

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this joint announcement.

This joint announcement is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.



**GRAND NICE
INTERNATIONAL LIMITED**

*(incorporated in the British Virgin Islands
with limited liability)*

**CULTURE LANDMARK
INVESTMENT LIMITED**

*(incorporated in Bermuda with limited liability)
(Stock Code: 674)*

JOINT ANNOUNCEMENT

- (1) DISPOSAL OF APPROXIMATELY 29.83% INTEREST
IN THE COMPANY BY
VENDOR I TO THE OFFEROR;**
- (2) DISPOSAL OF APPROXIMATELY 8.16% INTEREST
IN THE COMPANY BY
VENDOR II TO THE OFFEROR;**
- (3) CONDITIONAL MANDATORY CASH OFFERS BY**



KINGSTON SECURITIES LTD.

**FOR AND ON BEHALF OF THE OFFEROR FOR
ALL THE ISSUED SHARES IN THE COMPANY
(OTHER THAN THOSE SHARES ALREADY OWNED AND/OR
AGREED TO BE ACQUIRED BY THE OFFEROR) AND FOR
THE CANCELLATION OF ALL OUTSTANDING OPTIONS
OF THE COMPANY;**

- (4) ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE;
AND**
- (5) RESUMPTION OF TRADING IN THE SHARES**

Financial adviser to the Offeror

Financial adviser to the Company



KINGSTON CORPORATE FINANCE LTD.



BAOQIAO PARTNERS

BAOQIAO PARTNERS CAPITAL LIMITED

* *For identification purposes only*

The Company and the Offeror are pleased to jointly announce that (i) on 18 October 2016 (after trading hours), the Offeror entered into the SPA I with Vendor I, pursuant to which Vendor I has conditionally agreed to sell and the Offeror has conditionally agreed to purchase the Sale Shares I, representing approximately 29.83% of the total issued share capital of the Company as at the date of this joint announcement, at the SPA I Consideration of HK\$106,104,771.63; and (ii) on 18 October 2016 (after trading hours), the Offeror entered into the SPA II with Vendor II, pursuant to which Vendor II has agreed to sell and the Offeror has agreed to purchase the Sale Shares II, representing approximately 8.16% of the total issued share capital of the Company as at the date of this joint announcement, at the SPA II Consideration of HK\$29,040,000.00.

THE SPA I

The Company was informed by Vendor I that on 18 October 2016, after trading hours, that the Offeror (as purchaser) entered into the SPA I with Vendor I (as seller), pursuant to which the Offeror has conditionally agreed to acquire and Vendor I has conditionally agreed to sell, the Sale Shares I, being 321,529,611 Shares representing approximately 29.83% of the total issued share capital of the Company as at the date of this joint announcement, for a total consideration of HK\$106,104,771.63 (equivalent to HK\$0.33 per Sale Share).

Conditions precedent of SPA I

Completion of SPA I shall be conditional upon the fulfillment of certain conditions as set out in the sub-section headed “Conditions precedent of SPA I” under the section headed “(A) The SPA I” of this joint announcement. All conditions have been fulfilled and Completion took place on 20 October 2016.

THE SPA II

The Company was informed by Vendor II that on 18 October 2016, after trading hours, the Offeror (as purchaser) entered into the SPA II with Vendor II (as seller), pursuant to which the Offeror has agreed to purchase and Vendor II has agreed to sell, the Sale Shares II, being 88,000,000 Shares representing approximately 8.16% of the total issued share capital of the Company as at the date of this joint announcement, for a total consideration of HK\$29,040,000.00 (equivalent to HK\$0.33 per Sale Share). The completion of SPA II took place on 20 October 2016.

CONDITIONAL MANDATORY CASH OFFERS

Terms of the Offers

As at the date of the SPA I and SPA II, the Offeror and parties acting in concert with it did not own, control or have direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. As at the date of this joint announcement, the Offeror and parties acting in concert with it are interested in a total of 409,529,611 Shares, representing approximately 38.00% of the total issued share capital of the Company.

Pursuant to Rules 26.1 and 13.5 of the Takeovers Code, immediately following the completion of SPA I and SPA II, the Offeror and parties acting in concert with it are required to make conditional mandatory cash offers for all the issued Shares (other than those Shares already owned or agreed to be acquired by the Offeror) and for the cancellation of all outstanding Options. Pursuant to Rule 26.2 of the Takeovers Code, the Share Offer is conditional upon the Offeror having received acceptances in respect of voting rights which, together with voting rights acquired or agreed to be acquired before or during the Offers, will result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights.

Kingston Securities will, on behalf of the Offeror, make the Offers in compliance with the Takeovers Code on the terms to be set out in the Composite Document on the following basis:

The Share Offer

The Share Offer Price of HK\$0.33 for each Share under the Share Offer is the same as the price per each Sale Share being acquired by the Offeror pursuant to the SPA I and SPA II respectively. Hence, the Share Offer will be made on the following terms:

for each Share under the Share Offer HK\$0.33 in cash

The Option Offer

As the exercise price for the outstanding Options is higher than the Share Offer Price, the Option Offer will be made on the following terms:

**for cancellation of each underlying Share
being the subject of outstanding Options
(with an exercise price of HK\$0.513 per Option Share)HK\$ 0.001 in cash**

The Option Offer will be conditional on the Share Offer becoming or being declared unconditional.

