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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 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

(Stock Code: 1224)

CONNECTED AND DISCLOSEABLE TRANSACTIONS

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



A letter from the Board is set out on pages 4 to 9 of this circular. A letter from the Independent Board Committee is set out on pages 10 to 11 of this circular.

A letter from Donvex Capital containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 12 to 19 of this circular.

26 October 2012

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DEFINITIONS

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

“Announcements”	the announcements of the Company dated 17 July 2012 and 10 October 2012 in relation to the First Facility Agreements and Second Facility Agreements respectively
“Board”	the board of Directors
“Chongqing Top Pioneer”	重慶頂添置業有限公司 (Chongqing Top Pioneer Realty Company), an indirect wholly-owned subsidiary of the Company incorporated in the PRC which holds 51% of the registered capital of Verakin Property
“Chongqing Top Pioneer Second Facility Agreement”	loan facility agreement dated 10 October 2012 and entered into between Verakin Property as lender and Chongqing Top Pioneer as borrower
“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
“connected person”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“Donvex Capital”	Donvex Capital Limited, a licensed corporation to carry out business in Type 6 (advising on corporate finance) regulated activities as defined under the SFO, and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Verakin Group Second Facility Agreement and the transactions thereunder
“First Facility Agreements”	the two separate facility agreements both dated 17 July 2012 and entered into between Verakin Property as lender and each of the JV Partners respectively as borrowers
“First Proportional Facility”	the unsecured loan facility granted by Verakin Property to Verakin Group under the First Facility Agreements in the sum of RMB96,040,000 (equivalent to approximately HK\$117,553,000)
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“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 being all the independent non-executive Directors, which is formed to advise the Independent Shareholders in relation to the Verakin Group Second Facility Agreement and the transactions thereunder
“Independent Shareholders”	any Shareholder that is not required to abstain from voting at a general meeting in relation to the approval of the Verakin Group Second Facility Agreement and the transactions thereunder, in this case being all Shareholders
“JV Partner(s)”	Chongqing Top Pioneer and Verakin Group
“Latest Practicable Date”	22 October 2012, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in the 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 holding 1,070,810,231 Shares and 260,395,559 Shares, and together holding 1,331,205,790 Shares, representing approximately 51.44% of the issued share capital of the Company giving the right to attend and vote at general meeting to approve the Verakin Group Second Facility Agreement and the transactions thereunder
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Second Proportional Facilities”	the unsecured loan facilities granted by Verakin Property to the JV Partners under the Second Facility Agreements, and a “Second Proportional Facility” refers to the unsecured loan facility granted to one of the JV Partners
“Second Facility Agreements”	the Verakin Group Second Facility Agreement and the Chongqing Top Pioneer Second Facility Agreement
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company

DEFINITIONS

“Shareholder(s)”	Holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Verakin Group”	同景集團有限公司 (Verakin Group Company Limited), a privately owned enterprise incorporated in the PRC, which holds 49% of the registered capital of Verakin Property
“Verakin Group Second Facility Agreement”	loan facility agreement dated 10 October 2012 and entered into between Verakin Property as lender and Verakin Group as borrower
“Verakin New Park City Project”	ownership and development of parcels of land with an aggregate site area of about 721,000 sqm located at 重慶南岸區茶園新城 (Chayuan New District, Nan’an District, Chongqing)
“Verakin Property”	重慶同景置業有限公司 (Chongqing Verakin Real Estate Company Limited), a company incorporated in the PRC which is indirectly owned as to 51% by the Company, and directly owned as to 49% by Verakin Group
“Verakin Subsidiaries”	all direct and indirect subsidiaries of Verakin Property whether it is wholly owned or non-wholly owned
“sqm”	square meters
“%”	per cent

LETTER FROM THE BOARD



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

(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. Leung Chun Cheong
Mr. Leung Wai Fai

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:*

Rooms 3308-10, 33rd Floor
China Resources Building
26 Harbour Road
Wanchai, Hong Kong

26 October 2012

To the Shareholders,

Dear Sir or Madam,

CONNECTED AND DISCLOSEABLE TRANSACTIONS

1. INTRODUCTION

Reference is made to the Announcements. On 10 October 2012, Verakin Property entered into the Second Facility Agreements whereby Verakin Property granted to each JV Partner a loan facility in proportion to their percentage equity interest in Verakin Property. Under the Verakin Group Second Facility Agreement, Verakin Group was granted a Second Proportional Facility in the sum of RMB210,700,000 (equivalent to approximately HK\$257,897,000) subject to the terms and conditions therein contained.

The purpose of this circular is to provide you with, among other things, (i) details of the Second Facility Agreements; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders on the terms of the Verakin Group Second Facility Agreement and the transactions contemplated thereunder; and (iii) a letter of advice from Donvex Capital containing its advice to the Independent Board Committee and the Independent Shareholders.

