

14 September 2009

To the Independent Shareholders:

Dear Sirs/Madams,

**MANDATORY UNCONDITIONAL CASH OFFER BY
TAIFOOK SECURITIES COMPANY LIMITED
ON BEHALF OF RIGHT PERFECT LIMITED
FOR ALL THE ISSUED SHARES IN
SEWCO INTERNATIONAL HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED
OR AGREED TO BE ACQUIRED BY
RIGHT PERFECT LIMITED
AND PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

As stated in the Joint Announcement dated 24 August 2009, pursuant to the Agreement dated 13 August 2009 entered into among the Offeror, the Vendor and the Warrantor, the Vendor agreed to sell and the Offeror agreed to acquire the Sale Shares, representing approximately 67.35% and 56.13% of the issued share capital of the Company, respectively, prior to and after the completion of the Placing. The total consideration for the Sale Shares is HK\$120,000,000, which was agreed between the Offeror and the Vendor after arm's length negotiations and represents HK\$0.40 per Sale Share. The total consideration was paid by the Offeror in full in cash at Completion which took place on 26 August 2009.

Prior to Completion, neither the Offeror nor any parties acting in concert with it had any interest in the share capital or voting rights of the Company. Upon Completion, the Offeror and parties acting in concert with it were interested in a total of 300,000,000 Shares, representing approximately 56.13% of the issued share capital of the Company as at the Latest Practicable Date. Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Offeror is required to make a mandatory unconditional general cash offer for all the issued Shares other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it.

This letter sets out, among other things, the details of the Offer, information on the Offeror and the intention of the Offeror regarding the Group. Further details of the terms of the Offer are set out in Appendix I to the Document (of which this letter forms part) and in the Form of Acceptance. Capitalised terms used in this letter shall have the same meanings as those defined in the Document unless otherwise specified.

THE OFFER

Principal terms of the Offer

Taifook Securities is making the Offer, which is unconditional in all respects, on behalf of the Offeror in compliance with the Takeovers Code on the following terms:

For every Offer Share HK\$0.4 in cash

The Offer Shares to be acquired under the Offer shall be fully paid and free from all liens, charges, encumbrances, right of pre-emption and any other third party rights of any nature and together with all rights attaching to them on or after the Completion Date, including the rights to receive in full all dividends and distributions, if any, declared, made or paid on or after the Completion Date.

As at the Latest Practicable Date, the Company had 534,514,000 Shares in issue and did not have any other outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

Comparison of value

The Offer Price of HK\$0.4 is equal to the price per Share paid by the Offeror to the Vendor under the Agreement and represents:

- (i) a premium of approximately 14.29% over the closing price of HK\$0.35 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 14.29% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 5 trading days up to and including the Last Trading Day of HK\$0.35 per Share;
- (iii) a premium of approximately 19.40% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day of HK\$0.335 per Share;
- (iv) a discount of approximately 27.27% below the closing price of HK\$0.55 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (v) a premium of approximately 5.26% over the audited consolidated total equity attributable to Shareholders of approximately HK\$0.38 per Share as at 31 December 2008.

Value of the Offer

On the basis of the Offer Price of HK\$0.4 per Offer Share and 534,514,000 Shares in issue as at the Latest Practicable Date, the entire market capitalisation of the issued share capital of the Company would be HK\$213,805,600. Excluding the 300,000,000 Sale Shares already acquired by the Offeror pursuant to the Agreement, 234,514,000 Shares will be subject to the Offer and the total consideration of the Offer would be HK\$93,805,600 on the basis of HK\$0.4 per Offer Share.

Financial resources available to the Offeror

Taifook Capital is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptances of the Offer. The Offer will be financed by loan facilities provided by Taifook Securities in addition to the personal resources of Mr. Suen. The Sale Shares and all Shares to be acquired by the Offeror in pursuance of the Offer are pledged as security in favour of Taifook Securities for the loan facilities provided by Taifook Securities to the Offeror. The Offeror confirms that it does not intend that the payment of interest on, repayment of 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 Group.

Stamp duty

Seller's ad valorem stamp duty payable by the Independent Shareholders who accept the Offer and calculated at a rate of 0.1% of the market value of the Offer Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the amount payable by the Offeror to the relevant Independent Shareholder on acceptance of the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the accepting Independent Shareholders and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Shares.

Payment

Payment in cash in respect of acceptances of the Offer will be made as soon as practicable but in any event within 10 days of the date on which the relevant documents of title are received by the Offeror to render each such acceptance complete and valid.