As at the date of this joint announcement, the Company has a total of 1,077,778,570 Shares in issue and 27,942,462 Options outstanding. Hence, assuming that there is no other change in the issued share capital of the Company (save for such changes as mentioned below) and that up to the close of the Offers:

- (i) none of the outstanding Options (which carry rights to subscribe for up to 27,942,462 Shares) are exercised prior to the close of the Offers, there will be 668,248,959 Shares subject to the Share Offer and 27,942,462 Options subject to the Option Offer; or
- (ii) all of the outstanding Options (which carry rights to subscribe for up to 27,942,462 Shares) are exercised in full prior to the close of the Offers, there will be 1,105,721,032 Shares in issue and a total of 696,191,421 Shares will be subject to the Share Offer and no Option will be subject to the Option Offer. In the event that there is no outstanding Option at the time when the Offeror makes the Offers, no Option Offer will be made.

Under Scenario (i) above, on the basis of full acceptance of the Offers, the cash consideration payable by the Offeror under the Share Offer and the Option Offer will be HK\$220,522,156.47 and HK\$27,942.46 respectively, amounting to a total of approximately HK\$220,550,098.93.

Under Scenario (ii) above, on the basis of full acceptance of the Share Offer, the cash consideration payable by the Offeror under the Share Offer will be approximately HK\$229,743,168.93.

The Offeror intends to maintain the listing status of the Company and it will irrevocably undertake that it will be responsible for maintaining the 25% public float requirement upon closing of the Offers under Rule 8.08 of the Listing Rules.

Kingston Corporate Finance, the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are available to the Offeror to satisfy the full acceptance of the Offers.

ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee, comprising all the independent non-executive Directors namely Mr. Tong Jingguo and Mr. Yang Rusheng who have no direct or indirect interest in the Offers, has been formed in order to advise the Independent Shareholders and the Option Holders as to whether the terms of the Offers are fair and reasonable and as to acceptance of the Offers pursuant to Rule 2.1 of the Takeovers Code.

An independent financial adviser will be appointed to advise the Independent Board Committee in relation to the Offers. Further announcement(s) will be made when an independent financial adviser to the Independent Board Committee is appointed.

DESPATCH OF COMPOSITE DOCUMENT

It is the intention of the Offeror and the Board that the offer document and the offeree board circular be combined in a Composite Document. The Composite Document setting out, among other things, terms of the Offers, the recommendations of the Independent Board Committee to the Independent Shareholders and Option Holders about the Offers, the letter of advice of the independent financial adviser to the Independent Board Committee, the Independent Shareholders and Option Holders in respect of the Offers will be posted to the Independent Shareholders and Option Holders within 21 days of the date of this joint announcement pursuant to Rule 8.2 of the Takeovers Code.

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 19 October 2016 pending the release of this joint announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 26 October 2016.

INTRODUCTION

The Company and the Offeror are pleased to jointly announce that (i) on 18 October 2016 (after trading hours), the Offeror entered into the SPA I with Vendor I, pursuant to which Vendor I has conditionally agreed to sell and the Offeror has conditionally agreed to purchase the Sale Shares I, representing approximately 29.83% of the total issued share capital of the Company as at the date of this joint announcement, at the SPA I Consideration of HK\$106,104,771.63; and (ii) on 18 October 2016 (after trading hours), the Offeror entered into the SPA II with Vendor II, pursuant to which Vendor II has agreed to sell and the Offeror has agreed to purchase the Sale Shares II, representing approximately 8.16% of the total issued share capital of the Company as at the date of this joint announcement, at the SPA II Consideration of HK\$29,040,000.00.

Further information and principal terms of the SPA I and the SPA II is set out below.

(A) THE SPA I

The Company was informed by Vendor I that on 18 October 2016, after trading hours, that the Offeror (as purchaser) entered into the SPA I with Vendor I (as seller), pursuant to which the Offeror has conditionally agreed to acquire and Vendor I has conditionally agreed to sell, the Sale Shares I, being 321,529,611 Shares representing approximately 29.83% of the total issued share capital of the Company as at the date of this joint announcement, for a total consideration of HK\$106,104,771.63 (equivalent to HK\$0.33 per Sale Share).

As at the date of the SPA I, the Company had a total of 1,077,778,570 Shares in issue and 34,595,429 Options outstanding, of which 6,652,967 Options were owned by Vendor I. Pursuant to the SPA I, all Options held by Vendor I shall be cancelled upon Completion. As confirmed by Vendor I, he has served a letter to the board of directors of the Company on 20 October 2016 that with effect from 20 October 2016, the 6,652,967 outstanding Options owned by Vendor I as at 20 October 2016 have been irrevocably and unconditionally waived, cancelled and surrendered. Hence, as at the date of this joint announcement, the Company has a total of 1,077,778,570 Shares in issue and 27,942,462 Options outstanding.

