

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

IN RE LONGTOP FINANCIAL TECHNOLOGIES LIMITED  
SECURITIES LITIGATION

Civil Action No. 11-cv-3658-SAS

**NOTICE TO CLASS MEMBERS OF PROPOSED \$2.3 MILLION SETTLEMENT WITH DEFENDANT DEREK PALASCHUK,  
SETTLEMENT FAIRNESS HEARING, AND MOTION FOR REIMBURSEMENT OF LITIGATION EXPENSES**

To: All persons and entities who purchased or otherwise acquired Longtop Financial Technologies, Ltd. ("Longtop") American Depository Shares ("ADSs") during the period from February 21, 2008 through May 17, 2011, inclusive, and were damaged thereby (the "Class").

***A Federal Court authorized this Notice. This is not a solicitation from a lawyer.***

**NOTICE OF SETTLEMENT:** Please be advised that the Court-appointed Lead Plaintiffs, Danske Invest Management A/S and Pension Fund of Local No. One, I.A.T.S.E. (the "Lead Plaintiffs"), on behalf of themselves and the Court-certified Class (as defined below), have reached a proposed settlement of the above-captioned securities class action lawsuit ("Action") for a total of \$2,300,000.00 in cash that, if approved, will resolve all claims in the Action against defendant Derek Palaschuk ("Palaschuk" or the "Settling Defendant").<sup>1</sup>

**PLEASE READ THIS NOTICE CAREFULLY. This Notice explains important rights you may have, including the possible receipt of cash from the Settlement. If you are a Class Member, your legal rights will be affected whether or not you act.**

• **Description of the Action and Class:** This Notice relates to a proposed Settlement reached in the Action between Lead Plaintiffs and Palaschuk. See ¶ 8 below for a description of the claims asserted by Lead Plaintiffs against Palaschuk and the other defendants. The proposed Settlement follows the November 2014 trial against Palaschuk, whereby a jury found Palaschuk liable for violating Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") between February 10, 2010 and May 17, 2011. As required under the Exchange Act, the jury apportioned responsibility of the total damage amount among defendants as follows: 50% to Wai Chau Lin, a/k/a Lian Weizhou ("Lin"), 49% to Longtop and 1% to Palaschuk.

In addition to the jury verdict against Palaschuk, the Court previously entered a default judgment against Longtop and Lin, for violating Sections 10(b) and 20(a) of the Exchange Act between February 21, 2008, and May 17, 2011. Pursuant to the default judgment, Longtop and Lin are jointly and severally liable to Lead Plaintiffs and the Class for damages totaling \$882,300,000 plus 9% interest on such amount from February 21, 2008, through the date of payment. This amount is the maximum amount of damages available to the Class. Lead Plaintiffs' efforts to collect this judgment remain ongoing; however, given the complexities of the international laws implicated, Longtop's corporate structure and its potential lack of financial resources, the likelihood of Lead Plaintiffs collecting this judgment or any portion thereof is uncertain.

The proposed Settlement with Palaschuk, if approved by the United States District Court for the Southern District of New York (the "Court"), will settle claims of the Class certified by the Court pursuant to Memorandum Opinion and Order dated July 10, 2013 (ECF No. 157), consisting of: **All persons and entities who purchased or otherwise acquired Longtop ADSs during the period from February 21, 2008 through May 17, 2011, inclusive, and were damaged thereby.** Excluded from the Class are Defendants, present or former executive officers of Longtop, present or former members of Longtop's Board of Directors, and their immediate family members (as defined in 17 C.F.R. § 229.404, Instructions). Also excluded from the Class are any Persons who submitted a request for exclusion from the Class in connection with the previously disseminated Notice of Pendency of Class Action dated July 29, 2014 ("Class Notice") as set forth on Appendix 1 to the Stipulation and who do not opt-back into the Class (see ¶¶ 39-41 below).

• **Statement of Class's Recovery:** Subject to Court approval, and as described more fully below, Lead Plaintiffs, on behalf of themselves and the Class, have agreed to settle all claims against Palaschuk that were asserted in the Complaints or could have been asserted in any forum that arise out of or are based upon the allegations, transactions, facts, matters or occurrences, representations, or omissions involved, set forth, or referred to in the Complaints, the Liability Verdict or the Damages Verdict and that relate to the purchase or other acquisition of Longtop ADS during the Class Period (i.e., the period from February 21, 2008 through May 17, 2011, inclusive), in exchange for a settlement payment of \$2.3 million in cash (the "Settlement Amount"). The Net Settlement Fund (i.e., the Settlement Amount plus any and all interest earned thereon (the "Settlement Fund") less any: (i) Taxes; (ii) Notice and Administration Costs; (iii) attorneys' fees awarded by the Court; (iv) Litigation Expenses awarded by the Court; and (v) other costs, expenses, or amounts as may be approved by the Court) will be distributed in accordance with a plan of allocation that is approved by the Court, which will determine how the Net Settlement Fund shall be allocated among members of the Class. The proposed plan of allocation (the "Plan of Allocation") is attached hereto as Appendix A. **Please Note: At trial Lead Plaintiffs pursued claims based on Palaschuk's alleged misrepresentations during the period February 10, 2010 through May 17, 2011 (the "Trial Class Period") – a portion of the Certified-Class Period (i.e., February 21, 2008 through May 17, 2011, inclusive). Only Class Members who purchased or otherwise acquired Longtop ADSs during the Trial Class Period (the "Trial Class") will be potentially eligible to receive a distribution from the Net Settlement Fund.**

• **Estimate of Average Amount of Recovery Per ADS:** Lead Plaintiffs' damages expert estimates that approximately 39.1 million Longtop ADSs were purchased or otherwise acquired during the Trial Class Period and therefore were damaged pursuant to Section 10(b) of the Exchange Act. Lead Plaintiffs' damages expert estimates that, if valid claims for all damaged ADSs are submitted, the average recovery per Longtop ADS damaged during the Trial Class Period will be approximately \$0.06 per ADS before deduction of costs and expenses awarded by the Court and the costs of providing notice and administering the Settlement. **Class Members should**

<sup>1</sup> All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings provided in the Stipulation and Agreement of Settlement dated June 18, 2015 (the "Stipulation"), which is available on the website for the Action at [www.longtopclassaction.com](http://www.longtopclassaction.com).