Overseas Shareholders

The Offer will be in respect of securities of a company incorporated in Bermuda and will be subject to the procedural and disclosure requirements of Hong Kong, which may be different from other jurisdictions. Shareholders outside Hong Kong wishing to participate in the Offer will also be subject to, and may be limited by, the laws and regulations of their respective jurisdictions in connection with their participation in the Offer.

The attention of the Shareholders with a registered address in jurisdiction outside Hong Kong is drawn to the section headed "Overseas Shareholders" in Appendix I to the Document.

Further terms of the Offer

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

INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in the BVI with limited liability and is beneficially and wholly-owned by Smart Legend. Smart Legend is in turn beneficially and wholly-owned by Mr. Suen, who is also the sole director of the Offeror and Smart Legend. As at the Latest Practicable Date, the Offeror was interested in 300,000,000 Shares and did not have any principal assets or business operations other than the entering into of the Agreement and the

Subscription Agreement.

Mr. Suen, aged 48, holds a Master of Business Administration degree from the University of South Australia and is a merchant. Mr. Suen is an executive director and the chairman of China Yunnan Tin Minerals Group Company Limited (stock code: 263), Poly Development Holdings Limited (stock code: 1141) and BEP International Holdings Limited (stock code: 2326), all being listed companies in Hong Kong.

Save for the acquisition of the Sale Shares pursuant to the Agreement and the proposed subscription for 3% convertible bonds in an aggregate principal amount of up to HK\$120,000,000 proposed to be issued by the Company pursuant to the Subscription Agreement, none of the Offeror nor parties acting in concert with any of them has dealt in any Shares or any options, warrants, derivatives or securities convertible into Shares during the Relevant Period.

The Offeror, Mr. Suen and parties acting in concert with any one of them have not entered into any contracts in relation to the outstanding derivatives in respect of securities in the Company nor borrowed or lent any relevant securities (as defined in Note 4 of Rule 22 of the Takeovers Code) in the Company.

OFFEROR'S INTENTION ON THE GROUP

It is the intention of the Offeror that the Group will continue its existing principal activities. The Offeror does not intend to introduce any major changes to the existing operations and business of the Company or redeployment of the assets of the Group other than in its ordinary course of business immediately after the Offer. The Offeror will conduct a more detailed review of the operations of the Group with a view to formulate a suitable business strategy for the Group and will explore other business opportunities and consider whether any assets and/or business acquisitions by the Group will be appropriate in order to enhance its growth. As at the Latest Practicable Date, the Offeror had no intention or plans for any acquisition or disposal of assets and/or business by the Group.

The Offeror is of the view that the existing business of the Group has good potential and accordingly considers it to be commercially justifiable to increase its shareholding in the Company.

PROPOSED CHANGE OF COMPOSITION OF THE BOARD

The Board is currently made up of seven Directors, comprising four executive Directors, being Ms. Cheung Yan, Priscilla, Ms. Cheung Man, Catherine, Mr. Hui Kwok Chu and Mr. Sham Lok Shing, Edward and three independent non-executive Directors, being Ms. Cynthia Law, Mr. Lam Chin Fung and Mr. Tse Wei Kin.

The Offeror currently intends to nominate Mr. Lo Ming Chi, Charles, Mr. Sue Ka Lok and Ms. Chan Yuk Yee as executive Directors, and Mr. Kwok Ming Fai as an independent non-executive Director. Such appointment will take effect from the calendar day immediately after the despatch of the Response Document.

The brief biographies of the proposed new Directors are set out below:

Mr. Lo Ming Chi, Charles

Mr. Lo, JP, aged 59, is a certified practising accountant of CPA Australia and is a fellow of the Financial Services Institute of Australasia. Mr. Lo is currently an executive director, the deputy chairman and the chief executive officer of Poly Development Holdings Limited (stock code: 1141), an executive director of Sun Innovation Holdings Limited (stock code: 547) and an independent non-executive director of Hembly International Holdings Limited (stock code: 3989), Tak Sing Alliance Holdings Limited (stock code: 126) and Cash Financial Services Group Limited (stock code: 510). He was an executive director of New Century Group Hong Kong Limited (formerly known as Multi-Asia International Holdings Limited) (stock code: 234) from 29 March 1999 to 2 February 2009. He was also an independent non-executive director of China Sonangol Resources Enterprise Limited (formerly known as Artfield Group Limited) (stock code: 1229) from 16 September 1998 to 11 April 2008, Oriental Ginza Holdings Limited (formerly known as CASH Retail Management Group Limited and Pricerite Group Limited) (stock code: 996) from 3 November 2003 to 16 November 2006 and Freeman Corporation Limited (formerly known as Hansom Eastern (Holdings) Limited and Inner Mongolia Development (Holdings) Limited) (stock code: 279) from 23 September 2004 to 21 August 2006. All the aforesaid companies are listed on the Stock Exchange. He has extensive experience in financial and investment services in Australia, Hong Kong and other Asian countries.

