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If you have sold or transferred all your shares in Culture Landmark Investment Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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CULTURE LANDMARK INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 674)

MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF AN INTEREST IN THE ISSUED SHARE CAPITAL OF KH INVESTMENT HOLDINGS LIMITED

A letter from the board of directors of Culture Landmark Investment Limited (the “Company”) is set out on pages 4 to 14 of this circular.

A notice of a special general meeting to be held at 4:00 p.m. on Tuesday, 10 July 2012 at Rooms 2501-05, 25th Floor, China Resources Building, No. 26 Harbour Road, Wanchai, Hong Kong is set out on pages 27 to 28 of this circular. Whether or not you are able to attend the meeting, please complete and return the form of proxy to the Company’s Hong Kong branch share registrar, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding the special general meeting. Completion and return of the form of proxy will not prevent you from attending and voting in person at the special general meeting or any adjournment thereof should you so wish; in such case, the form of proxy previously submitted shall be deemed to be revoked.

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DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it in the Code
“associate(s)”	has the meaning set out in the Listing Rules
“Board”	the board of Directors
“Code”	the Code on Takeovers and Mergers
“Company”	Culture Landmark Investment Limited (stock code: 674), an exempted company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board
“Completion”	completion of the Transaction
“connected person(s)”	has the meaning set out in the Listing Rules
“Consent”	includes any licence, consent, approval, authorisation, permission, waiver, order or exemption
“Consideration”	HK\$51,324,000, being the consideration for the sale and purchase of the Sale Shares pursuant to the terms of the S&P Agreement
“Culture Landmark CB”	the convertible bonds in the original principal amount of HK\$75,000,000 issued by the Company and subscribed by Eternity Finance, the details of which are set out in the announcement of the Company dated 22 December 2011
“Director(s)”	the director(s) of the Company
“Eternity”	Eternity Investment Limited (stock code: 764), an exempted company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board
“Eternity Finance”	Eternity Finance Group Limited (formerly known as Wingo Consultants Limited), a wholly-owned subsidiary of Eternity

DEFINITIONS

“Eternity Group”	Eternity and its subsidiaries
“Eternity Shareholder(s)”	holder(s) of the Eternity Share(s)
“Eternity Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of Eternity
“GEM”	Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“KH CB”	the zero-coupon convertible loan notes due 24 September 2013 issued by KH Investment and held by the Company with a principal amount of HK\$6,200,000 as at the Latest Practicable Date
“KH Group”	KH Investment and its subsidiaries
“KH Investment”	KH Investment Holdings Limited (stock code: 8172), an exempted company incorporated in the Cayman Islands with limited liability and continued in Bermuda, the issued shares of which are listed on the GEM
“KH Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of KH Investment
“Latest Practicable Date”	20 June 2012, being the latest practicable date for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	Main Board of the Stock Exchange (excludes the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM

DEFINITIONS

“Mr. Cheung”	Mr. Cheung Kwok Fan, the non-executive director of Eternity
“New Asia Media”	New Asia Media Development Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China
“S&P Agreement”	sale and purchase agreement dated 28 May 2012 entered into between the Company and Eternity in relation to the Transaction
“Sale Shares”	146,640,000 KH Shares
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting to be convened and held by the Company for approving the S&P Agreement and the transactions contemplated thereunder
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	the ordinary share(s) of HK\$0.05 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the disposal of the Sale Shares by the Company to Eternity pursuant to terms of the S&P Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.



CULTURE LANDMARK INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 674)

Executive Directors:

Mr. Cheng Yang (*Chairman*)

Mr. Zheng Yuchun

Mr. Liu Yu Mo

Mr. Li Weipeng

Registered Office:

Clarendon House

Church Street

Hamilton HM11

Bermuda

Independent non-executive Directors:

Mr. Tong Jingguo

Mr. Yang Rusheng

Mr. So Tat Keung

Principal Place of Business

in Hong Kong:

Rooms 2501-05, 25th Floor

China Resources Building

No. 26 Harbour Road

Wanchai

Hong Kong

22 June 2012

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION
IN RELATION TO THE DISPOSAL OF AN INTEREST
IN THE ISSUED SHARE CAPITAL OF
KH INVESTMENT HOLDINGS LIMITED**

INTRODUCTION

On 28 May 2012, the Company announced that it entered into the S&P Agreement with Eternity pursuant to which the Company agreed to sell and Eternity agreed to acquire the Sale Shares, representing approximately 29.00% of the entire issued share capital of KH Investment as at the Latest Practicable Date, for a cash consideration of HK\$51,324,000.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, details of the Transaction, the S&P Agreement, financial information of the Group and a notice convening the SGM at which a resolution will be proposed to consider and if thought fit approve the Transaction.

