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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **C C Land Holdings Limited**, you should at once hand this circular to the purchaser(s) or to the transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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**C C Land Holdings Limited**

**中渝置地控股有限公司**

*(Incorporated in Bermuda with limited liability)*

*Website: [www.ccland.com.hk](http://www.ccland.com.hk)*

**(Stock Code: 1224)**

**CONNECTED AND DISCLOSEABLE TRANSACTIONS**

**Independent financial adviser  
to the Independent Board Committee and the Independent Shareholders**



**Shenyin Wanguo Capital (H.K.) Limited**

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A letter from the Board is set out on pages 4 to 9 of this circular. A letter from the Independent Board Committee is set out on page 10 of this circular.

A letter from Shenyin Wanguo containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 11 to 20 of this circular.

9 January 2012

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## DEFINITIONS

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*In this circular, the following expressions have the following meanings unless the context requires otherwise:*

“Bishan Land Bureau”	璧山縣國土資源和房屋管理局 (Bishan County Administration of Land Resources and Housing), a branch of the Chongqing Administration of Land Resources and Housing located in Bishan County, Chongqing, the PRC
“Board”	the board of Directors
“Capital Contribution”	the contribution of an aggregate sum of RMB280,000,000 (equivalent to approximately HK\$344,120,000) to the registered capital of Verakin Gonghao as provided in the Capital Contribution Agreement
“Capital Contribution Agreement”	the agreement dated 14 December 2011 entered into between Verakin Property and Xinhua Bookstore relating, inter alia, to the Capital Contribution and provision of additional shareholder’s loans to Verakin Gonghao
“Company”	C C Land Holdings Limited, a company incorporated in Bermuda with limited liability whose Shares are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“GFA”	gross floor area
“Greater China”	Greater China Appraisal Limited, independent valuer appointed for valuing the Land Site
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	an independent board committee of the Company comprising Messrs. Lam Kin Fung Jeffrey, Leung Yu Ming Steven and Wong Lung Tak Patrick which is formed to advise the Independent Shareholders in relation to the Capital Contribution Agreement
“Independent Shareholder(s)”	any Shareholder that is not required to abstain from voting at a general meeting in relation to the approval of the Capital Contribution Agreement and the transactions thereunder, in this case being all Shareholders
“Land Site”	a land site comprising two adjacent land lots in Ludao New District, Bishan County, Chongqing, the PRC with a total site area of approximately 219,000 sqm and permitted GFA of approximately 659,000 sqm acquired on 25 May 2011 at a consideration of RMB1,000,000,000 (equivalent to approximately HK\$1,229,000,000) by Verakin Property on behalf of Verakin Gonghao prior to its incorporation

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## DEFINITIONS

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“Latest Practicable Date”	5 January 2012, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Majority Shareholders”	Thrivetrade Limited (a company wholly-owned by Mr. Cheung Chung Kiu) and Regulator Holdings Limited, a wholly-owned subsidiary of Yugang International Limited (a company beneficially owned by Mr. Cheung Chung Kiu as to 44.06%), respectively hold 1,039,925,571 Shares and 254,239,636 Shares, and in the aggregate 1,294,165,207 Shares, approximately 50.87% of the issued share capital of the Company
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shares”	shares of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of shares of the Company
“Shenyin Wanguo”	Shenyin Wanguo Capital (H.K.) Limited, a corporation licensed under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities, and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Capital Contribution Agreement and the transactions thereunder
“sqm”	square meters
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Verakin Gonghao”	重慶同景共好置地有限公司 (Chongqing Verakin Gonghao Land Company Limited), a company established in the PRC and owned as to 51% by Verakin Property and 49% by Xinhua Bookstore
“Verakin Property”	重慶同景置業有限公司 (Chongqing Verakin Real Estate Company Limited), a company established in the PRC and indirectly owned as to 51% by the Company
“Verakin Wenhao”	重慶同景文浩置業有限公司 (Chongqing Verakin Wenhao Real Estate Company Limited), a company established in the PRC and owned as to 51% by Verakin Property and 49% by Xinhua Bookstore

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## DEFINITIONS

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“Verakin Wenlong”	重慶同景文龍置地有限公司 (Chongqing Verakin Wenlong Real Estate Company Limited), a company established in the PRC and owned as to 51% by Verakin Property and 49% by Xinhua Bookstore
“Xinhua Bookstore”	重慶新華書店集團房地產開發公司 (Chongqing Xinhua Bookstore Group Real Estate Development Company), a company established in the PRC
“%”	Percent

*The English names/translations of the companies established in the PRC, relevant authorities in the PRC and other Chinese terms used in this circular are only translations of their official Chinese names. In case of inconsistency, the Chinese names prevail.*

*In this circular, RMB has been converted to HK\$ at the rate of RMB1 = HK\$1.229 for illustration purpose only. No representation is made that any amounts in RMB or HK\$ have been, could have been or could be converted at the above rate or at any other rates or at all.*

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## LETTER FROM THE BOARD

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# C C Land Holdings Limited 中渝置地控股有限公司

(Incorporated in Bermuda with limited liability)

Website: [www.ccland.com.hk](http://www.ccland.com.hk)

(Stock Code: 1224)

*Executive Directors:*

Mr. Cheung Chung Kiu (*Chairman*)  
Dr. Lam How Mun Peter  
(*Deputy Chairman & Managing Director*)  
Mr. Tsang Wai Choi (*Deputy Chairman*)  
Mr. Lam Hiu Lo  
Mr. Leung Chun Cheong  
Mr. Leung Wai Fai  
Ms. Poon Ho Yee Agnes  
Mr. Wu Hong Cho

*Non-executive Director:*

Mr. Wong Yat Fai

*Independent non-executive Directors:*

Mr. Lam Kin Fung Jeffrey  
Mr. Leung Yu Ming Steven  
Dr. Wong Lung Tak Patrick

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Head office and principal place  
of business in Hong Kong:*

7th Floor  
China United Centre  
28 Marble Road  
North Point  
Hong Kong

9 January 2012

*To the Shareholders,*

Dear Sir or Madam,

### CONNECTED AND DISCLOSEABLE TRANSACTIONS

#### 1. INTRODUCTION

Reference is made to the Company's announcement dated 14 December 2011 relating to the Capital Contribution Agreement. On 14 December 2011, Verakin Property and Xinhua Bookstore entered into the Capital Contribution Agreement which provided for, inter alia, the Capital Contribution and provision of additional shareholder's loans to Verakin Gonghao.

The purpose of this circular is to provide you with details of the Capital Contribution Agreement and other information required under the Listing Rules. Also set out in this circular are (i) a letter from the Independent Board Committee to the Independent Shareholders; (ii) a letter of advice from Shenying Wanguo to the Independent Board Committee and the Independent Shareholders; and (iii) a property valuation report by Greater China on the property interests of Verakin Gonghao.

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## LETTER FROM THE BOARD

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### 2. THE CAPITAL CONTRIBUTION AGREEMENT

#### Date

14 December 2011

#### Parties

- (i) Verakin Property; and
- (ii) Xinhua Bookstore

#### Capital Contribution

Pursuant to the Capital Contribution Agreement, the registered capital of Verakin Gonghao will be increased from the existing amount of RMB20,000,000 (equivalent to approximately HK\$24,580,000) to RMB300,000,000 (equivalent to approximately HK\$368,700,000) by way of the Capital Contribution, comprising:

- (a) the contribution by Verakin Property of an additional RMB133,000,000 (equivalent to approximately HK\$163,457,000) as consideration, when aggregated with the existing amount of RMB20,000,000 (equivalent to approximately HK\$24,580,000) owned by Verakin Property, for a 51% interest in the enlarged registered capital of Verakin Gonghao; and
- (b) the contribution by Xinhua Bookstore of RMB147,000,000 (equivalent to approximately HK\$180,663,000) as consideration for a 49% interest in the enlarged registered capital of Verakin Gonghao.

The Capital Contribution has been completed following execution of the Capital Contribution Agreement. As a result, the registered capital of Verakin Gonghao has been enlarged to RMB300,000,000 (equivalent to approximately HK\$368,700,000), of which RMB153,000,000 (equivalent to approximately HK\$188,037,000) has been provided by Verakin Property and RMB147,000,000 (equivalent to approximately HK\$180,663,000) has been provided by Xinhua Bookstore, representing 51% and 49% of the enlarged registered capital of Verakin Gonghao.

