



Shaw Brothers (Hong Kong) Limited
(incorporated in Hong Kong with limited liability)
(Stock Code: 00080)

3 February 2009

To the Minority Shareholders

Dear Sir or Madam,

**PROPOSAL TO PRIVATISE SHAW BROTHERS (HONG KONG) LIMITED
BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 166 OF THE COMPANIES ORDINANCE**

AND

**PROPOSED WITHDRAWAL OF LISTING OF
SHAW BROTHERS (HONG KONG) LIMITED**

INTRODUCTION

We refer to the document dated 3 February 2009 jointly issued by the Company and the Offeror in relation to the Proposal (the **Composite Document**) of which this letter forms part. Terms defined in the Composite Document shall have the same meanings in this letter unless the context otherwise requires.

On 22 December 2008, the Company and the Offeror jointly announced that on 18 December 2008, the Offeror requested the Board to put forward to the Minority Shareholders a proposal for the privatisation of the Company by way of a scheme of arrangement under Section 166 of the Companies Ordinance.

Details of the Proposal are set out in the "Letter from the Board" on pages 8 to 14 of the Composite Document, and the Explanatory Statement on pages 50 to 65 of the Composite Document.

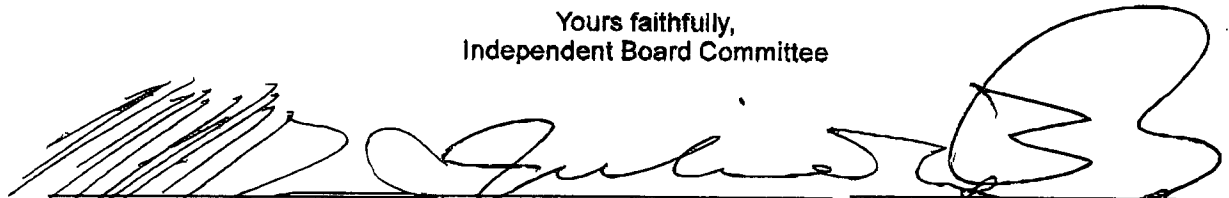
We have been appointed as members of the Independent Board Committee to consider the terms of the Proposal and to advise you as to whether, in our opinion, the terms of the Proposal are fair and reasonable so far as the Minority Shareholders are concerned. Somerley has been appointed as the independent financial adviser to advise the Independent Board Committee in respect of the terms of the Proposal.

We also wish to draw your attention to (i) the letter from Somerley; and (ii) the additional information set out in the appendices to the Composite Document.

RECOMMENDATIONS

Having considered the terms of the Proposal, and having taken into account the opinion of Somerley and, in particular, the factors, reasons and recommendations as set out in the letter from Somerley on pages 17 to 49 of the Composite Document, we consider that the terms of the Proposal are fair and reasonable so far as the Minority Shareholders are concerned. Accordingly, we recommend the Minority Shareholders to vote in favour of the relevant resolutions which will be proposed at the Court Meeting and the EGM to approve and implement the Scheme of Arrangement.

Yours faithfully,
Independent Board Committee



Dr. Chow Yei Ching
Independent non-executive Director

Ms. Ng Julie Yuk Shun
Independent non-executive Director

Mr. Nelson Hon Sang Chiu
Independent non-executive Director