THE S&P AGREEMENT

Date

28 May 2012

Parties

- (i) the Company, as vendor; and
- (ii) Eternity, as purchaser

Relationship between the Company and Eternity

- (i) Eternity was presumed to be a party acting in concert with the Company under class 9 of the persons presumed to be acting in concert under the definitions section of the Code in respect of the unconditional mandatory cash offers for KH Shares and KH CB made by New Asia Media as stated in the joint announcement of the Company and Eternity dated 16 January 2012 and such presumption remains to be valid;
- (ii) As at the date of the S&P Agreement, Eternity Finance held the Culture Landmark CB in the principal amount of HK\$75,000,000 and upon the execution of the S&P Agreement, the Company redeemed the Culture Landmark CB in the principal amount of HK\$23,000,000. As at the Latest Practicable Date, Eternity Finance held the Culture Landmark CB in the principal amount of HK\$52,000,000;
- (iii) Mr. Cheung, a substantial shareholder of Eternity by virtue of his 25% equity interest in Twin Success International Limited (which in turn holds approximately 25.63% of all issued Eternity Shares as at the Latest Practicable Date), held 73,080,000 Shares, representing approximately 0.61% of the entire issued share capital of the Company as at the date of the S&P Agreement. Mr. Cheung subsequently disposed of these 73,080,000 Shares on 31 May 2012 and 5 June 2012 and as at the Latest Practicable Date, Mr. Cheung did not hold any Shares;

LETTER FROM THE BOARD

- (iv) KH Investment was an associate (as defined under HKAS 28 Investments in Associates) of Eternity during the period from 8 April 2009 to 21 January 2010;
- (v) As at the Latest Practicable Date, Mr. Lei Hong Wai, the chairman of the board of directors of Eternity, an executive director of Eternity and a substantial shareholder of Eternity by virtue of his 50% equity interest in Twin Success International Limited (which in turn holds approximately 25.63% of all issued Eternity Shares), is a director of Creative Formula Limited, a wholly-owned subsidiary of KH Investment; and
- (vi) As at the Latest Practicable Date, Mr. Chan Kin Wah, Billy, an executive director of Eternity, held 33,000 Eternity Shares, representing approximately 0.01% of the entire issued share capital of Eternity, and is a director of China Star Film Group Limited, a 50% owned joint venture company of KH Investment, and a director of China Star Film Production Limited, a wholly-owned subsidiary of China Star Film Group Limited. He is also a director of Dance Star Group Limited and Premium Dignity Investments Limited, both of which are wholly-owned subsidiaries of KH Investment. He was the company secretary of KH Investment during the period from 20 August 2009 to 3 October 2011.

Save as disclosed above, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Eternity and its ultimate beneficial owners are independent of the Company and its connected persons.

Sale Shares

146,640,000 KH Shares, representing approximately 29.00% of the entire issued share capital of KH Investment as at the Latest Practicable Date.

Consideration

Pursuant to the S&P Agreement, the Consideration for the Sale Shares shall be HK\$51,324,000 which is equivalent to HK\$0.35 per Sale Share.

The Consideration per Sale Share is equal to the average acquisition price per KH Share paid for by the Group for the acquisition of 232,000,000 KH Shares from Splendor Glow Limited and Aikford Financial Services Limited on 30 December 2011, and the offer price of HK\$0.35 per KH Share under the unconditional mandatory cash offer made by REORIENT Financial Markets Limited on behalf of New Asia Media as jointly announced by the Company, New Asia Media and KH Investment on 16 January 2012. The

LETTER FROM THE BOARD

Consideration per Sale Share also represents (i) a premium of 25% over the closing price of KH Share of HK\$0.28 as quoted on the Stock Exchange on 28 May 2012, being the date of the S&P Agreement; (ii) a premium of approximately 22.8% over the average closing price of KH Share of HK\$0.285 as quoted on the Stock Exchange for the last five trading days up to and including 28 May 2012; and (iii) a premium of 18.6% over the closing price of KH Share of HK\$0.295 as quoted on the Stock Exchange on the Latest Practicable Date.

The Consideration payable by Eternity to the Company shall be settled in cash upon Completion.

Upon the execution of the S&P Agreement, the Culture Landmark CB in the face value of HK\$23,000,000 was redeemed in accordance with the terms of the Culture Landmark CB. The remaining outstanding balance of the Culture Landmark CB in the face value of HK\$52,000,000 will be redeemed in full by the Company together with outstanding interest accrued thereon upon Completion in accordance with the terms of the Culture Landmark CB. The Company will use the proceeds from the Transaction to finance part of the cash payment under the aforesaid redemption.

Basis of the Consideration

The Consideration was agreed between Eternity and the Company after arm's length negotiations and on normal commercial terms with reference to the Group's recent cost of investment in KH Investment and the prevailing financial market conditions.

The Directors (including the independent non-executive Directors) consider that the terms of the Transaction, including among other things, the Consideration, are fair and reasonable and the Transaction is in the interests of the Company and the Shareholders as a whole.

Conditions precedent

Completion of the S&P Agreement is conditional upon:

- (i) the KH Shares remaining listed and traded on the GEM at all times from the date of the S&P Agreement to the date of Completion, save for any temporary suspension not exceeding ten consecutive trading days, or such longer period as Eternity may accept in writing, and no indication being received on or before the date of Completion from the SFC and/or the Stock Exchange to the effect that the listing of the KH Shares on the GEM will or may be withdrawn or objected to (or conditions will or may be attached thereto) as a result of Completion or in connection with

LETTER FROM THE BOARD

the terms of the S&P Agreement save for such temporary suspension that may be ordered or imposed by any competent authority or such ground or reason due to any action or omission by Eternity;

- (ii) all Consents of the Shareholders, the Stock Exchange and the SFC and all filings with any relevant governmental or regulatory authorities and other relevant third parties in Hong Kong, Bermuda or elsewhere which are required or appropriate for the entering into and the implementation of the S&P Agreement having been given or made; all waiting periods required under the laws of Hong Kong, Bermuda or any other relevant jurisdictions having expired or terminated; and all applicable statutory or other legal obligations having been complied with;
- (iii) all Consents of the shareholders of Eternity, the Stock Exchange and the SFC (if necessary) in connection with the transactions contemplated by the S&P Agreement having been obtained;
- (iv) the warranties given under the S&P Agreement remaining true and accurate in all material respects; and
- (v) no indication from the SFC that Eternity will be required to make a general offer in respect of all the issued KH Shares (other than the Sale Shares) as a result of Completion.

