THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular, you should consult a 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 Century Ginwa Retail Holdings Limited (the "Company"), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

This circular appears for information purpose only and does not constitute an invitation or offer to acquire, purchase, or subscribe for securities of the Company.

CENTURY GINWA RETAIL HOLDINGS LIMITED
世紀金花商業控股有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 162)

(1) MAJOR TRANSACTION IN RESPECT OF ACQUISITION OF THE ENTIRE EQUITY INTEREST IN SHAANXI QIANHUI COMPANY LIMITED INVOLVING THE ISSUE OF CONSIDERATION SHARES; (2) MAJOR AND CONNECTED TRANSACTION IN RESPECT OF ACQUISITION OF THE ENTIRE INTEREST IN CPI ASIA BIG BELL 2 LIMITED; (3) CONTINUING CONNECTED TRANSACTIONS IN RELATION TO LEASE AGREEMENTS; AND (4) NOTICE OF SPECIAL GENERAL MEETING

Financial adviser to the Company

INCU Corporate Finance Limited

Independent Financial Adviser

VEDA | CAPITAL
智略資本

A letter from the board of directors of the Company is set out on pages 8 to 34 of this circular. A letter from the independent board committee (the "Independent Board Committee") of the board of directors of the Company is set out on pages 35 to 36 of this circular. A letter from Veda Capital Limited, the independent financial adviser of the Company, containing its advice to the Independent Board Committee and the independent shareholders is set out on pages 37 to 53 of this circular.

A notice convening a special general meeting of the Company to be held at 11:00 a.m. on Friday, 15 July 2011 at Suites 1701-1703, 17/F, Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong is set out on pages 159 to 161 of this circular. Whether or not you are able to attend the special general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event no later than 48 hours before the time appointed for the holding of the special general meeting. Completion and return of the proxy form will not preclude you from attending and voting in person at the special general meeting should you so wish.

27 June 2011

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

"Amended Facilities Lease Agreements"	the Master Facilities Lease Agreement as amended by the Supplemental Facilities Lease Agreements
"Amended Properties Lease Agreements"	the Master Properties Lease Agreements as amended by the Supplemental Properties Lease Agreements
"Ascent Partners"	Ascent Partners Transaction Service Limited, an independent property valuer
"associates"	shall have the meaning ascribed under the Listing Rules
"BB2 Independent Shareholders"	Shareholders other than Mr. Wu, New Hero, Glory Keen and their respective associates
"Big Bell 2"	CPI Asia Big Bell 2 Limited
"Big Bell 2 Acquisition"	the acquisition of the Big Bell 2 Sale Share, representing the entire equity interest of Big Bell 2 and the Big Bell 2 Sale Loan by King Hero
"Big Bell 2 Completion"	completion of the Big Bell 2 Acquisition in accordance with the terms and conditions of the Big Bell 2 SPA(3)
"Big Bell 2 Completion Date"	within 12 months period after the date of the Big Bell 2 SPA(3)
"Big Bell 2 Consideration"	consideration for the Big Bell 2 Sale Share and the Big Bell 2 Sale Loan under the Big Bell 2 SPA(3)
"Big Bell 2 Group"	Big Bell 2 and its subsidiaries
"Big Bell 2 Holding"	CPI Asia Big Bell 2 Holding Limited, a company incorporated in the BVI with limited liability, the owner of the Big Bell 2 Sale Share and the Big Bell 2 Sale Loan as at the date of the Big Bell 2 SPA(1)
"Big Bell 2 Sale Loan"	the debt owed by Big Bell 2 to its shareholder in the total sum of US$25,692,066 (equivalent to approximately HK$200 million) as at the date of the Big Bell 2 SPA(3) based on the management accounts of Big Bell 2 as at 31 March 2011
"Big Bell 2 Sale Share"	the entire interest in Big Bell 2

"Big Bell 2 SPA(1)"	the conditional agreement dated 9 June 2011 entered into between Big Bell 2 Holding (as vendor) and New Hero (as purchaser) in relation to the sale and purchase of the Big Bell 2 Sale Share and the Big Bell 2 Sale Loan
"Big Bell 2 SPA(2)"	the conditional agreement dated 9 June 2011 entered into among Glory Keen (as purchaser), New Hero (as vendor) and Mr. Wu (as guarantor) in relation to the purchase and sale of the Big Bell 2 Sale Share and the Big Bell 2 Sale Loan
"Big Bell 2 SPA(3)"	the conditional agreement dated 9 June 2011 entered into among King Hero (as purchaser), Glory Keen (as vendor) and the Company (as guarantor) in relation to the Big Bell 2 Acquisition
"BMRL"	Best Mineral Resources Limited
"BMRL CB"	convertible bonds held by Best Mineral Resources Limited in the principal amount of HK$544,171,448 with a conversion price of HK$0.54 per Share (subject to adjustments), which can be converted into 1,007,724,904 Shares
"Board"	the board of Directors
"Business Day(s)"	a day (not being a Saturday, Sunday, public holidays, or days on which a typhoon signal No. 8 or above or black rainstorm warning is hosted in Hong Kong at 10:00 a.m.) on which banks are generally open for general banking business in Hong Kong
"BVI"	British Virgin Islands
"CCT Independent Shareholders"	Shareholders other than Mr. Wu, New Hero, Glory Keen, Xi'an Honghui and their respective associates
"Century Ginwa Joint Stock"	世紀金花股份有限公司 (Century Ginwa Joint Stock Co., Ltd.#), a company established in the PRC, a subsidiary owned as to 76.43% by the Group
"Century Ginwa Shopping"	西安世紀金花購物有限公司 (Xi'an Century Ginwa Shopping Co., Ltd.#), a company established in the PRC and a wholly-owned subsidiary of the Company

"Company"	Century Ginwa Retail Holdings Limited (formerly known as China Golden Development Holdings Limited), a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
"Continuing Connected Transactions"	the entering into of the Amended Properties Lease Agreements and the Amended Facilities Lease Agreements
"Consideration Shares"	252,295,977 new shares to be allotted and issued by the Company for the payment of part of the Qianhui Consideration
"Convertible Bonds"	the Hony CB, the BMRL CB and the Grand Well CB
"Conversion Shares"	the Shares to be allotted and issued by the Company upon full exercise of the conversion right attaching to the Convertible Bonds
"Directors"	directors of the Company
"Enlarged Group"	the Group immediately after Completion, which includes Qianhui and the Big Bell 2 Group
"Glory Keen"	Glory Keen Holdings Limited, a company incorporated in the BVI with limited liability
"Grand Well CB"	convertible bonds held by Grand Well Group Limited in the principal amount of HK$94.5 million with a conversion price of HK$0.40 per Share (subject to adjustments), which can be converted into 236,250,000 Shares
"Group"	the Company and its subsidiaries
"Hi-Tech Store Properties"	the properties consisting of the commercial podium covering the first floor through the fourth floor of a mixed-use commercial and residential complex named "International Commercial Center" with a gross floor area of 29,565.90 m^2 and adjacent two-storey retail property with a gross floor area of 168 m^2 located at no. 33, Keji Road, Hi-Tech Zone, Xian City, Shaanxi Province, the PRC
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hony CB"	convertible bonds held by Glory Keen in the principal amount of HK$1,330,500,000 with an initial conversion price of HK$0.275 per Share (subject to adjustments), which can be converted into 4,838,181,817 Shares

"Ideal Mix Group"	Ideal Mix Limited and its subsidiaries, including Shine Will Limited and Xianyang Century Ginwa Trade Commerce Co., Ltd
"Independent Board Committee"	the independent board committee of the Company comprising all independent non-executive Directors
"Independent Financial Adviser" or "Veda Capital"	Veda Capital Limited, a licensed corporation under the SFO to conduct type 6 (advising on corporate finance) regulated activity, appointed to advise (i) the Independent Board Committee and the BB2 Independent Shareholders in respect of the Big Bell 2 Acquisition; and (ii) the Independent Board Committee and the CCT Independent Shareholders in respect of the Continuing Connected Transactions, and the transactions contemplated respectively thereunder
"Independent Third Party/(Parties)"	third party or parties and their ultimate beneficial shareholder(s), which are independent of the Company and its connected persons (as defined in the Listing Rules)
"King Hero"	King Hero Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company
"Last Trading Day"	13 May 2011, being the last trading day immediately prior to the entering into of the Qianhui Acquisition Agreements
"Latest Practicable Date"	24 June 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
"Listing Committee"	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Master Facilities Lease Agreement"	the master facilities lease agreement dated 15 January 2009 entered into among Xi'an Honghui (as lessor), Century Ginwa Shopping (as lessee) and Century Ginwa Joint Stock (as guarantor) in relation to the lease of facilities of the Hi-Tech Store Properties
"Master Properties Lease Agreements"	the master properties lease agreement dated 15 January 2009 entered into among Xi'an Honghui (as lessor), Century Ginwa Shopping (as lessee) and Century Ginwa Joint Stock (as guarantor), (as supplemented by a supplemental agreement dated 15 January 2009) in relation to the lease of the Hi-Tech Store Properties

"MOU"	the memorandum of understanding dated 18 January 2011 entered into between King Hero and Shaanxi F&L in relation to the Qianhui Acquisition
"Mr. Wu"	吳一堅先生 (Mr. Wu Yijian), a non-executive Director and the Chairman of the Company
"New Channel"	New Channel Holdings Limited, a company incorporated in Hong Kong, a wholly-owned subsidiary of Big Bell 2
"New Hero"	New Hero Investments Limited, a company incorporated in the BVI with limited liability, which is wholly and beneficially owned by Mr. Wu
"PRC"	the People's Republic of China, which for the purpose of this circular excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
"Qianhui"	陝西千匯置業有限公司, (Shaanxi Qianhui Company Limited#) a company established in the PRC which is wholly-owned by Shaanxi F&L as at the date of the Qianhui Acquisition Agreements
"Qianhui Acquisition"	the acquisition of the Qianhui Sale Interest, representing the entire equity interest in Qianhui pursuant to the Qianhui Acquisition Agreements
"Qianhui Acquisition Agreements"	the conditional agreement dated 16 May 2011 entered into between Xi'an Yi Xin and Shaanxi F&L in relation to the Qianhui Acquisition and the supplemental agreement dated 16 May 2011 in relation to the settlement of the Qianhui Consideration
"Qianhui Completion"	completion of the Qianhui Acquisition in accordance with the terms and conditions of the Qianhui Acquisition Agreements
"Qianhui Completion Date"	the 10th Business Day after all the conditions of the Qianhui Acquisition Agreements have been fulfilled or waived or such later date as may be agreed between Shaanxi F&L and Xi'an Yi Xin
"Qianhui Consideration"	RMB500 million (equivalent to approximately HK$600 million) for the Qianhui Sale Interest
"Qianhui Sale Interest"	the entire equity interest in Qianhui with a registered capital of RMB5 million which is legally and beneficially owned by Shaanxi F&L

"Qianhui Shareholder's Loan"	the amount of loan to be obtained by Qianhui from Shaanxi F&L by way of shareholder's loan before Qianhui Completion, which will be RMB350 million (equivalent to approximately HK$420 million) and will be repaid within 6 months after Qianhui Completion
"Restructuring"	restructuring of Qianhui which involves (i) the obtaining of the certificate of real estate ownership and certificate for land use rights showing the transfer of the ownership of the Saigo Store Properties and its land use right to Qianhui, together with proper tax settlement by Shaanxi F&L in accordance with the requirement of the PRC ownership before Qianhui Completion; and (ii) the transfer of all the interest of Shaanxi F&L in existing leasing agreements of the Saigo Store Properties to Qianhui
"Saigo Store Properties"	properties located in South of Feng Cheng Fifth Road, Economic & Technologic Development Zone, Xi'an City, Shaanxi Province, the PRC with a total area of approximately 92,947 m^2
"SFO"	Securities and Futures ordinance (Cap.571 of laws of Hong Kong)
"SGM"	the special general meeting of the Company to be convened to consider and, if thought fit, approve (i) the Qianhui Acquisition Agreements, the allotment and issue of the Consideration Shares and the transactions contemplated thereunder; (ii) the Big Bell 2 Acquisition and the transactions contemplated thereunder; and (iii) the Continuing Connected Transactions and the transactions contemplated thereunder
"Shaanxi F&L"	陝西富力房地產開發有限公司 (Shaanxi F&L Properties Co., Ltd#), a company established in the PRC, the vendor to the Qianhui Acquisition
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company
"Shareholder(s)"	holder(s) of Shares in the issued share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supplemental Facilities Lease Agreements"	the two supplemental facilities lease agreements dated 9 June 2011 and 10 June 2011 in relation to, amongst other, the extension of the term of the Master Facilities Lease Agreement

"Supplemental Properties Lease Agreements"	the two supplemental properties lease agreements dated 9 June 2011 and 10 June 2011 in relation, to amongst other, the extension the term of the Master Properties Lease Agreements
"Takeovers Code"	Hong Kong Code on Takeovers and Mergers
"Warrants"	301,320,000 warrants, each entitling the holder to subscribe for a Share at a subscription price of HK$0.2 per Share
"Xi'an Honghui"	西安鴻輝物業管理有限公司 (Xi'an Honghui Property Management Company Limited#), a company established in the PRC with limited liability, a wholly-owned subsidiary of Big Bell 2
"Xi'an Yi Xin"	Xi'an Yi Xin Property Management Co., Limited#（西安億鑫物業管理有限公司）, a company established in the PRC, an indirectly wholly-owned subsidiary of the Company, the purchaser to the Qianhui Acquisition
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC
"US$"	United States dollars, the lawful currency of the United States of America
"%"	per cent
"m^2"	square metres

The English transliteration of the Chinese names in this circular, where indicated, is included for information only, and should not be regarded as the official English names of such Chinese names.

For the purpose of this circular, unless otherwise indicated, conversions of RMB and US$ into HK$ is calculated at the approximate exchange rates of 1RMB=HK$1.2 and US$1=HK$7.78 respectively. This exchange rate are adopted for illustration purpose only and do not constitute a representation that any amounts have been, could have been, or may be, exchanged at these rates or any other rates at all.

CENTURY GINWA RETAIL HOLDINGS LIMITED
世紀金花商業控股有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 162)

Executive Directors:
Mr. Qiu Zhongwei *(Vice Chairman)*
Mr. Choon Hoi Kit, Edwin *(Chief Executive Officer)*
Mr. Qu Jiaqi
Mr. Sha Yingjie

Non-executive Directors:
Mr. Wu Yijian *(Chairman)*
Mr. Chen Shuai

Independent non-executive Directors:
Mr. Chan Wai Kwong, Peter
Mr. Fu Wing Kwok, Ewing
Mr. Tsang Kwok Wai
Ms. Li Ling

Registered office:
Clarendon House
2 Church Street
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Principal place of business in Hong Kong:
Suites 1701-1703,
17/F, Dah Sing Financial Centre,
108 Gloucester Road,
Wanchai, Hong Kong

27 June 2011

To the Shareholders

Dear Sirs

**(1) MAJOR TRANSACTION IN RESPECT OF ACQUISITION OF THE ENTIRE EQUITY INTEREST IN SHAANXI QIANHUI COMPANY LIMITED INVOLVING THE ISSUE OF CONSIDERATION SHARES;
(2) MAJOR AND CONNECTED TRANSACTION IN RESPECT OF ACQUISITION OF THE ENTIRE INTEREST OF CPI ASIA BIG BELL 2 LIMITED;
(3) CONTINUING CONNECTED TRANSACTIONS IN RELATION TO LEASE AGREEMENTS;
AND
(4) NOTICE OF SPECIAL GENERAL MEETING**

I. INFORMATION

On 16 May 2011 (after trading hours), Xi'an Yi Xin entered into the Qianhui Acquisition Agreements with Shaanxi F&L in relation to the Qianhui Acquisition, pursuant to which Xi'an Yi Xin, as purchaser conditionally agreed to acquire and Shaanxi F&L, as vendor conditionally agreed to dispose of the Qianhui Sale Interest, representing the entire equity interest in Qianhui, at the total consideration of RMB500 million (equivalent to approximately HK$600 million), in which Consideration Shares will be issued to satisfy part of the Qianhui Consideration. The Qianhui Acquisition constitutes a major transaction on the part of the Company pursuant to Chapter 14 of the Listing Rules and the Qianhui Acquisition, the allotment and the issue of the Consideration Shares and the transactions contemplated thereunder are subject to the approval of the Shareholders at the SGM.

On 9 June 2011 (after trading hours), King Hero, a wholly-owned subsidiary of the Company, entered into the Big Bell 2 SPA(3) for the Big Bell 2 Acquisition, pursuant to which King Hero, as purchaser, conditionally agreed to acquire and Glory Keen, as vendor, conditionally agreed to sell the Big Bell 2 Sale Share, representing the entire interest in Big Bell 2, and the Big Bell 2 Sale Loan at the Big Bell 2 Consideration which will be settled in cash. The Big Bell 2 Acquisition constitutes a major and connected transaction on the part of the Company pursuant to Chapter 14 and Chapter 14A of the Listing Rules and are subject to the reporting and announcement requirement, independent shareholders' approval requirements and the annual review requirements under the Listing Rules.

Century Ginwa Shopping, an indirect wholly-owned subsidiary of the Company, entered into the Supplemental Properties Lease Agreements and the Supplemental Facilities Lease Agreements on 9 June 2011 and 10 June 2011 to extend the term of the Master Properties Lease Agreements and the Master Facilities Lease Agreement respectively, both of which were expired on 9 June 2011. The entering into of the Amended Properties Lease Agreements and the Amended Facilities Lease Agreements are non-exempt continuing connected transactions on the part of the Company pursuant to Chapter 14A of the Listing Rules and are subject to the reporting and announcement requirement, independent shareholders' approval requirements and the annual review requirements under the Listing Rules.

The purpose of this circular is to provide further details in respect of, among other things, (i) the Qianhui Acquisition and the transactions contemplated thereunder; (ii) the Big Bell 2 Acquisition and the transactions contemplated thereunder; (iii) the Continuing Connected Transactions and the transactions contemplated thereunder; (iv) the letter from the Independent Board Committee containing its advice in respect of the Big Bell 2 Acquisition and the Continuing Connected Transactions and the transactions contemplated respectively thereunder; (v) the letter from Veda Capital containing its advice in respect of the Big Bell 2 Acquisition and the Continuing Connected Transactions and the transactions contemplated respectively thereunder; (vi) the accountants' report of Qianhui; (vii) the accountants' report of the Big Bell 2 Group; (viii) the unaudited pro forma financial information of the Enlarged Group and the Ideal Mix Group; (ix) the valuation report of the Saigo Store Properties; (x) the valuation report of the Hi-Tech Store Properties; and (xi) a notice convening the SGM.

II. THE QIANHUI ACQUISITION AGREEMENTS

Parties and date

Date:	16 May 2011 (after trading hours)
Parties:	
Purchaser:	Xi'an Yi Xin
Vendor:	Shaanxi F&L is principally engaged in property investment and development

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Shaanxi F&L and its ultimate beneficial owner are third parties independent of the Group and its connected persons in accordance with the Listing Rules.

Assets to be acquired

The Qianhui Sale Interest, being the entire equity interest in Qianhui.

Consideration

The consideration of RMB500 million (equivalent to approximately HK$600 million), shall be settled at Qianhui Completion by Xi'an Yi Xin in the following manner:

i. as to RMB30 million (equivalent to approximately HK$36 million) satisfied by the earnest money paid on the date of signing of the MOU;

ii. as to RMB40 million (equivalent to approximately HK$48 million) satisfied by cash within 10 Business Days from the date of the Qianhui Acquisition Agreements;

iii. as to RMB30 million (equivalent to approximately HK$36 million) satisfied by cash within 5 Business Days after the transfer of the ownership of the Saigo Store Properties to Qianhui pursuant to the Restructuring;

iv. as to RMB250 million (equivalent to approximately HK$300 million) satisfied by cash within 5 days from the Qianhui Completion Date; and

v. as to the remaining RMB150 million (equivalent to approximately HK$180 million) satisfied by procuring the Company to allot and issue the Consideration Shares to Shaanxi F&L or the person as directed by Shaanxi F&L within 30 days from the Qianhui Completion Date.

The consideration is determined after arm's length negotiations between Xi'an Yi Xin and Shaanxi F&L with reference to the preliminary valuation of the Saigo Store Properties of not less than RMB1.03 billion (approximately HK$1.24 billion) assessed by an independent property valuer at the time of negotiation and the amount of the Qianhui Shareholder's Loan at Qianhui Completion (as further elaborated in the section headed "Shareholder's Loan" below). The Directors consider that the Qianhui Consideration is fair and reasonable.

The cash portion of the Qianhui Consideration will be funded by internal resources of the Group or such other sources to be determined by the Group.

The Consideration Shares

The 252,295,977 Consideration Shares represent approximately 14.22% of the issued share capital of the Company of 1,774,361,278 Shares as at the Latest Practicable Date and approximately 12.45% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares.

The allotment and issue of the Consideration Shares is subject to the approval by the Shareholders at the SGM.

Application has been made to the Stock Exchange for the listing of and permission to deal in the Consideration Shares, which, when issued, will rank pari passu in all respects with the then existing issued Shares.

The Issue Price

The issue price of the Consideration Shares of HK$0.71 is determined with reference to the average closing price of the Shares for the last ten trading days immediately prior to the date of signing of the Qianhui Acquisition Agreements. The issue price represents:

(a) a discount of approximately 6.58% to the closing price of HK$0.76 per share as quoted on the Stock Exchange on 13 May 2011, being the last trading day immediately prior to the date of the Qianhui Acquisition Agreements;

(b) a discount of approximately 0.28% to the closing price of HK$0.712 per Share for the average closing price of the Shares for the last five trading days immediately prior to the date of signing of the Qianhui Acquisition Agreements;

(c) a discount of approximately 1.11% to the closing prices of HK$0.718 per Share for the average closing price of the Shares for the last ten trading days immediately prior to the date of signing of the Qianhui Acquisition Agreements; and

(d) a premium of approximately 14.52% over the closing price of HK$0.62 per Share as at the Latest Practicable Date.

The Board is of view that the issue price, which is determined based on the prevailing trading price of the Shares prior to the date of signing of the Qianhui Acquisition Agreements is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions precedent

Completion is subject to the following conditions having been fulfilled or waived (as the case may be):

(a) Xi'an Yi Xin having been satisfied with the results of the due diligence review on the assets, operations, financial positions, prospects and other conditions of Qianhui including but not limited to (i) the subsistence of Qianhui and the legality and transferability of the Qianhui Sale Interest and the Saigo Store Properties; and (ii) the receipt of the audited accounts of Qianhui for the year ended 31 December 2010;

(b) the warranties provided by Shaanxi F&L under the Qianhui Acquisition Agreements shall be true, accurate and complete in all respects on and as of the Qianhui Completion Date;

(c) there shall have been no material adverse change in and there shall not have occurred any events which materially and adversely affect the business, prospects, operations or position, financial or otherwise, of Qianhui since the date of the Qianhui Acquisition Agreements;

(d) any and all authorizations, approvals, consents or permits of any competent authority or of any third party that are required to be obtained by Qianhui before the Qianhui Completion Date in connection with the transactions contemplated under the Qianhui Acquisition Agreements shall have been duly obtained and effective as of the Qianhui Completion Date;

(e) Qianhui has obtained and maintains in full force and effect any and all consents, permits, orders, licenses, approvals, authorizations, registrations, amendment registrations, notifications, waivers, releases, certificates, filings and any other governmental authorizations under the laws of the PRC, or any other applicable laws, necessary for the conduct of its business as now being conducted;

(f) Shaanxi F&L has provided to Qianhui the Qianhui Shareholders' Loan in the amount of approximately RMB350 million and Qianhui has obtained a long term interest bearing bank loan of approximately RMB180 million;

(g) the approval by the Shareholders with respect to the entering into of the Qianhui Acquisition Agreements, the issue and allotment of the Consideration Shares and the transactions contemplated thereunder shall have been obtained;

(h) the completion of Restructuring; and

(i) listing of and permission to deal in the Consideration Shares having been granted by the Listing Committee of the Stock Exchange.

Xi'an Yi Xin shall have the right to waive in writing any of the above conditions save and except for conditions (d), (f), (g), (h) and (i) above.

As at the Latest Practicable Date, the conditions above are yet to be satisfied.

Completion

Completion shall take place on the tenth Business Day after all the conditions as stated in the Qianhui Acquisition Agreements have been fulfilled or waived or such later date as may be agreed between Shaanxi F&L and Xi'an Yi Xin.

The Company shall allot and issue to Shaanxi F&L or the persons as directed by Shaanxi F&L the Consideration Shares within 30 days from the Qianhui Completion Date. The Qianhui Acquisition and the issue of the Consideration Shares will not result in a change of control of the Company and there will not be introduction of directors of Qianhui to the Board as a result of the Qianhui Acquisition.

Upon Qianhui Completion, Qianhui will become a wholly-owned subsidiary of the Company and the financial results of Qianhui will be consolidated into the consolidated financial statements of the Group.

Long-stop date

If all of the conditions are not fulfilled (or as the case may be, waived by Xi'an Yi Xin) on or before 18 August 2011 (or such later date as Xi'an Yi Xin and Shaanxi F&L may agree), the Qianhui Acquisition Agreements shall cease and terminate and neither party shall have any obligations towards each other save for any antecedent breach. Shaanxi F&L shall return all the funds that had been paid by Xi'an Yi Xin (including the earnest money of RMB30 million paid on the date of signing of the MOU), without interest, to Xi'an Yi Xin within 3 days after the date of termination.

CHANGES IN SHAREHOLDING STRUCTURE

Shareholders	As at the Latest Practicable Date		Immediately after the allotment and issue of the Consideration Shares	
	Shares	*Approximate* %	*Shares*	*Approximate* %
Best Mineral Resources Limited	476,196,108	26.84%	476,196,108	23.50%
Mr. Li Peng	10,001,000	0.56%	10,001,000	0.49%
Shaanxi F&L or any person as directed by Shaanxi F&L	–	–	252,295,977	12.45%
Mr. Sha Yingjie *(Director)*	1,674,000	0.09%	1,674,000	0.08%
Public Shareholders	1,286,490,170	72.51%	1,286,490,170	63.48%
Total	1,774,361,278	100.00%	2,026,657,255	100.00%

INFORMATION OF QIANHUI AND THE SAIGO STORE PROPERTIES

Qianhui is a limited company established in the PRC in June 2010. The business scope of Qianhui is property development, commercial management, property management, repair and maintenance of building and leasing.

After the entering into of the Qianhui Acquisition Agreements, as one of the conditions precedent for the Qianhui Acquisition, Shaanxi F&L has started conducting the Restructuring which involves (i) the obtaining of the certificate of real estate ownership and certificate for land use rights showing the transfer of the ownership of the Saigo Store Properties and its land use right to Qianhui, together with proper tax settlement by Shaanxi F&L in respect of the Saigo Store Properties in accordance with the requirement of the PRC before the Qianhui Completion; and (ii) transfer of all the interest of Shaanxi F&L in the existing leasing agreements in relation to the Saigo Store Properties to Qianhui.

Upon completion of the Restructuring, Qianhui will be interested in the Saigo Store Properties located in South of Feng Cheng Fifth Road, Economic & Technologic Development Zone, Xian City, Shaanxi Province, the PRC with a total area of approximately 92,947m^2, which will also be the principal assets of Qianhui.

As at the Latest Practicable Date, as advised by Shaanxi F&L, the Restructuring is still in progress and the ownership of part of the Saigo Store Properties with an area of approximately 34,000 m^2 has been transferred to Qianhui.

As at the Latest Practicable Date, approximately 24,800m^2 of the Saigo Store Properties is occupied by the Group as the Saigo department store under a tenancy agreement with Qianhui which will be expired in 2027. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the remaining areas of the Saigo Store Properties of approximately 68,147m^2 are leased to other tenants (all being Independent Third Parties) for rental income.

Part of the Saigo Store Properties with a total area of approximately 50,000m^2 has been pledged to secure a bank loan of RMB180 million.

The fair market value of the Saigo Store Properties is RMB1.202 billion (equivalent to approximately HK$1.44 billion) as at 30 April 2011 based on the valuation by Ascent Partners based on market basis and the direct comparison and investment methods as set out in Appendix VI to this circular.

Financial information of Qianhui

Since its establishment and up to the Latest Practicable Date, Qianhui has not commenced business, and therefore it did not recognize any revenue during the period.

Set out below is the financial information of Qianhui for the period from 13 June 2010 (the date of establishment) to 31 December 2010 extracted from Appendix II to this circular:

	For the period from 13 June 2010 (date of establishment) to 31 December 2010 *RMB'000*
Turnover	–
Loss before taxation	(0.96)
Loss after taxation and total comprehensive income	(0.96)

	As at 31 December 2010 *RMB'000*
Net assets	4,999

Shareholder's Loan

As at the date of the Qianhui Acquisition Agreements, Qianhui has no outstanding shareholders' loan and bank loan.

As Qianhui requires funding for completion of the Restructuring and its operation, Shaanxi F&L will provide funds in an amount of approximately RMB350 million (equivalent to approximately HK$420 million) to Qianhui by way of the Qianhui Shareholder's Loan before the Qianhui Completion. According to the Qianhui Acquisition Agreements, the Qianhui Shareholder's Loan will not be sold to Xi'an Yi Xin. It is agreed that the amount of the Qianhui Shareholder's Loan will be repaid by Qianhui within 6 months after the Qianhui Completion, during which interest will be charged to the remaining balance of the Qianhui Shareholder's Loan at an interest rate of (i) 7% per annum for the first four months; and (ii) 14% per annum for the remaining two months.

During that period, Qianhui's interest in the Saigo Store Properties will be firstly charged to the bank and secondly to Shaanxi F&L until all the Qianhui Shareholder's Loan are repaid. In the event the Qianhui Shareholder's Loan is not repaid in full by Qianhui within 6 months after the Qianhui Completion, the Group agrees to repay the Qianhui Shareholder's Loan together with interest accrued thereon. The Group intends to finance the repayment of the Qianhui Shareholder's Loan by the rental income of Qianhui and by bank borrowings.

As the Qianhui Shareholder's Loan arises as a result of the Restructuring which is necessary in order to proceed with the completion of the Qianhui Acquisition, the Directors are of the view that such arrangement is fair and reasonable.

