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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 TRANSACTION

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



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A letter from the Board is set out on pages 4 to 7 of this circular. A letter from the Independent Board Committee is set out on page 8 of this circular.

A letter from Access Capital containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 9 to 16 of this circular.

11 January 2010

\* For identification purposes only

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## DEFINITIONS

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

“Access Capital”	Access Capital Limited, a corporation licensed under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities, and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Guojia Property Capital Contribution
“Board”	the board of Directors
“Capital Contributions”	Cheer Gain Capital Contribution and Guojia Property Capital Contribution
“CBRE”	CB Richard Ellis Limited, independent valuer for the property interests of Guojia JV
“Cheer Gain”	Cheer Gain Development Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“Cheer Gain Capital Contribution”	the contribution by Cheer Gain of the amount RMB300,000,000 (equivalent to approximately HK\$340,500,000) in the registered capital of Guojia JV pursuant to a board resolution of Guojia JV passed on 17 November 2009
“Chengdu Zhongyi”	成都眾怡房地產開發有限公司 (Chengdu Zhongyi Property Development Company Limited), a company established in the PRC and a wholly-owned subsidiary of Guojia JV
“Chengdu Shengshi”	成都盛世經緯房地產投資有限公司 (Chengdu Shengshi Jingwei Real Estate Investment Company Limited), a company established in the PRC
“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
“Group”	the Company and its subsidiaries
“Guojia JV”	成都國嘉志得置業有限公司 (Chengdu Guojia Cheer Gain Property Company Limited), a company established in the PRC and is owned as to 51% and 49% by Cheer Gain and Guojia Property respectively
“Guojia Property”	四川省國嘉地產有限公司 (Sichuan Guojia Property Company Limited), a company established in the PRC
“Guojia Property Capital Contribution”	the contribution by Guojia Property of the amount RMB271,800,000 (equivalent to approximately HK\$308,493,000) to the capital of Guojia JV pursuant to a board resolution of Guojia JV passed on 21 December 2009

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## DEFINITIONS

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“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Huayuan Township Site”	a low-density residential site located in Baiyun Village, Huayuan Township, Xinjin County (新津縣花源鎮白雲村) in Chengdu
“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 Guojia Property Capital Contribution
“Independent Shareholders”	all the Shareholders as no Shareholder is required to abstain from voting in relation to the approval of the Guojia Property Capital Contribution
“JV Agreement”	the agreement dated 23 October 2007 entered into between Guojia Property and Cheer Gain relating, among other things, to the formation of Guojia JV
“Land Use Right Contracts”	3 contracts for the conveyance of state-owned land use right entered into between Chengdu Shengshi and the Xinjin Land Resources Bureau, Chengdu pursuant to which Chengdu Shengshi has been granted the right to accept conveyance of the land use right over the Lands
“Lands”	the state-owned land use right over the Huayuan Township Site comprising three land parcels with a total site area of 430 mu located in Huayuan Town, Xinjin County, Chengdu (成都新津縣花源鎮) and designated as Groups 7 and 8, Baiyun Village, Huayuan Township, Xinjin County, Chengdu (成都新津縣花源鎮白雲村七、八組)
“Latest Practicable Date”	6 January 2010, 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 aggregate 1,294,165,207 Shares, representing approximately 50.31% 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)

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## DEFINITIONS

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“Shares”	shares of HK\$0.10 each in the issued share capital of the Company
“Shareholders”	holders of the Shares
“Sky Villa Project”	a residential development located in the Jinjiang District (錦江區) in Chengdu comprising two adjacent sites having an aggregate site area of approximately 138,000 sqm
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wenxing Township Site”	a site located in Wenxing Township, Shuangliu County (雙流縣文星鎮) in Chengdu
“Xinjin Land Resources Bureau, Chengdu”	成都新津縣國土資源局 (Xinjin Land Resources Bureau, Chengdu), a branch of the Chengdu Municipal Land Resources Bureau, Chengdu
“sqm”	square meters
“%”	per cent

*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\$1.135 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  
Dr. Wong Kim Wing  
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

11 January 2010

*To the Shareholders,*

Dear Sir or Madam,

### CONNECTED TRANSACTION

#### 1. INTRODUCTION

Reference is made to the Company's announcement dated 21 December 2009 relating to the Guojia Property Capital Contribution. At a meeting of the board of Guojia JV, a resolution was passed to approve the Guojia Property Capital Contribution whereby Guojia Property would contribute RMB271,800,000 (equivalent to approximately HK\$308,493,000) in cash to the capital of Guojia JV, which will be applied to fund, in part, payment of the land premium payable by Guojia JV for the Lands under the Land Use Right Contracts following the acquisition of 96.5% of the registered capital in Chengdu Shengshi.

The main purpose of this circular is to provide you with details of the Guojia Property Capital Contribution 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 Access Capital to the Independent Board Committee and the Independent Shareholders; and (iii) a property valuation report by CBRE on the property interests of Guojia JV.

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## LETTER FROM THE BOARD

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### 2. THE GUOJIA PROPERTY CAPITAL CONTRIBUTION

#### Date

21 December 2009, being the date a resolution was passed by the board of Guojia JV approving the Guojia Property Capital Contribution.

#### Parties

- (i) Guojia Property, a substantial shareholder of Guojia JV, as the subscriber; and
- (ii) Guojia JV, an indirect subsidiary of the Company, as the issuer of new capital.

#### Amount

RMB271,800,000 (equivalent to approximately HK\$308,493,000) contributed in cash to the capital of Guojia JV and will be applied to fund, in part, payment of the land premium payable by Guojia JV for the Lands under the Land Use Right Contracts following the acquisition of 96.5% of the registered capital in Chengdu Shengshi as announced by the Company on 8 December 2009.

The amount of the Guojia Property Capital Contribution equals an amount of RMB271,800,000 (equivalent to approximately HK\$308,493,000) required for Guojia Property to achieve a 49% ownership interest in Guojia JV, calculated by taking into account:

- (i) the total capital contribution of Guojia JV in the amount of RMB840,000,000 (equivalent to approximately HK\$953,400,000) immediately prior to the Capital Contributions;
- (ii) the capital contribution by Cheer Gain in the amount of RMB300,000,000 (equivalent to approximately HK\$340,500,000) under the Cheer Gain Capital Contribution; and
- (iii) the amount of RMB240,000,000 (equivalent to approximately HK\$272,400,000) contributed by Guojia Property which Guojia Property could, but for the Guojia Property Capital Contribution, be withdrawn by Guojia Property following the Cheer Gain Capital Contribution if Guojia JV does not choose to compensate Guojia Property by way of interest charges at market lending rate on such amount.

#### Completion

The Capital Contributions have been completed. As a result, Guojia JV's total capital contribution now reaches the sum of RMB1,411,800,000 (equivalent to approximately HK\$1,602,393,000), of which RMB720,000,000 (equivalent to approximately HK\$817,200,000) has been provided by Cheer Gain, representing 51% of the total capital contribution and RMB691,800,000 (equivalent to approximately HK\$785,193,000) has been provided by Guojia Property, representing 49% of the total capital contribution.

#### Funding obligation after the Capital Contributions

After the Capital Contributions, Cheer Gain and Guojia Property will provide 51% and 49% of the funding for Guojia JV respectively in accordance with their adjusted ownership interest in Guojia JV.

#### Representation in the board of Guojia JV

After the Capital Contributions, Cheer Gain and Guojia Property will remain entitled to nominate respectively three and two directors to the board of Guojia JV.

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## LETTER FROM THE BOARD

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### 3. REASONS FOR AND BENEFITS OF THE TRANSACTION

The proceeds from the Guojia Property Capital Contribution will be applied to fund, in part, payment of the land premium payable by Guojia JV for the Lands under the Land Use Right Contracts following the acquisition of 96.5% of the registered capital in Chengdu Shengshi. Due to the continuing improvement in the Chinese economy and the growth of the affluent class, there is a constant demand for high quality, low density property and the Lands, which together comprise the Huayuan Township Site, are well suited for such development. In view of Guojia JV's such new funding requirement, a resolution was passed to approve the Guojia Property Capital Contribution so that Guojia JV can be best positioned to capture this growing market potential in the region.

