



30 June 2014

To the Independent Shareholders and the Optionholders

Dear Sir or Madam,

**UNCONDITIONAL MANDATORY CASH OFFERS BY
KINGSTON SECURITIES LIMITED
FOR AND ON BEHALF OF ACHIEVE PROSPER CAPITAL LIMITED
TO ACQUIRE ALL THE ISSUED SHARES
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED
BY ACHIEVE PROSPER CAPITAL LIMITED AND PARTIES ACTING IN
CONCERT WITH IT), AND TO CANCEL ALL THE OUTSTANDING SHARE
OPTIONS OF STARLIGHT INTERNATIONAL HOLDINGS LIMITED**

(I) INTRODUCTION

Reference is made to the Joint Announcement and the Circular in relation to, among other things, the Sale and Purchase Agreement, the Group Restructuring, the Share Premium Reduction, the Distribution In Specie, the CB Subscription Agreement, the Disposal, the Framework Purchase Agreement, the Listco Offers and the Privateco Offer. The Share Premium Reduction, the Distribution In Specie, the CB Subscription Agreement, the Framework Purchase Agreement and the respective transactions contemplated thereunder, including the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares under the Specific Mandate, have been approved by the Shareholders at the SGM.

The Sale and Purchase Completion took place on 26 June 2014. Upon the Sale and Purchase Completion, the Offeror has acquired an aggregate of 1,076,758,361 Shares, representing approximately 52.94% of the issued share capital of the Company as at the Latest Practicable Date, for a total consideration of HK\$185,202,438.09 (equivalent to HK\$0.1720 per Sale Share). Accordingly, the Offeror is required (i) under Rule 26.1 of the Takeovers Code to make a mandatory cash general offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it); and (ii) under Rule 13.5 of the Takeovers Code to make the Option Offer to cancel all outstanding Share Options. As the Offeror and parties acting in concert with it are holding more than 50% of the issued share capital of the Company, the Share Offer and the Option Offer are unconditional.

The purpose of this letter is to provide you with, inter alia, information on the Listco Offers, the Offeror and its intention regarding the Group. Further terms of the Listco Offers and the procedures of acceptances are set out in this letter and in Appendix I to this Composite Document and the Form(s) of Acceptance.

The Shareholders and the Optionholders are strongly advised to carefully consider the information contained in the "Letter from the Board", the "Letter from the Independent Board Committee", the "Letter from the Independent Financial Adviser" and the appendices as set out in this Composite Document before reaching a decision as to whether or not to accept the Listco Offers.

(II) THE LISTCO OFFERS

Principal terms of the Listco Offers

Kingston Securities is making, on behalf of the Offeror, the Listco Offers to (i) acquire all the Offer Shares; and (ii) cancel all the outstanding Share Options on the following basis:

The Share Offer

For every Offer Share held HK\$0.1720 in cash

The Share Offer is not conditional upon any minimum level of acceptances of the Share Offer and is unconditional. The Share Offer will close on Monday, 21 July 2014.

As at the Latest Practicable Date, the Company has 2,033,808,485 Shares in issue. As (i) the Offeror and parties acting in concert with it own 1,076,758,361 Shares, 957,050,124 Shares will be subject to the Share Offer and the total consideration of the Share Offer would be approximately HK\$164.6 million based on the Share Offer Price.

In the event that the Share Offer is accepted in full, the maximum amount payable by the Offeror under the Share Offer will be (i) approximately HK\$164.6 million (assuming no Share Option is exercised and the number of Shares subject to the Share Offer is 957,050,124 Shares); or (ii) approximately HK\$164.8 million (assuming all outstanding Share Options are exercised and the number of Shares subject to the Share Offer is 958,306,281 Shares).

The Share Offer Price is the same as the purchase price per Sale Share under the Sale and Purchase Agreement which was arrived at after arm's length negotiations between the Offeror and the Vendors.

Based on the Share Offer Price of HK\$0.1720 per Offer Share and 2,033,808,485 Shares in issue as at the Latest Practicable Date, the entire issued share capital of the Company is valued at approximately HK\$349.8 million.

The Share Offer will extend to all Shares in issue on the date on which the Share Offer is made, being the date of despatch of this Composite Document, and to any further Shares which are unconditionally allotted or issued on the exercise of the Share Options, other than those Shares held by the Offeror and persons acting in concert with it.