The consideration for the Capital Contribution from each of Verakin Property and Xinhua Bookstore represents respectively a 51% and 49% pro-rata contribution and was determined following arm's length negotiations between Verakin Property and Xinhua Bookstore. The Land Site was acquired on 25 May 2011 at a consideration of RMB1,000,000,000 (equivalent to approximately HK\$1,229,000,000) by Verakin Property on behalf of Verakin Gonghao prior to its incorporation. As opined by Greater China, the market value of the Land Site as at 16 December 2011 would have been RMB1,040,000,000 (equivalent to approximately HK\$1,278,160,000) had the land premium been settled in full, all the relevant land use right certificates issued in respect of the Land Site and the Land Site could be freely transferred. This market value would represent a 0.6% appreciation in value over the cost of the Land Site of RMB1,034,000,000 (equivalent to approximately HK\$1,270,786,000) as at 30 November 2011. In view of there being no material change in the value of the Land Site since its acquisition and taking into account the total liabilities of Verakin Gonghao of RMB355,327,000 (equivalent to approximately HK\$436,697,000) as at 30 November 2011, the consideration from Xinhua Bookstore's portion in the Capital Contribution represents a premium of 4% over the proportional share in the net asset value of Verakin Gonghao as at 30 November 2011. The Directors consider that the consideration is fair and reasonable.

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## LETTER FROM THE BOARD

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### **Shareholder's Loans**

Pursuant to the Capital Contribution Agreement, upon completion of the Capital Contribution, there will be a sum of RMB181,782,909 (equivalent to approximately HK\$223,411,000) remaining due and owing from Verakin Gonghao to Verakin Property as a shareholder's loan together with interest accrued. Under the Capital Contribution Agreement, Xinhua Bookstore will provide a further sum of RMB174,654,167 (equivalent to approximately HK\$214,650,000) to Verakin Gonghao as its share of shareholder's loan, such that Verakin Property and Xinhua Bookstore will be providing shareholder's loans pro-rata to their respective holdings in the registered capital of Verakin Gonghao.

As at the Latest Practicable Date, Verakin Property and Xinhua Bookstore have respectively provided RMB181,848,462 (equivalent to approximately HK\$223,492,000) and RMB63,000,000 (equivalent to approximately HK\$77,427,000) to Verakin Gonghao as shareholder's loan, and Xinhua Bookstore will provide the remaining RMB111,654,167 (equivalent to approximately HK\$137,223,000) on or before 15 February 2012.

Pursuant to the Capital Contribution Agreement, shareholder's loans provided pro-rata to Verakin Gonghao shall carry an interest at the rate of 1% per month payable annually. The principal amount of such pro-rata shareholder's loans will be repaid at the same time when Verakin Gonghao accounts to its equity owners for profit derived from the development of the Land Site.

Any shareholder's loan made to Verakin Gonghao by Verakin Property and Xinhua Bookstore in excess of their respective pro-rated amount will also carry interest at the rate of 1% per month and will be repayable on demand.

The proceeds from the Capital Contribution and from the shareholder's loans by Xinhua Bookstore amounted in the aggregate to RMB321,654,167 (equivalent to approximately HK\$395,313,000), of which RMB300,000,000 (equivalent to approximately HK\$368,700,000) will be applied to fund in part payment of the land premium payable by Verakin Gonghao for the Land Site and the remaining amount of RMB21,654,167 (equivalent to approximately HK\$26,613,000) will be working capital allocated to fund the development cost.

As at the Latest Practicable Date, Verakin Gonghao has signed two land transfer contracts with Bishan Land Bureau for the transfer of the state-owned land use right in respect of the Land Site for a total land premium of RMB1,000,000,000 (equivalent to approximately HK\$1,229,000,000). Part of the total land premium in the sum of RMB538,970,000 (equivalent to approximately HK\$662,394,000) has been paid, with the balance in the sum of RMB461,030,000 (equivalent to approximately HK\$566,606,000) payable before 25 June 2012. Upon payment in full of the land premium, Verakin Gonghao will be entitled to apply for the land use right certificates for the Land Site.

### **Representation in the board of Verakin Gonghao**

After completion of the Capital Contribution, Verakin Property and Xinhua Bookstore will be entitled to nominate 3 and 2 members respectively to the board of directors of Verakin Gonghao.

### **Profits sharing**

After completion of the Capital Contribution, Verakin Property and Xinhua Bookstore will be entitled to share profits of Verakin Gonghao in proportion to their respective equity interests in Verakin Gonghao.



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## LETTER FROM THE BOARD

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### 3. REASONS FOR AND BENEFITS OF THE CAPITAL CONTRIBUTION AGREEMENT

Despite uncertainties about the short term market prospect for property in the PRC, the Directors are confident of a long term growth, particularly in Western China, of the PRC property market powered by the steady economic growth. The Capital Contribution Agreement has the effect of limiting the Group's investment in the Land Site in line with the Company's policy to diversify its capital commitments as a prudent measure under the present market situation, and to reserve its cash resources for profitable opportunities offered to the Group.

After completion of the Capital Contribution, Verakin Gonghao will become a 51% owned subsidiary of Verakin Property. As Verakin Property is a 51% owned indirect subsidiary of the Company, the assets and liabilities of Verakin Gonghao will continue to be consolidated in the financial statements of the Company, and the Company will have a 26% attributable interest in the results of Verakin Gonghao.

The Directors consider that the terms of the Capital Contribution Agreement have been negotiated on an arm's length basis and on normal commercial terms and the terms thereof are fair and reasonable and are in the best interests of the Group and the Shareholders as a whole. As no Director has a material interest in the transactions contemplated under the Capital Contribution Agreement, none of them are required to abstain from voting on any board resolutions relating thereto.

### 4. PRINCIPAL ACTIVITIES OF THE GROUP, XINHUA BOOKSTORE AND VERAKIN GONGHAO

The core business of the Group is property development and investment in Western China, manufacturing and sale of packaging and luggage products, as well as treasury investment.

To the Directors' best knowledge, Xinhua Bookstore is a subsidiary of the Chongqing branch of 重慶新華書店集團公司 (Chongqing Xinhua Bookstore Group Company), a state-owned bookstore chain in the PRC.

Verakin Gonghao is a privately-owned enterprise established in the PRC on 17 June 2011 with a current registered capital of RMB300,000,000 (equivalent to approximately HK\$368,700,000). The principal business of Verakin Gonghao is ownership and development of the Land Site. The Land Site was acquired through listing for sale by Verakin Property on behalf of Verakin Gonghao prior to its incorporation. Pursuant to the application from Verakin Property acknowledged by Bishan Land Bureau on 20 July 2011 in respect of the formation of Verakin Gonghao in place of Verakin Property to develop the Land Site, the title to the Land Site would be transferred from Bishan Land Bureau to Verakin Gonghao and accordingly Verakin Gonghao signed the relevant land transfer contracts. As at the Latest Practicable Date, the Land Site is vacant. Construction work is expected to commence in the second quarter of 2012. Verakin Gonghao is now proceeding with initial-stage planning of the Land Site. Apart from the Capital Contribution Agreement, no other agreement has been entered into by Verakin Property, Xinhua Bookstore and Verakin Gonghao regarding the development of the Land Site. Based on Verakin Gonghao's preliminary estimation, the total development cost (including land premium) of the Land Site will be approximately RMB3,400,000,000 (equivalent to approximately HK\$4,178,600,000) and to be financed by existing internal resources, external borrowings and deposits received from the pre-sale of properties in the amount of RMB1,100,000,000 (equivalent to approximately HK\$1,351,900,000), RMB500,000,000 (equivalent to approximately HK\$614,500,000) and RMB1,800,000,000 (equivalent to approximately HK\$2,212,200,000) respectively.

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## LETTER FROM THE BOARD

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The financial highlights of Verakin Gonghao are as follows:

	<b>17 June 2011 to 30 November 2011</b> <i>RMB'000</i> (unaudited)
Turnover	—
Loss before Tax	(777)
Net Loss	(777)

  

	<b>As at 30 November 2011</b> <i>RMB'000</i> (unaudited)
Total Assets	374,550
Total Liabilities	355,327
Net Assets	19,223

### 5. LISTING RULES IMPLICATION

As Xinhua Bookstore (being a substantial shareholder of Verakin Wenlong and Verakin Wenhao, both indirect subsidiaries of the Company) is a connected person of the Company at the level of subsidiaries, the transactions related to Xinhua Bookstore under the Capital Contribution Agreement constitute connected transactions under Chapter 14A of the Listing Rules. As the applicable percentage ratio for the transactions thereunder when aggregated exceeds 5% but is below 25%, the transactions are subject to the reporting, announcement and the independent shareholders' approval requirements.

To the best knowledge, information and belief of the Directors, after making reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a general meeting to approve the Capital Contribution Agreement and the transactions thereunder. The Company has obtained the written approval from the Majority Shareholders with respect to the Capital Contribution Agreement and the transactions thereunder. As at the Latest Practicable Date, the Majority Shareholders hold in the aggregate 1,294,165,207 Shares, representing approximately 50.87% of the issued share capital of the Company. Accordingly, the Company has applied to the Stock Exchange for, and has been granted, a waiver pursuant to Rule 14A.43 of the Listing Rules of the requirement to convene a general meeting to approve the Capital Contribution Agreement in that the written approval from the Majority Shareholders was accepted in lieu of holding such a general meeting. As a result, the Company is not required to convene a general meeting to approve the Capital Contribution Agreement and the transactions thereunder.