Under the terms of the Guojia Property Capital Contribution, funding for Guojia JV will be provided by Cheer Gain and Guojia Property in the proportion of 51% and 49% respectively. Further, in addition to the amount of RMB271,800,000 (equivalent to approximately HK\$308,493,000) contributed by Guojia Property, the amount of RMB240,000,000 (equivalent to approximately HK\$272,400,000) previously contributed by Guojia Property and subject to repatriation, has been retained by Guojia JV as part of Guojia Property's 49% capital contribution. As a result, successful completion of the acquisition of Chengdu Shengshi can be ensured and the working capital of Guojia JV can be further strengthened. After completion of the Capital Contributions, Guojia JV becomes a 51% owned subsidiary of Cheer Gain with its assets and liabilities consolidated in the financial statements of the Company.

Notwithstanding that the ownership interest in Guojia JV has recently been adjusted and given the growing market potential in the region, the Guojia Property Capital Contribution will strengthen the strategic alliance between Guojia Property and the Group and ensure that the Huayuan Township Site, considered one of the best sites currently available in the Mumashan district, Chengdu, will be added to Guojia JV's development portfolio. Taking all relevant factors into consideration, the Board considers that the terms of the Guojia Property Capital Contribution have been negotiated on an arm's length basis and on normal commercial terms and the terms thereof are fair and reasonable so far as the Independent Shareholders are concerned and are in the best interests of the Group and the Shareholders as a whole.

### 4. PRINCIPAL ACTIVITIES OF THE GROUP, GUOJIA PROPERTY AND GUOJIA JV

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

To our best knowledge, Guojia Property is principally engaged in property development and investment in the PRC.

Guojia JV is a Chinese-foreign equity joint venture established in Chengdu, the PRC in 2007 as a vehicle for joint venture property development by the Group in Chengdu. At the time of incorporation, its principal business was ownership and development of the Sky Villa Project, a residential development located in the Jinjiang District (錦江區) in Chengdu comprising two adjacent land sites with site areas of approximately 56,000 sqm and 82,000 sqm respectively. Construction of the Sky Villa Project has commenced and out of the approximately 88,000 sqm total saleable area planned for Phase I development of the first land site, about 64,000 sqm have been pre-sold as at 20 December 2009. Phase II development of the first land site, which is also underway, will provide approximately 139,000 sqm saleable area. Construction of the second land site is at the planning stage and is expected to provide approximately 331,000 sqm saleable area.

In July 2009, Guojia JV acquired 100% of Chengdu Zhongyi, a property development company, the principal business of which is ownership and development of two land sites located in Wenxing Township, Shuangliu County (雙流縣文星鎮) in Chengdu with an aggregate site area of approximately 205,000 sqm. The Wenxing Township Site is currently under development and the planned saleable area is about 312,000 sqm.



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## LETTER FROM THE BOARD

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In December 2009, Guojia JV acquired 96.5% of Chengdu Shengshi, another property development company, the principal business of which is ownership and development of three land parcels located in the Mumashan (牧馬山) district of Chengdu at Baiyun Village, Huayuan Township, Xinjin County (新津縣花源鎮白雲村) with an aggregate site area of approximately 287,000 sqm. The Huayuan Township Site is currently at the initial planning stage and the planned GFA is about 344,000 sqm.

### 5. LISTING RULES IMPLICATION

Since Guojia Property is a substantial shareholder of Guojia JV, it is a connected person of the Company and the transactions contemplated under the Guojia Property Capital Contribution constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the relevant percentage ratio exceeds 2.5% but below 25%, the Guojia Property Capital Contribution is subject to the reporting, announcement and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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 Guojia Property Capital Contribution. The Company has obtained the written approval from the Majority Shareholders with respect to the Guojia Property Capital Contribution. As at the latest Practicable Date, the Majority Shareholders hold in aggregate 1,294,165,207 Shares, representing approximately 50.31% 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 Guojia Property Capital Contribution 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 Guojia Property Capital Contribution.

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

### 6. ADDITIONAL INFORMATION

Your attention is drawn to (a) the letter from the Independent Board Committee set out on page 8 of this circular which contains the recommendation of the Independent Board Committee to the Independent Shareholders regarding the Guojia Property Capital Contribution; (b) the letter from Access Capital set out on pages 9 to 16 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Guojia Property Capital Contribution, together with the principal factors and reasons considered by Access Capital in providing its advice; and (c) a property valuation report by CBRE on the property interests of Guojia JV.

The Independent Board Committee, having taken into account the advice of Access Capital, considers that the Guojia Property Capital Contribution is in the interests of the Group and the Shareholders as a whole and the terms of which are fair and reasonable so far as the Independent Shareholders are concerned.

Your attention is also drawn to the information set out in the Appendix 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

11 January 2010

*To the Independent Shareholders*

Dear Sir or Madam,

### CONNECTED TRANSACTION

We have been appointed to advise you in respect of the Guojia Property Capital Contribution. We refer to the circular of which this letter forms part. 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 7 of the circular which sets out, among other things, information on the Guojia Property Capital Contribution and the letter from Access Capital set out on pages 9 to 16 of the circular which contains its advice to us and to you in relation to the Guojia Property Capital Contribution.

Having taken into account the advice of Access Capital, we consider that the Guojia Property Capital Contribution is in the interests of the Group and the Shareholders as a whole and the terms of which are on normal commercial terms and 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 Guojia Property Capital Contribution. 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 Guojia Property Capital Contribution.

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 ACCESS CAPITAL

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*Set out below is the text of the letter of advice from Access Capital to the Independent Board Committee and the Independent Shareholders prepared for inclusion in this Circular.*



Suite 606, 6th Floor  
Bank of America Tower  
12 Harcourt Road  
Central  
Hong Kong

11 January 2010

*To: The Independent Board Committee and  
the Independent Shareholders*

Dear Sirs,

### CONNECTED TRANSACTION

#### I. INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Guojia Property Capital Contribution. Details of the Guojia Property Capital Contribution are set out in the letter from the Board contained in the circular dated 11 January 2010 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Unless otherwise stated, terms defined in the Circular shall have the same meanings in this letter.

On 21 December 2009, a resolution was passed by the board of Guojia JV to approve the Guojia Property Capital Contribution. As at the Latest Practicable Date, the Guojia Property Capital Contribution has been completed. Since Guojia Property is a substantial shareholder of Guojia JV, it is a connected person of the Company and the transactions contemplated under the Guojia Property Capital Contribution constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. As the relevant percentage ratio exceeds 2.5% but is below 25%, the Guojia Property Capital Contribution is subject to the reporting, announcement and the independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Since no Shareholder is required to abstain from voting if the Company were to convene a general meeting to approve the Guojia Property Capital Contribution, written approval has been obtained from the Majority Shareholders who hold an aggregate of approximately 50.31% of the issued share capital of the Company as at the Latest Practicable Date. 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 Guojia Property Capital Contribution in that the written approval from the Majority Shareholders is accepted in lieu of holding a general meeting.

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## LETTER FROM ACCESS CAPITAL

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### II. THE INDEPENDENT BOARD COMMITTEE

The Board currently consists of thirteen Directors, namely Mr. Cheung Chung Kiu, Dr. Lam How Mun Peter, Mr. Tsang Wai Choi, Mr. Lam Hiu Lo, Mr. Leung Chun Cheong, Mr. Leung Wai Fai, Ms. Poon Ho Yee Agnes, Dr. Wong Kim Wing and Mr. Wu Hong Cho as executive Directors, Mr. Wong Yat Fai as non-executive Director and Mr. Lam Kin Fung Jeffrey, Mr. Leung Yu Ming Steven and Dr. Wong Lung Tak Patrick as independent non-executive Directors.