The Option Offer

For cancellation of each Share Option with exercise

prices of HK\$0.2053 and HK\$0.2228 per Share HK\$0.01 in cash

As at the Latest Practicable Date, the Company has outstanding Share Options conferring rights on the Optionholders to subscribe for up to an aggregate of 1,256,157 Shares. Please refer to the "Letter from the Board" set out in this Composite Document for further details regarding the Share Options.

Based on the Option Offer Prices for the cancellation of each outstanding Share Option and the corresponding number of outstanding Share Options, the maximum amount payable under the Option Offer (assuming no Share Options are exercised prior to the date of closing of the Listco Offers and the Option Offer is accepted in full) is HK\$12,561.57.

A comparison of the Share Offer Price to the closing prices of the Shares is set out below under the heading "Comparison of value". Pursuant to Rule 13 and Practice Note 6 of the Takeovers Code, the Option Offer Price will normally represent the difference between the exercise price of the respective Share Options and the Share Offer Price. However, as the exercise prices of the Share Options are above the Share Offer Price, their Option Offer Price is a nominal HK\$0.01 per Share Option.

The Option Offer will extend to all Share Options in issue on the date on which the Option Offer is made, being the date of despatch of this Composite Document, other than those Share Options held by the Offeror and persons acting in concert with it. As at the Latest Practicable Date, the Offeror and parties acting in concert with it do not hold any Share Options.

As at the Latest Practicable Date, save for the securities as mentioned above, the Company had no other outstanding warrants, derivatives or convertibles in issue which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares.

Acceptance of the Listco Offers shall be irrevocable and shall not be capable of being withdrawn.

Comparison of value

The Share Offer Price of HK\$0.1720 represents:

- (i) a discount of approximately 33.8% to the closing price of HK\$0.260 per Share as quoted on the Stock Exchange on the Last Trading Day and 29 January 2014, being the last full trading day for the Shares prior to the suspension of trading in the Shares pending the release of the Joint Announcement;
- (ii) a discount of approximately 31.2% to the closing price of HK\$0.250 per Share as quoted on the Stock Exchange on 31 December 2013, being the last trading day for the Shares prior to the commencement of the Offer Period;
- (iii) a discount of approximately 35.1% to the average closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day of HK\$0.265 per Share;
- (iv) a discount of approximately 36.3% to the average closing prices of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day of HK\$0.270 per Share;
- (v) a discount of approximately 35.3% to the average closing prices of the Shares as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day of HK\$0.266 per Share;
- (vi) a discount of approximately 12.2% to the average closing prices of the Shares as quoted on the Stock Exchange for the 90 consecutive trading days up to and including the Last Trading Day of HK\$0.196 per Share;
- (vii) a discount of approximately 20.0% to the closing price of HK\$0.215 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (viii) a discount of approximately 33.5% to the unaudited consolidated net asset attributable to Shareholders per Share of approximately HK\$0.2587 per Share as at 30 September 2013; and
- (ix) a discount of approximately 6.3% to the unaudited consolidated net asset attributable to Shareholders per Share of approximately HK\$0.1836 per Share as at 30 November 2013.

Highest and lowest Share price

During the Relevant Period:

- (i) the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.300 on both 3 January 2014 and 16 January 2014; and

- (ii) the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.107 on 27 September 2013.

Value of the Listco Offers

Assuming that no Share Options are exercised prior to the close of the Listco Offers, 957,050,124 Shares and 1,256,157 Share Options are subject to the Share Offer and the Option Offer respectively, and the Listco Offers are valued at approximately HK\$164.6 million in aggregate.

In the event all the Share Options are exercised in full by the Optionholders prior to the Listco Offers Closing Date and the Share Offer is accepted in full (including all Shares allotted and issued as a result of the exercise of the Share Options), the Company will have to issue 1,256,157 new Shares, representing approximately 0.06% of the issued share capital of the Company as enlarged by the issue of the aforementioned new Shares. Under such circumstances, the total number of Shares subject to the Share Offer would increase to 958,306,281 Shares and the maximum value of the Share Offer will be increased to approximately HK\$164.8 million as a result thereof. In that case, no amount will be payable by the Offeror under the Option Offer.

