



**BEAUTIFUL CHINA HOLDINGS COMPANY LIMITED**  
**美麗中國控股有限公司**

*(incorporated in Bermuda with limited liability)*

(Stock code: 706)

6 December 2013

*To the Independent Shareholders*

Dear Sir or Madam,

**(1) CONNECTED TRANSACTION RELATING TO THE SUBSCRIPTION  
FOR NEW SHARES BY A SUBSTANTIAL SHAREHOLDER  
(2) APPLICATION FOR WHITEWASH WAIVER  
(3) CAPITAL INCREASE  
AND  
(4) NOTICE OF SPECIAL GENERAL MEETING**

We refer to the circular dated 6 December 2013 (the "Circular") to the shareholders of the Company of which this letter forms part. Unless otherwise specified, terms defined in the Circular shall have the same meanings in this letter.

We have been appointed to form the Independent Board Committee to advise the Independent Shareholders in respect of the Subscription Agreement and the transactions contemplated thereunder and the Whitewash Waiver, details of which are set out in the "Letter from the Board" contained in the Circular. TC Capital has been appointed to advise the Independent Shareholders and us in this regard.

Details of the advice and the principal factors and reasons TC Capital has taken into consideration in giving such advice, are set out in the "Letter from TC Capital" in the Circular. Your attention is also drawn to the "Letter from the Board" in the Circular and the additional information set out in the appendices thereto.


Having taken into account the terms of the Subscription Agreement and the transactions contemplated thereunder and the Whitewash Waiver and the advice of TC Capital, we are of the opinion that (i) the terms of the Subscription Agreement and the transactions contemplated thereunder are fair and reasonable so far as the Shareholders (including the Independent Shareholders) are concerned, on normal commercial terms and

in the interests of the Group and the Shareholders as a whole; and (ii) the granting of the Whitewash Waiver is fair and reasonable and in the interests of the Group and the Independent Shareholders as a whole. We, therefore, recommend that you vote in favour of the resolutions to be proposed at the SGM to approve Subscription Agreement and the transactions contemplated thereunder and the Whitewash Waiver.

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

**Chong Yiu Kan, Sherman**


**Chan Ming Sun, Jonathan**  
*Independent non-executive Directors*



**Lai Yip Wing**

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