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CULTURE LANDMARK INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 674)

PROPOSED SHARE CONSOLIDATION AND PROPOSED CAPITAL REDUCTION AND SUB-DIVISION AND NOTICE OF SPECIAL GENERAL MEETING

A notice convening a special general meeting of the Company (the “SGM”) to be held at Rooms 2501-05, 25th Floor, China Resources Building, 26 Harbour Road, Wan Chai, Hong Kong, on Tuesday, 16 October 2012 at 11:00 a.m. is set out on pages 11 to 13 of this circular. Whether or not you are able to attend the SGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the offices of the Company’s branch share registrar in Hong Kong, Tricor Secretaries Limited, at 26/F., Tesbury Centre, 28 Queen’s Road, East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time fixed for the SGM or any adjournment thereof. The completion and delivery of a form of proxy will not preclude you from attending and voting at the SGM or any adjournment thereof in person should you so wish.

26 September, 2012

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	3
NOTICE OF SGM	11

TIMETABLE

Set out below is the expected timetable for the Capital Reorganisation.

Latest time for lodging the form of proxy for the SGM 11:00 a.m. on Sunday,
14 October, 2012

Date of SGM 11:00 a.m. on Tuesday,
16 October, 2012

Publication of SGM results announcement Tuesday,
16 October, 2012

The following event is conditional on the fulfillment of the conditions for the implementation of the Share Consolidation, Capital Reduction and Sub-division, the dates are therefore tentative:

Effective date of the Share Consolidation,
Capital Reduction and Sub-division 9:00 a.m. on Wednesday,
17 October, 2012

Commencement of dealings in New Shares Wednesday,
17 October, 2012

First day of free exchange of Existing Share
Certificates for New Shares Certificates Wednesday,
17 October, 2012

Original counter for trading in Existing Shares
in board lots of 4,000 Existing Shares
(in the form of Existing Share Certificates)
temporarily closes 9:00 a.m. on Wednesday,
17 October, 2012

Temporary counter for trading in New Shares
in board lots of 200 New Shares
(in the form of Existing Share Certificates) opens 9:00 a.m. on Wednesday,
17 October, 2012

Original counter for trading in New Shares
in board lots of 4,000 New Shares
(in the form of New Share Certificates) reopens 9:00 a.m. on Thursday,
1 November, 2012

TIMETABLE

Parallel trading in New Shares

(in the form of New Share Certificates

and Existing Share Certificates) commences 9:00 a.m. on Thursday,
1 November, 2012

First day of operation of odd lot trading facility Thursday,
1 November, 2012

Temporary counter for trading in New Shares

in board lots of 200 New Shares

(in the form of Existing Share Certificates) closes 4:00 p.m. on Wednesday,
21 November, 2012

Parallel trading New Shares

(in the form of New Share Certificates

and Existing Share Certificates) ends 4:00 p.m. on Wednesday,
21 November, 2012

Last day of operation of odd lot trading facility Wednesday,
21 November, 2012

Last day for free exchange of Existing Share

Certificates for New Share Certificates Friday,
23 November, 2012

All times and dates in this circular refer to Hong Kong local times and dates. Dates or deadlines specified in expected timetable above depends on the results of the SGM and are therefore for indicative purpose only. An announcement will be made regarding any changes to the expected timetable as and when appropriate.

DEFINITIONS

In this circular, the following expressions have the meanings respectively set opposite them unless the context otherwise requires:

“Announcement”	the announcement of the Company dated 14 September 2012 in relation to the Capital Reorganisation
“Board”	the board of Directors
“Capital Reorganisation”	collectively the Share Consolidation, Capital Reduction and Sub-division
“Capital Reduction”	the proposed (a) cancellation of any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation; and (b) reduction of the nominal value of each issued Consolidated Share from HK\$1.00 to HK\$0.05 by cancelling paid up capital to the extent of HK\$0.95 on each of the issued Consolidated Shares
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Culture Landmark Investment Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“Consolidated Share(s)”	ordinary share(s) of HK\$1.00 each in the capital of the Company immediately after the Share Consolidation becoming effective
“Director(s)”	director(s) of the Company
“Existing Share Certificate(s)”	certificates for the Existing Shares in light red color
“Existing Shares”	shares of HK\$0.05 each of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Group”	the Company and its subsidiaries