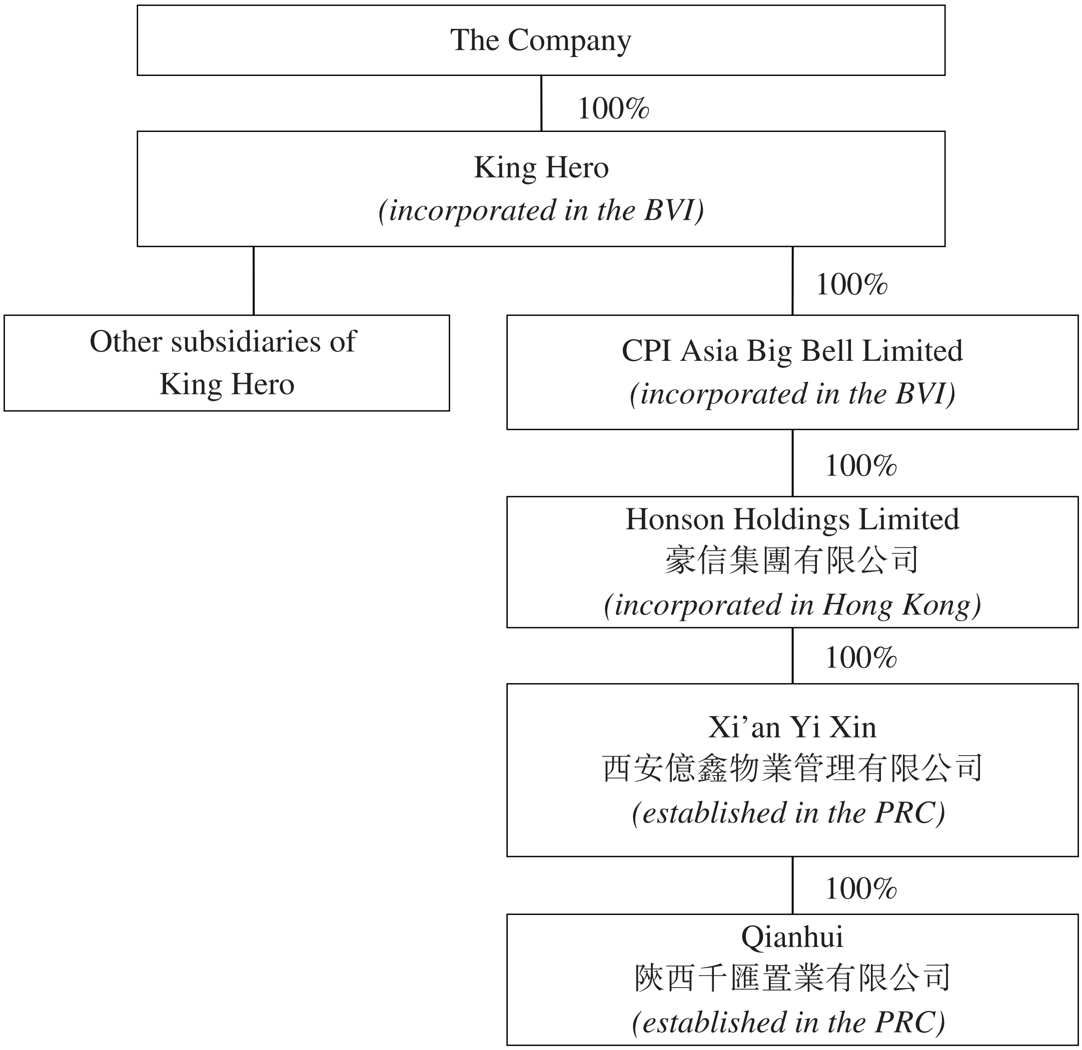
Existing corporate structure of Qianhui immediately before the Qianhui Completion

Shaanxi F&L
(established in the PRC)

100%

Qianhui
陝西千匯置業有限公司
(established in the PRC)

Corporate structure of Qianhui immediately after the Qianhui Completion



REASONS FOR THE QIANHUI ACQUISITION

The Group is principally engaged in operation of department stores in the PRC. The Directors consider that as a result of the Qianhui Acquisition, the Group will hold the Saigo Store Properties, which represents a good opportunity for the Group to reduce rental expenses and eliminate the risk of disruption to the operation of the Saigo department store in case the tenancy agreements in respect of the Saigo Store Properties is terminated or not renewed upon expiry by the landlord. The Directors also expect that the rent for the Saigo Store Properties will continue to increase.

By acquiring the entire equity interest in Qianhui, the Group can essentially ensure that the performance of the Group will not be adversely affected by the expected increase of rent of the Saigo Store Properties going forward. In addition, the Group can make use of the remaining area to expand the department stores business when the existing lease expires or renew the tenancy agreements with tenants for generating additional rental income which will both contribute positively and directly to the Group.

Having considered the above reasons for the Qianhui Acquisition, the Directors (including the independent non-executive Directors) consider that the terms of the Qianhui Acquisition Agreements including the Qianhui Consideration are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES' IMPLICATIONS

The Qianhui Acquisition constitutes a major transaction on the part of the Company pursuant to Chapter 14 of the Listing Rules and the Qianhui Acquisition and the transactions contemplated thereunder including the issue of the Consideration Shares are subject to the approval of the Shareholders at the SGM.

III. THE BIG BELL 2 ACQUISITION

THE BIG BELL 2 SPA(3)

Parties and date

Date: 9 June 2011 (after trading hours)

Parties:

Purchaser: King Hero

Vendor: Glory Keen

Glory Keen is principally engaged in investment holding. Glory Keen is a wholly-owned subsidiary of Hony Capital Fund 2008, L.P., which is an investment fund. As at the Latest Practicable Date, Glory Keen is the holder of the Hony CB.

Guarantor: the Company

Assets to be acquired

(i) The Big Bell 2 Sale Share, being the entire interest in Big Bell 2; and

(ii) the Big Bell 2 Sale Loan, being the debt owed by Big Bell 2 to Glory Keen in the sum of US$25,692,066 (equivalent to approximately HK$200 million) as at the date of the Big Bell 2 SPA(3) based on the management accounts of Big Bell 2 as at 31 March 2011.

Consideration

The consideration for the Big Bell 2 Sale Share and Big Bell 2 Sale Loan will be the aggregate of:

(1) the consideration under the Big Bell 2 SPA(1) (i.e. RMB350,870,199.48, equivalent to approximately HK$421.04 million); and

(2) an interest charge of 9% per annum on the consideration under the Big Bell 2 SPA(1) which will be accrued since 10 June 2011 up to the Big Bell 2 Completion Date.

Based on the current information, if the completion of the Big Bell 2 Acquisition took place within one year from the date of the Big Bell 2 SPA(3), the Big Bell 2 Consideration will be approximately RMB382,448,517.43 (equivalent to approximately HK$458.94 million).

The Big Bell 2 Consideration is determined after arm's length negotiations between King Hero and Glory Keen with reference to:

(1) the consideration under the Big Bell 2 SPA(1) and Big Bell 2 SPA(2);

(2) the assessed value of the Hi-Tech Store Properties of approximately RMB654 million (approximately HK$784.80 million) by an independent property valuer;

(3) the amount of the Big Bell 2 Sale Loan of approximately US$25.69 million (equivalent to approximately HK$200 million) as at 31 March 2011;

(4) the amount of bank borrowing of approximately HK$194 million as at 31 December 2010; and

(5) the unaudited net liabilities of the Big Bell 2 Group of approximately HK$0.89 million as at 31 December 2010.

Notwithstanding that the Big Bell 2 Consideration represents a premium to the net liabilities position of the Big Bell 2 Group, having considered that such financial information does not reflect the fair market value of the Hi-Tech Store Properties and most importantly the benefit to be obtained from the Big Bell 2 Acquisition as further elaborated in the following section, the Directors (including the independent non-executive Directors after considering the recommendation of the Independent Financial Adviser) consider that the Big Bell 2 Consideration is fair and reasonable.

The Big Bell 2 Consideration will be settled in cash in full at Big Bell 2 Completion. The Big Bell 2 Consideration will be funded by bank loan to be obtained by the Company or such other sources to be determined by the Company.

For information of the Big Bell 2 SPA(1) and the Big Bell 2 SPA(2), please refer to the section headed "**INFORMATION ON THE BIG BELL 2 SPA(1) AND THE BIG BELL 2 SPA(2)**" in the following section.

Conditions precedent

Big Bell 2 Completion is subject to the following conditions having been fulfilled or waived (as the case may be):

(a) King Hero obtaining the audited accounts of Big Bell 2 Group for the financial year ended 31 December 2010;

(b) the warranties provided by Glory Keen under the Big Bell 2 SPA(3) shall be true, accurate and complete in all respects on and as of the Big Bell 2 Completion Date;

(c) any and all authorizations, approvals, consents or permits of any competent authority or of any third party that are required to be obtained by Big Bell 2 before the Big Bell 2 Completion Date in connection with the transactions contemplated under the Big Bell 2 SPA(3) shall have been duly obtained and effective as of the Big Bell 2 Completion Date;

(d) the obtaining of the approval by the BB2 Independent Shareholders with respect to the entering into the Big Bell 2 SPA(3) and the transactions contemplated thereunder; and

(e) completion of the transfer of interest and Big Bell 2 Sale Loan under the Big Bell 2 SPA(1) and the Big Bell 2 SPA(2) having taken place and that Glory Keen becomes the beneficial owner of the Big Bell 2 Sale Share and the Big Bell 2 Sale Loan.

King Hero may at its absolute discretion in writing waive the above conditions, save and except for conditions (d) and (e) which are incapable of being waived.

As at the Latest Practicable Date, conditions (a) and (e) above have been fulfilled.

Completion

The Big Bell 2 Completion shall take place within 12 months after the date of the Big Bell 2 SPA(3).

Upon the Big Bell 2 Completion, Big Bell 2 will become a wholly-owned subsidiary of the Company and the financial results of the Big Bell 2 Group will be consolidated into the consolidated financial statements of the Company.

Long-stop date

If the conditions precedent for the Big Bell 2 Completion have not been satisfied (or as the case may be, waived by King Hero) on or before 8 June 2012, the Big Bell 2 SPA(3) shall cease and terminate and neither party shall have any obligations and liabilities towards each other thereunder save for antecedent breaches of the terms of the Big Bell 2 SPA(3).

Guarantor's undertaking

Pursuant to the Big Bell 2 SPA(3), the Company guarantees to Glory Keen the due and punctual performance by King Hero of all its obligations under the Big Bell 2 SPA(3) and agrees to indemnify Glory Keen against all losses, claims, damages, costs and expenses which Glory Keen may suffer through or arising from any breach by King Hero of such obligations.

INFORMATION ON THE BIG BELL 2 GROUP

Big Bell 2 was incorporated in the BVI with limited liability and its entire issued share capital is wholly and beneficially owned by Glory Keen as at the Latest Practicable Date. Big Bell 2 is principally engaged in investment holding. It is beneficially interested in the entire issued share capital of New Channel which is principally engaged in investment holding. New Channel was incorporated in Hong Kong with limited liability and holds the entire equity interest in Xi'an Honghui.

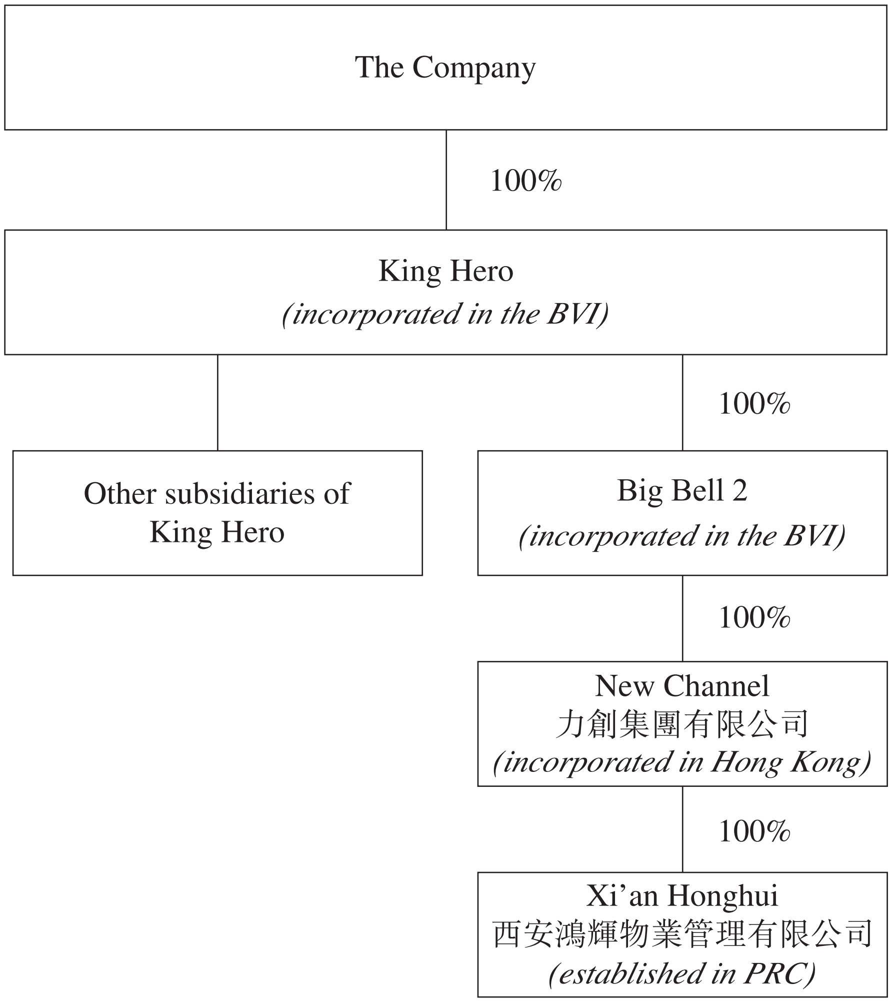
Xi'an Honghui was established in the PRC and is principally engaged in management of self owned properties and related services, and holds the Hi-Tech Store Properties. The Hi-Tech Store Properties are located at Xi'an National Hi-tech Industrial Development Zone, Xi'an City, Shaanxi Province, the PRC, which consist of the commercial podium covering the first floor through the fourth floor of a mixed-use commercial and residential complex named "International Commercial Center" with a gross floor area of 29,565.90 m^2 and adjacent two-storey retail property with a gross floor area of 168 m^2.

The fair market value of the Hi-Tech Store Properties is RMB654.00 million (equivalent to approximately HK$784.8 million) as at 30 April 2011 based on the valuation by an independent valuer on market basis and the direct comparison and investment methods as set out in Appendix VII to this circular.

The Hi-Tech Store Properties have been leased to Century Ginwa Shopping for its existing department store operations under the Master Properties Lease Agreements and the Master Facilities Lease Agreement which were both expired on 9 June 2011. Xi'an Honghui, Century Ginwa Shopping and Century Ginwa Joint Stock then entered into the Supplemental Properties Lease Agreements and the Supplemental Facilities Lease Agreements on 9 June 2011 and 10 June 2011 to renew the Master Properties Lease Agreements and the Master Facilities Lease Agreement which constitute continuing connected transactions of the Company which will be further disclosed in the following sections.

Upon the Big Bell 2 Completion, Big Bell 2, New Channel and Xi'an Honghui will become wholly-owned subsidiaries of the Company and their financial results, assets and liabilities will be consolidated into the Group's financial statements.

Structure of the Group immediately after Big Bell 2 Completion



Financial information of the Big Bell 2 Group

Set out below is the financial information of the Big Bell 2 Group for the three financial years ended 31 December 2008, 31 December 2009 and 31 December 2010 extracted from Appendix III of this circular:

	For the year ended 31 December 2008	**For the year ended 31 December 2009**	**For the year ended 31 December 2010**
	HK$'000	*HK$'000*	*HK$'000*
Turnover	9,070	36,224	36,635
Loss before and after taxation	(4,809)	(3,163)	(358)

	As at 31 December 2008	**As at 31 December 2009**	**As at 31 December 2010**
	HK$'000	*HK$'000*	*HK$'000*
Net liabilities	(4,749)	(7,493)	(4,340)

REASONS FOR THE BIG BELL 2 ACQUISITION

The Group is principally engaged in operation of department stores in the PRC. The Hi-Tech Store Properties are currently occupied by the Group for the operation of a department store.

Since 2010, the Group has acquired several department stores and supermarkets to expand its department stores network in North-western of the PRC. With the robust demand in the property market as a result of economic growth in the PRC in recent years, the Directors expect that the rental expenses for its department stores will continue to increase and may drive up the operating cost of the business.

In view of this, the Company strategically increases the proportion of self-owned department stores properties especially for those department stores located in prime shopping districts where the increase in rental cost will be most significant. In addition, the increase in the proportion of self-owned department stores could reduce the risk that the Group may face in case if any of the existing lease agreements of rented department store properties could not be renewed at expiry in which there will be high uncertainty as to whether suitable stores for relocation are available at reasonable cost, suitable area and in convenient location for customers' access. Furthermore, the Group may also face difficulties in maintaining existing customer base and/or attract new customers after spending the cost in store relocation and store renovation.

In view of the above, the acquisition of Hi-Tech Store Properties will (i) eliminate the difficulty facing the Group in cost control as rental expense is a major cost component for operation; and (ii) eliminate the risk and uncertainty in renewing the lease agreement and facility lease agreements upon expiry.

Having considered the above reasons for the Big Bell 2 Acquisition, the Directors (including the independent non-executive Directors after considering the recommendation of the Independent Financial Adviser), but excluding Mr. Wu (being the beneficial owner of New Hero) and Mr. Qiu Zhongwei and Mr. Chen Shuai (who are both the Board representatives from Glory Keen) who have abstained from voting at the Board resolutions approving the Big Bell 2 Acquisition and the transactions contemplated thereunder due to their material interests therein and consider that the Big Bell 2 Acquisition is in line with the overall business strategy of the Group and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE BIG BELL 2 SPA(1) AND THE BIG BELL 2 SPA(2)

Pursuant to a call and put option agreement dated 9 January 2009, inter alia, New Hero (a company which is wholly and beneficially owned by Mr. Wu) can exercise the option to purchase the interest in Big Bell 2 held by Big Bell 2 Holding (an Independent Third Party) on or before 12 June 2011 at the price of RMB350,870,199.48. Since the Big Bell 2 Group is interested in the Hi-Tech Store Properties where a department store was operated by the Group, New Hero approached the Company to discuss if the Company would be interested to take the chance to acquire the interest in Big Bell 2. The Company considers that the potential acquisition is a good opportunity and has expressed its interest in the Big Bell 2 Acquisition.

On 4 April 2011, New Hero served a written notice to exercise its right to purchase the interest in Big Bell 2 and on 9 June 2011, New Hero entered into the Big Bell 2 SPA(1) with Big Bell 2 Holding to acquire the Big Bell 2 Sale Share and the Big Bell 2 Sale Loan at the consideration of RMB350,870,199.48. Since the Company requires time to obtain the fund to purchase the Big Bell 2 Sale Share, and in order to facilitate the Big Bell 2 Acquisition, Glory Keen agrees to provide assistance by taking over the title of the Big Bell 2 from New Hero during the interim period, and allows the Company to have time to obtain external financings to satisfy the payment of the Big Bell 2 Consideration.

Accordingly New Hero also entered into the Big Bell 2 SPA(2) with Glory Keen on 9 June 2011 to sell the Big Bell 2 Sale Share and the Big Bell 2 Sale Loan, at the same consideration under Big Bell 2 SPA(1) (i.e. RMB350,870,199.48). Simultaneously Glory Keen entered into the Big Bell 2 SPA(3) with King Hero on 9 June 2011 for the sale and purchase of the interest in the Big Bell 2 Sale Share and the Big Bell 2 Sale Loan. By providing this financial support, the consideration under the Big Bell 2 SPA(3) will be adjusted by including an interest element, equivalent to 9% per annum. Having considered the current bank lending rate in the PRC obtainable by corporation, the availability of such amount of fund within a short period to facilitate the Big Bell 2 Acquisition and the shorter negotiation process with Glory Keen as compared to bank borrowing, the Company is of the opinion that the interest rate of 9% is reasonable, and considered that the assistance provided by Glory Keen is in the interest of the Company.

Both the completion of the Big Bell 2 SPA(1) and the Big Bell 2 SPA(2) took place on 10 June 2011.

LISTING RULES' IMPLICATIONS

As the applicable percentage ratios (as defined under the Listing Rules) for the Big Bell 2 Acquisition are more than 25% but less than 100%, the Big Bell 2 Acquisition constitutes a major transaction on the part of the Company pursuant to Chapter 14 of the Listing Rules. New Hero, a company which is wholly and beneficially owned by Mr. Wu, a connected person of the Company as defined under Rule 14A.11 of the Listing Rules. As the Big Bell 2 SPA(3) is conditional upon the completion of the transactions contemplated under the Big Bell 2 SPA(1) and the Big Bell 2 SPA(2), the entering into of the Big Bell 2 SPA(3) is part of the arrangement amongst New Hero, Glory Keen and King Hero which constitutes a connected transaction under Chapter 14A of the Listing Rules and will be subject to the vote of the BB2 Independent Shareholders at the SGM.

IV. CONTINUING CONNECTED TRANSACTIONS

Century Ginwa Shopping, an indirect wholly-owned subsidiary of the Company entered into the Master Properties Lease Agreements and the Master Facilities Lease Agreement to rent the Hi-Tech Store Properties and facilities for the department store business since October 2008. As these lease agreements were expired on 9 June 2011, and the Big Bell 2 Acquisition is yet to be completed, Xi'an Honghui, Century Ginwa Shopping and Century Ginwa Joint Stock entered into the Supplemental Properties Lease Agreements and the Supplemental Facilities Lease Agreements on 9 June 2011 and 10 June 2011 to extend the terms of the Master Properties Lease Agreements and the Master Facilities Lease Agreement for an additional term of three years commencing on 10 June 2011 and expiring on 9 June 2014.

Set out below are the summary of the terms of the Supplemental Properties Lease Agreements and the Supplemental Facilities Lease Agreements.

(1) Supplemental Properties Lease Agreements

Date:	10 June 2011
Lessor:	Xi'an Honghui, a connected person of the Company
Lessee:	Century Ginwa Shopping, a wholly-owned subsidiary of the Company
Guarantor:	Century Ginwa Joint Stock
Premise:	Hi-Tech Store Properties
Terms:	Three years commencing on 10 June 2011 and expiring on 9 June 2014
Rental:	Monthly rental of RMB1,573,000 (equivalent to approximately HK$1.89 million), payable by cash on a monthly basis
Rental deposit:	Nil
Other:	In the event the Big Bell 2 Acquisition is not completed within one year from the date of the Big Bell 2 SPA(3), Glory Keen can terminate the Supplemental Properties Lease Agreements and negotiate new terms and conditions for the leasing of the Hi-Tech Store Properties

The transactions contemplated under the Big Bell 2 SPA(1) and the Big Bell 2 SPA(2) have been completed, and accordingly Glory Keen is interested in Xi'an Honghui. As Glory Keen is deemed to be a connected person of the Company under the arrangement in the Big Bell 2 Acquisition, Xi'an Honghui is also deemed to be a connected person of the Company under the Listing Rules.

The terms of the Supplemental Properties Lease Agreements are arrived at after arm's length negotiation and are on normal commercial terms. The rental fee of the Supplemental Properties Lease Agreements was determined with reference to the monthly rental fee of RMB1,573,000 (equivalent to approximately HK$1.89 million) for the year from 13 June 2010 to 12 June 2011 set out under the Master Properties Lease Agreements and the prevailing market rent of similar properties in the nearby locations. The Amended Properties Lease Agreements are conditional upon the approval of the CCT Independent Shareholders at the SGM.

(2) Supplemental Facilities Lease Agreements

Date:	10 June 2011
Lessor:	Xi'an Honghui, a connected person of the Company
Lessee:	Century Ginwa Shopping, a wholly-owned subsidiary of the Company
Guarantor:	Century Ginwa Joint Stock
Terms:	Three years commencing on 10 June 2011 and expiring on 9 June 2014
Rental:	Monthly rental of RMB1,048,667 (equivalent to approximately HK$1.26 million), payable by cash on a monthly basis
Rental deposit:	Nil
Other:	In the event the Big Bell 2 Acquisition is not completed within one year from the date of the Big Bell 2 SPA(3), Glory Keen can terminate the Supplemental Facilities Lease Agreements and negotiate new terms and condition for the leasing of facilities

The terms of the Supplemental Facilities Lease Agreements are arrived at after arm's length negotiation and are on normal commercial terms. The rental fee under the Supplemental Facilities Lease Agreements was determined with reference to the existing monthly rental fee under the Master Facilities Lease Agreement of RMB1,048,667 (equivalent to approximately HK$1.26 million). The Amended Facilities Lease Agreements are conditional upon the approval of the CCT Independent Shareholders at the SGM.

ANNUAL CAPS

Based on the amount of rental fee set out under the Amended Properties Lease Agreements and the Amended Facilities Lease Agreements, the annual aggregate maximum amount of fee payable to Xi'an Honghui for the four financial years ending on 31 December 2014 are as follows:

Financial year ending 31 December	Amount
2011	RMB17,565,169 (approximately HK$21.08 million)
2012	RMB31,460,004 (approximately HK$37.75 million)
2013	RMB31,460,004 (approximately HK$37.75 million)
2014	RMB13,894,835 (approximately HK$16.67 million)

REASONS AND BENEFITS FOR ENTERING INTO THE CONTINUING CONNECTED TRANSACTIONS

The Group is principally engaged in operation of department stores in the PRC.

As disclosed above, the Group is leasing the department store properties and facilities for its business operation under the Master Properties Lease Agreements and the Master Facilities Lease Agreement since 2008. As these lease agreements were expired on 9 June 2011, and the Big Bell 2 Acquisition is yet to be completed, Century Ginwa Shopping and Century Ginwa Joint Stock entered into the Supplemental Properties Lease Agreements and the Supplemental Facilities Lease Agreements with Xi'an Honghui to extend the leases in the ordinary course of its business to ensure the normal operations of the department store. In view of the above, the Directors (including the independent non-executive Directors after considering the recommendation of the Independent Financial Adviser) but excluding Mr. Wu (being the beneficial owner of New Hero, a party to the Big Bell 2 Acquisition), and Mr. Qiu Zhongwei and Mr. Chen Shuai (who are both Board representatives from Glory Keen), who have abstained from voting of the Board resolutions approving the Continuing Connected Transactions and the transactions contemplated thereunder due to the material interest of New Hero and Glory Keen therein respectively, consider that the entering into of the Amended Properties Lease Agreements and the Amended Facilities Lease Agreements are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LISTING RULES' IMPLICATIONS

The transactions contemplated under the Big Bell 2 SPA(1) and the Big Bell 2 SPA(2) have been completed, and accordingly Glory Keen is interested in Xi'an Honghui. As Glory Keen is deemed to be a connected person of the Company under the arrangement in the Big Bell 2 Acquisition, Xi'an Honghui is also deemed to be a connected person of the Company under the Listing Rules.

As Glory Keen is deemed to be a connected person of the Company under the Big Bell 2 SPA(3), the entering into of the Amended Properties Lease Agreements and the Amended Facilities Lease Agreements constitute continuing connected transactions of the Company under the Listing Rules. As the applicable percentage ratios (as defined under the Listing Rules) for the total rental fee under the Amended Properties Lease Agreements and the Amended Facilities Lease Agreements is more than 5% on an annual basis and the annual consideration is more than HK$10,000,000, the Continuing Connected Transactions are non-exempt continuing connected transactions on the part of the Company pursuant to Chapter 14A of the Listing Rules and are subject to the reporting and announcement requirement, the independent shareholders' approval requirements and the annual review requirements under the Listing Rules.

V. FINANCIAL EFFECTS OF THE QIANHUI ACQUISITION AND THE BIG BELL 2 ACQUISITION

Upon the Qianhui Completion and the Big Bell 2 Completion, Qianhui and the Big Bell 2 Group will each become an indirect wholly-owned subsidiary of the Group respectively and the accounts of Qianhui and the Big Bell 2 Group will be consolidated into the consolidated financial statements of the Group.

(a) Effect on assets, liabilities, and net assets

Based on the unaudited pro forma financial information in Appendix IV of this circular, the assets of the Enlarged Group and the Ideal Mix Group as at 31 December 2010 would be increased from approximately HK$4,338.58 million to approximately HK$6,311.15 million. The increase of approximately HK$1,972.57 million in total assets was due to (i) the increase in total assets attributed by the Qianhui Acquisition of approximately HK$778.06 million; (ii) the increase in total assets attributed by the Big Bell 2 Acquisition of approximately HK$606.92 million; and (ii) the increase of approximately HK$587.59 million in cash resources from bank facilities.

Based on the unaudited pro forma financial information in Appendix IV to this circular, the liabilities of the Enlarged Group and the Ideal Mix Group as at 31 December 2010 would increase from approximately HK$3,942.18 million to approximately HK$5,760.73 million. The increase of approximately HK$1,818.55 million was attributed to (i) the increase in total liabilities attributed by the Qianhui Acquisition of approximately HK$622.84 million; (ii) the increase in total assets attributed by the Big Bell 2 Acquisition of approximately HK$608.12 million; and (ii) the increase of approximately HK$587.59 million for external financing.

As the increase in total assets of the Enlarged Group and the Ideal Mix Group is more than the increase in liabilities, the net assets value of the Enlarged Group and the Ideal Mix Group increased by approximately HK$154.02 million and the overall financial position of the Enlarged Group and the Ideal Mix Group will be improved.

(b) Effect on earnings

Upon completion of the Restructuring and the Qianhui Acquisition, all the benefit of holding the Saigo Store Properties will convey to the Group. It is expected that Qianhui will contribute positively to the Group in terms of (i) reduction in rental expense of the Group with respect to the Saigo Store Properties as a whole; and (ii) additional source of revenue through the leasing of properties under the existing tenancy with other tenants.

It is also expected that the Big Bell 2 Group will contribute positively to the Group as the reduction in rental expense of Hi-Tech Store Properties will compensate the increase in financing charge.

VI. FINANCIAL AND TRADING PROSPECTS OF THE ENLARGED GROUP

The principal business activity of the Group is engaging in the operation of department stores in North-western of the PRC. Currently, the Group operates five department stores in Xian and one department store in Urumqi, the PRC.

As mentioned in the Company's 2010 annual report, the Company has successfully consolidated its department stores operation in North-western of the PRC, which is one of the highest growing regions in the PRC. During the financial year ended 31 December 2010, the Group's revenue increased by 28% to HK$699 million. The Group's operating profit for 2010 was HK$134 million, which represented an increase by 81% from HK$74 million when compared with that of 2009. Profit for the year was HK$120 million for 2010, when compared with that of HK$39 million in 2009, represented a 208% increase. Net profit attributable to equity Shareholders of the Company was HK$74 million for 2010, when compared with that of HK$10 million in 2009, represented a 604% increase.