LETTER FROM THE BOARD

2. BACKGROUND

As described in paragraph 5 headed “Principal Activities of the Group, Verakin Group and Verakin Property” below, resulting from the successful sale of properties in the Verakin New Park City Project, as at 31 July 2012, Verakin Property and Verakin Subsidiaries had bank and cash balances in the aggregate sum of approximately RMB664,861,000 (equivalent to approximately HK\$813,790,000) standing in their accounts which has not been allocated for any immediate use. As the ongoing pre-sale of properties in the Verakin New Park City Project is expected to generate further surplus cash for Verakin Property, it was decided by Verakin Property that a sum of RMB430,000,000 (equivalent to approximately HK\$526,320,000) should be set aside for the time being for interest earning purposes by way of granting pro-rata loans to the JV Partners which shall be repayable on demand.

Reference is made to the Company’s announcement dated 17 July 2012 in relation to the First Facility Agreements. Verakin Property advanced to Chongqing Top Pioneer a sum of RMB99,960,000 (equivalent to approximately HK\$122,351,000) and to Verakin Group a sum of RMB96,040,000 (equivalent to approximately HK\$117,553,000) pursuant to the First Facility Agreements. The sums advanced to the JV Partners have not been repaid as at the Latest Practicable Date.

3. THE SECOND FACILITY AGREEMENTS

The Second Facility Agreements both dated 10 October 2012 granting Second Proportional Facilities to the JV Partners for a total principal sum of RMB430,000,000 (equivalent to approximately HK\$526,320,000) on identical terms (save as to the amount of facility) as follows:

- (i) Chongqing Top Pioneer Second Facility Agreement in respect of a Second Proportional Facility of RMB219,300,000 (equivalent to approximately HK\$268,423,000) granted by Verakin Property to Chongqing Top Pioneer; and
- (ii) Verakin Group Second Facility Agreement in respect of a Second Proportional Facility of RMB210,700,000 (equivalent to approximately HK\$257,897,000) granted by Verakin Property to Verakin Group.

3.1 Available Period

Three months immediately following the date of the Second Facility Agreements, any facility amount not drawn down during the available period shall be cancelled

3.2 Interest

1% per month to be paid on repayment date

The interest rate is the same as the interest rate under the First Facility Agreements and was determined by reference to the Group’s average borrowing costs of PRC bank loans of approximately 10% per annum (approximately 0.83% per month) and the terms of the facility being unsecured and repayable on demand.

3.3 Security

Unsecured

LETTER FROM THE BOARD

3.4 Term

On demand and to be repaid upon the expiry of one month's prior written notice

The outstanding principal sum and interest owing from Verakin Group to Verakin Property under the Verakin Group Second Facility Agreement will constitute accounts receivable of Verakin Property, and repayment of the outstanding amounts is compulsory. If and when a dividend is declared by Verakin Property, instead of making payment in cash to Verakin Group for its dividend, Verakin Property can demand repayment from Verakin Group pursuant to the Verakin Group Second Facility Agreement and apply the outstanding amounts in the above mentioned accounts receivable to set off against an equal amount in the accounts payable to Verakin Group arising from the declared dividend.

The terms of the Second Facility Agreements were arrived at after arm's length negotiation between the JV Partners and Verakin Property and are considered by the Directors to be fair and reasonable and on normal commercial terms.

4. REASONS FOR AND BENEFITS OF THE SECOND FACILITY AGREEMENTS

Due to its early market entry, Verakin Property has been the profit and cash centre for the group of companies comprising Verakin Property and the Verakin Subsidiaries. Additionally, funds were made available to the Verakin Subsidiaries through injection of capital from other shareholders, and through individual funding channels available to the Verakin Subsidiaries. Due to the success of the Verakin New Park City Project and as a result of additional funds available to the Verakin Subsidiaries, Verakin Property and the Verakin Subsidiaries had in the aggregate an amount of approximately RMB664,861,000 (equivalent to approximately HK\$813,790,000) of bank and cash balances as at 31 July 2012 which has not been allocated for any immediate use. As distribution of Verakin Property's profits to the JV Partners would have to wait until final completion of the phases of the Verakin New Park City Project now under construction, the transactions under the Second Facility Agreements serve to put the surplus fund in Verakin Property and the Verakin Subsidiaries to profitable use. In line with the arrangement in the First Facility Agreements, the Second Facility Agreements provided for loan facilities to be provided to the JV Partners in proportion to their shareholding in Verakin Property. The Second Facility Agreements therefore enable Verakin Property to free up a part of its surplus cash (including the surplus cash in the Verakin Subsidiaries) for use by the JV Partners, and at the same time would enable Verakin Property to receive interest earnings from the loans provided.

The Directors consider the terms of the Second Facility Agreements to be fair and reasonable and on normal commercial terms, and that the entry into the Second Facility Agreements is in the best interests of the Group and the Shareholders as a whole. As no Director has a material interest in the transactions contemplated under the Verakin Group Second Facility Agreement, none of them is required to abstain from voting on any board resolutions relation thereto.

LETTER FROM THE BOARD

5. PRINCIPAL ACTIVITIES OF THE GROUP, VERAKIN GROUP AND VERAKIN PROPERTY

The core business of the Group is property development and investment in Western China and treasury investment.

To the Directors' best knowledge, Verakin Group is principally engaged in property development and investment in the PRC.