**note, however, that the foregoing average recovery per damaged Longtop ADS is only an estimate.** A Trial Class member's actual recovery will depend on several things, including: (i) the number of claims filed; (ii) when Trial Class members purchased and/or acquired Longtop ADSs during the Trial Class Period; and (iii) whether Trial Class members sold their Longtop ADSs and, if so, when. Distributions to Trial Class members will be made based on the Plan of Allocation set forth herein (see Appendix A) or such other plan of allocation as may be ordered by the Court.

- **Statement of Average Amount of Damages Per ADS:** As set forth below in ¶ 22, on November 24, 2014, the jury rendered a verdict on damages in the trial against Palaschuk, determining the artificial inflation in Longtop ADS on each day during the period from February 10, 2010 to May 17, 2011 and apportioning responsibility of the total damage amount among defendants as follows: 50% to Lin, 49% to Longtop and 1% to Palaschuk (the "Damages Verdict") (ECF No. 272). The Settling Parties and their respective counsel acknowledge that the aggregate damages arising from the Damages Verdict cannot be assessed with exactitude, necessarily depend on speculative assumptions regarding the amount of eligible shares and rate of claims, and are uncertain. The Settling Parties and their respective counsel acknowledge that the amount of claims deemed entitled by the Claims Administrator to distribution from the Net Settlement Fund may be higher or lower than the aggregate amount that would have been distributed pursuant to the Damages Verdict (and judgment that would have been entered by the Court in absence of this Settlement).

- **Statement of Litigation Expenses Sought:** Court-appointed Lead Counsel, Kessler Topaz Meltzer & Check, LLP ("Kessler Topaz"), has prosecuted the Action since its inception in 2011 through trial in November 2014 and subsequent post-trial motions. Lead Counsel has prosecuted this Action on an entirely contingent basis and has conducted this Action and advanced the expenses of litigation with the expectation that if it was successful in recovering money for the Class, it would receive fees and be reimbursed for its expenses from the Settlement Fund, as is customary in this type of litigation. For the efforts undertaken on behalf of the Class, Lead Counsel, on behalf of Plaintiffs' Counsel, will apply to the Court for reimbursement of out-of-pocket expenses up to \$500,000, plus interest earned on this amount at the same rate earned on the Settlement Fund, all to be paid from the Settlement Fund. In addition, Lead Plaintiffs may seek reimbursement from the Settlement Fund for costs and expenses (including lost wages) incurred by Lead Plaintiffs in connection with their representation of the Class up to an aggregate amount of \$20,000. If the above amounts are requested and approved by the Court, the average cost per ADS damaged during the Trial Class Period will be \$0.01. **Please note that this amount is only an estimate.**

- **Identification of Attorneys' Representatives:** Lead Plaintiffs and the Class are represented by: Gregory M. Castaldo and Kimberly A. Justice of Kessler Topaz Meltzer & Check, LLP, 280 King of Prussia Road, Radnor, PA 19087, (610) 667-7706, info@ktmc.com.

- **Reasons for the Settlement:** Lead Plaintiffs and Lead Counsel have considered the arguments raised by Palaschuk in his opposition to their post-trial motions, including his objections to certain of the proposed notice and claims procedures and damages calculation methodologies, as well as the potential for further litigation on issues of individual reliance for select Trial Class members. Lead Plaintiffs and Lead Counsel also recognize the expense and time that would be required to conduct the post-verdict claims administration for this matter. Lead Plaintiffs and Lead Counsel further acknowledge the potential for Palaschuk to appeal the jury verdict after a final judgment has been entered. Based on a thorough evaluation of these issues, among others, Lead Plaintiffs and Lead Counsel have concluded that the proposed Settlement, which will resolve all outstanding issues between the Settling Parties and provide payment of a certain aggregate sum for the benefit of the Class, reflects a fair, reasonable and adequate resolution of the Action against Palaschuk and is in the best interest of the Class. Palaschuk has denied, and continues to deny, all allegations of fault, liability and/or wrongdoing made against him in the Action. Nonetheless, Palaschuk is entering into the Settlement, among other reasons, to: (i) eliminate the burden, expense and further litigation with respect to the various arguments raised in connection with the post-trial motions regarding claims procedures and administration; (ii) eliminate the burden and expense of further litigation in connection with any appeal; and (iii) finally put to rest the claims asserted against him in the Action.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT</b>	
<b>SUBMIT A PROOF OF CLAIM POSTMARKED NO LATER THAN NOVEMBER 10, 2015.</b>	This is the only way to be eligible to receive a payment from the Settlement. If you are a Class Member, you will be bound by the Settlement as approved by the Court and you will give up any Settled Claims (defined in ¶ 32 below) that you have against the Released Parties (defined in ¶ 33 below).
<b>OPT-BACK INTO THE CLASS BY SUBMITTING A WRITTEN REQUEST TO WITHDRAW YOUR PREVIOUSLY SUBMITTED REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN SEPTEMBER 22, 2015.</b>	If you previously submitted a request for exclusion from the Class in connection with the Class Notice and now want to be part of the Class, which may make you potentially eligible to receive a payment from the Settlement if you are a Trial Class member and submit a valid Proof of Claim, you must follow the steps for "Opting-Back Into the Class" as set forth in ¶ 40 below. If you previously submitted a request for exclusion from the Class in connection with the Class Notice and wish to remain excluded from the Class, no further action is necessary.
<b>OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN SEPTEMBER 22, 2015.</b>	If you do not like the Settlement, the Plan of Allocation, and/or the requests for reimbursement of expenses, you may write to the Court and explain why you do not like them. You cannot object to the Settlement, the Plan of Allocation and/or the expense requests unless you are a Class Member and you did not previously submit a request for exclusion in connection with the Class Notice.

**YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT**

<p><b>GO TO THE HEARING ON OCTOBER 13, 2015 AT 2:30 P.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN SEPTEMBER 22, 2015.</b></p>	<p>Filing a written objection and notice of intention to appear by September 22, 2015 allows you to speak in Court at the discretion of the Court about the fairness of the proposed Settlement, the Plan of Allocation, and/or the requests for reimbursement of expenses. If you submit a written objection, you may (but do not have to) attend the hearing and, at the discretion of the Court, speak to the Court about your objection.</p>
<p><b>DO NOTHING.</b></p>	<p>If you are a member of the Trial Class and you do not submit a Proof of Claim by November 10, 2015, you will not be eligible to receive any payment from the Settlement Fund. You will, however, remain a member of the Class, which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the Action.</p>

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**WHY DID I GET THIS NOTICE?**

1. This Notice is being sent to you pursuant to an Order of the Court because you or someone in your family or an investment account for which you serve as custodian may have purchased or otherwise acquired Longtop ADSs during the Certified-Class Period (i.e., February 21, 2008 through May 17, 2011, inclusive). The Court has directed us to send you this Notice because, as a potential Class Member, you have a right to know about your options before the Court rules on the proposed Settlement of this case. Additionally, you have the right to understand how a class action lawsuit may generally affect your legal rights. If the Court approves the Settlement, Garden City Group, LLC (“GCG”), the Claims Administrator selected by Lead Plaintiffs and approved by the Court, will distribute payments pursuant to the Settlement after any objections and appeals are resolved.