Financial resources available to the Offeror

The Offeror intends to finance the consideration payable by the Offeror under the Listco Offers with (i) the Facility of up to HK\$150 million and (ii) its internal resources.

Kingston Corporate Finance and Ample Capital, the joint financial advisers to the Offeror, are satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Listco Offers.

Effect of accepting the Listco Offers

The Share Offer is unconditional. By accepting the Share Offer, the Shareholders will sell their Shares free from all encumbrances and together with all rights attaching to them including the right to all dividends and distributions (but excluding, for the avoidance of doubt, the Distribution In Specie) which may be declared, paid or made at any time on or after the date on which the Share Offer is made, being the date of despatch of this Composite Document.

In accordance with the terms of the share option scheme of the Company adopted on 15 January 2008, the Optionholders are entitled to exercise the Share Options (to the extent not already exercised) to its full extent at any time up to the close of the Share Offer, after which the Share Options shall automatically lapse according to the terms of the share option scheme.

The Option Offer is unconditional. By accepting the Option Offer, the Optionholders will sell their Share Options free from all encumbrances and together with all rights attaching to them on or after the date on which the Option Offer is made, being the date of despatch of this Composite Document.

The procedures for accepting and further terms of the Listco Offers are set out in Appendix I to this Composite Document.

Hong Kong stamp duty

Seller's Hong Kong ad valorem stamp duty on acceptances of the Share Offer at a rate of 0.1% (or part thereof) of the consideration payable in respect of the relevant acceptance by the Shareholders or if higher, the market value of the Shares, will be deducted from the amount payable to Shareholders who accept the Share Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Shareholders accepting the Share Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Share Offer and the transfer of the Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong). No stamp duty is payable in connection with the acceptances of the Option Offer.

Payment

Payment in cash in respect of acceptances of the Listco Offers will be made as soon as possible but in any event within seven (7) Business Days of the date on which the duly completed acceptances of the Listco Offers and the relevant documents of title in respect of such acceptances are received by the Offeror (or its agent) to render each such acceptance complete and valid.

Taxation advice

Shareholders and Optionholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Listco Offers. None of the Offeror, parties acting in concert with the Offeror, the Company, Ample Capital, Kingston Corporate Finance, Kingston Securities and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Listco Offers accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Listco Offers.

Dealing and interests in the Company's securities

The Offeror, Hong Kong Shihua, Liaoning Shihua Property and parties acting in concert with any of them have not dealt in the shares, convertible securities, warrants, options or derivatives of the Company during the Relevant Period save for the transactions contemplated by the MOU, the Sale and Purchase Agreement and the CB Subscription Agreement to which the Offeror is a party.

Overseas Shareholders and Overseas Optionholders

The Overseas Shareholders and the Overseas Optionholders should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibilities of the Overseas Shareholders and the Overseas Optionholders who wish to accept the Listco Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Listco Offers (including the obtaining of any governmental or

other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such accepting Overseas Shareholders and Overseas Optionholders in respect of such jurisdictions).

Compulsory acquisition

The Offeror and parties acting in concert with it do not intend to exercise any right which may be available to them to acquire compulsorily any Shares not tendered for acceptance under the Share Offer.

(III) INFORMATION OF THE OFFEROR

The Offeror is an investment holding company incorporated in Samoa with limited liability on 21 November 2013. To expedite the incorporation of the Offeror and simplify the corporate administration going forward, the Offeror's entire issued share capital is registered in the name of Mr. Wang Xing Qiao, who is holding the same on trust for Hong Kong Shihua and is the sole director of the Offeror. Hong Kong Shihua is an investment holding company incorporated in Hong Kong on 12 December 2013 with limited liability, which is wholly owned by Liaoning Shihua Property, and Mr. Wang Jing is the sole director of Hong Kong Shihua. Liaoning Shihua Property is a company established under the laws of the PRC on 12 January 1998 and is principally engaged in property development, property leasing, sales of construction materials, outdoor and shop advertising, and vehicle storage in the PRC, focusing on Liaoning province. As at the Latest Practicable Date, Liaoning Shihua Property is owned as to approximately 82.8% by Mr. Wang Jing, approximately 16.0% by Ms. Wang Yi Qiao and approximately 1.2% by Ms. Hu Bao Qin. Mr. Wang Jing is the sole director of Liaoning Shihua Property. Mr. Wang Jing and Ms. Hu Bao Qin are spouses to each other. Ms. Wang Yi Qiao and Mr. Wang Xing Qiao are the daughter and the son of Mr. Wang Jing respectively.