Verakin Property is a property development company incorporated in the PRC in 2005 with a current registered and paid-up capital of RMB302,800,000 (equivalent to approximately HK\$370,627,000). The principal business of Verakin Property is ownership and development of the Verakin New Park City Project located in 重慶南岸區茶園新城 (Chayuan New District, Nan'an District, Chongqing).

Since commencement of the Verakin New Park City Project in 2005, a total of 746,000 sqm GFA has been completed and most of the completed properties have been sold. In respect of the total of 453,000 sqm GFA of property scheduled for completion before the end of 2013, 商品房預售許可證 (Licence for Presale of Commercial Houses) has been obtained and pre-sale has commenced. Out of the 453,000 sqm GFA properties under construction, 78,000 sqm GFA and 375,000 sqm GFA are scheduled to be completed and delivered to buyers in 2012 and 2013 respectively. As at 31 July 2012, the accumulated contract sales derived from the pre-sale of these properties under construction amounted to RMB2.7 billion (equivalent to approximately HK\$3.3 billion) out of which RMB0.8 billion (equivalent to approximately HK\$1.0 billion) and RMB1.9 billion (equivalent to approximately HK\$2.3 billion) are expected to be recognized as sales revenue of Verakin Property in 2012 and 2013 respectively. Dividend of Verakin Property will be declared and paid in such timing and manner as may be decided by a majority decision of the board of Verakin Property, in which the Group has a majority.

The expected capital requirement of Verakin New Park City Project before completion is approximately RMB4.62 billion (equivalent to approximately HK\$5.65 billion). The capital requirement will be financed out of expected pre-sale proceeds of unsold properties of approximately RMB5.77 billion (equivalent to approximately HK\$7.06 billion) and by internal resources.

As of 31 July 2012, the accumulated contract sales derived from the Verakin New Park City Project amounted to approximately RMB5.6 billion (equivalent to approximately HK\$6.9 billion), with contract sales for the 7 months ended 31 July 2012 amounting to approximately RMB602,660,000 (equivalent to approximately HK\$737,656,000).

As at 31 July 2012, in the accounts of Verakin Property and the Verakin Subsidiaries there were bank and cash balances in the aggregate sum of approximately RMB664,861,000 (equivalent to approximately HK\$813,790,000) which has not been allocated for any immediate use.

LETTER FROM THE BOARD

The financial highlights and operating results of Verakin Property are as follows:

	7 months ended 31 July 2012	12 months ended 31 December 2011	12 months ended 31 December 2010
	<i>RMB'000 (Unaudited)</i>	<i>RMB'000 (Audited)</i>	<i>RMB'000 (Audited)</i>
Turnover	1,171,380	695,374	250,645
Profit (Loss) Before Tax	302,286	30,705	(21,713)
Net Profit (Loss)	220,995	23,464	(22,179)
	As at 31 July 2012	As at 31 December 2011	As at 31 December 2010
	<i>RMB'000 (Unaudited)</i>	<i>RMB'000 (Audited)</i>	<i>RMB'000 (Audited)</i>
Total Assets	3,545,627	4,077,509	2,129,032
Total Liabilities	2,942,980	3,695,857	1,770,844
Net Assets	602,647	381,652	358,188

The financial highlights and operating results of Verakin Property and the Verakin Subsidiaries, on a consolidated basis are as follows:

	7 months ended 31 July 2012	12 months ended 31 December 2011	12 months ended 31 December 2010
	<i>RMB'000 (Unaudited)</i>	<i>RMB'000 (Audited)</i>	<i>RMB'000 (Audited)</i>
Turnover	1,196,950	989,652	253,335
Profit (Loss) Before Tax	309,272	42,991	(28,971)
Net Profit (Loss)	227,895	28,600	(29,927)
	As at 31 July 2012	As at 31 December 2011	As at 31 December 2010
	<i>RMB'000 (Unaudited)</i>	<i>RMB'000 (Audited)</i>	<i>RMB'000 (Audited)</i>
Total Assets	6,433,324	4,618,899	2,497,673
Total Liabilities	5,611,444	4,024,914	2,079,288
Net Assets	821,880	593,985	418,385

6. LISTING RULES IMPLICATION

Verakin Group and its ultimate beneficial owner have a material interest in the Verakin Group Second Facility Agreement. Since Verakin Group is a substantial shareholder of Verakin Property, it is under the Listing Rules a connected person of the Company at the level of subsidiaries. The Second Proportional Facility granted to Verakin Group constitutes financial assistance by Verakin Property. As the financial assistance provided is not in the ordinary and usual course of Verakin Property's business, but is on normal commercial terms for the benefit of a connected person and the applicable percentage ratio when aggregated with the First Proportional Facility exceeds 5% but is below 25%, the transactions constitute connected and discloseable transactions for the Company under the Listing Rules. Therefore, the transactions are subject to reporting, announcement and the independent shareholders' approval requirement.