2. In a class action lawsuit, under a federal law governing lawsuits such as this one, the Court appoints one or more investors, known as class representatives, to oversee litigation brought on behalf of all investors with similar claims, commonly known as the class or the class members. In this Action, the Court has appointed Danske Invest Management A/S and Pension Fund of Local No. One, I.A.T.S.E. to serve as “Lead Plaintiffs” and has appointed the law firm of Kessler Topaz as Lead Counsel for Lead Plaintiffs and the Class in the Action. Pursuant to the Memorandum Opinion and Order entered July 13, 2013 (ECF No. 157), the Court certified Lead Plaintiffs as Class Representatives and appointed Lead Counsel as Class Counsel and Grant & Eisenhofer P.A. (“G&E”) as Local Counsel for the Class. A class action is a type of lawsuit in which the claims of a number of individuals are resolved together, thus providing the class members with both consistency and efficiency. Here, the Court has already certified the Class. Accordingly, the Settlement, if approved by the Court, will resolve issues with respect to the Settling Defendant on behalf of Class Members, except for any Persons who previously submitted a request for exclusion in connection with the Class Notice who do not opt-back into the Class.

3. The Court in charge of this case is the United States District Court for the Southern District of New York, and the case is known as *In re Longtop Financial Technologies Limited Securities Litigation*, Civil Action No. 11-cv-3658-SAS (S.D.N.Y.). The Judge presiding over this case is the Honorable Shira A. Scheindlin, United States District Judge. If the Settlement is approved, it will resolve all claims in the Action by Class Members against the Settling Defendant. The Settlement and the releases provided by the Settlement do not affect, in any way: (i) the Default Judgment entered by the Court against Longtop and Lin on November 14, 2013 (ECF No. 164); or (ii) any of the claims Lead Plaintiffs and/or the Class have against any Non-Settling Defendants.

4. This Notice explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them. The purpose of this Notice is to inform you that a settlement has been reached in this Action between Lead Plaintiffs and the Settling Defendant and how you might be affected. It also is being sent to inform you of the terms of the proposed Settlement, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the proposed Settlement, the proposed Plan of Allocation, and the applications by Lead Counsel and Lead Plaintiffs for reimbursement of Litigation Expenses (the “Settlement Fairness Hearing”).

5. The Settlement Fairness Hearing will be held on October 13, 2015 at 2:30 p.m., before the Honorable Shira A. Scheindlin in the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, Courtroom 15C, New York, NY 10007-1312, to determine:

- (a) whether the proposed Settlement is fair, reasonable, and adequate and should be approved by the Court;
- (b) whether the Action should be dismissed with prejudice against the Settling Defendant as set forth in the Stipulation;
- (c) whether the proposed Plan of Allocation is fair and reasonable and should be approved by the Court;
- (d) whether Lead Counsel's and Lead Plaintiffs' requests for reimbursement of Litigation Expenses should be approved by the Court; and
- (e) any other relief the Court deems necessary to effectuate the terms of the Settlement.

6. The Court still has to decide whether to approve the Settlement. If the Court approves the Settlement, payments to Authorized Claimants will be made after any appeals are resolved, and after the completion of all claims processing. The claims process will take time to complete fully and fairly. Please be patient.

#### WHAT IS THIS CASE ABOUT?

7. On May 27, 2011, the following actions were filed in the Southern District of New York: *Faris v. Longtop Financial Technologies Limited, et al.*, Civil Action No. 11-cv-03658-SAS ("Faris") and *Kair v. Longtop Financial Technologies Limited, et al.*, Civil Action No. 11-cv-03661-DAB ("Kair"). By Order dated September 21, 2011, the Court consolidated the *Faris* and *Kair* actions under the caption *In re Longtop Financial Technologies Limited Securities Litigation*, No. 11-cv-3658-SAS.

8. On November 18, 2011, Lead Plaintiffs filed their Consolidated Class Action Complaint (the "Consolidated Complaint"), asserting claims under Sections 10(b) and 20(a) of the Exchange Act against defendants Longtop, Lin, Palaschuk, Thomas Gurnee ("Gurnee"), Hui Kung Ka a/k/a Xiaogong Ka ("Ka"), Deloitte Touche Tohmatsu Limited ("Deloitte") and Deloitte Touche Tohmatsu CPA Ltd. ("DTT").<sup>2</sup> Lead Plaintiffs asserted, among other things, that defendants made material misrepresentations and omissions regarding Longtop's business operations, financial well-being and future prospects, and/or controlled defendants who made such statements, and that as the true facts regarding Longtop's financial condition and prospects became known, and/or the risks concealed by defendants materialized, the price of Longtop ADSs declined in value, causing damage to Lead Plaintiffs and other putative class members.

9. On April 23, 2012, Palaschuk moved to dismiss the Consolidated Complaint. Following full briefing on Palaschuk's motion to dismiss, the Court denied Palaschuk's motion by Opinion and Order dated June 28, 2012.

10. On July 12, 2012, upon Lead Plaintiffs' motion, the Clerk of the Court issued a certificate of default as to Longtop.

11. On July 30, 2012, Palaschuk filed his Original Answer to Plaintiffs' Consolidated Class Action Complaint.

12. On August 1, 2012, the Court granted Lead Plaintiffs' request for leave to serve DTT by alternate means after Lead Counsel was unable to effectuate service on DTT in China through the Hague Convention on Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters. Lead Plaintiffs subsequently served DTT by direct mail in China and through its U.S.-based counsel, Sidley Austin LLP.

13. On September 10, 2012, DTT moved to dismiss the Consolidated Complaint, and following full briefing on the motion, the Court granted DTT's motion on November 14, 2012.

14. Thereafter, on December 14, 2012, Lead Plaintiffs and additional named plaintiff Pompano Beach General Employees Retirement System filed an Amended Consolidated Class Action Complaint against defendants DTT, Longtop, Palaschuk and Lin, asserting claims under Sections 10(b) and 20(a) of the Exchange Act (the "Amended Complaint").

