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If you are in any doubt as to any aspect of this circular or as to the action you should take, 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 Symphony Holdings Limited, you should hand this circular to the purchaser(s) or the transferee(s) or to the bank, stockbroker or other registered dealer in securities, 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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SYMPHONY
SYMPHONY HOLDINGS LIMITED
新豐集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 01223)

MAJOR TRANSACTION
FORMATION OF JOINT VENTURE

* For identification purpose only

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DEFINITIONS

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

Announcement	the announcement made by the Company dated 25 February 2011 in respect of the Transaction
Board	the board of directors of the Company
Call Option	the call option in respect of the MEC Interests
Company	Symphony Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Exchange (Stock Code: 01223)
Completion	completion of the transfer of the MEC Interests by True Wealth to MEC pursuant to the Joint Venture Agreement
Consideration	the consideration of the USD equivalent of RMB 79,619,400.00 for the Transaction
Director(s)	executive director(s), non-executive director and independent non-executive director(s) of the Company
Exchange	The Stock Exchange of Hong Kong Limited
Frensham	Frensham Investments Limited, a company incorporated in the British Virgin Islands with limited liability, is directly interested in 4.82% Shares
Group	the Company and its subsidiaries
HKD	Hong Kong dollars, the lawful currency of Hong Kong
Hong Kong	Hong Kong Special Administrative Region of PRC
Independent Third Party(ies)	third party(ies) who to the best knowledge, information and belief of the Directors and having made all reasonable enquiry is independent of the Company and its connected persons (as defined in the Listing Rules)
Joint Venture Agreement	the joint venture agreement dated 23 February 2011 entered into among the Company, True Wealth and MEC in relation to Premier Ever
Latest Practicable Date	15 March 2011, being the Latest Practicable Date prior to the printing of this circular for ascertaining certain information herein

DEFINITIONS

Listing Rules	Rules Governing the Listing of Securities on the Exchange
MEC	Mitsubishi Estate Co., Ltd., a kabushiki kaisha incorporated in Japan
MEC Interests	the 37.5% shareholding in Premier Ever to be acquired by MEC
PRC	The People's Republic of China
Premier Ever	Premier Ever Group Limited, a company incorporated in the British Virgin Islands with limited liability
Put Option	the put option in respect of the MEC Interests
Put Option Price	the Consideration plus the aggregate principal and interest outstanding under any shareholder loans provided by MEC to Premier Ever
Rivergold	Rivergold International Limited, a company incorporated in the British Virgin Islands with limited liability
RMB	Renminbi, the lawful currency of PRC
SFO	the Securities and Futures Ordinance
Share(s)	shares of HKD0.25 each in the share capital of the Company
Shareholders	holder(s) of the Shares
Transaction	the formation of the joint venture (including the Put Option) pursuant to the Joint Venture Agreement
True Wealth	True Wealth Properties Limited, a company incorporated in the British Virgin Islands with limited liability
Well Success	Well Success Investment Limited, a company incorporated in the British Virgin Islands with limited liability, is directly interested in 48.83% Shares
USD	United States dollars, the lawful currency of United States of America

For illustration purposes in this circular, the amounts in RMB and USD are translated into HKD at the rates of RMB0.848 = HKD1.000 = USD0.129. No representation is made that any amount in RMB or USD has been or could be converted at the above rates or at any other rates or at all.

LETTER FROM THE BOARD



SYMPHONY
SYMPHONY HOLDINGS LIMITED
新豐集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 01223)

Executive Directors:

Mr. Chan Ting Chuen, *Chairman*
Mr. Sze Sun Sun Tony, *Deputy Chairman*
and Managing Director
Mr. Chang Tsung Yuan, *Deputy Chairman*
Mr. Chan Lu Min
Ms. Chen Fang Mei
Dr. Ho Ting Seng

Non-executive Director:

Mr. Li I Nan

Registered Office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

*Principal Place of Business in
Hong Kong:*

10th Floor
Island Place Tower
510 King's Road
North Point
Hong Kong

Independent Non-executive Directors:

Mr. Cheng Kar Shing
Mr. Feng Lei Ming
Mr. Ho Shing Chak
Mr. Huang Shenglan

18 March 2011

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION FORMATION OF JOINT VENTURE

Reference is made to the Announcement dated 25 February 2011, in which the Company and True Wealth, a wholly-owned subsidiary of the Company, have entered into the Joint Venture Agreement with MEC, an Independent Third Party, to form a joint venture on 23 February 2011, for the development and operation of Park Outlet, the Group's flagship upscale outlet mall in Shenyang, PRC.