Date:

18 October 2016 (after trading hours)

Parties involved:

- (i) the Vendor I: Mr. Cheng (as seller), who is an executive Director, the chairman, the chief executive officer of the Company and a controlling Shareholder; and
- (ii) the Offeror: Grand Nice International Limited (as purchaser), whose details are further set out under the paragraph headed “Information on the Offeror” in this joint announcement.

SPA I Consideration for the Sale Shares I:

The SPA I Consideration is HK\$106,104,771.63 for the Sale Shares I, equivalent to HK\$0.33 per Sale Share I, which was determined after arm's length negotiations between the Offeror and Vendor I and having taken into account the net asset value of the Group and recent market prices of the Shares.

Conditions precedent of SPA I

Completion of SPA I is subject to all of the following conditions being and remaining satisfied as at Completion:

- (i) (A) the Shares remaining listed on the Main Board of the Stock Exchange at all times from the date of SPA I (except for any trading halt or suspension for the purpose of clearing any announcement regarding SPA I and transactions contemplated thereunder); and (B) on or before the Completion Date, there being no indication from the Stock Exchange or the SFC that the listing status of the Company will be withdrawn, or the Shares shall not be listed on the Stock Exchange (including but not limited to the suitability of the Company having the listing status on the Stock Exchange) as a result of, among other things, the Completion or the provisions of the SPA I, save for the situation where less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares, are held by the public at the close of the Offers;
- (ii) the representations, warranties and statements in SPA I given by Vendor I remain substantially true, accurate and not misleading, and Vendor I has complied with and performed all obligations and undertakings before the Completion and has not breached any of the provisions of the SPA I;
- (iii) on or before the Completion Date, the Company did not receive any objection from the SFC and/or other governmental or regulatory authorities to the transactions contemplated under the SPA I, and the Company has made announcements in respect of the transactions contemplated under SPA I in accordance with the Listing Rules and/or the Takeovers Code, and there are no governmental authorities to restrict, suspend, proclaim or invalidate or otherwise prevent (or seek to prevent) the transfer of the Sale Shares I, the Offers and any other transactions contemplated under SPA I; and
- (iv) all necessary grants, approvals and consents, including but not limited to, the necessary grants, approvals and consents from the board of directors or the shareholders (if necessary) of both parties or the regulatory authorities, to approve the transactions contemplated under SPA I, where such grants, approvals and consents remain in force and have not been revoked.

The parties to the SPA I shall use their best endeavors to fulfill the conditions precedent set forth above, and to the satisfaction of the Offeror. None of the conditions is waivable by the parties to the SPA I.

As regards to condition (iv) above-mentioned, Vendor I and the sole director of the Offeror have approved the SPA I respectively. Apart from the aforesaid approvals, to the best of the knowledge, information and belief of the Directors and the director of the Offeror, having made all reasonable enquires, no other grants, approvals and consents are required for this condition to be fulfilled.

Completion

As at the date of this joint announcement, all the conditions have been fulfilled and Completion took place on 20 October 2016. The SPA I Consideration of HK\$106,104,771.63 has been paid with the Offeror's own financial resources.

Warranties

Vendor I has given warranties to the Offeror which are customary in the circumstances, in respect of, among other things, the legal status, financial conditions, business, operations and assets in relation to the Group.

(B) THE SPA II

The Company was informed by Vendor II that on 18 October 2016, after trading hours, the Offeror (as purchaser) entered into the SPA II with Vendor II (as seller), pursuant to which the Offeror has agreed to purchase and Vendor II has agreed to sell, the Sale Shares II, being 88,000,000 Shares representing approximately 8.16% of the total issued share capital of the Company as at the date of this joint announcement, for a total consideration of HK\$29,040,000.00 (equivalent to HK\$0.33 per Sale Share). The completion of SPA II took place on 20 October 2016 and the SPA II Consideration of HK\$29,040,000.00 has been paid with the Offeror's own financial resources.

Date:

18 October 2016 (after trading hours)

Parties involved:

- (i) Vendor II: Idea Elite Investments Limited (as seller), which is wholly and beneficially owned by Ms. Wang Ming, the spouse of Mr. Tsoi Tung, a former executive director and chief executive officer of the Company who resigned on 15 August 2016; and
- (ii) the Offeror: Grand Nice International Limited (as purchaser), whose details are further set out under the paragraph headed "Information on the Offeror" in this joint announcement.

SPA II Consideration for the Sale Shares II:

The consideration is HK\$29,040,000 for Sale Shares II, equivalent to HK\$0.33 per Sale Share II, which was determined after arm's length negotiations between the Offeror and Vendor II and having taken into account the net asset value of the Group and recent market prices of the Shares.

(C) CONDITIONAL MANDATORY CASH OFFERS

Terms of the Offers

As at the date of the SPA I and SPA II, the Offeror and parties acting in concert with it did not own, control or have direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. As at the date of this joint announcement and immediately upon completion of the SPA I and SPA II, the Offeror and parties acting in concert with it are interested in a total of 409,529,611 Shares, representing approximately 38.00% of the total issued share capital of the Company as at the date of this joint announcement.