In recent years, the economic development of the PRC has gradually matured with increasing domestic demand, which steadily lift the per capita disposable income and total retail sales of social consumer goods. On the other hand, pace of urbanization in China will further drive the development of the modern retail industry. In view of this favourable situation, the Group will continue exploring opportunities in the operation of department stores by acquiring existing Century Ginwa department stores and expanding Century Ginwa geographically in the PRC. The Group also plans to reinvent and remodel its existing stores to further enhance the store image and to improve productivity by the more efficient use of the available floor space. In addition, the Group will also introduce more famous international brands to further enhance its market status and maximize shareholders' value. The Group strongly believes that the business strategy of Century Ginwa could eventually lead the Group to become one of the top tier department store operators in the PRC.

The Board believes that with the rising standard of living and the increasing domestic demand in China, the department store operations will become an industry generating a considerable revenue in China in the foreseeable future.

VII. INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, which comprises all independent non-executive Directors has been formed to (i) advise the BB2 Independent Shareholders as to the fairness and reasonableness of the Big Bell 2 Acquisition and the transactions contemplated thereunder and whether such transactions are in the interest of the Company and its Shareholders as a whole (ii) advise the CCT Independent Shareholders as to the fairness and reasonableness of the Continuing Connected Transactions and the transactions contemplated thereunder and whether such transactions are in the interests of the Company and its Shareholders as a whole; and (iii) advise the independent shareholders on how to vote in respect of such transactions taking into account the recommendations of the Independent Financial Adviser.

Veda Capital has been appointed as the Independent Financial Adviser to advise (i) the Independent Board Committee and the BB2 Independent Shareholders in respect of the Big Bell 2 Acquisition and the transactions contemplated thereunder; and (ii) the Independent Board Committee and the CCT Independent Shareholders in respect of the Continuing Connected Transactions and the transactions contemplated thereunder.

The Independent Board Committee and the Directors, having taken into account the advice from Veda Capital, consider that the terms under the Big Bell 2 Acquisition, the Continuing Connected Transactions and the transactions contemplated respectively thereunder are fair and reasonable and in the interests of the Group so far as the independent shareholders are concerned and accordingly recommend the independent shareholders to vote in favour of the ordinary resolutions which will be proposed at the SGM for approving the Big Bell 2 Acquisition, the Continuing Connected Transactions and the transactions contemplated respectively thereunder.

VIII. SPECIAL GENERAL MEETING

A notice of the SGM, which will be held at Suites 1701-1703, 17/F, Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong at 11:00 a.m. on Friday, 15 July 2011 is set out on pages 159 to 161 of this circular.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you intend to be present at the SGM, you are requested to complete this form of proxy and return it to the branch share registrar of the Company in Hong Kong, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon no later than 48 hours before the time of the SGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM should you so wish.

To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, (i) no Shareholder is required to abstain from voting on the resolutions to be proposed at the SGM in relation to the Qianhui Acquisition; (ii) save for Mr. Wu, New Hero, Glory Keen and their respective associates, no Shareholders have any interest in the Big Bell 2 Acquisition and are required to abstain from voting at the SGM in relation to the resolution(s) to be proposed for approving the Big Bell 2 Acquisition and the transactions contemplated thereunder; and (iii) save for Mr. Wu, New Hero Glory Keen, Xi'an Honghui and their respective associates, no Shareholders have any interest in the Continuing Connected Transactions and are required to abstain from voting at the SGM in relation to the resolutions to be proposed for approving the Continuing Connected Transactions and the transactions contemplated thereunder.

As at the Latest Practicable Date, Mr. Wu, New Hero and their respective associates were not interested in any Shares, and save that Glory Keen is interested in the Hony CB, Glory Keen does not hold any Shares. In the event that Glory Keen exercises its conversion right to convert the Hony CB into the Shares, Glory Keen will be required to abstain from voting at the SGM.

The Board confirms that to the best of their knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, there was no voting trust or other agreement or other arrangement or understanding (other than an outright sale) entered into by or binding upon any Shareholder and there was no obligation or entitlement of any Shareholder whereby he has or may have temporarily or permanently passed control over the exercise of the voting right in respect of his Shares to a third party, either generally or on a case-by-case basis.

Any vote exercised by the Shareholders at the SGM shall be taken by way of poll.

IX. RECOMMENDATION

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 35 to 36 of this circular which contains its views in relation to the Big Bell 2 Acquisition, the Continuing Connected Transactions and transactions contemplated respectively thereunder; and (ii) the letter from Veda Capital, which contains its advice to (a) the Independent Board Committee and the BB2 Independent Shareholders in respect of the Big Bell 2 Acquisition, and (b) the Independent Board Committee and the CCT Independent Shareholders in respect of the Continuing Connected Transactions and transactions contemplated respectively thereunder. The text of the letter from Veda Capital is set out on pages 37 to 53 of this circular.

Based on the reasons set out in the section headed "Reasons for the Qianhui Acquisition", the Board is of the view that the terms of the Qianhui Acquisition are fair and reasonable and the Qianhui Acquisition is in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolutions approving the Qianhui Acquisition Agreements and the transactions contemplated thereunder as set out in the notice of the SGM.

Based on the reasons and benefits for the Big Bell 2 Acquisition and the Continuing Connected Transactions, and having taken into account the advice of Veda Capital and the Independent Board Committee, the Board considers that the terms of the Big Bell 2 Acquisition, the Continuing Connected Transactions and transactions contemplated respectively thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the BB2 Independent Shareholders and the CCT Independent Shareholders to vote in favour of the ordinary resolutions in relation to the Big Bell 2 Acquisition and the Continuing Connected Transactions respectively as set out in the notice of the SGM.

GENERAL

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

Yours faithfully,
on behalf of the Board of
Century Ginwa Retail Holdings Limited
Choon Hoi Kit, Edwin
Chief Executive Officer

CENTURY GINWA RETAIL HOLDINGS LIMITED
世紀金花商業控股有限公司
(incorporated in Bermuda with limited liability)
(Stock Code: 162)

27 June 2011

To the BB2 Independent Shareholders and CCT Independent Shareholders

Dear Sir or Madam

(1) MAJOR AND CONNECTED TRANSACTION IN RESPECT OF ACQUISITION OF THE ENTIRE INTEREST OF CPI ASIA BIG BELL 2 LIMITED; AND (2) CONTINUING CONNECTED TRANSACTIONS IN RELATION TO LEASE AGREEMENTS

We refer to the circular of the Company dated 27 June 2011 (the "**Circular**") to the Shareholders, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as members to form the Independent Board Committee and to advise you as to the fairness and reasonableness of the terms of the Big Bell 2 Acquisition and the Continuing Connected Transactions and the transactions contemplated respectively thereunder and whether such terms are fair and reasonable and in the interests of the Company and the BB2 Independent Shareholders and the CCT Independent Shareholders (as the case may be) as a whole.

Veda Capital has been appointed to (i) make recommendations to the Independent Board Committee, the BB2 Independent Shareholders and the CCT Independent Shareholders as to whether the terms of the Big Bell 2 Acquisition and the Continuing Connected Transactions and the transactions contemplated respectively thereunder are fair and reasonable, and whether such transactions are in the interests of the Company and its Shareholders as a whole; and (ii) advise the BB2 Independent Shareholders and the CCT Independent Shareholders how to vote in respect of such transactions. Details of its recommendations and advice, together with the principal factors taken into consideration in arriving at such recommendations and advice, are set out on pages 37 to 53 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 8 to 34 of the Circular and the additional information set out in the appendices of the Circular.

Having considered the terms of the Big Bell 2 Acquisition and the Continuing Connected Transactions and the transactions contemplated respectively thereunder, and the recommendations and advice of Veda Capital, we are of the opinion that the terms of such transactions are fair and reasonable so far as the BB2 Independent Shareholders and the CCT Independent Shareholders are concerned respectively and are in the interests of the Company and the Shareholders as a whole.

We therefore recommend you to vote in favour of the resolutions to be proposed at the SGM to approve the Big Bell 2 Acquisition and the Continuing Connected Transactions and the transactions contemplated respectively thereunder.

Yours faithfully,
on behalf of the Independent Board Committee of
Century Ginwa Retail Holdings Limited

Chan Wai Kwong, Peter	**Fu Wing Kwok, Ewing**	**Tsang Kwok Wai**	**Li Ling**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*	*Independent non-executive Director*

The following is the full text of the letter from Veda Capital setting out the advice to the Independent Board Committee, the BB2 Independent Shareholders and the CCT Independent Shareholders in respect of the Big Bell 2 Acquisition and the Continuing Connected Transactions, which has been prepared for the purpose of inclusion in this circular.

VEDA | CAPITAL
智略資本

Veda Capital Limited
Suite 3214, 32/F
COSCO Tower
183 Queen's Road Central
Hong Kong

27 June 2011

To the Independent Board Committee, the BB2 Independent Shareholders and the CCT Independent Shareholders

Dear Sirs,

(1) MAJOR AND CONNECTED TRANSACTION IN RESPECT OF ACQUISITION OF THE ENTIRE INTEREST OF CPI ASIA BIG BELL 2 LIMITED; AND (2) CONTINUING CONNECTED TRANSACTIONS IN RELATION TO LEASE AGREEMENTS

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee, the BB2 Independent Shareholders and the CCT Independent Shareholders in respect of the Big Bell 2 Acquisition and the Continuing Connected Transactions, details of which are set out in the circular to the Shareholders dated 27 June 2011 (the "**Circular**"), of which this letter forms part. Terms used in this letter have the same meanings as those defined in the Circular unless the context requires otherwise.

On 9 June 2011, King Hero, a wholly-owned subsidiary of the Company, as purchaser, entered into the Big Bell 2 SPA(3) for the Big Bell 2 Acquisition, pursuant to which King Hero, as purchaser, conditionally agreed to acquire and Glory Keen, as vendor, conditionally agreed to sell the Big Bell 2 Sale Share, representing the entire interest in Big Bell 2, and the Big Bell 2 Sale Loan at the Big Bell 2 Consideration. The Big Bell 2 Acquisition constitutes a major and connected transaction on the part of the Company and will be subject to the vote of BB2 Independent Shareholders at the SGM.

Century Ginwa Shopping, a wholly-owned subsidiary of the Company, entered into the Supplemental Properties Lease Agreements and the Supplemental Facilities Lease Agreements on 9 June 2011 and 10 June 2011 to extend the term of the Master Properties Lease Agreements and the Master Facilities Lease Agreement respectively, both of which were expired on 9 June 2011. The entering into of the Amended Properties Lease Agreements and the Amended Facilities Lease Agreements are non-exempt continuing connected transactions on the part of the Company pursuant to Chapter 14A of the Listing Rules and are subject to the reporting and announcement requirement, independent shareholders' approval requirements and the annual review requirements under the Listing Rules.

The Independent Board Committee, comprising all the independent non-executive Directors, has been established to advise the BB2 Independent Shareholders and the CCT Independent Shareholders as to (i) whether the terms of the Big Bell 2 Acquisition and the Continuing Connected Transactions are fair and reasonable; (ii) whether the Big Bell 2 Acquisition and the Continuing Connected Transactions are in the interests of the Company, the BB2 Independent Shareholders and the CCT Independent Shareholders as a whole; (iii) how the BB2 Independent Shareholders should vote in respect of the relevant resolution to approve the Big Bell 2 Acquisition at the SGM; and (iv) how the CCT Independent Shareholders should vote in respect of the relevant resolution to approve the Continuing Connected Transactions at the SGM.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied upon the accuracy of the information and representations contained in the Circular and information provided to us by the Company, the Directors and the management of the Company. We have assumed that all statements, information and representations made or referred to in the Circular and all information and representations which have been provided by the Company, the Directors and the management of the Company, for which they are solely and wholly responsible, were true at the time when they were made and continue to be true as at the date of the SGM. We have also assumed that all statements of belief, opinion and intention made by the Directors in the Circular were reasonably made after due and careful enquiry and were based on honestly-held opinions.

We have no reason to believe that any information and representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the information provided and the representations made to us untrue, inaccurate or misleading. We have not, however, conducted any independent in-depth investigation into the business affairs, financial position or future prospects of the Group, nor have we carried out any independent verification of the information provided by the Directors and management of the Company.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In giving our recommendation to the Independent Board Committee, the BB2 Independent Shareholders and the CCT Independent Shareholders in respect of the Big Bell 2 Acquisition and the Continuing Connected Transactions, we have taken into consideration the following principal factors and reasons:

A. FINANCIAL INFORMATION OF THE GROUP

1. Financial year ended 31 December 2009

According to the Group's annual report for the year ended 31 December 2009 ("**AR 2009**"), the revenue of the Group was approximately HK$542.24 million for the year ended 31 December 2009, which represented an increase of approximately 80.12% as compared to the revenue for the year ended 31 December 2008 of approximately HK$301.05 million. As advised by the Company, the growth in revenue was mainly due to the inclusion of the full year performance of Xian Bell Tower store after completion of acquisition of 76.43% equity interest in Century Ginwa Joint Stock in August 2008 and the implementation of a wide array of measures and policies that aim at promoting domestic consumption and expediting economic growth by the PRC government. The loss attributable to Shareholders was approximately HK$46.35 million for the year ended 31 December 2009, representing a decrease of approximately 91.50% as compared to loss attributable to Shareholders for the year ended 31 December 2008 of approximately HK$545.17 million. As advised by the Company, the decrease in loss was mainly attributable to the increase in revenue and the Group recorded a provision for impairment of goodwill of approximately HK$604.65 million for the year ended 31 December 2008 whilst the Group did not record provision for impairment of goodwill for the year ended 31 December 2009.

2. Financial year ended 31 December 2010

According to the Group's annual report for the year ended 31 December 2010 ("**AR 2010**"), the Group recorded revenue of approximately HK$698.86 million, representing an increase of approximately 27.52% from that for financial year ended 31 December 2009 of approximately HK$548.05 million. As advised by the Company, the increase in revenue was mainly benefited from the steady economic growth of PRC economy. The Group reported profit attributable to Shareholders of approximately HK$74.48 million for the financial year ended 31 December 2010, representing an improvement of approximately 632.35% from that for financial year ended 31 December 2009 of approximately HK$10.17 million. As advised by the Company, the improvement was mainly attributable to the increase in revenue and the Company has recorded finance income of approximately HK$34.49 million for the year ended 31 December 2010 whilst the Company has recorded finance costs of approximately HK$9.07 million for the year ended 31 December 2009.

3. Emphasis of matter in AR 2009 and AR 2010

We noted from AR 2009, the auditors of the Company, even though without qualifying its opinion, had expressed an opinion concerning the going concern basis of the Group's accounts for the year 31 December 2009 because the Group incurred a consolidated net loss from operations attributable to the Shareholders of approximately HK$46.35 million for the year ended 31 December 2009, had consolidated net current liabilities of approximately HK$1,048.91 million and a full impairment of issued capital of HK$34.96 million as at 31 December 2009. The consolidated financial statements have been prepared on a going concern basis, the validity of which is dependent on the continuing financial support from the Group's substantial Shareholder in order to finance the Group's future working capital and financial requirements and the Group's ability to obtain new working capital from prospective investors and to generate adequate cash flows from its continuing operations in the foreseeable future.

As set out in AR 2009, the Group has prepaid approximately HK$14.94 million in output Value-Added Tax ("**VAT**") in respect of customer's gift cards sold in 2007 and 2008. The Group has been negotiating with the local PRC Tax Bureau as to when the prepaid output VAT can be used to offset the output VAT derived from the sale of goods in future. The recoverability of such amount is dependent on the outcome of the negotiations. As advised by the Company, the Group has prepaid approximately HK$13.91 million in output VAT in respect of customer's gift cards sold in 2007 and 2008. The Group has been negotiating with the local PRC Tax Bureau as to when the prepaid output VAT can be used to offset the output VAT derived from the sale of goods in future. The recoverability of this amount is dependent on the outcome of the negotiations. As advised by the Company, the Group was not required to make VAT prepayment in respect of customer's gift cards starting from 1 January 2009 and the prepaid VAT which the Group had paid before 1 January 2009 would be deducted from the monthly tax payment and as at the Latest Practicable Date, the outstanding prepaid VAT deductible from the future monthly tax payment would be approximately HK$5.63 million.

We noted from AR 2010, the auditors of the Company, even without qualifying its opinion, the auditors has drawn attention to Note 4 to the consolidated financial statements in AR 2010 which states that the Company has made various prior years' adjustments to restate the consolidated financial statements and the Company's financial statements for the year ended 31 December 2009, including certain opening balances as at 1 January 2009. The prior years' adjustments have been made to correct certain prior years' errors that were identified during their audit of the Group's consolidated financial statements for the year ended 31 December 2010.

B. THE BIG BELL 2 ACQUISITION

1. Information of the Big Bell 2 Group

Big Bell 2 was incorporated in the BVI with limited liability and its entire issued share capital is wholly and beneficially owned by Glory Keen as at the Latest Practicable Date. Big Bell 2 is principally engaged in investment holding. It is beneficially interested in the entire issued share capital of New Channel which is principally engaged in investment holding. New Channel was incorporated in Hong Kong with limited liability and holds the entire equity interest in Xi'an Honghui.

Xi'an Honghui was established in the PRC and is principally engaged in management of self owned properties and related services, and holds the Hi-Tech Store Properties. The Hi-Tech Store Properties are located at Xi'an National Hi-tech Industrial Development Zone, Xi'an City, Shaanxi Province, the PRC, which consist of the commercial podium covering the first floor through the fourth floor of a mixed-use commercial and residential complex named "International Commercial Center" with a gross floor area of 29,565.90 m^2 and adjacent two-storey retail property with a gross floor area of 168 m^2.

The fair market value of the Hi-Tech Store Properties was approximately RMB654.00 million (equivalent to approximately HK$784.8 million) (the "**Valuation**") as at 30 April 2011 based on the valuation by an independent valuer on market basis and the direct comparison and investment methods, details of the Valuation have been set out in the valuation report (the "**Valuation Report**") in Appendix VII to the Circular.

The Hi-Tech Store Properties have been leased to Century Ginwa Shopping for its existing department store operations under the Master Properties Lease Agreements and the Master Facilities Lease Agreement which were both expired on 9 June 2011. Xi'an Honghui, Century Ginwa Shopping and Century Ginwa Joint Stock then entered into the Supplemental Properties Lease Agreements and the Supplemental Facilities Lease Agreements on 9 June 2011 and 10 June 2011 to renew the Master Properties Lease Agreements and the Master Facilities Lease Agreement.

Upon the Big Bell 2 Completion, Big Bell 2, New Channel and Xi'an Honghui will become wholly-owned subsidiaries of the Company and their financial results, assets and liabilities will be consolidated into the Group's financial statements. Set out below is the audited financial information of the Big Bell 2 Group for the three financial years ended 31 December 2010 respectively:

	Year ended 31 December 2008	**Year ended 31 December 2009**	**Year ended 31 December 2010**
	HK'000	*HK'000*	*HK'000*
Turnover	9,070	36,224	36,635
Loss before taxation	(4,809)	(3,163)	(358)
Loss for the year and attributable to equity shareholder of Big Bell 2	(4,809)	(3,163)	(358)

	As at 31 December 2010
	HK'000
Net liabilities	(4,340)

As advised by the Company, the increase in revenue from 2008 to 2009 of Big Bell 2 Group was mainly due to increase in rental income and the rental charge as a result of the acquisition of Xi'an Honghui in September 2008 which started to contribute revenue to the Big Bell 2 Group. The increase in revenue from 2009 to 2010 of Big Bell 2 Group was due to exchange difference. The decrease in loss-makings from 2008 to 2009 of the Big Bell 2 Group was mainly due to the increase in revenue. The decrease in loss-makings from 2009 to 2010 of the Big Bell 2 Group was mainly due to increase in revenue, decrease in finance costs and the exchange differences.

2. Background and reasons

The Group is principally engaged in operation of department stores in the PRC. The Hi-Tech Store Properties are currently occupied by the Group for the operation of a department store.

Since 2010, the Group has acquired several department stores and supermarkets to expand its department stores network in North-western of the PRC. With the robust demand in the property market as a result of economic growth in the PRC in recent years, the Directors expect that the rental expenses for its department stores will continue to increase and may drive up the operating cost of the business.

In view of this, the Company strategically increases the proportion of self-owned department stores properties especially for those department stores located in prime shopping districts where the increase in rental cost will be most significant. In addition, the increase in the proportion of self-owned department stores could reduce the risk that the Group may face in case if any of the existing lease agreements of rented department store properties could not be renewed at expiry in which there will be high uncertainty as to whether suitable stores for relocation are available at reasonable cost, suitable area and in convenient location for customers' access. Furthermore, the Group may also face difficulties in maintaining existing customer base and/or attract new customers after spending the cost in store relocation and store renovation.

In view of the above, the acquisition of Hi-Tech Store Properties will (i) eliminate the difficulty facing the Group in cost control as rental expense is a major cost component for operation; and (ii) eliminate the risk and uncertainty in renewing the lease agreement and facility lease agreements upon expiry.

Having considered the above reasons for the Big Bell 2 Acquisition, the Directors (but excluding Mr. Wu being the beneficial owner of the New Hero, and Mr. Qiu Zhongwei and Mr. Chen Shuai, who are both the Board representatives from Glory Keen, have abstained from voting at the Board resolutions approving the Big Bell 2 Acquisition and the transactions contemplated thereunder due to their material interests therein) consider that the Big Bell 2 Acquisition is in line with the overall business strategy of the Group and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As noted from the website of the National Bureau of Statistics of China (www.stats.gov.cn) that the national selling price index of the commercial properties in PRC has recorded year-on-year growth of approximately 3.8 points, approximately 3.9 points, approximately 2.9 points and approximately 2.4 points in September to December 2010. We also noted from the website of 中國統計資訊網 (www.tjcn.org), the gross domestic products in Shaanxi Province, PRC, has increased by approximately 13.6% for year 2009 and by approximately 14.5% for year 2010.

Having considered (i) the Big Bell 2 Acquisition would allow the Company to reduce the rental expense; (ii) the possible indication on the increase in rental price from the increase in the selling price of the commercial properties in the PRC and the increase in gross domestic products in Shaanxi Province; and (iii) given store relocation may incur adverse impact for department store operation as customers may be already familiar with the department store location, the Big Bell 2 Acquisition would allow the Company to eliminate the risk of disruption to the operation of the department store located at the Hi-Tech Store Properties in case the tenancy agreement in respect of the Hi-Tech Store Properties is terminated or not renewed upon expiry by the landlord, we concur with the view of the Directors that the Big Bell 2 Acquisition is in the interests of the Company and the BB2 Independent Shareholders as a whole.

3. Consideration

Pursuant to a call and put option agreement dated 9 January 2009, inter alia, New Hero (a company which is wholly and beneficially owned by Mr. Wu) can exercise the option to purchase the interest in Big Bell 2 held by Big Bell 2 Holding (an Independent Third Party) on or before 12 June 2011 at the price of RMB350,870,199.48 (the "**Option**"). Since the Big Bell 2 Group is interested in the Hi-Tech Store Properties where a department store has been operated by the Group, New Hero approached the Company to discuss if the Company would be interested to take the chance to acquire the interest in Big Bell 2. The Company considers that the potential acquisition is a good opportunity and has expressed its interest in the Big Bell 2 Acquisition. Further details of the benefits of the Big Bell 2 Acquisition has been set out under the section headed "REASONS FOR THE BIG BELL 2 ACQUISITION" in the Board Letter.

On 4 April 2011, New Hero served a written notice to exercise its right to purchase the interest in Big Bell 2 and on 9 June 2011, New Hero entered into the Big Bell 2 SPA(1) with Big Bell 2 Holding to acquire the Big Bell 2 Sale Share and the Big Bell 2 Sale Loan at the consideration of RMB350,870,199.48. Since the Company requires time to obtain the funding to purchase the Big Bell 2 Sale Share, and in order to facilitate the Big Bell 2 Acquisition, Glory Keen agrees to provide assistance by taking over the title of the Big Bell 2 from New Hero during an interim period, and allows the Company to have time to obtain external financings to satisfy the payment of the Big Bell 2 Consideration.

Accordingly, New Hero also entered into the Big Bell 2 SPA(2) with Glory Keen on 9 June 2011 to sell the Big Bell 2 Sale Share and the Big Bell 2 Sale Loan at the same consideration under Big Bell 2 SPA(1) (i.e. RMB350,870,199.48). Simultaneously, Glory Keen entered into the Big Bell 2 SPA(3) with King Hero on 9 June 2011 for the sale and purchase of the interest in the Big Bell 2 Sale Share and the Big Bell 2 Sale Loan. By providing this financial support, the consideration under the Big Bell 2 SPA (3) will be adjusted by including an interest element, equivalent to 9% per annum (the "**Interest**"). Having considered the current bank lending rate in the PRC obtainable by corporation, the availability of such amount of fund within a short period to facilitate the Big Bell 2 Acquisition and the shorter negotiation process with Glory Keen as compared to bank borrowing, the Company is of the opinion that the interest rate of 9% is reasonable, and considered that the assistance provided by Glory Keen is in the interests of the Company.

Both the completion of the Big Bell 2 SPA(1) and the Big Bell 2 SPA(2) took place on 10 June 2011.

We have enquired and were given to understand by the Company that the purpose of Big Bell 2 SPA(1) is to facilitate the Big Bell 2 Acquisition by exercising the Option by New Hero to acquire the Big Bell 2 Sale Share and the Big Bell 2 Sale Loan whilst the Big Bell 2 SPA(2) is to facilitate the Big Bell 2 Acquisition by transferring the Big Bell 2 Sale Share and Big Bell 2 Sale Loan to Glory Keen who has conditionally agreed to sell the Big Bell 2 Sale Share and Big Bell 2 Sale Loan to the Group under Big Bell 2 SPA(3). The role of Glory Keen is to provide financial assistance to the Group for the purpose of acquiring the Big Bell 2 Sale Share and the Big Bell 2 Sale Loan.

We were advised by the Company, it has considered other equity/debt financing methods. However, taking into consideration (i) the deadline for entering into the Big Bell 2 SPA(1) is very tight and the Big Bell 2 SPA(1) has to be completed by 10 June 2011 to avoid possible substantial upward adjustment on the consideration under the Big Bell 2 SPA(1); (ii) bank borrowing may take a longer time to approve due to the due diligence and negotiation procedure and the Company may not be able to procure favorable terms for bank borrowing given the loss-making track record of the Big Bell 2 Group and the net liabilities position of the Big Bell 2 Group as at 31 December 2010; and (iii) Glory Keen agreed to provide a 1-year period of financing to the Group in respect of the acquisition of the Big Bell 2 Sale Share and the Big Bell 2 Sale Loan and hence, the Group would have more time to obtain refinancing at proper timing and pricing and as agreed with Glory Keen, no early repayment penalty for repayment of the loan to Glory Keen at any time during such 1-year period, the Company considered financing from Glory Keen is the most appropriate alternative available to the Group.

As noted from the website of The People's Bank of China (www.pbc.gov.cn), the current loan rate offered by The People's Bank of China for one year is 6.31% (the "**PBC Rate**"). We have been advised by the Company that given the size of the consideration under the Big Bell 2 SPA(2), the loss-making track record of the Big Bell 2 Group and the net liabilities position of the Big Bell 2 Group as at 31 December 2010, the Company may not be able to procure the PBC Rate from PRC banks to acquire the Big Bell 2 Sale Share and the Big Bell 2 Sale Loan. In light of the above and taking into account (i) financing from Glory Keen is the most appropriate alternative available to the Group as mentioned above; and (ii) the fixed rate borrowings of the Group ranged from 7.52% to 21.50% (the "**Group Borrowing Rate**") for the year ended 31 December 2010 as set out in AR 2010, we consider the Interest which falls within the lower end of the range of the Group Borrowing Rate is justifiable notwithstanding it is higher than the PBC Rate.

The consideration for the Big Bell 2 Sale Share and Big Bell 2 Sale Loan will be the aggregate of:

(1) the consideration under the Big Bell 2 SPA(1) (i.e. RMB350,870,199.48, equivalent to approximately HK$421.04 million (the "**Fixed Consideration**")); and

(2) an interest charge of 9% per annum on the consideration under the Big Bell 2 SPA(1) which will be accrued since 10 June 2011 up to the Big Bell 2 Completion Date.

Based on the current information, if the completion of the Big Bell 2 Acquisition took place within one year from the date of the Big Bell 2 SPA(3), the Big Bell 2 Consideration will be approximately RMB382,448,517.43 (equivalent to approximately HK$458.94 million) (the "**Potential Aggregate Consideration**"). As set out in the Board Letter, the Big Bell 2 Completion shall take place within 12 months after the date of the Big Bell 2 SPA(3).

The Big Bell 2 Consideration is determined after arm's length negotiations between King Hero and Glory Keen with reference to:

(1) the consideration under the Big Bell 2 SPA(1) and Big Bell 2 SPA(2);

(2) the assessed value of the Hi-Tech Store Properties of approximately RMB654.00 million (approximately HK$784.80 million) by an independent property valuer;

(3) the amount of the Big Bell 2 Sale Loan of approximately US$25.69 million (equivalent to approximately HK$200 million) as at 31 March 2011;

(4) the amount of bank borrowing of approximately HK$194 million as at 31 December 2010; and

(5) the unaudited net liabilities of the Big Bell 2 Group of approximately HK$0.89 million as at 31 December 2010.

Notwithstanding that the Big Bell 2 Consideration represents a premium to the net liabilities position of the Big Bell 2 Group, having considered that such financial information does not reflect the fair market value of the Hi-Tech Store Properties and most importantly the benefit to be obtained from the Big Bell 2 Acquisition as further elaborated in the Board Letter, the Directors consider that the Big Bell 2 Consideration is fair and reasonable.

We have reviewed the Valuation Report as set out in Appendix VII to the Circular and observed from the Valuation Report that the valuer has valued the property interests of the property on market basis and direct comparison method is adopted where comparison based on prices realised on actual sales and/or asking price of comparable properties is made. Comparable properties of similar size, character and location are analysed and carefully weighted against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of values. As the property interests of the property are subject to tenancies as at the date of valuation, the valuer has also adopted the investment method on the basis of capitalization of the net rental incomes with due allowance for reversionary income potential. The direct comparison method is also adopted in estimating the values of their reversionary interest (if any).As stated in the Valuation Report, the Valuation have been based on the market value which was defined as intended to 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". We also noted that the Valuation has been prepared in accordance with Listing Rules and The HKIS Valuation Standards on Properties (First Edition 2005) published by the Hong Kong Institute of Surveyors. In light of the above and pursuant to Rule 13.80(2) under the Listing Rules, there is no reason for us to believe any of the information in the Valuation Report in respect of the Valuation is not true or omits a material fact, we are of the view that the Valuation has been reasonably prepared and are normal in nature without any unusual assumption and the basis thereof is fair and reasonable. As such, we consider the Valuation is a fair reference for BB2 Independent Shareholders to assess the fairness and reasonableness of the Big Bell 2 Consideration.

