesses since inception of Listco Group and was appointed as an executive director of Listco in 1984.

RED DYNASTY'S INTENTIONS REGARDING THE PRIVATECO

It is the intention of Red Dynasty that the Privateco Group will not make material changes to its businesses. Red Dynasty intends diligently to continue the businesses of the Privateco Group and the employment of the existing employees of the Distributed Businesses. It is also the intention of Red Dynasty that after the close of the Privateco Offer, the Privateco Group will not hold any assets other than those relating to the Distributed Businesses, nor is there any plans for any major assets to be injected into it, or to be disposed of. Red Dynasty has no plan to redeploy materially the fixed assets of the Privateco Group. In its ordinary course of business the Privateco Group intends to continue to seek new business opportunities vigorously to improve its profitability and

prospects, and may diversify into other business should suitable opportunities arise. Following completion of the Privateco Offer, Red Dynasty intends to conduct a detailed review of the business and operations of the Privateco Group in order to formulate short and long term strategies for the Privateco Group and explore other business or investment opportunities in enhancing its future business development and strengthening its revenue base which may necessitate a limited rationalisation of the Privateco Group's business. Any acquisition or disposal of assets or businesses of the Privateco Group in the future, if any, will be in compliance with the new bye-laws of the Privateco and the Takeovers Code (if applicable).

Red Dynasty is of the view that the Privateco Offer provides itself with a good opportunity to strengthen its investment in the Distributed Business while provides a cash exit for Privateco Shareholders to realize all or part of their shareholdings in the Privateco, which are unlisted and may be illiquid. While the Privateco Shares will not be listed, the interests of the Privateco Shareholders will be safeguarded by the new bye-laws of the Privateco, which will contain largely comparable provisions required under the Listing Rules in respect of listed issuers. A summary of the key provisions of the new bye-laws of the Privateco has been included in Appendix V to this Composite Offer Document.

Notwithstanding that there is no intention for the Privateco Group to conduct any fund raising activities, the Privateco Group may require further funding from the Privateco Shareholders for the development of its businesses in the future.

ACCEPTANCE AND SETTLEMENT

Set out in Appendix I to the Composite Offer Document and the Form of Acceptance and Transfer contain the procedures for acceptance and settlement of the Privateco Offer, and further terms of the Privateco Offer.

TAXATION

You are recommended to consult your own professional advisers if you are in any doubt as to the taxation implications of your acceptance of the Privateco Offer. It is emphasised that none of Red Dynasty, Privateco, Access Capital, any of their respective directors and any persons involved in the Privateco Offer accepts responsibility for any tax effects or liabilities of any person or persons as a result of their acceptance of the Privateco Offer.

OVERSEAS PRIVATECO SHAREHOLDERS

The making of the Privateco Offer in, or to the Qualifying Privateco Shareholders in, any jurisdiction outside Hong Kong may be affected by the laws of the relevant jurisdictions. Qualifying Privateco Shareholders who are citizens, residents or nationals of jurisdictions outside Hong Kong should inform themselves about, and observe, all applicable legal and regulatory requirements of the relevant jurisdictions.

It is the responsibility of any Qualifying Privateco Shareholder not resident in Hong Kong who wishes to accept the Privateco Offer to satisfy himself as to the full observance of all the applicable laws and regulations of any relevant jurisdiction in connection therewith, including obtaining any government or other consent which may be required, complying with any other necessary formality and paying any issue, transfer or other taxes due in respect of such jurisdiction.

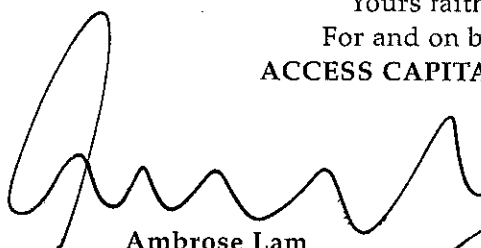
INDEPENDENT ADVICE

Taifook have been appointed as the independent financial adviser to advise the Qualifying Privateco Shareholders (i) as to whether the terms of the Privateco Offer are, or are not, fair and reasonable; and (ii) as to acceptance. Your attention is drawn to their letter of advice to the Qualifying Privateco Shareholders set out on pages 13 to 36 of the Composite Offer Document.

FURTHER INFORMATION

Your attention is drawn to the expected timetable on page ii of the Composite Offer Document and the additional information set out in the appendices to the Composite Offer Document and the Form of Acceptance and Transfer.

Yours faithfully,
For and on behalf of
ACCESS CAPITAL LIMITED



Ambrose Lam
Principal Director



Jimmy Chung
Principal Director