(IV) FUTURE INTENTION OF THE OFFEROR IN RELATION TO THE COMPANY

Following the close of the Listco Offers, the Offeror intends to continue the Remaining Business of the Group. The Offeror will conduct a review on the financial position and the operations of the Company and will formulate long-term business plans and strategy of the Company, explore other business opportunities and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Company. Should such corporate actions materialise, further announcement(s) will be made by the Company in accordance with the Listing Rules. Save for the proposed change in Board composition set out below and subject to the result of the Offeror's review of the Company, the Offeror has no intention to (i) discontinue the employment of any employees of the Group; or (ii) implement major changes in the business of the Group, including the redeployment of the fixed assets of the Company other than those in its ordinary and usual course of business. The Offeror considers that the Remaining Business represents good future prospects and accordingly, the acquisition of the Sale Shares and the Listco Offers are in its long-term commercial interest.

Proposed change of Board composition

The Board is currently made up of eight Directors, comprising four executive Directors, being Mr. Lau Sak Hong, Philip, Mr. Lau Sak Kai, Anthony, Mr. Lau Sak Yuk, Andy and Ms. Lau Chu Lan, Carol, one non-executive Director, being Mr. Peter Hon Sheung Tin, and three independent non-executive Directors, being Mr. Chan Chak Chung, Mr. Chuck Winston Calptor and Mr. Tang Yee Man.

Pursuant to the terms of the Sale and Purchase Agreement, subject to the Sale and Purchase Completion, the Vendors shall cause such Directors as may be notified by the Offeror to the Vendors to give notice to resign as Directors at the earliest time permitted under (or pursuant to any dispensation from) the Takeovers Code. In addition, the Vendors shall cause such persons as the Offeror may nominate to be validly appointed as Directors with effect from the earliest time permitted under (or pursuant to any dispensation from) the Takeovers Code. Such resignation will not take effect earlier than the date of the close of the Offer Period, subject to the requirements of the Takeovers Code.

The Offeror at present intends to nominate (i) Mr. Wang Jing (王晶), Mr. Wang Xing Qiao (王星喬), Mr. Chen Wan Jin (陳萬金) and Mr. Zhao Shuang (趙爽) as new executive Directors; (ii) Mr. Li Jun (李軍) as new non-executive Director; and (iii) Mr. Yang Xin Hua (楊新華), Mr. Wang Ping (王平) and Mr. Cheng Tai Kwan Sunny (鄭大鈞) as new independent non-executive Directors with effect from a date as permitted under the Takeovers Code, the Listing Rules and laws applicable to the Company. Such appointment is expected to take place on or about the Listco Offers Closing Date. Any changes to the composition of the Board will be made in compliance with the Takeovers Code and the Listing Rules. An announcement will be published by the Company in this regard.

Biographies of new Directors to be nominated by the Offeror

Executive Directors

Mr. Wang Jing, aged 59, is proposed to be appointed as the Chairman of the Company and an executive Director. He is a vice chairman of 遼寧省工商業聯合會 (Liaoning Federation of Industry and Commerce), a 遼寧省勞動模範 (Liaoning Province Model Worker*) in 2006, and 本溪市人大代表 (member of People's Congress of Benxi City). He has founded Liaoning Shihua Property and he had been appointed as the General Manager of 遼寧實華集團 (Liaoning Shihua Group*) since April 2007. He currently acts as the Chairman of 遼寧實華集團 (Liaoning Shihua Group*). He has also been an 常務理事 (executive member*) of the 遼寧省房地產行業協會 (Property Development Industry Association of Liaoning Province*) since March 2012. In February 2014, Mr. Wang has been awarded as 遼寧省優秀建設者 (Liaoning Province Excellent Builder*) by various organizations including 中共遼寧省委統戰部 (Liaoning United Front Work Department of the Chinese Communist Party*). He is the father of Mr. Wang Xing Qiao, a proposed executive Director.