The Independent Board Committee was appointed to advise the Independent Shareholders on whether the Capital Contribution Agreement are on normal commercial terms and the terms thereof are fair and reasonable so far as the Independent Shareholders are concerned and the Capital Contribution Agreement is in the interests of the Group and the Shareholders as a whole. Shenying Wanguo has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the Capital Contribution Agreement.

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## LETTER FROM THE BOARD

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### 6. ADDITIONAL INFORMATION

Your attention is drawn to (a) the letter from the Independent Board Committee set out on page 10 of this circular which contains the recommendation of the Independent Board Committee to the Independent Shareholders regarding the Capital Contribution Agreement; (b) the letter from Shenyin Wanguo set out on pages 11 to 20 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Capital Contribution Agreement, together with the principal factors and reasons considered by Shenyin Wanguo in providing its advice; and (c) a property valuation report by Greater China on the property interests of Verakin Gonghao.

Having taken into account the advice of Shenyin Wanguo, the Independent Board Committee considers that the Capital Contribution Agreement is in the interests of the Group and the Shareholders as a whole and the terms thereof are fair and reasonable so far as the Independent Shareholders are concerned.

Your attention is also drawn to the information set out in the Appendices to this circular.

Yours faithfully,  
By order of the Board of  
**C C Land Holdings Limited**  
**Lam How Mun Peter**  
*Deputy Chairman & Managing Director*

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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# C C Land Holdings Limited 中渝置地控股有限公司

*(Incorporated in Bermuda with limited liability)*

Website: [www.ccland.com.hk](http://www.ccland.com.hk)

**(Stock Code: 1224)**

*Members of the Independent Board Committee:*

Mr. Lam Kin Fung Jeffrey  
Mr. Leung Yu Ming Steven  
Dr. Wong Lung Tak Patrick

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Head office and principal  
place of business in Hong Kong:*  
7th Floor, China United Centre  
28 Marble Road, North Point  
Hong Kong

9 January 2012

*To the Independent Shareholders*

Dear Sir or Madam,

### **CONNECTED AND DISCLOSEABLE TRANSACTIONS**

We have been appointed to advise you in respect of the Capital Contribution Agreement. We refer to the circular of which this letter forms part. Capitalised terms defined in the circular shall have the same meanings when used in this letter, unless the context otherwise requires.

We wish to draw your attention to the letter from the Board as set out on pages 4 to 9 of the circular which sets out, among other things, information on the Capital Contribution Agreement and to the letter from Shen Yin Wanguo set out on pages 11 to 20 of the circular which contains its advice to us and to you in relation to the Capital Contribution Agreement.

Having taken into account the advice of Shen Yin Wanguo, we consider that the Capital Contribution Agreement is in the interests of the Group and the Shareholders as a whole and that it is on normal commercial terms and the terms thereof are fair and reasonable so far as the Independent Shareholders are concerned. Since the Stock Exchange has granted the Company a waiver pursuant to Rule 14A.43 of the Listing Rules, the Company is not required to convene a general meeting of the Shareholders to approve the Capital Contribution Agreement and the transactions thereunder. If a general meeting were to be convened, we would recommend the Independent Shareholders to vote in favour of the ordinary resolution to approve the Capital Contribution Agreement and the transactions thereunder.

Yours faithfully,  
**Independent Board Committee**

**Lam Kin Fung Jeffrey**  
*Independent  
non-executive Director*

**Leung Yu Ming Steven**  
*Independent  
non-executive Director*

**Wong Lung Tak Patrick**  
*Independent  
non-executive Director*

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## LETTER FROM SHENYIN WANGUO

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*The following is the full text of the letter of advice from Shenyin Wanguo, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Capital Contribution Agreement and the transactions contemplated thereunder for the purpose of incorporation in this circular.*



**Shenyin Wanguo Capital (H.K.) Limited**

28th Floor, Citibank Tower  
Citibank Plaza  
3 Garden Road  
Hong Kong

9 January 2012

*To: The Independent Board Committee and the Independent Shareholders  
of C C Land Holdings Limited*

Dear Sirs,

### **CONNECTED AND DISCLOSEABLE TRANSACTIONS**

#### **I. INTRODUCTION**

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders, in relation to the Capital Contribution Agreement and the transactions contemplated thereunder, details of which are set out in the “Letter from the Board” contained in the circular dated 9 January 2012 issued by the Company to the Shareholders (the “Circular”), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise specifies.

On 14 December 2011, Verakin Property and Xinhua Bookstore entered into the Capital Contribution Agreement which provided for, inter alia, the Capital Contribution and provision of additional shareholder’s loans to Verakin Gonghao.

As Xinhua Bookstore (being a substantial shareholder of Verakin Wenlong and Verakin Wenhao, both indirect subsidiaries of the Company) is a connected person of the Company at the level of subsidiaries, the transactions related to Xinhua Bookstore under the Capital Contribution Agreement constitute connected transactions under Chapter 14A of the Listing Rules. As the applicable percentage ratio for the transactions thereunder when aggregated exceeds 5% but is below 25%, the transactions are subject to the reporting, announcement and the independent shareholders’ approval requirements.

To the best knowledge, information and belief of the Directors, after making reasonable enquires, no Shareholder is required to abstain from voting if the Company were to convene a general meeting to approve the Capital Contribution Agreement and the transactions thereunder. The Company has obtained the written approval from the Majority Shareholders with respect to the Capital Contribution Agreement and the transactions thereunder. As at the Latest Practicable Date, the Majority Shareholders hold in the aggregate 1,294,165,207 Shares, representing approximately 50.87% of the issued share capital of the Company. Accordingly, the Company has applied to the Stock Exchange for, and has been granted, a waiver pursuant to Rule 14A.43 of the Listing Rules of the requirement to convene a general meeting to

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## LETTER FROM SHENYIN WANGUO

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approve the Capital Contribution Agreement in that the written approval from the Majority Shareholders is accepted in lieu of holding such a general meeting. As a result, the Company is not required to convene a general meeting to approve the Capital Contribution Agreement and the transactions thereunder.

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Lam Kin Fung Jeffrey, Mr. Leung Yu Ming Steven and Dr. Wong Lung Tak Patrick, has been established to advise the Independent Shareholders as to whether (i) the terms of the Capital Contribution Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) whether the Capital Contribution Agreement is in the interests of the Group and the Shareholders as a whole.

As the independent financial adviser to the Independent Board Committee and the Independent Shareholders, our role is to give an independent opinion in relation to the Capital Contribution Agreement for the Independent Board Committee's consideration when making its recommendation to the Independent Shareholders.

### **II. BASIS AND ASSUMPTIONS**

In formulating our opinion, we have relied upon the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Company for which it is solely responsible, and to its information and knowledge, were true and accurate and valid at the time they were made and given and continue to be true and valid as at the date of the Circular. We have assumed that all the opinions and representations made or provided by the Directors contained in the Circular have been reasonably made after due and careful enquiry. We have also sought and obtained confirmation from the Company that no material facts have been omitted from the information provided and referred to in the Circular.

We consider that we have reviewed all available information and documents which are made available to us to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinion. We have no reason to doubt the truth, accuracy and completeness of the statements, information, opinions and representations provided to us by the Company and their respective advisers to believe that material information has been withheld or omitted from the information provided to us or referred to in the aforesaid documents. We have not, however, conducted any independent verification of the information provided, nor have we conducted any independent investigation into the business and affairs of the Company or any of its subsidiaries or associates.

### **III. PRINCIPAL FACTORS AND REASONS CONSIDERED**

In formulating our opinion, we have considered the following principal factors and reasons:

#### **1. Principal activities of the Group**

The core business of the Group is property development and investment in Western China, manufacturing and sale of packaging and luggage products, as well as treasury investment.