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	24 September 2012, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Certificate(s)”	certificates for the New Shares in light blue color
“New Share(s)”	share(s) of HK\$0.05 each in the share capital of the Company upon the Share Consolidation, Capital Reduction and Sub-division taking effect
“Registrar”	the branch share registrar of the Company in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong
“SGM” or Special General Meeting”	a special general meeting of the Company to be convened to consider and, if thought fit, passing the relevant resolution to approve, among other things, (a) the Share Consolidation; and (b) the Capital Reduction and Sub-division
“Share Consolidation”	the consolidation of every twenty (20) issued and unissued Shares of HK\$0.05 each in the share capital of the Company into one (1) Consolidated Share of HK\$1.00
“Share Options”	the share option(s) issued with reference to the terms and conditions of the share option scheme adopted by the Company on 30 August, 2012
“Shareholders”	holder(s) of issued Existing Share(s), Consolidated Shares or New Shares (as the case may be)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sub-division”	the sub-division of each Consolidated Share following the Capital Reduction from HK\$1.00 each into 20 New Shares of HK\$0.05 each

LETTER FROM THE BOARD



CULTURE LANDMARK INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 674)

Directors:

Cheng Yang (*Chairman*)

Zheng Yuchun

Lei Lei

Li Weipeng

Tong Jingguo*

Yang Rusheng*

So Tat Keung*

Principal Office:

Rooms 2501-05, 25th Floor

China Resources Building

26 Harbour Road

Wanchai

Hong Kong

* *Independent Non-executive Directors*

26 September, 2012

To the shareholders

Dear Sir or Madam,

**PROPOSED SHARE CONSOLIDATION AND
PROPOSED CAPITAL REDUCTION AND SUB-DIVISION
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

As disclosed in the Announcement, the Company proposed to put forward the following proposals for approval by the Shareholders at the SGM:

- (a) Share Consolidation of every twenty (20) existing Shares of HK\$0.05 each in both the issued and unissued share capital of the Company into one (1) Consolidated Share of HK\$1.00;

LETTER FROM THE BOARD

- (b) Capital Reduction in the issued share capital of the Company through a cancellation of (a) any fractional Consolidated Share in the share capital of the Company that may arise as a result of the Share Consolidation; and (b) the paid-up capital of the Company to the extent of HK\$0.95 on each of the issued Consolidated Shares so that the nominal value of each issued Consolidated Share will be reduced from HK\$1.00 to HK\$0.05;
- (c) Share Sub-division of each unissued Consolidated Share in the authorised but unissued share capital of the Company immediately after Share Consolidation into 20 shares with a nominal value of HK\$0.05 each; and
- (d) the credit arising from the Capital Reduction be applied by the Directors to set-off against accumulated losses of the Company.

The purpose of this circular is to provide you with further information regarding, among other things, (a) the Share Consolidation; (b) the Capital Reduction; (c) the Share Sub-division; and (d) the notice of SGM.

PROPOSED CAPITAL REORGANISATION

The Directors propose to effect the Capital Reorganisation in the following manner:

- (a) every twenty (20) existing Shares of HK\$0.05 each in both the issued and unissued share capital of the Company shall be consolidated into one (1) Consolidated share of HK\$1.00;
- (b) immediately following the Share Consolidation, the issued share capital of the Company shall be reduced through a cancellation of (a) any fractional Consolidated Share in the share capital of the Company that may arise as a result of the Share Consolidation; and (b) the paid-up capital of the Company to the extent of HK\$0.95 on each of the issued Consolidated Share so that the nominal value of each issued Consolidated Share shall be reduced from HK\$1.00 to HK\$0.05 so as to form a New Share with a nominal value of HK\$0.05 each;
- (c) immediately following the Share Consolidation, each unissued Consolidated Share in the authorised but unissued share capital of the Company shall be sub-divided into 20 shares so that the nominal value of each unissued Consolidated Share shall be reduced from HK\$1.00 to HK\$0.05 each; and
- (d) the credit arising from the Capital Reduction be applied by the Directors to set off against accumulated losses of the Company.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$1,000,000,000 divided into 20,000,000,000 Shares of HK\$0.05 each, of which 11,975,340,940 Shares of HK\$0.05 each are in issue and are fully paid or credited as fully paid.