We noted from the accountants' report of the Big Bell 2 Group as set out in Appendix III to the Circular that the Big Bell 2 Group recorded a net liabilities of HK$4,340,000 as at 31 December 2010 and as advised by the Company, the book value of Hi-Tech Store Properties amounted to approximately HK$373,327,000 as at 31 December 2010. Upon adjusted with the Valuation of approximately HK$784,800,000 million as at 30 April 2011, the Big Bell 2 Group has an adjusted net asset value of approximately HK$407,133,000 (the "**Adjusted NAV**"). The Potential Aggregate Consideration represents a premium of approximately 12.72% to the Adjusted NAV and the Fixed Consideration represents a premium of approximately 3.42% to the Adjusted NAV. We have enquired with the Company for the fairness of such premium and as advised by the Company, it considers such premium is acceptable because the revenue and gross profit of the department store business in the Hi-Tech Store Properties represent approximately 25% and approximately 31% to the total revenue and gross profit respectively of the Company for the year ended 31 December 2010 and hence, if the tenancy agreement in respect of the Hi-Tech Store Properties is terminated or not renewed upon expiry by the landlord, it is expected there would be adverse impact to the Company's financial performance.

We are of the view that (i) given the role of Glory Keen is acting as a creditor to the Company to facilitate the acquisition of the Big Bell 2 Sale Share and the Big Bell 2 Sale Loan, we consider the Interest shall be viewed as a fee for the time value of the borrowing of the Fixed Consideration instead of part of the consideration for the acquisition of the Big Bell 2 Sale Share and Big Bell 2 Sale Loan (details of the analyses on the Interest has been set out above in this section); and (ii) the amount of the Interest which depend on the completion date of the Big Bell 2 Acquisition is unable to ascertain as at the Latest Practicable Date, we consider it is fair to compare the Adjusted NAV with the Fixed Consideration instead of the Potential Aggregate Consideration. In light of the above and taking into account (i) store relocation may result adverse impact to the Company; (ii) by excluding the Interest, the Big Bell 2 Consideration represents the same amount of the acquisition cost of the Big Bell 2 Sale Share and the Big Bell 2 Sale Loan under the Big Bell 2 SPA(1) and Big Bell 2 SPA(2) given the vendor under the Big Bell 2 SPA(1), Big Bell 2 Holding, is an Independent Third Party; and (iii) we are of the view that the Interest is acceptable as mentioned above, we consider the Fixed Consideration represents a premium of approximately 3.42% to the Adjusted NAV is acceptable and the Big Bell 2 Consideration is fair and reasonable so far as the BB2 Independent Shareholders are concerned. BB2 Independent Shareholders are advised to refer to the Valuation Report contained in Appendix VII to the Circular for details of the basis and assumptions of the Valuation.

4. Guarantor's undertaking

Pursuant to the Big Bell 2 SPA(3), the Company guarantees to Glory Keen the due and punctual performance by King Hero of all its obligations under the Big Bell 2 SPA(3) and agrees to indemnify Glory Keen against all losses, claims, damages, costs and expenses which Glory Keen may suffer through or arising from any breach by King Hero of such obligations.

In view that (i) it is commercially justifiable and not uncommon to have the purchaser's guarantor to provide undertaking on the due and punctual performance by the purchaser's obligations; and (ii) the role of Glory Keen is to provide financial assistance to the Company to acquire the Big Bell 2 Sale Share and Big Bell 2 Sale Loan and hence it is fair to have such guarantor's undertaking to protect Glory Keen from the repayment of his provision of financial assistance, we consider the guarantor's undertaking is acceptable.

5. Financial effect

(i) Net asset value

As set out in AR 2010, the audited consolidated net asset value of the Group as at 31 December 2010 was approximately HK$405.47 million. As advised by the Company, upon completion of the Big Bell 2 Acquisition, the unaudited net asset value of the Group will decrease by approximately HK$1.20 million to approximately HK$404.27 million.

Having considered the Big Bell 2 Acquisition would be able to reduce the rental expense of the Company and to eliminate the risk of disruption to the operation of the department store located at the Hi-Tech Store Properties in case the tenancy agreement in respect of the Hi-Tech Store Properties is terminated or not renewed upon expiry by the landlord, we consider the decrease of net asset value of the Group as a result of the Big Bell 2 Acquisition is acceptable.

(ii) Earnings

As set out in the Board Letter, it is expected that the Big Bell 2 Acquisition will contribute positively to the Group as the reduction in rental expense of Hi-Tech Store Properties will compensate the increase in financing charge.

6. Recommendation

Having considered the above-mentioned principal factors and reasons, in particular, taking into account that:

(i) the Big Bell 2 Acquisition would allow the Company to reduce the rental expense;

(ii) the possible indication on the increase in rental price from the increase in the selling price of the commercial properties in the PRC and the increase in gross domestic products in Shaanxi Province;

(iii) given store relocation may incur adverse impact for department store operation as customers may be already familiar with the department store location, the Big Bell 2 Acquisition would allow the Company to eliminate the risk of disruption to the operation of the department store located at the Hi-Tech Store Properties in case the tenancy agreement in respect of the Hi-Tech Store Properties is terminated or not renewed upon expiry by the landlord;

(iv) by excluding the Interest, the Big Bell 2 Consideration represents the same amount of the acquisition cost of the Big Bell 2 Sale Share and Big Bell 2 Sale Loan under the Big Bell 2 SPA(1) and Big Bell 2 SPA(2) given the vendor under the Big Bell 2 SPA(1), Big Bell 2 Holding, is an Independent Third Party; and

(v) it is expected that Big Bell 2 Acquisition will contribute positively to the Group as the reduction in rental expense of Hi-Tech Store Properties will compensate the increase in financing charge,

we consider (i) the terms of the Big Bell 2 Acquisition are on normal commercial terms and are fair and reasonable so far as the BB2 Independent Shareholders are concerned; and (ii) the Big Bell 2 Acquisition and the terms thereof are in the interests of the Company and the BB2 Independent Shareholders as a whole. We would therefore recommend the BB2 Independent Shareholders and advise the Independent Board Committee to recommend the BB2 Independent Shareholders to vote in favour of the resolution to approve the Big Bell 2 Acquisition to be proposed at the SGM.

C. CONTINUING CONNECTED TRANSACTIONS

1. Reasons and background of the Continuing Connected Transactions

As set out in the Board Letter, Century Ginwa Shopping, a wholly-owned subsidiary of the Company entered into the Master Properties Lease Agreements and the Master Facilities Lease Agreement to rent the Hi-Tech Store Properties and facilities (the "**Facilities**") for the department store business since October 2008. As these lease agreements were expired on 9 June 2011, and the Big Bell 2 Acquisition is yet to be completed, Xi'an Honghui, Century Ginwa Shopping and Century Ginwa Joint Stock entered into the Supplemental Properties Lease Agreements and the Supplemental Facilities Lease Agreements on 9 June 2011 and 10 June 2011 to extend the terms of the Master Properties Lease Agreements and the Master Facilities Lease Agreement for an additional term of three years commencing on 10 June 2011 and expiring on 9 June 2014. As advised by the Company, save for such extension of leasing terms, material terms in the Supplemental Properties Lease Agreements and the Supplemental Facilities Lease Agreements remain same as the Master Properties Lease Agreements and the Master Facilities Lease Agreement.

The Group is principally engaged in operation of department stores in the PRC and as disclosed above, the Hi-Tech Store Properties have been leased to Century Ginwa Shopping for its existing department store operations under the Master Properties Lease Agreements and the Master Facilities Lease Agreement since October 2008. In view that the Master Properties Lease Agreements and the Master Facilities Lease Agreement were expired on 9 June 2011 and the Big Bell 2 Acquisition is yet to be completed, we consider that the entering into the Supplemental Properties Lease Agreements and the Supplemental Facilities Lease Agreements would ensure the normal operations of the department store business in the Hi-Tech Store Properties. As such, we consider the Amended Properties Lease Agreements and the Amended Facilities Lease Agreements are fair and reasonable and in the interests of the Company and the CCT Independent Shareholders as a whole and in the ordinary course of business of the Company.

2. Principal terms of the Supplemental Properties Lease Agreements and the Supplemental Facilities Lease Agreements

Supplemental Properties Lease Agreements

As noted from the Board Letter, the terms of the Supplemental Properties Lease Agreements are three years commencing on 10 June 2011 and expiring on 9 June 2014. The monthly rental fee is RMB1,573,000 (equivalent to approximately HK$1.89 million) payable by cash on a monthly basis. In the event the Big Bell 2 Acquisition is not completed within one year from the date of the Big Bell 2 SPA(3), Glory Keen can terminate the Supplemental Properties Lease Agreements and negotiate for new terms and conditions for the leasing of the Hi-Tech Store Properties.

As set out in the Board Letter, the terms of the Supplemental Properties Lease Agreements are arrived at after arm's length negotiation and are on normal commercial terms. The rental fee of the Supplemental Properties Lease Agreements was determined with reference to the monthly rental fee of RMB1,573,000 (equivalent to approximately HK$1.89 million) for the year from 13 June 2010 to 12 June 2011 under the Master Properties Lease Agreements and the prevailing market rent of similar properties in the nearby locations.

We have reviewed the Master Properties Lease Agreements and noted that the monthly rental fee is RMB1,573,000 (equivalent to approximately HK$1.89 million) for the year from 13 June 2010 to 12 June 2011. We also noted from the Master Properties Lease Agreements that Century Ginwa Shopping is obliged to deposit an amount equivalent to 1% of the net profit after tax of Century Ginwa Shopping recorded in each financial year during the terms of the Master Properties Lease Agreements to a bank account (the "**Bank Account**") of Century Ginwa Shopping approved by Xi'an Honghui as a maintenance fund for the normal repair and maintenance of the premise. As advised by the Company, the Bank Account will be operated by the Company and the bank balance of the Bank Account belongs to the Company and as at the Latest Practicable Date, the Bank Account has not been set up yet.

Having considered that (i) the possible indication on the increase in rental price from the increase in the selling price of the commercial properties in PRC and the increase in gross domestic products in Shaanxi Province as mentioned under the subsection headed "2. Background and reasons" under the section headed "B. THE BIG BELL 2 ACQUISITION" above; and (ii) the monthly rental under the Supplemental Properties Lease Agreements is same, and remain the same up to the expiration of the Supplemental Properties Lease Agreements, as the monthly rental under the Master Properties Lease Agreements which was entered at the time when Xi'an Honghui was an Independent Third Party; and (iii) save for such extension of leasing terms, all the terms in the Supplemental Properties Lease Agreements remain the same as the Master Properties Lease Agreements, we consider that the Amended Properties Lease Agreements are fair and reasonable and in the interests of the Company and the CCT Independent Shareholders as a whole.

Supplemental Facilities Lease Agreements

As noted from the Board Letter, the terms of the Supplemental Facilities Lease Agreements are three years commencing on 10 June 2011 and expiring on 9 June 2014. The monthly rental fee is RMB1,048,667 (equivalent to approximately HK$1.26 million) payable by cash on a monthly basis. In the event the Big Bell 2 Acquisition is not completed within one year from the date of the Big Bell 2 SPA(3), Glory Keen can terminate the Supplemental Facilities Lease Agreements and negotiate for new terms and conditions for the leasing of the Facilities.

As set out in the Board Letter, the terms of the Supplemental Facilities Lease Agreements are arrived at after arm's length negotiation and are on normal commercial terms. The rental fee under the Supplemental Facilities Lease Agreements was determined with reference to the existing monthly rental fee under the Master Facilities Lease Agreement of RMB1,048,667 (equivalent to approximately HK$1.26 million).

As advised by the Company, the Facilities include equipments and facilities in the premise and those can be detached from the premise, e.g. lights, air-conditioners, lift and stairs etc.

We have reviewed the Master Facilities Lease Agreement and noted that the monthly rental fee is RMB1,048,667 (equivalent to approximately HK$1.26 million) for the year from 13 June 2010 to 12 June 2011. We also noted from the Master Facilities Lease Agreement that Century Ginwa Shopping is obliged to deposit an amount equivalent to 1% of the net profit after tax of Century Ginwa Shopping recorded in each financial year during the terms of the Master Facilities Lease Agreement to the Bank Account as a maintenance fund for the normal repair and maintenance of the premise. As advised by the Company, the Bank Account will be operated by the Company and the bank balance of the Bank Account belongs to the Company and as at the Latest Practicable Date, the Bank Account has not been set up yet.

Having considered that: (i) the monthly rental under the Supplemental Facilities Lease Agreements is same, and remain the same up to the expiration of the Supplemental Facilities Lease Agreements, as the monthly rental under the Master Facilities Lease Agreement which was entered at the time when Xi'an Honghui was an Independent Third Party; and (ii) save for such extension of leasing terms, all the terms in the Supplemental Facilities Lease Agreements remain the same as the Master Facilities Lease Agreement, we consider that the Amended Facilities Lease Agreements are fair and reasonable and in the interests of the Company and the CCT Independent Shareholders as a whole.

3. Annual caps

Based on the amount of rental fee set out under the Amended Properties Lease Agreements and the Amended Facilities Lease Agreements, the annual aggregate maximum amount of fee payable to Xi'an Honghui for the four financial years ending 31 December 2014 (the "**Annual Caps**") are as follows:

Financial year ending 31 December	**Amount**
2011 (the "**2011 Annual Cap**")	RMB17,565,169 (approximately HK$21.08 million)
2012 (the "**2012 Annual Cap**")	RMB31,460,004 (approximately HK$37.75 million)
2013 (the "**2013 Annual Cap**")	RMB31,460,004 (approximately HK$37.75 million)
2014 (the "**2014 Annual Cap**")	RMB13,894,835 (approximately HK$16.67 million)

The Annual Caps are made with reference to the aggregate monthly rental fee under the Amended Property Lease Agreements and the Amended Facilities Lease Agreements of RMB2,621,667 (approximately HK$3.15 million) (the "**Aggregate Monthly Rental Fee**"). The 2011 Annual Cap is the total amount of the Aggregate Monthly Rental Fee for the period from 10 June 2011 to 31 December 2011, hence, it is on a six-month and 21 days basis. The 2012 Annual Cap and the 2013 Annual Cap, which are both twelve months basis, represent twelve times of the Aggregate Monthly Rental Fee. The 2014 Annual Cap is the total amount of the Aggregate Monthly Rental Fee for the period from 1 January 2014 to 9 June 2014, hence, it is on a five-month and 9 days basis.

Having considered the Annual Caps were arrived based on the Aggregate Monthly Rental Fee, we consider that the Annual Caps are fair and reasonable and in the interests of the Company and the CCT Independent Shareholders as a whole.

4. Recommendation

Having considered the above principal factors, we are of the opinion that the terms of the Continuing Connected Transactions are on normal commercial terms, in the ordinary course of business, fair and reasonable and in the interests of the Company and the CCT Independent Shareholders as a whole. Accordingly, we recommend the CCT Independent Shareholders and the Independent Board Committee to advise the CCT Independent Shareholders to vote in favour of the ordinary resolution(s) to be proposed at the SGM for approving the Continuing Connected Transactions.

Yours faithfully,
For and on behalf of
Veda Capital Limited

Hans Wong — *Chairman*
Julisa Fong — *Managing Director*

1. THREE YEARS FINANCIAL INFORMATION

Financial information of the Group for each of the three years ended 31 December 2008, 2009 and 2010, are disclosed in the following documents which have been published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (www.cgrh.com.hk):

(i) annual report of the Company for the year ended 31 December 2010 dated 22 March 2011 published on 8 April 2011 (pages 39-171);

(ii) annual report of the Company for the year ended 31 December 2009 dated 20 April 2010 published on 28 April 2010 (pages 35-167); and

(iii) annual report of the Company for the year ended 31 December 2008 dated 24 April 2009 published on 29 April 2009 (pages 48-211).

Subsequent to 31 December 2010, the date to which the latest audited account were made up, China King Management Limited, a wholly-owned subsidiary of the Company, as purchaser entered into the agreement on 31 January 2011 with Grand Well Group Limited, as vendor and Mr. Mak Kam Fai, as guarantor in relation to the acquisition of the entire interest in Ideal Mix Limited. The acquisition was completed on 24 May 2011 and the total consideration of HK$348.5 million has been satisfied as to HK$254.0 million in cash and HK$94.5 million by the issue of the Grand Well CB, convertible bonds with a principal amount of HK$94.5 million.

Please refer to the circular of the Company dated 26 April 2011 for the information on the acquisition and the appendices II and III to the circular for the financial information of the Ideal Mix Group.

2. INDEBTEDNESS STATEMENT

Borrowings

At the close of business on 30 April 2011, the Enlarged Group and the Ideal Mix Group had total borrowings of approximately HK$2,530,531,000, comprising (i) secured bank loans of approximately RMB440,073,000 (equivalent to approximately HK$526,679,000); and (ii) debt securities of approximately HK$2,003,852,000.

The bank loans were interest-bearing and secured by properties held by related companies or self-owned properties, or guarantees given by related companies.

The debt securities comprised (i) BMRL CB; (ii) Hony CB; and (iii) unsecured notes.

The BMRL CB represent an aggregate outstanding principal amount of HK$544,171,000. The five-year convertible bonds were issued with an initial conversion price of HK$0.689 per share, carrying a coupon interest rate of 2.75% per annum which will be payable annually and will mature on 18 September 2013. Upon the completion of open offer of 584,120,426 shares in January 2010, the conversion price was adjusted to HK$0.54.

The Hony CB represent an aggregate outstanding principal amount of HK$887,000,000 and HK$443,500,000, issued on 3 December 2010 and 19 April 2011, respectively, with an initial conversion price of HK$0.275 per share, carrying a coupon interest rate of 3% per annum which will be payable semi-annually and will mature on 3 December 2015 and 19 April 2016, respectively.

The unsecured notes represent an outstanding principal amount of HK$138,702,000. The two-year unsecured notes will mature on 3 December 2012.

Contingent liabilities

At the close of business on 30 April 2011, the Enlarge Group and the Ideal Mix Group had the following contingent liabilities:

1. Legal claims

(i) Century Ginwa Joint Stock Company Limited ("Century Ginwa Joint Stock"), a subsidiary of the Group, has provided a guarantee on bank loan of RMB24.0 million drawn by a third party in 2005. This third party has subsequently defaulted repayment on the bank loan and has yet to repay the bank loan as of 30 April 2011. In October 2006 and December 2009, Century Ginwa Joint Stock received court judgements which found that both the third party and Century Ginwa Joint Stock to be jointly and severally liable for the repayment of the defaulted bank loan plus interest accrued thereof. The court judgements have required Century Ginwa Joint Stock to fulfill its obligation as the guarantor. Under an agreement entered into between Century Ginwa Joint Stock and Ginwa Investments Company Limited ("Ginwa Investments") in 2008, Ginwa Investments has agreed to indemnify Century Ginwa Joint Stock on any losses incurred arising from the above guarantee. As of 30 April 2011, according to the court judgement received, the defaulted bank loan plus accrued interest amounted to RMB26.2 million (equivalent to approximately HK$31.4 million). The Directors believe that the indemnity agreement entered into with Ginwa Investments will enable the Group to recover any losses the Group may have incurred arising from the above guarantee. Accordingly, no provision has been made in respect of this claim.

(ii) In January 2011, Century Ginwa Joint Stock received a notice that it is being sued by a third party in respect of a guarantee provided by Century Ginwa Joint Stock on a loan of RMB13.2 million (equivalent to approximately HK$15.8 million) granted by this third party to Ginwa Investments in August 2005. Ginwa Investments has subsequently defaulted repayment on the loan but is currently under negotiation with the third party to formulate a revised repayment plan. As of 30 April 2011, the above lawsuit is under review before an arbitrator. The Directors believe that Ginwa Investments will be able to agree on a revised repayment plan with the third party in the foreseeable future. Accordingly, no provision has been made in respect of this claim.

2. Financial guarantees issued

(i) A guarantee provided by Century Ginwa Joint Stock in respect of an interest bearing bank loan of RMB89.0 million (equivalent to approximately HK$106.5 million) drawn by Ginwa Investments in 2008. The loan will mature in July 2012. In September 2010, Century Ginwa Joint Stock and Ginwa Investments have entered into an agreement, whereby Ginwa Investments has agreed to indemnify Century Ginwa Joint Stock on any losses incurred arising from the above guarantee.

(ii) A guarantee provided by Century Ginwa Joint Stock in respect of an interest bearing bank loan of RMB15.0 million (equivalent to approximately HK$18.0 million) drawn by Ginwa Investments in 2007. The loan will mature in September 2013. In August 2008, Century Ginwa Joint Stock and Ginwa Investments have entered into an agreement, where Ginwa Investments has agreed to indemnify Century Ginwa Joint Stock on any losses incurred arising from the above guarantee.

Disclaimer

Save as aforesaid and apart from intra-group liabilities and normal trade and other payables, as at the close of business on 30 April 2011, the Enlarged Group and the Ideal Mix Group did not have any outstanding mortgages, charges, debentures or other loan capital or bank overdrafts, loans or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptance or acceptance credits, debt securities or other material contingent liabilities.

Save for the acquisition of 100% interest in Ideal Mix Limited completed on 24 May 2011, the proposed Qianhui Acquisition and the Big Bell 2 Acquistion, the Directors confirmed that there has been no material change in the indebtedness and contingent liabilities of the Enlarged Group and the Ideal Mix Group since 30 April 2011.

For the purpose of the above statement of indebtedness, foreign currency denominated amounts have been translated into Hong Kong dollars at the rates of exchange prevailing at the close of business on 30 April 2011.

3. WORKING CAPITAL

Taking into account the internally generated funds and external financing such as bank borrowings, and warrants subscription funds, the Directors are of the opinion that the Enlarged Group and the Ideal Mix Group will have sufficient working capital for its present requirements, that is for at least 12 months from the date of this circular, in the absence of unforeseeable circumstances.

4. MATERIAL ADVERSE CHANGES

The Directors are not aware of any material adverse change in the financial or trading position or prospects of the Group since 31 December 2010, the date to which the latest published audited accounts of the Company were made up.

The following is the text of a report, prepared for the purpose of incorporation in this circular, received from the reporting accountants, KPMG, Certified Public Accountants, Hong Kong.

KPMG

8th Floor
Prince's Building
10 Chater Road
Central
Hong Kong

27 June 2011

The Directors
Century Ginwa Retail Holdings Limited

Dear Sirs,

INTRODUCTION

We set out below our report on the financial information relating to Shaanxi Qianhui Company Limited ("Qianhui") including the statement of comprehensive income, the statement of changes in equity and the cash flow statement of Qianhui for the period from 13 June 2010 (the date of establishment) to 31 December 2010 (the "Relevant Period") and the statement of financial position of Qianhui as at 31 December 2010, together with the explanatory notes thereto (the "Financial Information"), for inclusion in the shareholders' circular of Century Ginwa Retail Holdings Limited (the "Company") dated 27 June 2011 (the "Circular").

Qianhui was established in the People's Republic of China (the "PRC") on 13 June 2010 as a limited liability company. Qianhui has not carried on any business since the date of its establishment.

As at the date of this report, no audited financial statements have been prepared for Qianhui, as it has not carried on any business since the date of establishment. Qianhui has adopted 31 December as its financial year end date.

The director of Qianhui has prepared the financial statements of Qianhui for the Relevant Period in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") (the "Underlying Financial Statements"). The Underlying Financial Statements for the period from 13 June 2010 (the date of establishment) to 31 December 2010 were audited by us in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

The Financial Information has been prepared by the directors of the Company based on the Underlying Financial Statements, with no adjustments made thereon and in accordance with the applicable disclosure provisions of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS

The directors of the Company are responsible for the preparation of the Financial Information that gives a true and fair view in accordance with HKFRSs issued by the HKICPA, the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Listing Rules, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Financial Information that is free from material misstatement, whether due to fraud or error.

Our responsibility is to form an opinion on the Financial Information based on our procedures.

BASIS OF OPINION

As a basis for forming an opinion on the Financial Information, for the purpose of this report, we have examined the Underlying Financial Statements and have carried out such appropriate procedures as we considered necessary in accordance with Auditing Guideline "Prospectuses and the Reporting Accountant" (Statement 3.340) issued by the HKICPA.

We have not audited any financial statements of Qianhui in respect of any period subsequent to 31 December 2010.

OPINION

In our opinion, for the purpose of this report, the Financial Information gives a true and fair view of Qianhui's result and cash flow for the Relevant Period, and the state of affairs of Qianhui as at 31 December 2010.

A. FINANCIAL INFORMATION

1. STATEMENT OF COMPREHENSIVE INCOME

(Expressed in Renminbi ("RMB"))

	Section B Note	**Period from 13 June 2010 (date of establishment) to 31 December 2010** *RMB*
Turnover	*2*	–
Other revenue	*3*	7,089
Administrative expenses		(8,000)
Loss from operations		(911)
Finance costs	*4(a)*	(50)
Loss before taxation	*4*	(961)
Income tax	*5*	–
Loss and total comprehensive income for the period		(961)

The accompanying notes form part of the Financial Information.

2. STATEMENT OF FINANCIAL POSITION

(Expressed in RMB)

	Section B Note	**At 31 December 2010** *RMB*
Current assets		
Other receivable	*7*	4,000,000
Cash and cash equivalents	*8*	999,039
NET ASSETS		4,999,039
CAPITAL AND RESERVES		
Paid-in capital		5,000,000
Accumulated losses		(961)
TOTAL EQUITY		4,999,039

The accompanying notes form part of the Financial Information.

3. STATEMENT OF CHANGES IN EQUITY

(Expressed in RMB)

	Paid-in capital	Accumulated losses	Total equity
	RMB	*RMB*	*RMB*
Balance at 13 June 2010 (date of establishment)	–	–	–
Capital contribution	5,000,000	–	5,000,000
Loss and total comprehensive income for the period	–	(961)	(961)
Balance at 31 December 2010	5,000,000	(961)	4,999,039

The accompanying notes form part of the Financial Information.

4. CASH FLOW STATEMENT

(Expressed in RMB)

	Section B Note	**Period from 13 June 2010 (date of establishment) to 31 December 2010** *RMB*
Operating activities		
Loss before taxation		(961)
Adjustments for:		
Interest income	*3*	(7,089)
Finance costs	*4(a)*	50
Change in working capital:		
Increase in other receivable		(4,000,000)
Net cash used in operating activities		(4,008,000)
Investing activities		
Interest received		7,089
Net cash generated from investing activities		7,089
Financing activities		
Capital contribution		5,000,000
Finance costs paid		(50)
Net cash generated from financing activities		4,999,950
Net increase in cash and cash equivalents		999,039
Cash and cash equivalents at the beginning of the period		–
Cash and cash equivalents at the end of the period	*8*	999,039

The accompanying notes form part of the Financial Information.

B. NOTES TO THE FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

1. Significant accounting policies

(a) Statement of compliance

The Financial Information set out in this report has been prepared in accordance with all applicable HKFRSs, which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the HKICPA. Further details of the significant accounting policies adopted are set out in the remainder of this Section B.

The HKICPA has issued a number of new and revised HKFRSs. For the purpose of preparing this Financial Information, Qianhui has adopted all these new and revised HKFRSs to the Relevant Period, except for any new standards or interpretations that are not yet effective for the accounting period ended 31 December 2010. The new and revised accounting standards and interpretations issued but not yet effective for the accounting period ended 31 December 2010 are set out in Section B Note 14.

The Financial Information also complies with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Listing Rules.

(b) Basis of preparation of the Financial Information

The Financial Information comprises Qianhui.

(c) Basis of measurement

The Financial Information is presented in RMB and it is prepared on the historical cost basis.

(d) Use of estimates and judgments

The preparation of Financial Information in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

1. Significant accounting policies (continued)

(d) Use of estimates and judgments (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the Financial Information and major sources of estimation uncertainty are discussed in Section B Note 13.

(e) Impairment of receivable

Receivable that is stated at cost or amortised cost is reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of Qianhui about one or more of the following loss events:

– significant financial difficulty of the debtor;

– a breach of contract, such as a default or delinquency in payments;

– it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and

– significant changes in the market, economic or legal environment that have an adverse effect on the debtor.

If any such evidence exists, the impairment loss is measured as the difference between the receivable's carrying amount and the present value of estimated future cash flows, discounted at the receivable's original effective interest rate (i.e. the effective interest rate computed at initial recognition of the receivable), where the effect of discounting is material.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through the statement of comprehensive income. A reversal of an impairment loss shall not result in the receivable's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior periods.

1. **Significant accounting policies (continued)**

(e) Impairment of receivable (continued)

Impairment losses are written off against the corresponding receivable directly, except for impairment losses recognised in respect of receivable whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When Qianhui is satisfied that recovery is remote, the amount considered irrecoverable is written off against receivable directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in the statement of comprehensive income.

(f) Other receivable

Other receivable is initially recognised at fair value and thereafter stated at amortised cost less allowance for impairment of doubtful debts (see Section B Note 1(e)).

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(h) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the period in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Termination benefits

Termination benefits are recognised when, and only when, Qianhui demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

1. Significant accounting policies (continued)

(i) Income tax

Income tax for the period comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the statement of comprehensive income except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous periods.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination).

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

1. Significant accounting policies (continued)

(i) Income tax (continued)

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if Qianhui has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

– in the case of current tax assets and liabilities, Qianhui intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

– in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority.

(j) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when Qianhui has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(k) Revenue recognition

Interest income is recognised as it accrues using the effective interest method.

1. Significant accounting policies (continued)

(l) Translation of foreign currencies

Foreign currency transactions during the period are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in the statement of comprehensive income.

(m) Related parties

For the purposes of the Financial Information, a party is considered to be related to Qianhui if:

(i) the party has the ability, directly or indirectly through one or more intermediaries, to control Qianhui or exercise significant influence over Qianhui in making financial and operating policy decisions, or has joint control over Qianhui;

(ii) Qianhui and the party are subject to common control;

(iii) the party is a member of key management personnel of Qianhui or Qianhui's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;

(iv) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or

(v) the party is a post-employment benefit plan which is for the benefit of employees of Qianhui or of any entity that is a related party of Qianhui.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(n) Segment reporting

Qianhui has not carried on any business since the date of establishment, and accordingly, no segment analysis is provided.

2. Turnover

Qianhui has not carried on any business since the date of establishment, and accordingly, Qianhui did not generate any turnover during the Relevant Period.

3. Other revenue

	Period from 13 June 2010 (date of establishment) to 31 December 2010
	RMB
Interest income	7,089

4. Loss before taxation

Loss before taxation is arrived at after charging:

(a) Finance costs:

	Period from 13 June 2010 (date of establishment) to 31 December 2010
	RMB
Bank charges	50

(b) Staff costs:

Qianhui does not have any employees, and accordingly, no staff related costs have been incurred during the Relevant Period.

