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CULTURE LANDMARK INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 674)

MAJOR TRANSACTION RELATING TO DISPOSAL OF SUBSIDIARY

On 19 April 2013 (after trading hours), the Vendor entered into the Agreement with the Purchaser pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to acquire the entire issued share capital of the Target Company and Shareholder's Loan for the Consideration. The Target Company is wholly-owned by the Vendor prior to the Disposal.

The Target Company is incorporated in BVI and holds 94% of the registered capital of Star-Lake Club. On Completion, the Purchaser will acquire 94% of the registered capital of Star-Lake Club and 100% of the Shareholder's Loan.

As the relevant percentage ratios for the Disposal under Rule 14.07 of the Listing Rules exceeds 25% but is below 75%, the Disposal constitutes a major transaction for the Company and is subject to reporting, announcement and Shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

A circular containing the information required under the Listing Rules in relation to the Disposal will be despatched to the Shareholders within 15 business days after publication of this announcement, that is on or before 13 May 2013.

AGREEMENT

Date: 19 April 2013 (after trading hours)

Parties:

Vendor: the Company

Purchaser: Eternal Nice (Hong Kong) Limited (佳永(香港)有限公司)

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties of the Company.

Target Company: Wellrich Investments Limited

Assets to be disposed of:

On 19 April 2013 (after trading hours), the Vendor entered into the Agreement with the Purchaser. Pursuant to the Agreement, the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to acquire the entire issued share capital of the Target Company and the Shareholder's Loan for the Consideration. The Target Company is wholly-owned by the Vendor prior to the Disposal.

The Target Company is a company incorporated in BVI on 21 June 1993 and holds 94% of the registered capital of Star-Lake Club. On Completion, the Purchaser will acquire (1) the entire issued share capital of the Target Company, and (2) the Shareholder's Loan.

Consideration:

The consideration for the Disposal is RMB150,000,000 (equivalent to approximately HK\$186,600,000) subject to adjustment as provided in the Agreement. Pursuant to the Agreement, the Consideration shall be settled in the following manner:

1. RMB45,000,000 to be paid by the Purchaser to the Vendor on the date of signing of the Agreement in the following manner:
 - (a) RMB30,000,000 to be paid to the Vendor or agent designated by the Vendor; and
 - (b) the remaining RMB15,000,000 to be paid to the Vendor or agent designated by the Vendor by the Escrow Agent upon receipt of written notice from the Vendor and the Purchaser pursuant to the Escrow Arrangement;
2. RMB105,000,000 to be paid to the Vendor or agent designated by the Vendor by the Purchaser on or before the Completion Date.

The Consideration will be adjusted in the following manner:

- i. there shall be deducted therefrom a sum equal to 50% of the Redundancy Payment to which the Vendor has agreed to pay to the Purchaser under the terms of the Agreement and the sum will be deducted from the part of Consideration payable on Completion if the Redundancy Payment can be ascertained in accordance with the terms of the Agreement on or before Completion and if the Redundancy Payment cannot be ascertained on or before Completion a sum of RMB7,000,000 will be deducted initially from the part of Consideration payable on Completion and when the Redundancy Payment can be ascertained in accordance with the terms of the Agreement, any shortfall between 50% of the Redundancy Payment and RMB7,000,000 shall be paid by the Vendor to the Purchaser and any excess by RMB7,000,000 over 50% of the Redundancy Payment shall be paid by the Purchaser to the Vendor;
- ii. if there shall be an excess of the current assets over the current liabilities (excluding the Shareholder's Loan and the Excluded Debt) as shown in the Audited Completion Account, the Purchaser shall pay the excess to the Vendor;
- iii. if there shall be an excess of the current liabilities (excluding the Shareholder's Loan and the Excluded Debt) over the current assets as shown in the Audited Completion Account, the Vendor shall pay the excess to the Purchaser.