** For identification purpose only*

LETTER FROM THE BOARD

Before the Transaction, the entire issued share capital of Premier Ever is held by the Company's wholly-owned subsidiary, True Wealth. At Completion, MEC shall pay to True Wealth the USD equivalent of RMB 79,619,400.00 as Consideration for 9,593,100 shares in Premier Ever, to be transferred from True Wealth to MEC. Accordingly, the Company (via its indirect interest in True Wealth) and MEC will be interested in 62.5% shareholding and 37.5% shareholding in Premier Ever respectively. Premier Ever is interested in 80.0% of the entire issued share capital of Rivergold, which in turn holds 100.0% indirect interest in 瀋陽澳特萊斯房地產開發有限公司 (Shenyang Ao Te Lai Si Real Estates Development Company Limited[#]) (formerly known as 瀋陽澳特萊斯實業有限公司 (Shenyang Ao Te Lai Si Enterprise Company Limited[#])), which manages and operates Park Outlet.

Pursuant to the Joint Venture Agreement, True Wealth agreed to grant to MEC a Put Option in respect of the MEC Interests. The Put Option is exercisable at the discretion of MEC at any time during a ten business day period commencing 1 October 2016. The Put Option Price shall be equal to the Consideration, plus any aggregate principal and interest outstanding under any shareholder loans provided by MEC to Premier Ever.

MEC further agreed to grant to True Wealth a Call Option in respect of the MEC Interests. The Call Option is exercisable at the discretion of True Wealth on 30 September 2016 at a price to be agreed by both parties.

For the purposes of Rules 14.73 to 14.76 of the Listing Rules, and on the basis that one of the applicable percentage ratios exceeds 25.0% but is less than 100.0%, the Transaction constitutes a major transaction of the Company under Rule 14.06(3) of the Listing Rules.

Under the Listing Rules, the Transaction (including the Put Option and its exercise) is subject to the approval of the Shareholders. Well Success and Frensham, a closely allied group of Shareholders, hold 851,685,958 Shares and 83,999,430 Shares respectively. Together, they hold approximately 53.65% in the issued share capital of the Company. Frensham holds more than one-third of the issued share capital of Well Success. Since none of the Shareholders is required to abstain from voting in respect of the Transaction (including the Put Option and its exercise) and written approval of Well Success and Frensham has been obtained for the purpose of approving the Transaction (including the Put Option and its exercise), no physical Shareholders' meeting will be convened as permitted under Rule 14.44 of the Listing Rules. Accordingly, no Shareholders' approval is required upon the exercise of the Put Option in future.

The exercise of the Call Option is at the discretion of the Company and no specific term for the exercise of the Call Option has been determined. The Company shall comply with the applicable requirements under Chapter 14 and/or Chapter 14A of the Listing Rules on the exercise of the Call Option, which may or may not happen.

The purpose of this circular is to provide you with, among other things, further details in respect of the Transaction as required under the Listing Rules.

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LETTER FROM THE BOARD

1. INTRODUCTION

On 23 February 2011, the Company and True Wealth, a wholly-owned subsidiary of the Company, have entered into the Joint Venture Agreement with MEC, an Independent Third Party, to form a joint venture for the development and operation of Park Outlet, the Group's flagship upscale outlet mall in Shenyang, PRC.

2. DETAILS OF THE JOINT VENTURE AGREEMENT

Date : 23 February 2011

Parties : (a) the Company;
(b) True Wealth; and
(c) MEC. The Company confirmed that MEC and its ultimate beneficial owner are Independent Third Parties.

Name : Premier Ever

Shareholdings : Premier Ever has an authorised share capital of USD60,000,000.00 divided into 60,000,000 ordinary shares of USD1.00 each, of which 25,581,600 shares have been issued and were, as of the date of the Joint Venture Agreement, wholly and beneficially held by True Wealth.

At Completion, MEC shall pay to True Wealth the USD equivalent of RMB 79,619,400.00 in cash as Consideration for 9,593,100 shares in Premier Ever, to be transferred from True Wealth to MEC.