Pursuant to Rules 26.1 and 13.5 of the Takeovers Code, immediately following the completion of SPA I and SPA II, the Offeror and parties acting in concert with it are required to make conditional mandatory cash offers for all the issued Shares (other than those Shares already owned or agreed to be acquired by the Offeror) and for the cancellation of all outstanding Options. Pursuant to Rule 26.2 of the Takeovers Code, the Share Offer is conditional upon the Offeror having received acceptances in respect of voting rights which, together with voting rights acquired or agreed to be acquired before or during the Offers, will result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights.

As at the date of this joint announcement, the Company has a total of 1,077,778,570 Shares in issue and 27,942,462 Options outstanding. Save for outstanding Options as disclosed above, the Company has no outstanding securities, options, warrants or derivatives which are convertible into or which confer rights to require the issue of Shares and the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this joint announcement.

Assuming that there is no other change in the issued share capital of the Company (save for such changes as mentioned below) and that up to the close of the Offers:

- (i) none of the outstanding Options (which carry rights to subscribe for up to 27,942,462 Shares) are exercised prior to the close of the Offers, there will be 1,077,778,570 Shares in issue and 27,942,462 Options outstanding upon the close of the Offers, a total of 668,248,959 Shares will be subject to the Share Offer and 27,942,462 Options will be subject to the Option Offer; or

- (ii) all of the outstanding Options (which carry rights to subscribe for up to 27,942,462 Shares) are exercised in full prior to the close of the Offers, there will be 1,105,721,032 Shares in issue and a total of 696,191,421 Shares will be subject to the Share Offer and no Option will be subject to the Option Offer.

Kingston Securities will, on behalf of the Offeror, make the Offers in compliance with the Takeovers Code on the terms to be set out in the Composite Document on the following basis:

The Share Offer

The Share Offer Price of HK\$0.33 for each Share under the Share Offer is the same as the price per each Sale Share being acquired by the Offeror pursuant to the SPA I and SPA II respectively. Hence, the Share Offer will be made on the following terms:

for each Share under the Share Offer HK\$0.33 in cash

The Option Offer

As the exercise price for the outstanding Options is higher than the Share Offer Price, the Option Offer will be made on the following terms:

**for cancellation of each underlying Share
being the subject of outstanding Options
(with an exercise price of HK\$0.513 per Option Share)HK\$ 0.001 in cash**

The Option Offer will be conditional on the Share Offer becoming or being declared unconditional.

Comparison of value

The Share Offer Price of HK\$0.33 per Share represents:

- (i) a discount of approximately 38.89% to the closing price of HK\$0.540 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 31.68% to the average closing price of HK\$0.483 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 22.90% to the average closing price of approximately HK\$0.428 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;

- (iv) a discount of approximately 12.43% to the average closing price of approximately HK\$0.377 per Share as quoted on the Stock Exchange for the last thirty consecutive trading days up to and including the Last Trading Day; and
- (v) a premium of approximately 200.32% over the audited consolidated net asset value attributable to the owners of the Company of approximately HK\$0.110 per Share as at 31 March 2016 calculated based on the information as set out in the Annual Report.

Highest and lowest closing prices of Shares

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the six-month period immediately preceding the commencement of the Offers Period from 14 April 2016 to 14 October 2016 are HK\$0.567 per Share on 22 April 2016 and HK\$0.310 per Share on 17 August 2016 and 22 August 2016, respectively.

Total value of the Offers

As at the date of this joint announcement, the Company has a total of 1,077,778,570 Shares in issue and 27,942,462 Options outstanding. Hence, assuming that there is no other change in the issued share capital of the Company (save for such changes as mentioned below) and that up to the close of the Offers:

- (i) none of the outstanding Options (which carry rights to subscribe for up to 27,942,462 Shares) are exercised prior to the close of the Offers, there will be 668,248,959 Shares subject to the Share Offer and 27,942,462 Options subject to the Option Offer; or
- (ii) all of the outstanding Options (which carry rights to subscribe for up to 27,942,462 Shares) are exercised in full prior to the close of the Offers, there will be 1,105,721,032 Shares in issue and a total of 696,191,421 Shares will be subject to the Share Offer and no Option will be subject to the Option Offer. In the event that there is no outstanding Option at the time when the Offeror makes the Offers, no Option Offer will be made.

Under Scenario (i) above, on the basis of full acceptance of the Offers, the cash consideration payable by the Offeror under the Share Offer and the Option Offer will be HK\$220,522,156.47 and HK\$27,942.46 respectively, amounting to a total of approximately HK\$220,550,098.93.

Under Scenario (ii) above, on the basis of full acceptance of the Share Offer, the cash consideration payable by the Offeror under the Share Offer will be approximately HK\$229,743,168.93.

Financial resources

The Offeror has financed the consideration for the SPA I and SPA II by its own financial resources and it will finance the consideration for the Offers from the Facility.

Kingston Securities will, on behalf of the Offeror, make the Offers in compliance with the Takeovers Code.