LETTER FROM THE BOARD

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 for the approval of the Verakin Group Second Facility Agreement and the transactions thereunder. The Company has obtained the written approval from the Majority Shareholders with respect to the Verakin Group Second Facility Agreement and the transactions thereunder. As at the latest Practicable Date, the Majority Shareholders hold in the aggregate 1,331,205,790 Shares, representing approximately 51.44% 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 Verakin Group Second Facility Agreement and the transactions thereunder in that the written approval from the Majority Shareholders was accepted in lieu of holding such a general meeting. As a result, the Company is not required to convene a general meeting to approve the Verakin Group Second Facility Agreement and the transactions thereunder.

The Independent Board Committee has been established to advise the Independent Shareholders on whether the terms of the Verakin Group Second Facility Agreement are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Group and the Shareholders as a whole. Donvex Capital has been appointed as the independent financial adviser by the Company with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in this regard.

7. ADDITIONAL INFORMATION

Your attention is drawn to (a) the letter from the Independent Board Committee set out on pages 10 to 11 of this circular which contains the recommendation of the Independent Board Committee to the Independent Shareholders regarding the Verakin Group Second Facility Agreement; and (b) the letter from Donvex Capital set out on pages 12 to 19 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Verakin Group Second Facility Agreement, together with the principal factors and reasons considered in providing its advice.

Having taken into account the advice of Donvex Capital, the Independent Board Committee considers that the terms of the Verakin Group Second Facility Agreement are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Group and the Shareholders as a whole.

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

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of a letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in relation to the Verakin Group Second Facility Agreement and the transactions thereunder.



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

(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:*

Rooms 3308-10, 33rd Floor,
China Resources Building,
26 Harbour Road
Wanchai, Hong Kong

26 October 2012

To the Independent Shareholders

Dear Sir or Madam,

CONNECTED AND DISCLOSEABLE TRANSACTIONS

We refer to the circular (the “Circular”) issued by the Company to the Shareholders dated 26 October 2012 of which this letter forms part. Capitalised terms defined in the Circular shall have the same meanings when used in this letter, unless the context otherwise requires.

We have been appointed by the Board as members of the Independent Board Committee to advise the Independent Shareholders in relation to the Verakin Group Second Facility Agreement and the transactions thereunder.

We wish to draw your attention to the Letter from the Board and the Letter from Donvex Capital, the independent financial adviser, set out respectively on pages 4 to 9 and pages 12 to 19 of this Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taken into account the advice of Donvex Capital, we consider that the terms of the Verakin Group Second Facility Agreement are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Group and the Shareholders as a whole.

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 Verakin Group Second Facility Agreement and the transactions thereunder. If a general meeting were to be convened, we would recommend the Independent Shareholders to vote in favour of the ordinary resolution to approve the Verakin Group Second Facility Agreement and the transactions thereunder.

Yours faithfully,
Independent Board Committee

Lam Kin Fung Jeffrey
Independent
Non-executive Director

Leung Yu Ming Steven
Independent
Non-executive Director

Wong Lung Tak Patrick
Independent
Non-executive Director

LETTER FROM DONVEX CAPITAL

The following is the text of a letter of advice from Donvex Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders for the purpose of incorporation in this circular:



Unit 1305, 13th Floor,
Carpo Commercial Building
18-20 Lyndhurst Terrace
Central
Hong Kong

26 October 2012

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

Dear Sirs,

CONNECTED AND DISCLOSEABLE TRANSACTIONS

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders, in relation to Verakin Group Second Facility Agreement and the transactions contemplated thereunder, details of which are set out in the “Letter from the Board” contained in the circular dated 26 October 2012 issued by the Company to the Shareholders (the “Circular”), of which this letter forms part. Terms used herein have the same meanings as those defined in the Circular unless the context otherwise specifies.

On 26 October 2012, Verakin Property entered into the Second Facility Agreements whereby Verakin Property granted to each JV Partner a loan facility in proportion to their percentage equity interest in Verakin Property. Under Verakin Group Second Facility Agreement, Verakin Group was granted a loan facility in the sum of RMB210,700,000 (equivalent to approximately HK\$257,897,000) available for drawdown during the period of three months immediately following the date of Verakin Group Second Facility Agreement.

Since Verakin Group is a substantial shareholder of Verakin Property, it is under the Listing Rules a connected person of the Company at the level of subsidiaries. Verakin Group Second Facility Agreement granted to Verakin Group constitutes financial assistance by Verakin Property. As the financial assistance provided is not in the ordinary and usual course of Verakin Property’s business, but is on normal commercial terms for the benefit of a connected person and the applicable percentage ratio when aggregated with the First Proportional Facility exceeds 5% but is below 25%, the transactions are subject to reporting, announcement and the independent shareholders’ approval requirement.