The Directors consider that the Agreement was entered into under normal commercial terms following arm's length negotiations between the Vendor and the Purchaser after having taken into account (i) the prevailing market prices of properties of similar nature owned by Star-Lake Club; and (ii) the business potential of the Target Company and Star-Lake Club.

Conditions Precedent:

Completion of the Disposal is conditional upon fulfillment of the following conditions precedent:

1. there shall be no material breach of warranties in the Agreement from the date of signing the Agreement to Completion Date;
2. the Vendor having obtained all consent, approval or other certificate for the Disposal or matters related to the Disposal from relevant authorities;
3. the Purchaser having completed and being satisfied with the results of due diligence review against the Target Company and Star-Lake Club (the Purchaser shall inform the Vendor whether the Purchaser is satisfied with the result of the due diligence review 7 days before Completion); and
4. the Vendor having issued an announcement and a circular regarding the Disposal and the Company having convened a general meeting at which resolutions shall have been passed by the Shareholders to approve the Disposal.

Completion:

Completion shall take place before 5:00 p.m. on or before 31st July 2013 or such other date as shall be agreed by the Vendor and the Purchaser. Following the Completion, the Target Company will cease to be a subsidiary of the Company and its financial results will no longer be consolidated into the Group's financial statements.

INFORMATION ON THE TARGET COMPANY

The following is the financial information of the Target Company as extracted from its unaudited consolidated financial statements for the two years ended 31 March 2011 and 2012 and the unaudited financial statements for the 9 months period ended 31 December 2012:

	For the 9 months period ended 31 December 2012 Unaudited (HK\$'000)	For the year ended 31 March 2012 Unaudited (HK\$'000)	For the year ended 31 March 2011 Unaudited (HK\$'000)
Net loss before tax	(20,585)	(18,017)	(14,654)
Net loss after tax	(20,585)	(18,017)	(14,654)
Net liabilities	(221,628)	(205,473)	(197,930)

The Target Company holds 94% of the registered capital of Star-Lake Club which owns the Land Use Rights and the Hotel.

INFORMATION OF THE GROUP

The Group is principally engaged in property investment and property sub-leasing, collection of copyright fees in respect of karaoke music products in PRC, exhibition related business, hotel operation, restaurant operation and entertainment business.

INFORMATION OF THE PURCHASER

The Purchaser is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding.

REASONS FOR AND BENEFITS OF THE DISPOSAL

Due to keen competition from other hotels in Zhaoqing, PRC, the Group's hotel business was loss-making over the past few years, the Group considers the Disposal as an opportunity to bring in cash flow under the volatile and uncertain market environment.

The Directors (including the independent non-executive Directors) consider that the terms of the Agreement are fair and reasonable so far as the interests of the Company and the Shareholders as a whole are concerned.

FINANCIAL EFFECT OF THE DISPOSAL

Based on the unaudited financial statement of the Target Company as at 31 December 2012, the Disposal is expected to record an estimated profit of approximately HK\$26,309,738 for the Group (subject to audit) (i.e. being the difference between the Consideration, the net liability value of the Target Company and the Shareholder's Loan after taking into consideration the accounting adjustments). The actual gain arising from the Disposal will be ascertained after adjustment as provided in the Agreement, which may be different from the estimated gain disclosed above.

USE OF PROCEEDS

Proceeds of the Disposal are intended to be applied for investment as opportunities arise and/or for general working capital of the Group.

LISTING RULES IMPLICATIONS

As the relevant percentage ratios for the Disposal under Rule 14.07 of the Listing Rules exceeds 25% but is below 75%, the Disposal constitutes a major transaction for the Company and is subject to reporting, announcement and Shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

DESPATCH OF CIRCULAR

A circular containing the information required under the Listing Rules in relation to the Disposal will be despatched to the Shareholders within 15 business days after publication of this announcement, that is on or before 13 May 2013.