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 Guojia Property Capital Contribution are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) whether the Guojia Property Capital Contribution is in the interests of the Group and the Shareholders as a whole.

We have been appointed to advise the Independent Board Committee and the Independent Shareholders in this respect and to give our opinion in relation to the Guojia Property Capital Contribution for the Independent Board Committee's consideration when making its recommendation to the Independent Shareholders.

### III. BASIS AND ASSUMPTIONS OF OUR ADVICE

In formulating our advice, we have relied solely on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Company and/or its senior management staff and/or the Directors. We have assumed that all such statements, information, opinions and representations contained or referred to in the Circular or otherwise provided or made or given by the Company and/or its senior management staff and/or the Directors and for which it is/they are solely responsible 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 and/or the senior management staff of the Company contained in the Circular have been reasonably made after due and careful enquiry. We have also sought and obtained confirmation from the Company and/or its senior management staff and/or the Directors that no material facts have been omitted from the information provided and referred to in the Circular.

We consider that we have reviewed all currently 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/or its senior management staff and/or the Directors and their respective advisers or 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, carried out 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.

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## LETTER FROM ACCESS CAPITAL

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### IV. PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion regarding the Guojia Property Capital Contribution, we have taken into consideration the following principal factors and reasons:

#### 1. Principal activities of the Group

The Group is principally engaged in property development and investment in Western China, manufacturing and trading 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 2008 and for the six months ended 30 June 2009 (“2009 Interim Period”) as extracted from the Company’s 2008 annual report and 2009 interim report, respectively:

	<b>(Audited)</b>		<b>(Unaudited)</b>
	<b>For the year ended 31 December</b>		<b>For the six months</b>
	<b>2007</b>	<b>2008</b>	<b>ended 30 June 2009</b>
	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i>
Revenue:			
— Sale of packaging products	411,141	434,953	130,580
— Sale of travel bags	419,408	229,285	70,068
— Treasury investment	18,805	(581)	1,255
— Property development and investment	61,405	731,986	171,073
	<u>910,759</u>	<u>1,395,643</u>	<u>372,976</u>
<b>Total</b>	<b>910,759</b>	<b>1,395,643</b>	<b>372,976</b>
<b>Other income and gains</b>	<b>547,763</b>	<b>244,436</b>	<b>50,845</b>
<b>Profit/(loss) for the year/period</b>	<b><u>903,611</u></b>	<b><u>(1,078,637)</u></b>	<b><u>(124,633)</u></b>

As reviewed from the above, the Group’s revenue for property development and investment for the year ended 31 December 2008 increased to approximately HK\$732 million from approximately HK\$61.4 million for the previous year. According to the management of the Company, the significant growth was attributed to revenue recognized on hand-over of completed property units with total GFA of approximately 188,000 sqm during the year of 2008. A segment loss of approximately HK\$1,128 million was recorded for the Group’s property development and investment business. As set out in the 2008 annual report, this was mainly attributable to the impairment in value of the Group’s interests in land of approximately HK\$885.1 million and exchange losses of approximately HK\$42.1 million due to Renminbi appreciation when Hong Kong dollars/United States dollars registered capital was converted into Renminbi working capital for the Group’s project companies in the PRC. Other incomes and gains were mainly gain on disposal of partial interest in a subsidiary, recovery of receivables and fair value gains on investment properties.

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## LETTER FROM ACCESS CAPITAL

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For the 2009 Interim Period, revenue for the Group's property development and investment business was approximately HK\$171.1 million, representing an increase of approximately 9.1% over that of the same period in 2008. The increase in revenue for the 2009 Interim Period was attributed by the hand-over of property units pre-sold during previous period. Segment loss of approximately HK\$33.1 million was recorded for the 2009 Interim Period (segment profit of approximately HK\$93.4 million for the same period in 2008). As explained by the management, no property project had been completed in the first half of 2009. The loss was due to fixed cost relating to the expansion in project development activities during the period, the revenues derived from these projects will be reflected in the respective future periods upon completion and deliveries of properties to buyers. The profit for the six months ended 30 June 2008 included the gain on partial disposal of an interest in a subsidiary amounting to approximately HK\$138.4 million, write-back of impairment of receivables and fair value gains on investment properties totaling HK\$59.2 million. Other incomes for the 2009 Interim Period were mainly gain on disposal interests in certain land use rights and fair value gains on investment properties.

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

As set out in the "Management Discussion and Analysis" section in the 2009 interim report, the Group's focus was on the property development and investment in Western China, predominantly in Chongqing and Chengdu, the Sichuan Province, PRC as they consider that, based on government statistics, these regions are amongst the highest economic growth regions in the PRC. As at 30 June 2009, the Group had twelve projects in different stages of development in Chongqing, Chengdu and Kunming, the PRC.

On the other hand, the Group's strategy is to keep a land bank portfolio sufficient for 7 to 8 years of development. According to the 2009 interim report, during the first half of 2009, the Group acquired 3 land lots totaling approximately 760,000 sqm at a total consideration of RMB834 million. As at 30 June 2009, the Group had land bank reserves of approximately 13.3 million sqm GFA held for development. The Group's land bank covers Chongqing, Chengdu and Kunming, the PRC. On 8 December 2009, the Company announced that Guojia JV entered into an acquisition agreement on 4 December 2009 to acquire 96.5% of the registered capital in Chengdu Shengshi at the consideration of RMB71,217,000. The principal assets of Chengdu Shengshi comprise its right under the Land Use Right Contracts to accept conveyance of the Lands. According to the Land Use Right Contracts, the total land premium payable before tax and auction expenses is RMB541,800,000. Upon full payment of the land premium on the Lands, the Group's land bank will be further enhanced.

The Lands comprise the state-owned land use right over a low-density residential site comprising three land parcels with a total site area of 430 mu located in Huayuan Town, Xinjin County, Chengdu, Sichuan Province, the PRC. According to the government website of Huayuan Town, Huayuan Town is a suburban district at about 20 kilometers from Chengdu. It is being developed into a low-density and high-end residential area with town houses and villas. The Company expected the Lands will provide approximately 344,000 sqm GFA of residential property for development over the next 3 years.

### **3. Reasons for and benefits of the Guojia Property Capital Contribution**

As stated in the letter from the Board in the Circular, the purpose of the Guojia Property Contribution is to fund, in part, payment of the land premium payable by Guojia JV for the Lands under the Land Use Right Contracts following the acquisition of 96.5% of the registered capital in Chengdu Shengshi as announced by the Company on 8 December 2009. The Board considers that the Guojia Property Capital Contribution will strengthen the strategic alliance with its joint venture partner, Guojia Property and provide funding to Guojia JV so that it can be best positioned to capture the growing market potential in Chengdu.

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## LETTER FROM ACCESS CAPITAL

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#### 4. The Guojia Property Capital Contribution

On 21 December 2009, a resolution was passed by the board of Guojia JV, details of which are set out in the letter from the Board in the Circular. Under the terms of Guojia Property Capital Contribution, funding for Guojia JV will be provided by Cheer Gain and Guojia Property in the proportion of 51% and 49% respectively.

Pursuant to the resolution, Guojia Property will contribute RMB271,800,000 in cash to the capital of Guojia JV. As set out in the letter from the Board in the Circular, the amount of the Guojia Property Capital Contribution was arrived at after arm's length negotiation between Guojia Property and Guojia JV, and equals to the amount required for Guojia Property to achieve a 49% ownership interest in Guojia JV, calculated by taking into account:

- (i) the total capital contribution of Guojia JV in the amount of RMB840,000,000 (equivalent to approximately HK\$953,400,000) immediately prior to the Capital Contributions;
- (ii) the capital contribution by Cheer Gain in the amount of RMB300,000,000 (equivalent to approximately HK\$340,500,000) under the Cheer Gain Capital Contribution; and
- (iii) the amount of RMB240,000,000 (equivalent to approximately HK\$272,400,000) contributed by Guojia Property which Guojia Property could, but for the Guojia Property Capital Contribution, be withdrawn by Guojia Property following the Cheer Gain Capital Contribution if Guojia JV does not choose to compensate Guojia Property by way of interest charges at market lending rate on such amount.