Set out below is a summary of the operating results of the Group for the two years ended 31 December 2010 and for the six months ended 30 June 2011 ("Interim Period") as extracted from the Company's annual report for the year ended 31 December 2010 and the interim report for the Interim Period (the "Interim Report"), respectively:

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## LETTER FROM SHENYIN WANGUO

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	(Unaudited) For the six months ended 30 June 2011 <i>HK\$'000</i>	(Audited) For the year ended 31 December 2010                      2009 <i>HK\$'000                      HK\$'000</i>	
Revenue:			
— Sale of packaging products	209,161	391,052	294,671
— Sale of travel bags	93,188	175,573	132,438
— Treasury investment	30,155	15,804	6,392
— Property development and investment	1,027,882	1,334,546	647,137
<b>Total</b>	<u>1,360,386</u>	<u>1,916,975</u>	<u>1,080,638</u>
<b>Other income and gains</b>	186,775	308,968	80,212
<b>Profit/(loss) before tax</b>	242,887	402,339	(7,275)
<b>Profit/(loss) for the year/period</b>	145,086	255,561	(42,926)

As reviewed from the above, the Group's total revenue for the year ended 31 December 2010 increased by approximately 77.4% to approximately HK\$1,917 million (2009: approximately HK\$1,081 million). Profit for the year ended 31 December 2010 was recorded at approximately HK\$255.6 million as compared to a loss of approximately HK\$42.9 million for the previous year. Increase in the Group's revenue was mainly attributed to the increase in revenue of the property development and investment business. The Group's major revenue was derived from the business of property development and investment which was recorded at approximately HK\$1,335 million and accounted for approximately 69.6% of the Group's total revenue for the year ended 31 December 2010 (2009: approximately HK\$647.1 million and 59.9% respectively).

According to the management of the Company, the significant growth in property development and investment revenue in 2010 was attributed to more projects have been completed on schedule and delivered during the year. The recognized average selling price during the year of 2010 is higher than that in the previous year due to the change in the types of products delivered. In the year of 2010, the delivery of more high-end products and commercial projects contributed to a higher average selling price. According to the financial statements for the year ended 31 December 2010, the segment result of the property development and investment business was approximately HK\$401.9 million (2009: approximately HK\$37.8 million). Despite the considerable increase in segment result for the property development and investment business, the management of the Company advised that the booked gross profit margin was affected by the slow property market in 2009 as the recognized revenue for the year of 2010 was derived from projects launched for pre-sales in the first half of 2009. Furthermore, the delivery was related to the first phases of the Group's projects, which had asking prices marked at more conservative levels to attract the customers.

Other income and gains of approximately HK\$309.0 million was recorded for the year ended 31 December 2010. This comprised mainly gain on disposal of a jointly-controlling entity and subsidiaries with a total amount of approximately HK\$248.7 million. Through these transactions, the Group disposed of its interests in three land lots in order to further enhance the quality of its land bank.

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## LETTER FROM SHENYIN WANGUO

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For the Interim Period, the Group's total revenue and profit was recorded at approximately HK\$1,360 million and HK\$145.1 million respectively (same period in 2010: approximately HK\$678.7 million and HK\$60.1 million respectively). Revenue for the Group's property development and investment business was approximately HK\$1,028 million, representing an increase of approximately 144% over that of the same period in 2010 of approximately HK\$420.5 million. Segment result of approximately HK\$147.0 million was recorded for the Interim Period (same period in 2010: approximately HK\$77.7 million). The increase in revenue and segment result for the Interim Period was attributed by the hand-over of more property units to buyers and the increase in average selling price as compared to the corresponding period in 2010. According to the management of the Company, the Group benefited from the upward trend in housing prices under an improved market and the increase in demand during 2010. The Group was capable to increase the average selling prices for projects launched in 2010. As a result, booked gross profit margin for sales recognized in the Interim Period for these projects improved accordingly.

Other incomes and gains for the Interim Period were approximately HK\$186.8 million comprised mainly fair value gains on equity investments at fair value through profit or loss, net, of approximately HK\$35.8 million and gain on disposal of available-for-sale investments of approximately HK\$50.6 million.

### **2. Strategy of the Company on its property development and investment business**

According to the management of the Company, the Group continues to focus on the property development and investment in Western China, predominantly in Chongqing and Chengdu, the Sichuan Province, PRC as they consider that, these regions are amongst the highest economic growth regions in the PRC.

Chongqing, one of the four cities in the PRC with a municipal ranking, has been earmarked by the Central authorities as the key driver for economic growth in the central part of Western China. According to the website of The Central People's Government of the People's Republic of China, the gross domestic products ("GDP") of Chongqing reached RMB700.4 billion in the first nine months of 2011, representing a growth of 16.5% as compared to the corresponding period in the previous year. The GDP growth of Chongqing ranks first amongst all cities in China. On 7 May 2010, the State Council has approved the setting up of the Liangjiang New Area (兩江新區) — China's third economic development zone after Shanghai's Pudong New Area (上海浦東新區) and Tianjin Binhai New Area (天津濱海新區). The Liangjiang New Area is located north of the Yangtze River bordering the central downtown area of Chongqing and east of the Jialing River (嘉陵江). It is expected that the setting up of the Liangjiang New Area will allow Chongqing to become an important modern manufacturing base and comprehensive transport hub of China; an important gateway of the inland region opening to the outside world; a trade, commercial and logistics centre as well as a financial and technological innovation centre of the upper reaches of the Yangtze River. The Group believes it will benefit greatly from the setting up of the Liangjiang New Area since its core land bank with a gross floor area of about 3.1 million sqm is situated at one of the most prime locations within the Liangjiang New Area. According to the Interim Report, the Group's land bank in Chongqing has total GFA of approximately 7.9 million sqm, accounting for approximately 71.4% of the total GFA of the Group's total land bank.

Chengdu, capital of the Sichuan province, is a centre for science and technology as well as business and trade, acting as an important transportation and telecommunication hub for Western China. According to China Daily, the city is attracting more investment funds from foreign investors backed with its fast development of infrastructure and a sound investment environment. According



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## LETTER FROM SHENYIN WANGUO

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to Chengdu Bureau of Statistics, the GDP of Chengdu reached RMB500.9 billion in the first nine months of 2011, representing a growth of 15.1% as compared to the corresponding period in the previous year, which is higher than the national GDP growth of 8.2% for the same period. It is expected that Chengdu will become the engine for economic growth in Western China which will also benefit the Group's property development and investment business. According to the Interim Report, the Group's land bank in Chengdu has total GFA of approximately 1.6 million sqm, accounting for approximately 14.5% of the total GFA of the Group's total land bank.

According to the Interim Report, during the first half of 2011, including the two land lots that comprise the Land Site, the Group acquired seven land lots totaling approximately 2.3 million sqm at a total consideration of approximately RMB2,731 million. As at 30 June 2011, the Group had land bank reserves of approximately 11.1 million sqm GFA held for development. The Group's land bank covers Chongqing, Chengdu, Dazhou, Guiyang and Kunming, the PRC.

As discussed with the management of the Company, the Company has a "two prong" approach in its property development strategy i.e. holds 100% interest or a majority stake in the projects, so as to maximize the benefit of local presence in target market. According to the Interim Report, the Group had 27 projects held for development with total GFA of approximately 11.1 million sqm in Chongqing, Suichuan, Guizhou and Kunming, as at 30 June 2011. The Group mainly holds 100% or a majority stake in these projects. Apart from the purpose of diversification of its capital commitments, the Group forms joint ventures with strategic partners for some of its projects in order to take advantage of their market reputation and/or experience in the areas where these projects are developed.

According to the management of the Company, the Group will continue to exercise a focused and selective approach to replenish its land bank pursuant to the aforesaid policy.

### **3. The Capital Contribution Agreement**

On 14 December 2011, Verakin Property and Xinhua Bookstore entered into the Capital Contribution Agreement which provided for, inter alia, the Capital Contribution and provision of additional shareholder's loans to Verakin Gonghao. Major terms of the Capital Contribution Agreement are set out as below:

#### *a. Capital Contribution*

Pursuant to the Capital Contribution Agreement, the registered capital of Verakin Gonghao will be increased from the existing amount of RMB20,000,000 (equivalent to approximately HK\$24,580,000) to RMB300,000,000 (equivalent to approximately HK\$368,700,000). The increase in registered capital of RMB280,000,000 (equivalent to approximately HK\$344,120,000) will be contributed by Verakin Property as to RMB133,000,000 (equivalent to approximately HK\$163,457,000) and as to RMB147,000,000 (equivalent to approximately HK\$180,663,000) by Xinhua Bookstore. Upon completion of the Capital Contribution, the enlarged registered capital of Verakin Gonghao will be owned as to 51% by Verakin Property and 49% by Xinhua Bookstore.

The consideration of RMB133,000,000 (equivalent to approximately HK\$163,457,000) from contribution by Verakin Property shall be satisfied by capitalizing a sum of RMB133,000,000 (equivalent to approximately HK\$163,457,000) out of the shareholder's loan (with accrued interest) it has previously advanced to Verakin Gonghao.

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## LETTER FROM SHENYIN WANGUO

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The consideration of RMB147,000,000 (equivalent to approximately HK\$180,663,000) from contribution by Xinhua Bookstore shall be satisfied in cash and be paid to Verakin Gonghao within 3 working days of the execution of the Capital Contribution Agreement.