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 Verakin Group Second Facility Agreement and the transaction thereunder. The Company has obtained the written approval from the Majority Shareholders with respect to Verakin Group Second Facility Agreement and the transactions thereunder. As at the Latest Practicable Date, the Majority Shareholders hold in aggregate of 1,331,205,790 Shares, representing approximately 51.44% of the issued share capital of the Company. Accordingly, the Company has

LETTER FROM DONVEX CAPITAL

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

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

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

BASIS OF OUR ADVICE

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Company, the Directors and management of the Company. We have no reason to believe that any information and representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the information provided and the representations made to us untrue, inaccurate or misleading. We have assumed that all information, representations and opinions contained or referred to in the Circular, which have been provided by the Company, the Directors and management of the Company and for which they are solely and wholly responsible, were true and accurate at the time they were made and continue to be true until the date of the despatch of the Circular. The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in the Circular misleading.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, or its subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments, including any material change in market and economic conditions, may affect or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, the sole responsibility of Donvex is to ensure that such information has been correctly extracted from the relevant sources.

LETTER FROM DONVEX CAPITAL

PRINCIPAL FACTORS AND REASONS CONSIDERED

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

1. Principal activities of the Group and Verakin Property

The core business of the Group is property development and investment in Western China as well as treasury investment.

Verakin Property is a property development company incorporated in the PRC in 2005 with a current registered and paid-up capital of RMB302,800,000. The principal business of Verakin Property is ownership and development of Verakin New Park City Project located in 重慶南岸區茶園新城 (Chayuan New District, Nan'an District, Chongqing).

2. Financial information of Verakin Property

The financial highlights and operating results of Verakin Property and Verakin Subsidiaries on a consolidated basis are as follows:

<i>RMB'000</i>	7 months ended 31 July 2012 Unaudited	12 months ended 31 December 2011 Audited	12 months ended 31 December 2010 Audited
Turnover	1,196,950	989,652	253,335
Profit/(Loss) Before Tax	309,272	42,991	(28,971)
Net Profit/(Loss)	227,895	28,600	(29,927)
Total Assets	6,433,324	4,618,899	2,497,673
Cash and cash equivalent	664,861	472,729	726,056
Total Liabilities	5,611,444	4,024,914	2,079,288
Net Assets	821,880	593,985	418,385

3. Reasons for the transaction

Since commencement of Verakin New Park City Project in 2005, a total of 746,000 sqm GFA has been completed and most of the completed properties have been sold. In respect of the total of 453,000 sqm GFA of property scheduled for completed before the end of 2013, 商品房預售許可證 (License for Presale of Commercial Houses) has been obtained and pre-sale has commenced. Out of the 453,000 sqm GFA properties under construction, 78,000 sqm GFA and 375,000 sqm GFA are scheduled to be completed and delivered to the buyers in 2012 and 2013 respectively. As at 31 July 2012, the accumulated contract sales derived from the pre-sale of these properties under construction amounted to RMB2.7 billion (equivalent to approximately HK\$3.3 billion) out of which RMB0.8 billion (equivalent to approximately HK\$1.0 billion) and RMB1.9 billion (equivalent to approximately HK\$2.3 billion) is expected to be recognized as sales revenue of Verakin Property in 2012 and 2013 respectively.

LETTER FROM DONVEX CAPITAL

The expected capital requirement of Verakin New Park City Project before completion is approximately RMB4.62 billion (equivalent to approximately HK\$5.65 billion). The capital requirement will be financed by expected pre-sale proceeds of unsold properties of approximately RMB5.77 billion (equivalent to approximately HK\$7.06 billion) and internal resources.

As of 31 July 2012, the accumulated contract sales derived from Verakin New Park City Project amounted to approximately RMB5.6 billion (equivalent to approximately HK\$6.9 billion) with contract sales for the 7 months ended 31 July 2012 amounting to approximately RMB602,660,000 (equivalent to approximately HK\$737,656,000).

Due to early market entry, Verakin Property, including Verakin Subsidiaries, has been the profit and cash centre for the group of companies comprising Verakin Properties and Verakin Subsidiaries. As a result of the success of Verakin New Park City Project and additional funds available to Verakin Subsidiaries by way of capital injection from other shareholders, Verakin Property and Verakin Subsidiaries had in aggregate an amount of approximately RMB664,861,000 (equivalent to approximately HK\$813,790,000) of bank and cash balance as at 31 July 2012 which has not been allocated for any immediate use.

As distribution of Verakin Property's profit to the JV Partners would have to wait for the final completion of the phases of the Verakin New Park City Project now under construction, the transactions under the Verakin Group Second Facility Agreement serve to put the surplus fund in Verakin Property and the Verakin Subsidiaries to profitable use.

The Second Facility Agreements allow loan facilities to be provided by Verakin Property to the JV Partners in proportion to their shareholding interest in Verakin Property on top of the sums already provided to the JV Partners under the First Facility Agreements as announced by the Company on 17 July 2012. As such Verakin Group Second Facility Agreement, similar to the First Proportional Facility, enables Verakin Property to free up a part of its surplus cash for use by Verakin Group and receive interest earnings from the loans provided.

