

## ALL LEGEND INVESTMENTS LIMITED

俊好投資有限公司  
(Company No. 1372833)  
(Incorporated in Hong Kong)

29 March 2010

Dear China Video Surveillance Limited Shareholder

### **Compulsory Acquisition of Shares in China Video Surveillance Limited pursuant to Section 215(1) of the Companies Act, Chapter 50 of Singapore**

#### **1 INTRODUCTION**

##### **1.1 Offer Document**

We refer to the offer document dated 22 February 2010 ("**Offer Document**") despatched by Stirling Coleman for and on behalf of All Legend Investments Limited ("**Offeror**"), in connection with the voluntary conditional cash offer ("**Offer**") for all the issued and paid-up ordinary shares ("**Shares**") in the capital of China Video Surveillance Limited ("**Company**" or "**CVS**") held by all shareholders of the Company ("**Shareholders**").

Unless otherwise defined herein, capitalised terms used in this Letter shall have the same meanings as defined in the Offer Document.

##### **1.2 Level of Acceptances**

1.2.1 Acceptances of the Offer. As at 5.00 p.m. on 17 March 2010, the Offeror has received valid acceptances amounting to 56,415,980 Shares, representing approximately 92.48% of the total number of issued Shares<sup>1</sup>, and this includes acceptances received from Shareholders who are subject to the Irrevocable Undertakings, amounting in aggregate to 45,058,480 Shares, representing approximately 73.86% of the total number of issued Shares. As All Legend Investments Limited received valid acceptances in respect of such number of Shares which will result in it holding not less than 90% of the total number of issued Shares (excluding any Shares held in treasury) as at the close of the Offer, the Offer became unconditional as to acceptances on 17 March 2010. As the Offer is not subject to any other conditions, the Offer also became unconditional in all respects on 17 March 2010.

As at 5.00 p.m. on 26 March 2010, the Offeror has received valid acceptances amounting to 59,309,980 Shares, representing approximately 97.22% of the total number of issued Shares.

1.2.2 Settlement. On 26 March 2010, consideration for 59,267,980 Shares, representing approximately 97.15% of the total number of issued Shares were made to shareholders who accepted the Offer between 22 February 2010 (the date of commencement of the Offer) and 22 March 2010 and the 59,267,980 Shares were transferred to All Legend Investments Limited on the same date.

##### **1.3 Compulsory Acquisition**

As the Offeror has received valid acceptances pursuant to the Offer in respect of not less than 90% of the total number of issued Shares, excluding any Shares held in treasury (other than those already held by the Offeror, its related corporations or their

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<sup>1</sup> As at 11 February 2010, being the Latest Practicable Date, the Company has an aggregate of 61,002,000 Shares in issue.

respective nominees as at the date of the Offer), the Offeror is entitled to exercise, and is now exercising, its right of compulsory acquisition under section 215(1) of the Companies Act, Chapter 50 of Singapore ("**Companies Act**"), at a consideration of S\$0.265 in cash for each Share.

## **2 COMPULSORY ACQUISITION UNDER SECTION 215(1) OF THE COMPANIES ACT**

### **2.1 Dissenting Shareholder**

According to the records maintained by The Central Depository (Pte) Limited and/or Boardroom Corporate & Advisory Services Pte. Ltd. as at 24 March 2010, you have not accepted the Offer. Accordingly, we are writing to inform you that we wish to acquire all the Shares held by you at a consideration of S\$0.265 in cash for each Share ("**Consideration**") that you own. We enclose, for this purpose, a Notice to Dissenting Shareholder in the form prescribed under the Companies Act ("**Form 57**").

### **2.2 Compulsory Acquisition**

We will exercise the right of compulsory acquisition to acquire all the Shares held by you on 29 April 2010 ("**Transfer Date**"), being after the expiration of one month from the date of Form 57, subject to and on the terms set out in the enclosed Form 57.

## **3 RIGHTS UNDER SECTION 215(3) OF THE COMPANIES ACT**

### **3.1 Non-assenting Shareholder**

Under section 215(3) of the Companies Act, you have the right to require us to acquire your Shares. In connection therewith, a Notice to Non-Assenting Shareholder in the form prescribed under the Companies Act ("**Form 58**") is enclosed with this Letter. You may, within three months from the date of Form 58 (that is, by 29 June 2010), require us to acquire your Shares and we shall be entitled and bound to acquire your Shares at the Consideration.

### **3.2 Action**

As we will be proceeding to compulsorily acquire your Shares pursuant to section 215(1) of the Companies Act, you need not take any action in relation to Form 58. Shareholders who wish to exercise their right under section 215(3) of the Companies Act are advised to seek their own independent legal advice.

## **4 CLOSE OF THE OFFER**

### **4.1 Closing Date**

The Offer will remain open for acceptance until 5.30 p.m. on 5 April 2010.

### **4.2 Action**

You have the following options in relation to the Shares held by you:

- 4.2.1 accept the Offer by following the procedures for acceptance of the Offer set out in the Offer Document and the applicable acceptance form;
- 4.2.2 sell your Shares on or off-market; or
- 4.2.3 not take any action.

If you do not tender your Shares in acceptance of the Offer or sell your Shares on or off-market, we will be proceeding to compulsorily acquire your Shares pursuant to section 215(1) of the Companies Act on the Transfer Date, subject to and on the terms set out in the enclosed Form 57.

If you have already accepted the Offer in respect of all your Shares by the time you receive this Letter, please disregard this Letter and the accompanying Form 57 and Form 58.

## **5 GENERAL**

If you are in any doubt about any of the matters referred to in this Letter, you should consult your stockbroker, bank manager, solicitor or other professional adviser immediately.

## **6 RESPONSIBILITY STATEMENT**

The sole Director of the Offeror and Mr Ye Chen (who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Letter are fair and accurate and that no material facts have been omitted from this Letter, the omission of which would make any statement in this Letter misleading, and the sole Director of the Offeror and Mr Ye Chen jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Company, the sole responsibility of the sole Director of the Offeror and Mr Ye Chen has been to ensure through reasonable enquiries that such information has been accurately extracted from such sources or, as the case may be, accurately reproduced in this Letter.

Yours faithfully  
For and on behalf of  
**All Legend Investments Limited**

**Ariel Poppel**  
Director