As confirmed by the Company, the Capital Contribution has been completed following execution of the Capital Contribution Agreement. As a result, the registered capital of Verakin Gonghao has been enlarged to RMB300,000,000 (equivalent to approximately HK\$368,700,000), of which RMB153,000,000 (equivalent to approximately HK\$188,037,000) has been provided by Verakin Property and RMB147,000,000 (equivalent to approximately HK\$180,663,000) has been provided by Xinhua Bookstore, representing 51% and 49% respectively of the enlarged registered capital of Verakin Gonghao.

*b. Provision of additional shareholder's loan to Verakin Gonghao*

Pursuant to the Capital Contribution Agreement, upon completion of the Capital Contribution, there will be a sum of RMB181,782,909 (equivalent to approximately HK\$223,411,000) remaining due and owing from Verakin Gonghao to Verakin Property as a shareholder's loan together with interest accrued. Under the Capital Contribution Agreement, Xinhua Bookstore will provide a further sum of RMB174,654,167 (equivalent to approximately HK\$214,650,000) to Verakin Gonghao as its share of shareholder's loan, such that Verakin Property and Xinhua Bookstore will be providing shareholder's loans pro-rata to their respective holdings in the registered capital of Verakin Gonghao.

Pursuant to the Capital Contribution Agreement, shareholder loans shall carry an interest at the rate of 1% per month. Shareholder's loan provided pro-rata to the shareholdings in Verakin Gonghao will be repaid at the same time when Verakin Gonghao accounts to its equity owners for profit derived from the development of the Land Site. For shareholder's loan made to Verakin Gonghao in excess of the pro-rated amount of the respective shareholders will be repayable on demand.

As confirmed by the Company, Xinhua Bookstore has provided RMB63,000,000 (equivalent to approximately HK\$77,427,000) to Verakin Gonghao as shareholder's loan, and will provide the remaining RMB111,654,167 (equivalent to approximately HK\$137,223,000) on or before 15 February 2012.

According to the Company, the Group's average cost of existing borrowings from PRC banks is approximately 10% per annum. Although the interest rate to be paid by Verakin Gonghao for the shareholder's loans (an annual rate of approximately 12.7%) is higher than this, we consider that the interest rate on the shareholder's loans is fair and reasonable in view of (i) the tight credit policy currently adopted by banks in the PRC; and (ii) difficulties in obtaining unsecured borrowings from banks; (iii) the Group's intention to obtain borrowings from banks including construction loans for its development cost when the land use right certificates on the Land Site is available. The shareholder's loans provide readily available funds for Verakin Gonghao for its land premium payment of the Land Site. According to the management of the Company, before further shareholder's loans are called for, they will take into consideration of the availability of external borrowings, the funding costs and repayment terms.

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## LETTER FROM SHENYIN WANGUO

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c. *Representation in the board of Verakin Gonghao*

Following completion of the Capital contribution, Verakin Property and Xinhua Bookstore will be entitled to nominate three and two members respectively to the board of directors of Verakin Gonghao.

d. *Profits sharing*

Following completion of the Capital Contribution, Verakin Property and Xinhua Bookstore will be entitled to share profits of Verakin Gonghao in proportion to their respective equity interests in Verakin Gonghao.

Completion of the Capital Contribution shall take place forthwith upon satisfaction of certain conditions with details set out in the Circular.

#### 4. **Basis of the consideration of the Capital Contribution**

According to the management of the Company, the consideration for the Capital Contribution was determined following arm's length negotiations between Verakin Property and Xinhua Bookstore. We understand that the consideration from Xinhua Bookstore's portion in the Capital Contribution was calculated with reference to the value of the Land Site and taking into account the unaudited total liabilities of Verakin Gonghao of RMB355,327,000 (equivalent to approximately HK\$436,697,000) as at 30 November 2011.

The Company considered that there had been no material changes in the value of the Land Site since its acquisition and the consideration from Xinhua Bookstore's portion in the Capital Contribution represents a premium of 4% over the proportional share in the net asset value of Verakin Gonghao as at 30 November 2011. The calculation was based on the value of 49% of Verakin Gonghao's previous registered capital of RMB20,000,000 (equivalent to approximately HK\$24,580,000) i.e. RMB9,800,000 (equivalent to approximately HK\$12,044,000) and the share in its net asset value as at 30 November 2011 i.e. RMB9,419,270 (equivalent to approximately HK\$11,576,000).

Having considered that (i) the Capital Contribution and the shareholder's loans to be made by Verakin Property and Xinhua Bookstore, their profit sharing and the number of directors to be nominated by each of them in the board of directors of Verakin Gonghao are in pro rata to their respective holdings in the registered capital of Verakin Gonghao; and (ii) there is no material change in the value of the Land Site since its acquisition (please refer to the sub-paragraph headed "Information on the Land Site" below), reference of which had been made for the determination of the consideration to be made by Xinhua Bookstore, we are of the view that the terms of the Capital Contribution Agreement are on normal and commercial terms and fair and reasonable so far as the Company and the Independent Shareholders are concerned.

#### 5. **Information on the Land Site**

The Land Site was acquired on 25 May 2011 at a consideration of RMB1,000,000,000 (equivalent to approximately HK\$1,229,000,000) by Verakin Property by public auction on behalf of Verakin Gonghao prior to its incorporation. Verakin Gonghao and Bishan Land Bureau had entered into two land transfer contracts (the "Transfer Contracts") dated 30 December 2011 in respect of the Land Site. According to the Transfer Contracts, RMB538,970,000 (equivalent to approximately HK\$662,394,000) of the total consideration of the Land Site should be settled on or before 23 December 2011 and the balance of RMB461,030,000 (equivalent to approximately HK\$566,606,000) is payable on or before 25 June 2012. As at the Latest Practicable Date, Verakin Gonghao has settled the first payment and it will be entitled to apply for the land use right certificates of the Land Site upon full settlement of the balance payment.

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## LETTER FROM SHENYIN WANGUO

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According to the valuation report dated 9 January 2012 conducted by Greater China, for reference purpose, the Land Site has a capital value of RMB1,040,000,000 (equivalent to approximately HK\$1,278,160,000) assuming the payable land premium has been fully settled and all the relevant title certificates have been obtained and the Land Site could be freely transferred. The valuation has been made by using the direct comparison approach assuming sale of the Land Site in its existing state with the benefit of immediate vacant possession and by making reference to comparable sale transactions as available in the relevant market.

According to the valuation report as set out in Appendix I to the circular, the Land Site comprises two adjacent land sites with a total site area of approximately 219,960 sqm and adjacent to a future central business district of Bishan County. As discussed with the management of the Company, the Land Site will be developed as a residential and commercial project comprising high-rise apartments, offices, retail shops and car parks. According to the Transfer Contracts, total development cost for the Land Site should not be less than RMB2,330,000,000 (equivalent to approximately HK\$2,863,570,000). Development of the two lots of land have to be commenced on or before June and July 2012 with completion to be on or before June and July 2015 respectively.

As discussed with the management of the Company, total development cost (including the land premium) in the amount of approximately RMB3,400,000,000 (equivalent to approximately HK\$4,178,600,000) will be financed by capital contribution, shareholder's loans, internal resources as well as external borrowings.

### 6. Information on Verakin Gonghao

Verakin Gonghao is a privately-owned enterprise established in the PRC on 17 June 2011 with a registered capital of RMB20,000,000 (equivalent to approximately HK\$24,580,000). The principal business of Verakin Gonghao is ownership and development of the Land Site. As at the Latest Practicable Date, the Land Site is vacant. Construction work is expected to commence in the second quarter of 2012. Verakin Gonghao is now proceeding with initial-stage planning of the Land Site. As such, no sales revenue has been booked for the period. The financial highlights as extracted from the management accounts of Verakin Gonghao are as follows:

	<b>17 June 2011 to 30 November 2011</b>
	<i>RMB'000</i>
	(Unaudited)
Turnover	—
Loss before Tax	(777)
Net Loss	(777)
	<b>As at 30 November 2011</b>
	<i>RMB'000</i>
	(Unaudited)
Total Assets	374,550
Total Liabilities	355,327
Net Assets	19,223

Total assets mainly comprised of the payment made for the acquisition of the Land Site which was financed by the shareholder's loan provided by Verakin Property.

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## LETTER FROM SHENYIN WANGUO

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### 7. Information on Xinhua Bookstore

Xinhua Bookstore is a subsidiary of the Chongqing branch of 重慶新華書店集團公司 (Chongqing Xinhua Bookstore Group Company, “Chongqing Xinhua”), a state-owned bookstore chain in the PRC. Xinhua Bookstore is a substantial shareholder of Verakin Wenlong and Verakin Wenhao, both indirect subsidiaries of the Company engaged in property development. As advised by the Company, Verakin Wenhao has not yet identified any development project whereas Verakin Wenlong is engaged in the development of a project in Fuling District, Chongqing. According to the websites of 重慶市發展和改革委員會 (Chongqing Development and Reform Commission) and 重慶市雲陽縣城鄉建設委員會 (translated as Chongqing City Yunyang County Development Committee), Chongqing Xinhua is also engaged in property development in Chongqing, the PRC.