Save for Mr. Lo's role in Poly Development Holdings Limited (of which Mr. Suen is an executive director, chairman and a substantial shareholder) and Sun Innovation Holdings Limited (of which Mr. Suen is a controlling shareholder) as disclosed above, Mr. Lo does not have any other relationships with any other directors, senior management, or other substantial or controlling shareholders of the Company.

Mr. Sue Ka Lok

Mr. Sue, aged 44, holds a Bachelor of Economics degree from the University of Sydney in Australia and a Master of Science in Finance degree from the City University of Hong Kong. Mr. Sue is a fellow member of the Hong Kong Institute of Certified Public Accountants, a certified practising accountant of CPA Australia, a fellow member of both the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators and a member of the Hong Kong Securities Institute. Mr. Sue has extensive experience in corporate management, finance, accounting and company secretarial practice. Mr. Sue is an executive director and the chief executive officer of China Yunnan Tin Minerals Group Company Limited (stock code: 263) and BEP International Holdings Limited (stock code: 2326) and an executive director of Poly Development Holdings Limited (stock code: 1141), all being listed companies in Hong Kong.

Save for Mr. Sue's role in China Yunnan Tin Minerals Group Company Limited, BEP International Holdings Limited and Poly Development Holdings Limited as disclosed above, of which Mr. Suen is an executive director, chairman and a substantial or controlling shareholder, Mr. Sue does not have any other relationships with any other directors, senior management, or other substantial or controlling shareholders of the Company.

Ms. Chan Yuk Yee

Ms. Chan, aged 41, holds a Master of Business Law degree from Monash University in Australia and is an associate member of both the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators. Ms. Chan has over 10 years of experience in corporate administration and company secretarial practice.

Mr. Kwok Ming Fai

Mr. Kwok, aged 45, has extensive experience in banking, finance and accounting and held executive positions at several international financial institutions, accounting firm and listed companies. Mr. Kwok obtained his Bachelor Degree in Accounting & Economics from the University of Sheffield in the United Kingdom and a Master Degree in Business Administration from the University of Adelaide in Australia. He is a certified practising accountant of CPA Australia and an associate member of the Hong Kong Institute of Certified Public Accountants. Mr. Kwok is an executive director of Zhongda International Holdings Limited (stock code: 909) (“**Zhongda**”) and an independent non-executive director of China Yunnan Tin Minerals Group Company Limited (stock code: 263) and Incutech Investments Limited (stock code: 356), all being listed companies in Hong Kong. Mr. Kwok was an independent non-executive director of Zhongda before he was re-designated as executive director of the company.

Save for Mr. Kwok’s role in China Yunnan Tin Minerals Group Company Limited as disclosed above, of which Mr. Suen is an executive director, chairman and a substantial shareholder, Mr. Kwok does not have any other relationships with any other directors, senior management, or other substantial or controlling shareholders of the Company.

Save as disclosed above, the Offeror does not intend that there would be any material changes to the existing management and employees of the Group following the closing of the Offer.

COMPULSORY ACQUISITION

The Offeror and Mr. Suen do not intend to avail any powers of compulsory acquisition of any Shares after the close of the Offer.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offer. The new Directors to be nominated by the Offeror to the Board and the sole director of the Offeror will jointly and severally undertake to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offer to ensure that a sufficient public float exists for the Shares.

The Stock Exchange has stated that if, upon the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25%, of the 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 public hands to maintain an orderly market, then it will consider exercising its discretion to suspend trading in the Shares.

GENERAL

Acceptance of the Offer by any person holding any Offer Share(s) will be deemed to constitute a warranty by such person to the Offeror that such Offer Share(s) acquired under the Offer are sold by such person free from all liens, claims, charges, encumbrances, equities and third party rights and together with all rights attaching thereto, including the right to receive all dividends and distributions declared, made or paid on or after the Completion Date.

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

Stockbrokers, banks and others who deal in relevant securities of the Company on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any seven day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.


Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.

ADDITIONAL INFORMATION

Your attention is drawn to the Form of Acceptance accompanying the Document and the additional information set out in the Document and the appendices which form part of the Document.

You are reminded to carefully read the letter from the Board, the recommendation of the Independent Board Committee, the advice of the Independent Financial Adviser and other information about the Group which will be set out in the Response Document before deciding whether or not to accept the Offer.

Yours faithfully,
For and on behalf of
Taifook Securities Company Limited



William Lee
Managing Director