Pursuant to Verakin Group Second Facility Agreement, RMB210,700,000 (equivalent to approximately HK\$257,897,000) will be granted by Verakin Property to Verakin Group. The amount forms part of the current entitlement of Verakin Group in respect of the available cash in Verakin Property and Verakin Subsidiaries, including accumulated cash generated from the sale of Verakin New Park City Project. As at 31 July 2012 Verakin Property and Verakin Subsidiaries have bank and cash balances in the aggregate sum of approximately RMB664,861,000 (equivalent to approximately HK\$813,790,000) which has not been allocated for any immediate use. Despite Verakin Group is entitled to the cash generated from the sale of Verakin New Park City Project in accordance with its shareholding interest in Verakin Property, Verakin Group is not allowed to withdraw the cash from Verakin Property due to the reason that (1) the current properties under construction (including that in the Verakin New Park City Project) have not been completed; and (2) the sale proceeds received by Verakin Property and Verakin Subsidiaries cannot be recorded as revenue until closing of the relevant sales contracts. As Verakin Group is entitled to the accumulated cash in Verakin Property and Verakin Subsidiaries in accordance with its shareholding interest in Verakin Property, Verakin Property agrees to grant the facility of RMB306,740,000 to Verakin Group for its own use.

LETTER FROM DONVEX CAPITAL

The outstanding principal sum and interest owing from Verakin Group to Verakin Property under the Verakin Group Second Facility Agreement will constitute accounts receivable of Verakin Property, and repayment of the outstanding amounts is compulsory. If and when a dividend is declared by Verakin Property, instead of making payment in cash to Verakin Group for its dividend, Verakin Property can demand repayment from Verakin Group pursuant to the Verakin Group Second Facility Agreement and apply the outstanding amounts in the above mentioned accounts receivable to set off against an equal amount in the accounts payable to Verakin Group arising from the declared dividend. Since the dividend of Verakin Property will be declared and paid in such timing and manner as may be decided by a majority decision of the board of Verakin Property, in which the Group has a majority, we consider that such arrangement is on normal commercial terms, and is therefore fair and reasonable and in the interests of the Group and the Shareholders as a whole.

We are of the view that the First Proportional Facility and Verakin Group Second Facility Agreement are fair and reasonable due to the consideration that (i) Verakin Group is entitled to the accumulated cash in Verakin Property in accordance with its shareholding interest in Verakin Property; and (ii) the facility of RMB306,740,000 does not reduce the entitlement of the Company in the accumulated cash in Verakin Property.

4. Sufficiency of working capital of the Group

Set out below is a summary of the operating results of the Group for the six months ended 30 June 2012 as the interim report for the six months ended 30 June 2012:

<i>HK\$'000</i>	For the six months ended 30 June 2012 Unaudited
Revenue from continuing operations	3,711,756
Net profit from continuing operations	282,879
	As at 30 June 2012 Unaudited
Total current asset	24,631,736
Cash and cash equivalent	4,980,848
Restricted bank balances	1,902,862
Pledged deposits	171,733
Properties under development	13,126,872
Completed properties held for sale	2,042,731
Total current liabilities	16,406,218
Interest-bearing bank and other borrowings payable within one year	3,205,701

LETTER FROM DONVEX CAPITAL

According to the interim report for the six months ended 30 June 2012 of the Group, it will continue its property business in Western China where the fundamental demands for housing remains strong. In addition to Chongqing and Chengdu, the Group launched its first project in Guiyang in May 2012. These three cities have strong economic growth with the GDP growth of Chongqing, Chengdu and Guiyang for the first half year of 2012 reaching 14.0%, 13.3% and 15.8% respectively, which are much higher than the nation's average of 7.8% in the same period.

Although the Central Government has eased its monetary policy to boost the economy which in turn provides liquidity to the property market, measures to curb speculation are expected to remain in place throughout the year. However, new controlling measures are not expected. As a result, the Group expects property prices to be stable in the second half of 2012. Affordability has improved due to income growth which also stimulates purchases from strong end user demand.

In accordance with the interim report for the six months ended 30 June 2012, according to the sale schedule of the Group for 2012, twelve projects were launched in 2012. The Group is of the view that the sales performance of 2012 will be achieved. As at 30 June 2012, the outstanding land premium is about RMB1.9 billion. The expected construction cost for the second half of 2012 is about RMB3.0 billion. The Group has aggregate cash and bank balance and time deposit amounting to HK\$7,055.4 million which included HK\$171.7 million of deposit pledged to banks. The current ratio of the Group is 1.5 times and the working capital is HK\$8,226 million as at 30 June 2012.

The management of the Group is of the view that its working capital is sufficient to meet the fund requirement of its sixteen projects under development as all the above figures have not included the cash inflow from the sales in the second half of 2012.

Based on the above, we concur with the view of the management of the Group and are in the opinion that the Group has sufficient working capital for its current development.

5. Interest rate of Verakin Group Second Facility Agreement and the First Proportional Facility

Pursuant to the First Proportional Facility and Verakin Group Second Facility Agreement, the loan shall carry an interest at the rate of 1% per month to be paid on repayment date.

The interest rate is the same as the interest rate under the First Facility Agreements and was determined by reference to the Group's average borrowing costs of PRC bank loans of approximately 10% per annum (approximately 0.83% per month) and the terms of the facility being unsecured and repayable on demand. According to the latest lending interest rates published by the People's Bank of China on 6 July 2012, the one-year benchmark lending rate is 6% per annum (approximately 0.5% per month). As such, we consider that the lending interest rate of Verakin Group Second Facility Agreement is higher than the market lending interest rate and is therefore fair and reasonable and in the interests of the Group and the Shareholders as a whole.

