

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

CARLOS MUNOZ, INDIVIDUALLY AND ON	X	
BEHALF OF ALL OTHERS SIMILARLY SITUATED,	X	Case No.: 07-cv-10531 (AKH)
Plaintiffs,	X	
vs.	X	
CHINA EXPERT TECHNOLOGY, INC.; PKF NEW	X	
YORK, CERTIFIED PUBLIC ACCOUNTANTS, A	X	
PROFESSIONAL CORPORATION; PKF HONG	X	
KONG, CERTIFIED PUBLIC ACCOUNTANTS;	X	
AND BDO MCCABE LO LIMITED CERTIFIED	X	
PUBLIC ACCOUNTANTS,	X	
Defendants.	X	

**NOTICE OF PENDENCY AND
PROPOSED SETTLEMENT OF CLASS ACTION**

If you purchased or otherwise acquired the common stock (“Stock”) of China Expert Technology, Inc. (“China Expert”) during the period from March 31, 2006 through October 1, 2007, inclusive, you could get a payment from a class action settlement (the “Settlement”).

Under law, a federal court has authorized this notice.

- If approved by the Court, the settlement will provide \$4,200,000, plus interest earned thereon (the “Settlement Amount”), to pay claims of investors who purchased or otherwise acquired China Expert Stock during the period from March 31, 2006 through October 1, 2007, inclusive (the “Class Period”).
- The Settlement represents an average recovery of \$0.25 per share of China Expert for the 16.8 million estimated shares that Class Representatives allege were “damaged” and declined in value as a result of Defendants’ alleged misconduct during the Class Period. This estimate solely reflects the average recovery per damaged share of China Expert Stock. This is not an estimate of the actual recovery per share you should expect. Your actual recovery will depend on the aggregate losses of all Class Members, the date(s) you purchased and sold China Expert Stock and the total number of claims filed.
- Attorneys for the Class Representatives (“Class Counsel”) intend to ask the Court to award them fees of up to 25.0% of the Settlement Amount, and reimbursement of litigation expenses not to exceed \$755,000. Class Counsel also intends to ask the Court to grant Class Representatives awards not to exceed \$5,000 each. Collectively, the attorneys’ fees and litigation expenses and the award to Class Representatives are estimated to average \$0.108 per damaged share of China Expert Stock. If approved by the Court, these amounts will be paid from the Settlement Fund.
- The approximate recovery, after deduction of attorneys’ fees and expenses and awards to Class Representatives approved by the Court, is an average of \$0.142 per damaged share of China Expert Stock. This estimate is based on the assumptions set forth in the preceding paragraph. Your actual recovery, if any, will vary depending on your purchase price and sale price and the number of Proof of Claim forms filed.
- The Settlement resolves the lawsuit as to whether PKF Hong Kong, Certified Public Accountants (“PKF HK”), PKF, Certified Public Accountants, A Professional Corporation (sued herein as PKF New York, Certified Public Accountants, A Professional Corporation) (“PKF NY”), and BDO Ltd., Certified Public Accountants (“BDO”) (collectively, the “Settling Defendants”) violated the federal securities laws by issuing false and misleading audit opinions in connection with China Expert’s financial statements filed with the Securities and Exchange Commission. The Settling Defendants deny the allegations in the lawsuit and deny any wrongdoing. The Settling Defendants and Class Representatives disagree on liability and damages. Plaintiffs believe that, if they prevailed on all their claims and the Court accepted their theory of damages that they would recover approximately \$2.119 per damaged share, before deductions for fees and expenses and assuming that the full amount of the judgment was collectable. Settling Defendants believe that, if this matter is litigated, Plaintiffs are likely to recover nothing.
- Your legal rights will be affected whether you act or do not act. If you do not act, you may permanently forfeit your right to recover on this claim. Therefore, you should read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

SUBMIT A CLAIM FORM NO LATER THAN JANUARY 9, 2014	The only way to get a payment.
EXCLUDE YOURSELF NO LATER THAN JANUARY 9, 2014	Get no payment. This is the only option that allows you to be part of any other lawsuit against Settling Defendants about the legal claims in this case.
OBJECT NO LATER THAN JANUARY 9, 2014	Write to the Court about why you do not like the settlement.
GO TO A HEARING ON FEBRUARY 5, 2014	Speak in Court about the fairness of the settlement.
DO NOTHING	Get no payment. Give up rights.