Mr. Wang Xing Qiao, aged 26, is proposed to be appointed as an executive Director. He graduated from the University of Toronto with a Bachelor of Commerce degree with high distinction in 2009. He has also obtained a Master of Philosophy degree in Finance from the Judge Business

* for identification purposes only

School of the University of Cambridge in 2010. He is currently the Deputy General Manager of 遼寧實華集團 (Liaoning Shihua Group*) and is also the Shenyang Regional General Manager of 遼寧實華集團 (Liaoning Shihua Group*). He is the son of Mr. Wang Jing, a proposed executive Director.

Mr. Chen Wan Jin, aged 52, is proposed to be appointed as an executive Director. He has obtained a postgraduate certificate in Economic Law from 首都經濟貿易大學 (Capital University of Economics and Business*) in 2002. He has been the head and General Secretary of 本溪市商業銀行南地支行 (the Benxi City Commercial Bank, South Branch*) since March 2010.

Mr. Zhao Shuang, aged 34, is proposed to be appointed as an executive Director. He graduated from Changchun University majoring in marketing and sales in 2002. Mr. Zhao was appointed as the head of assets management (資產經營) of 遼寧實華集團 (Liaoning Shihua Group*) in 2009 and later the General Manager of 遼寧實華集團 (Liaoning Shihua Group*) responsible for assets management (資產經營) in January 2014. Prior to joining 遼寧實華集團 (Liaoning Shihua Group*), Mr. Zhao was appointed as the Project Manager, Assistant to General Manager and Vice General Manager of 大連東展集團有限公司 (Dalian Dongzhan Group Co. Ltd.*) during the period from 2002 to 2009.

Non-executive Director

Mr. Li Jun, aged 62, is proposed to be appointed as a non-executive Director. Mr. Li graduated from 北京自修大學 (Beijing Open University*) in the field of Industrial and Economics Management in 1988. He was the General Secretary of 遼寧省本溪市房地產協會 (Liaoning Province Benxi City Real Estate Association*) from 1997 to 2007. Mr. Li was appointed as the Benxi Region Vice General Manager of 遼寧實華集團 (Liaoning Shihua Group*) in 2007, and the General Manager of the Liaoning Shihua Property Group in 2014.

Independent non-executive Directors

Mr. Yang Xin Hua, aged 61, is proposed to be appointed as an independent non-executive Director. He completed a 4-year program in 軋鋼設備製造及工藝 (Steel rolling equipment manufacturing and craft*) at 東北重型機械學院 (North Eastern Heavy Machinery Academy*) in June 1977. Mr. Yang was the chairman and general manager of 北台鋼鐵(集團)有限責任公司 (Bei Tai Iron and Steel (Group) Co., Ltd.*) and he has been a part-time professor at 燕山大學 (Yanshan University) since 2002.

Mr. Wang Ping (王平), aged 43, is proposed to be appointed as an independent non-executive Director. He has over 15 years of experience in corporate finance, audit and accounting. He is an executive director and chief financial officer of China Vehicle Components Technology Holdings Limited (Stock Code: 1269), a company listed on the Stock Exchange. Mr. Wang worked as a vice president in EV Capital Pte Ltd. during the period between May 2007 and March 2010. From February 2004 to March 2007, he served as chief financial officer for 中國稽山控股有限公司 (China Jishan Holdings Limited), the shares of which are listed on the main board of Singapore Stock Exchange. From September 1999 to August 2002, he served as a senior accountant and subsequently a manager for audit department of Deloitte Touche Tohmatsu CPA Ltd. Mr. Wang has been an independent non-executive director of Chongyi Zhangyuan Tungsten Co., Ltd. (stock code:

* for identification purposes only

002378.sz), a company listed on the Shenzhen Stock Exchange, since November 2010 and has been an independent non-executive director of China Hangking Holdings Limited (Stock Code: 3788), a company listed on the Stock Exchange, since February 2011. He has also been serving as an independent non-executive director of China Tianrui Group Cement Company Limited (Stock Code: 1252), a company listed on the Stock Exchange, and Shenzhen Fuanna Bedding and Furnishing Co., Ltd. (stock code: 002327.sz), a company listed on the Shenzhen Stock Exchange since December 2012 and December 2013 respectively. Mr. Wang has also been appointed as an independent non-executive director of Jiayao Holdings Limited (stock code: 1626) in June 2014. Mr. Wang graduated from Nanjing University majoring in Economics and Management in 1993 and obtained a Master's Degree in Business Administration from Lingnan (University) College of 中山大學 (Sun Yat- Sen University) in 2004. He is a non-practicing member of Shanghai Institute of Certified Public Accountants.

