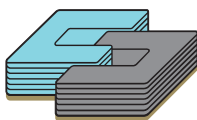

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in Chi Cheung Investment Company, Limited, you should at once hand this circular together with the accompanying form of proxy at once to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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CHI CHEUNG INVESTMENT COMPANY, LIMITED

至祥置業有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 112)

FINANCIAL ASSISTANCE AND CONTINUING CONNECTED TRANSACTIONS

**Independent Financial Adviser to the
Independent Board Committee and the Independent Shareholders**



粵海證券有限公司
GUANGDONG SECURITIES LIMITED

Capitalised terms used in this cover shall have the same meanings as defined in the section headed "Definitions" in this circular.

A letter from the Board is set out on pages 4 to 13 of this circular. A letter from the Independent Board Committee is set out on page 14 of this circular. A letter from Guangdong Securities containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 15 to 24 of this circular.

A notice convening the EGM to be held at Concord Room II-III, 8th Floor, Renaissance Harbour View Hotel Hong Kong, No. 1 Harbour Road, Wanchai, Hong Kong at 10:30 a.m. on 28 October 2011 is set out on pages 31 to 32 of this circular. A form of proxy for use at the EGM is also enclosed. Whether or not you intend to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to Tricor Secretaries Limited, the share registrar and transfer office of the Company, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish.

12 October 2011

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DEFINITIONS

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

“associates”	has the meaning as ascribed thereto under Rule 1.01 and Rule 14A.11(4) of the Listing Rules
“Board”	the board of Directors
“CE”	Chinese Estates Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange, the guarantor of the Former Loan Agreement and the guarantor of the Loan Agreement
“CE Group”	CE and its subsidiaries (not including the Group and G-Prop Group)
“Company”	Chi Cheung Investment Company, Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed on the Main Board of the Stock Exchange, the lender of the Former Loan Agreement and the lender of the Loan Agreement
“Continuing Connected Transactions”	the continuing connected transactions contemplated under the Loan Agreement
“Directors”	directors of the Company
“EGM”	an extraordinary general meeting of the Company to be held on 28 October 2011 for the purpose of considering, and if thought fit, approving the Continuing Connected Transactions by the Independent Shareholders
“Former Loan Agreement”	the agreement dated 4 November 2008 and entered into between the Company (as lender), Longman (as borrower) and CE (as guarantor) in relation to a three-year revolving facility of up to HK\$900 million

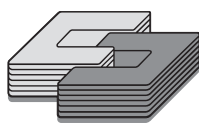
DEFINITIONS

“G-Prop”	G-Prop (Holdings) Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“G-Prop Group”	G-Prop and its subsidiaries
“Group”	the Company and its subsidiaries
“Guangdong Securities” or “Independent Financial Adviser”	Guangdong Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Continuing Connected Transactions
“HIBOR”	in relation to the determination of the rate of interest chargeable on the amount outstanding under the facility contemplated under the Loan Agreement, the rate for the relevant period displayed on page HKAB HIBOR of the Reuters Monitor Money Rate Services. If the agreed page or service is not available, the Company may after consultation with Longman, determine another page or service displaying appropriate rate for one-month deposit in Hong Kong dollar, at or about 11:15 a.m. on such business day
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the board committee comprising the three independent non-executive Directors, Mr. Lai, Yun-hung, Mr. Mok, Hon-sang and Mr. Wong, Tik-tung, which has been established by the Board for the purpose of advising the Independent Shareholders in relation to the Continuing Connected Transactions
“Independent Shareholder(s)”	Shareholder(s) other than those with a material interest in the Continuing Connected Transactions and their associates

DEFINITIONS

“Latest Practicable Date”	7 October 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	the agreement dated 22 September 2011 and entered into between the Company (as lender), Longman (as borrower) and CE (as guarantor) in relation to a three-year revolving facility of up to HK\$900 million
“Longman”	Longman Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of CE, the borrower of the Former Loan Agreement and the borrower of the Loan Agreement
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



CHI CHEUNG INVESTMENT COMPANY, LIMITED

至祥置業有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 112)

Executive Directors:

Mr. Matthew Cheong, Veng-va (*Chairman*)

Ms. Teresa Poon, Mun-chie (*Chief Executive Officer*)

Independent non-executive Directors:

Mr. Lai, Yun-hung

Mr. Mok, Hon-sang

Mr. Wong, Tik-tung

Registered office:

26th Floor

MassMutual Tower

38 Gloucester Road

Wanchai

Hong Kong

12 October 2011

To the Shareholders

Dear Sir or Madam,

FINANCIAL ASSISTANCE AND CONTINUING CONNECTED TRANSACTIONS

1. INTRODUCTION

As disclosed in the announcement of the Company dated 22 September 2011, the term of the facility granted under the Former Loan Agreement will expire on 3 November 2011 and the Company (as lender), Longman (as borrower) and CE (as guarantor) entered into the Loan Agreement in relation to a three-year revolving facility of up to HK\$900 million on 22 September 2011 to continue the loan arrangement.