Eternity may in its absolute discretion at any time waive in writing any of the conditions (or any part thereof) other than those set out in above (ii) and (iii), and such waiver may be made subject to such terms and conditions as are determined by Eternity and agreed by the Company.

If the conditions are not fulfilled or waived on or before 30 November 2012 (or such other date as may be agreed by Eternity and the Company in writing), the S&P Agreement shall lapse and be of no further effect and no party to the S&P Agreement shall have any claim against or liability or obligation save for any liability arising out of any antecedent breaches of the S&P Agreement.

Completion

Completion shall take place on the third business day after the satisfaction and/or waiver of the last conditions precedent or such other date as may be agreed in writing between Eternity and the Company.

LETTER FROM THE BOARD

First right of refusal

As requested by Eternity, under the S&P Agreement, the Company has granted the first right of refusal to Eternity for acquiring the remaining 232,366,016 KH Shares indirectly and beneficially owned by the Company through New Asia Media at a price of not less than the purchase price offered by any third parties. In view that the Company will sell its remaining KH Shares to Eternity at a price of not less than that offered by a third party pursuant to the first right of refusal, the Company agrees to grant the first right of refusal and considers it to be fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Company currently has no intention to dispose of the remaining KH Shares held by the Group.

INFORMATION ON KH INVESTMENT

KH Investment and its subsidiaries are principally engaged in (i) artist management; (ii) film distribution and production; and (iii) the provision of infrared thermal imaging and thermography solutions and consultancy services.

The audited consolidated financial results and positions of KH Investment for the years ended 31 December 2010 and 2011 are summarised as follows:

	For the year ended 31 December 2011 HK\$'000	For the year ended 31 December 2010 HK\$'000
Continuing operation		
Turnover	<u>44,740</u>	<u>21,790</u>
Gross profit	<u>9,614</u>	<u>5,096</u>
Loss before tax	(20,251)	(136,961)
Tax expense	<u>—</u>	<u>(5)</u>
Loss for the year from continuing operation	<u>(20,251)</u>	<u>(136,966)</u>
Discontinuing operation		
Profit for the year from discontinued operations	<u>—</u>	<u>84,513</u>
Loss attributable to owners of KH Investment	<u>(20,251)</u>	<u>(52,453)</u>

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	As at 31 December 2011 HK\$'000	As at 31 December 2010 HK\$'000
Total non-current assets	5,245	15,579
Total current assets	107,564	122,485
Total current liabilities	(10,002)	(18,018)
Total non-current liability	(4,951)	(4,348)
Net asset value	<u>97,856</u>	<u>115,698</u>

EFFECT ON SHAREHOLDING STRUCTURE OF KH INVESTMENT

The shareholding structures of KH Investment (a) as at the Latest Practicable Date; and (b) upon Completion (absent any changes to the number of issued KH Shares) are set out below:

	As at the Latest Practicable Date		Upon Completion (absent any changes to the number of issued KH Shares)	
	<i>No. of KH Shares</i>	<i>Approximate %</i>	<i>No. of KH Shares</i>	<i>Approximate %</i>
New Asia Media <i>(Note)</i>	379,006,016	74.95	232,366,016	45.95
Eternity	—	—	146,640,000	29.00
Public	<u>126,643,710</u>	<u>25.05</u>	<u>126,643,710</u>	<u>25.05</u>
Total	<u>505,649,726</u>	<u>100.00</u>	<u>505,649,726</u>	<u>100.00</u>

Note: As at the Latest Practicable Date, New Asia Media also held the KH CB in the principal amount of HK\$6,200,000 with the rights to convert the principal amount into a total of 12,731,006 KH Shares at the prevailing conversion price of HK\$0.487 per KH Share (subject to adjustment).

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Group is principally engaged in property investment, property sub-leasing, licence fees collection business in the PRC, entertainment business, exhibition-related business, hotel operations and restaurant operations.

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As stated in the joint announcement of the Company, New Asia Media and KH Investment dated 16 January 2012, trading in KH Shares was suspended from 22 September 2011 to 16 January 2012 as the percentage of KH Shares held in public hands fell below the minimum requirement under Rule 11.23(7) of the Rules Governing the Listing of Securities on GEM. The Company was then an indirect substantial shareholder of KH Investment holding a 29.08% shareholding interest in KH Investment.

The Company, through New Asia Media, then acquired 232,000,000 KH Shares from Splendor Glow Limited and Aikford Financial Services Limited (the “Acquisition”). The Acquisition led to New Asia Media triggering unconditional mandatory cash offers to acquire all KH Shares and KH CB not held by the Company, New Asia Media and parties acting in concert with them (the “Offers”). After taking into account its internal financial resources, the Group considered that external financing was required for the Acquisition and the Offers. At the time of the Acquisition and the Offers, there was no discussion between the Company and Eternity regarding Eternity acquiring an interest in KH Investment. Accordingly, the Acquisition was partly financed by the issue of the Culture Landmark CB to a nominee company of Eternity, whose management is a business acquaintance of that of the Company. After the Acquisition, the Offers and a subsequent place down, the Company indirectly owns a 74.95% interest in KH Investment and KH Investment became a non-wholly owned subsidiary of the Company.