INQUIRIES

Please do not contact the Court regarding this notice. All inquiries concerning this Notice, the Proof of Claim form, or any other questions by Class members should be directed to:

China Expert Securities Litigation
Claims Administrator
c/o Strategic Claims Services
600 N. Jackson Street, Suite 3
P.O. Box 230
Media, PA 19063
Tel: (866) 274-4004
www.strategicclaims.net

COMMON QUESTIONS AND ANSWERS CONCERNING THE SETTLEMENT

1. Why did I get this Notice?

You or someone in your family may have acquired China Expert Stock during the Class Period.

2. What is this lawsuit about?

The case is known as *Munoz v. China Expert Technology, Inc.*, Case No. 07-CV-10531 (AKH) and the Court in charge of the case is the United States District Court for the Southern District of New York.

Defendants in this case are China Expert and its independent auditors, which are PKF HK, PKF NY, and BDO. Plaintiffs allege that the Settling Defendants violated the federal securities laws by issuing materially false and misleading audit opinions in connection with China Expert's financial statements filed with the Securities and Exchange Commission. The Settling Defendants and Class Representatives disagree on liability and damages. The Settling Defendants deny that they issued any false audit report, and they deny that they can be held liable under the federal securities laws. PKF NY denies that it served as China Expert's independent auditor. The Settlement resolves all of the claims against the Settling Defendants in the Class Action.

3. Why is this a class action?

In a class action, one or more persons and/or entities, called Class Representatives, sue on behalf of all persons and/or entities that have similar claims. All of these persons and/or entities are referred to collectively as a Class, and these individual persons and/or entities are known as Class Members. One court resolves all of the issues for all Class Members, except for those Class Members who exclude themselves from the Class.

4. Why is there a Settlement?

Class Representatives and Settling Defendants do not agree regarding the merits of Class Representatives' allegations with respect to liability or the average amount of damages per share that would be recoverable if Class Representatives were to prevail at trial on each claim. The issues on which the Class Representatives and Settling Defendants disagree include: (1) whether Settling Defendants issued materially false and misleading audit opinions in connection with China Expert's financial statements filed with the Securities and Exchange Commission during the Class Period; (2) whether the alleged materially false and misleading audit opinions were made with fraudulent intent; (3) whether the alleged materially false and misleading audit opinions were the cause of the Class Members' alleged damages; and (4) the amount of damages, if any, suffered by the Class Members.

This matter has not gone to trial and the Court has not decided in favor of either Class Representatives or Settling Defendants. Instead, Class Representatives and Settling Defendants have agreed to settle the Class Action. The Class Representatives and Class Counsel believe the settlement is best for all Class Members because of the risks associated with continued litigation and the nature of the defenses raised by the Settling Defendants. Among the reasons that Class Representatives' Counsel believe the Settlement is fair are that there were risks in proving that Settling Defendants' audit opinions were both materially false and misleading and made with fraudulent intent,

there were risks in proving damages, Settling Defendants' financial resources were limited, and collecting from the judgments against certain Settling Defendants, even with sufficient financial resources, who reside in Hong Kong is likely highly difficult. Because of the difficulty in enforcing and being able to collect from the judgments, even if Plaintiffs win at trial, and also prevail on any appeal, Plaintiffs might not be able to collect some, or all, of any judgment they are awarded. Moreover, while litigation of this type is usually expensive, it appears that, even if Plaintiffs' allegations are eventually found to be true, the total amount of damages to which Class members would be entitled could be substantially reduced as the Plaintiffs and Settling Defendants vastly differed on their view of damages.

5. How do I know if I am part of the Class settlement?

To be a Class Member, you must have purchased or otherwise acquired China Expert Stock during the period from March 31, 2006 through October 1, 2007, inclusive, and suffered losses in your investment as a result of the decline in the value of China Expert common stock.

6. Are there exceptions to being included?

Yes. You are not a Class Member if you are a Settling Defendant, a present or former partner of any of the Settling Defendants, a member of their immediate families, their legal representative, successor or assign, or a present or former officer or director of China Expert or any subsidiary thereof, a member of their immediate families, or their legal representative, successor or assign, or any entity in which any defendants in the Action have or had a controlling interest. Also, if you exclude yourself from the Class, as described below, you are not a part of the Class.

7. What does the Settlement provide?

a. What is the Settlement Fund?