15. On January 22, 2013, Palaschuk filed his Answer to the Amended Complaint.

16. DTT moved to dismiss the Amended Complaint on January 25, 2013, and following full briefing on the motion, the Court granted DTT's motion on April 8, 2013.

17. On June 21, 2013, Lead Plaintiffs filed an unopposed motion to certify the Action as a class action and to appoint Lead Plaintiffs as Class Representatives, Kessler Topaz as Class Counsel and G&E as Local Counsel for the class (the "Motion for Class Certification"). On July 11, 2013, the Court entered Lead Plaintiffs' Motion for Class Certification.

18. On October 9, 2013, upon Lead Plaintiffs' motion, the Clerk issued a certificate of default as to Lin.

19. On November 14, 2013, upon Lead Plaintiffs' motion, the Court entered default judgment against Lin and Longtop in the amount of \$882.3 million plus 9% interest on such amount from February 21, 2008, to the date of payment (the "Default Judgment").

20. On November 20, 2013, Palaschuk filed a motion for summary judgment. On the same day, Lead Plaintiffs moved to exclude the report and testimony of Palaschuk's proffered expert, Alan D. Bell. Thereafter, on February 26, 2014, Lead Plaintiffs moved to exclude the report and testimony of Palaschuk's proffered expert, Roger D. Siefert. Following full briefing on these motions, the Court, by Opinion and Order dated June 16, 2014, denied Palaschuk's motion for summary judgment and, by Opinion and Order dated July 2, 2014, granted in part and denied in part Lead Plaintiffs' motions to exclude the reports and testimony of Palaschuk's proffered experts, Roger D. Siefert and Alan D. Bell.

21. On July 29, 2014, the Court approved Lead Plaintiffs' proposed notice and summary notice of pendency of class action. The Class Notice was mailed to nominees and potential members of the Class beginning in August 2014 and a summary notice was published in *Investor's Business Daily* and the *Wall Street Journal* and transmitted over *PR Newswire* on August 27, 2014. The

<sup>2</sup> On February 29, 2012, Lead Plaintiffs voluntarily dismissed without prejudice their claims against Gurnee and Deloitte pursuant to FED. R. CIV. P. 41(a)(1)(A)(i).

Class Notice advised members of the Class, *inter alia*, that the Default Judgment had been entered against Longtop and Lin and that the claims against Palaschuk would be tried to a jury on behalf of Class Members who purchased or otherwise acquired Longtop ADSs between February 10, 2010 and May 17, 2011. The Class Notice further provided members of the Class with the opportunity to request exclusion from the Class and set forth the procedure for doing so. A total of three (3) requests for exclusion from the Class were received pursuant to the Class Notice.

22. The trial against Palaschuk was bifurcated into liability and damages phases. The liability phase commenced on November 18, 2014 and lasted 4 court days through November 21, 2014. During the liability phase of trial, the parties presented documentary and testimonial evidence and closing argument in support of their respective positions. On November 21, 2014, the jury rendered a verdict on liability in favor of Lead Plaintiffs and the Trial Class with respect to all eight of the challenged misstatements or omissions of material fact (the "Liability Verdict"). Following the Liability Verdict, the damages phase of the trial commenced on November 24, 2014 wherein Lead Plaintiffs presented expert testimony in support of their position regarding damages and counsel for the parties delivered closing argument. After a single day of testimony, on November 24, 2014, the jury rendered a verdict on damages, determining the artificial inflation in Longtop ADS on each day during the period from February 10, 2010 to May 17, 2011, and apportioning responsibility of the total damages amount among defendants as follows: 50% to Lin, 49% to Longtop and 1% to Palaschuk (the "Damages Verdict").

23. During trial, Palaschuk made an oral motion for judgment as a matter of law which he renewed after the jury rendered its Damages Verdict. On December 9, 2014, Palaschuk withdrew that motion.

24. Thereafter, Lead Plaintiffs and Palaschuk submitted to the Court a proposed schedule for post-trial briefing. On February 6, 2015, Lead Plaintiffs filed their motions for entry of an award of prejudgment interest and approval of proposed notice and claims administration and the allocation of costs thereof ("Post-Trial Motions"). The Post-Trial Motions were fully briefed and *sub judice* when the Settling Parties reached their agreement-in-principle to settle the Action. In light of the Settling Parties' agreement-in-principle to resolve the Action, Lead Plaintiffs subsequently withdrew their Post-Trial Motions on April 30, 2015.

25. On June 23, 2015, the Court preliminarily approved the Settlement, authorized this Notice to be disseminated to potential Class Members, and scheduled the Settlement Fairness Hearing to consider whether to grant final approval to the Settlement.

#### HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?

26. If you are a member of the Class, you are subject to the Settlement unless you are excluded from the Class as set forth below. The Class consists of:

**All persons and entities who purchased or otherwise acquired Longtop ADSs during the period from February 21, 2008 through May 17, 2011, inclusive, and were damaged thereby.**

Excluded from the Class are Defendants, present or former executive officers of Longtop, present or former members of Longtop's Board of Directors, and their immediate family members (as defined in 17 C.F.R. § 229.404, Instructions). Also excluded from the Class are any Persons who submitted a request for exclusion in connection with the previously disseminated Class Notice, as set forth on Appendix 1 to the Stipulation and who do not opt-back into the Class (see ¶¶ 39-41 below).

**PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT. YOU MUST BE A TRIAL CLASS MEMBER IN ORDER TO BE POTENTIALLY ELIGIBLE TO RECEIVE A PAYMENT FROM THE SETTLEMENT. IF YOU ARE A TRIAL CLASS MEMBER AND YOU WISH TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF THE PROCEEDS FROM THE SETTLEMENT, YOU ARE REQUIRED TO SUBMIT THE PROOF OF CLAIM THAT IS BEING DISTRIBUTED WITH THIS NOTICE AND THE REQUIRED SUPPORTING DOCUMENTATION AS SET FORTH THEREIN POSTMARKED NO LATER THAN NOVEMBER 10, 2015.**

#### WHAT ARE LEAD PLAINTIFFS' REASONS FOR THE SETTLEMENT?

27. Lead Plaintiffs and Lead Counsel have considered the arguments raised by the Settling Defendant in his opposition to their Post-Trial Motions, including his objections to certain of the proposed notice and claims procedures and damages calculation methodologies, as well as the potential for further litigation on issues of individual reliance for select Trial Class members. Lead Plaintiffs and Lead Counsel also recognize the expense and time that would be required to conduct the post-verdict claims administration for this matter. Lead Plaintiffs and Lead Counsel further acknowledge the potential for the Settling Defendant to appeal the jury verdict after a final judgment has been entered. Based on a thorough evaluation of these issues, among others, Lead Plaintiffs and Lead Counsel have concluded that the proposed Settlement, which will resolve all outstanding issues between the Settling Parties and provide payment of a certain aggregate sum for the benefit of the Class, reflects a fair, reasonable and adequate resolution of the Action against the Settling Defendant and is in the best interest of the Class.