Eternity is an investment holding company and its subsidiaries are principally engaged in the distribution of films, sub-licensing of film rights, sales of financial assets, provision of management services to concierge departments of gaming promoters in Macau, money lender and property investment. The Company understands from Eternity that the Eternity Group has been engaged in the film distribution business in the PRC since 2001 and has an established distribution network in various media encompassing theatres, television and DVDs. The Eternity Group did not report any revenue from its film distribution business for the year ended 31 December 2011. As stated in Eternity’s annual report 2011, this was because the Eternity Group was not able to secure quality films at reasonable prices for distribution.

As stated in the Company’s joint announcement with New Asia Media and KH Investment dated 16 January 2012 regarding the Acquisition and the Offers, a reason for the Acquisition was to consolidate further interests in KH Investment with a view to generating synergy between the complimentary businesses of the Group and the KH Group. It was also stated in the announcement that the Group will conduct a review on the business operations and financial position of the KH Group for the purpose of formulating business plans and strategies for the future development of the business of the KH Group. After the completion of the Acquisition and the Offers, the management of the Company has been

LETTER FROM THE BOARD

reviewing the Group's business development including that of KH Investment. The KH Group's film distribution network covers Hong Kong, Taiwan and South East Asia. In light of Eternity's film distribution network in the PRC, the Company believes that cooperation between KH Investment and Eternity can potentially improve the business prospects of the KH Group and thus began to explore cooperation opportunities with Eternity in May 2012. After holding discussions with Eternity, the Company understands from Eternity that Eternity would also like to revitalise the Eternity Group's film distribution business by forming a strategic relationship with KH Investment with an acquisition of a substantial interest in KH Investment to the extent of not triggering a mandatory general offer for KH Shares. On that basis, the parties arrived at the Company disposing of a 29% interest in KH Investment to Eternity.

The Directors consider that the Transaction will enable the Company to form a strategic alliance with the Eternity Group leveraging on the respective strengths of each of Eternity, the Company and KH Investment while the Company (through New Asia Media) will continue to be the single largest shareholder of KH Investment holding a 45.95% equity interest and able to exercise a major influence on the business development of KH Investment. It is envisaged that KH Investment through its 50% owned joint venture company China Star Film Group Limited will be responsible for producing films and at present two films, a comedy film and a crime thriller film, are in pre-production phase. Due to the scheduling of the film casts and revision to the scripts, shooting of these two films has been delayed, and the production completion date and the release date of the films have not been determined. The Group's entertainment operations will strengthen the KH Group's film production and artist management operations. The Eternity Group will distribute the films produced by the KH Group in the PRC expanding KH Group's existing distribution network. Save for the above, there is no agreement, arrangement or understanding, whether formal or informal, expressed or implied, which has been entered into between the Company and Eternity in respect of the management and/or operation of KH Investment.

The Directors consider that the Transaction represents a good opportunity to form a strategic alliance with the Eternity Group leveraging on Eternity Group's expertise, network and connections in the film distribution industry in the PRC, and the Directors consider that the business performance of KH Investment will be enhanced and therefore be beneficial to the Group.

The Culture Landmark CB was issued as a means to partly finance the Acquisition. It is meant to be a short term financing arrangement. The Company believes that the early redemption of the Culture Landmark CB as partly financed by the proceeds from the Transaction will help reduce the Group's finance expenses and level of indebtedness.

LETTER FROM THE BOARD

In view of the benefits of the strategic alliance between the Group and the Eternity Group as highlighted above, the Directors consider that the terms of the S&P Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE TRANSACTION

KH Investment at present is a 74.95%-owned subsidiary of the Company. The assets and liabilities and the profits and loss of KH Group are consolidated into the consolidated financial statements of the Company on a line-by-line basis.

Assets and liabilities

After Completion, the Company will be interested in approximately 45.95% of the entire issued share capital of KH Investment. KH Investment will cease to be a subsidiary of the Company and will be accounted for as an associate by the Company using the equity method of accounting. The assets and liabilities of KH Investment will no longer be consolidated with those of the Group on a line-by-line basis after Completion. Instead, the Company's share of net assets of the KH Group will be reported in the consolidated statement of financial position of the Company.

The Culture Landmark CB with a face value of HK\$23 million was redeemed on 28 May 2012. The remaining Culture Landmark CB with a face value of HK\$52 million shall be redeemed upon Completion following which the Company will no longer book the liability portion of the Culture Landmark CB in its consolidated statement of financial position.

Earnings

Following Completion, the incomes and expenses of the KH Group will no longer be consolidated into those of the Group on a line-by-line basis. Instead, the Company's share of the profits or loss of the KH Group will be reported in the Company's consolidated income statement. The Culture Landmark CB with a face value of HK\$23 million was redeemed on 28 May 2012. The remaining Culture Landmark CB with a face value of HK\$52 million shall be redeemed upon Completion following which the Company will no longer incur interest expense arising from the Culture Landmark CB.

For illustration purpose only, subject to audit, the expected gain to be derived from the Transaction by the Company, representing the excess of the Consideration of HK\$51,324,000 over the Group's cost of investment in the Sale Shares of approximately HK\$48,391,000 calculated based on the Group's average purchase price per KH Share, would amount to approximately HK\$2.93 million.

LETTER FROM THE BOARD

LISTING RULES IMPLICATION

As one of the applicable percentage ratios under the Listing Rules for the Transaction is more than 25% but less than 75%, the Transaction constitutes a major disposal for the Company under the Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As no Shareholder has a material interest in the Transaction other than being a Shareholder, no Shareholders are required to abstain from voting on the resolution approving the Transaction at the SGM.