The proposed Settlement calls for Settling Defendants to create a Settlement Fund (the "Settlement Fund") in the amount of \$4,200,000. The Settlement will not become effective unless it is approved by the Court. Subject to the Court's approval, a portion of the Settlement Fund will be used to pay Plaintiffs' attorneys' fees and reasonable litigation expenses and an award to the Class Representatives. A portion of the Settlement Fund will also be used to pay the costs of notice to class members and claims administration expenses, as permitted by the Court, and to pay any taxes due, but only if, and to the extent, interest earned on the Settlement Fund exceeds the costs of notice and claims administration. After these deductions from the Settlement Fund have been made, the amount remaining (the "Net Settlement Fund") will be distributed to Class Members who submit valid claims.

b. What can you expect to receive under the proposed Settlement?

Your share of the Net Settlement Fund will or may depend on: (i) the number of claims filed; (ii) the dates you purchased and sold China Expert Stock; (iii) the prices of your purchases and sales; (iv) the amount of administrative costs, including the costs of notice; and (v) the amount awarded by the Court to Class Counsel for attorneys' fees, costs and expenses and to Class Representatives.

The compensable loss per share ("Recognized Loss") of each Authorized Claimant shall be calculated according to the following formula:

Recognized Loss Calculation of Common Stock Purchased During the Class Period:

1. For shares purchased on or between March 31, 2006 and July 19, 2007:

A. For shares retained at the close of trading on October 1, 2007 the Recognized Loss shall be the lesser of \$2.95 per share or the difference between the purchase price per share and \$.13 per share.

B. For shares sold on or between March 31, 2006 and July 19, 2007, the Recognized Loss shall be zero.

C. For shares sold on or between July 20, 2007 and August 31, 2007, the Recognized shall be the lesser of \$1.50 per share or trading loss¹.

D. For shares sold on or between September 4, 2007 and September 18, 2007, the Recognized Loss shall be the lesser of \$2.43 per share or trading loss.

E. For shares sold on or between September 19, 2007 and October 1, 2007, the Recognized Loss shall be the lesser of \$2.54 per share or trading loss.

2. For shares purchased on or between July 20, 2007 and August 31, 2007:

A. For shares retained at the close of trading on October 1, 2007 the Recognized Loss shall be the lesser of \$1.45 per share or the difference between the purchase price per share and \$.13 per share.

B. For shares sold on or between July 20, 2007 and August 31, 2007, the Recognized Loss shall be zero.

C. For shares sold on or between September 4, 2007 and September 18, 2007, the Recognized Loss shall be the lesser of \$.93 per share or trading loss.

D. For shares sold on or between September 19, 2007 and October 1, 2007, the Recognized Loss shall be the lesser of \$1.04 per share or trading loss.

¹Trading loss is purchase price per share less sales price per share.

3. For shares purchased on or between September 4, 2007 and September 18, 2007:

A. For shares retained at the close of trading on October 1, 2007 the Recognized Loss shall be the lesser of \$.52 per share or the difference between the purchase price per share and \$.13 per share.

B. For shares sold on or between September 4, 2007 and September 18, 2007, the Recognized Loss shall be zero.

C. For shares sold on or between September 19, 2007 and October 1, 2007, the Recognized Loss shall be the lesser of \$.11 per share or trading loss.

4. For shares purchased on or between September 19, 2007 and October 1, 2007:

A. For shares retained at the close of trading on October 1, 2007 the Recognized Loss shall be the lesser of \$.41 per share or the difference between the purchase price per share and \$.13 per share.

B. For shares sold on or between September 19, 2007 and October 1, 2007, the Recognized Loss shall be zero.

To the extent a claimant had a trading gain or “broke even” from his, her or its overall transactions in China Expert Stock during the Class Period, the value of the Recognized Loss will be zero and the claimant will not be entitled to a share of the Net Settlement Fund. To the extent that a claimant suffered a trading loss on his, her or its overall transactions in China Expert Stock during the Class Period, but that trading loss was less than the Recognized Loss calculated above, then the Recognized Loss shall be limited to the amount of the claimant’s actual trading loss.

The Claims Administrator shall determine each Authorized Claimant’s *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant’s Recognized Loss. The Recognized Loss formula is not intended to be an estimate of the amount a Class Member might have been able to recover after a trial; nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Loss formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants.