As a result, True Wealth and MEC will hold 62.5% and 37.5% of the entire issued share capital of Premier Ever respectively.

As at 23 February 2011, the book value of Premier Ever is approximately HKD 338,919,000.00.

LETTER FROM THE BOARD

2. DETAILS OF THE JOINT VENTURE AGREEMENT *(Continued)*

- Scope of Business : Premier Ever holds 80.0% indirect interest in 瀋陽奧特萊斯房地產開發有限公司 (Shenyang Ao Te Lai Si Real Estates Development Company Limited[#]), which is principally engaged in the management and operation of Park Outlet, the Group's flagship upscale outlet mall in Shenyang, PRC. Premier Ever will be principally engaged in holding, managing and administering its interest in Park Outlet and providing the necessary capital, financing and overall management to Park Outlet.
- Further Funding and Financing : (a) Additional funding shall be in the form of additional capital contributions or shareholder loans.
- (b) The development of Park Outlet shall be financed with loans from banks on a non-recourse basis.
- Board Composition : The board of directors of Premier Ever will consist of five directors, of which three directors will be nominated by True Wealth, the remaining two will be nominated by MEC.
- Put Option : True Wealth agreed to grant to MEC a Put Option in respect of the MEC Interests. The Put Option will be exercisable at the discretion of MEC at any time during a ten business day period commencing 1 October 2016 requiring True Wealth to acquire the MEC Interests. The Put Option Price shall be equal to the Consideration, plus any aggregate principal and interest outstanding under any shareholder loans provided by MEC to Premier Ever.
- Call Option : MEC agreed to grant to True Wealth a Call Option in respect of the MEC Interests. The Call Option will be exercisable at the discretion of True Wealth on 30 September 2016 at a price to be agreed by both parties requiring MEC to sell to True Wealth the MEC Interests.

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LETTER FROM THE BOARD

2. DETAILS OF THE JOINT VENTURE AGREEMENT (*Continued*)

Restrictions on Transfer of Shares in Premier Ever : Neither True Wealth nor MEC shall transfer or dispose of its shares or any interest in any share in Premier Ever on or prior to 1 November 2016 except with the prior written consent of the other shareholder.

Provided that (a) the transferring shareholder executes an accession agreement, (b) there is no adverse tax effect on the other shareholder, (c) the transfer complies with any regulatory conditions, and (d) the written approval of the other shareholder is obtained, True Wealth or MEC may transfer all or a portion of its shares in Premier Ever to its direct or indirect wholly-owned subsidiary on or prior to 1 November 2016.

Guarantee : The Company has agreed to guarantee the obligations and performance of True Wealth under the Joint Venture Agreement.

Conditions : The Joint Venture Agreement is conditional, inter alia, upon the satisfaction of:

- (a) the approval of Shareholders at a general meeting or written approval from Shareholders holding more than 50.0% of issued Shares for the grant of the Put Option on or before 10 March 2011;
- (b) representations and warranties of True Wealth and the Company under the Joint Venture Agreement being true and correct;
- (c) delivery to MEC of certain documents as required under the Joint Venture Agreement; and
- (d) execution of a letter regarding certain loans involving True Wealth and its subsidiaries.

Completion : Completion has been taken place within ten business days after satisfaction of the above conditions.

LETTER FROM THE BOARD

3. REASONS FOR AND BENEFITS OF THE TRANSACTION

Directors are of the view that retail development is at the forefront of the flourishing domestic and international tourist markets in PRC. The joint venture with MEC does not only improve the Company's competitive position through technology and knowhow exchanges, it also provides a platform for the Group's long-term growth in the industry. With the Company's seasoned business experience and extensive network in PRC, together with MEC's distinguished reputation and expertise in mall development and operations, there is much synergy for collaboration of the two companies. The Group is confident that the joint venture will bring new insights on outlet mall consuming model to the China market. The alliance looks ahead to various potential business opportunities in major PRC cities in future.

The terms of the Joint Venture Agreement are arrived at after arm's length negotiations which are on normal commercial terms. Directors believe that the terms of the Transaction are fair and reasonable and in the interests of the Shareholders as a whole.