28. In addition, the Settling Defendant has denied, and continues to deny, all allegations of fault, liability and/or wrongdoing made against him in the Action. Nonetheless, the Settling Defendant is entering into this Settlement, among other reasons, to: (i) eliminate the burden, expense and further litigation with respect to the various arguments raised in connection with the Post-Trial Motions regarding claims procedures and administration; (ii) eliminate the burden and expense of further litigation in connection with any appeal; and (iii) finally put to rest the claims asserted against him in the Action.

## HOW MUCH WILL MY PAYMENT BE?

29. At this time, it is not possible to make any determination as to how much any individual Trial Class member may receive from the Settlement. If you are a Trial Class member, your share of the Net Settlement Fund will depend on the number of valid Proofs of Claim that Trial Class members submit, and how many Longtop ADSs you purchased or otherwise acquired during the Trial Class Period, and when you purchased, acquired, and sold them.

30. Appendix A to this Notice explains the Plan of Allocation for allocating the Net Settlement Fund among Authorized Claimants, as proposed by Lead Plaintiffs. The Court may modify the Plan of Allocation, or enter a different plan of allocation, without further notice to the Class.

## HOW ARE CLASS MEMBERS AFFECTED BY THE ACTION AND THE SETTLEMENT?

31. If you are a Class Member, you will be bound by any orders issued by the Court. If the Settlement is approved, the Court will enter a judgment (the "Judgment"). The Judgment will dismiss with prejudice the claims against the Settling Defendant and will provide that, upon the Effective Date of the Settlement, Lead Plaintiffs and all other Class Members, will fully, finally and forever release, relinquish, waive, discharge and dismiss each and every Settled Claim (defined in ¶ 32 below) against the Released Parties (defined in ¶ 33 below), regardless of whether or not such Class Member executes and delivers a Proof of Claim.

32. "Settled Claims" means any and all claims and causes of action of every nature and description, whether known or Unknown Claims (as hereinafter defined), whether arising under federal, state or common law, that Lead Plaintiffs or any other member of the Class: (i) asserted in the Complaints, or (ii) could have asserted in any forum that arise out of or are based upon the allegations, transactions, facts, matters or occurrences, representations, or omissions involved, set forth, or referred to in the Complaints, the Liability Verdict or the Damages Verdict and that relate to the purchase or other acquisition of Longtop ADS during the Class Period.

33. "Released Parties" means the Settling Defendant and all of his past and present agents, associates, attorneys, advisors, spouses, immediate family members, partners, trustees, executors, estates, administrators, subsidiaries, affiliates, predecessors, successors, assigns and insurers.

34. "Unknown Claims" means any and all Settled Claims that Lead Plaintiffs and/or any member of the Class does not know or suspect to exist in his, her or its favor as of the Effective Date and any Released Parties' Claims that any Released Party does not know or suspect to exist in his, her or its favor as of the Effective Date, which if known by him, her or it might have affected his, her or its decision(s) with respect to the Settlement. With respect to any and all Settled Claims and Released Parties' Claims, the Settling Parties stipulate and agree that upon the Effective Date, Lead Plaintiffs and the Settling Defendant shall expressly waive, and each member of the Class and any Released Party shall be deemed to have waived, and by operation of the Judgment shall expressly have waived, any and all provisions, rights and benefits conferred by any law of any state or territory of the United States or of any other country, or principle of common law or otherwise, which is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

The Settling Parties acknowledge, and members of the Class and the Released Parties by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Settled Claims and Released Parties' Claims was separately bargained for and was a key element of the Settlement.

## WHAT PAYMENT ARE THE ATTORNEYS FOR THE CLASS SEEKING? HOW WILL THE LAWYERS BE PAID?

35. Plaintiffs' Counsel have not received any payment for their services in pursuing claims against the Defendants on behalf of the Class, nor have Plaintiffs' Counsel been reimbursed for their out-of-pocket expenses. Before final approval of the Settlement, Lead Counsel, on behalf of Plaintiffs' Counsel, will apply to the Court for reimbursement of Litigation Expenses up to \$500,000. In addition to the request by Lead Counsel, Lead Plaintiffs may apply for reimbursement from the Settlement Fund for costs and expenses (including lost wages) incurred in connection with their representation of the Settlement Class in accordance with 15 U.S.C. § 78u-4(a)(4), in an amount not to exceed \$20,000 in the aggregate. The Court will determine the amount of any award of reimbursement of Litigation Expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

## HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?

36. To be eligible for a payment from the proceeds of the Settlement, you must be a Trial Class member and you must timely complete and return the Proof of Claim with adequate supporting documentation **postmarked no later than November 10, 2015**. A Proof of Claim is included with this Notice, or you may obtain one from the website for this Action, [www.longtopclassaction.com](http://www.longtopclassaction.com), or you may request that a Proof of Claim be mailed to you by calling the claims administrator, GCG, toll free at (855) 382-6454. Please retain all records of your transactions in Longtop ADSs, as they may be needed to document your Claim. If you are excluded from the Class by definition or you previously submitted a request for exclusion in connection with the Class Notice and do not opt-back into the Class in accordance with the instructions set forth in ¶ 40 below, or if you do not submit a timely and valid Proof of Claim, you will not be eligible to share in the Net Settlement Fund.

37. As a Class Member, you are represented by Lead Plaintiffs and Lead Counsel, unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her notice of appearance on the attorneys listed in the section entitled, "When and Where Will the Court Decide Whether to Approve the Settlement?," below.

38. If you are a Class Member who has not previously submitted a request for exclusion in connection with the Class Notice and you wish to object to the Settlement, the proposed Plan of Allocation, or Lead Counsel's and Lead Plaintiffs' applications for reimbursement of Litigation Expenses, you may present your objections by following the instructions in the section entitled, "When and Where Will the Court Decide Whether to Approve the Settlement?," below.