The date of purchases or sales is the “contract” or “trade” date as distinguished from the “settlement” date. Therefore, you need to list all your purchases and sales of China Expert Stock during the period March 31, 2006 through October 1, 2007, inclusive. Each claimant is deemed to have submitted to the jurisdiction of the Court with respect to the claimant’s claim, and the claim will be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to that claimant’s status as a Class Member and the validity and amount of that claimant’s claim. No discovery shall be allowed on the merits of the Action.

Payments will be final and conclusive against all Class Members. All Class Members whose claims are not approved by the Court will be barred from participating in distributions from the Net Settlement Fund, but otherwise shall be bound by all of the terms of the Settlement, including the terms of the Order and Final Judgment to be entered in the Action and will be barred from bringing any Released Claim against any Released Person, including Unknown Claims (as those terms are defined in the Proof of Claim enclosed with this Notice and in the Stipulation and Agreement of Settlement, which is available on the Internet at www.strategicclaims.net, or through the mail upon request to the Claims Administrator).

c. Are there any further limitations on the amount I may receive?

- i) To the extent there are sufficient funds in the Net Settlement Fund, each Class Member with a Recognized Loss that satisfies the requirements approved by the Court (“Authorized Claimant”) will receive an amount equal to the Authorized Claimant’s Recognized Loss described above. If, however, as expected, the amount in the Net Settlement Fund is not sufficient to permit payment of the total Recognized Loss of each Authorized Claimant, then each Authorized Claimant shall be paid the percentage of the Net Settlement Fund that each Authorized Claimant’s Recognized Loss bears to the total of the Recognized Losses of all Authorized Claimants.
- ii) For Class members who conducted multiple transactions in China Expert Stock during the Class Period, the earliest subsequent sale shall be matched first against those shares in the Claimant’s opening position on the first day of the Class Period, and then matched chronologically thereafter against each purchase made during the Class Period.
- iii) The purchase and sales prices exclude any brokerage commissions, transfer taxes or other fees.
- iv) The covering purchase of a short sale is not an eligible purchase.

8. How can I get a payment?

To qualify for a payment, you must send in a form entitled “Proof of Claim and Release” form. This claim form accompanies this Notice. You may also obtain a claim form on the Internet at www.strategicclaims.net. Read the instructions carefully, fill out the form, sign it in the location indicated, and mail the claim form together with all documentation requested in the form, postmarked no later than January 9, 2014, to:

China Expert Securities Litigation
Claims Administrator
c/o Strategic Claims Services
600 North Jackson Street-Suite 3
P.O. Box 230
Media, PA 19063

The Claims Administrator will process your claim and determine whether you are an “Authorized Claimant.”

9. How can I get more information?

You can get more information by contacting the Claims Administrator at 1-866-274-4004. A copy of the Stipulation and Agreement of Settlement that has been filed with the Court and related documents can be found on the Claims Administrator's website at www.strategicclaims.net. Copies of Plaintiffs' motions for final approval of the Settlement and for an award of attorneys' fees and expenses will be posted on the Claim Administrator's website promptly after they have been filed with the Court.

10. What am I giving up to get a payment or stay in the Class?

Unless you exclude yourself, you will remain in the Class. That means that if the Settlement is approved, you and all Class Members will release (agreeing never to sue, continue to sue, or be part of any other lawsuit) all claims against Settling Defendants and/or their respective divisions, subsidiaries, parent companies, affiliates, connected firms, associates, representatives, predecessors, successors, heirs, owners, assigns, executors, administrators, and/or their present, former or future directors, agents, partners, principals, officers, employees, trustees, attorneys, insurers and reinsurers (and their respective divisions, subsidiaries, parent companies, affiliates, shareholders, partners, joint venturers, principals, insurers, reinsurers, predecessors, successors and assigns, and/or their past, present and future employees, officers, directors, attorneys, accountants, trustees, auditors, agents and representatives), shareholders and/or representatives of the foregoing, and each of them ("Released Persons") in connection with your acquisition of China Expert Stock during the Class Period, except that you do not release the Released Persons from any claim or action to enforce the Settlement. It also means that all of the Court's orders will apply to you and legally bind you. If you sign the claim form, you are agreeing to the "Release of Claims" provided for in the Settlement, which will bar you from ever filing a lawsuit against any Released Person to recover losses from the acquisition or sale of China Expert Stock during the Class Period, except to enforce the Settlement. That means you will accept a share in the Net Settlement Fund as sole compensation for any losses you have suffered in the acquisition and sale of China Expert Stock during the Class Period. **If you do not exclude yourself from the Settlement you will be considered to have agreed to the Release of Claims unless you exclude yourself from the Settlement by following the instructions in the answer to the following question.**

