



12 August 2011

To the Independent Shareholders

Dear Sir or Madam,

**PROPOSED SHARE CONSOLIDATION;
DEBT RESTRUCTURING AND CONNECTED TRANSACTION;
AND
APPLICATION FOR THE WHITEWASH WAIVER**

We refer to the letter from the Board set out in the circular dated 12 August 2011 (the “**Circular**”) of which this letter forms part. Capitalised terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

We have been appointed as the Independent Board Committee to consider the Subscription Agreement and the Whitewash Waiver and to advise the Independent Shareholders as to the fairness and reasonableness of the Subscription Agreement and the Whitewash Waiver and to recommend whether or not the Independent Shareholders should vote for the resolutions to be proposed at the EGM to approve the Subscription Agreement and the Whitewash Waiver. Veda Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the terms of the Subscription Agreement and the Whitewash Waiver.

We wish to draw your attention to the letter from Veda Capital to the Independent Board Committee and the Independent Shareholders which contains its advice to us in relation to the Subscription Agreement and the Whitewash Waiver as set out in the Circular. We also draw your attention to the letter from the Board set out in the Circular.

Having taken into account the principal factors and reasons considered by and the opinion of Veda Capital as stated in its letter of advice, we consider the terms of the Subscription Agreement and the Whitewash Waiver are fair and reasonable so far as the interests of the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. We therefore recommend the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM to approve the Subscription Agreement and the Whitewash Waiver.



Yours faithfully,
Independent Board Committee
Independent non-executive Directors

Mr. Wong Yanhui

Mr. Pai Hsi-Ping

Mr. Wong Kon Man Jason