The Company is an indirect non-wholly-owned subsidiary of CE and pursuant to Rules 14A.13(2)(a)(i) and 14A.14 of the Listing Rules, the Continuing Connected Transactions constitute financial assistance and continuing connected transactions for the Company. Accordingly, the Loan Agreement, the relevant expected cap amounts and the transactions contemplated thereunder are subject to reporting, announcement and the approval of the Independent Shareholders at the EGM and annual review.

The purpose of this circular is to provide you with the information in relation to, among other matters, the Continuing Connected Transactions, the advice of the Independent Board Committee and the letter of advice from Guangdong Securities to the Independent Board Committee and the Independent Shareholders.

LETTER FROM THE BOARD

2. FINANCIAL ASSISTANCE AND CONTINUING CONNECTED TRANSACTIONS

The Loan Agreement

Date

22 September 2011

Facility

Three-year revolving facility of up to HK\$900 million.

Borrower

Longman, which is not engaged in any business currently, other than acting as the borrower under the Former Loan Agreement.

Guarantor

CE

CE provides the guarantee which is a continuing guarantee and will extend to the ultimate balance of sums payable by Longman under the Loan Agreement, regardless of any intermediate payment or discharge in whole or in part.

Lender

The Company

Purpose

To finance capital expenditure and general working capital of CE and its wholly-owned subsidiaries.

Final maturity

Three years from (a) the date on which all conditions precedent are fulfilled (or waived); and (b) 3 November 2011, whichever is later.

LETTER FROM THE BOARD

Availability period

The period from (a) the date on which all conditions precedent are fulfilled (or waived); and (b) 3 November 2011, whichever is later, to one business day prior to final maturity.

Conditions precedent

The obligation of the Company as the lender to make the facility available to Longman is subject to the fulfilment or waiver of the following conditions precedent:

- (1) the passing at the EGM of the Independent Shareholders of an ordinary resolution to approve the granting of the facility by the Company to Longman under and pursuant to the terms of the Loan Agreement;
- (2) the obtaining by the Company of all necessary consents, authorisations or other approvals (or, as the case may be, the relevant waiver) of any kind in connection with the entering into and performance by the Company of the terms of the Loan Agreement which may be required under the Listing Rules or from the Shareholders, the Stock Exchange, any regulatory authority, any relevant governmental agencies or other third parties;
- (3) the Company having received the following documents in form and substance reasonably satisfactory to it:
 - (a) the constitutional and corporate authorisation documents of Longman;
 - (b) the constitutional and corporate authorisation documents of CE;
 - (c) legal opinions in respect of the Loan Agreement on matters pertaining to the laws of such jurisdictions issued by counsels acceptable and in forms and substance satisfactory to the Company in all respects; and

LETTER FROM THE BOARD

- (4) the obtaining by Longman and CE of all necessary consents, authorisations or other approvals (or, as the case may be, the relevant waiver) of any kind in connection with the entering into and performance by Longman as the borrower and CE as the guarantor of the Loan Agreement which may be required under the Listing Rules or from the shareholders of CE, the Stock Exchange, any regulatory authority, any relevant governmental agencies or other third parties.

The Company may in its discretion waive the condition precedent contained in paragraph (3) above by notice to Longman. None of the other conditions precedent can be waived by any of the parties to the Loan Agreement.

If any of the conditions precedent has not been fulfilled or waived on or before 5:00 p.m. on 31 March 2012 or such other date as the parties to the Loan Agreement may agree in writing, the Loan Agreement will cease to have effect.

Drawdown

Multiple drawings are allowed with each drawdown of not less than HK\$100,000.

The Company shall have the overriding right to (i) determine whether to permit the drawing of an advance by Longman under the facility and (ii) reduce the amount of advance requested by Longman, provided that the Company shall within one business day from its receipt of the drawdown notice notify Longman of its decision to disallow the advance or reduce the amount of the advance requested.

If a drawdown is made on the date when there remains an outstanding sum in the same amount (the “**Previous Loan**”) due by Longman under the Former Loan Agreement, the Previous Loan due under the Former Loan Agreement shall be deemed to have been fully repaid, and replaced by such drawdown made under the Loan Agreement, on the same date.