11. How do I get out of the Settlement?

If you do not want to receive a payment from this Settlement, and you want to keep the right to sue or continue to sue Settling Defendants on your own based on the legal claims raised in this Class Action, then you must take steps to get out of the Settlement. This is called excluding yourself from – or "opting out" of – the Settlement. To exclude yourself from the Settlement, you must mail a letter stating you want to be excluded as a Class Member of *Munoz v. China Expert Technology, Inc.*, Case No. 07-CV-10531 (AKH). Be sure to include your name, address, telephone number and your signature, along with an accurate list of all of your purchases and sales of China Expert Stock. You must mail your exclusion request, so that it is postmarked no later than January 9, 2014, to:

China Expert Securities Litigation
Claims Administrator
c/o Strategic Claims Services
600 North Jackson Street—Suite 3
P.O. Box 230
Media, PA 19063

You cannot exclude yourself by telephone or by e-mail. If you properly exclude yourself, you will not receive a settlement payment, you cannot object to the Settlement, and you will not be legally bound by anything that happens in this Class Action.

12. If I do not exclude myself, can I sue Settling Defendants for the same thing later?

No. Unless you exclude yourself, you give up any right to sue Settling Defendants for the claims that this Settlement resolves. If you have a pending lawsuit, speak to your lawyer in that case immediately, since you may have to exclude yourself from this Class to continue your own lawsuit.

13. Do I have a lawyer in this case?

The Court appointed the Rosen Law Firm, P.A. to represent you and the other Class Members. These lawyers are called Class Representatives' Counsel or Class Counsel. If you want to be represented by your own lawyer, you may hire one at your own expense. Contact information for Class Counsel is provided in the response to question 15 below.

14. How will the lawyers be paid?

Class Counsel and counsel working under their direction have expended considerable time litigating this action on a contingent fee basis, and have paid for the expenses of the litigation themselves with the expectation that if they are successful in recovering money for the Class, they will receive attorneys' fees and be reimbursed for their litigation expenses from the Settlement Fund, as is customary in this type of litigation. Class Counsel will not receive attorneys' fees or be reimbursed for their litigation expenses except from the Settlement Fund. Therefore,

Class Counsel will file a motion asking the Court at the Settlement Hearing to make an award of attorneys' fees in an amount not to exceed 25.0% of the Settlement amount and for reimbursement of reasonable litigation expenses not to exceed \$755,000. The Court may award less than these amounts. Any amounts awarded by the Court will come out of the Settlement Fund.

15. How do I tell the Court that I do not like the Settlement or Any Part of It?

You can tell the Court you do not agree with the Settlement or any part of it, including the proposed Plan of Allocation or the proposed award of attorneys' fees to Class Counsel by mailing a letter stating that you object to the Settlement in: *Munoz v. China Expert Technology, Inc.*, Case No. 07-CV-10531 (AKH). Be sure to include your name, address, telephone number, your signature, a list of your purchases and sales of China Expert Stock in order to show your membership in the Class, and all of the reasons you object to the Settlement. Be sure to mail the objections to the five different places listed below, so that they are **received** no later than January 9, 2014, so the Court will consider your views:

COURT	PLAINTIFFS' COUNSEL	DEFENSE COUNSEL
Clerk of the Court United States District Court Southern District of New York 500 Pearl Street New York, NY 10007	Laurence Rosen ROSEN LAW FIRM, P.A. 275 Madison Avenue, 34 th Floor New York, NY 10016 <i>Class Counsel for Plaintiffs</i>	Thomas R. Manisero WILSON ELSER MOSKOWITZ EDELMAN & DICKER LLP 150 East 42nd Street New York, NY 10017 James J. Farrell LATHAM & WATKINS, LLP 355 S. Grand Ave. Los Angeles, CA 90071 Neal R. Marder WINSTON & STRAWN LLP 333 S. Grand Avenue Los Angeles, CA 90071 <i>Counsel for Settling Defendants</i>

16. What is the difference between objecting and requesting exclusion?

Objecting is simply telling the Court you do not like something about the Settlement. You can object only if you stay in the Class. Requesting exclusion is telling the Court you do not want to be part of the Class and Settlement. If you exclude yourself, you cannot object to the Settlement because it no longer concerns you.

17. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Settlement Hearing on February 5, 2014 at 2:30 p.m., at the United States District Court for the Southern District of New York, 500 Pearl Street, New York, New York 10007.

At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate and whether to approve the Settlement. If there are objections, the Court will consider them, and the Court will listen to people who have asked to speak at the hearing. The Court may also decide how much money to award Class Counsel for attorneys' fees and expenses and how much money to award Class Representatives. The Court may adjourn or postpone the date of the hearing without further notice to the Class.

18. Do I have to come to the hearing?

No. Class Counsel will answer any questions the Court may have. However, you are welcome to attend at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mail your written objection on time, the Court will consider it. If, however, you, or an attorney you hire, intend to appear at the Settlement Hearing you must indicate that you will do so in the letter containing your objections or in a separate letter which must be sent to the same persons by the same deadline.

19. What happens if I do nothing at all?

If you do nothing, you will not receive a payment from the Settlement. However, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Settling Defendants about the claims made in this case ever again if the Settlement is Approved.

DATED: NOVEMBER 15, 2013.

BY ORDER OF THE UNITED STATES
 DISTRICT COURT FOR THE
 SOUTHERN DISTRICT OF NEW YORK

China Expert Securities Litigation
c/o Strategic Claims Services
600 N. Jackson St., Ste. 3
P.O. Box 230
Media, PA 19063
Tel.: 866-274-4004
Fax: 610-565-7985
info@strategicclaims.net

PROOF OF CLAIM AND RELEASE

Deadline for Submission: January 9, 2014

IF YOU PURCHASED OR ACQUIRED THE COMMON STOCK OF CHINA EXPERT TECHNOLOGY, INC. (“CHINA EXPERT”) DURING THE PERIOD FROM MARCH 31, 2006 THROUGH OCTOBER 1, 2007, INCLUSIVE (THE “CLASS PERIOD”), YOU ARE A “CLASS MEMBER” AND YOU MAY BE ENTITLED TO SHARE IN THE SETTLEMENT PROCEEDS.

IF YOU ARE A CLASS MEMBER, YOU MUST COMPLETE AND SUBMIT THIS FORM IN ORDER TO BE ELIGIBLE FOR ANY SETTLEMENT BENEFITS.

YOU MUST COMPLETE AND SIGN THIS PROOF OF CLAIM AND RELEASE (“PROOF OF CLAIM”) AND MAIL IT BY FIRST CLASS MAIL, POSTMARKED NO LATER THAN JANUARY 9, 2014 TO STRATEGIC CLAIM SERVICES, THE CLAIMS ADMINISTRATOR, AT THE FOLLOWING ADDRESS:

China Expert Securities Litigation
c/o Strategic Claims Services
600 N. Jackson St., Ste. 3
P.O. Box 230
Media, PA 19063
Tel.: 866-274-4004
Fax: 610-565-7985
info@strategicclaims.net

YOUR FAILURE TO SUBMIT YOUR CLAIM BY JANUARY 9, 2014 WILL SUBJECT YOUR CLAIM TO REJECTION AND PRECLUDE YOUR RECEIVING ANY MONEY IN CONNECTION WITH THE SETTLEMENT OF THIS ACTION. DO NOT MAIL OR DELIVER YOUR CLAIM TO THE COURT OR TO ANY OF THE PARTIES OR THEIR COUNSEL AS ANY SUCH CLAIM WILL BE DEEMED NOT TO HAVE BEEN SUBMITTED. SUBMIT YOUR CLAIM ONLY TO THE CLAIMS ADMINISTRATOR.