**"OPTING-BACK" INTO THE CLASS  
WHAT IF I PREVIOUSLY REQUESTED EXCLUSION FROM THE CLASS AND NOW  
WANT TO BE ELIGIBLE TO RECEIVE A PAYMENT FROM THE SETTLEMENT FUND?  
HOW DO I OPT-BACK INTO THE CLASS?**

39. If you previously submitted a request for exclusion from the Class in connection with the Class Notice (see Appendix 1 to the Stipulation), you may elect to opt-back into the Class and be potentially eligible to receive a payment from the Settlement. If you are unsure as to whether you previously requested exclusion from the Class, please contact the claims administrator, GCG, toll free at (855) 382-6454.

40. In order to opt-back into the Class, you, individually or through counsel, must submit a written Request to Opt-Back Into the Class to GCG, addressed as follows: *Longtop Financial Technologies Securities Litigation*, c/o GCG, P.O. Box 10149, Dublin, OH 43017-3149. This request must be **received no later than September 22, 2015**. Your Request to Opt-Back Into the Class must: (i) state the name, address and telephone number of the Person requesting to opt-back into the Class; (ii) state that such Person "requests to opt-back into the Class in the *Longtop Financial Technologies Securities Litigation*, Civil Action No. 11-cv-3658-SAS"; and (iii) be signed by the Person requesting to opt-back into the Class or an authorized representative.

41. You may not opt-back into the Class for the purpose of objecting to any aspect of the Settlement, Plan of Allocation, or Lead Counsel's and Lead Plaintiffs' requests for reimbursement of Litigation Expenses.

**PLEASE NOTE: OPTING-BACK INTO THE CLASS IN ACCORDANCE WITH THE REQUIREMENTS SET FORTH ABOVE DOES NOT MEAN THAT YOU WILL AUTOMATICALLY BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT. IF YOU OPT-BACK INTO THE CLASS AND YOU WISH TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE SETTLEMENT, YOU MUST BE A TRIAL CLASS MEMBER AND YOU MUST SUBMIT THE PROOF OF CLAIM THAT IS BEING DISTRIBUTED WITH THIS NOTICE AND THE REQUIRED SUPPORTING DOCUMENTATION AS SET FORTH THEREIN POSTMARKED NO LATER THAN NOVEMBER 10, 2015.**

**WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?  
DO I HAVE TO COME TO THE HEARING?  
MAY I SPEAK AT THE HEARING IF I OBJECT TO THE SETTLEMENT?**

42. Class Members do not need to attend the Settlement Fairness Hearing. The Court will consider any submission made in accordance with the provisions below even if a Class Member does not attend the hearing. You can participate in the Settlement without attending the Settlement Fairness Hearing.

43. The Settlement Fairness Hearing will be held on **October 13, 2015 at 2:30 p.m.** before the Honorable Shira A. Scheindlin in the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, Courtroom 15C, New York, NY 10007-1312. The Court reserves the right to approve the Settlement, the Plan of Allocation, Lead Counsel's and Lead Plaintiffs' applications for reimbursement of Litigation Expenses and/or any other matter related to the Settlement at or after the Settlement Fairness Hearing without further notice to the members of the Class.

44. Any Class Member who did not submit a request for exclusion from the Class in connection with the Class Notice may object to the proposed Settlement, the proposed Plan of Allocation, and/or Lead Counsel's and Lead Plaintiffs' applications for reimbursement of Litigation Expenses. Objections must be in writing. You must file any written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk's Office of the Court at the address set forth below on or before **September 22, 2015**. You must also serve the papers on Lead Counsel for the Class and Settling Defendant's Counsel at the addresses set forth below so that the papers are **received on or before September 22, 2015**.

**Clerk's Office**

United States District Court  
Southern District of New York  
Clerk of the Court  
Daniel Patrick Moynihan  
United States Courthouse  
500 Pearl Street  
New York, NY 10007-1312

**Lead Counsel**

Gregory M. Castaldo, Esq.  
Kimberly A. Justice, Esq.  
Kessler Topaz Meltzer &  
Check, LLP  
280 King of Prussia Road  
Radnor, PA 19087

**Settling Defendant's Counsel**

John F. Sylvia, Esq.  
Mintz Levin Cohn Ferris Glosky  
and Popeo, P.C.  
666 Third Avenue  
New York, NY 10017

45. Any objection to the Settlement must include: (i) the name, address and telephone number of the Person objecting and must be signed by the objector; (ii) a statement of such Person's objections to any matters before the Court concerning this Settlement; (iii) the grounds therefor or the reasons that such Person desires to appear and be heard, as well as all documents or writings such Person desires the Court to consider; (iv) whether that Person intends to present any witnesses; and (v) proof of the Person's membership in the Class, which proof shall include the Person's purchases and acquisitions of Longtop ADSs during the Class Period and any sales thereof, including the dates, the number of ADSs and price(s) paid and received for each such purchase, acquisition and sale. You may not object to the Settlement, the Plan of Allocation or Lead Counsel's and Lead Plaintiffs' applications for reimbursement of Litigation Expenses if you previously submitted a request for exclusion from the Class in connection with the Class Notice or if you are not a member of the Class.

46. You may file a written objection without having to appear at the Settlement Fairness Hearing. You may not, however, appear at the Settlement Fairness Hearing to present your objection unless you first filed and served a written objection in accordance with the procedures described above, unless the Court orders otherwise.

47. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation, and/or Lead Counsel's and Lead Plaintiffs' applications for reimbursement of Litigation Expenses, and if you file and serve a timely written objection as described above, you must also file a notice of appearance with the Clerk's Office and serve it on Lead Counsel and Settling Defendant's Counsel at the addresses set forth above so that it is **received on or before September 22, 2015**. Persons who intend to object and desire to present evidence at the Settlement Fairness Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such Persons may be heard orally at the discretion of the Court.

48. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Fairness Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Lead Counsel and Settling Defendant's Counsel at the addresses set forth above so that the notice is **received on or before September 22, 2015**.

49. The Settlement Fairness Hearing may be adjourned by the Court without further written notice to the Class. If you intend to attend the Settlement Fairness Hearing, you should confirm the date and time with Lead Counsel.

50. Unless the Court orders otherwise, any Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation, or Lead Counsel's and Lead Plaintiffs' applications for reimbursement of Litigation Expenses. Class Members do not need to appear at the hearing or take any other action to indicate their approval.