#### 5. Information on Guojia JV

Guojia JV is a Chinese-foreign equity joint venture established in Chengdu, the PRC in 2007 as a vehicle for joint venture property development by the Group in Chengdu, the PRC. As at the Latest Practicable Date, Guojia JV has two property projects under development in Chengdu, namely (i) the Sky Villa Project and (ii) the Wenxing Township Site. Details of these projects are set out in the paragraph headed "Principal activities of the Group, Guojia Property and Guojia JV" in the letter from the Board in the Circular. The Lands will be added to the development portfolio of Guojia JV upon full payment of the land premium on the Lands, which is payable from 10 December 2009. According to the management of the Company, this payment has to be made through Guojia JV's capital contribution to Chengdu Shengshi. The actual settlement date will be subject to regulatory procedures including approval of the expansion of the registered scope of business of Guojia JV and, if required, foreign exchange clearance by the relevant authorities of the PRC.

The Lands are in the scenic Mumashan (牧馬山) district of Chengdu at Baiyun Village, Huayuan Township, Xinjin County (新津縣花源鎮白雲村) with an aggregate site area of approximately 287,000 sq.m. The Huayuan Township Site is currently at the initial planning stage and the planned GFA is about 344,000 sqm. According to the management of the Company, the Lands were acquired by Chengdu Shengshi by bidding in November 2009 at RMB541,800,000. Based on the property valuation report on the Lands dated 11 January 2010 issued by CBRE ("Valuation Report"), the Lands have a capital value of RMB649,000,000 as at 30 November 2009 assuming that the Lands are in good title and land premium was fully settled.

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According to the audited consolidated financial statements of Guojia JV for the period from 25 October 2007 (date of incorporation) to 31 December 2007, year ended 31 December 2008 and unaudited consolidated financial statements of Guojia JV for the nine months ended 30 September 2009, Guojia JV recorded losses of approximately RMB2,459,000, RMB10,960,000 and RMB11,956,000 respectively. No revenue had been recorded for these periods as the property projects of Guojia JV were still under development. Revenue will be recorded upon hand-over of the pre-sold properties units of the Sky Villa Project, which is expected to be in December 2010. As learnt from the management of the Company, as at 20 December 2009, out of the approximately 88,000 sq.m. total saleable area planned for Phase I of the Sky Villa Project, about 64,000 sq.m. have been pre-sold. As at 30 September 2009, the assets of Guojia JV comprises the property projects in Chengdu as mentioned above and cash and cash equivalents of approximately RMB293 million. The assets of Guojia JV were mainly financed by deposits on sale of properties, bank and other borrowings as well as capital (in the form of registered capital and advances) provided by Cheer Gain and Guojia Property.

### **6. Information on Guojia Property**

According to the website of Guojia Property, it was established in Chengdu, Sichuan Province, the PRC in 1995. It is recognised as 國家二級資質專業房地產開發經營企業 (“PRC Class Two quality real estate development specialised enterprise”). Up to 2007, it had engaged in over 10 property development projects with area of more than 1,500,000 sqm in Chengdu. According to the management of the Company, since the incorporation of Guojia JV, the Group has a satisfactory relationship and experience with Guojia Property. As mentioned in the paragraph headed “Principal activities of the Group, Guojia Property and Guojia JV” in the letter from the Board in the Circular, pre-sale of the Sky Villa Project, being the first project developed by Guojia JV, had received satisfactory response.

### **7. Capital Contributions by Cheer Gain and Guojia Property**

Since the incorporation of Guojia JV, there had been capital injections by Cheer Gain and Guojia Property and repatriation of funds to both of them. As reviewed from the JV Agreement, funding to Guojia JV provided by Cheer Gain and Guojia Property, whether in the form of contribution to registered capital or amount advance, will be equally treated as capital contribution. The JV Agreement also provided that repatriation of temporary excess funds is allowed to Cheer Gain and Guojia Property at the same ratio as their capital contribution, or, if pro-rata repatriation is not desirable, appropriate compensation by way of interest charges at market lending rate on such funds not repatriated.

As announced by the Company on 17 November 2009, due to the rapid development of Guojia JV’s existing property projects and in order to meet its funding requirements for other new projects, the Cheer Gain Capital Contribution was approved in its board meeting. Immediately after the Cheer Gain Capital Contribution, the capital of Guojia JV would be owned as to 80% by Cheer Gain and 20% by Guojia Property.

As set out in the paragraph headed “Capital Contributions by Cheer Gain and Guojia Property” in the Company’s announcement dated 21 December 2009, immediately after the Cheer Gain Capital Contribution (and assuming registration with the State Administration for Industry and Commerce of the PRC is completed as scheduled), the total capital contributed by Cheer Gain and Guojia Property would be RMB1,140,000,000 i.e. RMB720,000,000 from Cheer Gain and RMB420,000,000 from Guojia Property. Based on this, the ownership interest ratio had been changed from the contemplated ratio i.e. 80% owned by Cheer Gain and 20% owned by Guojia Property, which would therefore trigger an excess funding of RMB240,000,000 subject to repatriation to Guojia Property but this amount has since been retained in Guojia JV.



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## LETTER FROM ACCESS CAPITAL

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### 8. Our view

Following the Capital Contributions, the Group's interest in Guojia JV will be diluted from 80% to 51%. However, the total capital of the Guojia JV (in the form of registered capital and advances) would be increased from RMB840,000,000 (immediately prior to the Capital Contribution) to RMB1,411,800,000. Based on our discussion with the management of the Company, it was noted that major cash outflows on its existing projects was estimated at: (i) land premium of approximately RMB558 million on the Lands; (ii) development cost for about RMB 2,321 million on projects on hand; and (iii) balance of payment of approximately RMB224 million on the acquisition of Chengdu Zhongyi, which was completed in July 2009. According to the management of the Company, it is the intention of the board of Guojia JV to finance its projects by sale proceeds of the underlying properties, bank and other borrowings as well as capital (in the form of registered capital and advances) provided by Cheer Gain and Guojia Property. In view of the estimated funding requirements of Guojia JV as mentioned above and the different development progress of various projects which may not match with the timing of receipt of sales proceeds on the underlying properties, we concur with the Board that additional funding provided to Guojia JV is beneficial for the development of its existing projects as well as for new investment opportunities.

On the other hand, with the Guojia Property Capital Contribution, the funding of RMB240,000,000 from Guojia Property as mentioned above which could have been withdrawn by Guojia Property, will be retained in Guojia JV. We consider that it is reasonable and flexible for the Group to expand its land bank for the furtherance of its strategy on property development business by bringing in funding from its joint venture partner whilst maintaining a controlling interest in Guojia JV. According to the Company's 2009 interim report, the Group's interest in its projects held for development ranged from 25% to 100%. Therefore, it has been the Group's strategy to diversify its resources in various property investments by forming joint ventures with developers with experience in the cities where the projects located.

In view of this and the experience of Guojia Property, we consider that the Guojia Property Capital Contribution is in the interests of the Group and the Shareholders as a whole.

### 9. Possible financial effects of the Guojia Property Capital Contribution

As at the Latest Practicable Date, the Capital Contributions have been completed. The Company's interest in Guojia JV was reduced from 80% to 51%. Guojia JV remains as an indirectly owned subsidiary of the Company. Its assets and liabilities will be consolidated in the financial statements of the Company. With the Guojia Property Capital Contribution and upon completion of the acquisition of the Lands, the assets of Guojia JV mainly in cash and land property will be further enhanced.

Pursuant to the terms of the Guojia Property Capital Contribution, Guojia Property will contribute 49% of the future funding requirements of Guojia JV. As mentioned above, the amount of RMB240,000,000 previously contributed by Guojia Property, which could have been repatriated to Guojia Property if without the Guojia Property Capital Contribution, will be retained.