CLAIMANT’S STATEMENT

1. I (we) purchased or acquired the common stock (“Stock”) in China Expert and was (were) damaged thereby. (Do not submit this Proof of Claim if you did not purchase or acquire China Expert Stock during the designated Class Period).
2. By submitting this Proof of Claim, I (we) state that I (we) believe in good faith that I am (we are) a Class Member as defined above and in the Notice of Pendency and Proposed Settlement of Class Action (the “Notice”), or am (are) acting for such person(s); that I am (we are) not a Defendant in the Actions or anyone excluded from the Class; that I (we) have read and understand the Notice; that I (we) believe that I am (we are) entitled to receive a share of the Net Settlement Fund, as defined in the Notice; that I (we) elect to participate in the proposed Settlement described in the Notice; and that I (we) have not filed a request for exclusion. (If you are acting in a representative capacity on behalf of a Class Member [e.g., as an executor, administrator, trustee, or other representative], you must submit evidence of your current authority to act on behalf of that Class Member. Such evidence would include, for example, letters testamentary, letters of administration, or a copy of the trust documents.)
3. I (we) consent to the jurisdiction of the Court with respect to all questions concerning the validity of this Proof of Claim. I (we) understand and agree that my (our) claim may be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to my (our) status as a Class Member(s) and the validity and amount of my (our) claim. No discovery shall be allowed on the merits of the Litigation or Settlement in connection with processing of the Proof of Claim.
4. I (we) have set forth where requested below all relevant information with respect to each purchase or acquisition of China Expert Stock during the Class Period, and each sale, if any, of China Expert Stock. I (we) agree to furnish additional information to the Claims Administrator to support this claim if requested to do so.

5. I (we) have enclosed photocopies of the stockbroker's confirmation slips, stockbroker's statements, or other documents evidencing each purchase, acquisition, sale or retention of China Expert Stock listed below in support of my (our) claim. (IF ANY SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN A COPY OR EQUIVALENT DOCUMENTS FROM YOUR BROKER BECAUSE THESE DOCUMENTS ARE NECESSARY TO PROVE AND PROCESS YOUR CLAIM.)
6. I (we) understand that the information contained in this Proof of Claim is subject to such verification as the Claims Administrator may request or as the Court may direct, and I (we) agree to cooperate in any such verification. (The information requested herein is designed to provide the minimum amount of information necessary to process most simple claims. The Claims Administrator may request additional information as required to efficiently and reliably calculate your recognized claim. In some cases, the Claims Administrator may condition acceptance of the claim based upon the production of additional information, including, where applicable, information concerning transactions in any derivatives securities such as options.)
7. Upon the occurrence of the Court's approval of the Settlement, as detailed in the Notice, I (we) agree and acknowledge that my (our) signature(s) hereto shall effect and constitute a full and complete release, remise and discharge by me (us) and my (our) heirs, joint tenants, tenants in common, beneficiaries, executors, administrators, predecessors, successors, attorneys, insurers and assigns (or, if I am (we are) submitting this Proof of Claim on behalf of a corporation, a partnership, estate or one or more other persons, by it, him, her or them, and by its, his, her or their heirs, executors, administrators, predecessors, successors, and assigns) of each of the "Released Persons" of all "Release of Claims," as defined in the Stipulation and Agreement of Settlement.
8. NOTICE REGARDING ELECTRONIC FILES: Certain claimants with large numbers of transactions may request, or may be requested, to submit information regarding their transactions in electronic files. All Claimants MUST submit a manually signed paper Proof of Claim form listing all their transactions whether or not they also submit electronic copies. If you wish to file your claim electronically, you must contact the Claims Administrator at 1-866-274-4004 or visit their website at www.strategicclaims.net to obtain the required file layout. No electronic files will be considered to have been properly submitted unless the Claims Administrator issues to the Claimant a written acknowledgment of receipt and acceptance of electronically submitted data.

I. CLAIMANT INFORMATION

Name

[Grid for Name entry]

Address

[Grid for Address entry]

City: [Grid] State: [Grid] Zip Code: [Grid] - [Grid]

Foreign Province and Postal Code: [Grid] Foreign Country: [Grid]

Area Code Telephone No. (Day) [Grid] - [Grid] Area Code Telephone No. (Night) [Grid] - [Grid] Area Code Facsimile Number [Grid] - [Grid]

Email [Grid]

Social Security Number (for individuals) [Grid] - [Grid] - [Grid]

OR

Taxpayer Identification Number (for estates, trusts, corporations, etc.) [Grid] - [Grid]

II. SCHEDULE OF TRANSACTIONS IN CHINA EXPERT COMMON STOCK

Beginning Holdings:

A. State the total number of shares of China Expert common stock owned at the close of trading on March 30, 2006, long or short *(must be documented)* [Grid]

Purchases:

B. Separately list each and every open market purchase or acquisition of China Expert common stock during the period from March 31, 2006, through October 1, 2007, inclusive, and provide the following information *(must be documented)*:

Table with 4 columns: Trade Date (Month/Day/Year), Number of Shares Purchased, Price per Share, Total Cost (Excluding Commissions, Taxes, and Fees). Includes grid rows for data entry.