Effect of accepting the Offers

By validly accepting the Share Offer, Shareholders would sell their tendered Shares to the Offeror free from all Encumbrances and together with all rights attaching to them, including the rights to receive in full all dividends and other distributions, if any, declared, made or paid by reference to a record date on or after the date on which the Share Offer is made, that is, the date of the posting of the Composite Document.

By validly accepting the Option Offer, Option Holders would agree to the cancellation of their tendered Options and all rights attached thereto with effect from the date on which the Option Offer is made, that is, the date of the posting of the Composite Document.

Acceptance of the Offers by any Shareholders or Option Holders (as the case may be) will be deemed to constitute a warranty by such person that all Shares or Options sold by such person under the Offers are free from all Encumbrances whatsoever and together with all rights accruing or attaching thereto, including, without limitation, the right to receive dividends and distributions declared, made or paid, if any, on or after the date on which the Offers are made.

Acceptance of the Offers would be irrevocable and would not be capable of being withdrawn, subject to the provisions of the Takeovers Code.

Condition of the Offers

The Offers are conditional on valid acceptances of the Share Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of such number of Shares which, together with those Shares already owned by the Offeror and parties acting in concert with it and Shares acquired or agreed to be acquired before or during the Offers, will result in the Offeror and parties acting in concert it holding more than 50% of the voting rights of the Company.

Pursuant to Rule 15.3 of the Takeovers Code, where a conditional offer becomes or is declared unconditional (whether as to acceptances or in all respects), it should remain open for acceptances for not less than 14 days thereafter. Accordingly, if the Offers are declared unconditional in all respects on or before the 7th day after the posting of the Composite Document, then the Closing Date would be on (but no earlier than) the First Closing Date. If the Offers are declared unconditional in all respects later than the 7th day after the posting of the Composite Document, then the Closing Date would be at least 14 days after the date of such declaration.

The Offers may or may not become unconditional. Shareholders, and/or potential investors of the Company should therefore exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their stockbroker, bank manager, solicitor or other professional advisers.

Payment

Payment in cash in respect of acceptances of the Offers will be made as soon as possible but within seven (7) Business Days following the later of the date when the Offers become or are declared unconditional and the date on which the duly completed acceptance of the Offers and the relevant documents of title of the Shares or the Options (as the case may be) in respect of such acceptance are received by or for the Offeror to render each such acceptance of any of the Share Offer and the Option Offer complete and valid.

No fractions of a cent will be payable and the amount of the consideration payable to a Shareholder who accepts the Offers will be rounded up to the nearest cent.

Stamp duty

The seller's Hong Kong ad valorem stamp duty arising in connection with acceptance of the Share Offer amounting to 0.1% of the amount payable in respect of the relevant acceptance or if higher, the market value of the Shares, would be deducted from the amount payable to Shareholders who accept the Share Offer. The Offeror would bear its own portion of buyer's Hong Kong ad valorem stamp duty at the rate of 0.1% of the amount payable in respect of the relevant acceptance or if higher, the market value of the Shares, and would be responsible to account to the Stamp Office of Hong Kong for stamp duty payable for the sale and purchase of the Shares which are validly tendered for acceptance under the Share Offer.

No stamp duty is payable in connection with the acceptance of the Option Offer.

Overseas Shareholders and Option Holders

As the Offers to persons not residing in Hong Kong might be affected by the laws of the relevant jurisdiction in which they are resident, overseas Shareholders and Option Holders whose addresses as shown in the registers of members of the Company are outside Hong Kong and beneficial owners of the Shares who are citizens, residents or nationals of a jurisdiction outside Hong Kong should obtain information about and observe any applicable legal or regulatory requirements and, where necessary, seek legal advice in respect of the Offers. It is the responsibility of the overseas Shareholders and Option Holders who wish to accept the Share Offer and the Option Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions).

Any acceptance by any overseas Shareholders and Option Holders will be deemed to constitute a representation and warranty from such overseas Shareholders and Option Holders to the Offeror that the local laws and requirements have been complied with. The overseas Shareholders and Option Holders should consult their professional advisers if in doubt.

Taxation advice

Shareholders and Option Holders are recommended to consult their own professional advisers as to the taxation implications of accepting or rejecting the Offers. The Offeror accepts no responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

Other arrangements

For the six months immediately prior to the start of the Offers Period, from 14 April 2016 to 14 October 2016, the Offeror, Mr. Chen and parties acting in concert with any of them have not dealt in nor do they have any Shares, Options, derivatives, warrants or other securities convertible into Shares.

