



**VARITRONIX**

**VARITRONIX INTERNATIONAL LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 710)**

22 March 2016

*To the Independent Shareholders*

Dear Sir or Madam,


**(1) SUBSCRIPTION OF NEW SHARES  
AND  
(2) APPLICATION FOR WHITEWASH WAIVER**

We refer to the circular of the Company dated 22 March 2016 (the “Circular”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

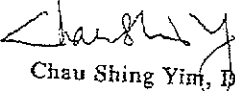
We have been appointed to form the Independent Board Committee to advise you as to whether, in our opinion, (i) the terms of the Subscription Agreement and the Whitewash Waiver are fair and reasonable; (ii) the Subscription and the Whitewash Waiver are in the interests of the Company and the Shareholders as a whole; and (iii) whether the Independent Shareholders should vote in favour of the ordinary resolutions to approve the Subscription and the Whitewash Waiver at the SGM. Somerley Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee in this regard. Details of their independent advice, together with the principal factors and reasons they have taken into consideration, are set out on pages 34 to 63 of the Circular.

Having considered the terms of the Subscription Agreement, the Whitewash Waiver and the advice of the Independent Financial Adviser, we are of the opinion that the terms of the Subscription Agreement and the Whitewash Waiver are fair and reasonable, and the Subscription and the Whitewash Waiver are in the interests of the Company and the Shareholders as a whole. We therefore recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the SGM to approve them.

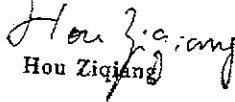
Yours faithfully,  
For and on behalf of the  
Independent Board Committee



Lo Wing Yan, William



Chau Shing Yim, David



Hou Ziqiang

*Independent non-executive Directors*