RECOMMENDATION

The Directors consider that the terms of the Transaction are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board (including the independent non-executive Directors) recommends the Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM in respect of the Transaction.

Shareholders and potential investors of the Company should be aware that the Transaction is subject to certain conditions being satisfied and/or waived, and consequently the Transaction may or may not proceed. Accordingly, they are advised to exercise caution when dealing in the securities of the Company.

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

Yours faithfully,

By order of the Board

CULTURE LANDMARK INVESTMENT LIMITED

Mr. Cheng Yang

Chairman

1. INDEBTEDNESS STATEMENT

Borrowings

As at the close of business on 30 April 2012, being the latest practicable date for the purpose of preparing this indebtedness statement prior to the printing of this circular, the Group had outstanding borrowings of approximately HK\$350,417,000, details of which are set out below:

	<i>HK\$'000</i>
Bank borrowings, secured and guaranteed	113,664
Other borrowing, secured and guaranteed	19,000
Culture Landmark CB, unsecured (<i>Note</i>)	75,000
Amounts due to non-controlling shareholders, unsecured	87,529
Amounts due to related parties, unsecured	55,224

Note: As at the close of business on 30 April 2012, the outstanding principal amount of the Culture Landmark CB was HK\$75,000,000. The Culture Landmark CB was issued on 29 December 2011, maturing on 28 December 2012 and bearing interest at 12% per annum. The carrying amount of debt component as at 30 April 2012, including effective interest expenses, was approximately HK\$75,528,000.

Securities

As at 30 April 2012, Mr. Yang Lei (a director of certain subsidiaries of the Company) and a company beneficially owned by Mr. Yang and his spouse respectively provided guarantees for certain bank loans of the Group. Certain assets of Mr. Yang were also pledged to secure the aforesaid bank loans of the Group.

The Group's properties included as assets held for sale with an aggregate carrying amount of HK\$101,000,000 as at 30 April 2012 were pledged to secure the bank overdrafts included in the Group's bank borrowings. In addition, as at 30 April 2012 the Company provided guarantee to a subsidiary for its bank overdrafts of up to HK\$2,000,000.

As at 30 April 2012, (i) a personal guarantee was given by Cheng Yang, a director of the Company; and (ii) the Group's available-for-sale investment with a carrying amount of HK\$35,220,000 was pledged to a third party to secure the other borrowing granted to the Group.

Save as disclosed above and apart from intra-group liabilities and normal trade and other payables, the Group did not have any loan capital issued or agreed to be issued, debt securities issued and outstanding, authorised or otherwise created but unissued, term loans, other borrowings or indebtedness including liabilities under acceptances, acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, guarantees or other material contingent liabilities outstanding at the close of business on 30 April 2012.

2. WORKING CAPITAL

After taking into account the completion of the Transaction and the financial resources available to the Group, including internally generated funds, bank and other borrowings, convertible bonds and amounts due to non-controlling shareholders and related parties, the Directors are of the opinion that the Group has sufficient working capital for its present requirements for a period of 12 months from the date of this circular.

3. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in property investment, property sub-leasing, licence fee collection business in the PRC, entertainment business, exhibition-related business, hotel operations and restaurant operations.

Property investment

The Group has an investment property located at the commercial district of Guangzhou, the PRC. The property has been leased for a tenure of ten years from 9 October 2008 and is expected to continue to contribute rental income to the Group.

Property sub-leasing business

In July 2011, the Group acquired BoRen Culture Development Limited (博仁文化發展有限公司), which holds a 60% interest in three companies in the PRC principally engaged in sub-leasing of properties and facilities in Nanjing, the PRC. On 24 November 2011, the Group entered into a provisional sale and purchase agreement with an independent third party for the disposal of an investment property in Tsim Sha Tsui, Hong Kong at a consideration of HK\$101 million. The transaction was completed on 30 April 2012 after which the Group entered into a lease-back arrangement with the buyer for the purposes of sub-letting the property to third parties. The Group's sub-leasing business is expected to continue to contribute stable income to the Group.

Licence fee collection business

The Group entered into various agreements with owners of intellectual property rights of music products relating to collection of fees for licensing of copyright to karaoke music products to karaoke operators in the PRC. The Group is entitled to receive a portion of fee payment from karaoke operators in the PRC. The Group is also engaged in the provision of intellectual property enforcement services in respect of karaoke music products in the PRC in return of a certain percentage of the licence fee collected from karaoke venues.

As mentioned in the Company's annual report for the year ended 31 March 2011, the Group had experienced delays in rollout of copyright licence fees settlement and collection services in respect of karaoke music products and videos in various provinces in the PRC as a result of disagreement with China Culture Development Digital Technology Co., Limited ("CCDDT") in respect of the operation and future development of the Group's licence fee collection business. On 22 June 2011, the Company's wholly owned subsidiary, Shenzhen Hua Rong Sheng Shi Investment Management Company Limited ("Shenzhen Hua Rong") started arbitration proceedings in Beijing, the PRC against CCDDT for its breach of the terms of a shareholders' agreement dated 15 July 2007 and an agreement signed in 2007 for the transfer of 20% of the registered capital of 天合文化集團有限公司 ("Tian He") by Shenzhen Hua Rong to CCDDT to claim for termination of the shareholders' agreement entered into on 15 July 2007 by Shenzhen Hua Rong and CCDDT, return of the 20% interest in Tian He held by CCDDT and to claim damages of RMB10 million for such breach. On 23 February 2012, the arbitration hearing commenced and as at the Latest Practicable Date, the arbitration proceedings were still continuing.