The Group has since the beginning of 2010 been co-operating with Xinhua Bookstore as its strategic partner for the Group’s property development business. According to the information provided by the Company, on 12 January 2010, Verakin Property entered into an agreement (as supplemented by an agreement dated 30 June 2011) with Xinhua Bookstore, pursuant to which, a project company owned as to 51% by Verakin Property and 49% by Xinhua Bookstore will be set up for a residential and commercial project in Chongqing. As advised by the management of the Company, the target land site for this joint venture has yet to be confirmed.

As disclosed in the Company’s announcement dated 10 February 2010 (the “2010 Announcement”), Verakin Property entered into an agreement with Verakin Group Company Limited, a substantial shareholder of Verakin Property. Upon completion of the transactions contemplated under the agreement, the Group and Xinhua Bookstore will own 51% and 49% respectively of a joint venture company for the development of a land site in Chongqing. Pursuant to terms of the co-operation, the parent company of Xinhua Bookstore was granted an option to acquire certain commercial area of the project at certain specified price. Details of the agreement and terms of the co-operation were set out in the 2010 Announcement.

The management of the Company is of the view that a synergy is achieved in these joint venture arrangements by combining the strengths of the Group i.e. its development experience, and the Xinhua Bookstore i.e. its wide market profile.

### 8. Reasons for and benefits of entering into the Capital Contribution Agreement

As mentioned in the “Letter from the Board” in the Circular, the Directors consider that the Capital Contribution Agreement has the effect of limiting the Group’s investment in the Land Site which is in line with the Company’s policy to diversify its capital commitments as a prudent measure under the present market situation, and to reserve its cash resources for profitable opportunities offered to the Group.

As discussed with the management of the Company, the proceeds from the transactions contemplated under the Capital Contribution Agreement in the aggregate of RMB321,654,671 (equivalent to approximately HK\$395,314,000) will be applied as to RMB300,000,000 (equivalent to approximately HK\$368,700,000) for partial payment of the land premium for the Land Site and as to RMB21,654,167 (equivalent to approximately HK\$26,613,000) for the working capital of Verakin Gonghao. As the sole asset to be held by Verakin Gonghao is the Land Site and the principal activities of Verakin Gonghao are the development of the Land Site, we consider that the use of proceeds as mentioned above is fair and reasonable.

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## LETTER FROM SHENYIN WANGUO

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Upon completion of the Capital Contribution, Verakin Property's effective equity interest in Verakin Gonghao will be diluted from 100% to 51%. Accordingly, the Group's share of the investment in the Land Site will be reduced and the Group's cash resources can be reserved for other investment opportunities, which, under current market conditions, is better fitted to the Group's development policy. We consider that the transactions contemplated under the Capital Contribution Agreement is in line with the Group's corporate strategy for the diversification of its capital commitment and the risk exposure in the property market by forming joint ventures for the development of its property projects.

In view of the reputation of Xinhua Bookstore which will facilitate the promotion and sales of the Group's property projects and the Company's past satisfactory experience with it, we concur with the Company's view that the co-operation with Xinhua Bookstore will be beneficial to the Group. Given this, we concur with the Directors' view that the entering into of the Capital Contribution Agreement is a prudent measure under the present market situation and will reserve its cash resources for profitable opportunities offered to the Group and is in the interest of the Group and the Shareholders as a whole.

### **9. Possible financial effect of the Capital Contribution**

After completion of the Capital Contribution Agreement, Verakin Gonghao will become a 51% owned subsidiary of Verakin Property. As Verakin Property is a 51% owned indirect subsidiary of the Company, the assets and liabilities of Verakin Gonghao will continue to be consolidated in the financial statements of the Company, and the Company will have a 26% attributable interest in the results of Verakin Gonghao.

Although the share of results of Verakin Gonghao will be reduced, the Group's capital burden on the Land Site will be lessened and we consider that it is in the interest of the Group and the Shareholders as a whole.

## **IV. RECOMMENDATION**

Having considered the above-mentioned principal factors and reasons described above, we are of the opinion that the terms of the Capital Contribution Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and the Capital Contribution Agreement is in the interests of the Group and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to approve the Capital Contribution Agreement if a general meeting were to be convened.

Yours faithfully,  
For and on behalf of  
**Shenyin Wanguo Capital (H.K.) Limited**

**Elaine Cheung**  
*Director*

*The following is the text of a letter and a valuation certificate prepared for the purpose of incorporation in this circular received from Greater China, an independent valuer, in connection with their valuation as at 16 December 2011 of the property interests.*

**GREATER CHINA APPRAISAL LIMITED****漢華評值有限公司**

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Room 2703  
Shui On Centre  
6-8 Harbour Road  
Wanchai  
Hong Kong

9 January 2012

The Board of Directors  
C C Land Holdings Limited  
7th Floor, China United Centre  
28 Marble Road  
North Point  
Hong Kong

Dear Sirs,

**Re: Two land sites known as BS11-1J-024 and BS11-1J-025 (the “Property”) located at Nos. 2, 3 and 4 She of Yangyu Village, Ludao New District, Bishan County, Chongqing, the People’s Republic of China (the “PRC”)**

In accordance with the instructions from C C Land Holdings Limited (the “Company”) to value the property interest in the Property contracted to be held by Chongqing Verakin Gonghao Land Company Limited (“Verakin Gonghao”), we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the capital value of the property interest as at 16 December 2011 (referred to as the “date of valuation”).

This letter which forms part of our valuation report explains the basis and methodology of valuation, and clarifies our assumptions made, title investigation of the property interest and the limiting conditions.

**BASIS OF VALUATION**

The valuation of the property interest is our opinion of the market value which we would define as intended to mean “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

**VALUATION METHODOLOGY**

We have valued the property interest by using the direct comparison approach assuming sale of the Property in its existing state with the benefit of immediate vacant possession and by making reference to comparable sale transactions as available in the relevant market.

**ASSUMPTIONS**

Our valuation has been made on the assumption that the owner sells its relevant property interest on the open market in its existing state without the benefit of any deferred term contracts, leaseback, joint ventures, management agreements or any similar arrangement which would serve to increase the value of the property interest.

No environmental impact study has been ordered or made. Full compliance with applicable national, provincial and local environmental regulations and laws is assumed. In addition, it is assumed that all required licences, consents or other legislative or administrative authority from any local, provincial or national government or private entity or organization either have been or can be obtained or renewed for any use which the report covers.

Other special assumptions of the valuation, if any, have been stated out in the footnotes of the valuation certificate.

**TITLESHP INVESTIGATION**

We have been provided with copies of the relevant documents related to the acquisition of the property interest. However, due to the current registration system of the PRC, no investigations have been made for the legal title or any material liabilities attached to the property interest.

In the course of our valuation, we have relied upon the legal opinion given by the Company's PRC legal advisor — Chongqing Exceedon & Partners Law Firm (重慶百君律師事務所) in relation to the legal title to the property interest.

All legal documents disclosed in this report, if any, are for reference only and no responsibility is assumed for any legal matters concerning the legal title to the property interest set out in this report.

**LIMITING CONDITIONS**

We have inspected the Property. However, we have not carried out soil investigations to determine the suitability of the ground conditions and the services etc. for any future property development. Our valuation has been prepared on the assumption that these aspects are satisfactory and that no unexpected cost and delay will be incurred during construction. No tests were carried out on any of the services.

We have not carried out detailed site measurements to verify the correctness of the areas in respect of the Property but have assumed that the areas shown on the legal documents provided to us are correct. Based on our experience of valuation of similar properties, we consider the assumptions so made to be reasonable. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

Having examined all relevant documentation, we have relied to a very considerable extent on the information provided by the Company and Chongqing Verakin Real Estate Company Limited ("Verakin Property") and have accepted advice given to us by it on such matters as planning approvals, statutory notices, easements, tenure, occupation, site and floor areas and in the identification of the Property. We have had no reason to doubt the truth and accuracy of the information provided to us by the Company and Verakin Property. We were also advised by the Company and Verakin Property that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and have no reason to suspect that any material information has been withheld.



No allowances have been made in our valuation for any charges, mortgages or amounts owing on the property interest nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interest is free of encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

Since the Property is located in a relatively under-developed market of the PRC, the above assumptions are often based on imperfect market evidence. A range of values may be attributable to the property interest depending upon the assumptions made. While we have exercised our professional judgments in arriving at the value, report readers are urged to consider carefully the nature of such assumptions which are disclosed in the valuation report and should exercise caution in interpreting the valuation report.

