

**KWAN ON HOLDINGS LIMITED**  
**均安控股有限公司**

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30 September 2020

*To the Independent Shareholders*

Dear Sir or Madam,

**MANDATORY CONDITIONAL CASH OFFER  
BY VMS SECURITIES LIMITED  
FOR AND ON BEHALF OF  
SINO CORONET GROUP LIMITED  
TO ACQUIRE ALL OF THE ISSUED SHARES OF  
KWAN ON HOLDINGS LIMITED  
(OTHER THAN THOSE ALREADY OWNED BY  
OR AGREED TO BE ACQUIRED BY  
SINO CORONET GROUP LIMITED  
AND PARTIES ACTING IN CONCERT WITH IT)**

We refer to the composite document dated 30 September 2020 (“**Composite Document**”) jointly issued by Kwan On Holdings Limited and Sino Coronet Group Limited of which this letter forms part. Unless the context otherwise requires, terms used in this letter shall have the same meanings as those defined in the Composite Document.

We have been appointed to constitute the IBC to consider the terms of the Offer and to advise the Independent Shareholders as to whether or not the terms of the Offer are fair and reasonable and to make recommendation in respect of acceptance of the Offer. Asian Capital has been appointed as the Independent Financial Adviser to make recommendation to us in respect of the terms of the Offer and, in particular, whether the Offer is fair and reasonable and to make recommendation in respect of the acceptance of the Offer. Details of its advice and recommendation, together with the principal factors and reasons which it has considered before arriving at such recommendation, are set out in the “Letter from Asian Capital” on pages 23 to 42 of the Composite Document. We also wish to draw your attention to the “Letter from the Board”, the “Letter from VMS Securities” and the additional information set out in the Appendices to the Composite Document.

# KWAN ON HOLDINGS LIMITED

## 均安控股有限公司

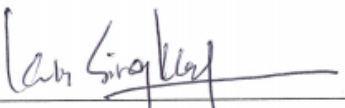
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Having considered the terms of the Offer and the advice from the Independent Financial Adviser, in particular the factors, reasons and recommendation as set out in the “Letter from Asian Capital”, we concur with the view of the Independent Financial Adviser and consider that the terms of the Offer are not fair and reasonable so far as the Independent Shareholders are concerned, and recommend the Independent Shareholders not to accept the Offer.

Independent Shareholders who intend to accept the Offer are reminded to closely monitor the market price and liquidity of the Shares during the Offer Period, and consider selling their Shares in the open market rather than accepting the Offer if the net proceeds from the sale of such Shares in the open market would exceed the net proceeds receivable under the Offer.


The Independent Shareholders are recommended to read the full text of the “Letter from Asian Capital” on pages 23 to 42 of the Composite Document. In any case, the Independent Shareholders are strongly advised that the decision to realise or to hold their investment is subject to individual circumstances and investment objectives. If in doubt, the Independent Shareholders should consult their own professional advisers for professional advice. Furthermore, the Independent Shareholders who wish to accept the Offer are recommended to read carefully the procedures for accepting the Offer as detailed in the Composite Document and the Form of Acceptance.

Yours faithfully,  
For and on behalf of the IBC  
**Kwan On Holdings Limited**




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Lam Sing Kwong, Simon



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Lum Pak Sum



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Gong Zhenzhi

*Independent non-executive Directors*