5. Income tax

Qianhui is subject to PRC Corporate Income Tax rate at 25% during the Relevant Period. No provision for PRC Corporate Income Tax has been made as Qianhui made losses during the Relevant Period.

There were no significant unrecognised deferred tax assets and liabilities as at 31 December 2010.

6. Director's remuneration

The director of Qianhui did not receive any fees or emoluments from Qianhui during the Relevant Period.

7. Other receivable

	At 31 December 2010 *RMB*
Amount due from the immediate holding company	4,000,000

The amount due from the immediate holding company is unsecured, non-interest bearing and has no fixed terms of repayments.

The above receivable is expected to be recovered within one year.

8. Cash and cash equivalents

	At 31 December 2010 *RMB*
Cash at bank	999,039

RMB is not a freely convertible currency and the remittance of funds out of the PRC is subject to the exchange restrictions imposed by the PRC government.

9. Capital and reserve

(a) Dividends and distributable reserve

Qianhui has not carried on any business since the date of establishment, and accordingly, there is no reserve available for distribution.

(b) Capital management

Qianhui has not carried on any business since the date of establishment, and accordingly, no strategy on the management of Qianhui's capital structure has been established.

Qianhui is not subject to externally imposed capital requirements.

10. Financial risk management and fair values

(a) Financial risk management

Since Qianhui has not carried on any business since the date of establishment, it is not exposed to significant credit, liquidity, interest rate and currency risks, except for the credit risk arising from the amount due from the immediate holding company (see Section B Note 7), which the directors of the Company consider the amount to be fully recoverable.

(b) Fair values

All financial instruments are carried at amounts not materially different from their fair values as at 31 December 2010.

11. Material related party transaction

(a) Transaction with the immediate holding company

	Period from 13 June 2010 (date of establishment) to 31 December 2010
	RMB
Advance granted to the immediate holding company	4,000,000

(b) Key management personnel remuneration

Qianhui does not have any employees, and accordingly, no staff related costs have been incurred during the Relevant Period.

12. Immediate and ultimate controlling party

At 31 December 2010, the directors of the Company consider the immediate and ultimate controlling party of Qianhui to be Shaanxi F&L Properties Co., Ltd. ("Shaanxi F&L"), which is a company established in the PRC. This entity does not produce financial statements available for public use.

13. Accounting judgements and estimates

In the process of applying Qianhui's accounting policies, the management considers the key source of estimation uncertainty to be the impairment of receivable. The management maintains an allowance for doubtful accounts for estimated losses resulting from the inability of the debtor to make the required payments. The management bases the estimates on the ageing of the receivable balance and debtor credit-worthiness. If the financial condition of the debtor was to deteriorate, actual write-offs would be higher than estimated.

14. Possible impact of new standards, amendments to standards and interpretations issued but not yet effective for the period from 13 June 2010 (date of establishment) to 31 December 2010

Up to the date of issue of the Financial Information, the HKICPA has issued a number of new standards, amendments to standards and interpretations which are not yet effective for the period from 13 June 2010 (date of establishment) to 31 December 2010 and which have not been adopted in the Financial Information.

	Effective for accounting period beginning on or after
Amendments to HKAS 32, *Financial instruments: Presentation – classification of rights issues*	1 February 2010
HK(IFRIC) 19, *Extinguishing financial liabilities with equity instruments*	1 July 2010
Amendments to HKFRS 1, *First-time adoption of Hong Kong Financial Reporting Standards – Limited exemption from comparative HKFRS 7 disclosures for first-time adopters*	1 July 2010
Improvements to HKFRSs (2010)	1 July 2010 or 1 January 2011
Revised HKAS 24, *Related party disclosures*	1 January 2011
Amendments to HK(IFRIC) 14, HKAS 19 – *The limit on a defined benefit asset, minimum funding requirements and their interaction – Prepayments of a minimum funding requirement*	1 January 2011
Amendments to HKFRS 1, *First-time adoption of Hong Kong Financial Reporting Standards – Severe hyperinflation and removal of fixed dates for first-time adopters*	1 July 2011
Amendments to HKFRS 7, *Financial instruments: Disclosures – Transfer of financial assets*	1 July 2011
Amendments to HKAS 12, *Income taxes – Deferred tax: Recovery of underlying assets*	1 January 2012

14. Possible impact of new standards, amendments to standards and interpretations issued but not yet effective for the period from 13 June 2010 (date of establishment) to 31 December 2010 (continued)

	Effective for accounting period beginning on or after
HKFRS 9, *Financial instruments (2009)* Basis for conclusions on HKFRS 9 (2009) Amendments to other HKFRSs and guidance on HKFRS 9 (2009)	1 January 2013
HKFRS 9, *Financial instruments (2010)* Basis for conclusions on HKFRS 9 (2010) Implementation guidance on HKFRS 9 (2010)	1 January 2013
HKFRS 10, *Consolidated financial statements*	1 January 2013
HKFRS 11, *Joint arrangements*	1 January 2013
HKFRS 12, *Disclosure of interests in other entities*	1 January 2013
HKFRS 13, *Fair value measurement*	1 January 2013
HKAS 27, *Separate financial statements (2011)*	1 January 2013
HKAS 28, *Investments in associates and joint ventures (2011)*	1 January 2013

Qianhui has commenced considering the potential impact of the above new standards, amendments to standards and interpretations but is not yet in a position to determine whether these new standards, amendments to standards and interpretations will have a significant impact on how the results of operations and financial position are prepared and presented. These new standards, amendments to standards and interpretations may result in changes in the future as to how the results and financial position are prepared and presented.

C. SUBSEQUENT EVENT

(a) Acquisition of properties

As a condition precedent to the equity transfer agreement entered into between a subsidiary of the Group, Qianhui and Shaanxi F&L, the existing equity holder of Qianhui, Shaanxi F&L is to conduct a restructuring which involves (i) Qianhui's acquisition and obtaining of the proper title ownership of the properties located in South of Feng Cheng Fifth Road, Economic & Technologic Development Zone, Xi'an City, Shaanxi Province, the PRC (the "Saigo Store Properties"); and (ii) the transfer of leasing agreements related to the Saigo Store Properties to Qianhui. As at the date of this Circular, the above acquisition of properties has yet to be completed.

The directors of the Company have confirmed that Qianhui has commenced in considering the potential financial impact of the above acquisition of properties on Qianhui's results of operations in future periods and financial position at future dates.

(b) Change in ownership

On 16 May 2011, the Company announced that the Company, through one of its subsidiaries, is to acquire 100% equity interests in Qianhui from Shaanxi F&L for a consideration of RMB500.0 million. This transaction is subject to certain conditions precedent (including the one described in Section C Note (a) above) and requires the approval by the shareholders of the Company in a special general meeting to be held on 15 July 2011.

D. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared for Qianhui in respect of any period subsequent to 31 December 2010.

Yours faithfully
KPMG
Certified Public Accountants
Hong Kong

The following is the text of a report, prepared for the purpose of incorporation in this circular, received from the reporting accountants, KPMG, Certified Public Accountants, Hong Kong.

KPMG

8th Floor
Prince's Building
10 Chater Road
Central
Hong Kong

27 June 2011

The Directors
Century Ginwa Retail Holdings Limited

Dear Sirs,

INTRODUCTION

We set out below our report on the financial information relating to CPI Asia Big Bell 2 Limited ("Big Bell 2") and its subsidiaries (hereinafter collectively referred to as the "Big Bell 2 Group") including the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated cash flow statements of the Big Bell 2 Group for each of the years ended 31 December 2008, 2009 and 2010 (the "Relevant Period"), and the consolidated statements of financial position of the Big Bell 2 Group and the statements of financial position of Big Bell 2 as at 31 December 2008, 2009 and 2010, together with the explanatory notes thereto (the "Financial Information"), for inclusion in the shareholders' circular of Century Ginwa Retail Holdings Limited (the "Company") dated 27 June 2011 (the "Circular").

Big Bell 2 was incorporated in the British Virgin Islands on 17 December 2007 as a limited liability company under the British Virgin Islands Business Company Act, 2004.

As at the date of this report, no audited financial statements have been prepared for Big Bell 2 and New Channel Holdings Limited, as Big Bell 2 is an investment holding company and not subject to statutory audit requirements under the relevant rules and regulations in the jurisdiction of its incorporation, and the audit of New Channel Holdings Limited for the year ended 31 December 2010 has not been completed as at the date of this report.

All companies comprising the Big Bell 2 Group have adopted 31 December as their financial year end date. Details of the companies comprising the Big Bell 2 Group that are subject to audit during the Relevant Period and the names of the respective auditors are set out in Section B Note 22. The statutory financial statements of these companies were either prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public

Accountants (the "HKICPA") or the Accounting Standards for Business Enterprises and the Accounting Regulation for Business Enterprises issued by the Ministry of Finance of the People's Republic of China (the "PRC").

The directors of Big Bell 2 have prepared the consolidated financial statements of the Big Bell 2 Group for the Relevant Period in accordance with HKFRSs issued by the HKICPA (the "Underlying Financial Statements"). The Underlying Financial Statements for each of the years ended 31 December 2008, 2009 and 2010 were audited by us in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

The Financial Information has been prepared by the directors of the Company based on the Underlying Financial Statements, with no adjustments made thereon and in accordance with the applicable disclosure provisions of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS

The directors of the Company are responsible for the preparation of the Financial Information that gives a true and fair view in accordance with HKFRSs issued by the HKICPA, the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Listing Rules, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Financial Information that is free from material misstatement, whether due to fraud or error.

Our responsibility is to form an opinion on the Financial Information based on our procedures.

BASIS OF OPINION

As a basis for forming an opinion on the Financial Information, for the purpose of this report, we have examined the Underlying Financial Statements and have carried out such appropriate procedures as we considered necessary in accordance with Auditing Guideline "Prospectuses and the Reporting Accountant" (Statement 3.340) issued by the HKICPA.

We have not audited any financial statements of Big Bell 2, its subsidiaries or the Big Bell 2 Group in respect of any period subsequent to 31 December 2010.

OPINION

In our opinion, for the purpose of this report, the Financial Information gives a true and fair view of the Big Bell 2 Group's consolidated results and cash flows for the Relevant Period, and the state of affairs of the Big Bell 2 Group and Big Bell 2 as at 31 December 2008, 2009 and 2010.

A CONSOLIDATED FINANCIAL INFORMATION

1. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Expressed in Hong Kong dollars ("HK$"))

	Section B Note	**Years ended 31 December**		
		2008	**2009**	**2010**
		HK$'000	*HK$'000*	*HK$'000*
Turnover	*2*	9,070	36,224	36,635
Cost of property leased out		(6,619)	(20,094)	(20,157)
Gross profit		2,451	16,130	16,478
Other revenue	*3*	614	25	55
Administrative expenses		(2,627)	(3,951)	(3,809)
Profit from operations		438	12,204	12,724
Finance costs	*4(a)*	(5,247)	(15,367)	(13,082)
Loss before taxation	*4*	(4,809)	(3,163)	(358)
Income tax	*5(a)*	–	–	–
Loss for the year and attributable to equity shareholder of Big Bell 2		(4,809)	(3,163)	(358)
Other comprehensive income for the year (before and after tax)				
Exchange differences on translation into presentation currency		110	419	3,511
Total comprehensive income for the year and attributable to equity shareholder of Big Bell 2		(4,699)	(2,744)	3,153

The accompanying notes form part of the Financial Information.

2. CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in HK$)

	Section B Note	At 31 December 2008 HK$'000	2009 HK$'000	2010 HK$'000
Non-current assets				
Investment property	*8*	398,720	381,536	373,327
Current assets				
Prepayments	*10*	77	72	74
Cash and cash equivalents	*11*	5,323	10,100	17,971
		5,400	10,172	18,045
Current liabilities				
Other payables and accrued expenses	*12*	7,279	3,144	1,287
Amounts due to equity shareholder of Big Bell 2	*13*	198,900	198,968	199,933
Bank loan	*14*	6,237	8,816	12,339
		212,416	210,928	213,559
Net current liabilities		(207,016)	(200,756)	(195,514)
Total assets less current liabilities		191,704	180,780	177,813
Non-current liabilities				
Bank loan	*14*	196,453	188,273	182,153
NET LIABILITIES		(4,749)	(7,493)	(4,340)
CAPITAL AND RESERVES				
Share capital	*15*	–	–	–
Reserves	*15*	(4,749)	(7,493)	(4,340)
TOTAL EQUITY – DEFICIT ATTRIBUTABLE TO EQUITY SHAREHOLDER OF BIG BELL 2		(4,749)	(7,493)	(4,340)

The accompanying notes form part of the Financial Information.

3. STATEMENTS OF FINANCIAL POSITION

(Expressed in HK$)

	Section B Note	At 31 December **2008** *HK$'000*	**2009** *HK$'000*	**2010** *HK$'000*
Non-current assets				
Investment in a subsidiary	*9*	198,872	198,927	199,049
Current liabilities				
Accrued expenses	*12*	–	8	6
Amounts due to equity shareholder	*13*	198,900	198,968	199,933
		(198,900)	(198,976)	(199,939)
NET LIABILITIES		(28)	(49)	(890)
CAPITAL AND RESERVES				
Share capital	*15*	–	–	–
Reserves	*15*	(28)	(49)	(890)
TOTAL EQUITY – DEFICIT		(28)	(49)	(890)

The accompanying notes form part of the Financial Information.

4. CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in HK$)

	Attributable to equity shareholder of Big Bell 2			
	Share capital *HK$'000* *Section B Note 15(b)*	Exchange reserve *HK$'000* *Section B Note 15(c)*	Accumulated losses *HK$'000*	Total equity – deficit *HK$'000*
Balance at 1 January 2008	–	–	(50)	(50)
Changes in equity for 2008:				
Loss for the year	–	–	(4,809)	(4,809)
Other comprehensive income	–	110	–	110
Total comprehensive income for the year	–	110	(4,809)	(4,699)
Balance at 31 December 2008	–	110	(4,859)	(4,749)
Balance at 1 January 2009	–	110	(4,859)	(4,749)
Changes in equity for 2009:				
Loss for the year	–	–	(3,163)	(3,163)
Other comprehensive income	–	419	–	419
Total comprehensive income for the year	–	419	(3,163)	(2,744)
Balance at 31 December 2009	–	529	(8,022)	(7,493)
Balance at 1 January 2010	–	529	(8,022)	(7,493)
Changes in equity for 2010:				
Loss for the year	–	–	(358)	(358)
Other comprehensive income	–	3,511	–	3,511
Total comprehensive income for the year	–	3,511	(358)	3,153
Balance at 31 December 2010	–	4,040	(8,380)	(4,340)

The accompanying notes form part of the Financial Information.

5. CONSOLIDATED CASH FLOW STATEMENTS

(Expressed in HK$)

	Section B Note	Years ended 31 December 2008 *HK$'000*	2009 *HK$'000*	2010 *HK$'000*
Operating activities				
Loss before taxation		(4,809)	(3,163)	(358)
Adjustments for:				
Depreciation	*4(c)*	6,091	18,250	18,422
Finance costs	*4(a)*	5,247	15,367	13,082
Changes in working capital:				
(Increase)/decrease in prepayments		(77)	5	(2)
Increase/(decrease) in other payables and accrued expenses		5,954	(3,946)	(1,040)
Net cash generated from operating activities		12,406	26,513	30,104
Investing activities				
Payment for the purchase of investment property		(81,215)	–	–
Net cash used in investing activities		(81,215)	–	–
Financing activities				
Increase in amounts due to equity shareholder of Big Bell 2		199,237	68	130
Repayment of bank loan		(1,423)	(6,273)	(9,753)
Repayment of other loan		(119,063)	–	–
Finance costs paid		(4,665)	(15,556)	(13,064)
Net cash generated from/(used in) financing activities		74,086	(21,761)	(22,687)
Net increase in cash and cash equivalents		5,277	4,752	7,417
Cash and cash equivalents at 1 January	*11*	–	5,323	10,100
Effect of foreign exchange rate changes		46	25	454
Cash and cash equivalents at 31 December	*11*	5,323	10,100	17,971

The accompanying notes form part of the Financial Information.

B NOTES TO THE FINANCIAL INFORMATION

(Expressed in HK$ unless otherwise indicated)

1. Significant accounting policies

(a) Statement of compliance

The Financial Information set out in this report has been prepared in accordance with all applicable HKFRSs, which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the HKICPA. Further details of the significant accounting policies adopted are set out in the remainder of this Section B.

The HKICPA has issued a number of new and revised HKFRSs. For the purpose of preparing this Financial Information, the Big Bell 2 Group has adopted all these new and revised HKFRSs to the Relevant Period, except for any new standards or interpretations that are not yet effective for the accounting period ended 31 December 2010. The new and revised accounting standards and interpretations issued but not yet effective for the accounting year beginning 1 January 2010 are set out in Section B Note 21.

The Financial Information also complies with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Listing Rules.

The accounting policies set out below have been applied consistently to all years presented in the Financial Information.

(b) Basis of preparation of the Financial Information

The Financial Information comprises the Big Bell 2 Group.

(c) Basis of measurement

The Financial Information is presented in HK$, rounded to the nearest thousand. The Financial Information is prepared on the historical cost basis.

1. Significant accounting policies (continued)

(d) Use of estimates and judgments

The preparation of Financial Information in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the Financial Information and major sources of estimation uncertainty are discussed in Section B Note 20.

(e) Subsidiaries

Subsidiaries are entities controlled by the Big Bell 2 Group. Control exists when the Big Bell 2 Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

An investment in a subsidiary is consolidated into the Financial Information from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the Financial Information. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

When the Big Bell 2 Group loses control of a subsidiary, it is accounted for as a disposal of the entire equity interests in that subsidiary, with a resulting gain or loss being recognised in the statement of comprehensive income. Any equity interests retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or jointly controlled entity.

In Big Bell 2's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Section B Note 1(g)(i)), unless the investment is classified as held-for-sale.

1. Significant accounting policies (continued)

(f) Investment property

Investment property is property held to earn rental income and/or for capital appreciation.

Investment property is stated in the statement of financial position at cost less accumulated depreciation and impairment losses (See Section B Note 1(g)(ii)).

Gains or losses arising from the retirement or disposal of an investment property are determined as the difference between the net disposal proceeds and the carrying amount of the investment property and are recognised in the statement of comprehensive income on the date of retirement or disposal. Rental income from investment property is accounted for as described in Section B Note 1(o)(i).

Depreciation is calculated to write off the cost of investment property, less its estimated residual value, if any, using the straight line method over its estimated useful life at the shorter of the unexpired term of lease and 20 years.

(g) Impairment of assets

(i) Impairment of investments in equity securities and receivables

Investments in equity securities and receivables that are stated at cost or amortised cost are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Big Bell 2 Group about one or more of the following loss events:

– significant financial difficulty of the debtor;

– a breach of contract, such as a default or delinquency in payments;

– it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

– significant changes in the market, economic or legal environment that have an adverse effect on the debtor; and

– a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

1. Significant accounting policies (continued)

(g) Impairment of assets (continued)

(i) Impairment of investments in equity securities and receivables (continued)

If any such evidence exists, any impairment loss is determined and recognised as follows:

– For investment in a subsidiary, the impairment loss is measured by comparing the recoverable amount of the investment as a whole with its carrying amount in accordance with Section B Note 1(g)(ii).

  The impairment loss is reversed if there has been a favorable change in the estimates used to determine the recoverable amount in accordance with Section B Note 1(g)(ii).

– For receivables carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

  If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through the statement of comprehensive income. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of receivable whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Big Bell 2 Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against receivable directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in the statement of comprehensive income.

1. Significant accounting policies (continued)

(g) Impairment of assets (continued)

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that investment property may be impaired or, an impairment loss previously recognised no longer exists or may have decreased.

If any such indication exists, the asset's recoverable amount is estimated.

– Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

– Recognition of impairment losses

An impairment loss is recognised in the statement of comprehensive income if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

– Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the statement of comprehensive income in the year in which the reversals are recognised.

1. Significant accounting policies (continued)

(h) Other receivables

Other receivables are initially recognised at fair value and thereafter stated at amortised cost less allowance for impairment of doubtful debts (see Section B Note 1(g)(i)).

(i) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the statement of comprehensive income over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(j) Other payables

Other payables are initially recognised at fair value and are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(l) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

1. Significant accounting policies (continued)

(l) Employee benefits (continued)

(ii) Termination benefits

Termination benefits are recognised when, and only when, the Big Bell 2 Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

(m) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the statement of comprehensive income except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

1. Significant accounting policies (continued)

(m) Income tax (continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Big Bell 2 Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if Big Bell 2 or the Big Bell 2 Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

– in the case of current tax assets and liabilities, Big Bell 2 or the Big Bell 2 Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

– in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

    – the same taxable entity; or

    – different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

1. Significant accounting policies (continued)

(n) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when Big Bell 2 or the Big Bell 2 Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(o) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Big Bell 2 Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the statement of comprehensive income as follows:

(i) Rental income from operating leases

Rental income under operating leases is recognised in the statement of comprehensive income in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in the statement of comprehensive income as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method.

1. Significant accounting policies (continued)

(p) Translation of foreign currencies

Foreign currency transactions during the year are translated into the functional currency of the entity to which they relate at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of the entity to which they relate at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in the statement of comprehensive income.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into the functional currency of the entity to which they relate using the foreign exchange rates ruling at the transaction dates.

The results of operations which have a functional currency other than HK$ are translated into HK$ at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into HK$ at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

(q) Borrowing costs

Borrowing costs are expensed in the period in which they are incurred.

(r) Related parties

For the purposes of the Financial Information, a party is considered to be related to the Big Bell 2 Group if:

(i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Big Bell 2 Group or exercise significant influence over the Big Bell 2 Group in making financial and operating policy decisions, or has joint control over the Big Bell 2 Group;

(ii) the Big Bell 2 Group and the party are subject to common control;

(iii) the party is a member of key management personnel of the Big Bell 2 Group or the Big Bell 2 Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;

1. Significant accounting policies (continued)

(r) Related parties (continued)

(iv) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or

(v) the party is a post-employment benefit plan which is for the benefit of employees of the Big Bell 2 Group or of any entity that is a related party of the Big Bell 2 Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(s) Segment reporting

The Big Bell 2 Group's turnover is derived from the leasing of a property in the PRC to a tenant, and accordingly, no segment analysis is provided.

2. Turnover

The principal activities of the Big Bell 2 Group are the leasing of a property in the PRC.

Turnover represents rental income from an investment property.

The Big Bell 2 Group leased its investment property to Xi'an Century Ginwa Shopping Mall Company Limited, a subsidiary of the Company, during the Relevant Period. Details of concentration of credit risk are set out in Section B Note 16(a).

3. Other revenue

	Years ended 31 December		
	2008	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*
Interest income	614	25	55

4. Loss before taxation

Loss before taxation is arrived at after charging/(crediting):

(a) Finance costs:

	Years ended 31 December		
	2008	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*
Interest expenses on bank loan	5,324	15,367	13,066
Bank charges and other finance costs	1	–	16
	5,325	15,367	13,082
Net foreign exchange gain	(78)	–	–
	5,247	15,367	13,082

(b) Staff costs:

The Big Bell 2 Group does not have any employees, and accordingly, no staff related costs have been incurred during the Relevant Period.

(c) Other items:

	Years ended 31 December		
	2008	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*
Depreciation *(Section B Note 8)*	6,091	18,250	18,422

5. Income tax

(a) Income tax in the consolidated statements of comprehensive income

No provision for income tax has been made as the companies comprising the Big Bell 2 Group made losses for each of the years ended 31 December 2008, 2009 and 2010.

5. Income tax (continued)

(b) Reconciliation between tax expense and accounting loss at applicable tax rates:

	Years ended 31 December		
	2008	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*
Loss before taxation	(4,809)	(3,163)	(358)
Expected tax on loss before tax, calculated at the rates applicable to profits in the tax jurisdictions concerned *(Note (i))*	(1,245)	(774)	(78)
Tax effect of non-taxable income	(97)	–	–
Tax effect of unused tax losses not recognised	1,342	774	78
Income tax	–	–	–

Note:

(i) Big Bell 2 is not subject to any income tax pursuant to the rules and regulations of the British Virgin Islands. No provision for Hong Kong Profits Tax has been made for Big Bell 2's subsidiary incorporated in Hong Kong, as this subsidiary did not have assessable profits subject to Hong Kong Profits Tax during the Relevant Period. The PRC subsidiary of the Big Bell 2 Group is subject to PRC Corporate Income Tax rate at 25% during the Relevant Period.

(c) Deferred tax assets not recognised

In accordance with the accounting policy set out in Section B Note 1(m), the Big Bell 2 Group has not recognised deferred tax assets in respect of unused tax losses of HK$4,831,000, HK$7,973,000 and HK$8,325,000 as at 31 December 2008, 2009 and 2010, respectively, as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The unused tax losses at 31 December 2010 will expire on or before 31 December 2015.

6. Directors' remuneration

The directors of Big Bell 2 did not receive any fees or emoluments from the Big Bell 2 Group during the Relevant Period.

7. Loss attributable to equity shareholder of Big Bell 2

The consolidated loss attributable to equity shareholder of Big Bell 2 includes losses of HK$Nil, HK$21,000 and HK$6,000 for each of the years ended 31 December 2008, 2009 and 2010, respectively, which have been dealt with in the financial statements of Big Bell 2 (see Section B Note 15(a)).

8. Investment property

	The Big Bell 2 Group
	HK$'000
Cost:	
At 1 January 2008	–
Additions	407,766
Exchange adjustments	(2,975)
At 31 December 2008	404,791
Accumulated depreciation:	
At 1 January 2008	–
Charge for the year	6,091
Exchange adjustments	(20)
At 31 December 2008	6,071
Net book value:	
At 31 December 2008	398,720

8. **Investment property (continued)**

	The Big Bell 2 Group *HK$'000*
Cost:	
At 1 January 2009	404,791
Exchange adjustments	1,098
At 31 December 2009	405,889
Accumulated depreciation:	
At 1 January 2009	6,071
Exchange adjustments	32
Charge for the year	18,250
At 31 December 2009	24,353
Net book value:	
At 31 December 2009	381,536
Cost:	
At 1 January 2010	405,889
Exchange adjustments	11,236
At 31 December 2010	417,125
Accumulated depreciation:	
At 1 January 2010	24,353
Exchange adjustments	1,023
Charge for the year	18,422
At 31 December 2010	43,798
Net book value:	
At 31 December 2010	373,327

8. Investment property (continued)

The fair value of the Big Bell 2 Group's investment property were HK$514,804,000, HK$619,992,000 and HK$768,568,000 as at 31 December 2008, 2009 and 2010, respectively. The fair values were determined with reference to valuation reports issued by Ascent Partners Transaction Service Limited, a qualified surveyor who is an associate member of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued, on 27 June 2011. The valuations were based on the income approach by reference to market transactions in comparable properties.

9. Investment in a subsidiary

	Big Bell 2 At 31 December		
	2008	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*
Unlisted shares, at cost	198,872	198,927	199,049

The following contains the particulars of the subsidiaries of the Big Bell 2 Group:

			Proportion of ownership interest			
Name of company	**Place of incorporation/ establishment and operations**	**Particulars of issued/ registered and paid up capital**	**The Big Bell 2 Group's effective interest**	**Held by Big Bell 2**	**Held by a subsidiary**	**Principal activities**
New Channel Holdings Limited	Hong Kong	HK$1	100%	100%	–	Investment holding
Xi'an Honghui Property Management Company Limited* 西安鴻輝物業管理有限公司	PRC	Renminbi ("RMB") 124,000,000	100%	–	100%	Property management

* *The English translation of the name of the company is for reference only. The official name of the company is in Chinese.*

10. Prepayments

The Big Bell 2 Group's prepayments as at the end of each reporting period are expected to be recognised as expense within one year.

11. Cash and cash equivalents

	The Big Bell 2 Group At 31 December		
	2008	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*
Cash at bank	5,323	10,100	17,971

The Big Bell 2 Group's operations in the PRC are conducted in RMB. RMB is not a freely convertible currency and the remittance of funds out of the PRC is subject to the exchange restrictions imposed by the PRC government.

12. Other payables and accrued expenses

	The Big Bell 2 Group At 31 December		
	2008	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*
Other payables and accrued expenses	7,279	3,144	1,287

	Big Bell 2 At 31 December		
	2008	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*
Accrued expenses	–	8	6

All of the other payables and accrued expenses are measured at amortised cost and are expected to be settled within one year.

13. Amounts due to equity shareholder of Big Bell 2

The amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

14. Bank loan

The Big Bell 2 Group's bank loan is analysed as follows:

	The Big Bell 2 Group At 31 December		
	2008	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*
Bank loan *(Note (i))*	202,690	197,089	194,492
Less: current portion of long-term bank loan	(6,237)	(8,816)	(12,339)
	196,453	188,273	182,153

Note:

(i) The bank loan is secured by the Big Bell 2 Group's investment property (see Section B Note 8).

The Big Bell 2 Group's bank loan is repayable as follows:

	The Big Bell 2 Group At 31 December		
	2008	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*
Within 1 year or on demand	6,237	8,816	12,339
After 1 year but within 2 years	8,788	11,945	15,277
After 2 years but within 5 years	45,924	58,018	73,449
After 5 years	141,741	118,310	93,427
	202,690	197,089	194,492

The bank loan is carried at amortised cost. None of the non-current portion is expected to be settled within one year.

14. Bank loan (continued)

The Big Bell 2 Group's bank loan is subject to the fulfillment of covenants commonly found in lending arrangements with financial institutions. If the Big Bell 2 Group was to breach the covenants, the loan would become payable on demand. The Big Bell 2 Group regularly monitors its compliance with these covenants. Further details of the Big Bell 2 Group's management of liquidity risk are set out in Section B Note 16(b). At 31 December 2008, 2009 and 2010, none of the covenants relating to the bank loan had been breached.

15. Capital and reserves

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Big Bell 2 Group's consolidated equity is set out in the consolidated statements of changes in equity.