According to the management of the Company, in view of the short time interval between completion of the Cheer Gain Capital Contribution and the Guojia Property Capital Contribution i.e. within two months, they considered that the change in ownership interest of Cheer Gain in Guojia JV from 50% to 80% and then to 51% was in substance, treated as a single transaction, i.e. as from 50% to 51%. Accordingly, there will not be any dilution effect on the change from 80% to 51%. The management of the Company estimated that the Capital Contributions which occurred within a short time interval, will result in a credit to be charged to the consolidated income statement of the Group for the year ended 31 December 2009 as an excess over the cost of acquisition of a subsidiary.

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#### IV. RECOMMENDATION

We have considered the above principal factors and reasons and particularly (i) the Guojia Property Capital Contribution will provide funding for Guojia JV's projects under development and for the furtherance of the Guojia JV's business strategy to enhance its land reserve; (ii) the Guojia Property Capital Contribution is in proportion to Guojia Property's ownership interest in Guojia JV; (iii) with the increased funding from Guojia Property whilst maintaining a controlling interest in Guojia JV, the Group can diversify in other projects with its financial resources which could have been invested in Guojia JV if Cheer Gain maintained its 80% interest; and (iv) the local experience of Guojia Property with whom satisfactory relationship has been maintained with the Group.

We are of the opinion that the Guojia Property Capital Contribution is in the interests of the Group and the Shareholders as a whole and the terms of which are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned. Therefore, we advise the Independent Board Committee to recommend the Independent Shareholders to approve the transactions contemplated under the Guojia Property Capital Contribution if the Company were to convene a general meeting for the approval of the Guojia Property Capital Contribution.

Yours faithfully,  
For and on behalf of  
**Access Capital Limited**

**Alexander Tai**  
*Principal Director*

**Jimmy Chung**  
*Principal Director*

*The following is the text of a letter, summary of values and valuation certificate prepared for the purpose of incorporation in this circular received from CB Richard Ellis Limited, an independent valuer, in connection with their valuations as at 30 November 2009 of our property interests.*

**CBRE**

CB RICHARD ELLIS

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11 January 2010

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

Dear Sirs,

**Re: Sky Villa Project, Chengnanyijia Project and Mumashan Project, Chengdu, the People's Republic of China (the "Property")**

We refer to the instruction from C C Land Holdings Limited (hereinafter refer to the "Company") for us to carry out a valuation of the property interests owned by Chengdu Guojia Cheer Gain Property Company Limited (成都國嘉志得置業有限公司) and its subsidiaries (hereinafter refer to as "Guojia JV") in the People's Republic of China ("the PRC"), details of which are set out in the attached valuation certificates. We confirm that we have made relevant investigations and enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the individual property interests as at 30 November 2009 (the "date of valuation").

In valuing the property interests, we have complied with all the requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities (the "Exchange Listing Rules") issued by the Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards on Properties (1st Edition) published by the Hong Kong Institute of Surveyors ("HKIS").

Our valuation is made on the basis of Market Value which is defined by the HKIS 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."

In forming our opinion of the value of the property interests in Group I, which are held by Guojia JV under development in the PRC, we have valued the property interests on the basis that the properties, unless otherwise specified, will be developed and completed in accordance with Guojia JV's latest development schemes provided to us. We have adopted the Direct Comparison Approach by making reference to comparable sales evidence as available in the relevant markets. Comparable properties of similar size, character and location are analyzed and carefully weighted against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of capital value.

Since the properties in Group I have started the construction works, we have added the construction costs, professional fees and other costs already incurred to the clear site value derived by Direct Comparison Approach to arrive at the capital value of the properties in existing state.

In valuing the property interests in Group II which are held by Guojia JV for future development, we have valued the property interests by the Direct Comparison Approach where comparison based on market price levels of comparable properties is made. Comparable properties of similar size, character and location are analyzed and carefully weighted against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of capital value.

Our valuation has been prepared in the capacity as “overseas consultants” and has been made on the assumption that the owner sells the properties on the open market without the benefit of any deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to increase the values of the properties.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the properties nor for any expenses or taxation which may be incurred in effecting sale. Unless otherwise stated, it is assumed that the properties were free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

We have relied to a considerable extent on the information given by the Company and have accepted the advice given to us on such matters as tenure, planning approvals, statutory notices, easements, development scheme, site and floor area, occupancy and all other relevant matters. No on-site measurement has been taken. Dimensions, measurements and areas included in the valuation certificates are based on information contained in the documents provided to us and are therefore only approximations. We have had no reason to doubt the truth and accuracy of the information provided to us, which are material to the valuation. We were also advised that no material factors have been omitted from the information supplied.

We have been provided with copies of the title documents relating to the properties, however due to the nature of the land registration system in the PRC, we cannot cause searches to be made on the title of the properties nor have we scrutinised all the original documents to verify ownership and encumbrances or to ascertain the subsequent amendments, if any, which may not appear on the copies handed to us. In forming our value to the properties in the PRC, we have relied on the legal opinion provided by the Company’s PRC legal adviser, Sichuan Tian Cheng Men Law Office (the “PRC Legal Opinion”).

In our valuation, we have assumed that the Company will make the outstanding payment to the relevant government authority and parties, and the government will deliver the sites to the Company according to the land grant contracts.

We have carried out physical inspection of the properties to such extent as for the purpose of this valuation. In the course of our inspection, we did not notice any serious defects. However, we have not carried out any structural survey nor any tests were made on the building services. Therefore, we are not able to report whether the properties are free of rot, infestation or any other structural defects. We have not carried out investigations on the site to determine the suitability of the ground conditions and the services etc. for any future development. Our valuation is on the basis that these aspects are satisfactory.

We have not carried out site measurements to verify the correctness of the site area of the properties and have assumed that the site area shown on the documents and official site plans handed to us is correct.

The property interests have been valued in Renminbi (“RMB”).

We enclose herewith a summary of valuation and our valuation certificates.

Yours faithfully,  
For and on behalf of  
**CB Richard Ellis Limited**  
**Harry C. W. Chan**  
MHKIS MRICS MCIREA RPS(GP)  
*Senior Director*  
*Valuation & Advisory Services*

*Note:* Mr. Harry Chan is a Registered Professional Surveyor (General Practice), a member of the Hong Kong Institute of Surveyors, a member of Royal Institution of Chartered Surveyors and a member of China Institute of Real Estate Appraisers and Agents. He has over 17 years of valuation experience in the PRC.

## SUMMARY OF VALUES

Property	Capital value in existing state as at 30 November 2009 (RMB)	Interest attributable to Guojia JV (%)	Capital value in existing state attributable to Guojia JV as at 30 November 2009 (RMB)
<b>Group I — Property interests held by Guojia JV under development</b>			
1. Phase 1, Sky Villa Project, Groups 3 and 4, Liangfeng Village, Jinjiang District, Chengdu, Sichuan Province, the People's Republic of China	<b>530,000,000</b>	100%	<b>530,000,000</b>
		Sub-total	<b>530,000,000</b>
<b>Group II — Property interests held by Guojia JV for future development</b>			
2. Phase 2 to 4, Sky Villa Project, Groups 3 and 4, Liangfeng Village (phase 2), Groups 4 and 9, Liangfeng Village, Group 6 Dagan Village (phase 3 to 4), Jinjiang District, Chengdu, Sichuan Province, the People's Republic of China	<b>464,000,000</b>	100%	<b>464,000,000</b>
3. Chengnanyijia Project, Xi Hanggang Sub-district, Shuangliu County, Chengdu, Sichuan Province, the People's Republic of China	<b>495,000,000</b>	100%	<b>495,000,000</b>
4. Mumashan Project, Groups 7 and 8, Baiyun Village, Huayuan Town, Xinjin County, Chengdu, Sichuan Province, the People's Republic of China	<b>No commercial value</b>	96.5%	<b>No commercial value</b>
		Sub-total	<b>959,000,000</b>
		<b>GRAND TOTAL:</b>	<b><u>1,489,000,000</u></b>