Repayment

The Company is entitled, by giving not less than one month’s (or such shorter period as Longman may agree) prior notice to Longman, to demand full or partial repayment of the amount outstanding.

LETTER FROM THE BOARD

Longman shall also repay the aggregate of the principal amount outstanding under the facility, all accrued interest thereon and all other amount payable under the Loan Agreement on final maturity.

Longman may at any time without penalty or any other charges repay the whole or any part of the amount outstanding under the facility (if in part, being a minimum amount of HK\$100,000 and an integral multiple of HK\$100,000), provided that Longman shall have given to the Company not less than 14 days' (or such shorter period as the Company may agree) prior written notice of its intention to make such repayment, specifying the amount to be repaid and the proposed date of such repayment. Any amount so repaid by Longman shall first be applied towards the repayment of interest accrued up to the date of repayment and the balance shall be applied towards repayment of the principal amount outstanding under the facility.

Interest

HIBOR plus 1.5% per annum.

Collateral

Not required.

The Company may, without prejudice to any other rights of the Company as the lender, at any time after the happening of an event of default which includes, among other matters, non-payment by Longman, breach of obligations and warranties, so long as the same is continuing and has not been waived by notice to Longman declare that:

- (1) the obligation of the Company to make the facility available shall be terminated, whereupon any undrawn portion of the facility shall be reduced to zero forthwith; and/or
- (2) all amounts outstanding under the facility and all interest accrued and all other sums payable under the Loan Agreement have become due and payable, whereupon the same shall, immediately or in accordance with the terms of such notice, become due and payable.

LETTER FROM THE BOARD

Historical figures and the past caps

The following table sets out the aggregate historical amounts of the maximum principal outstanding under the facility granted by the Company to Longman under the Former Loan Agreement and the annual interest paid by Longman for each of the following periods:

	From 4 November 2008 to 31 December 2008	For the year ended 31 December 2009	For the year ended 31 December 2010	From 1 January 2011 to 28 September 2011
Historical amounts (approximate)				
Maximum principal owed during the period	HK\$843 million	HK\$853 million	HK\$900 million	HK\$900 million
Interest	HK\$0.4 million	HK\$10 million	HK\$10 million	HK\$8 million
Total amounts	<u>HK\$843.4 million</u>	<u>HK\$863 million</u>	<u>HK\$910 million</u>	<u>HK\$908 million</u>

The following table sets out the past annual cap amounts of the facility granted by the Company to Longman under the Former Loan Agreement for each of the following periods:

	From 4 November 2008 to 31 December 2008	For the year ended 31 December 2009	For the year ended 31 December 2010	From 1 January 2011 to 3 November 2011
Past annual cap amounts	HK\$913 million	HK\$972 million	HK\$972 million	HK\$960 million

Expected cap amounts

The following table sets out the expected cap amounts of the facility to be granted by the Company to Longman under the Loan Agreement for each of the following periods:

	From 3 November 2011 to 31 December 2011	For the year ending 31 December 2012	For the year ending 31 December 2013	From 1 January 2014 to 2 November 2014
Expected cap amounts	HK\$912 million	HK\$972 million	HK\$972 million	HK\$960 million

LETTER FROM THE BOARD

The aforesaid expected cap amounts are determined by using the aggregate of the principal amount outstanding under the facility to be granted by the Company and the annual interest payable under the Loan Agreement, based on the assumption that Longman will borrow up to HK\$900 million for each of (i) the period from 3 November 2011 to 31 December 2011; (ii) the year ending 31 December 2012; (iii) the year ending 31 December 2013; and (iv) the period from 1 January 2014 to 2 November 2014 respectively.

Reasons for the Continuing Connected Transactions

The Group is principally engaged in property development and investment, securities investment and finance. Given the current global economic condition and the volatility of the stock market, the management of the Company currently has not identified any potential projects or investments opportunities suitable for the Group to pursue for the abundant cash on hand. On the other hand, any substantial distribution of idle cash to the Shareholders would curb the Company's ability to invest in other potential projects that may generate a higher-yield of income to the Company as and when appropriate and would also limit the Group's flexibility in weathering any sudden changes in the operating environment in the face of the downturn in the global economy and the recent volatility in the capital and stock markets. As such, the management of the Company considers that it is in the commercial interest of the Company to advance the relevant amount of cash to Longman to generate a higher return than keeping such cash as bank deposits.