Assuming no further Shares will be issued or repurchased from the Latest Practicable Date up to the date of the SGM, there will be 598,767,047 Consolidated Shares of HK\$0.05 each in issue, all fully paid or credited as fully paid, following the Share Consolidation. There will be 598,767,047 New Shares of HK\$0.05 each in issue, all fully paid or credited as fully paid, following the Capital Reorganisation.

Assuming no further Shares will be issued or repurchased from the Latest Practicable Date up to the date of the SGM, the credit arising from the Capital Reduction will be approximately HK\$568,828,695, which will be set off against accumulated losses of the Company. As at 31 March, 2012, the consolidated accumulated losses of the Company was approximately HK\$1,853,163,406.

Assuming there will be no change in the issued share capital of the Company from the Latest Practicable Date up to the date on which the Capital Reorganisation becomes effective, the share capital structure of the Company will be as follows:

	As at the Latest Practicable Date	Immediately after the Share Consolidation, Capital Reduction and Sub-division become effective
Amount of authorised share capital	HK\$1,000,000,000	HK\$1,000,000,000
Par value	HK\$0.05 per Share	HK\$0.05 per New Share
Number of authorised shares	20,000,000,000	20,000,000,000
Amount of issued share capital	HK\$598,767,047	HK\$29,938,352
Number of issued shares	11,975,340,940	598,767,047 New Shares
Amount of unissued share capital	HK\$401,232,953	HK\$970,061,648
Number of unissued shares	8,024,659,060	19,401,232,953 New Shares

LETTER FROM THE BOARD

Conditions of the Capital Reorganisation

The implementation of the Capital Reorganisation is conditional upon:

- (i) the passing of the necessary resolution(s) by the Shareholders at the SGM to approve the Capital Reorganisation involving, among other matters, the Share Consolidation, the Capital Reduction and the Sub-division;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the New Shares in issue and to be issued arising from the Capital Reorganisation; and
- (iii) compliance with the relevant procedures and requirements under Bermuda law and the Listing Rules to effect the Capital Reorganisation.

Reasons for Capital Reorganisation and impact on the Company and the Shareholders

The proposed Share Consolidation will increase the nominal value of the Existing Shares and reduce the total number of Existing Shares currently in issue. It is expected to bring about a corresponding upward adjustment in the trading price of the Consolidated Shares on the Stock Exchange, which will reduce the overall transaction costs for dealing in the Consolidated Shares.

The Directors consider that the Capital Reduction will give greater flexibility to the Company to raise funds through the issue of New Shares in the future and the elimination of the Company's accumulated loss will place the Company in a financially healthier position and a step towards the possibility of paying dividends in the future.

As such, the Directors are of the view that the Capital Reorganisation is in the interests of the Company and the Shareholders as a whole.

No fund raising exercise is currently contemplated by the Company as at the Latest Practicable Date.

Application for listing of New Shares

Application will be made to the Listing Committee of the Stock Exchange for granting the listing of, and permission to deal in, the New Shares arising from the Capital Reorganisation and underlying New Shares to be allotted and issued upon the exercise of the subscription rights or conversion rights attached to the Share Options and all necessary arrangements will be made for the New Shares to be admitted into CCASS.

LETTER FROM THE BOARD

Subject to the granting of the listing of, and permission to deal in, the New Shares on the Stock Exchange, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS in the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Status of the New Shares

The New Shares will rank *pari passu* in all respects with each other and the Capital Reorganisation will not result in any change in the relative rights of the Shareholders.

None of the securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is being or is proposed to be sought.

Fractional Consolidated Shares

Any fractional Consolidated Share in the issued share capital of the Company that may arise as a result of the Share Consolidation will be cancelled but any fractional entitlements to the New Shares will be aggregated into whole New Shares and sold for the benefit of the Company.