4. FINANCIAL EFFECTS OF THE TRANSACTION

Consideration was determined with reference to the relative shareholding percentage interests of MEC in Premier Ever based on the book value and future capital requirement of Rivergold and its subsidiaries. The agreed value of the assets was arrived at based on the unaudited net asset value of 瀋陽澳特萊斯房地產開發有限公司 (Shenyang Ao Te Lai Si Real Estates Development Company Limited[#]) as at 31 August 2010. As a result of revaluation of the assets of 瀋陽澳特萊斯房地產開發有限公司 (Shenyang Ao Te Lai Si Real Estates Development Company Limited[#]) as at 31 December 2010 and increase in capital of Premier Ever, the net book value of such assets increased resulting in an accounting deficit of the Consideration under the net book value of Premier Ever. Accordingly, the amount of approximately HKD33,204,000.00, being the difference of the Consideration and the carrying value of Premier Ever, be booked as reserve in the Group's consolidated financial statements at Completion. The Consideration represents MEC's 37.5% portion of contribution to the total expected future capital requirement of Rivergold and its subsidiaries which are to be funded by the partners to the joint venture. The Transaction also introduced a first class Japan outlet mall partner with prestigious experience in outlet mall development and operation and sound financial background, which are invaluable assets for Park Outlet for its future funding and development.

At Completion, MEC shall pay to True Wealth the USD equivalent of RMB79,619,400.00 in cash as Consideration for 9,593,100 shares in Premier Ever, to be transferred from True Wealth to MEC. Upon Completion, the Consideration will result in an amount of approximately HKD93,891,000.00 (equivalent to RMB79,619,400.00) booked as cash and bank balances.

Directors expect that the Consideration will be used as reserve for future potential investments, repayment of debt and general working capital of the Group.

Upon Completion, Premier Ever will be accounted for as non-wholly owned subsidiary of the Company and therefore, will be consolidated into the Group's consolidated financial statements in accordance with its shareholding percentage.

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LETTER FROM THE BOARD

5. INFORMATION ON THE COMPANY

The Company is an investment holding company. The principal activities of the Company are footwear manufacturing and trading, property investment and investment holding in Hong Kong and PRC. The Company is a seasoned market player in brand development and retailing in Greater China. It has under its brand development portfolio a number of famous and heritage brands. Managing more than 300 points-of-sale all over PRC, the Company owns an extensive network and brand marketing knowhow.

6. INFORMATION ON TRUE WEALTH

True Wealth is a company incorporated in the British Virgin Islands with limited liability. The principal business of True Wealth is investment holdings.

7. INFORMATION ON MEC

MEC (TYO: 8802) is one of the core members of the Mitsubishi Group, consisting of a wide range of autonomous businesses sharing the Mitsubishi brand, trademark and legacy. MEC is a leading international property development and investment company with substantial commercial and residential portfolio in Japan, which includes over 30 major buildings in Marunouchi, Tokyo's central business district, and buildings in New York and London.

8. INFORMATION ON PREMIER EVER

Premier Ever is a company incorporated in the British Virgin Islands on 22 November 2010 with limited liability. Premier Ever is interested in 80.0% of the entire issued share capital of Rivergold, which in turn holds 100.0% indirect interests in 瀋陽澳特萊斯房地產開發有限公司 (Shenyang Ao Te Lai Si Real Estates Development Company Limited[#]) (formerly known as 瀋陽澳特萊斯實業有限公司 (Shenyang Ao Te Lai Si Enterprise Company Limited[#])), which owns, manages and operates Park Outlet located at North Puhe Road, Hushi Tai Development Zone, Shenyang, P.R.C. Park Outlet, the Group's flagship development of upscale outlet mall, entertainment complexes and eco-industrial attractions with an attributable gross floor area of 60,705 square meters, is targeting to complete the first phase by 2012. The construction and preliminary leasing work is satisfactory.

Provided that Premier Ever was established in 2010 and Park Outlet is still under construction stage, no net profit was recorded for Premier Ever and its subsidiaries for the two financial years immediately preceding the Transaction.

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LETTER FROM THE BOARD

9. LISTING RULES IMPLICATIONS

Based on the calculation reckoned on 100.0% of the Consideration and the Put Option Price, the Transaction constitutes a major transaction for the Company under Rule 14.06(3) of the Listing Rules.