Sales:

C. Separately list each and every sale of China Expert common stock during the period March 31, 2006, through October 1, 2007, inclusive, and provide the following information *(must be documented)*:

Table with 4 columns: Trade Date (Month/Day/Year), Number of Shares Sold, Price per Share, Amount Received (Excluding Commissions, Taxes, and Fees). Includes grid rows for data entry.

Ending Holdings:

D. State the total number of shares of China Expert common stock owned at the close of trading on October 1, 2007, long or short (*must be documented*).

If additional space is needed, attach separate, numbered sheets, giving all required information, substantially in the same format, and print your name and Social Security or Taxpayer Identification Number at the top of each sheet.

III. SUBSTITUTE FORM W-9

Request for Taxpayer Identification Number:

Enter taxpayer identification number below for the Beneficial Owner(s). For most individuals, this is your Social Security Number. The Internal Revenue Service ("I.R.S.") requires such taxpayer identification number. If you fail to provide this information, your claim may be rejected.

Social Security Number (for individuals) <div style="display: flex; justify-content: center; gap: 5px;"> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> - <div style="border: 1px solid black; width: 20px; height: 20px;"></div> - <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> </div>	OR	Taxpayer Identification Number (for estates, trusts, corporations, etc.) <div style="display: flex; justify-content: center; gap: 5px;"> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> - <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> </div>
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IV. CERTIFICATION

I (We) certify that I am (we are) NOT subject to backup withholding under the provisions of Section 3406 (a)(1)(c) of the Internal Revenue Code because: (a) I am (We are) exempt from backup withholding, or (b) I (We) have not been notified by the I.R.S. that I am (we are) subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the I.R.S. has notified me (us) that I am (we are) no longer subject to backup withholding.

NOTE: If you have been notified by the I.R.S. that you are subject to backup withholding, please strike out the language that you are not subject to backup withholding in the certification above.

UNDER THE PENALTIES OF PERJURY UNDER THE LAWS OF THE UNITED STATES, I (WE) CERTIFY THAT ALL OF THE INFORMATION I (WE) PROVIDED ON THIS PROOF OF CLAIM AND RELEASE FORM IS TRUE, CORRECT AND COMPLETE.

Signature of Claimant (If this claim is being made on behalf of Joint Claimants, then each must sign):

(Signature)

(Signature)

(Capacity of person(s) signing, e.g. beneficial purchaser(s), executor, administrator, trustee, etc.)

Check here if proof of authority to file is enclosed.

(See Item 2 under Claimant's Statement)

Date: _____

THIS PROOF OF CLAIM MUST BE SUBMITTED NO LATER THAN JANUARY 9, 2014 AND MUST BE MAILED TO:

China Expert Securities Litigation
 c/o Strategic Claims Services
 600 N. Jackson St., Ste. 3
 P.O. Box 230
 Media, PA 19063
 Tel.: 866-274-4004
 Fax: 610-565-7985
 info@strategicclaims.net

A Proof of Claim received by the Claims Administrator shall be deemed to have been submitted when posted, if mailed by January 9, 2014 and if a postmark is indicated on the envelope and it is mailed first class and addressed in accordance with the above instructions. In all other cases, a Proof of Claim shall be deemed to have been submitted when actually received by the Claims Administrator.

You should be aware that it will take a significant amount of time to process fully all of the Proofs of Claim and to administer the Settlement. This work will be completed as promptly as time permits, given the need to investigate and tabulate each Proof of Claim. Please notify the Claims Administrator of any change of address.

REMINDER CHECKLIST

- Please be sure to sign this Proof of Claim on page 10. If this Proof of Claim is submitted on behalf of joint claimants, then both claimants must sign.
- Please remember to attach supporting documents. Do NOT send any stock certificates. Keep copies of everything you submit.
- Do NOT use a highlighter on the Proof of Claim or any supporting documents.
- If you move after submitting this Proof of Claim, please notify the Claims Administrator of the change in your address.

CHINA EXPERT SECURITIES LITIGATION
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson St., Ste. 3
Media, PA 19063

PLEASE FORWARD

PRESORTED FIRST CLASS MAIL U.S. POSTAGE PAID PERMIT NO. 138 PHILADELPHIA, PA

FIRST CLASS MAIL

PLEASE FORWARD—IMPORTANT LEGAL NOTICE