LETTER FROM DONVEX CAPITAL

6. Security of Verakin Group Second Facility Agreement and the First Proportional Facility

No security would be provided by Verakin Group pursuant to the First Proportional Facility and Verakin Group Second Facility Agreement. We are of the view that such term is fair and reasonable due to the consideration that (i) Verakin Property has not yet declared any dividend out of its accumulated profits despite its RMB5.6 billion accumulated contract sales derived from Verakin New Park City Project; (ii) as at 31 July 2012, Verakin Property and Verakin Subsidiaries have accumulated profits of approximately RMB219 million. As advised by the Company, this amount will be substantially increased due to the profits generated from the accumulated contract sales derived from the pre-sale of properties under construction of RMB0.8 billion (equivalent to approximately HK\$1.0 billion) and RMB1.9 billion (equivalent to approximately HK\$2.3 billion) which are expected to be recognized as sales revenue of Verakin Property in 2012 and 2013 respectively; and (iii) in accordance with Verakin Group Second Facility Agreement, the amounts to be withdrawn by Verakin Group could be set off against the dividends to be entitled by Verakin Group from Verakin Property and Verakin Subsidiaries.

7. Other terms of Verakin Group Second Facility Agreement and the First Proportional Facility

The other terms of Verakin Group Second Facility Agreement, being set out in the Letter from the Board, include the detailed terms related to:

- (i) Available Period
- (ii) Repayment term

We have reviewed the other terms of Verakin Group Second Facility Agreement and are of the view that the terms of Verakin Group Second Facility Agreement are on normal commercial basis. No extraordinary terms are being noted.

8. Financial effects on the Group

Net asset

As at 30 June 2012, the net asset of the Group is approximately HK\$14.77 billion. Upon the withdrawal of the facility from Verakin Group, the net asset of the Group will remain unchanged as a result of the net off impact on the increase in account receivable and decrease in cash at bank.

Current ratio

As at 30 June 2012, the current ratio of the Group is approximately 1.5 times. Upon the withdrawal of the facility from Verakin Group, the current ratio of the Group will remain unchanged as a result of the net off impact on the increase in account receivable and decrease in cash at bank.

LETTER FROM DONVEX CAPITAL

Working capital

As at 30 June 2012, the working capital of the Group is approximately HK\$8,226 million. Upon the withdrawal of the facility from Verakin Group, the working capital of the Group will remain unchanged as the amount total current assets will be the same.

Profit and Loss

The finance income of the Group will be increased as interest income will be increased as a result of the withdrawal of the facility from Verakin Group.

RECOMMENDATION

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

Yours faithfully,
For and on behalf of
Doris Sy
Director

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

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

Interests in shares of the Company (long positions)

Name of Directors	Interest in Shares		Interest in underlying Shares pursuant to share options ³	Aggregate interest	Approximate percentage ⁴
	Personal interest	Corporate interest			
Cheung Chung Kiu	–	1,331,205,790 ^{1&2}	–	1,331,205,790	51.44
Lam How Mun Peter	318,530	–	43,039,000	43,357,530	1.68
Tsang Wai Choi	3,394,242	–	–	3,394,242	0.13
Leung Chun Cheong	654,673	–	1,500,000	2,154,673	0.08
Leung Wai Fai	–	–	3,000,000	3,000,000	0.12

Notes:

- 1,070,810,231 of such Shares were held through Thrivetrade Limited (“Thrivetrade”), a company wholly-owned by Mr. Cheung Chung Kiu (“Mr. Cheung”). Accordingly, Mr. Cheung was therefore deemed to be interested in the same number of Shares held through Thrivetrade.
- 260,395,559 of such Shares were held through Regulator Holdings Limited (“Regulator”), a direct wholly-owned subsidiary of Yugang International (B.V.I.) Limited (Yugang-BVI), which is in turn a direct wholly-owned subsidiary of Yugang International Limited (“Yugang”). Yugang was owned by Chongqing Industrial Limited (“Chongqing”), Timmex Investment Limited (“Timmex”) and Mr. Cheung as to 44.06% in aggregate. Chongqing was owned as to 35%, 30%, 5% and 30% by Mr. Cheung, Peking Palace Limited (“Peking Palace”), Miraculous Services Limited (“Miraculous Services”) and Prize Winner Limited (“Prize Winner”) respectively. Mr. Cheung had 100% beneficial interest in Timmex. Prize Winner was beneficially owned by Mr. Cheung and his associates. Peking Palace and Miraculous Services were held by Palin Holdings Limited (“Palin”) as the trustee for Palin Discretionary Trust, a family discretionary trust, the objects of which included Mr. Cheung and his family. Accordingly, Mr. Cheung was also deemed to be interested in the same number of Shares held through Regulator.