Under the Listing Rules, the Transaction (including the Put Option and its exercise) is subject to the approval of Shareholders. Well Success and Frensham, a closely allied group of Shareholders, hold 851,685,958 Shares and 83,999,430 Shares respectively. Together, they hold approximately 53.65% in the issued share capital of the Company. Frensham holds more than one-third of the issued share capital of Well Success. Since none of the Shareholders is required to abstain from voting in respect of the Transaction (including the Put Option and its exercise) and written approval of Well Success and Frensham has been obtained for the purpose of approving the Transaction (including the Put Option and its exercise), no physical Shareholders' meeting will be convened as permitted under Rule 14.44 of the Listing Rules. Accordingly, no Shareholders' approval is required upon the exercise of the Put Option in future.

The purpose of this circular is to provide you with, among other things, further details in respect of the Transaction as required under the Listing Rules.

9. GENERAL

Directors consider that the terms of the Transaction are in the interests of the Company and its Shareholders, and are fair and reasonable.

Your attention is drawn to the additional information set out in this circular and the appendices to it.

Yours faithfully,
For and on behalf of
Symphony Holdings Limited
Chan Ting Chuen
Chairman

1. WORKING CAPITAL STATEMENT

In the absence of unforeseen circumstances and taking into account the Transaction and financial resources available to the Group, Directors are of the opinion that the Group will have sufficient working capital for its present requirements for the next twelve months from the date of this circular.

2. INDEBTEDNESS STATEMENT

At the close of business on 28 February 2011, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had an aggregate outstanding borrowings of approximately HKD80,000,000.00 solely comprising secured bank borrowings. The Group had also executed continuing guarantee in favour of a bank in respect of facilities granted to a jointly controlled entity amounted at HKD50,000,000.00.

Save as aforesaid or as otherwise disclosed herein and apart from intra-group liabilities, at the close of business on 28 February 2011, the Group did not have any loan capital outstanding, issued or agreed to be issued, bank overdraft, loans, or other similar indebtedness, liabilities under acceptances or acceptances credits, debentures, mortgages, charges, finance lease or hire purchase commitments, guarantees or other material liabilities.

3. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, save for the Transaction as disclosed in the Letter of the Board in this circular, Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2009, being the date to which the latest published audited consolidated financial statements of the Group were made up.

4. FINANCIAL AND TRADING PROSPECT OF THE GROUP

For the six months ended 30 June 2010, the Company maintained a solid revenue of HKD812,425,000.00. The improvement in business efficiency has further strengthened the profit attributable to owners of the Company to HKD3,975,000.00, representing a steady growth of 4.1% as compared to the corresponding period in 2009. Gross margin was slightly affected by the rise in operating cost, reflecting a decrease of 190 basis points to 19.2%.

It is anticipated that the global economy will improve gradually. Subsequent to the revival of economy, business of the Group is expected to be strengthened and perk up steadily. Given that the gearing up of the BRICs' market, accompanied by moderate revitalisation of the US and Eurozone economies, the Group remains cautiously optimistic. With the aim of building an invigorated platform in this favourable leverage era, the Group allocates our resources strategically in order to maximise profitability. Through our entrepreneurial spirit and expertise, strong partnership network, accompanied by our committed team, we believe Symphony will build thriving businesses following the full recovery of global economy.

Set out below is the letter and the valuation report received from Prudential Surveyors (Hong Kong) Ltd, an independent property valuer, prepared for the purpose for incorporation in this circular in connection with their valuation of the properties interests of 瀋陽澳特萊斯房地產開發有限公司 (Shenyang Ao Te Lai Si Real Estates Development Company Limited[#]) as at 31 December 2010:

31 December 2010

The Board of Directors
Symphony Holdings Limited
10th Floor, Island Place Tower
No.510 King's Road
North Point
Hong Kong

Dear Sirs,

In accordance with your instructions for us to value the property interests in the People's Republic of China (the "**PRC**"). We confirm that we have made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of such property interests owned by 瀋陽澳特萊斯房地產開發有限公司 (Shenyang Ao Te Lai Si Real Estates Development Company Limited[#]) (the "**Company**") as at 31 December 2010 (the "**Date of Valuation**").

Our valuation is our opinion of market value which is defined mean "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

Unless otherwise stated, our valuation is prepared in accordance with the "First Edition of The HKIS Valuation Standards on Properties" published by the Hong Kong Institute of Surveyors ("**HKIS**"). We have also complied with all requirements contained in Paragraph 34(2), (3) or Schedule 3 of the Companies Ordinance (Cap.32) and Chapter 5, Practice Note 12 and Practice Note 16 of the Rule Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Our valuation has been made on the assumption that the owner sells the properties on the open market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which would serve to affect the values of the property interests.