## VALUATION CERTIFICATE

## Group I — Property interests held by Guojia JV under development

Property	Description and tenure	Details of occupancy	Capital Value in existing state as at 30 November 2009
1. Phase 1, Sky Villa Project, Groups 3 and 4, Liangfeng Village, Jinjiang District, Chengdu, Sichuan Province, the People's Republic of China	<p>The property comprises a development site having a total site area of about 21,687.13 sq.m.</p> <p>The property is for a proposed residential development known as Sky Villa which comprises with residential and car park.</p> <p>The total gross floor area of the proposed development is about 65,154 sq.m, and the construction floor area is about 88,000 sq.m including basement and other non-saleable space.</p> <p>The proposed development is scheduled to completion in December 2010.</p> <p>The property is held under a land use term for residential and commercial uses for a term expiring on 6 December 2077 and 6 December 2047 respectively.</p>	As at the date of valuation, phase 1 was under construction with construction work for nearly topped off in progress.	<p><b>RMB530,000,000</b> (RENMINBI FIVE HUNDRED AND THIRTY MILLION)</p> <p>100% interest attributable to Guojia JV: RMB530,000,000</p>

*Notes:*

1. Pursuant to the State-owned Land Use Rights Certificate No. Cheng Guo Yong (2008) Di 108 dated 28 January 2008, the land use rights of the property (for phase 1) having a site area of approximately 21,687.13 sq.m. have been granted to Chengdu Guojia Cheer Gain Property Company Limited (成都國嘉志得置業有限公司). The property is held under land use term for residential and commercial use to be expired on 6 December 2077 (Residential) and 6 December 2047 (Commercial). The land use right has been pledged to Chengdu Chunxi Branch of Industrial and Commercial Bank of China for its banking facilities.
2. According to No.5101 Jin (2007) Modification to Land Grant Contract Di 35 which signed on 7 December 2007, the Government is planning to remise the site area of 55,683.94 sq.m. (for phase 1 and 2) to Chengdu Guojia Cheer Gain Property Company Limited (成都國嘉志得置業有限公司) as residential and commercial usage, at a consideration of RMB735,027,920 (total for phase 1 and 2). In accordance with the contract, the development of the site, in which the property is located therein, are subject to, inter alia, the following major terms and conditions:
 

Plot Ratio	:	≤3.0
Building Density	:	≤30%
Construction Period	:	within 2 years, thus the construction workings must be completed before 7 June 2010, there is one year extension available upon the developer's application
3. A summary of major certificates/approvals is shown as follows:
 

i.	State-owned Land Use Rights Grant Contract	Yes
ii.	State-owned Land Use Certificate	Yes
iii.	Construction Land Use Planning Permit	Yes
iv.	Construction Works Planning Permit	Yes
v.	Construction Works Commencement Permit	Yes
vi.	The house pre-sale permit	Yes
4. The proposed use of the property is in compliance with the town planning use.
5. The capital value of the property as if completed as at 30 November 2009 would be RMB1,005,000,000.
6. As advised by the Company, construction cost of an amount RMB163,000,000 has incurred for the property and the estimated outstanding cost to completion was approximately RMB193,000,000 as at the date of valuation.
7. The PRC Legal Opinion states, inter alia, that:
  - Chengdu Guojia Cheer Gain Property Company Limited (成都國嘉志得置業有限公司) was established in the PRC and has obtained the State-owned Land Use Rights Certificate No. Cheng Guo Yong (2008) Di 108 dated 28 January 2008.
  - Chengdu Guojia Cheer Gain Property Company Limited (成都國嘉志得置業有限公司) is the sole legal owner of the land use rights of the property stated above, and protected by the PRC laws.
  - Chengdu Guojia Cheer Gain Property Company Limited (成都國嘉志得置業有限公司) has the right to use, develop, transfer, lease and mortgage the land use rights of the said property.
  - The land use rights of the said property have been pledged to Chengdu Chunxi Branch of Industrial and Commercial Bank of China for obtaining banking facilities.

## VALUATION CERTIFICATE

## Group II — Property interests held by Guojia JV for future development

Property	Description and tenure	Details of occupancy	Capital Value in existing state as at 30 November 2009										
2. Phase 2 to 4, Sky Villa Project, Groups 3 and 4, Liangfeng Village (phase 2), Groups 4 and 9, Liangfeng Village, Groups 6 Daguan Village (phase 3 to 4), Jinjiang District, Chengdu, Sichuan Province, the People's Republic of China	<p>The property comprises a development site having a total site area of about 116,071.24 sq.m., which comprised with three sites area of about 33,996.81 sq.m, 29,591.73 sq.m and 52,482.70 sq.m as the site for phase two to four developments respectively.</p> <p>The property is for a proposed residential development known as Sky Villa which comprises with residential and car park.</p> <p>The total gross floor area of the proposed development is about 348,959 sq.m, and the construction floor area is about 471,000 sq.m including basement and other non-saleable space.</p> <p>Below is floor area breakdown by phases as at November 2009.</p> <table border="1"> <thead> <tr> <th>Phase</th> <th>GFA (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>2</td> <td>102,119</td> </tr> <tr> <td>3</td> <td>89,050</td> </tr> <tr> <td>4</td> <td>157,790</td> </tr> <tr> <td><b>Total</b></td> <td><b><u>348,959</u></b></td> </tr> </tbody> </table> <p>The land for phase 2 Sky Villa project is held under a land use term for residential and commercial use for a term expiring on 6 December 2077 and 6 December 2047 respectively.</p>	Phase	GFA (sq.m.)	2	102,119	3	89,050	4	157,790	<b>Total</b>	<b><u>348,959</u></b>	<p>As at the date of valuation, the sites for phase 2 to 4 are vacant.</p>	<p><b>Capital value for phase 2: RMB464,000,000</b> (RENMINBI FOUR HUNDRED AND SIXTY FOUR MILLION)</p> <p>100% interest attributable to Guojia JV: RMB464,000,000</p> <p><b>Capital value for phase 3 and 4: No commercial value</b></p> <p>100% interest attributable to Guojia JV: No commercial value</p>
Phase	GFA (sq.m.)												
2	102,119												
3	89,050												
4	157,790												
<b>Total</b>	<b><u>348,959</u></b>												



*Notes:*

1. Pursuant to the State-owned Land Use Rights Certificate No. Cheng Guo Yong (2009) Di 1035 dated 14 December 2009, the land use rights of the property (for phase 2) having a site area of approximately 33,996.81 sq.m. have been granted to Chengdu Guojia Cheer Gain Property Company Limited (成都國嘉志得置業有限公司). The property is held under land use term for residential and commercial use to be expired on 6 December 2077 (Residential) and 6 December 2047 (Commercial).
2. According to No.5101 Jin (2007) Modification to Land Grant Contract Di 35 which signed on 7 December 2007, the Government is planning to remise the site area of 55,683.94 sq.m. (for phase 1 and 2) to Chengdu Guojia Cheer Gain Property Company Limited (成都國嘉志得置業有限公司) as residential and commercial usage, at a consideration of RMB 735,027,920 (total for phase 1 and 2). In accordance with the contract, the development of the site, in which the property is located therein, are subject to, inter alia, the following major terms and conditions:
 