The Offeror confirms that, as at the date of this joint announcement:

- (i) save for the Sale Shares, none of the Offeror, its ultimate beneficial owner, namely Mr. Chen and/or parties acting in concert with any of them owns or has control or direction over any voting rights or rights over the Shares, Options, derivatives, warrants or other securities convertible into Shares;
- (ii) none of the Offeror, Mr. Chen and/or parties acting in concert with any of them has received any irrevocable commitment to accept the Offers;
- (iii) there is no outstanding derivative in respect of securities in the Company which has been entered into by the Offeror, Mr. Chen or any person acting in concert with any of them;
- (iv) there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Company and which might be material to the Offers;
- (v) there is no agreement or arrangement to which the Offeror, Mr. Chen and/or parties acting in concert with any of them is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offers; and
- (vi) none of the Offeror, Mr. Chen and/or parties acting in concert with any of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

Effect of completion of the SPA I and SPA II on the shareholding structure of the Company

Set out below are the shareholding structure of the Company (i) as at the Last Trading Day and immediately before completion of the SPA I and SPA II; and (ii) as at the date of this joint announcement and immediately upon completion of the SPA I and SPA II but immediately before any acceptance of the Offers, assuming that (A) all outstanding Options are not exercised; and (B) all outstanding Options are exercised in full:

	As at the Last Trading Day and immediately before completion of the SPA I and SPA II		As at the date of this joint announcement and immediately upon completion of the SPA I and SPA II but immediately before any acceptance of the Offers, assuming that			
	<i>Number of Shares</i>	<i>Approximate percentage (%)</i>	(A) all outstanding Options are not exercised		(B) all outstanding Options are exercised in full	
	<i>Number of Shares</i>	<i>Approximate percentage (%)</i>	<i>Number of Shares</i>	<i>Approximate percentage (%)</i>	<i>Number of Shares</i>	<i>Approximate percentage (%)</i>
The Offeror and parties acting in concert with it	—	—	409,529,611	38.00	409,529,611	37.04
Vendor I	397,709,611	36.90	76,180,000	7.07	76,180,000	6.89
Vendor II	88,000,000	8.16	—	—	—	—
Ms. Bai (Note 1)	73,500	0.01	73,500	0.01	73,500	0.01
Commotra Company Limited (Note 2)	66,666,666	6.19	66,666,666	6.19	66,666,666	6.03
Other Directors (Note 3)						
— Ms. Lei Lei	—	—	—	—	5,987,670	0.54
— Mr. Tong Jingguo	—	—	—	—	332,649	0.03
— Mr. Yang Rusheng	—	—	—	—	332,649	0.03
Subtotal of other Directors	—	—	—	—	6,652,968	0.60
Other Shareholders	525,328,793	48.74	525,328,793	48.73	546,618,287	49.43
Total:	<u>1,077,778,570</u>	<u>100.00</u>	<u>1,077,778,570</u>	<u>100.00</u>	<u>1,105,721,032</u>	<u>100.00</u>

Notes:

- (1) Ms. Bai is the spouse of Vendor I.
- (2) Commotra Company Limited (“**Commotra**”) is interested in 66,666,666 Shares. Commotra is controlled by China Resources (Holdings) Company Limited, which is controlled by CRC Bluesky Limited, which is in turn controlled by China Resources Co., Limited, which is in turn controlled by China Resources National Corporation.
- (3) As at the date of this joint announcement, the Company has 27,942,462 outstanding Options, among which (i) 6,652,968 Options were granted to other Directors; and (ii) the remaining 21,289,494 Options were granted to current and former employees of the Group.

Information on the Offeror

The Offeror was incorporated in the British Virgin Islands with limited liability on 22 November 2011. The Offeror is an investment holding company and had not carried on any business since its incorporation until the entering into of the SPA I and SPA II. As at the date of this joint announcement, the Offeror is wholly owned by Mr. Chen, who is also the sole director of the Offeror.

The biography of Mr. Chen is set out below.

Mr. Chen Weiwu (陳偉武), aged 33, is a business entrepreneur and has experience in the real estate industry. Mr. Chen is the chairman and ultimate beneficial owner of 北京天安科創置業有限公司 (Beijing Tian’an Innovation Technology and Estates Limited*), a real estate development company with over RMB780 million total asset as at 31 December 2015. Its latest property development project is 天驥·智谷, located at 中華人民共和國北京經濟技術開發區 (Beijing Economic and Technological Development Area, PRC*), with a total land area of approximately 130,000 square meters. Mr. Chen is the sole ultimate beneficial shareholder and sole director of the Offeror.

The Offeror and Mr. Chen are third parties independent of, and not acting in concert with, Vendor I and Vendor II. Immediately preceding to the completion of SPA I and SPA II, none of the Offeror, Mr. Chen and parties acting in concert with any of them owns any Shares.

Intention of the Offeror regarding the Group

The Offeror intends to continue the existing principal activities of the Group. Following completion of the Offers, the Offeror will conduct a review on the business operations and financial position of the Group for the purpose of formulating suitable business plans and strategies for the future business development of the Group. Subject to the results of the review, and should suitable investment or business opportunities arise, the Offeror may consider acquisition of assets and/or business by the Group in order to enhance its financial performance

* *For identification purposes only*

as well as value to the Shareholders in the long run. As at the date of this joint announcement, the Offeror has no plan for any acquisition or disposal of the existing assets or business of the Group.