Furthermore, the Loan Agreement is contemplated to confer the Company the right to make final decision as to approve the drawdown by Longman and to demand repayment of the loan upon giving prior notice to Longman. This would also provide flexibility to the Company to adjust its credit policy to the CE Group in accordance with the then situation of the Group and to utilise the money should any suitable investment opportunity arise.

In light of the above, the Directors consider that the granting of the facility to Longman pursuant to the Loan Agreement represents a justifiable method by the Company to maximise the value of the assets of the Company and hence the Shareholders' return on the Company.

The Directors are also of the view that the terms of the Loan Agreement (including the interest rate and repayment terms) and the abovementioned expected cap amounts are on normal commercial terms and are fair and reasonable and in the interests of the Shareholders as a whole.

LETTER FROM THE BOARD

Information on CE and Longman

CE is an investment holding company and its subsidiaries are principally engaged in property investment and development, brokerage, securities investment, money lending and cosmetics distribution and trading. Currently, the Company is an indirect non-wholly-owned subsidiary of CE.

Longman is not engaged in any business currently, other than acting as the borrower under the Former Loan Agreement.

3. RELATIONSHIP BETWEEN THE PARTIES AND IMPLICATION OF THE LISTING RULES

As at the Latest Practicable Date, CE is indirectly interested in approximately 61.96% of the issued share capital of the Company.

Pursuant to Rule 13.13 of the Listing Rules, the Company has a general disclosure obligation as to the Continuing Connected Transactions. Furthermore, as at the Latest Practicable Date, the Company is an indirect non-wholly-owned subsidiary of CE and pursuant to Rules 14A.13(2)(a)(i) and 14A.14 of the Listing Rules, the Continuing Connected Transactions constitute financial assistance and continuing connected transactions for the Company. Accordingly, the Loan Agreement, the relevant expected cap amounts and the transactions contemplated thereunder are subject to reporting, announcement and the approval of the Independent Shareholders at the EGM and annual review.

The Continuing Connected Transactions are required to be approved, on a poll pursuant to Rule 13.39(4) of the Listing Rules, and by the Independent Shareholders pursuant to Rules 14A.17 and 14A.63 of the Listing Rules. Shareholders with a material interest in the Continuing Connected Transactions, and their associates are required to abstain from voting at the EGM in respect of the relevant resolution.

None of the Directors had any material interest in the Loan Agreement and/or the Continuing Connected Transactions. None of them were therefore required to abstain from voting on board resolutions of the Company in respect of such transactions.

LETTER FROM THE BOARD

4. EGM

The Company will convene an EGM to be held at Concord Room II-III, 8th Floor, Renaissance Harbour View Hotel Hong Kong, No. 1 Harbour Road, Wanchai, Hong Kong on 28 October 2011 at 10:30 a.m. to consider the Continuing Connected Transactions. A notice of the EGM is set out on pages 31 to 32 of this circular. CE and its associates will abstain from voting in respect of the ordinary resolution proposed to approve the Continuing Connected Transactions at the EGM. Save as disclosed, the Directors were not aware of any Shareholders who are required to abstain from voting in respect of the ordinary resolution proposed to approve the Continuing Connected Transactions at the EGM.

A form of proxy for use at the EGM is also enclosed. Whether or not you intend to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to Tricor Secretaries Limited, share registrar and transfer office of the Company, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish.

5. POLL PROCEDURES

Pursuant to article 73 of the Articles of Association of the Company, every resolution submitted to a general meeting of the Company shall be decided on a show of hands, unless a poll is demanded (before or on the declaration of the result of the show of hands) by the chairman or by:

- (i) at least 3 Shareholders present in person or by proxy for the time being entitled to vote at the meeting;
- (ii) any Shareholder(s) present in person or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or
- (iii) any Shareholder(s) present in person or by proxy and holding shares of the Company conferring a right to vote at the meeting being shares of the Company on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares of the Company conferring that right.

Pursuant to Rule 13.39(4) of the Listing Rules, the vote of the Independent Shareholders at the EGM to approve the Continuing Connected Transactions will be taken by poll, the results of which will be announced after the EGM.

LETTER FROM THE BOARD

6. CLOSURE OF REGISTER OF MEMBERS OF THE COMPANY

The register of members of the Company will be closed from 26 October 2011 to 28 October 2011, both days inclusive, for the purpose of determination of entitlements to attend and vote at the EGM.

As such, all share transfers documents accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 25 October 2011.