The Directors believe the overall licence fee collection business will gradually yield income to the Group.

Entertainment business

Baron Production and Artiste Management Company Limited, a 51%-owned subsidiary of the Company, engages in providing services relating to production and artist management in the entertainment industry. Chance Music Limited ("CML"), a 60%-owned subsidiary of the Company, engages in entertainment and related business and owns intellectual property rights to lyrics of various songs. As stated in its annual report for the year ended 31 March 2011, the Group has terminated its obligations to make further payment to the non-controlling shareholder of CML under an agreement dated 24 October 2007 and has demanded this non-controlling

shareholder to buy back the Group's 60% interest in CML at HK\$15,000,000 pursuant to such agreement. As at the Latest Practicable Date, the Group had received a deposit of HK\$1,000,000 from CML's non-controlling shareholder as part of the share buy back payment.

In December 2011, the Group acquired shares in KH Investment whose businesses cover artist management and film distribution and production. The Company at present holds a 74.95% interest in KH Investment. Pursuant to the Transaction, the Company will dispose of a 29% interest (based on the issued KH Shares as at the Latest Practicable Date) to Eternity. Upon completion of the Transaction, the Company and Eternity will respectively hold 45.95% and 29% of the issued share capital of KH Investment (absent any changes to the number of issued KH Shares). The Directors consider that the Transaction will enable the Company to form a strategic alliance with the Eternity Group by which both parties will jointly develop the film distribution business of KH Investment.

The Directors believe that its entertainment business will be further developed and these investments would gradually yield income to the Group.

Exhibition-related business

In May 2011, the Group completed the acquisition of China Resources Advertising & Exhibition Company Limited which together with its subsidiaries (the "CRA Group") are principally engaged in exhibition-related business and act as an organiser and contractor for exhibition events and meeting events mainly in Hong Kong. The CRA Group has developed over 20 years of relationship with the Hong Kong Trade Development Council (the "HKTDC") and has become one of the major agents of Mainland China companies for their trade fairs in Hong Kong, which are mostly organised by the HKTDC. Its other principal customers include various sub-councils of the China Council for the Promotion of International Trade in the PRC. The business is expected to continue to contribute stable income to the Group in the future.

Hotel operations and restaurant operations

The Group operates the Dynasty Hotel in Zhaoqing, the PRC with 332 guest rooms, retail shops, restaurants, banquet room, health club and amenities including tennis court and swimming pool. In May 2011, the Group acquired the business of a hot pot restaurant under the name of "Number One Hot Pot (第一火鍋)" at Jaffe Road, Hong Kong which commenced business in late 2011. The Group's hotel and restaurant operations face keen competition, and such challenging environment is expected to continue.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company and their associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such director or chief executive or any of their respective associates is taken or deemed to have under such provisions of the SFO); or (ii) required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the “Model Code”), to be notified to the Company and the Stock Exchange, were as follows:

Long position in Shares and underlying Shares

Name	Nature of interest	Number of Shares or underlying Shares	Approximate % of the issued share capital of the Company as at the Latest Practicable Date
Cheng Yang	<i>(Note 1)</i>	1,786,980,000	14.92%
Zheng Yuchun	Personal <i>(Note 2)</i>	35,000,000	0.29%
Liu Yu Mo	Personal	1,048,000	0.01%

Notes:

1. 1,786,000,000 Shares were beneficially owned by Mr. Cheng Yang personally and 980,000 Shares were beneficially owned by his wife.
2. This relates to the options granted under the share option scheme of the Company to Mr. Zheng Yuchun exercisable to subscribe for (i) 12,000,000 Shares from 1 October 2010 to 28 July 2020; (ii) 12,000,000 Shares from 1 July 2011 to 28 July 2020; and (iii) 11,000,000 Shares from 1 July 2012 to 28 July 2020, all at the exercise price of HK\$0.262 per Share.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the shares or underlying shares or debentures of, the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) required to be entered in the register required to be kept under Section 352 of the SFO or (iii) required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

3. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into any service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

4. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective associates had any interests in any business apart from the Group's business which competed or was likely to compete, either directly or indirectly, with any business of the Group.

5. OTHER INTERESTS

As at the Latest Practicable Date, none of the Directors or proposed Directors had any direct or indirect interest in any assets which had since 31 March 2011 (being the date which the latest published audited financial statements of the Company were made up before the Latest Practicable Date) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered subsisting at the Latest Practicable Date which is significant in relation to the business of the Group.

6. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by the Group within two years immediately preceding the Latest Practicable Date and are or may be material:

- (i) a supplemental agreement dated 19 July 2010 between Well Harvest Enterprises Limited and the Company to revise certain terms of an agreement dated 15 October 2007 relating to the sale and purchase of the entire issued share capital of, and the benefit of loans advanced to, Wellrich Investments Limited;
- (ii) a provisional sale and purchase agreement dated 10 December 2010 between Golden Island Bird's Nest Chiu Chau Restaurant (Causeway Bay) Limited ("Golden Island") (a wholly owned subsidiary of the Company) (as vendor) and Fu Kiu Finance Limited (as purchaser), a formal sale and purchase agreement dated 22 December 2010 between the parties and a deed of assignment dated 16 February 2011 between the parties relating to the sale and purchase of a property in Hong Kong for a total cash consideration of HK\$122 million;
- (iii) an agreement dated 17 December 2010 between Zeng Guannian (as vendor) and the Company (as purchaser) relating to the sale and purchase of the entire issued share capital of, and the benefit of loans advanced to, Wide Stand Holdings Limited for a total consideration of HK\$52,105,263, HK\$34,736,842 of which in cash and the balance of HK\$17,368,421 by the issue of 86,842,105 Shares;
- (iv) an agreement dated 17 December 2010 between Zeng Guanming (as vendor) and the Company (as purchaser) relating to the sale and purchase of the entire issued share capital of, and the benefit of loans advanced to, Win Success Enterprises Limited for a total consideration of HK\$127,894,737, HK\$85,263,158 of which in cash and the balance of HK\$42,631,579 by the issue of 213,157,895 Shares;
- (v) an agreement dated 8 February 2011 between Win Castle Group Limited ("Win Castle") (a wholly owned subsidiary of the Company) (as purchaser) and Cheng Films and Video Production Limited ("Cheng Films") (as vendor) relating to the sale and purchase of 1,053,186 Preference A Shares of Xinya Media Private Limited ("Xinya Media") at a cash consideration of US\$3,000,000.33 (equivalent to approximately HK\$23,310,000);

- (vi) a provisional sale and purchase agreement dated 2 March 2011 between Golden Island (as vendor) and Maxwell Pacific Limited (as purchaser), a formal sale and purchase agreement dated 28 March 2011 between the parties and a deed of assignment dated 1 April 2011 between the parties relating to the sale and purchase of a property in Hong Kong at the price of HK\$250 million;
- (vii) a conditional agreement entered into between the Company (as issuer) and Commotra Company Limited (“Commotra”) (as subscriber) dated 21 March 2011 (the “Subscription Agreement”) relating to the subscription of 1,333,333,333 Shares (the “Subscription Shares”) by Commotra at the subscription price of HK\$0.12 per Subscription Share;
- (viii) a sale and purchase agreement entered into between the Company (as purchaser) and China Resources (Holdings) Company Limited (“CR Holdings”) (as vendor) dated 21 March 2011 in relation to the acquisition of 100,000 shares representing the entire issued share capital of China Resources Advertising & Exhibition Company Limited for a consideration of HK\$110 million (the “Consideration”);
- (ix) a subscription agreement dated 11 April 2011 between Win Castle and Gobi Fund II, L.P. (both as subscribers) and Xinya Media, relating to the subscription of 351,062 new Preference A Shares of Xinya Media by each of the subscribers at a cash consideration of US\$1,000,000.11 (equivalent to approximately HK\$7,769,000);
- (x) a deed of assignment and set off dated 20 May 2011 between the Company, Commotra and CR Holdings whereby CR Holdings assigned its rights and benefits in the Consideration to Commotra, and Commotra set off the Consideration against part of the subscription price in the sum of HK\$110 million payable by Commotra under the Subscription Agreement as referred to in paragraph (vii) above;
- (xi) an agreement dated 27 May 2011 between HaoRan Cultural Development Limited (“HaoRan”) and the Company as amended by a supplemental agreement dated 20 December 2011 between the parties whereby the Company acquired the entire issued share capital of BoRen Cultural Development Limited (博仁文化發展有限公司) from HaoRan for a consideration of RMB90 million, RMB25 million of which in cash and the balance of RMB65 million by the issue of 420,176,215 Shares and a deed of indemnity dated 11 May 2012 between the parties pursuant to which HaoRan agreed to provide certain indemnities in favour of the companies being acquired by the Company;

- (xii) a provisional sale and purchase agreement dated 10 June 2011 between Golden Island (as vendor) and 2011 One Company Limited (as purchaser) relating to the sale and purchase of a property in Hong Kong at the cash price of HK\$108 million and an agreement dated 4 July 2011 between the parties to cancel the aforesaid provisional sale and purchase agreement;
- (xiii) an agreement dated 22 July 2011 between Great Prospect Development Limited (as vendor) and New Asia Media (as purchaser) relating to the sale and purchase of 377,794,285 shares of nominal value HK\$0.0002 each of Cosmopolitan International Holdings Limited (“Cosmopolitan Shares”) for a total consideration of HK\$51,002,228 as evidenced by bought and sold notes;
- (xiv) an agreement dated 25 July 2011 between Profit Giant Holdings Limited (as vendor) and New Asia Media (as purchaser) relating to the sale and purchase of 140,000,000 Cosmopolitan Shares for a total consideration of HK\$18,900,000 as evidenced by bought and sold notes;
- (xv) an agreement dated 17 August 2011 between Profit Giant Holdings Limited (as vendor) and New Asia Media (as purchaser) relating to the sale and purchase of 148,630,460 Cosmopolitan Shares for a total consideration of HK\$14,863,046 as evidenced by bought and sold notes;
- (xvi) a provisional sale and purchase agreement dated 24 November 2011 between Golden Island (as vendor) and Lucky Forever Limited (as purchaser) and a deed of assignment dated 30 April 2012 between the parties relating to the sale and purchase of a property in Hong Kong at the price of HK\$101 million;
- (xvii) a subscription agreement dated 22 December 2011 between the Company (as issuer) and Eternity (as subscriber) pursuant to which the Company issued to Eternity the Culture Landmark CB whose terms were modified by a deed of variation dated 28 May 2012 between the parties;
- (xviii) a bought and sold note dated 30 December 2011 between New Asia Media (as purchaser) and T.M. Nominees Limited, nominee of Aikford Financial Services Limited (as vendor), relating to the sale and purchase of 119,032,839 KH Shares for a consideration of HK\$41,661,493.65;
- (xix) a bought and sold note dated 30 December 2011 between New Asia Media (as purchaser) and Splendor Glow Limited (as vendor) relating to the sale and purchase of 112,967,161 KH Shares for a consideration of HK\$39,538,506.35;