Proposed change of board composition of the Company

The Board is currently made up of four Directors, comprising two executive Directors and two independent non-executive Directors. Pursuant to the terms of SPA I, subject to Completion, Vendor I shall procure all Directors to resign as director of the Company with effect from the end of the Offers and the nomination of Mr. Chen as an executive Director and the Chairman of the Board before the end of the Offers and in any event in compliance with the Takeovers Code.

In addition, pursuant to the terms of SPA I, Vendor I shall use his reasonable endeavours to cause such persons as the Offeror may nominate to be validly appointed as the company secretary and/or Directors and such appointment(s) shall be effective on a date to be determined by the Offeror and such effective date shall be permitted under the Takeovers Code. Further announcement(s) will be made on any further proposed change of the composition of the board of directors of the Company.

Any changes to the Board composition will be made in compliance with the Takeovers Code and the Listing Rules.

Maintaining the listing status of the Company

The Offeror intends to maintain the listing status of the Company and it will irrevocably undertake that it will be responsible for maintaining the 25% public float requirement upon closing of the Offers under Rule 8.08 of the Listing Rules.

If, at the close of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares, are held by the public, or if the Stock Exchange believes that:

- a false market exists or may exist in the trading of the Shares; or
- there are insufficient Shares in public hands to maintain an orderly market,

the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares.

As the Company and the Offeror are unable to ascertain at this stage the level of acceptances by the holders of Shares under the Offers, they have not decided the exact steps/actions that will be taken by them after the close of the Offers to restore the public float of the Shares,

if required. Notwithstanding this, the Company and the Offeror consider that the appropriate actions to be taken shall include placing down of sufficient number of accepted Shares by the Offeror and/or issue of new Shares by the Company for this purpose. The Company and the Offeror will issue a separate announcement as and when necessary in this regard.

INFORMATION OF THE GROUP

The Company was incorporated in Bermuda with limited liability and its Shares being listed on the Main Board of the Stock Exchange. The Group is principally engaged in license fee collection and provision of intellectual property enforcement services business; exhibition-related business; property sub-leasing business; property development and investment; sludge and sewage treatment business; entertainment business; and food and beverages business.

Set out below is the audited consolidated financial information of the Group for the two years ended 31 March 2015 and 2016 as extracted from the Annual Report:

	For the year ended 31 March	
	2016 (audited)	2015 (audited)
	(HK\$'000)	(HK\$'000)
Revenue	111,977	141,379
Loss before tax	(133,047)	(471,977)
Loss for the year	(133,812)	(450,560)

Further financial information of the Group will be set out in the Composite Document to be despatched to the Shareholders and the Option Holders.

GENERAL

Independent Board Committee

An Independent Board Committee, comprising all the independent non-executive Directors namely Mr. Tong Jingguo and Mr. Yang Rusheng who have no direct or indirect interest in the Offers, has been formed in order to advise the Independent Shareholders and the Option Holders as to whether the terms of the Offers are fair and reasonable and as to acceptance of the Offers pursuant to Rule 2.1 of the Takeovers Code.

Appointment of independent financial adviser

An independent financial adviser will be appointed to advise the Independent Board Committee in relation to the Offers. Further announcement(s) will be made when an independent financial adviser to the Independent Board Committee is appointed.

Dealings disclosure

In accordance with Rule 3.8 of the Takeovers Code, the associates (as defined under the Takeovers Code) of the Offeror and the Company (including their respective holders having interests of 5% or more of any relevant securities of the Offeror or the Company) are reminded to disclose their dealings in the relevant securities in the Company under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other person themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that the stockbrokers and other intermediaries will supply the Executive with the relevant information as to those dealings, including identities of clients, as part of that cooperation.”

DESPATCH OF COMPOSITE DOCUMENT

It is the intention of the Offeror and the Board that the offer document and the offeree board circular be combined in a Composite Document. The Composite Document setting out, among other things, terms of the Offers, the recommendations of the Independent Board Committee to the Independent Shareholders and Option Holders about the Offers, the letter of advice of the independent financial adviser to the Independent Board Committee, the Independent Shareholders and Option Holders in respect of the Offers will be posted to the Independent Shareholders and Option Holders within 21 days of the date of this joint announcement pursuant to Rule 8.2 of the Takeovers Code.

Resumption of trading in the Shares

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 19 October 2016 pending the release of this joint announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 26 October 2016.

DEFINITIONS

Unless the context requires otherwise, the following expressions shall have the following meanings in this joint announcement:

“acting in concert”	has the meaning defined in the Takeovers Code
“Annual Report”	the annual report of the Company for the year ended 31 March 2016
“associate(s)”	has the meaning ascribed thereto under the Takeovers Code
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“Closing Date”	the date to be stated in the Composite Document as the First Closing Date or any subsequent closing date as and may be announced by the Offeror and approved by the Executive under the Takeovers Code
“Company”	Culture Landmark Investment Limited, a company incorporated in Bermuda with limited liability and the Shares are listed on the Main Board of the Stock Exchange (stock code: 674)
“Completion”	the completion of SPA I, which took place on 20 October 2016
“Completion Date”	the day within 5 business days from the date of signing SPA I (or such other date as further agreed by the parties to the SPA I in writing)
“Composite Document”	the offer and response documents proposed to be jointly issued by or on behalf of the Offeror and the Company together with the forms of acceptance to the Shareholders and Option Holders pursuant to the Offers