Change of board lot size

As at the Latest Practicable Date, Shares are traded in board lots of 4,000. Following the Capital Reorganisation, the New Shares will continue to be traded in board lots of 4,000.

Based on the closing price of HK\$0.062 per Share as at the Latest Practicable Date, the value of each board lot of 4,000, assuming the Capital Reorganisation had already been effective, would be HK\$4,960.

Odd lot trading arrangement

In order to facilitate the trading of odd lots of the New Shares arising from the change in board lot size, the Company has agreed to engage Kingston Securities Limited to arrange for matching services regarding the sale and purchase of odd lots of the New Shares from 1 November 2012 to 21 November 2012 (both days inclusive). Shareholders who wish

LETTER FROM THE BOARD

to acquire odd lots of the New Shares to make up a full board lot, or to dispose of their holding of odd lots of the New Shares may contact Miss Rosita Kiu of Kingston Securities Limited (telephone number: (852) 2298 6215) at Suite 2801, 28/F, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong during office hours in the aforesaid period. Shareholders should note that matching of the sale and purchase of odd lots of New Shares is on a best efforts basis and successful matching of the sale and purchase of such odd lots is not guaranteed. The Company will bear the costs relating to the matching of sale and purchase of odd lots of the New Shares. Any Shareholder who is in doubt about the odd lot trading arrangement is recommended to consult his/her/its own professional advisers.

Exchange of share certificates

Subject to the Capital Reorganisation becoming effective, which is currently expected to be 17 October, 2012, being the business day next following the date of the SGM, Shareholders may on or after 17 October, 2012 and until 4:00 p.m. on 23 November, 2012, (both days inclusive), submit their existing share certificates (in light red colour) for the Shares to the Registrar for exchange of new share certificates (in light blue color) for the New Shares at the expense of the Company.

Shareholders should note that after the prescribed time for free exchange of new share certificates, a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the Registrar for exchange of new share certificates.

Existing share certificates for the Shares will continue to be good evidence of legal title but will cease to be valid for dealings, trading and settlement purpose after 21 November, 2012, the date on which the parallel trading in the New Shares ends, and may be exchanged for new share certificates at any time in accordance with the foregoing.

Adjustments to the outstanding Share Options and the outstanding Convertible Notes

As at the Latest Practicable Date, the Company has (a) 1,197,534,094 outstanding Share Options carrying rights to subscribe for 1,197,534,094 Shares.

Save as disclosed above, the Company does not have any other outstanding share options, convertible notes or securities in issue which are convertible or exchangeable into Shares as at the Latest Practicable Date. As the Capital Reorganisation will cause adjustments to (i) the aggregate number of the New Shares to be allotted and issued upon exercising of the subscription rights attached to the outstanding Share Options; and (ii) the exercise price of the Share Options, the Company will appoint the auditors of the Company to certify the

LETTER FROM THE BOARD

necessary adjustments, if any, to the exercise price of the outstanding Share Options. The Company will notify the holders thereof by way of announcement regarding adjustments to be made (if any) pursuant to the terms of the Share Options. Further announcement will be made by the Company in this regard as and when appropriate.

WARNING

Shareholders and potential investors should be aware of and take note that the Capital Reorganisation is conditional upon satisfaction of the conditions precedent set out in the paragraph headed “Conditions of the Capital Reorganisation” above, and therefore may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

SGM

The Capital Reorganisation will be conditional upon the passing by the Shareholders of the resolution at the SGM.

The SGM will be held at 11:00 a.m. on Tuesday, 16 October 2012 at Room 2501-05, 25th Floor, China Resources Building, 26 Harbour Road, Wan Chai, Hong Kong, the notice of which is, set out on pages 11 to 13 of this circular, for the Shareholders to consider and, if thought fit, to approve the resolution in respect of the Share Consolidation, the Capital Reduction and the Share Sub-division.