#### **OPINION OF VALUE**

Valuation of the property interest is shown in the attached valuation certificate.

#### **REMARKS**

Our valuation has been prepared in accordance with generally accepted valuation procedures and in compliance with the requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited.

In valuing the property interest, we have complied with the requirements contained in the HKIS Valuation Standards on Properties (1st Edition 2005) published by The Hong Kong Institute of Surveyors.

All amounts are denominated in Chinese Renminbi (RMB).

We enclose herewith the valuation certificate.

This valuation report is issued subject to our General Service Conditions.

Yours faithfully,  
For and on behalf of  
**GREATER CHINA APPRAISAL LIMITED**  
**Nikson Y. T. Ng**  
*MSc MHKIS MRICS MCIREA*  
*Registered Professional Surveyor (G.P.)*  
*Senior Director*

*Note:* Mr. Nikson Y. T. Ng is a Chartered Surveyor and a Registered Professional Surveyor who has over 21 years' experience in valuation of properties in Hong Kong and 5 years' experience in valuation of properties in the PRC.

## VALUATION CERTIFICATE

## Property contracted to be held by Verakin Gonghao for future development

Property	Description and tenure	Particulars of occupancy	Capital Value in existing state as at 16 December 2011
Two land sites known as BS11-1J-024 and BS11-1J-025 located at Nos. 2, 3 and 4 She of Yangyu Village, Ludao New District, Bishan County, Chongqing, the PRC 402760	<p>The Property comprises two adjacent land sites with a total site area of approximately 219,960 square metres. The two land sites are situated on the north of Shuangxing Avenue and on the east and west of Donglin Avenue and adjacent to a future central business district of Bishan County.</p> <p>As advised by the Company and Verakin Property, the Property is intended to be developed into a residential and commercial development with a planned gross floor area of approximately 659,881 square metres.</p> <p>The land use rights of the Property are contracted to be granted for a term of 50 years for other general residential commodity house use and for a term of 40 years for other commercial service use.</p>	The Property is vacant.	no commercial value

*Note:*

1. Pursuant to 2 Public Resources Transaction Confirmations (公共資源成交確認書), known as Bi Gong Jiao Yi Fa [2011] 3 and 4 Hao (璧公交易發[2011]3及4號), both dated 25 May 2011 and entered into between Verakin Property and the Public Resources Transaction Centre of Bishan County (璧山縣公共資源交易中心), Verakin Property has obtained the transferee qualification of the land use rights of the Property for residential use at a total consideration of RMB1,000,000,000.
2. Pursuant to 2 State-owned Construction Land Use Rights Grant Contracts, known as Yu Di [2011] (Bishan) Di 31 and 32 Hao (渝地[2011](璧山)第31及32號) (the "Contracts"), both dated 30 December 2011 and entered into between Verakin Gonghao and the Land Resources and Housing Administration Bureau of Bishan County (璧山縣國土資源和房屋管理局), the land use rights of the Property with a total site area of approximately 219,960 square metres were contracted to be granted to Verakin Gonghao for other general residential commodity house use for a term of 50 years and for other commercial service use for a term of 40 years at a total consideration of RMB1,000,000,000. The Contracts contain, inter alia, the following salient covenants.
  - a. Total land area for other general residential commodity house use: approximately 175,968 square metres;
  - b. Total land area for other commercial service use: approximately 43,992 square metres;
  - c. Total maximum gross floor area: approximately 659,881 square metres;
  - d. Plot ratio: not more than 3 and not less than 1;
  - e. Site coverage: not more than 35% for land site BS11-1J-024 and not more than 30% for land site BS11-1J-025;
  - f. Commencement date of the construction: before 10 June 2012 for land site BS11-1J-024 and before 10 July 2012 for land site BS11-1J-025; and
  - g. Completion date of the construction: before 10 June 2015 for land site BS11-1J-024 and before 10 July 2015 for land site BS11-1J-025.

3. Pursuant to 2 Construction Land Planning Conditions Letters (建設用地規劃條件函), known as Bi Gui Di Han [2011] 13 and 14 Hao (璧規地函[2011] 13 及 14號), both dated 22 April 2011 and issued by the Planning Bureau of Bishan County (璧山縣規劃局), the Property is subject to, inter alia, the following salient covenants.
  - a. Height restriction: partly 60 metres and partly 80 metres;
  - b. Use: Residential, a maximum 10% of gross floor area can be used for commercial and financial, business and office, cultural and entertainment uses; and
  - c. Facilities for public use: local police station, waste transfer station and public toilet for land site BS11-1J-025.
4. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisor, which contains, inter alia, the following:
  - a. Verakin Gonghao is owned as to 51% by Verakin Property and 49% by Chongqing Xinhua Bookstore Group Real Estate Development Company ("Xinhua Bookstore") respectively;
  - b. According to the Articles of Association of Verakin Gonghao, profit of Verakin Gonghao is to be shared between its share-holders in accordance with the equity ratio of 51% to Verakin Property and 49% to Xinhua Bookstore;
  - c. Verakin Gonghao holds a valid business licence for operation;
  - d. Pursuant to the 2 Public Resources Transaction Confirmations, Verakin Property has obtained, on 25 May 2011, the transferee qualification of the land use rights of the land sites known as BS11-1J-024 and BS11-1J-025. Verakin Property has transferred such transferee qualification to its subsidiary company — Verakin Gonghao;
  - e. From June 2011 to 23 December 2011, Verakin Gonghao has already settled part of the land premium of the two land sites in the sum of RMB538,970,000;
  - f. Pursuant to the Contracts, Land Resources and Housing Administration Bureau of Bishan County agreed to grant the land use rights of the above-mentioned two land sites BS11-1J-024 and BS11-1J-025 to Verakin Gonghao. Portion of the two land sites is granted for a term of 50 years for other general residential commodity house use while portion of the two land sites is granted for a term of 40 years for other commercial service use. The land premium of the two land sites shall be settled by two instalments. The first instalment shall be settled before 23 December 2011 and the second instalment shall be settled before 25 June 2012;
  - g. Verakin Gonghao has already signed the Contracts with the Land Resources and Housing Administration Bureau of Bishan County and settled the first instalment of the land premium in accordance with the requirements stated in the Contracts;
  - h. After Verakin Gonghao has settled the second instalment of the land premium before 25 June 2012, Verakin Gonghao will be able to apply for the State-owned Land Use Rights Certificate(s) of the two land sites, and to obtain the respective land use rights; and
  - i. After Verakin Gonghao has obtained the State-owned Land Use Rights Certificate(s) of the two land sites and completed the respective development procedures, Verakin Gonghao will have the rights to conduct real estate development activities on such land sites.
5. Having considered the aforesaid legal opinion and the fact that a long-term land use rights certificate of the Property has not been obtained, we have attributed no commercial value to the Property. However, for reference purpose, we are of the opinion that the capital value of the Property as at the date of valuation would be RMB1,040,000,000 assuming the outstanding land premium had been fully settled and all the relevant title certificate(s) had been obtained and the Property could be freely transferred.
6. The site inspection of the Property was conducted on 20 December 2011 by Ms. Yuki Chan, a Registered Professional Surveyor.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

### Interests in the Company (long positions)

Name of Directors	Interest in Shares		Interest in underlying Shares pursuant to share options <sup>3</sup>	Aggregate interest	Approximate percentage <sup>4</sup>
	Personal interest	Corporate interest			
Cheung Chung Kiu	—	1,294,165,207 <sup>1&amp;2</sup>	—	1,294,165,207	50.87
Lam How Mun Peter	311,000	—	43,039,000	43,350,000	1.70
Tsang Wai Choi	3,314,000	—	—	3,314,000	0.13
Leung Chun Cheong	534,000	—	1,500,000	2,034,000	0.08
Leung Wai Fai	—	—	3,000,000	3,000,000	0.12
Poon Ho Yee Agnes	104,000	—	2,000,000	2,104,000	0.08
Wu Hong Cho	—	—	1,800,000	1,800,000	0.07

#### Notes:

- 254,239,636 of such Shares were held through Regulator Holdings Limited (“Regulator”), an indirect wholly-owned subsidiary of Yugang International Limited (“Yugang”), which was owned by Chongqing Industrial Limited (“Chongqing”), Timmex Investment Limited (“Timmex”) and Mr. Cheung Chung Kiu (“Mr. Cheung”) in aggregate as to 44.06%. Mr. Cheung was deemed to be interested in the same number of Shares held by Regulator by virtue of his indirect shareholding interests in Chongqing. As Mr. Cheung had 100% beneficial interest in Timmex, he was also deemed to be interested in the same number of Shares held by Timmex through Regulator.