Unless otherwise stated, all the property interests are valued by the comparison method on the assumption that each property can be sold with the benefit of vacant possession. Comparison is based on prices realised on actual transactions or asking price of comparable properties. Comparable properties with similar sizes, characters and locations are analysed, and carefully weighed against all respective advantages and disadvantages of each property in order to arrive at a fair comparison of value.

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In the course of our valuation for the property interests, we have relied on the legal opinion of the PRC legal advisor, Dacheng Law Offices (the “**PRC Legal Opinion**”). We have been provided with extracts from title documents relating to such property interests. We have not searched the original documents to verify ownership or existence of any amendment which does not appear on the copies handed to us. All documents have been used for reference only.

The properties are held by the Company for development. The Company intends to develop the sites into a large commercial complex consisting of shopping mall, amusement and entertaining facilities, convention and exhibition uses, etc making use of the fact that exhibition of factory products, industrial park, etc may be permitted in industrial land the use of the larger site is commercial.

Under the current planning approval systems in the PRC, valuers are not able to undertake any planning approval verification freely and swiftly. We have relied, to a considerable extent, on information given by you, in particular, but not limited to, the sales records, planning approvals, statutory notices, easements, tenancies and floor areas. No on-site measurement has been taken. Dimensions, measurements and areas included in the valuation certificates are only approximations.

We have taken every reasonable care both during inspecting the information provided to us and in making relevant enquiries. We have no reason to doubt the truth and accuracy to the information provided to us by you, which is material to the valuation. We were also advised by you that no material facts have been omitted from the information provided to us.

We have inspected the properties for the purpose of this valuation. We have not carried out investigations on the site to determine the suitability of the ground conditions and the services etc. for any future development. Our valuation does not make any allowance for contamination of pollution of the land, if any, which may occurred as a result of past usage.

No allowance has been made in our valuation neither for any charges, mortgages or amounts owing on the property interests nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoing of an onerous nature which could affect their values.

Unless otherwise stated, all monetary amounts are stated in Renminbi or ¥. We enclose herewith our valuation certificate.

Yours faithfully,
For and on behalf of
PRUDENTIAL SURVEYORS (HONG KONG) LTD.

Brian K P Law
BSc MHKIS, MRICS RPS (GP)
Executive Director

Note: Mr Law is a member of the Royal Institution of Chartered Surveyors and a member of the Hong Kong Institute of Surveyors. He has over 19 years’ valuation experience in Hong Kong and the PRC.

**VALUATION CERTIFICATE OF
PROPERTIES INTERESTS OWNED BY**

瀋陽澳特萊斯房地產開發有限公司

(Shenyang Ao Te Lai Si Real Estates Development Company Limited[#])

Property	Description	Particulars of occupancy	Market value in existing state as at 31 December 2010
Two vacant sites at North of Puheda Road, Hushi Tai Development Zone, Shenbei New District, Shenyang, Liaoning Province, The People's Republic of China.	The sites named as Site No. 5 and Site No. 4 respectively are vacant. The previous use was corn fields, fish ponds and village settlements. The Government has cleared away the occupations with the intention to develop the sites and adjacent area into a new town of significant size. A major road (named as Puheda Road) of dual 3 (3 lanes for each traffic direction) has been built with pavement, side road, landscaping strip provided. Site No. 5 has one side of land boundary abuts onto Puheda Road. The site extends northeast from the road and then goes north following the edge of a new road to be built on its eastern side. The two sites share a common boundary.	Site No. 5 is under construction and Site No. 4 is vacant.	RMB216,400,000.00

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Notes:

(1) Particulars of the Sites

	Site No. 5	Site No. 4
(a) Sale confirmation letter/Acquisition date	20 October 2009	20 October 2009
(b) Lot no.	Shenbei 2008-050	Shenbei (G) 2008-017
(c) Location	North of Puheda Road, Hushi Tai Development Zone	North of Puheda Road, Hushi Tai Development Zone
(d) Zoning	Commercial	Industrial
(e) Site area	100,146 s.m.	45,166 s.m.
(f) Zoning conditions	(i) Plot ratio not to exceed 2 (ii) Site coverage not to exceed 90% (iii) Green/landscaping area should be greater than 5% (iv) Ratio of commercial space is 100%	(i) Plot ratio not to exceed 0.8 (ii) Site coverage to exceed 35% (iii) Green/landscaping area not to exceed 15% (iv) Ratio of commercial space is zero
(g) Building height	Less than 40 m (subject to height control of concerned department). Basement not deeper than 6 m. Have to provide underground refuge area to the satisfaction of concerned department.	Less than 24 m
(h) Term of lease	40 years for commercial	50 years for industrial
(i) Acquisition costs	RMB89,931,108.00	RMB13,052,974.00
(j) Variation	Variation of site area, zoning/development conditions are subject to the decision of city planning and land resource bureau. Increase in plot ratio and ratio of commercial area shall be subject to payment of additional premium	Variation of site area, zoning/development conditions are subject to the decision of city planning and land resource bureau. Increase in plot ratio and ratio of commercial area shall be subject to payment of additional premium
(k) Expected commencement and completion of development	11 May 2011- 11 November 2013	25 March 2011- 25 March 2014
(l) Architectural plan	Approved	Not yet approved

- (2) The State-owned Land Use Rights Certificate in respect of Site No. 5 has been obtained by the Company on 30 December 2010. We have been provided with a legal opinion on Site No. 4 prepared by the Group's PRC legal advisors, which contains, inter alia, the following information:

The State-owned Land Use Rights Transfer Contract is legal, valid and legally binding on condition that it complies with the Real Right Law of the People's Republic of China, the Contract Law of the People's Republic of China, the Law of Land Administration of the People's Republic of China, the Law of People's Republic of China on Administration of the Urban Real Estates, and other relevant applicable laws.

- (3) As advised by the Company, the estimated cost of completing the development of Site No. 5 was approximately RMB 250,000,000.00. In the course of our valuation, we have taken into account the aforesaid amounts.
- (4) The estimated capital value of Site No. 5 as if completed as at 31 December 2010 is RMB 430,260,000.00.
- (5) A summary of major certificates/approvals is shown as follows:

	Site No. 5	Site No. 4
(a) State-owned Land Use Rights Transfer Contract	Entered into on 11 November 2010	Entered into on 25 September 2010
(b) State-owned Land Use Rights Certificate	Granted on 30 December 2010	Subject to approval of relevant government authority
(c) Construction Land Use Planning Permit	Granted on 23 November 2010	Subject to application and approval of relevant government authority
(d) Construction Works Planning Permit	Granted on 20 December 2010	Subject to application and approval of relevant government authority

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. 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 document misleading.

2. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES

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

(a) Long Positions

Ordinary shares of HKD0.25 each of the Company:

Director	Notes	Number of ordinary shares held by		Total number of ordinary shares	% in the issued share capital of the Company
		beneficial owner	controlled corporation		
Chan Ting Chuen	1,2	5,000,000	851,685,958	856,685,958	49.12%
Chang Tsung Yuan	4	6,000,000	—	6,000,000	0.34%
Sze Sun Sun Tony	1,3	—	851,685,958	851,685,958	48.83%

Notes:

- Well Success was directly interested in 851,685,958 Shares. First Dynamic International Limited ("**First Dynamic**") held more than one-third of the issued share capital of Well Success. Each of Royal Pacific Limited ("**Royal Pacific**") and Alexon International Limited ("**Alexon**") held more than one-third of the issued share capital of First Dynamic. Accordingly, First Dynamic, Royal Pacific and Alexon were deemed to be interested in 851,685,958 Shares.

2. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES (Continued)**(a) Long Positions (Continued)**

Notes (Continued):

2. Mr. Chan Ting Chuen (“**Mr. Chan**”) was directly interested in 5,000,000 Shares. Royal Pacific was wholly-owned by TC Chan Family Holdings Limited (“**TCCFHL**”), which in turn was wholly-owned by Mr. Chan. Accordingly, Mr. Chan was or deemed to be interested in 856,685,958 Shares.
3. Mr. Sze Sun Sun Tony (“**Mr. Sze**”) was interested in the entire issued share capital of Alexon and was therefore deemed to be interested in 851,685,958 Shares.
4. Mr. Chang Tsung Yuan was directly interested in 6,000,000 Shares. He was also a substantial shareholder of Well Success, in which he held 20% of its issued share capital.