- (xx) a facility letter dated 30 December 2011 between New Asia Media, the Company (as guarantor) and REORIENT Financial Markets Limited (“REORIENT”) relating to the provision by REORIENT of a loan facility for a maximum amount of HK\$31,980,397.75 to fund the unconditional mandatory cash offers (the “Offers”) by the Group for the securities of KH Investment (details of which are set out in the joint announcement of New Asia Media, the Company and KH Investment dated 16 January 2012);
- (xxi) a placing agreement dated 30 December 2011 between the Company and REORIENT relating to the placing by REORIENT, on a best efforts basis, of up to 104,103,571 KH Shares and the KH CB acquired under the Offers;
- (xxii) a provisional sale and purchase agreement dated 7 February 2012 between World Honour Investments Limited (a wholly owned subsidiary of the Company) and Golden Linker Holdings Limited (金佳集團有限公司) and a deed of assignment dated 20 April 2012 between the parties relating to the sale and purchase of a property in Hong Kong for a total cash consideration of HK\$6.8 million;
- (xxiii) an agreement dated 30 April 2012 between the Company and Long Sincere International Limited and Wang Wei for the Company’s acquisition of 10 shares of US\$1 each (representing 4.235% of the issued share capital) of, and the benefit of 50% of all amounts as at the completion date due from, Welly Champ International Limited (“Welly Champ”) for an aggregate consideration of HK\$9 million in cash;
- (xxiv) an agreement dated 30 April 2012 between the Company and Rise Jumbo Limited and Li Bin as amended by a supplemental agreement dated 9 May 2012 between the parties for the Company’s acquisition of 10 shares of US\$1 each (representing 4.235% of the issued share capital) of, and the benefit of 50% of all amounts as at the completion date due from, Welly Champ for an aggregate consideration of HK\$9 million in cash; and
- (xxv) the S&P Agreement.

7. LITIGATION

As at the Latest Practicable Date, the Directors were not aware of any litigation or claims of material importance which were pending or threatened against any members of the Group.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the office of the Company's secretary, Jennifer Cheung & Co. at Unit A, 19th Floor, Two Chinachem Plaza, 68 Connaught Road Central, Hong Kong from the date of this circular up to the date of the SGM:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the material contracts as referred to in the section headed "Material Contracts" in this appendix;
- (c) the published annual report of the Company for each of the two financial years ended 31 March 2010 and 2011;
- (d) the published interim report of the Company for the six months ended 30 September 2011; and
- (e) each circular issued pursuant to the requirements set out in Chapters 14 and/or 14A of the Listing Rules since 31 March 2011.

9. MISCELLANEOUS

- (a) The secretary of the Company is Ms. Cheung Mei Ha, Jennifer. She is a solicitor practising in Hong Kong.
- (b) The registered office of the Company is at Clarendon House, Church Street, Hamilton HM11, Bermuda.
- (c) The Company's principal place of business is situated at Rooms 2501-05, 25th Floor, China Resources Building, No. 26 Harbour Road, Wanchai, Hong Kong.
- (d) The Hong Kong branch share registrar and transfer office of the Company is Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (e) The English text of this circular, the notice of the SGM and the accompanying form of proxy prevail over their respective Chinese texts in case of inconsistency.



CULTURE LANDMARK INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 674)

NOTICE IS HEREBY GIVEN that the special general meeting of **Culture Landmark Investment Limited** (the “**Company**”) will be held at Rooms 2501-05, 25th Floor, China Resources Building, No. 26 Harbour Road, Wanchai, Hong Kong on Tuesday, 10 July 2012 at 4:00 p.m. for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT:**

- (a) the sale and purchase agreement dated 28 May 2012 (the “**S&P Agreement**”) (a copy of the S&P Agreement has been produced at the meeting and marked “A” and initialled by the Chairman of the meeting for the purpose of identification) entered into between the Company and Eternity Investment Limited (“**Eternity**”) in relation to the Company’s disposal of 146,640,000 shares of HK\$0.01 each in KH Investment Holdings Limited to Eternity and all transactions contemplated thereunder and in connection therewith, be and are hereby approved, ratified and confirmed; and

NOTICE OF SPECIAL GENERAL MEETING

- (b) the board of directors of the Company (the “**Board**”) be and is hereby authorised for and on behalf of the Company to execute all such documents and agreements and do such acts or things as they may in their absolute discretion consider to be necessary, desirable or expedient to implement or give effect to or in connection with or incidental to the S&P Agreement and the transactions contemplated thereunder and to agree to such variation, amendment or waiver as are, in the absolute opinion of the Board, in the interests of the Company.”

By order of the Board
CULTURE LANDMARK INVESTMENT LIMITED
Mr. Cheng Yang
Chairman

Hong Kong, 22 June 2012

Registered Office:

Clarendon House
Church Street
Hamilton HM11
Bermuda

Principal Place of Business in Hong Kong:

Rooms 2501-05, 25th Floor
China Resources Building
No. 26 Harbour Road
Wanchai
Hong Kong