Plot Ratio	:	≤3.0
Building Density	:	≤30%
Construction Period	:	within 2 years, thus the construction workings must be completed before 7 June 2010, there is one year extension available upon the developer's application
3. A summary of major certificates/approvals for phase 2 is shown as follows:
 

i.	State-owned Land Use Rights Grant Contract	Yes
ii.	State-owned Land Use Certificate	Yes
iii.	Construction Land Use Planning Permit	NA
iv.	Construction Works Planning Permit	NA
v.	Construction Works Commencement Permit	NA
4. A summary of major certificates/approvals for phase 3 and 4 is shown as follows:
 

i.	State-owned Land Use Rights Grant Contract	NA
ii.	State-owned Land Use Certificate	NA
iii.	Construction Land Use Planning Permit	NA
iv.	Construction Works Planning Permit	NA
v.	Construction Works Commencement Permit	NA
5. The proposed use of the property is in compliance with the town planning use.
6. As advised by the Company, as at the date of valuation, the paid premium for phase 3 and 4 of Sky Villa project was approximately RMB56,000,000, meanwhile the outstanding land premium was approximately RMB1,076,624,880.
7. According to the land bidding confirmation letter, Guojia JV has succeed in bidding the land use right of phase 3 and 4 of the property, through a public land auction dated on 12 October 2007. The land use rights certificates were pending for issue by local government upon full settlement of land premium. In our valuation, we have assigned no commercial value to the phase 3 and 4 of the property.
8. The capital value of the phase 3 and 4 of Sky Villa on clear site basis is RMB1,120,000,000 as at the date of valuation assuming good title and land premium fully settled.
9. The PRC Legal Opinion states, inter alia, that:
  - Chengdu Guojia Cheer Gain Property Company Limited (成都國嘉志得置業有限公司) has obtained the State-owned Land Use Rights Certificate No. Cheng Guo Yong (2009) Di 1035 dated 14 December 2009 in respect of phase 2 of the above stated property.
  - Chengdu Guojia Cheer Gain Property Company Limited (成都國嘉志得置業有限公司) is the sole legal owner of the land use rights of phase 2 of the said property, and protected by the PRC laws.
  - Chengdu Guojia Cheer Gain Property Company Limited (成都國嘉志得置業有限公司) has the right to use, develop, transfer, lease and mortgage the land use rights of phase 2 of the said property.
  - Chengdu Guojia Cheer Gain Property Company Limited (成都國嘉志得置業有限公司) has succeed in bidding the land use rights in respect of phase 3 and 4 of the said property through a public land auction held on 12 October 2007.
  - Chengdu Guojia Cheer Gain Property Company Limited (成都國嘉志得置業有限公司) has not yet obtained the land use rights certificates in respect of phase 3 and 4 of the said property.
  - Issue of the land use rights certificates in respect of phase 3 and 4 of the said property is subject to full payment of the land premium in accordance with the relevant issuance requirements.

## VALUATION CERTIFICATE

Property	Description and tenure	Details of occupancy	Capital Value in existing state as at 30 November 2009
3. Chengnanyijia Project, Xi Haggang Sub-district, Shuangliu County, Chengdu, Sichuan Province, the People's Republic of China	<p>The property comprises a development site having a total site area of about 205,254 sq.m.</p> <p>The property is for a proposed residential development known as Chengnanyijia which comprises with residential, commercial and car park.</p> <p>The total gross floor area of the proposed development is about 220,034 sq.m, and the construction floor area is about 311,818 sq.m including basement and other non-saleable space.</p> <p>The property with the site area of 68,700.93 sq.m. is held under land use term for residential and commercial uses to be expired on 17 October 2075 (Residential) and 17 October 2045 (Commercial). The property with the site area of 136,553.33 sq.m. is held under land use term for residential and commercial uses to be expired on 28 March 2075 (Residential) and 28 March 2045 (Commercial).</p>	As at the date of valuation, the site is vacant.	<p><b>RMB495,000,000</b>            (RENMINBI FOUR HUNDRED AND NINETY FIVE MILLION)</p> <p>100% interest attributable to Guojia JV:            RMB495,000,000</p>

*Notes:*

1. Pursuant to the State-owned Land Use Rights Certificate No. Shuang Guo Yong (2006) Di 00039 dated 11 January 2006, the land use rights of the property having a site area of approximately 68,700.93 sq.m. for residential/commercial use have been granted to Chengdu Zhongyi Property Development Company Limited (成都眾怡房地產開發有限公司). The property is held under land use term for residential and commercial use to be expired on 17 October 2075 (Residential) and 17 October 2045 (Commercial).
2. Pursuant to the State-owned Land Use Rights Certificate No. Shuang Guo Yong (2008) Di 1097 dated 3 July 2008, the land use rights of the property having a site area of approximately 136,553.33 sq.m. for residential/commercial use have been granted to Chengdu Zhongyi Property Development Company Limited (成都眾怡房地產開發有限公司). The land use right has been pledged to Chengdu Branch of Bank of Chongqing Co., Ltd for its banking facilities. The property is held under land use term for residential and commercial use to be expired on 28 March 2075 (Residential) and 28 March 2045 (Commercial).
3. According to No.51-01-06 (2005) Modification to Land Grant Contract Di 168 which signed on 18 October 2005, the Government is planning to remise the site area of 68,700.93 sq.m. to Chengdu Zhongyi Property Development Company Limited (成都眾怡房地產開發有限公司) as residential usage, at a consideration of RMB44,315,800.
4. According to No.51-01-06 (2005) Modification to Land Grant Contract Di 049 which signed on 29 March 2005, the Government is planning to remise the site area of 133,351.05 sq.m. to Chengdu Zhongyi Property Development Company Limited (成都眾怡房地產開發有限公司) as residential usage, at a consideration of RMB 86,008,600. Further according the Executive Change in Land Remise Contract Agreement dated on 10 June 2008, the land area revised to 136,553.33 sq.m. with an additional consideration of 3,739,680.
5. A summary of major certificates/approvals is shown as follows:
 

i.	State-owned Land Use Rights Grant Contract	Yes
ii.	State-owned Land Use Certificate	Yes
iii.	Construction Land Use Planning Permit	Yes
iv.	Construction Works Planning Permit	Yes (for phase 1)
v.	Construction Works Commencement Permit	Yes (for phase 1)
6. The PRC Legal Opinion states, inter alia, that:
  - Chengdu Zhongyi Property Development Company Limited (成都眾怡房地產開發有限公司) was established in the PRC and is a wholly-owned subsidiary of Chengdu Guojia Cheer Gain Property Company Limited (成都國嘉志得置業有限公司).
  - Chengdu Zhongyi Property Development Company Limited (成都眾怡房地產開發有限公司) has obtained the State-owned Land Use Rights Certificate No. Shuang Guo Yong (2006) Di 00039 dated 11 January 2006.
  - Chengdu Zhongyi Property Development Company Limited (成都眾怡房地產開發有限公司) has also obtained the State-owned Land Use Rights Certificate No. Shuang Guo Yong (2008) Di 1097 dated 3 July 2008 in respect of the land use rights of the above stated property. The land use rights have been pledged to Chengdu Branch of Bank of Chongqing Co., Ltd for obtaining banking facilities.
  - Chengdu Zhongyi Property Development Company Limited (成都眾怡房地產開發有限公司) is the sole legal owner of the above stated property and is protected by the PRC laws.
  - Chengdu Zhongyi Property Development Company Limited (成都眾怡房地產開發有限公司) has the right to use, develop, transfer, lease and mortgage the land use rights of the said property.

## VALUATION CERTIFICATE

Property	Description and tenure	Details of occupancy	Capital Value in existing state as at 30 November 2009
4. Mumashan Project, Groups 7 and 8, Baiyun Village, Huayuan Town, Xinjin County, Chengdu, Sichuan Province, the People's Republic of China	<p>The property comprises a development site having a total site area of about 286,667 sq.m.</p> <p>The property is for a proposed residential development which comprises with townhouse and villa.</p> <p>The maximal total gross floor area of the proposed development is about 344,000 sq.m.</p>	As at the date of valuation, the site is vacant.	<p><b>No commercial value</b></p> <p>96.5% interest attributable to Guojia JV:</p> <p>No commercial value</p>
	The property is held under a land use term for residential use for a term of 70 years.		