**WHAT IF I BOUGHT SHARES ON SOMEONE ELSE'S BEHALF?**

51. If you purchased or otherwise acquired Longtop ADSs during the period from February 21, 2008 through May 17, 2011, inclusive, for the beneficial interest of any person or entity other than yourself, you are requested, within seven (7) calendar days of your receipt of this Notice, to either: (i) provide a list of the names and last known addresses of such beneficial purchasers to the Claims Administrator, GCG, **IF YOU HAVE NOT ALREADY PROVIDED SUCH NAMES AND ADDRESSES IN RESPONSE TO THE CLASS NOTICE MAILED IN AUGUST 2014**; or (ii) forward copies of this Notice and the Proof of Claim to each such beneficial purchaser and provide GCG with written confirmation that these documents have been so forwarded. If you previously elected to mail the Class Notice directly to beneficial purchasers, GCG will forward the same number of this Notice and Proof of Claim (the "Claim Packet") to you to send to such beneficial purchasers. If you require more copies than you previously requested, please contact GCG and let them know how many additional Claim Packets you require. Upon full compliance with these directions, you may seek reimbursement of your reasonable expenses actually incurred, by providing GCG with proper documentation supporting the expenses for which reimbursement is sought. All such correspondence should be directed to GCG as follows:

*Longtop Financial Technologies Securities Litigation*  
c/o GCG  
P.O. Box 10149  
Dublin, OH 43017-3149  
(855) 382-6454

**CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?**

52. This Notice contains only a summary of the terms of the proposed Settlement. For more detailed information about the matters involved in this Action, you are referred to the papers on file in the Action, including the Stipulation, which may be inspected during regular office hours at the Office of the Clerk, United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007. Additionally, copies of the Stipulation and any related orders entered by the Court will be posted on [www.longtopclassaction.com](http://www.longtopclassaction.com). All inquiries concerning this Notice or the Proof of Claim should be directed to GCG or Lead Counsel at the contact information set forth in this Notice.

**DO NOT CALL OR WRITE THE COURT OR THE OFFICE OF THE CLERK OF COURT REGARDING THIS NOTICE.**

Dated: July 13, 2015

BY ORDER OF THE COURT:  
United States District Court  
For the Southern District of New York



## APPENDIX A

### PROPOSED PLAN OF ALLOCATION OF THE NET SETTLEMENT FUND

The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund to those Class Members who suffered economic losses as a result of the Settling Defendant's Exchange Act violations between February 10, 2010 and May 17, 2011 (the "Trial Class"). The Plan of Allocation reflects Lead Plaintiffs' damages expert's analysis undertaken to that end based on the artificial inflation found by the jury in the price of Longtop ADSs during the Trial Class Period, as reflected in the Special Verdict Form 2 dated November 24, 2014 (ECF No. 272).

The Plan of Allocation is not a formal damages analysis. The calculations made pursuant to the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that members of the Trial Class might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The computations under the Plan of Allocation are only a method to weigh the claims of an Authorized Claimant against all other Authorized Claimants for the purposes of making *pro rata* allocations of the Net Settlement Fund. No distribution will be made on a claim where the potential distribution amount is less than ten dollars (\$10.00) in cash.

#### Calculation of Recognized Claims for Trial Class Members

Recognized Claims for Trial Class Members will be calculated based on the artificial inflation presented in Special Verdict Form 2. Table 1 (attached hereto) presents the inflation in Longtop ADS during the Trial Class Period.

In order for a Trial Class Member to have a Recognized Claim, he, she or it will need to have held their Longtop ADSs through at least one of the corrective disclosures. Table 2 (attached hereto) presents the per ADS decline in artificial inflation for each day during the Trial Class Period.

The sum of a Claimant's Recognized Loss amounts (as calculated below) and Recognized Gain amounts (as calculated below) will be the Claimant's "Recognized Claim."

#### Calculation of Recognized Losses:

For each Longtop ADS purchased or otherwise acquired during any of the periods shown in the left column of Table 2 (attached hereto), and:

- a. sold within the same period, the Recognized Loss per ADS is zero.
- b. sold in a subsequent period, the Recognized Loss per ADS is the lesser of:
  - i. the decline in inflation per ADS shown in Table 2; and
  - ii. the purchase/acquisition price per ADS less the sale price per ADS.
- c. retained beyond May 17, 2011, the Recognized Loss per ADS is the lesser of:
  - i. the decline in inflation per ADS shown in Table 2; and
  - ii. the purchase/acquisition price per ADS less \$0.89 (i.e., the average closing price for Longtop ADS during the 90-day bounce-back period).<sup>3</sup>

#### Calculation of Recognized Gains:

Table 3 (attached hereto) provides the per ADS increase in artificial inflation for each day during the Trial Class Period.

For each Longtop ADS purchased or otherwise acquired during any of the periods shown in the left column of Table 3 (attached hereto), and:

- a. sold within the same period, the Recognized Gain per ADS is zero.
- b. sold in a subsequent period, the Recognized Gain per ADS is the lesser of:
  - i. the increase in inflation per share shown in Table 3; and
  - ii. the sale price per ADS less the purchase price per ADS.

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<sup>3</sup> The Private Securities Litigation Reform Act of 1995 ("PSLRA") imposes a statutory limitation on recoverable damages. This limitation is incorporated into the calculation of Recognized Claims. In other words, a Trial Class member's Recognized Loss Amount cannot exceed the difference between the purchase price paid for the Longtop ADS and the average price of Longtop ADS during the 90-day period following the final corrective disclosure (the "90-day bounce back period") if the ADS was held through August 20, 2011, the end of the 90-day bounce back period. Losses on Longtop ADS purchased/acquired during the Trial Class Period and sold *during* the 90-day bounce back period cannot exceed the difference between the purchase/acquisition price of the Longtop ADS and the average price of Longtop ADS during the portion of the 90-day bounce back period elapsed as of the date of sale.

In addition, a Trial Class member will have recoverable damages only if he, she or it had a net loss, after all profits from the Trial Class member's transactions in Longtop ADSs during the Trial Class Period are subtracted from all losses incurred on the Trial Class member's transactions in Longtop ADSs during the Trial Class Period.

### **ADDITIONAL PROVISIONS**

If a Trial Class member held Longtop ADSs at the beginning of the Trial Class Period or made multiple purchases, acquisitions or sales of Longtop ADSs during or after the Trial Class Period, the starting point for calculating a Claimant's Recognized Claim is to match the Claimant's holdings, purchases and acquisitions to their sales using the LIFO (i.e., last-in-first-out) method. Under the LIFO method, Longtop ADSs sold during the Trial Class Period will be matched first against the most recently purchased/acquired Longtop ADSs. The sale of any remaining Longtop ADSs during the Trial Class Period will then be matched in reverse chronological order against Longtop ADSs purchased/acquired during the Trial Class Period.