DEFINITIONS

“Agreement”	the conditional share transfer and assignment of shareholder’s loan agreement dated 19 April 2013 entered into between the Vendor and the Purchaser pursuant to which the Vendor agreed to sell the entire issued share capital of the Target Company and to assign the Shareholder’s Loan and the Purchaser agreed to purchase the said entire issued share capital and take up assignment of the Shareholder’s Loan
“Audited Completion Account”	the completion account for the period from 1st January 2013 to Completion Date prepared, audited and finalised in accordance with the terms of the Agreement
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	Culture Landmark Investment Limited (Stock Code: 674), a company incorporated in Bermuda with limited liability whose issued Shares are listed on the main board of the Stock Exchange
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Agreement
“Completion Date”	any day on or before 31 July 2013 or such other date as agreed by the Vendor and the Purchaser
“connected person(s)”	has the meaning ascribed to this term under the Listing Rules
“Consideration”	RMB150 million subject to adjustment as provided in the Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the entire issued share capital of the Target Company by the Vendor to the Purchaser and the assignment of Shareholder’s Loan, subject to and upon the terms and conditions of the Agreement
“Escrow Agent”	Bank of Guangzhou Company Limited
“Escrow Arrangement”	the arrangements in place under an escrow agreement dated 29th January 2013 entered into between the Escrow Agent and the agents of the Vendor and of the Purchaser as varied by a supplemental escrow agreement dated 2nd April 2013, pursuant to which the Escrow Agent will deal with the sum of RMB15,000,000 deposited with it on behalf of the Purchaser in accordance with the conditions therein contained

“Excluded Debt”	the sum of RMB9,281,976 due and owing by Star-Lake Club to Yue Xi Yuan Lin* (粵西園林)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hotel”	the hotel known as “Dynasty Hotel” presently operated on the Land and the associated facilities
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“Land”	a plot of land of a total area of approximately 26,197.50 square metres situated at 9 Duan Zhou Wu Lu, Zhaoqing, PRC
“Land Use Rights”	the rights to use the Land pursuant to land use rights certificates nos Yue Fang Di Zheng Zi Nos. (粵房地證字) C1099705, C151665, C151666, C151667, C151668, C151669, C151670 and C151672 issued by the Government of Zhaoqing Municipality
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China but for the purpose of this announcement shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan
“Purchaser”	Eternal Nice (Hong Kong) Limited (佳永(香港)有限公司), a company incorporated in Hong Kong with limited liability
“Redundancy Payment”	the total amount required to be paid to all the employees of Star-Lake Club at the time of Completion if all such employees shall have been dismissed by Star-Lake Club at the time of Completion and to be ascertained in the manner prescribed under the Agreement
“RMB”	Renminbi, the lawful currency of PRC
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder’s Loan”	shareholder’s loan due and owing to the Vendor on the Completion Date

“Shareholder(s)”	the holder(s) of the Share(s)
“Star-Lake Club”	Zhaoqing Star-Lake Club* (肇慶星湖俱樂部), a company incorporated in PRC with limited liability (joint venture with partners from Taiwan, Hong Kong, Macau and PRC) (台、港、澳企業(台港澳與境內合作)有限責任公司)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Wellrich Investments Limited, a company incorporated in BVI with limited liability and a direct wholly-owned subsidiary of the Company prior to the Completion
“Vendor”	the Company
“%”	per cent.

Unless otherwise stated, translation of RMB into HK\$ is based on the approximate exchange rate of RMB1.00 to HK\$1.244 for information purpose only. Such translation should not be construed as a representation that the relevant amounts have been, could have been, or could be converted at that or any other rate or at all.

* *The English translation of the names of companies established in PRC referred to in this announcement is for reference only. The official names of those companies are in Chinese.*

By Order of the Board
Cheng Yang
Chairman

Hong Kong, 19 April 2013

As at the date of this announcement, the executive directors of the Company are Mr. Cheng Yang (the Chairman), Mr. Zheng Yuchun, Mr. Li Weipeng and Ms. Lei Lei; and the independent non-executive directors are Mr. Tong Jingguo, Mr. Yang Rusheng and Mr. So Tat Keung.