*Notes:*

1. According to No. (20090049) State Owned Land Use Right Grant Contract which signed on 25 November 2009, the Government is planning to remise the site area of 155,809 sq.m. to Chengdu Shengshi Jingwei Real Estate Investment Company Limited (成都盛世經緯房地產投資有限公司) as residential usage for 70 years, at a consideration of RMB294,479,000. In accordance with the contract, the development of the site, in which the property is located therein, are subject to, inter alia, the following major terms and conditions:

Plot Ratio	:	≤1.2
Building Density	:	≤40%
Construction Period	:	The construction must be commenced before 26 August 2010, and completed before 26 August 2013, and there is one year extension available upon the developer's application

2. According to No. (20090050) State Owned Land Use Right Grant Contract which signed on 25 November 2009, the Government is planning to remise the site area of 43,070 sq.m. to Chengdu Shengshi Jingwei Real Estate Investment Company Limited (成都盛世經緯房地產投資有限公司) as residential usage for 70 years, at a consideration of RMB81,402,000. In accordance with the contract, the development of the site, in which the property is located therein, are subject to, inter alia, the following major terms and conditions:

Plot Ratio	:	≤1.2
Building Density	:	≤40%
Construction Period	:	The construction must be commenced before 26 August 2010, and completed before 26 August 2013, and there is one year extension available upon the developer's application

3. According to No. (20090051) State Owned Land Use Right Grant Contract which signed on 25 November 2009, the Government is planning to remise the site area of 87,788 sq.m. to Chengdu Shengshi Jingwei Real Estate Investment Company Limited (成都盛世經緯房地產投資有限公司) as residential usage for 70 years, at a consideration of RMB165,919,000. In accordance with the contract, the development of the site, in which the property is located therein, are subject to, inter alia, the following major terms and conditions:

Plot Ratio	:	≤1.2
Building Density	:	≤40%
Construction Period	:	The construction must be commenced before 26 August 2010, and completed before 26 August 2013, and there is one year extension available upon the developer's application

4. A summary of major certificates/approvals is shown as follows:

i.	State-owned Land Use Rights Grant Contract	Yes
ii.	State-owned Land Use Certificate	NA
iii.	Construction Land Use Planning Permit	NA
iv.	Construction Works Planning Permit	NA
v.	Construction Works Commencement Permit	NA

5. As advised by the Company, the paid premium was approximately RMB26,000,000, meanwhile the outstanding land premium of the property was approximately RMB 515,800,000 as at the date of valuation.
6. The land use rights certificates were pending for issue by local government upon full settlement of land premium. In our valuation, we have assigned no commercial value to the property.
7. The capital value of the property on clear site basis is RMB649,000,000 as at the date of valuation assuming good title and land premium fully settled.
8. The PRC Legal Opinion states, inter alia, that:
- Chengdu Shengshi Jingwei Real Estate Investment Company Limited (成都盛世經緯房地產投資有限公司) entered into three State Owned Land Use Rights Grant Contracts No. (20090049), (20090050) and (20090051) on 25 November 2009.
  - Chengdu Shengshi Jingwei Real Estate Investment Company Limited (成都盛世經緯房地產投資有限公司) has not yet obtained the land use rights certificates in respect of the above stated property.
  - Issue of the land use rights certificates in respect of the above stated property is subject to full payment of the land premium and in accordance with relevant issuance requirements.

## 1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein 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	50.31
Lam How Mun Peter	11,000		39,039,000	39,050,000	1.52
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
Wong Kim Wing	250,000		2,000,000	2,250,000	0.09
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 in aggregate as to 44.06%). Mr. Cheung Chung Kiu 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 Chung Kiu 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 Chung Kiu. Accordingly, he was also deemed to be interested in the same number of Shares in which Thrivetrade was interested.

- Mr. Cheung Chung Kiu, 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 Chung Kiu and his family. Prize Winner Limited was beneficially owned by Mr. Cheung Chung Kiu and his associates. Mr. Cheung Chung Kiu 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	01-01-2008 to 10-12-2016	4.95	2,000,000
	01-01-2009 to 10-12-2016	4.95	1,939,000
	01-01-2008 to 15-02-2017	4.81	6,000,000
	01-01-2008 to 18-04-2017	5.26	2,000,000
	01-01-2009 to 18-04-2017	5.26	2,000,000
	01-01-2008 to 26-04-2017	5.37	4,000,000
	10-07-2008 to 07-08-2017	5.27	1,800,000
	01-07-2009 to 07-08-2017	5.27	1,800,000
	07-05-2009 to 06-05-2019	3.27	17,500,000
Leung Chun Cheong	01-01-2009 to 10-12-2016	4.95	500,000
	10-07-2008 to 07-08-2017	5.27	500,000
	01-07-2009 to 07-08-2017	5.27	500,000
Leung Wai Fai	01-01-2008 to 10-12-2016	4.95	1,000,000
	01-01-2009 to 10-12-2016	4.95	1,000,000
	10-07-2008 to 07-08-2017	5.27	500,000
	01-07-2009 to 07-08-2017	5.27	500,000
Poon Ho Yee Agnes	01-01-2008 to 10-12-2016	4.95	500,000
	01-01-2009 to 10-12-2016	4.95	500,000
	10-07-2008 to 07-08-2017	5.27	500,000
	01-07-2009 to 07-08-2017	5.27	500,000
Wong Kim Wing	03-01-2009 to 28-10-2017	5.27	1,000,000
	03-01-2010 to 28-10-2017	5.27	1,000,000
Wu Hong Cho	01-01-2008 to 10-12-2016	4.95	400,000
	01-01-2009 to 10-12-2016	4.95	400,000
	10-07-2008 to 07-08-2017	5.27	500,000
	01-07-2009 to 07-08-2017	5.27	500,000

4. Percentage which the aggregate long position in the Shares or underlying Shares bears to 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 2008 (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 (long positions)	Approximate percentage <sup>3</sup>
Regulator	Beneficial interest	254,239,636 <sup>1</sup>	9.88
Yugang International (B.V.I.) Limited (“Yugang-BVI”)	Interest of controlled corporation	254,239,636 <sup>1</sup>	9.88
Yugang	Interest of controlled corporation	254,239,636 <sup>1</sup>	9.88
Chongqing	Interest of controlled corporation	254,239,636 <sup>1</sup>	9.88
Palin Holdings Limited (“Palin”)	Interest of controlled corporation	254,239,636 <sup>1</sup>	9.88
Thrivetrade	Beneficial interest	1,039,925,571 <sup>2</sup>	40.42
T. Rowe Price Associates, Inc. and its Affiliates	Investment Manager	129,620,000	5.03

*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 Chung Kiu in aggregate as to 44.06%. Chongqing, Timmex and Palin are controlled by Mr. Cheung Chung Kiu. The said interests were also included in the interest in shares of the Company of Mr. Cheung Chung Kiu as disclosed under paragraph “Interests in the Company (long positions)” of the section headed “Disclosure of Interests” above.

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

Mr. Cheung Chung Kiu 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 Chung Kiu as disclosed under paragraph “Interests in the Company (long positions)” of the section headed “Disclosure of Interests” above.
3. Percentage which the aggregate long position in the Shares bears to 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
Wisdom Gain Group Limited	Hero City Trading Limited	40.0
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
四川恒辰房產開發有限公司 (Sichuan Hengchen Real Estate Development Company Limited)	王小林 (Wang Xiao Lin)	39.6
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)	29.9

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>
Access Capital	a corporation licensed under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities
CBRE	professional valuer

Access Capital and CBRE have given and have not withdrawn their written consents to the issue of this circular with the inclusion herein of their opinions and the reference to their names in the form and context in which they respectively appear.

Access Capital and CBRE 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.

Access Capital and CBRE have no direct or indirect interest in any assets which have since 31 December 2008 (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 2008, 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 25 January 2010:—

- (a) board resolutions of Guojia JV dated 17 November 2009 and 21 December 2009;
- (b) the letter from the Independent Board Committee, the text of which is set out on page 8 of this circular;
- (c) the letter from Access Capital, the text of which is set out on pages 9 to 16 of this circular;
- (d) the property valuation report by CBRE, as set out on pages 17 to 27 of this circular; and
- (e) the written consents of Access Capital and CBRE referred to in this Appendix.