Purchases or acquisitions and sales of Longtop ADS shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. The receipt or grant by gift, inheritance or operation of law of Longtop ADS during the Trial Class Period shall not be deemed a purchase, acquisition or sale of these Longtop ADSs for the calculation of Recognized Claims, unless: (i) the donor or decedent purchased or otherwise acquired such Longtop ADS during the Trial Class Period; (ii) no Proof of Claim was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such shares of Longtop ADS; and (iii) it is specifically so provided in the instrument of gift or assignment.

An Authorized Claimant's Recognized Claim shall be the amount used to calculate the Authorized Claimant's *pro rata* share of the Net Settlement Fund. If the sum total of Recognized Claims of all Authorized Claimants who are entitled to receive payment out of the Net Settlement Fund is greater than the Net Settlement Fund, each Authorized Claimant shall receive his, her, or its *pro rata* share of the Net Settlement Fund. The *pro rata* share shall be the Authorized Claimant's Recognized Claim divided by the total of the Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund.

If any funds remain in the Net Settlement Fund by reason of uncashed checks, or otherwise, after the Claims Administrator has made reasonable and diligent efforts to have Authorized Claimants, who are entitled to participate in the distribution of the Net Settlement Fund, cash their distribution checks, then any balance remaining in the Net Settlement Fund six (6) months after the initial distribution of such funds shall be used: (i) first, to pay any amounts mistakenly omitted from the initial distribution to Authorized Claimants or to pay any late, but otherwise valid and fully documented claims received after the cut-off date used to make the initial distribution, provided that such distributions to any late post-distribution claimants meet all of the other criteria for inclusion in the initial distribution, including the \$10.00 minimum check amount set forth herein; (ii) second, to pay any additional fees and expenses incurred in administering the Settlement; and (iii) finally, to make a second distribution to Authorized Claimants who cashed their checks from the initial distribution and who would receive at least \$10.00 from such second distribution, after payment of the estimated costs or fees to be incurred in administering the Net Settlement Fund and in making this second distribution, if such second distribution is economically feasible as determined by Lead Counsel after consulting with the Claims Administrator.

If after six (6) months after such second distribution, if undertaken, or if such second distribution is not undertaken, any funds remain in the Net Settlement Fund after the Claims Administrator has made reasonable and diligent efforts to have Authorized Claimants who are entitled to participate in this Settlement cash their checks, any funds remaining in the Net Settlement Fund shall be donated to a secular charitable organization(s) selected by Lead Counsel and approved by the Court.

The Plan of Allocation is considered by the Court separate and apart from the proposed Settlement, and any decision by the Court concerning the Plan of Allocation shall not affect the validity or finality of the proposed Settlement. The Court may approve the Plan of Allocation with or without modifications agreed to among the Settling Parties, or another plan of allocation, without further notice to Class Members. Any order(s) regarding a modification of the Plan of Allocation will be posted to the website for the Action, [www.longtopclassaction.com](http://www.longtopclassaction.com).

**Table 1: Artificial Inflation Per Longtop ADS**  
February 10, 2010 through May 17, 2011

<u>Period</u>	<u>Inflation</u>
February 10, 2010 - May 23, 2010	\$11.89
May 24, 2010 - July 15, 2010	\$15.52
July 16, 2010 - August 17, 2010	\$16.05
August 18, 2010 - January 31, 2011	\$17.06
February 1, 2011 - April 26, 2011	\$19.27
April 27, 2011	\$14.78
April 28, 2011	\$16.70
April 29, 2011 - May 2, 2011	\$19.51
May 3, 2011 - May 17, 2011	\$18.29
May 17, 2011 and Beyond	-

**Table 2: Decline in Artificial Inflation Per Longtop ADS**

Purchase Date	Sale Date									Retained Beyond 5/17/2011
	2/10/2010-5/23/2010	5/24/2010-7/15/2010	7/16/2010-8/17/2010	8/18/2010-1/31/2011	2/1/2011-4/26/2011	4/27/2011	4/28/2011	4/29/2011-5/2/2011	5/3/2011-5/17/2011	
2/10/2010-5/23/2010	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$11.89
5/24/2010-7/15/2010		\$0.00	\$0.00	\$0.00	\$0.00	\$0.74	\$0.00	\$0.00	\$0.00	\$15.52
7/16/2010-8/17/2010			\$0.00	\$0.00	\$0.00	\$1.27	\$0.00	\$0.00	\$0.00	\$16.05
8/18/2010-1/31/2011				\$0.00	\$0.00	\$2.28	\$0.36	\$0.00	\$0.00	\$17.06
2/1/2011-4/26/2011					\$0.00	\$4.49	\$2.57	\$0.00	\$0.98	\$19.27
4/27/2011						\$0.00	\$0.00	\$0.00	\$0.00	\$14.78
4/28/2011							\$0.00	\$0.00	\$0.00	\$16.70
4/29/2011-5/2/2011								\$0.00	\$1.22	\$19.51
5/3/2011-5/17/2011									\$0.00	\$18.29

**Table 3: Increase in Artificial Inflation Per ADS**

Purchase Date	Sale Date									Retained Beyond 5/17/2011
	2/10/2010- 5/23/2010	5/24/2010- 7/15/2010	7/16/2010- 8/17/2010	8/18/2010- 1/31/2011	2/1/2011- 4/26/2011	4/27/2011	4/28/2011	4/29/2011- 5/2/2011	5/3/2011- 5/17/2011	
2/10/2010- 5/23/2010	\$0.00	\$3.63	\$4.16	\$5.17	\$7.38	\$2.89	\$4.81	\$7.62	\$6.40	\$0.00
5/24/2010- 7/15/2010		\$0.00	\$0.53	\$1.54	\$3.75	\$0.00	\$1.18	\$3.99	\$2.77	\$0.00
7/16/2010- 8/17/2010			\$0.00	\$1.01	\$3.22	\$0.00	\$0.65	\$3.46	\$2.24	\$0.00
8/18/2010- 1/31/2011				\$0.00	\$2.21	\$0.00	\$0.00	\$2.45	\$1.23	\$0.00
2/1/2011- 4/26/2011					\$0.00	\$0.00	\$0.00	\$0.24	\$0.00	\$0.00
4/27/2011						\$0.00	\$1.92	\$4.73	\$3.51	\$0.00
4/28/2011							\$0.00	\$2.81	\$1.59	\$0.00
4/29/2011- 5/2/2011								\$0.00	\$0.00	\$0.00
5/3/2011- 5/17/2011									\$0.00	\$0.00