Details of the changes in Big Bell 2's individual components of equity during the Relevant Period are set out below:

	Share capital *HK$'000* *(Section B Note 15(b))*	**Exchange reserve** *HK$'000* *(Section B Note 15(c))*	**Accumulated losses** *HK$'000*	**Total equity – deficit** *HK$'000*
Balance at 1 January 2008	–	–	(28)	(28)
Changes in equity for 2008:				
Loss and total comprehensive income for the year	–	–	–	–
Balance at 31 December 2008	–	–	(28)	(28)
Balance at 1 January 2009	–	–	(28)	(28)
Changes in equity for 2009:				
Loss and total comprehensive income for the year	–	–	(21)	(21)
Balance at 31 December 2009	–	–	(49)	(49)

15. Capital and reserves (continued)

(a) Movements in components of equity (continued)

	Share capital HK$'000 (Section B Note 15(b))	Exchange reserve HK$'000 (Section B Note 15(c))	Accumulated losses HK$'000	Total equity – deficit HK$'000
Balance at 1 January 2010	–	–	(49)	(49)
Changes in equity for 2010:				
Loss for the year	–	–	(6)	(6)
Other comprehensive income	–	(835)	–	(835)
Total comprehensive income for the year	–	(835)	(6)	(841)
Balance at 31 December 2010	–	(835)	(55)	(890)

(b) Share capital

Authorised and issued share capital

	At 31 December					
	2008		2009		2010	
	No. of shares	Amount HK$	No. of shares	Amount HK$	No. of shares	Amount HK$
Authorised:						
Ordinary shares of United States dollar ("US$") 1 each	50,000	390,245	50,000	390,245	50,000	390,245
Ordinary shares, issued and fully paid:						
Ordinary share of US$1 each	1	8	1	8	1	8

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of Big Bell 2. All ordinary shares rank equally with regard to Big Bell 2's residual assets.

15. Capital and reserves (continued)

(c) Nature and purpose of reserve

Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations which have a functional currency other than HK$ into HK$. The reserve is dealt with in accordance with the accounting policy set out in Section B Note 1(p).

(d) Distributable reserves

At 31 December 2008, 2009 and 2010, the aggregate amount of reserves available for distribution to equity shareholder of Big Bell 2 was HK$Nil, HK$Nil and HK$Nil, respectively.

(e) Capital management

Big Bell 2 is an investment holding company and the Big Bell 2 Group is established for the purpose of managing an investment property in the PRC, and accordingly, no strategy on the management of the Big Bell 2 Group's capital structure has been established.

Neither Big Bell 2 nor its subsidiaries is subject to externally imposed capital requirements.

16. Financial risk management and fair values

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Big Bell 2 Group's business.

The Big Bell 2 Group's exposure to these risks and the financial risk management policies and practices used by the Big Bell 2 Group to manage these risks are described below.

(a) Credit risk

The Big Bell 2 Group's credit risk is primarily attributable to rental receivable arising from the leasing of its investment property. Management has a credit policy in place, and the exposure to this credit risk is monitored on an ongoing basis. As at 31 December 2008, 2009 and 2010, all of the rental receivables have been settled, and the Big Bell 2 Group's exposure to other receivables and prepayments was considered by the management to be insignificant to the Big Bell 2 Group's operations.

16. Financial risk management and fair values (continued)

(b) Liquidity risk

Big Bell 2 is responsible for the Big Bell 2 Group's cash management, including the short-term investment of cash surplus and raising of loans to cover expected cash demands. The Big Bell 2 Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

At 31 December 2008, 2009 and 2010, the Big Bell 2 Group had net current liabilities of HK$207.0 million, HK$200.8 million and HK$195.5 million, respectively. The Big Bell 2 Group's management will continue to undertake various measures in order to further improve its liquidity position in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting periods of the Big Bell 2 Group's and of Big Bell 2's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting periods) and the earliest date the Big Bell 2 Group and Big Bell 2 can be required to pay:

The Big Bell 2 Group

	2008 Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount at 31 December
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Other payables and accrued expenses	7,279	–	–	–	7,279	7,279
Amounts due to equity shareholder of Big Bell 2	198,900	–	–	–	198,900	198,900
Bank loan	21,458	21,430	79,135	166,691	288,714	202,690
	227,637	21,430	79,135	166,691	494,893	408,869

16. Financial risk management and fair values (continued)

(b) Liquidity risk (continued)

	2009 Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount at 31 December
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Other payables and accrued expenses	3,144	–	–	–	3,144	3,144
Amounts due to equity shareholder of Big Bell 2	198,968	–	–	–	198,968	198,968
Bank loan	21,499	23,968	88,047	134,607	268,121	197,089
	223,611	23,968	88,047	134,607	470,233	399,201

	2010 Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount at 31 December
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Other payables and accrued expenses	1,287	–	–	–	1,287	1,287
Amounts due to equity shareholder of Big Bell 2	199,933	–	–	–	199,933	199,933
Bank loan	25,721	27,729	102,281	103,706	259,437	194,492
	226,941	27,729	102,281	103,706	460,657	395,712

Big Bell 2

	2008 Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount at 31 December
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Amounts due to equity shareholder	198,900	–	–	–	198,900	198,900

16. Financial risk management and fair values (continued)

(b) Liquidity risk (continued)

	2009 Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount at 31 December
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Accrued expenses	8	–	–	–	8	8
Amounts due to equity shareholder	198,968	–	–	–	198,968	198,968
	198,976	–	–	–	198,976	198,976

	2010 Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount at 31 December
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Accrued expenses	6	–	–	–	6	6
Amounts due to equity shareholder	199,933	–	–	–	199,933	199,933
	199,939	–	–	–	199,939	199,939

(c) Interest rate risk

The Big Bell 2 Group's interest rate risk arises primarily from interest bearing borrowings. Borrowings issued at variable rates and at fixed rates expose the Big Bell 2 Group to cash flow interest rate risk and fair value interest rate risk respectively.

(i) Interest rate profile

The following table details the interest rate profile of the Big Bell 2 Group's borrowings at the end of the reporting periods.

	The Big Bell 2 Group At 31 December					
	2008		2009		2010	
	Effective interest rate		Effective interest rate		Effective interest rate	
	%	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*
Variable rate borrowing:						
Bank loan	8.63%	202,690	6.53%	197,089	7.04%	194,492

16. Financial risk management and fair values (continued)

(c) Interest rate risk (continued)

(i) Interest rate profile (continued)

Big Bell 2 has no interest bearing borrowings as at December 2008, 2009 and 2010.

(ii) Sensitivity analysis

At 31 December 2008, 2009 and 2010, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have increased/decreased the Big Bell 2 Group's loss after tax and accumulated losses by approximately HK$2.0 million, HK$2.0 million and HK$1.9 million, respectively.

The sensitivity analysis above indicates the exposure to cash flow interest rate risk arising from floating rate non-derivative financial instruments held by the Big Bell 2 Group at the end of the reporting periods, the impact on the Big Bell 2 Group's loss after tax and accumulated losses is estimated as an annualised impact on interest expense of such a change in interest rates. The sensitivity analysis is performed on the same basis for the Relevant Period.

(d) Currency risk

The Big Bell 2 Group is not exposed to currency risk as no transactions are conducted in a foreign currency other than the functional currency of the operations to which the transactions relate.

(e) Fair values

The carrying amounts of the Big Bell 2 Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at the end of the reporting periods.

17. Material related party transactions

(a) Transactions with equity shareholder of Big Bell 2

	The Big Bell 2 Group and Big Bell 2 At 31 December		
	2008	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*
Advances received *(see Section B Note 13)*	199,237	68	130

(b) Key management personnel remuneration

The Big Bell 2 Group does not have any employees, and accordingly, no staff related costs have been incurred during the Relevant Period.

18. Commitments

Property leased out under an operating lease

At 31 December 2008, 2009 and 2010, the Big Bell 2 Group's total future minimum lease payments under non-cancellable operating lease are receivable as follows:

	The Big Bell 2 Group At 31 December		
	2008	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*
Within 1 year	36,790	34,325	16,637
After 1 year but within 5 years	50,267	16,105	–
	87,057	50,430	16,637

The Big Bell 2 Group leases out its property under an operating lease. The lease runs for an initial period of 3 years, where all terms are renegotiated upon renewal. The lease does not include contingent rentals.

19. Immediate and ultimate controlling party

The directors of the Company consider the immediate and ultimate holding company of Big Bell 2 at 31 December 2008 to be CPI Capital Partners Asia Pacific, L.P., which is incorporated in the Cayman Islands. The directors of the Company consider the immediate and ultimate holding company of Big Bell 2 to be CPI Asia Big Bell 2 Holding Limited, which is incorporated in the British Virgin Islands, and CPI Capital Partners Asia Pacific, L.P., which is incorporated in the Cayman Islands, respectively, at 31 December 2009 and 2010. These entities do not produce financial statements available for public use.

20. Accounting judgements and estimates

In the process of applying the Big Bell 2 Group's accounting policies, the management considers the key sources of estimation uncertainty are as follows:

(a) Impairment of long-lived assets

If circumstances indicate that the carrying amount of the investment property may not be recoverable, the investment property may be considered "impaired", and an impairment loss may be recognised in accordance with accounting policy for impairment of the investment property as described in Section B Note 1(g)(ii). The carrying amount of the investment property is reviewed periodically in order to assess whether the recoverable amount has declined below the carrying amount. When such a decline has occurred, the carrying amount is reduced to recoverable amount. The recoverable amount is the greater of the fair value less costs to sell and the value in use. In determining the value in use, expected future cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to the level of revenue and amount of operating costs. The Big Bell 2 Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of the level of revenue and amount of operating costs. Changes in these estimates could have a significant impact on the carrying value of the investment property and could result in additional impairment charge or reversal of impairment in future periods.

(b) Depreciation

Investment property is depreciated on a straight-line basis over the estimated useful life, after taking into account the estimated residual value. The management reviews the estimated useful life and the residual value of the investment property regularly in order to determine the amount of depreciation expense to be recorded during any reporting period. The determination of the useful life and the residual value are based on historical experience with similar assets. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

21. Possible impact of new standards, amendments to standards and interpretations issued but not yet effective for the year ended 31 December 2010

Up to the date of issue of the Financial Information, the HKICPA has issued a number of new standards, amendments to standards and interpretations which are not yet effective for the year ended 31 December 2010 and which have not been adopted in the Financial Information.

	Effective for accounting period beginning on or after
Amendments to HKAS 32, *Financial instruments: Presentation – classification of rights issues*	1 February 2010
HK(IFRIC) 19, *Extinguishing financial liabilities with equity instruments*	1 July 2010
Amendments to HKFRS 1, *First-time adoption of Hong Kong Financial Reporting Standards – Limited exemption from comparative HKFRS 7 disclosures for first-time adopters*	1 July 2010
Improvements to HKFRSs (2010)	1 July 2010 or 1 January 2011
Revised HKAS 24, *Related party disclosures*	1 January 2011
Amendments to HK(IFRIC) 14, HKAS 19 – *The limit on a defined benefit asset, minimum funding requirements and their interaction – Prepayments of a minimum funding requirement*	1 January 2011
Amendments to HKFRS 1, *First-time adoption of Hong Kong Financial Reporting Standards – Severe hyperinflation and removal of fixed dates for first-time adopters*	1 July 2011
Amendments to HKFRS 7, *Financial instruments: Disclosures – Transfer of financial assets*	1 July 2011
Amendments to HKAS 12, *Income taxes – Deferred tax: Recovery of underlying assets*	1 January 2012
HKFRS 9, *Financial instruments (2009)* Basis for conclusions on HKFRS 9 (2009) Amendments to other HKFRSs and guidance on HKFRS 9 (2009)	1 January 2013
HKFRS 9, *Financial instruments (2010)* Basis for conclusions on HKFRS 9 (2010) Implementation guidance on HKFRS 9 (2010)	1 January 2013

21. Possible impact of new standards, amendments to standards and interpretations issued but not yet effective for the year ended 31 December 2010 (continued)

	Effective for accounting period beginning on or after
HKFRS 10, *Consolidated financial statements*	1 January 2013
HKFRS 11, *Joint arrangements*	1 January 2013
HKFRS 12, *Disclosure of interests in other entities*	1 January 2013
HKFRS 13, *Fair value measurement*	1 January 2013
HKAS 27, *Separate financial statements (2011)*	1 January 2013
HKAS 28, *Investments in associates and joint ventures (2011)*	1 January 2013

The Big Bell 2 Group has commenced considering the potential impact of the above new standards, amendments to standards and interpretations but is not yet in a position to determine whether these new standards, amendments to standards and interpretations will have a significant impact on how the results of operations and financial position are prepared and presented. These new standards, amendments to standards and interpretations may result in changes in the future as to how the results and financial position are prepared and presented.

22. Statutory audit information

The financial statements of the companies comprising the Big Bell 2 Group which are subject to audit during the Relevant Period were audited by the following auditors:

Name of company	Financial year	Statutory auditors
New Channel Holdings Limited *(Note (i))*	Year ended 31 December 2008	PricewaterhouseCoopers Certified Public Accountants Co., Ltd.
	Year ended 31 December 2009	PricewaterhouseCoopers Certified Public Accountants Co., Ltd.
Xi'an Honghui Property Management Company Limited *(Note (ii))* 西安鴻輝物業管理有限公司	Year ended 31 December 2008	PricewaterhouseCoopers Zhong Tian Certified Public Accountants Co., Ltd. 普華永道中天會計師事務所
	Year ended 31 December 2009	PricewaterhouseCoopers Zhong Tian Certified Public Accountants Co., Ltd. 普華永道中天會計師事務所
	Year ended 31 December 2010	PricewaterhouseCoopers Zhong Tian Certified Public Accountants Co., Ltd. 普華永道中天會計師事務所

Notes:

(i) The statutory financial statements for the year ended 31 December 2010 have not been issued as at the date of this report.

(ii) The English translation of the name is for reference only. The official name of this entity is in Chinese.

C SUBSEQUENT EVENT

Change in ownership

On 9 June 2011, the Company announced that the Company, through one of its subsidiaries, is to acquire 100% equity interests in Big Bell 2 from the existing equity shareholder of Big Bell 2 for a consideration of RMB350.9 million. This transaction requires the approval by the shareholders of the Company in a special general meeting to be held on 15 July 2011.

D SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared for Big Bell 2 and its subsidiaries in respect of any period subsequent to 31 December 2010.

Yours faithfully
KPMG
Certified Public Accountants
Hong Kong

A UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following unaudited pro forma financial information of the Enlarged Group and the Ideal Mix Group, comprising the unaudited pro forma consolidated statement of financial position as at 31 December 2010, prepared in accordance with Rule 4.29 and Rule 14.67(6)(a)(ii) of the Listing Rules is for illustrative purposes only, and is set forth here to illustrate the effect of the proposed Qianhui Acquisition and Big Bell 2 Acquisition (collectively referred to as the "Acquisitions") on the consolidated statement of financial position of the Enlarged Group and the Ideal Mix Group as at 31 December 2010 as if the Acquisitions had taken place on 31 December 2010.

The unaudited pro forma financial information has been prepared using accounting policies consistent with that of the Group and based on the unaudited pro forma consolidated statement of financial position of the Group and the Ideal Mix Group as disclosed in Appendix IV to the Company's circular issued on 26 April 2011, the statement of financial position of Qianhui as at 31 December 2010 as extracted from the "Accountants' Report of Qianhui" in Appendix II to this circular and the consolidated statement of financial position of the Big Bell 2 Group as at 31 December 2010 as extracted from the "Accountants' Report of the Big Bell 2 Group" in Appendix III to this circular, after making certain pro forma adjustments as described below. A narrative description of the pro forma adjustments of the Acquisitions that are (i) directly attributable to the transactions concerned and not relating to future events or decisions; and (ii) factually supportable, is summarised in the notes below.

The unaudited pro forma consolidated statement of financial position of the Enlarged Group and the Ideal Mix Group is based on a number of assumptions, estimates, uncertainties and currently available information. As a result of these assumptions, estimates and uncertainties, the accompanying unaudited pro forma consolidated statement of financial position of the Enlarged Group and the Ideal Mix Group does not purport to describe the actual financial position of the Enlarged Group and the Ideal Mix Group that would have been attained had the Acquisitions been completed on 31 December 2010 or any future date. Furthermore, the accompanying unaudited pro forma consolidated statement of financial position of the Enlarged Group and the Ideal Mix Group does not purport to give a true picture of the financial position of the Enlarged Group and the Ideal Mix Group or predict the future financial position of the Enlarged Group and the Ideal Mix Group.

The unaudited pro forma financial information should be read in conjunction with the unaudited pro forma consolidated statement of financial position of the Group and the Ideal Mix Group as disclosed in Appendix IV to the Company's circular issued on 26 April 2011, the accountants' report of Qianhui set forth in Appendix II to this circular, the accountants' report of the Big Bell 2 Group set forth in Appendix III to this circular, the "Management Discussion and Analysis of Qianhui and the Big Bell 2 Group" set forth in Appendix V to this circular and other financial information included elsewhere of this circular.

1 UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE ENLARGED GROUP AND THE IDEAL MIX GROUP

	Unaudited pro forma consolidated statement of financial position of the Group and the Ideal Mix Group as at 31 December 2010	Audited statement of financial position of Qianhui as at 31 December 2010	Audited consolidated statement of financial position of the Big Bell 2 Group as at 31 December 2010	Sub-total	Pro forma adjustments						Unaudited pro forma consolidated statement of financial position of the Enlarged Group and the Ideal Mix Group as at 31 December 2010
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*		*HK$'000*		*HK$'000*		*HK$'000*
	Note 2(a)	*Note 2(b)*									
Non-current assets											
Fixed assets	1,118,091	–	–	1,118,091	387,346	*Note 2(c)*	590,070	*Note 2(d)*	–		2,095,507
Investment properties	–	–	373,327	373,327	797,361	*Note 2(c)*	(373,327)	*Note 2(d)*	–		797,361
Intangible assets	485,733	–	–	485,733	–		–		–		485,733
Goodwill	1,358,432	–	–	1,358,432	–		–		–		1,358,432
Loans receivables	681,174	–	–	681,174	–		–		–		681,174
Deferred tax assets	30,447	–	–	30,447	–		–		–		30,447
	3,673,877	–	373,327	4,047,204	1,184,707		216,743		–		5,448,654
Current assets											
Inventories	70,476	–	–	70,476	–		–		–		70,476
Trade and other receivables	212,221	4,701	74	216,996	–		–		–		216,996
Available-for-sale financial assets	43,562	–	–	43,562	–		–		–		43,562
Cash and cash equivalents	338,440	1,174	17,971	357,585	(412,513)	*Note 2(c)*	(1,200)	*Note 2(d)*	587,590	*Note 2(e)*	531,462
	664,699	5,875	18,045	688,619	(412,513)		(1,200)		587,590		862,496
Current liabilities											
Trade and other payables	1,406,284	–	1,287	1,407,571	–		–		–		1,407,571
Amounts due to equity shareholder of Big Bell 2	–	–	199,933	199,933	–		(199,933)	*Note 2(d)*	–		–
Bank and other loans	149,371	–	12,339	161,710	411,313	*Note 2(c)*	412,336	*Note 2(d)*	–		985,359
Current taxation	69,574	–	–	69,574	–		–		–		69,574
	1,625,229	–	213,559	1,838,788	411,313		212,403		–		2,462,504
Net current (liabilities)/assets	(960,530)	5,875	(195,514)	(1,150,169)	(823,826)		(213,603)		587,590		(1,600,008)
Total assets less current liabilities	2,713,347	5,875	177,813	2,897,035	360,881		3,140		587,590		3,848,646
Non-current liabilities											
Bank and other loans	216,821	–	182,153	398,974	211,532	*Note 2(c)*	–		587,590	*Note 2(e)*	1,198,096
Unsecured notes	98,661	–	–	98,661	–		–		–		98,661
Convertible notes	1,867,443	–	–	1,867,443	–		–		–		1,867,443
Deferred tax liabilities	134,029	–	–	134,029	–		–		–		134,029
	2,316,954	–	182,153	2,499,107	211,532		–		587,590		3,298,229
NET ASSETS	396,393	5,875	(4,340)	397,928	149,349		3,140		–		550,417
CAPITAL AND RESERVES											
Share/paid-in capital	177,436	5,827	–	183,263	19,403	*Note 2(c)*	–		–		202,666
Reserves	125,903	48	(4,340)	121,611	129,946	*Note 2(c)*	3,140		–		254,697
Total equity attributable to equity shareholders of the Company	303,339	5,875	(4,340)	304,874	149,349		3,140		–		457,363
Non-controlling interests	93,054	–	–	93,054	–		–		–		93,054
TOTAL EQUITY	396,393	5,875	(4,340)	397,928	149,349		3,140		–		550,417

2 NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP AND THE IDEAL MIX GROUP

(a) Acquisition of 100% equity interests in Ideal Mix Limited

On 26 April 2011, the Company has issued a shareholders' circular to acquire 100% equity interests in Ideal Mix Limited and its subsidiary (the "Ideal Mix Group"). The above acquisition has been approved by the Company's shareholders in a special general meeting held on 16 May 2011. On 24 May 2011, the Group had completed the acquisition of the Ideal Mix Group.

In view of the acquisition of the Ideal Mix Group not directly attributable to the Acquisitions concerned, no pro forma adjustment has been prepared to reflect the acquisition of the Ideal Mix Group, but instead the unaudited pro forma financial information of the Enlarged Group and the Ideal Mix Group contained in this Appendix IV is derived based on the unaudited pro forma consolidated statement of financial position of the Group and the Ideal Mix Group as disclosed in Appendix IV to the Company's circular issued on 26 April 2011.

(b) The audited statement of financial position of Qianhui

The audited statement of financial position of Qianhui as at 31 December 2010, as set out in Appendix II to this circular, is presented in RMB. In preparing the unaudited pro forma financial information of the Enlarged Group and the Ideal Mix Group, the amounts disclosed in the audited statement of financial position of Qianhui have been translated using the foreign exchange rate of RMB1: HK$1.17518, representing the foreign exchange rate published by the People's Bank of China as at 31 December 2010, except for paid-in capital which is translated at historical foreign exchange rate, and have been rounded to the nearest thousand as follows:

	As disclosed in Appendix II	
	RMB	*HK$'000*
Current assets		
Other receivable	4,000,000	4,701
Cash and cash equivalents	999,039	1,174
NET ASSETS	4,999,039	5,875
CAPITAL AND RESERVES		
Paid-in capital	5,000,000	5,827
Reserves	(961)	48
TOTAL EQUITY	4,999,039	5,875

(c) Acquisition of 100% equity interests in Qianhui

As described in the section headed "Letter from the Board" of this circular, the Company, through one of its subsidiaries, has entered into an agreement with Shaanxi F&L, the existing equity holder of Qianhui, to acquire Shaanxi F&L's 100% equity interests in Qianhui for a total consideration of RMB500.0 million (equivalent to approximately HK$587.6 million), of which RMB350.0 million (equivalent to approximately HK$411.3 million) will be satisfied by cash and RMB150.0 million (equivalent to approximately HK$176.3 million) will be satisfied by the issuance of 252,295,977 shares of the Company. As a condition precedent to the Qianhui Acquisition, Shaanxi F&L is to conduct a restructuring which involves (i) Qianhui's acquisition and obtaining the proper title ownership of the Saigo Store Properties; and (ii) the transfer of leasing agreements related to the Saigo Store Properties to Qianhui. For the acquisition of the Saigo Store Properties, Qianhui will also assume a loan payable to Shaanxi F&L of RMB350.0 million (equivalent to approximately HK$411.3 million) and a bank loan with the Saigo Store Properties being pledged as collateral of RMB180.0 million (equivalent to approximately HK$211.5 million). The acquisition of the Saigo Store Properties has yet to be completed as at the date of this circular. Upon completion of the above transactions, Qianhui will become a wholly owned subsidiary of the Group.

The pro forma adjustment reflects the following:

– the fair value adjustment on fixed assets of HK$387.3 million and investment properties of HK$797.4 million. Prior to the above transactions, part of the Saigo Store Properties has been leased to one of the department store operations owned by the Group with the remaining part being leased to other tenants. Accordingly, upon completion of the above transactions, the part of the Saigo Store Properties leased to the Group will become the Group's fixed assets, where the part of the Saigo Store Properties leased to other tenants will become the Group's investment properties. The fair value adjustment on the Saigo Store Properties is determined by the directors of the Company with reference to the valuation report issued by Ascent Partners Transaction Service Limited, an independent valuer, on 27 June 2011, where the basis of valuation is the income approach by reference to market transactions in comparable properties;

– the decrease of cash and cash equivalents of HK$412.5 million, representing HK$411.3 million of the cash consideration (ie the HK$ equivalent to RMB350.0 million) and HK$1.2 million of transaction costs to be paid for the Qianhui Acquisition;

– the increase in short-term bank and other loans of RMB350.0 million (equivalent to approximately HK$411.3 million) and the increase in long-term bank and other loans of RMB180.0 million (equivalent to approximately HK$211.5 million), representing the loan payable to Shaanxi F&L and secured bank loan, respectively, to be assumed upon the Qianhui Acquisition; and

– as part of the consideration of the Qianhui Acquisition, the Company will issue 252,295,977 shares to Shaanxi F&L, which will result in the increase in the Group's share capital by HK$19.4 million, representing the par value of the shares to be issued of HK$25.2 million less the elimination of the paid-in capital of Qianhui of HK$5.8 million upon consolidation of the Enlarged Group and the Ideal Mix Group; and the increase in the Group's reserves of approximately HK$129.9 million, representing the portion of the fair value in excess of the par value of the shares to be issued, calculated based on the closing price of the Company's shares on the Stock Exchange on the Latest Practicable Date, of HK$131.1 million less HK$1.2 million of transaction costs to be incurred for the Qianhui Acquisition.

The actual amounts of the adjustment will be determined on the completion date of the Qianhui Acquisition, which may be different from the amounts presented in this Appendix IV.

(d) Acquisition of 100% equity interests in Big Bell 2

As described in the section headed "Letter from the Board" of this circular, the Company, through one of its subsidiaries, has entered into an agreement with Glory Keen, the existing equity shareholder of Big Bell 2, to acquire Glory Keen's 100% equity interests in Big Bell 2 for a total consideration of RMB350.9 million (equivalent to approximately HK$412.3 million). The consideration will be repayable to Glory Keen within 12 months from the completion date of the Big Bell 2 Acquisition, bearing interest at 9% per annum and will be guaranteed by the Company. Upon completion of the Big Bell 2 Acquisition, Big Bell 2 will become a wholly owned subsidiary of the Group.

The pro forma adjustment reflects the following:

– the reclassification of HK$373.3 million from investment properties to fixed assets and the fair value adjustment on fixed assets of HK$590.1 million, representing reclassification from investment properties of HK$373.3 million plus fair value adjustment of HK$216.8 million. Prior to the above transaction, the Hi-Tech Store Properties owned by the Big Bell 2 Group have been leased to one of the department store operations owned by the Group, and accordingly, upon completion of the above transaction, the Hi-Tech Store Properties will become the Group's fixed assets. The fair value adjustment on the Hi-Tech Store Properties is determined by the directors of the Company with reference to the valuation report issued by Ascent Partners Transaction Service Limited, an independent valuer, on 27 June 2011, where the basis of valuation is the income approach by reference to market transactions in comparable properties;

– the decrease in cash and cash equivalents of HK$1.2 million, representing the transaction costs to be paid for the Big Bell 2 Acquisition;

– the decrease in the amounts due to equity shareholder of Big Bell 2 of HK$199.9 million, representing the result of the assumption of such debt upon the Big Bell 2 Acquisition by the Group and the subsequent intra-group balance elimination in the preparation of the consolidated financial statements of the Enlarged Group and the Ideal Mix Group; and

– the increase in short-term bank and other loans of HK$412.3 million, representing the consideration of the Big Bell 2 Acquisition payable to Glory Keen.

The actual amounts of the adjustment will be determined on the completion date of the Big Bell 2 Acquisition, which may be different from the amounts presented in this Appendix IV.

(e) Funding for the Acquisitions

As described in the section headed "Letter from the Board" of this circular, the directors of the Company intend to finance the Acquisitions through the combination of internal resources, new bank loans and the issuance of the Company's shares.

As at the date of this circular, the Group has obtained a banking facilities letter from a financial institution offering the Group the utilisation, to a maximum, of RMB500.0 million (equivalent to approximately HK$587.6 million). On the assumption that the offer letter is to be accepted by the Group, bank loans drawn under the above facilities will bear interest at the prevailing market rates and will be repayable within 3 years from the dates the loans are drawn down.

The pro forma adjustment represents the increase in cash and cash equivalents and long-term bank and other loans of HK$587.6 million, representing the amount of bank loans the directors of the Company consider necessary to draw from the above banking facilities in order for the Group to effect the Acquisitions.

The actual amounts of the adjustment will be determined on the completion dates of the Acquisitions, which may be different from the amounts presented in this Appendix IV.

B ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP AND THE IDEAL MIX GROUP

The following is the text of a report, received from the reporting accountants, KPMG, Certified Public Accountants, Hong Kong, prepared for the sole purpose of incorporation in this circular, in respect of the unaudited pro forma financial information of the Enlarged Group and the Ideal Mix Group.

KPMG

8th Floor
Prince's Building
10 Chater Road
Central
Hong Kong

27 June 2011

The Directors
Century Ginwa Retail Holdings Limited

Dear Sirs,

We report on the unaudited pro forma financial information (the "Pro Forma Financial Information") of Century Ginwa Retail Holdings Limited (the "Company") and its subsidiaries (the "Group") set out in Section A of Appendix IV to the shareholders' circular of the Company dated 27 June 2011 (the "Circular"), which has been prepared by the directors of the Company solely for illustrative purposes to provide information about how the proposed acquisitions of 100% equity interests in CPI Asia Big Bell 2 Limited and 100% equity interests in Shaanxi Qianhui Company Limited might have affected the financial information presented. The basis of preparation of the unaudited Pro Forma Financial Information is set out in Section A of Appendix IV of the Circular.

RESPONSIBILITIES

It is the responsibility solely of the directors of the Company to prepare the unaudited Pro Forma Financial Information in accordance with Paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

It is our responsibility to form an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

BASIS OF OPINION

We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 "Accountants' Reports on Pro Forma Financial Information in Investment Circulars" issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the unaudited Pro Forma Financial Information with the directors of the Company. The engagement did not involve independent examination of any of the underlying financial information.

Our work did not constitute an audit or review performed in accordance with Hong Kong Standards on Auditing or Hong Kong Standards on Review Engagements issued by the HKICPA, and accordingly, we do not express any such audit or review assurance on the unaudited Pro Forma Financial Information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Company and that the adjustments are appropriate for the purposes of the unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

The unaudited Pro Forma Financial Information is for illustrative purposes only, based on the judgements and assumptions of the directors of the Company, and because of its hypothetical nature, it does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the Group as at 31 December 2010 or any future date.

OPINION

In our opinion:

a) the unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;

b) such basis is consistent with the accounting policies of the Company; and

c) the adjustments are appropriate for the purposes of the unaudited Pro Forma Financial Information as disclosed pursuant to Paragraph 4.29(1) of the Listing Rules.

Yours faithfully
KPMG
Certified Public Accountants
Hong Kong

A. MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL POSITION OF QIANHUI

R14.67(7)
A1B(32)

Set out below is the management discussion and analysis of Qianhui for the period from 13 June 2010 (the date of establishment) to 31 December 2010. The following financial information are based on the financial information of Qianhui prepared by the accountants as set out in Appendix II to this circular.