1,039,925,571 of such Shares were held through Thrivetrade Limited (“Thrivetrade”), a company wholly-owned by Mr. Cheung. Accordingly, he was also deemed to be interested in the same number of Shares held through Thrivetrade.

2. Mr. Cheung, Peking Palace Limited, Miraculous Services Limited and Prize Winner Limited had 35%, 30%, 5% and 30% equity interest in Chongqing respectively. Peking Palace Limited and Miraculous Services Limited were beneficially owned by Palin Discretionary Trust, a family discretionary trust, the objects of which included Mr. Cheung and his family. Prize Winner Limited was beneficially owned by Mr. Cheung and his associates. Mr. Cheung had 100% beneficial interest in Timmex.
3. Details of the Directors' interest in the share options of the Company are set out below:

Name of Directors	Exercise period	Exercise price of share option (HK\$ per Share)	Number of share options granted and not yet exercised
Lam How Mun Peter	07-05-2009 to 06-05-2019	3.27	17,500,000
	03-09-2010 to 02-09-2020	3.31	21,539,000
	01-01-2011 to 02-09-2020	3.31	4,000,000
Leung Chun Cheong	03-09-2010 to 02-09-2020	3.31	1,500,000
Leung Wai Fai	03-09-2010 to 02-09-2020	3.31	3,000,000
Poon Ho Yee Agnes	03-09-2010 to 02-09-2020	3.31	2,000,000
Wu Hong Cho	03-09-2010 to 02-09-2020	3.31	1,800,000

4. Approximate percentage refers to the aggregate interests of a Director expressed as a percentage (rounded to two decimal places) of the issued share capital of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company held any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules, to be notified to the Company and the Stock Exchange.

As at the Latest Practicable Date, none of the Directors or proposed Director had any direct or indirect interests in any assets which have since 31 December 2010 (being the date to which the latest published audited accounts of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

None of the Directors is materially interested in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group.

### 3. DISCLOSEABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS UNDER SFO

As at the Latest Practicable Date, so far as was known to the Directors and chief executives of the Company, the following parties (other than a Director or chief executive of the Company) had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholders	Capacity	Number of Shares held	Approximate percentage <sup>4</sup>
<b>(a) Long positions</b>			
Regulator	Beneficial owner	254,239,636 <sup>1</sup>	9.99
Yugang International (B.V.I.) Limited (“Yugang-BVI”)	Interest of controlled corporation	254,239,636 <sup>1</sup>	9.99
Yugang	Interest of controlled corporation	254,239,636 <sup>1</sup>	9.99
Chongqing	Interest of controlled corporation	254,239,636 <sup>1</sup>	9.99
Palin Holdings Limited (“Palin”)	Interest of controlled corporation	254,239,636 <sup>1</sup>	9.99
Thrivetrade	Beneficial owner	1,039,925,571 <sup>2</sup>	40.88
T. Rowe Price Associates, Inc. and its Affiliates	Investment manager	154,854,000	6.09
JPMorgan Chase & Co.	Beneficial owner and custodian corporation/ approved lending agent	176,275,406 <sup>3</sup>	6.93
<b>(b) Short positions</b>			
JPMorgan Chase & Co.	Beneficial owner	4,180,460	0.16

*Notes:*

- The interests held by Regulator, Yugang-BVI, Yugang, Chongqing and Palin respectively as shown above refer to interests in the same block of shares. Regulator is a direct wholly-owned subsidiary of Yugang-BVI which is in turn a direct wholly-owned subsidiary of Yugang. Yugang was owned by Chongqing, Timmex and Mr. Cheung in aggregate as to 44.06%. Chongqing, Timmex and Palin are controlled by Mr. Cheung. The said interests were also included in the interest in Shares of the Company of Mr. Cheung as disclosed under paragraph “Interests in the Company (long positions)” of the section headed “Disclosure of Interests” above.

Mr. Cheung, Mr. Lam Hiu Lo, Mr. Leung Yu Ming Steven and Mr. Wong Yat Fai are directors of Yugang.

Mr. Cheung is also a director of each of Regulator, Yugang-BVI, Chongqing, Palin and Thrivetrade.

2. These Shares were also included in the interest in Shares of the Company of Mr. Cheung as disclosed under paragraph “Interests in the Company (long positions)” of the section headed “Disclosure of Interests” above.
3. Of its interests in 176,275,406 Shares, JPMorgan Chase & Co. had interests in 4,180,460 Shares as beneficial owner and in 172,094,946 Shares as a custodian corporation/approved lending agent. 172,094,946 Shares were in the lending pool.
4. Approximate percentage refers to the number of Shares which a Shareholder held or had short positions in expressed as percentage (rounded to two decimal places) of the issued share capital of the Company.

As at the Latest Practicable Date, so far as was known to the Directors and chief executives of the Company, the following parties (other than Directors or chief executives of the Company) were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital (including any options in respect of such capital) carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name of the member of the Group	Name of shareholders	Approximate percentage of issued share capital
Hoi Tin Universal Limited	Chau Tin Ping	20.8
Hoi Tin Universal Limited	Wong Kong	10.0
Theme Production House Limited	Yee Chan Chian	24.0
Theme Production House Limited	Chow Hoi Yin Riter	25.0
Win Harbour Investments Limited	Quick Fair Limited	15.0
成都國嘉志得置業有限公司 (Chengdu Guojia Cheer Gain Property Company Limited)	四川省國嘉地產有限公司 (Sichuan Guojia Property Company Limited)	49.0
雲南中渝置地發展有限公司 (Yunnan Zhong Yu Land Development Company Limited)	雲南光華投資有限公司 (Yunnan Guang Hua Investment Company Limited)	30.0
四川經都置業有限公司 (Sichuan Jingdu Real Estate Company Limited)	貴州亨特房地產開發有限公司 (Guizhou Heng Te Real Estate Development Company Limited)	40.0
重慶同景置業有限公司 (Chongqing Verakin Real Estate Company Limited)	同景集團有限公司 (Verakin Group Company Limited)	49.0
重慶同景文龍置地有限公司 (Chongqing Verakin Wenlong Real Estate Company Limited)	重慶新華書店集團房地產開發公司 (Chongqing Xinhua Bookstore Group Real Estate Development Company)	49.0
重慶同景文浩置業有限公司 (Chongqing Verakin Wenhao Real Estate Company Limited)	重慶新華書店集團房地產開發公司 (Chongqing Xinhua Bookstore Group Real Estate Development Company)	49.0

Save as disclosed above, as at the Latest Practicable Date, according to the register of interests kept by the Company under section 336 of the SFO and so far as was known to the Directors and chief executives of the Company, no other person (other than Directors or chief executives of the Company) had any interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital (including any options in respect of such capital) carrying rights to vote in all circumstances at general meetings of any other member of the Group.

#### 4. QUALIFICATION AND CONSENT OF THE EXPERT

The following is the qualification of the experts who have been named in this circular or have given opinions or advice contained in this circular:

<b>Name</b>	<b>Qualification</b>
Shenyin Wanguo	a corporation licensed under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities
Greater China	professional valuer

Shenyin Wanguo and Greater China have given and have not withdrawn their written consents to the issue of this circular with the inclusion herein of their opinions or letter and the reference to their names in the form and context in which they respectively appear.

Shenyin Wanguo and Greater China have no shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Shenyin Wanguo and Greater China have no direct or indirect interest in any assets which have since 31 December 2010 (being the date to which the latest published audited accounts of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

#### 5. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors nor their respective associates had any interest in any business that competed or was likely to compete, either directly or indirectly, with the business of the Group.

#### 6. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Group other than contracts expiring or terminable by the Group within one year without payment of compensation (other than statutory compensation).

#### 7. MATERIAL ADVERSE CHANGE

So far as the Directors are aware, as at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2010, being the date to which the latest published audited accounts of the Company were made up.



**8. MISCELLANEOUS**

- (a) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (b) The head office and principal place of business of the Company in Hong Kong is at 7th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong.
- (c) The Hong Kong branch share registrar and transfer office of the Company is Tricor Secretaries Limited situated at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (d) The English text of this circular shall prevail over the Chinese text in case of inconsistency.

**9. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours at the Company at 7th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong up to and including 26 January 2012:

- (a) a copy of the memorandum of association and new bye-laws of the Company;
- (b) the consolidated audited accounts of the Company for each of the year ended 31 December 2009 and 2010;
- (c) a copy of the circular;
- (d) the Capital Contribution Agreement;
- (e) the letter from the Independent Board Committee, the text of which is set out on page 10 of this circular;
- (f) the letter from Shenyin Wanguo, the text of which is set out on pages 11 to 20 of this circular;
- (g) the property valuation report by Greater China, as set out on pages 21 to 25 of this circular; and
- (h) the written consents of Shenyin Wanguo and Greater China referred to in this Appendix.