“Director(s)”	the director(s) of the Company
“Encumbrances”	a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Facility”	a standby loan facility granted by Kingston Securities to the Offeror to finance its financial obligations under the Offers
“First Closing Date”	the first closing date of the Offers
“Group”	collectively, the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors (Mr. Tong Jingguo and Mr. Yang Rusheng), who have no direct or indirect interest in the Offers, established for the purpose of advising the Independent Shareholders in respect of the Offers and in particular as to whether the terms of the Offers are fair and reasonable and as to acceptance of the Offers
“Independent Shareholders”	the Shareholders other than the Offeror
“Kingston Corporate Finance”	Kingston Corporate Finance Limited, a corporation licensed by the SFC to conduct Type 6 (advising on corporate finance) regulated activity under the SFO and the financial adviser to the Offeror
“Kingston Securities”	Kingston Securities Limited, a corporation licensed by the SFC to conduct Type 1 (dealing in securities) regulated activity under the SFO which shall make the Offers on behalf of the Offeror

“Last Trading Day”	18 October 2016, being the last day on which the Shares were traded on the Stock Exchange prior to the suspension of trading in the Shares pending the release of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	28 October 2016, or such other date as the parties to the SPA I may agree in writing
“Main Board”	the main board maintained and operated by the Stock Exchange
“Mr. Chen”	Mr. Chen Weiwu, the ultimately beneficial owner and sole shareholder of the Offeror
“Mr. Cheng”	Mr. Cheng Yang, an executive Director, the chairman, the chief executive officer of the Company and a controlling Shareholder
“Ms. Bai”	Ms. Bai Xue, the spouse of Mr. Cheng
“Offers”	collectively, the Share Offer and the Option Offer
“Offers Period”	has the meaning ascribed to it under the Takeovers Code
“Offeror”	Grand Nice International Limited, a company incorporated in the British Virgin Islands with limited liability
“Option(s)”	option(s) granted by the Company pursuant to the new share option scheme of the Company approved by Shareholders on 29 August 2012 and adopted with effect on 30 August 2012, which entitle(s) holder(s) thereof to subscribe for Shares in accordance with the terms and conditions thereof
“Option Holder(s)”	means holder(s) of the Option(s)
“Option Offer”	the conditional mandatory cash offer to be made by Kingston Securities for and on behalf of the Offeror for the cancellation of all outstanding Options held by the Option Holders in accordance with the Takeovers Code
“Option Share(s)”	the underlying Share(s) that may be allotted and issued to Option Holder(s) upon the exercise of the outstanding Option(s)

“PRC”	the People’s Republic of China, for the purpose of this joint announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Sale Share(s)”	any Shares referred to under the Sale Shares I and the Sale Shares II
“Sale Share(s) I”	321,529,611 Shares beneficially owned by Vendor I, representing approximately 29.83% of the total issued share capital of the Company as at the date of this joint announcement
“Sale Share(s) II”	88,000,000 Shares beneficially owned by Vendor II, representing approximately 8.16% of the total issued share capital of the Company as at the date of this joint announcement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) for the time being of the Share(s)
“Share Offer”	the conditional mandatory cash offer to be made by Kingston Securities on behalf of the Offeror to acquire all the issued Shares (other than those Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with it)
“Share Offer Price”	HK\$0.33 per Share
“SPA I”	the sales and purchase agreement dated 18 October 2016 entered into by Vendor I and the Offeror for the sale and purchase of the Sale Shares I
“SPA II”	the instrument of transfer and the bought and sold notes dated 18 October 2016 entered into by Vendor II and the Offeror for the sale and purchase of the Sale Shares II

“SPA I Consideration”	HK\$106,104,771.63, being the aggregate consideration for the acquisition of the Sale Shares I under SPA I
“SPA II Consideration”	HK\$29,040,000.00, being the aggregate consideration for the acquisition of Sale Shares II under SPA II
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs
“Vendor I”	Mr. Cheng
“Vendor II”	Idea Elite Investments Limited, a company incorporated in the British Virgin Islands with limited liability

By order of the board
Grand Nice International Limited
Mr. Chen Weiwu
Director

By order of the board
Culture Landmark Investment Limited
Mr. Cheng Yang
Chairman

Hong Kong, 25 October 2016

As at the date of this joint announcement, the executive Directors are Mr. Cheng Yang (the Chairman) and Ms. Lei Lei; and the independent non-executive Directors are Mr. Tong Jingguo and Mr. Yang Rusheng.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than the opinions expressed by the Offeror and parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, Mr. Chen Weiwu is the sole director of the Offeror.

The director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Company, the Vendor I, the Vendor II and parties acting in concert with any of them) and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Company, the Vendor I, the Vendor II and parties acting in concert with any of them) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

The English names of the PRC entities in asterisks are given for reference only.

The English text of this joint announcement shall prevail over its Chinese text.