Results and financial position

Qianhui was established in the PRC on 13 June 2010 as a limited liability company. Qianhui had not carried on any business for the period from 13 June 2010 (the date of establishment) to 31 December 2010.

For the period from 13 June 2010 (the date of establishment) to 31 December 2010, Qianhui recognized other revenue of RMB7,089 (equivalent to approximately HK$8,500) and incurred administrative cost and finance cost of RMB8,000 (equivalent to approximately HK$9,600) and RMB50 (equivalent to approximately HK$60 million) respectively. The total comprehensive loss for the period was RMB961 (equivalent to approximately HK$1,153).

As part of the Restructuring, Qianhui will acquire the Saigo Store Properties from Shaanxi F&L subsequent to the date of the Qianhui Acquisition Agreements. As at the Latest Practicable Date, the Restructuring is still in progress.

Liquidity and financial resources

As at 31 December 2010, the audited net assets of Qianhui was approximately RMB5 million (equivalent to approximately HK$6 million). Qianhui had no other borrowings as at 31 December 2010 and therefore there was no gearing of Qianhui as at 31 December 2010.

Capital structure

As at 31 December 2010, the registered and paid in capital of Qianhui was RMB5 million (equivalent to approximately HK$6 million).

Segment information

During the period from 13 June 2010 (the date of establishment) to 31 December 2010, no operation was conducted and accordingly no segment information has been disclosed.

Foreign currency risk

During the period from 13 June 2010 (the date of establishment) to 31 December 2010, the revenue and costs of Qianhui were incurred in Renminbi. Qianhui's exposure to fluctuations in foreign exchange rate was minimal, and accordingly, Qianhui did not employ any financial instruments for hedging purpose.

As at the Latest Practicable Date, Qianhui had no investment in any financial derivatives, foreign exchange contracts, interest or currency swaps, hedgings or other financial arrangements for hedging purposes to reduce any currency risk nor made any over-the-counter contingent forward transactions.

Charge on assets

As at 31 December 2010, no asset of Qianhui was pledged.

Contingent liabilities

As at 31 December 2010, Qianhui had no significant contingent liabilities.

Human resources

As at 31 December 2010, Qianhui did not have any employee and no remuneration expenses incurred for the period from 13 June 2010 (the date of establishment) to 31 December 2010.

Significant investment, material acquisition and disposals

During the period from 13 June 2010 (the date of establishment) to 31 December 2010, there was no material acquisition or disposal of subsidiaries and associated companies.

Future plans

As at the Latest Practicable Date, save and except for the acquisition of the Saigo Store Properties as part of the Restructuring, there are no proposed material investments of Qianhui.

B. MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL POSITION OF THE BIG BELL 2 GROUP

Set out below is the management discussion and analysis on the performance of the Big Bell 2 Group for the three years ended 31 December 2008, 2009 and 2010. The following financial information are based on the financial information of the Big Bell 2 Group prepared by the accountants as set out in Appendix III to this circular.

FOR THE YEAR ENDED 31 DECEMBER 2010 COMPARED TO YEAR ENDED 31 DECEMBER 2009

Results and financial position

Turnover

The Big Bell 2 Group mainly derived its turnover from rental income generated from the leasing of the Hi-Tech Store Properties. For the year ended 31 December 2010 the turnover and cost of property leased out remained at stable level. The total turnover increased slightly by about 1.15%, or HK$0.42 million, from about HK$36.22 million for the year ended 31 December 2009 to about HK$36.64 million for the year ended 31 December 2010. The cost of property leased out slightly increased by 0.35%, or HK$0.07 million, from about HK$20.09 million for the year ended 31 December 2009 to about HK$20.16 million for the year ended 31 December 2010.

Gross profit

Gross profit increased from about HK$16.13 million for the year ended 31 December 2009 to about HK$16.48 million for the year ended 31 December 2010, representing an increase of approximately 2.17%. Gross profit margin was 44.98% for the year ended 31 December 2010 as compared to 44.53% for the year ended 31 December 2009.

Total comprehensive income for the year

The Big Bell 2 Group started to record profit during the year. Total comprehensive income for the year attributable to the equity holder of Big Bell 2 improved from about loss of HK$2.74 million for the year ended 31 December 2009 to income of about HK$3.15 million for the year ended 31 December 2010. The significant improvement was due to the reduction in financing cost and the exchange differences in translations during the year.

Liquidity and financial resources

For the year ended 31 December 2010, the Big Bell 2 Group financed the operations and capital expenditures mainly with capitals from cash generated from operations. As at 31 December 2009 and 31 December 2010, the Big Bell 2 Group had net current liabilities of HK$200.76 million and HK$195.51 million respectively.

The cash and cash equivalents of the Big Bell 2 Group were about HK$10.10 million and HK$17.97 million as at 31 December 2009 and 31 December 2010 respectively. As at 31 December 2009 and 31 December 2010, the Big Bell 2 Group did not have any capital commitments.

As at 31 December 2009 and 31 December 2010, the consolidated total assets of the Big Bell 2 Group amounted to about HK$391.71 million and about HK$391.37 million respectively. The consolidated total liabilities as at 31 December 2009 and 31 December 2010 were about HK$399.20 million and about HK$395.71 million respectively, and comprised mainly bank loan and amount due to equity shareholder. Since the Big Bell 2 Group had net liabilities position, no gearing ratio is presented.

Segment information

The business of the Big Bell 2 Group was leasing of properties in the PRC only during the year, accordingly no segment information is presented.

Seasonal or cyclical factors

During the year, the Big Bell 2 Group's business operations were not significantly affected by any seasonal and cyclical factors.

Foreign currency risk

During the year, the Big Bell 2 Group earned revenue and incurred costs in Renminbi. As Renminbi was relatively stable although there was an appreciation pressure during the year, the Directors considered that Big Bell 2 Group's exposure to fluctuations in foreign exchange rate was minimal, and accordingly, the Big Bell 2 Group did not employ any financial instruments for hedging purpose.

Charge of assets

As at 31 December 2010 and 31 December 2009, the Saigo Store Properties was charged to the bank to obtain a bank loan in the maximum amount of RMB180 million (equivalent to approximately HK$216 million).

Contingent liabilities

As at 31 December 2010 and 31 December 2009, the Big Bell 2 Group had no contingent liabilities.

Human resources

As at 31 December 2009 and 31 December 2010, the Big Bell 2 Group had no employee and no remuneration expenses incurred for the financial years ended 31 December 2010 and 31 December 2009.

Material acquisitions and disposals of subsidiaries and associated companies

During the financial year ended 31 December 2010, there was no material acquisition of disposal of subsidiaries and associated companies.

FOR THE YEAR ENDED 31 DECEMBER 2009 AS COMPARED TO YEAR ENDED 31 DECEMBER 2008

Results and financial position

Turnover

The Big Bell 2 Group mainly derived its turnover from rental income generated from the leasing of the Hi-Tech Store Properties during the year. For the year ended 31 December 2009, the turnover and cost of property leased out both increased. The total turnover increased by about 299.34%, or HK$27.15 million, from about HK$9.07 million for the year ended 31 December 2008 to about HK$36.22 million for the year ended 31 December 2009. The cost of property leased out increased by 203.47%, or HK$13.47 million, from about HK$6.62 million for the year ended 31 December 2008 to about HK$20.09 million for the year ended 31 December 2009. The increase in the rental income and the rental charge were due to the acquisition of Xi'an Honghui in September 2008 which started to contribute revenue to the Big Bell 2 Group.

Gross profit

Gross profit increased from about HK$2.45 million for the year ended 31 December 2008 to about HK$16.13 million for the year ended 31 December 2010 representing an increase of approximately 558.37%. Gross profit margin improved significantly, which was 44.53% for the year ended 31 December 2009 as compared to that of 27.01% for the year ended 31 December 2008.

Total comprehensive income for the year

Total comprehensive income for the year attributable to the equity holder of the Big Bell 2 Group improved from about loss of HK$4.70 million for the year ended 31 December 2008 to loss of about HK$2.74 million for the year ended 31 December 2009. The significant improvement was in line with the increase in revenue and gross profit.

Liquidity and financial resources

For the year ended 31 December 2009, the Big Bell 2 Group financed the operations and capital expenditures mainly with capitals from cash generated from operations. As at 31 December 2009 and 31 December 2009, the Big Bell 2 Group had net current liabilities of HK$207.02 million and HK$200.76 million respectively.

The cash and bank balances of the Big Bell 2 Group were about HK$5.32 million and HK$10.10 million as at 31 December 2008 and 31 December 2009 respectively. As at 31 December 2008 and 31 December 2009, the Big Bell 2 Group did not have any capital commitments.

As at 31 December 2008 and 31 December 2009, the consolidated total assets of the Big Bell 2 Group amounted to about HK$404.12 million and about HK$391.71 million respectively. The consolidated total liabilities at 31 December 2008 and 31 December 2009 were about HK$408.87 million and about HK$399.20 million respectively, and comprised mainly bank loan and amount due to equity shareholder. Since the Big Bell 2 Group has net liabilities position, no gearing ratio is presented.

Foreign currency risk

During the year, the Big Bell 2 Group earned revenue and incurred costs in Renminbi. As Renminbi was relatively stable although there was an appreciation pressure during the year, the Directors considered that the Big Bell 2 Group's exposure to fluctuations in foreign exchange rate was minimal, and accordingly, the Big Bell 2 Group did not employ any financial instruments for hedging purpose.

Seasonal or cyclical factors

During the year, the Big Bell 2 Group's business operations were not significantly affected by any seasonal and cyclical factors.

Charge of assets

As at 31 December 2008 and 31 December 2009, the Hi-Tech Store Properties was charged to the bank to obtain a bank loan in the maximum amount of RMB180 million (equivalent to approximately HK$216 million).

Contingent liabilities

As at 31 December 2008 and 31 December 2009, the Big Bell 2 Group had no contingent liabilities.

Human resources

As at 31 December 2008 and 31 December 2009, the Big Bell 2 Group had no employee and no remuneration expenses incurred for the financial years ended 31 December 2009 and 31 December 2008.

Segment information

The business of Big Bell 2 Group was leasing of properties in the PRC only during the year and accordingly no segment information is presented.

Material acquisitions and disposals of subsidiaries and associated companies

On January 2008, New Channel entered into an agreement with Ginwa Investments Company Limited to acquire 100% in Xi'an Honghui at a total consideration of RMB71.00 million. The acquisition completed on September 2008, and Xi'an Honghui became a wholly foreign owned company. New Channel also contributed RMB104 million as capital contribution to Xi'an Honghui on September 2008.

Saved as disclosed above, there is no material acquisition or disposal of subsidiaries and associated companies during the financial years ended 31 December 2008 and 31 December 2009 respectively.

The following is the text of a letter, summary of values and valuation certificates, prepared for the purpose of incorporation in this circular received from Ascent Partners Transaction Service Ltd., an independent valuer, in connection with its valuation as at 30 April 2011 of the property interests to be acquired by the Group.

ASCENT PARTNERS
Together We Flourish

Suite 2102, Hong Kong Trade Centre
161-167 Des Voeux Road Central
Hong Kong.
Tel: 3679-3829
Fax: 3586-0683

Date: 27 June 2011

The Board of Directors
Century Ginwa Retail Holdings Limited
1701-03, 17th Floor, Dah Sing Financial Centre,
108 Gloucester Road, Wanchai,
Hong Kong

Dear Sirs,

INSTRUCTIONS

In accordance with your instructions for us to value the property interests held by Shaanxi F&L Properties Co., Ltd.（陝西富力房地產開發有限公司）and Shaanxi Qianhui Company Limited（陝西千匯置業有限公司）to be acquired by Century Ginwa Retail Holdings Limited (the "Company") and its subsidiaries (hereinafter together referred to as the "Group") in the People's Republic of China (the "PRC"), we confirm that we have carried out property inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property interests as at 30 April 2011.

This letter which forms part of our valuation report explains the basis and methodologies of valuation, clarifying assumptions, valuation considerations, title investigation and limiting conditions of this valuation.

BASIS OF VALUATION

Our valuation of the property interests represents the market value which we would define as intended to 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".

VALUATION METHODOLOGY

We have valued the property interests of the property on market basis and the direct comparison method is adopted where comparison based on prices realised on actual sales and/or asking price of comparable properties is made. Comparable properties of similar size, character and location are analysed and carefully weighted against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of values. For those portions of the property interests subject to tenancies, we have also adopted the investment method on the basis of capitalization of the net rental incomes with due allowance for reversionary income potential. The direct comparison method is also adopted in estimating the values of their reversionary interest.

VALUATION CONSIDERATIONS

In valuing the property interests, we have complied with all the requirements contained in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards on Properties (First Edition 2005) published by The Hong Kong Institute of Surveyors effective from 1 January 2005.

VALUATION ASSUMPTIONS

Our valuations have been made on the assumption that the seller sells the property interests on the open market in their existing states without the benefit of a deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements, which could serve to affect the values of the property interests.

In undertaking our valuation, we have assumed that, unless otherwise stated, transferable land use rights in respect of the property interests for specific terms at nominal annual land use fees have been granted and that any premium payable has already been fully paid. We have also assumed that the owners of the properties have enforceable titles to the properties and have free and uninterrupted rights to use, occupy or assign the properties for the whole of the respective unexpired terms as granted.

No allowance has been made in our report for any outstanding or additional land premium, charges, mortgages or amounts owing on the property interests valued 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 outgoings of an onerous nature, which could affect their values.

Other special assumptions of the property interests, if any, have been stated out in the footnotes of the valuation certificates attached herewith.

TITLE INVESTIGATION

We have been, in some instances, shown copies of various title documents and other documents relating to the property interests and have made relevant enquiries. We have not examined the original documents to verify the existing title to the property interests and any material encumbrances that might be attached to the property interests or any lease amendments. However, we have relied considerably on the information given by the Company's PRC legal adviser, W&H Law Firm （煒衡律師事務所）, concerning the validity of the title to the property interests located in the PRC.

All legal documents provided by the Group have been used for reference only. No responsibility regarding legal title to the property interests is assumed in this valuation report.

LIMITING CONDITIONS

We have inspected the exterior, and wherever possible, the interior of the properties but no structural survey had been made. In the course of our inspection, we did not note any serious defects. We are not, however, able to report that the properties are free from rot, infestation or any other structural defects. Further, no test has been carried out on any of the building services. All dimensions, measurements and areas are only approximates. We have not been able to carry out detailed on-site measurements to verify the site and floor areas of the properties and we have assumed that the areas shown on the copies of documents handed to us are correct.

We have relied to a considerable extent on information provided by the Group and have accepted advice given to us on such matters, in particular, but not limited to, the sales records, tenure, planning approvals, statutory notices, easements, particulars of occupancy, site and floor areas and all other relevant matters in the identification of the property interests.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also been advised by the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

Liability in connection with this valuation report is limited to the client to whom this report is addressed and for the purpose for which it is carried out only. We will accept no liability to any other parties or any other purposes.

This report is to be used only for the purpose stated herein, any use or reliance for any other purpose, by you or third parties, is invalid. No reference to our name or our report in whole or in part, in any document you prepare and/or distribute to third parties may be made without written consent.

EXCHANGE RATE

Unless otherwise stated, all monetary amounts stated in this report are in Renminbi (RMB).

Our summary of values and valuation certificates are herewith attached.

Yours faithfully,
For and on behalf of
Ascent Partners Transaction Service Limited

Ian K. F. Ng
MBA BSc(EstMan) BSc MHKIS MRICS RPS(GP)
Associate Director

Mr. Ian K. F. Ng is a Registered Professional Surveyor with over 8 years' experience in valuation of properties in HKSAR, Macau SAR and mainland China. Mr. Ng is a Professional Member of The Hong Kong Institute of Surveyors as well as a chartered surveyor of The Royal Institution of Chartered Surveyors.

SUMMARY OF VALUES

	Property	Market Value in existing state as at 30 April 2011 *RMB*
	Property interests to be acquired by the Group	
1	Various Completed Portions of Block 1, Southern Side of Feng Cheng Wu Road, Western Side of Wei Yang Road, Jing Ji Ji Shu Kai Fa Qu, Xi'an City, Shaanxi Province, the PRC	809,000,000
2	Various Completed Portions of Block 3, Southern Side of Feng Cheng Wu Road, Western Side of Wei Yang Road, Jing Ji Ji Shu Kai Fa Qu, Xi'an City, Shaanxi Province, the PRC	393,000,000
	Total:	1,202,000,000

VALUATION CERTIFICATE

	Property	Description and Tenure	Particular of Occupancy	Market Value in existing state as at 30 April 2011
1	Various Completed Portions of Block 1, Southern Side of Feng Cheng Wu Road, Western Side of Wei Yang Road, Jing Ji Ji Shu Kai Fa Qu, Xi'an City, Shaanxi Province, the PRC	The property comprises various commercial spaces on Basement Level 1, Levels 1 to 4, 4 residential units and a commercial unit on Level 5 of a 26-storey residential/commercial building completed in 2010. The total gross floor area of the property is approximately 54,732.98 sq.m. with the breakdowns as follows:	Portions of the property with a total gross floor area of approximately 39,761 sq.m. are currently subject to various tenancies with the latest date expiring on 8 November 2030 at a total monthly rental of approximately RMB2,383,903 exclusive of management fee. The remaining portions of the property are either vacant or occupied by Shaanxi F&L Properties Co., Ltd. for commercial, residential, office and carparking purposes.	RMB809,000,000 (Renminbi Eight Hundred Nine Million)

Portion	Gross Floor Area *Approx (sq.m.)*
Basement Level 1	11,378.68
Level 1	9,664.76
Level 2	10,987.24
Level 3	10,966.54
Level 4	10,710.56
5 units on Level 5	1,025.20
	54,732.98

The land use rights of the property were granted for terms expiring on 29 December 2055 for composite use and expiring on 13 July 2077 for residential use.

Notes:

(1) Pursuant to 5 State-owned Land Use Rights Certificates –Xi Jing Guo Yong (2007Chu) Di Nos.32-36 issued by Xi'an Bureau of Land Resources of Jing Ji Ji Shu Kai Fa Qu Fen Ju（西安市國土資源局經濟技術開發區分局）, the land use rights of five parcels of contiguous land with a total area of approximately of 31,510.7 sq.m., which the property forms part, were granted to Shaanxi F&L Properties Co., Ltd.（陝西富力房地產開發有限公司） with details listed as follows:

Certificate	Use	Expiry Date	Site Area Approx *(sq.m.)*
Xi Jing Guo Yong (2007Chu) Di No.32	Composite	29 December 2055	17,396.0
Xi Jing Guo Yong (2007Chu) Di No.33	Composite	29 December 2055	710.6
Xi Jing Guo Yong (2007Chu) Di No.34	Residential	13 July 2077	5,425.0
Xi Jing Guo Yong (2007Chu) Di No.35	Residential	13 July 2077	3,957.5
Xi Jing Guo Yong (2007Chu) Di No.36	Residential	13 July 2077	4,021.6
Total:			31,510.7

(2) Pursuant to 13 Building Ownership Certificates, the building ownership rights of the property with a total gross floor area of approximately 54,732.98 sq.m. are owned by Shaanxi F&L Properties Co., Ltd.（陝西富力房地產開發有限公司）. The details of the Building Ownership Certificates are listed as follows:

Portion of the property	Certificate (Xi'an Shi Fang Quan Zheng Jing Ji Ji Shu Kai Fa Qu Zi Di No.)	Use	Gross Floor Area Approx *(sq.m.)*
Unit 1F101, Basement Level 1	1100116010-11-1-1F101	Carparking Space	4,617.65
Unit 1F102 Basement Level 1	1100116010-11-1-1F102	Commercial	6,761.03
Unit 10101, Level 1	1100116010-11-1-10101	Commercial	8,899.45
Unit 10103, Level 1	1100116010-11-1-10103	Other	8.28
Unit 10104, Level 1	1100116010-11-1-10104	Commercial	757.03
Unit 10201, Level 2	1100116010-11-1-10201	Commercial	10,987.24
Unit 10301, Level 3	1100116010-11-1-10301	Commercial	10,966.54
Unit 10401, Level 4	1100116010-11-1-10401	Commercial	10,710.56
Unit 10503, Level 5	1100116010-11-1-10503	Residential	82.79
Unit 10504, Level 5	1100116010-11-1-10504	Residential	43.43

Portion of the property	Certificate (Xi'an Shi Fang Quan Zheng Jing Ji Ji Shu Kai Fa Qu Zi Di No.)	Use	Gross Floor Area Approx *(sq.m.)*
Unit 10505, Level 5	1100116010-11-1-10505	Residential	43.43
Unit 10506, Level 5	1100116010-11-1-10506	Residential	82.79
Unit 10509, Level 5	1100116010-11-1-10509	Commercial	772.76
Total:			54,732.98

(3) We are instructed to value the property interests as at 31 December 2010 and 30 April 2011. We are of an opinion that the market values of the property interests in existing state as at 31 December 2010 and 30 April 2011 were RMB809,000,000 and RMB809,000,000 respectively.

(4) The major certificates and permits of the property are summarized as follows:

(i) State-owned Land Use Rights Certificate Yes

(ii) Building Ownership Certificate Yes

(5) We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, *inter alia*, the following:

(i) Shaanxi F&L Properties Co., Ltd. legally owns the property;

(ii) Shaanxi F&L Properties Co., Ltd. is entitled to transfer, mortgage, and otherwise dispose of the property except the portions stated in (iii) below; and

(iii) Portions of the property with a total gross floor area of approximately 49,854.61 sq.m. are subject to a mortgage in favour of The Bank of East Asia (China) Limited Xi'an Branch（東亞銀行（中國）有限公司西安分行） for a loan to an extent of RMB180,000,000 and the transfer, mortgage and otherwise dispose of these portions of the property shall be subject to the prior consent from the mortgagee.

VALUATION CERTIFICATE

Property	Description and Tenure	Particular of Occupancy	Market Value in existing state as at 30 April 2011
2 Various Completed Portions of Block 3, Southern Side of Feng Cheng Wu Road, Western Side of Wei Yang Road, Jing Ji Ji Shu Kai Fa Qu, Xi'an City, Shaanxi Province, the PRC	The property comprises various commercial spaces on Basement Level 1, Levels 1 to 4, 2 residential units on Level 5 and 9 residential units on Level 6 of a 29-storey residential/commercial building completed in 2010 The total gross floor area of the property is approximately 38,213.56 sq.m. with the breakdowns as follows:	Portions of the property with a total gross floor area of approximately 28,412 sq.m. are currently subject to various tenancies with the latest date expiring on 1 September 2030 at a total monthly rental of approximately RMB809,796 exclusive of management fee. The remaining portions of the property are either vacant or occupied by Shaanxi F&L Properties Co., Ltd. for commercial, residential, office and carparking purposes.	RMB393,000,000 (Renminbi Three Hundred Ninety Three Million)

Portion	Gross Floor Area *Approx (sq.m.)*
Basement Level 1	8,640.56
Level 1	6,556.21
Level 2	6,381.63
Level 3	6,446.27
Level 4	6,847.28
2 units on Level 5	2,645.06
9 units on Level 6	696.55
	38,213.56

The land use rights of the property were granted for terms expiring on 29 December 2055 for composite use and expiring on 13 July 2077 for residential use.

Notes:

(1) Pursuant to 5 State-owned Land Use Rights Certificate –Xi Jing Guo Yong (2007Chu) Di Nos.32-36 issued by Xi'an Bureau of Land Resources of Jing Ji Ji Shu Kai Fa Qu Fen Ju（西安市國土資源局經濟技術開發區分局）, the land use rights of five parcels of contiguous land with a total area of approximately of 31,510.7 sq.m., which the property forms part, were granted to Shaanxi F&L Properties Co., Ltd. with details listed as follows:

Certificate	**Use**	**Expiry Date**	**Site Area Approx** *(sq.m.)*
Xi Jing Guo Yong (2007Chu) Di No.32	Composite	29 December 2055	17,396.0
Xi Jing Guo Yong (2007Chu) Di No.33	Composite	29 December 2055	710.6
Xi Jing Guo Yong (2007Chu) Di No.34	Residential	13 July 2077	5,425.0
Xi Jing Guo Yong (2007Chu) Di No.35	Residential	13 July 2077	3,957.5
Xi Jing Guo Yong (2007Chu) Di No.36	Residential	13 July 2077	4,021.6
Total:			31,510.7

(2) Pursuant to 17 Building Ownership Certificate, the building ownership rights of the property with a gross floor area of approximately 38,213.56 sq.m. are owned by Shaanxi Qianhui Company Limited. The details of the Building Ownership Certificates are listed as follows:

Portion of the property	**Certificate (Xi'an Shi Fang Quan Zheng Jing Ji Ji Shu Kai Fa Qu Zi Di No.)**	**Use**	**Gross Floor Area Approx** *(sq.m.)*
Unit 1F101, Basement Level 1	1100116010-11-3-1F101-1	Carparking Space	5,175.26
Unit 1F102, Basement Level 1	1100116010-11-3-1F102-1	Commercial	3,465.30
Unit 10101, Level 1	1100116010-11-3-10101-1	Commercial	6,556.21
Unit 10201, Level 2	1100116010-11-3-10201-1	Commercial	6,381.63
Unit 10301, Level 3	1100116010-11-3-10301-1	Commercial	6,446.27
Unit 10401, Level 4	1100116010-11-3-10401-1	Commercial	6,847.28
Unit 10501, Level 5	1100116010-11-3-10501-1	Residential	1,318.90
Unit 10502, Level 5	1100116010-11-3-10502-1	Residential	1,326.16
Unit 40601, Level 6	1100116010-11-3- 40601-1	Residential	121.52
Unit 40602, Level 6	1100116010-11-3- 40602-1	Residential	90.71
Unit 40603, Level 6	1100116010-11-3- 40603-1	Residential	40.89
Unit 40604, Level 6	1100116010-11-3- 40604-1	Residential	44.51
Unit 40605, Level 6	1100116010-11-3- 40605-1	Residential	44.51

Portion of the property	Certificate (Xi'an Shi Fang Quan Zheng Jing Ji Ji Shu Kai Fa Qu Zi Di No.)	Use	Gross Floor Area Approx (sq.m.)
Unit 40606, Level 6	1100116010-11-3- 40606-1	Residential	88.24
Unit 40607, Level 6	1100116010-11-3- 40607-1	Residential	89.69
Unit 40608, Level 6	1100116010-11-3- 40608-1	Residential	126.13
Unit 40609, Level 6	1100116010-11-3- 40609-1	Residential	50.35
Total:			38,213.56

(3) We are instructed to value the property interests as at 31 December 2010 and 30 April 2011. We are of an opinion that the market values of the property interests in existing state as at 31 December 2010 and 30 April 2011 were RMB393,000,000 and RMB393,000,000 respectively.

(4) The major certificates and permits of the property are summarized as follows:

(i)	State-owned Land Use Rights Certificate	Yes
(ii)	Building Ownership Certificate	Yes

(5) We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, *inter alia*, the following:

(i) Shaanxi Qianhui Company Limited legally owns the property;

(ii) Shaanxi Qianhui Company Limited is entitled to transfer, mortgage, and otherwise dispose of the property;

(iii) The property is not subject to any mortgage; and

(iv) Shaaxi Qianhui Company Limited acquired the ownership of the property from Shaanxi F&L Properties Co., Ltd. through restructuring. Under the current policy, the Xi'an Government will not issue separate land use rights certificates to individual owners.

The following is the text of a letter and a valuation certificate, prepared for the purpose of incorporation in this circular received from Ascent Partners Transaction Service Ltd., an independent valuer, in connection with its valuation as at 30 April 2011 of the property interests to be acquired by the Group.

ASCENT PARTNERS
Together We Flourish

Suite 2102, Hong Kong Trade Centre
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Hong Kong.
Tel: 3679-3829
Fax: 3586-0683

Date: 27 June 2011

The Board of Directors
Century Ginwa Retail Holdings Limited
1701-03, 17th Floor, Dah Sing Financial Centre,
108 Gloucester Road, Wanchai,
Hong Kong

Dear Sirs,

INSTRUCTIONS

In accordance with your instructions for us to value the property interests held by Xi'an Honghui Property Management Company Limited （西安鴻輝物業管理有限公司） to be acquired by Century Ginwa Retail Holdings Limited (the "Company") and its subsidiaries (hereinafter together referred to as the "Group") in the People's Republic of China (the "PRC"), we confirm that we have carried out property inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property interests as at 30 April 2011.

This letter which forms part of our valuation report explains the basis and methodologies of valuation, clarifying assumptions, valuation considerations, title investigation and limiting conditions of this valuation.

BASIS OF VALUATION

Our valuation of the property interests represents the market value which we would define as intended to 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".

VALUATION METHODOLOGY

We have valued the property interests of the property on market basis and the direct comparison method is adopted where comparison based on prices realised on actual sales and/or asking price of comparable properties is made. Comparable properties of similar size, character and location are analysed and carefully weighted against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of values. As the property interests of the property are subject to tenancies as at the date of valuation, we have also adopted the investment method on the basis of capitalization of the net rental incomes with due allowance for reversionary income potential. The direct comparison method is also adopted in estimating the values of their reversionary interest (if any).

VALUATION CONSIDERATIONS

In valuing the property interests, we have complied with all the requirements contained in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards on Properties (First Edition 2005) published by The Hong Kong Institute of Surveyors effective from 1 January 2005.

VALUATION ASSUMPTIONS

Our valuations have been made on the assumption that the seller sells the property interests on the open market in their existing states without the benefit of a deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements, which could serve to affect the values of the property interests.

In undertaking our valuation, we have assumed that, unless otherwise stated, transferable land use rights in respect of the property interests for specific terms at nominal annual land use fees have been granted and that any premium payable has already been fully paid. We have also assumed that the owners of the properties have enforceable titles to the properties and have free and uninterrupted rights to use, occupy or assign the properties for the whole of the respective unexpired terms as granted.

No allowance has been made in our report for any outstanding or additional land premium, charges, mortgages or amounts owing on the property interests valued 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 outgoings of an onerous nature, which could affect their values.

Other special assumptions of the property interests, if any, have been stated out in the footnotes of the valuation certificates attached herewith.

TITLE INVESTIGATION

We have been, in some instances, shown copies of various title documents and other documents relating to the property interests and have made relevant enquiries. We have not examined the original documents to verify the existing title to the property interests and any material encumbrances that might be attached to the property interests or any lease amendments. However, we have relied considerably on the information given by the Company's PRC legal adviser, W&H Law Firm（煒衡律師事務所）, concerning the validity of the title to the property interests located in the PRC.

All legal documents provided by the Group have been used for reference only. No responsibility regarding legal title to the property interests is assumed in this valuation report.