(b) Short Positions

As at the Latest Practicable Date, save as disclosed above, none of the Directors, chief executives nor their associates had any interest or short position in the Shares, underlying shares or debentures of the Company or any of its associated corporation which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

(c) Share Options of the Company

The Company adopted a share option scheme on 22 October 2001 (“**2001 Scheme**”).

As at the Latest Practicable Date, there is no share option being granted, outstanding, lapsed or cancelled by the Group pursuant to 2001 scheme.

3. COMPETING INTERESTS OF DIRECTORS AND ASSOCIATES

As at the Latest Practicable Date, none of the Directors or their respective associates was interested in any business (other than as an independent non-executive Director) which competes or is likely to compete, either directly or indirectly, with the business of the Group.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had a service contract with the Company which was not determinable by the Company within one year without payment of compensation, other than statutory compensation.

5. LITIGATION

As at the Latest Practicable Date, the Group was not engaged in any litigation or arbitration of material important and there was no litigation or claim of material importance known to the Directors to be pending or threatened by or against the Group.

6. EXPERTS AND CONSENTS

The following is the qualification of the expert who has given opinion and advice, which is contained in this circular:

Name	Qualification
Prudential Surveyors (Hong Kong) Ltd ("Prudential")	Property valuer

Prudential has given and has not withdrawn their written consent to the issue of this circular with the inclusions of their respective letter and references to their names in the form and context in which they appear.

As at the Latest Practicable Date, Prudential:

- (a) was not interested, directly or indirectly, in any assets which have 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 since 31 December 2009, being the date to which the latest published audited accounts of the Company were made up; and
- (b) did not have any shareholding interest in any member of the Group or any right (whether legally enforce able or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

7. MATERIAL CONTACTS

The following contracts have been entered into by the Group (not being contracts entered into in the ordinary course of business) within two years immediately preceding the date of this circular and are or may be material:

- (a) a sale and purchase agreement dated 1 September 2010 between Great Pacific Investments Ltd. and Power Plus Limited, a wholly owned subsidiary of the Company, in respect of the disposal of 11.3% equity interests in Full Pearl International Limited;

- (b) a contract for the transfer of the land use right of State-owned land for construction# (國有建設用地使用權出讓合同) dated 11 November 2010 between Shenyang Real Estate Development Company Limited# (瀋陽房地產開發有限公司) and 瀋陽市規劃和國土資源局瀋北分局 (Shenyang Municipal Bureau of Planning and Land Resources Shenbei Branch)# in respect of the acquisition of land use right on 20 October 2009;
- (c) a confirmation agreement dated 20 January 2011 entered into between Ample Apex Limited, a wholly-owned subsidiary of the Company, and the Shenyang Plan and Land Bureau confirming the successful bid for a parcel of land in Shenyang of Ample Apex Limited; and
- (d) a confirmation agreement dated 20 January 2011 entered into between Boom Origin Limited, a wholly-owned subsidiary of the Company, and the Shenyang Plan and Land Bureau confirming the successful bid for a parcel of land in Shenyang of Boom Origin Limited.

8. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS

As at the Latest Practicable Date:

- (a) none of the Directors had any direct or indirect interests in any assets which have since 31 December 2009 (being the date to which the latest published audited consolidated financial statements of the Company were made up) been acquired or disposed of by or leased to the Company, or are proposed to be acquired or disposed of by or leased to the Company; and
- (b) none of the Directors was materially interested in any contracts or arrangements entered into by the Company subsisting as at the Latest Practicable Date which is significant in the relation to the business of the Company.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours (Saturdays and public holidays excepted) at 10th Floor, 510 King's Road, North Point, Hong Kong from the date of this circular up to and including Friday, 1 April 2011:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the three financial years ended 31 December 2007, 2008 and 2009;
- (c) the unaudited interim report of the Company for the six months ended 30 June 2010;
- (d) the material contracts as referred to in the section headed "material contracts" in this appendix; and
- (e) the written consents referred to in the paragraph headed "Experts and Consents" in this appendix.

10. GENERAL INFORMATION

- (a) The secretary of the Company is Ms. Chu Lai Shan Sammie, an associate member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators.
- (b) The share registrar of the Company is Tricor Tengis Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (c) The English text of this circular shall prevail over the Chinese text in the case of inconsistency.