



ERNEST BOREL HOLDINGS LIMITED

依波路控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1856)

5 October 2018

To the Independent Shareholders and CB Holder,

Dear Sir or Madam,

**UNCONDITIONAL MANDATORY CASH OFFERS BY
CCB INTERNATIONAL CAPITAL LIMITED FOR AND ON BEHALF OF VGB LIMITED
TO ACQUIRE ALL THE ISSUED SHARES IN ERNEST BOREL HOLDINGS LIMITED (OTHER
THAN THOSE ALREADY OWNED OR AGREED TO
BE ACQUIRED BY VGB LIMITED AND PARTIES ACTING IN CONCERT WITH IT) AND
TO ACQUIRE ALL THE OUTSTANDING
CONVERTIBLE BONDS OF ERNEST BOREL HOLDINGS LIMITED**

We refer to the Composite Document jointly issued by the Offeror and the Company dated 5 October 2018 of which this letter forms part. Unless the context otherwise requires, terms defined in the Composite Document shall have the same meanings when used in this letter.

We have been appointed by the Board to form the Independent Board Committee to consider and to advise the Independent Shareholders and CB Holder as to whether or not the terms of the Offers are fair and reasonable and to make a recommendation as to acceptance of the Offers. Astrum has been appointed by the Company and approved by us as the Independent Financial Adviser to advise us in respect of the above.

We draw your attention to the letter from the Board and the letter from the Independent Financial Adviser as set out in the Composite Document.

Having considered the terms of the Offers, taking into account the information contained in this Composite Document and the advice of the Independent Financial Adviser, in particular the factors, reasons and recommendations as set out in its letter in this Composite Document, we are of the opinion that the terms of the Share Offer (including the Share Offer Price) are fair and reasonable so far as the Independent Shareholders are concerned and that the terms of the CB Offer (including the offer price of the Convertible Bonds) are not fair and reasonable so far as the CB Holder is concerned. Accordingly, we recommend the Independent Shareholders to accept the Share Offer and do not recommend the CB Holder to accept the CB Offer.

The Independent Shareholders and the CB Holder are recommended to read the full text of the letter from the Independent Financial Adviser on pages 25 to 47 of this Composite Document. Notwithstanding our recommendation, Independent Shareholders and CB Holder are strongly advised that the decision to realise or to hold your investment in the Shares and/or Convertible Bonds (as the case may be) is subject to individual circumstances and investment objectives and they should consider carefully the terms of the Offers.



ERNEST BOREL HOLDINGS LIMITED

Unit Nos. 1612-18, Level 16,
Tower 1, Grand Century Place,
193 Prince Edward Road West,
Mongkok, Kowloon, Hong Kong

T (852) 3628 5511

F (852) 3582 4933

www.ernestborel.ch

Yours faithfully,
For and on behalf of the
INDEPENDENT BOARD COMMITTEE

Ms. Lou Liuqing
Non-executive Director

Mr. Lui Wai Ming
*Independent Non-executive
Director*

Mr. To Chun Kei
*Independent Non-executive
Director*

Ms. Chai Lai Wa
*Independent Non-executive
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