LIMITING CONDITIONS

We have inspected the exterior, and wherever possible, the interior of the properties but no structural survey had been made. In the course of our inspection, we did not note any serious defects. We are not, however, able to report that the properties are free from rot, infestation or any other structural defects. Further, no test has been carried out on any of the building services. All dimensions, measurements and areas are only approximates. We have not been able to carry out detailed on-site measurements to verify the site and floor areas of the properties and we have assumed that the areas shown on the copies of documents handed to us are correct.

We have relied to a considerable extent on information provided by the Group and have accepted advice given to us on such matters, in particular, but not limited to, the sales records, tenure, planning approvals, statutory notices, easements, particulars of occupancy, site and floor areas and all other relevant matters in the identification of the property interests.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also been advised by the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

Liability in connection with this valuation report is limited to the client to whom this report is addressed and for the purpose for which it is carried out only. We will accept no liability to any other parties or any other purposes.

This report is to be used only for the purpose stated herein, any use or reliance for any other purpose, by you or third parties, is invalid. No reference to our name or our report in whole or in part, in any document you prepare and/or distribute to third parties may be made without written consent.

EXCHANGE RATE

Unless otherwise stated, all monetary amounts stated in this report are in Renminbi (RMB).

Our certificate is herewith attached.

Yours faithfully,
For and on behalf of
Ascent Partners Transaction Service Limited

Ian K. F. Ng
MBA BSc(EstMan) BSc MHKIS MRICS RPS(GP)
Associate Director

Mr. Ian K. F. Ng is a Registered Professional Surveyor with over 8 years' experience in valuation of properties in HKSAR, Macau SAR and mainland China. Mr. Ng is a Professional Member of The Hong Kong Institute of Surveyors as well as a chartered surveyor of The Royal Institution of Chartered Surveyors.

VALUATION CERTIFICATE

Property	Description and Tenure	Particular of Occupancy	Market Value in existing state as at 30 April 2011
Units 10101, 10201 and 10301 of Tian Mu Kuo Jing（天幕闊景）and Units 10102, 10103, 10201 and 10202 of Shu Ma Building（數碼大廈）, International Commercial Centre, No.33 Keji Road, Xi'an National Hi-Tech Industrial Development Zone, Xi'an City, Shaanxi Province, the PRC	International Commercial Centre is a mixed commercial and residential development comprising a 32-storey apartment building (known as Tian Mu Kuo Jing) and a 42-storey office building (known as Shu Ma Building) including commercial podium and 2 basement floors completed in various stages between 2001 and 2004. The property comprises various commercial spaces located on levels 1 to 3 of Tian Mu Kuo Jing and levels 1 to 4 of Shu Ma Building. The total gross floor area of the property is approximately 29,565.90 sq.m. with the breakdown as follows:	The property is currently subject to a tenancy for department store purpose. (Please see Note 2 below)	RMB654,000,000 (Renminbi Six Hundred Fifty Four Million)

Portion	Gross Floor Area *Approx (sq.m.)*
Tian Mu Kuo Jing	
Unit 10101	1,998.85
Unit 10201	2,337.75
Unit 10301	2,561.20
Shu Ma Building	
Unit 10102	3,239.14
Unit 10103	3,573.60
Unit 10201	8,941.08
Unit 10202	6,914.28
	29,565.90

Notes:

1. Pursuant to 7 Building Ownership Certificates issued by Bureau of Housing Management of Xi'an City, the building ownership rights of the Property with a total gross floor area approximate 29,565.90 sq.m. are owned by Xi'an Honghui Property Management Company Limited for commercial use. The details are as follows:

Building Ownership Certificate (Xi'an Shi Fang Quan Zheng Gao Xin Qu Zi Di No.)	**Unit**	**Level**	**Gross Floor Area** *Approx (sq.m.)*
Tian Mu Kuo Jing			
1075104022-50-1-10101	10101	1	1,998.85
1075104022-50-1-10201	10201	2	2,337.75
1075104022-50-1-10301	10301	3	2,561.20
Shu Ma Building			
1075104022-51-1-10102	10102	1	3,239.14
1075104022-51-1-10103	10103	1	3,573.60
1075104022-51-1-10201	10201	2, 3 & 4	8,941.08
1075104022-51-1-10202	10202	2, 3 & 4	6,914.28
			29,565.90

2. Pursuant to a tenancy agreement and supplementary agreement entered into between the Group and Xi'an Honghui Property Management Company Limited, the property with a gross floor area of approximately 29,565.90 sq.m. was leased to the Group for a term commencing on 1 October 2008 and expiring on 12 June 2011 at a total monthly rental of RMB2,621,667 exclusive of management fee and outgoings for department store purpose. The rental payable includes the items associated with the provision of services to the property.

3. The major certificates and permits of the property are summarized as follows:

   Building Ownership Certificate Yes

4. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:

   (i) Xi'an Honghui Property Management Company Limited legally owns the property;

   (ii) Xi'an Honghui Property Management Company Limited is entitled to transfer, mortgage, and otherwise dispose of the property subject to the mortgagee's approval as stated in (iii) below; and

   (iii) The property is subject to a mortgage in favour of Xiamen International Bank Shanghai Branch （廈門國際銀行上海分行） for a loan to an extent of RMB180,000,000 and the transfer, mortgage and otherwise dispose of the property shall be subject to the prior consent from the mortgagee.

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. A1B(2)

2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date and upon full conversion of all the Convertible Bonds, the issue of Consideration Shares and full exercise of the Warrants are as follows: A1B(22) R14.67(2)

Authorised		*HK$*
20,000,000,000		2,000,000,000.00
Issued and to be issued, fully paid and/or credited as fully paid		
1,774,361,278	Shares in issue as at the Latest Practicable Date	177,436,127.80 A1B(10)
252,295,977	Consideration Shares to be allotted and issued	25,229,597.70
6,082,156,721	Conversion Shares to be allotted and issued assuming full exercise of all the Convertible Bonds	608,215,672.10
301,320,000	Shares to be allotted and issued with the full exercise of the Warrants *(Note)*	30,132,000.00
8,410,133,976	Total Shares in issue upon the issue of Consideration Shares, full conversion of the Convertible Bonds and full exercise of the Warrants	841,013,397.60

Note: The holder of the Warrants has served a notice to the Company to exercise in full the Warrants. As at the Latest Practicable Date, the completion of the exercise of the Warrants is yet to be completed.

All the issued Shares rank pari passu with each other in all respects including the rights as to voting, dividends and return of capital. The Consideration Shares, the Conversion Shares and the Shares to be allotted and issued as a result of exercise of the Warrants will rank pari passu in all respects with the then existing Shares.

The Shares in issue are listed on the Stock Exchange. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

3. DISCLOSURE OF INTERESTS

(a) Director's interests and short positions in the securities of the Company and its associated corporations

A1B(38)
A1B(40)

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were 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) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, were as follows:

R14.66(3)
A1B(34)

(i) Long position in the shares

Name of Director	Capacity	Number of issued shares held	Approximate percentage of the issue share capital of the Company
Mr. Sha Yingjie	Personal interests	1,674,000	0.09%

(ii) Long position in the share options

Name of Director	Date of grant	Option period	Exercise price per share	Number of share options	Approximate percentage of the issued share capital of the Company
Mr. Wu Yijian	20 Oct 2010	20 Oct 2010 to 19 Oct 2015	HK$0.315	17,500,000	0.99%
Mr. Choon Hoi Kit, Edwin	20 Oct 2010	20 Oct 2010 to 19 Oct 2015	HK$0.315	2,500,000	0.14%
Mr. Qu Jiaqi	20 Oct 2010	20 Oct 2010 to 19 Oct 2015	HK$0.315	2,500,000	0.14%
Mr. Sha Yingjie	20 Oct 2010	20 Oct 2010 to 19 Oct 2015	HK$0.315	2,000,000	0.11%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were 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) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

(b) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial shareholders

So far as was known to any Director or chief executives of the Company, as at the Latest Practicable Date, the following persons, other than a Director or chief executive of the Company, had an interest or short position in the Shares or underlying Shares which fell to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

(i) Long position/short position in the shares

Name of shareholder	Long position/ short position	Nature of interests	Number of issued shares held	Approximate percentage of the issued share capital of the Company
Best Mineral Resources Limited	Long position	Corporate interests	476,196,108 *(Note 1)*	26.84%
Mr. Chen Jian	Long position	Interest in a controlled corporation	476,196,108 *(Note 1)*	26.84%
Mr. Li Peng	Long position	Personal interests	10,001,000 *(Note 2)*	0.56%
Glory Keen Holdings Limited	Long position	Corporate interests	476,196,108 *(Note 3)*	26.84%
Hony Capital Fund 2008, L.P.	Long position	Interest in a controlled corporation	476,196,108 *(Note 3)*	26.84%
Hony Capital Fund 2008 GP, L.P.	Long position	Interest in a controlled corporation	476,196,108 *(Note 3)*	26.84%
Hony Capital Fund 2008 GP Limited	Long position	Interest in a controlled corporation	476,196,108 *(Note 3)*	26.84%
Hony Capital Management Limited	Long position	Interest in a controlled corporation	476,196,108 *(Note 3)*	26.84%
Zhao John Huan	Long position	Interest in a controlled corporation	476,196,108 *(Note 3)*	26.84%
Right Lane Limited	Long position	Interest in a controlled corporation	476,196,108 *(Note 3)*	26.84%

(i) Long position/short position in the shares (cont'd)

Name of shareholder	Long position/ short position	Nature of interests	Number of issued shares held	Approximate percentage of the issued share capital of the Company
Legend Holdings Limited	Long position	Interest in a controlled corporation	476,196,108 *(Note 3)*	26.84%
Beijing Lian Chi Zhi Yuan Management Consulting Centre	Long position	Interest in a controlled corporation	476,196,108 *(Note 3)*	26.84%
Beijing Lian Chi Zhi Yuan Management Consulting Ltd.	Long position	Interest in a controlled corporation	476,196,108 *(Note 3)*	26.84%
Chinese Academy of Sciences Holdings Co., Ltd.	Long position	Interest in a controlled corporation	476,196,108 *(Note 3)*	26.84%
Chinese Academy of Sciences	Long position	Interest in a controlled corporation	476,196,108 *(Note 3)*	26.84%

(ii) Long position/short position in the underlying shares of equity derivatives (as defined in Part XV of the SFO)

Name of shareholder	Long position/ short position	Nature of interests	Number of underlying shares held	Approximate percentage of the issued share capital of the Company
Best Mineral Resources Limited	Long position	Corporate interests	1,007,724,904 *(Note 1)*	56.79%
Mr. Chen Jian	Long position	Interest in a controlled corporation	1,007,724,904 *(Note 1)*	56.79%

(ii) Long position/short position in the underlying shares of equity derivatives (as defined in Part XV of the SFO) (cont'd)

Name of shareholder	Long position/ short position	Nature of interests	Number of underlying shares held	Approximate percentage of the issued share capital of the Company
Mr. Li Peng	Long position	Personal interests	301,320,000 *(Note 2)*	16.98%
Glory Keen Holdings Limited	Long position	Corporate interests	5,845,906,721 *(Note 4)*	329.47%
Hony Capital Fund 2008, L.P.	Long position	Interest in a controlled corporation	5,845,906,721 *(Note 4)*	329.47%
Hony Capital Fund 2008 GP, L.P.	Long position	Interest in a controlled corporation	5,845,906,721 *(Note 4)*	329.47%
Hony Capital Fund 2008 GP Limited	Long position	Interest in a controlled corporation	5,845,906,721 *(Note 4)*	329.47%
Hony Capital Management Limited	Long position	Interest in a controlled corporation	5,845,906,721 *(Note 4)*	329.47%
Zhao John Huan	Long position	Interest in a controlled corporation	5,845,906,721 *(Note 4)*	329.47%
Right Lane Limited	Long position	Interest in a controlled corporation	5,845,906,721 *(Note 4)*	329.47%
Legend Holdings Limited	Long position	Interest in a controlled corporation	5,845,906,721 *(Note 4)*	329.47%
Beijing Lian Chi Zhi Yuan Management Consulting Centre	Long position	Interest in a controlled corporation	5,845,906,721 *(Note 4)*	329.47%
Beijing Lian Chi Zhi Yuan Management Consulting Ltd.	Long position	Interest in a controlled corporation	5,845,906,721 *(Note 4)*	329.47%
Chinese Academy of Sciences Holdings Co., Ltd.	Long position	Interest in a controlled corporation	5,845,906,721 *(Note 4)*	329.47%

Name of shareholder	Long position/ short position	Nature of interests	Number of underlying shares held	Approximate percentage of the issued share capital of the Company
Chinese Academy of Sciences	Long position	Interest in a controlled corporation	5,845,906,721 *(Note 4)*	329.47%
Grand Well Group Limited	Long position	Corporate interests	236,250,000 *(Note 5)*	13.31%
Mr. Mak Kam Fai	Long position	Interest in a controlled corporation	236,250,000 *(Note 5)*	13.31%

Notes:–

(1) Best Mineral Resources Limited ("BMRL") held 476,196,108 Shares and 1,007,724,904 underlying Shares related to its derivative interests under the BMRL CB in its own name. Mr. Chen Jian held 100% of the issued share capital of BMRL. As such, Mr. Chen Jian was deemed to be interested in 476,196,108 Shares and 1,007,724,904 underlying Shares related to its derivative interests by virtue of his shareholding in BMRL. Pursuant to the terms and conditions of the BMRL CB, no holder of the BMRL CB or any party acting in concert with such holder shall be permitted to exercise the conversion rights attaching to the BMRL CB if such exercise would result in such holder or any party acting in concert with it being required to make a mandatory general offer for the shares of the Company under the Takeovers Code and/or the public float of the Company would become less than 25% of the issued share capital as required under the Listing Rules after issuance of such Shares.

(2) Mr. Li Peng is interested in 10,001,000 Shares and 301,320,000 Warrants, each of the Warrant confers the rights to subscribe for new Share in cash at an initial subscription price of HK$0.20 per Share (subject to adjustments). As at the Latest Practicable Date, Mr. Li Peng has served a notice to exercise in full the Warrants. Completion of the exercise of the Warrants is yet to be completed.

(3) The long position represents the security interest held by Glory Keen over the 476,196,108 Shares held by BMRL under share charge. Hony Capital Fund 2008, L.P. holds the entire issued share capital of Glory Keen. Hony Capital Fund 2008 GP, L.P. is the sole general partner of Hony Capital Fund 2008, L.P.. Hony Capital Fund 2008 GP Limited, a wholly-owned subsidiary of Hony Capital Management Limited, is the sole general partner of Hony Capital Fund 2008 GP, L.P.. Mr. Zhao John Huan and Right Lane Limited respectively own 55% and 45% equity interests in Hony Capital Management Limited. Right Lane Limited is a wholly-owned subsidiary of Legend Holdings Limited. Chinese Academy of Sciences Holdings Co., Ltd. and Beijing Lian Chi Zhi Yuan Management Consulting Centre are the substantial shareholders of Legend Holdings Limited, with 36% and 35% interests, respectively. Chinese Academy of Sciences Holdings Co., Ltd. is a wholly-owned subsidiary of Chinese Academy of Sciences. Beijing Lian Chi Zhi Yuan Manage Consulting Ltd. is the sole general partner of Beijing Lian Chi Zhi Yuan Management Consulting Centre. Each of the above-mentioned parties is therefore deemed to be interested in the security interest held by Glory Keen.

(4) The long position represents the interest in the 4,838,181,817 conversion shares which may be issued under the Hony CB and the security interest held by Glory Keen under the BMRL share charge over the 1,007,724,904 underlying Shares which may be issued (subject to the conversion restriction as stated in Note (1) above) under the BMRL CB. The exercise of the conversion rights attaching to the Hony CB are subject to the restrictions as stated in the paragraph headed "Principal terms of the Convertible Bonds" under the section headed "Subscription Agreement" in the circular dated 30 October 2010.

(5) Grand Well Group Limited ("GWGL") held 236,250,000 underlying Shares related to its derivative interests under the Grand Well CB in its own name. Mr. Mak Kam Fai holds 100% of the issued share capital of GWGL. As such, Mr. Mak Kam Fai is deemed to be interested in 236,250,000 underlying Shares related to its derivative interests by virtue of his shareholding in GWGL.

Save as disclosed above, the Directors and the chief executives of the Company are not aware of any person (other than a Director or chief executive of the Company) who, as at the Latest Practicable Date, had any interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who was, directly or indirectly, interested in 10% or more of the nominal value of the issued share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

4. MATERIAL CONTRACTS A1B(42)

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

(i) the Big Bell 2 SPA(1), the Big Bell 2 SPA(2) and the Big Bell 2 SPA(3); A1B(2)(c)

(ii) the Amended Facilities Lease Agreements;

(iii) the Amended Properties Lease Agreements;

(iv) the Qianhui Acquisition Agreements;

(v) the agreement dated 31 January 2011 entered into among the Company, China King Management Limited as purchaser, Grand Well Group Limited as vendor and Mr. Mak Kam Fai as guarantor in relation to the acquisition of entire interest and sale loan in Ideal Mix Limited at a total consideration of HK$348 million, part of which has been settled by the issue of the Grand Well CB;

(vi) the non-legally binding memorandum of understanding dated 18 January 2011 and entered into between King Hero as purchaser and Shaanxi F&L in relation to the acquisition of entire interest and sale loan of Qianhui at a total consideration of RMB1,030 million (equivalent to approximately HK$1,205.1 million) (as amended by a supplemental memorandum of understanding dated 18 April 2011);

(vii) the agreement dated 30 December 2010 and entered into between Mr. Liu Zongren and Mr. Qi Jianbin as vendors and 金唐百貨有限公司 (Golden Chance (West Street) Shopping Centre Limited) in relation to the acquisition of 49% interest in 陝西世紀金花唐人街商場有限責任公司 (Shaanxi Century Ginwa Tangrenjie Shopping Mall Co., Limited#) at a total consideration of RMB47.5 million (equivalent to approximately HK$55.58 million);

(viii) the modification deed dated 15 November 2010 and entered into between the Company and BMRL in relation to the change of terms of the BMRL CB;

(ix) the subscription agreement dated 31 August 2010 and entered into between the Company and Glory Keen in relation to the subscription and issue of the Hony CB;

(x) the deed of waiver and change of terms of the BMRL CB dated 31 August 2010 and entered into between the Company, BMRL and China Rich International Management Limited relating to certain amendment and waiver of convertible bonds with an aggregate face value of HK$1,088,342,896.40 due on 18 September 2013 issued by the Company and subscribed by BMRL;

(xi) the sale and purchase agreement dated 31 August 2010 and entered into among the Company (as purchaser), BMRL (as vendor) and Mr. Wu Yijian (as guarantor) in relation to the acquisition of the entire issued share capital of Golden Chance (Xian) Limited by the Company at a consideration of HK$500 million;

(xii) the conditional sale and purchase agreement dated 15 September 2010 and entered into between King Hero as purchaser, New Hero as vendor and Mr. Wu as guarantor in relation to sale and purchase of the share and the sale loan of CPI Asia Big Bell Limited at a total consideration of HK$527,175,000;

(xiii) the deed of waiver dated 29 October 2010 and entered into between BMRL and Golden Chance (Xian) Limited under which BMRL has waived the debt of RMB184,800,000 owing by Golden Chance (Xian) Limited;

(xiv) the acquisition agreement dated 3 June 2010 and entered into between Ginwa Investments Company Limited ("Ginwa Investments") and Golden Chance (South Street) Shopping Centre Limited pursuant to which Golden Chance (South Street) Shopping Centre Limited has agreed to acquire from Ginwa Investments the entire registered capital of 西安世紀金花南大街購物中心有限公司 (Xian Century Ginwa Nandajie Shopping Mall Co., Limited#) ("Ginwa Nandajie Store") at a consideration of RMB58,000,000;

(xv) the acquisition agreement dated 3 June 2010 and entered into between Ginwa Investments and Golden Chance (Saigo) Shopping Centre Limited pursuant to which Golden Chance (Saigo) Shopping Centre Limited has agreed to acquire from Ginwa Investments the entire registered capital of 西安世紀金花賽高購物有限公司 (Xian Century Ginwa Saigo Shopping Mall Co., Limited#) at a consideration of RMB96,800,000;

(xvi) the acquisition agreement dated 3 June 2010 and entered into between Ginwa Investments and 金唐百貨有限公司 (Golden Chance (West Street) Shopping Centre Limited) pursuant to which 金唐百貨有限公司 (Golden Chance (West Street) Shopping Centre Limited) has agreed to acquire from Ginwa Investments 51% of the entire registered capital of 陝西世紀金花唐人街商場有限責任公司 (Shaanxi Century Ginwa Tangrenjie Shopping Mall Co., Limited) at a consideration of RMB30,000,000;

(xvii) the non-legally binding memorandum of understanding dated 20 February 2010 and entered into between China King Management Limited and 陝西世紀金花高新購物中心有限公司 (Shaanxi Century Ginwa Hi-Tech Shopping Mall Co., Limited#) in relation to the acquisition of the entire issued share capital of Ginwa Nandajie Store and Xian Century Ginwa Saigo Shopping Co., Limited, and 51% of the issued share capital of Shaanxi Century Ginwa Tangrenjie Shopping Mall Co., Limited;

(xviii) the modification deed dated 2 December 2009 and entered into between the Company and BMRL in relation to the change of terms of the BMRL CB.

(xix) the underwriting agreement dated 11 November 2009 (as supplemented by the supplemental agreement dated 30 November 2009) and entered into among the Company, Partners Capital Securities Limited, Phoenix Capital Securities Limited, OSK Securities Hong Kong Limited and Mr. Chen Jian in relation to the underwriting and certain other arrangements in respect of the open offer of 584,120,426 Shares (and the supplemental agreement dated 30 November 2009 entered into between the same parties in relation to certain amendments made to the underwriting agreement); and

(xx) the warrant subscription agreement dated 31 July 2009 and entered into between the Company and subscriber in relation to a private placing of 231,600,000 warrants at an issue price of HK$0.011 per warrant.

\# *The English transliteration of the Chinese names in this circular, where indicated, is included for information only, and should not be regarded as the official English names of such Chinese names.*

5. DIRECTORS' SERVICE CONTRACTS R14.66(7)

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any member of the Enlarged Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

6. EXPERTS AND CONSENT

The following are the qualification of the experts who has given opinions or advice which are contained in this circular:

Name	**Qualifications**
Ascent Partners	Independent property valuer
KPMG	Certified public accountants
Veda Capital	a licensed corporation to carry on business in type 6 (advising on corporate finance) regulated activity under the SFO

Each of Ascent Partners, KPMG and Veda Capital has given and has not withdrawn their respective written consents to the issue of this circular with the inclusion herein of their respective letter(s) and report(s) and references to their respective names in the form and context in which it appears. A1B(5)(2)(3)

As at the Latest Practicable Date, Ascent Partners, KPMG and Veda Capital did not have any shareholding in any member of the Enlarged Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Enlarged Group. A1B(5)(1)

7. LITIGATION

Save as disclosed in this circular, no member of the Enlarged Group is engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to the Directors to be pending or threatened against any member of the Enlarged Group as at the Latest Practicable Date. A1B(33)

8. COMPETING INTERESTS R14.66(8)

As at the Latest Practicable Date, none of the Directors nor their respective associates had any business which competes or is likely to compete, either directly or indirectly, with the business of the Enlarged Group.

9. MISCELLANEOUS

(i) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. A1B(36)

(ii) The head office and principal place of business of the Company in Hong Kong is at Suites 1701-1703, 17/F, Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong.

(iii) The company secretary of the Company is Mr. Chiu Ngam who is a fellow member of Hong Kong Institute of Certified Public Accountants. A1B(35)

(iv) The principal share registrar of the Company in Bermuda is Butterfield Fund Services (Bermuda) Limited at Rosebank Centre, 11 Bermudiana Road, Pembroke HM08, Bermuda. The branch share registrar of the Company in Hong Kong is Tricor Abacus Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong.

(v) Save as disclosed in this circular,

(a) none of the Directors and the experts (as named in the paragraph under "Experts" in this Appendix) had any direct or indirect interest in any assets which had been, since 31 December 2010, the date to which the latest published audited financial statements of the Company were made up, up to the Latest Practicable Date, acquired or disposed of by or leased to any member of the Enlarged Group, or was proposed to be acquired or disposed of by or leased to any member of the Enlarged Group; and A1B(40)(1)

(b) none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which was significant in relation to the business of the Enlarged Group. A1B(40)(2)

(vi) The English text of this circular and the proxy form shall prevail over the Chinese text in case of inconsistency.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours on Business Days at the office of the Company at Suites 1701-1703, 17/F, Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong from the date of this circular up to and including 15 July 2011 and at the SGM: A1B(43)

(i) the bye-laws and memorandum of association of the Company;

(ii) the letter from the Independent Board Committee, the text of which is set out on pages 35 to 36 in this circular;

(iii) the letter of advice from Veda Capital to the Independent Board Committee, the BB2 Independent Shareholders and the CCT Independent Shareholders, the text of which is set out on pages 37 to 53 in this circular;

(iv) the accountants' report prepared by KPMG on Qianhui, the text of which is set out in Appendix II to this circular;

(v) the accountants' report prepared by KPMG on the Big Bell 2 Group, the text of which is set out in Appendix III to this circular;

(vi) the valuation report prepared by Ascent Partners in respect of the valuation of Saigo Store Properties, the text of which is set out in Appendix VI to this circular;

(vii) the valuation report prepared by Ascent Partners in respect of the valuation of Hi-Tech Store Properties, the text of which is set out in Appendix VII to this circular;

(viii) the annual reports of the Company for each of the two financial years ended 31 December 2009 and 31 December 2010;

(ix) the accountants' report prepared by KPMG in respect of the unaudited pro forma financial information on the Enlarged Group and the Ideal Mix Group, the text of which is set out on Appendix IV Section B to this circular;

(x) the material contracts referred to in the paragraph headed "Material Contracts" in this Appendix; A1B.43(2)(c)

(xi) the written consents referred to under the paragraph headed "Experts and Consent" in this Appendix;

(xii) the circular of the Company dated 26 April 2011; and

(xiii) this circular.

CENTURY GINWA RETAIL HOLDINGS LIMITED
世紀金花商業控股有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 162)

NOTICE IS HEREBY GIVEN that a special general meeting (the "**SGM**") of CENTURY GINWA RETAIL HOLDINGS LIMITED (the "**Company**") will be held at 11:00 a.m. on Friday, 15 July 2011 at Suites 1701-1703, 17/F, Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong for the purpose of considering and, if thought fit, passing the following ordinary resolutions:

"**THAT**

1 the conditional agreement dated 16 May 2011 (as amended by a supplemental agreement dated 16 May 2011) entered into between Xi'an Yi Xin Property Management Co., Limited, (西安億鑫物業管理有限公司), as purchaser, an indirectly wholly-owned subsidiary of the Company and Shaanxi F&L Properties Co. Ltd (陝西富力房地產開發有限公司), as vendor in relation to the acquisition of the entire equity interest in Shaanxi Qianhui Company Limited (陝西千匯置業有限公司) ("**Qianhui**") at a consideration of RMB500 million (the "**Qianhui Acquisition Agreements**") (a copy of the Qianhui Acquisition Agreements is marked "A" and produced to the SGM and signed by the chairman of the SGM for identification purposes) and the transactions contemplated thereunder be and are hereby ratified, confirmed and approved;

THAT

2 subject to and conditional upon passing of resolution 1 above, the allotment and issue of 252,295,977 consideration shares (the "**Consideration Shares**") at the issue price of HK$0.71 per Consideration Share and that the unconditional specific mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with the Consideration Shares be and is hereby approved;

THAT

3 the conditional agreement (the "**BB2 Agreement**") dated 9 June 2011 entered into among Glory Keen Holdings Limited ("**Glory Keen**") as vendor, King Hero Limited ("**King Hero**") as purchaser and the Company as guarantor in relation to the acquisition of the entire issued share capital and shareholder's loan in CPI Asia Big Bell 2 Limited ("**Big Bell 2**") at a consideration of the aggregate of (1) RMB350,870,199.48; and (2) an interest charge of 9% per annum on the above consideration, which will be accrued since 10 June 2011 up to the BB2 Completion Date (as defined in the BB2 Agreement) (a copy of the BB2 Agreement is marked "B" and produced to the SGM and signed by the chairman of the SGM for identification purposes) and the transaction contemplated thereunder be and are hereby ratified, confirmed and approved;

THAT

4 the Amended Properties Lease Agreements (as defined in the circular of the Company dated 10 June 2011 (the "**Circular**")) (a copy of the Amended Properties Lease Agreements is marked "C" and produced to the SGM and signed by the chairman of the SGM for identification purposes) and the terms and conditions thereof and its proposed cap amounts and the transaction contemplated thereunder and the implementation thereof be and are hereby ratified, confirmed and approved;

THAT

5 the Amended Facilities Lease Agreements (as defined in the Circular) (a copy of the Amended Properties Lease Agreements is marked "D" and produced to the SGM and signed by the chairman of the SGM for identification purposes) and the terms and conditions thereof and its proposed cap amounts and the transaction contemplated thereunder and the implementation thereof be and is hereby ratified, confirmed and approved; and

THAT

6 any one or more of the directors (the "**Directors**") of the Company be and is/are hereby authorised to do all such acts and things and execute all such documents which he/she/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Qianhui Acquisition Agreements, the BB2 Agreement, the Amended Properties Lease Agreements and the Amended Facilities Lease Agreements including but not limited to the allotment and issue of Consideration Shares and the transactions contemplated respectively thereunder".

Yours faithfully,
On behalf of the board
Century Ginwa Retail Holdings Limited
Choon Hoi Kit, Edwin
Chief Executive Officer

Hong Kong, 27 June 2011

Registered office:
Clarendon House
2 Church Street
Hamilton, HM 11
Bermuda

Principal place of business in Hong Kong:
Suites 1701-1703,
17/F, Dah Sing Financial Centre,
108 Gloucester Road,
Wanchai, Hong Kong

Notes:

1 A member entitled to attend and vote at the SGM convened by the above notice (or any adjournment thereof) is entitled to appoint one or if he is the holder of two or more shares, more than one proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company.

2 A form of proxy for use at the SGM (or any adjournment thereof) is enclosed.

3 Where there are joint registered holders of any Shares, any one of such persons may vote at the SGM, either personally or by proxy, in respect of such Shares as if he were solely entitled thereto; but if more than one of such joint holders be present at the SGM personally or by proxy, that one of the said person as present whose name stands first on the register in respect of such Share shall alone be entitled to vote in respect thereof.

4 In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority (if any) under which it is signed or a certified copy of that power or authority, at the office of the Company's Hong Kong branch registrar, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong no later than 48 hours before the time for holding the SGM or adjourned meeting. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the above meeting or any adjournment thereof, should he so wish.