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 <i>(HK\$ per Share)</i>	Number of share options granted and not yet exercised
Lam How Mun Peter	07-05-2009 to 06-05-2019	3.27	17,500,000
	03-09-2010 to 02-09-2020	3.31	21,539,000
	01-01-2011 to 02-09-2020	3.31	4,000,000
Leung Chun Cheong	03-09-2010 to 02-09-2020	3.31	1,500,000
Leung Wai Fai	03-09-2010 to 02-09-2020	3.31	3,000,000

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

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

As at the Latest Practicable Date, none of the Directors or proposed Director had any direct or indirect interests in any assets which have since 31 December 2011 (being the date to which the latest published audited accounts of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

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

3. DISCLOSEABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS UNDER SFO

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

Name of Shareholders	Capacity	Number of Shares held	Approximate percentage ⁴
(a) Long positions			
Thrivetrade	Beneficial owner	1,070,810,231 ¹	41.38
Regulator	Beneficial owner	260,395,559 ²	10.06
Yugang-BVI	Interest of controlled corporation	260,395,559 ²	10.06
Yugang	Interest of controlled corporation	260,395,559 ²	10.06
Chongqing	Interest of controlled corporation	260,395,559 ²	10.06
Palin	Interest of controlled corporation	260,395,559 ²	10.06
T. Rowe Price Associates Inc. and its Affiliates	Beneficial owner	179,654,000	6.94
JPMorgan Chase & Co.	Beneficial owner and custodian corporation/approved lending agent	176,275,406 ³	6.81
(b) Short positions			
JPMorgan Chase & Co.	Beneficial owner	4,180,460	0.16

Notes:

- These Shares were included in the interests in shares of the Company of Mr. Cheung as disclosed under the paragraph "Interests in shares of the Company (long positions)" of the section headed "Disclosure of Interests" above.

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

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

2. The interests held by Regulator, Yugang-BVI, Yugang, Chongqing and Palin respectively as shown above refer to interests in the same block of Shares. The said Shares were also included in the interests in shares of the Company of Mr. Cheung as disclosed under the paragraph "Interests in shares of the Company (long positions)" of the section headed "Disclosure of Interests" above.
3. Of its interests in 176,275,406 Shares, JPMorgan Chase & Co. had interests in 4,180,460 Shares as beneficial owner and in 172,094,946 Shares as a custodian corporation/approved lending agent. 172,094,946 Shares were in the lending pool.
4. Approximate percentage refers to the number of Shares which a Shareholder held or had short positions in expressed as percentage (rounded up to two decimal places) of the issued share capital of the Company.

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

Name of the member of the Group	Name of shareholders	Approximate percentage of issued share capital
Win Harbour Investments Limited	Quick Fair Limited	15.0
成都國嘉志得置業有限公司 (Chengdu Guojia-Zhide 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)	雲南光華投資集團有限公司 (Yunnan Guang Hua Investment Group Company Limited)	30.0
四川經都置業有限公司 (Sichuan Jingdu Real Estate Company Limited)	貴州亨特房地產開發有限公司 (Guizhou Heng Te Real Estate Development Company Limited)	40.0
重慶同景置業有限公司 (Chongqing Verakin Real Estate Company Limited)	同景集團有限公司 (Verakin Group Company Limited)	49.0
重慶同景文龍置地有限公司 (Chongqing Verakin Wenlong Real Estate Company Limited)	重慶新華書店集團房地產開發公司 (Chongqing Xinhua Bookstore Group Real Estate Development Company)	49.0
重慶同景文浩置業有限公司 (Chongqing Verakin Wenhao Real Estate Company Limited)	重慶新華書店集團房地產開發公司 (Chongqing Xinhua Bookstore Group Real Estate Development Company)	49.0
重慶同景共好置地有限公司 (Chongqing Verakin Ganghao Land Company Limited)	重慶新華書店集團房地產開發公司 (Chongqing Xinhua Bookstore Group Real Estate Development Company)	49.0

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

4. QUALIFICATION AND CONSENT OF THE EXPERT

The following is the qualification of the expert who has been named in this circular or has given its opinion or advice contained in this circular:

Name	Qualification
Donvex Capital	a corporation licensed under the SFO to conduct Type 6 (advising on corporate finance) regulated activities

Donvex Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its opinion or letter and the reference to its name in the form and context in which it respectively appears. Donvex Capital has 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. Donvex Capital has no direct or indirect interest in any assets which have since 31 December 2011 (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

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2011, 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 Rooms 3308-10, 33rd Floor, China Resources Building, 26 Harbour Road, Wanchai, 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 its respective Chinese text in case of inconsistency.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Following documents are available for inspection during normal business hours at the Company's principal place of business in Hong Kong at Rooms 3308-10, 33rd Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong up to and including 9 November 2012:

- (a) the Second Facility Agreements;
- (b) a copy of this circular;
- (c) the letter from the Independent Board Committee, the text of which is set out on pages 10 to 11 of this circular;
- (d) the letter from Donvex Capital, the text of which is set out on pages 12 to 19 of this circular;
- (e) the written consent of Donvex Capital referred to in this Appendix;
- (f) the consolidated audited accounts of the Company for each of the years ended 31 December 2010 and 2011; and
- (g) a copy of the memorandum of association and the bye-laws of the Company.