In compliance with the Listing Rules, the resolution will be voted on by way of a poll at the SGM. To the best of the Director’s knowledge, information and belief having made all reasonable enquiries, no Shareholders are required to abstain from voting on the ordinary resolution to be proposed at the SGM.

A form of proxy for use at the SGM is enclosed with this circular. In order to be valid, the enclosed form of proxy, together with any power of attorney or other authority under which it is signed must be delivered to the office of the Company’s branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the enclosed form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

LETTER FROM THE BOARD

RECOMMENDATIONS

The Directors are of the opinion that the Share Consolidation, the Capital Reduction and the Share Sub-division are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend you to vote in favour of the resolution to be proposed in the SGM.

Yours faithfully,

Culture Landmark Investment Limited

Cheng Yang

Chairman

NOTICE OF SGM



CULTURE LANDMARK INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 674)

NOTICE IS HEREBY GIVEN that a special general meeting (“Meeting”) of Culture Landmark Investment Limited (the “Company”) will be held at 11:00 a.m., on Tuesday, 16 October 2012 at Room 2501-05, 25th Floor, China Resources Building, 26 Harbour Road, Wan Chai, Hong Kong for the purpose of considering and, if thought fit, passing/with or without modifying the following resolution of the Company:

ORDINARY RESOLUTION

1. “**THAT**, conditional upon (i) the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting the listing of, and permission to deal in the New Shares (as defined below) and underlying New Shares falling to be allotted and issued upon exercise of the subscription rights attaching to the share options of the Company; and (ii) compliance by the Company with the relevant procedures and requirements under Bermuda law and the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) to effect the Capital Reorganisation (as defined below), with effect from the business day (as defined in the Listing Rules) next following the day on which this resolution is passed by the shareholders of the Company (the “Shareholders”):
 - (a) every twenty (20) existing Shares of HK\$0.05 each in both the issued and unissued share capital of the Company shall be consolidated into one (1) Consolidated share of HK\$1.00 (“Consolidated Share”) (“Share Consolidation”);
 - (b) immediately following the Share Consolidation, the issued share capital of the Company shall be reduced through a cancellation of (a) any fractional Consolidated Share in the share capital of the Company that may arise as a result of the Share Consolidation; and (b) the paid-up capital of the Company to the extent of HK\$0.95 on each of the issued Consolidated Share so that the nominal value of each issued Consolidated Share shall be reduced from HK\$1.00 to HK\$0.05 so as to form a new share with a nominal value of

NOTICE OF SGM

HK\$0.05 each (“New Share(s)”) (the aforesaid capital reduction to be referred to as the “Capital Reduction”);

- (c) immediately following the Share Consolidation, each unissued Consolidated Share in the authorised but unissued share capital of the Company shall be sub-divided into 20 shares so that the nominal value of each unissued Consolidated Share shall be reduced from HK\$1.00 to HK\$0.05 each (the aforesaid share sub-division to be referred to as the “Share Sub-division”, together with the Share Consolidation and the Capital Reduction, the “Capital Reorganisation”);
- (d) the credit arising from the Capital Reduction be used to set off against accumulated losses of the Company; and
- (e) any one or more of the directors of the Company be and is/are hereby authorised to take all such acts and things and execute all such documents, including under seal where applicable, as he/she/they consider(s) necessary or expedient in his/her/their opinion to implement and/or give effect to the Capital Reorganisation and to aggregate all fractional entitlements to the New Shares into whole New Shares and sell them for the benefit of the Company.”

By Order of the Board
Culture Landmark Investment Limited
Cheng Yang
Chairman

Hong Kong, 26 September 2012

NOTICE OF SGM

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. A form of proxy for use at the Meeting is enclosed herewith.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney, duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
4. To be valid, the instrument appointing a proxy and (if required by the board of directors of the Company) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the Company's branch share registrar, Tricor Secretaries Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong no less than 48 hours before the time for holding the Meeting or any adjournment thereof.
5. Delivery of an instrument appointing a proxy will not preclude a member from attending and voting in person at the Meeting if the member so desires and in such event, the instrument appointing the proxy shall be deemed to be revoked.
6. In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto if more than one of such joint holders are present at the above meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.