Mr. Cheng Tai Kwan Sunny, aged 41, is proposed to be appointed as an independent non-executive Director. He has obtained a Bachelor of Business Administration Degree in Accounting from The Hong Kong University of Science and Technology in November 1996, a degree of Master of Science from The Chinese University of Hong Kong in December 2006 and a degree of Executive Master of Business Administration from Northwestern University and The Hong Kong University of Science and Technology in December 2009. Mr. Cheng was admitted as an associate of the Association of Chartered Certified Accountants in July 1999 and a member of the Hong Kong Institute of Certified Public Accountants in September 2001. Mr. Cheng has years of experience in management, financial reporting and management accounting. Mr. Cheng worked for Rhodes Limited, a subsidiary of Li & Fung Limited (stock code: 494) whose shares are listed on the Stock Exchange, during the period from January 2005 to December 2010 and for Covo Design (Dongguan) Co., Ltd. (also subsidiary of Li & Fung Limited), as a vice president, from January 2011 to June 2012. Mr. Cheng is currently the chief executive officer of a private group.

Save as disclosed above, the Offeror does not intend to implement any material changes to the existing management of the Group following the close of the Listco Offers.

Maintaining the listing status of the Company

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Listco Offers.

In the event that after the completion of the Listco Offers, the public float of the Company falls below 25%, the new Directors who will be nominated by the Offeror and to be appointed as Directors and the then directors of the Offeror and the Company will undertake to the Stock Exchange that they will take appropriate steps to restore the minimum public float as required under the Listing Rules as soon as possible following the close of the Listco Offers to ensure that sufficient public float exists for the Shares.

The Stock Exchange has stated that if, upon closing of the Listco Offers, less than the minimum prescribed percentage applicable to the Company, being 25%, of the Shares are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares.

(V) ACCEPTANCE AND SETTLEMENT

Your attention is drawn to the further details regarding further terms and conditions of the Listco Offers, the procedures for acceptance and settlement and the acceptance period as set out in Appendix I to this Composite Document and the accompanying Forms of Acceptance.

(VI) GENERAL

This Composite Document has been prepared for the purposes of complying the laws of Hong Kong, the Takeovers Code and the Listing Rules and the information disclosed may not be the same as which would have been disclosed if this Composite Document had been prepared in accordance with the laws of jurisdictions outside Hong Kong.

To ensure equality of treatment of all Shareholders, those Shareholders and Optionholder who hold Shares or Options as nominee on behalf of more than one beneficial owner should, as far as practicable, treat the holding of such beneficial owner separately. It is essential for the beneficial owners of the Shares and Options whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Listco Offers.

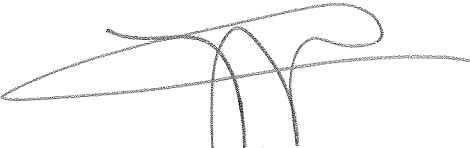
Attention of the Overseas Shareholders and the Overseas Optionholders is drawn to paragraph headed "Overseas Shareholders and Overseas Optionholders" of Appendix I to this Composite Document.

All documents and remittances to be sent to the Shareholders and Optionholders will be sent to them by ordinary post at their own risk. Such documents and remittances will be sent to the Shareholders and Optionholders at their respective addresses as they appear in the register of the members of the Company or register of Optionholders or in the case of joint Shareholders, to such Shareholder or Optionholder whose name appears first in the register of members of the Company or register of Optionholders. The Offeror, Hong Kong Shihua, Liaoning Shihua Property and parties acting in concert with any of them, the Company, Kingston Corporate Finance, Kingston Securities, Ample Capital, GF Capital, the Independent Financial Adviser, the Registrar or professional advisers or any of their respective directors or any other parties involved in the Listco Offers will not be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof or in connection therewith.

(VII) ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Composite Document which form part of this Composite Document. You are reminded to carefully read the “Letter from the Board”, the advice of the Independent Board Committee, the recommendation of the Independent Financial Adviser and other information about the Group, which are set out in this Composite Document before deciding whether or not to accept the Listco Offers.

Yours faithfully,
For and on behalf of
Kingston Securities Limited



Nicholas Chu
Director