7. RECOMMENDATION

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Lai, Yun-hung, Mr. Mok, Hon-sang and Mr. Wong, Tik-tung, has been established to advise the Independent Shareholders as to the fairness and reasonableness of the terms of the Continuing Connected Transactions. Your attention is drawn to the letter of advice from the Independent Board Committee set out on page 14 of this circular. Your attention is also drawn to the letter of advice from Guangdong Securities to the Independent Board Committee and the Independent Shareholders in respect of the Continuing Connected Transactions and the relevant expected cap amounts set out on pages 15 to 24 in this circular.

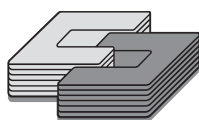
The Independent Board Committee, having taken into account the advice of Guangdong Securities, considers that the Loan Agreement is on normal commercial terms, and that the Continuing Connected Transactions, together with the relevant expected cap amounts, are in the best interests of the Company and the Shareholders as a whole. The Independent Board Committee also considers that the Continuing Connected Transactions and the relevant expected cap amounts of the Continuing Connected Transactions are fair and reasonable so far as the Independent Shareholders are concerned and recommends that the Independent Shareholders to vote in favour of the ordinary resolution to approve the Continuing Connected Transactions and the relevant expected cap amounts at the EGM.

8. ADDITIONAL INFORMATION

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

Yours faithfully,
By Order of the Board
Chi Cheung Investment Company, Limited
Lam, Kwong-wai
Company Secretary

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



CHI CHEUNG INVESTMENT COMPANY, LIMITED

至祥置業有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 112)

12 October 2011

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

We refer to the circular issued by the Company to the Shareholders and dated 12 October 2011 (“**Circular**”) of which this letter forms part. Terms defined in the Circular shall have the same meanings when used in this letter unless the context otherwise requires.

Under the Listing Rules, the transactions contemplated under the Loan Agreement between the Company (as lender), Longman (as borrower) and CE (as guarantor) constitutes continuing connected transactions for the Company and are thus subject to reporting, announcement and approval of the Independent Shareholders at the EGM and annual review.

We have been appointed by the Board to consider the terms of the Loan Agreement and to advise the Independent Shareholders in connection with the Continuing Connected Transactions as to whether, in our opinion, their terms and the relevant expected cap amounts are fair and reasonable so far as the Independent Shareholders are concerned. Guangdong Securities has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this respect.

We wish to draw your attention to the letter from the Board and the letter from Guangdong Securities as set out in the Circular. Having considered the principal factors and reasons considered by, and the advice of Guangdong Securities as set out in its letter of advice, we consider that the Loan Agreement is on normal commercial terms, and that the Continuing Connected Transactions, together with the relevant expected cap amounts, are in the best interests of the Company and the Shareholders as a whole. We also consider that the Continuing Connected Transactions and the relevant expected cap amounts are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to approve the Continuing Connected Transactions and the relevant expected cap amounts at the EGM.

Yours faithfully,

For and on behalf of

Independent Board Committee

Lai, Yun-hung

Mok, Hon-sang

Wong, Tik-tung

Independent non-executive Directors

LETTER FROM GUANGDONG SECURITIES

Set out below is the text of a letter received from Guangdong Securities, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the Loan Agreement (together with the Caps, as being defined in this letter) and the transactions contemplated thereunder for the purpose of inclusion in this circular.



Units 2505-06, 25/F.
Low Block of Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

12 October 2011

*To: The Independent Board Committee and the Independent Shareholders
of Chi Cheung Investment Company, Limited*

Dear Sirs,

FINANCIAL ASSISTANCE AND CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Loan Agreement (together with the relevant expected cap amounts (the “**Caps**”)) and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 12 October 2011 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

With reference to the Board Letter, the term of the facility granted under the Former Loan Agreement will expire on 3 November 2011 and the Company (as lender), Longman (as borrower) and CE (as guarantor) entered into the Loan Agreement in relation to a three-year revolving facility of up to HK\$900 million on 22 September 2011 to continue the loan arrangement.

LETTER FROM GUANGDONG SECURITIES

As at the Latest Practicable Date, CE was indirectly interested in approximately 61.96% of the issued share capital of the Company and was interested in the entire issued share capital of Longman. The Continuing Connected Transactions therefore constitute financial assistance and continuing connected transactions for the Company under Rules 14A.13(2)(a)(i) and 14A.14 of the Listing Rules. Accordingly, the Loan Agreement (together with the Caps) and the transactions contemplated thereunder are subject to reporting, announcement and the approval of the Independent Shareholders at the EGM by way of poll pursuant to Rules 13.39(4), 14A.17 and 14A.63 of the Listing Rules and annual review. Shareholders with a material interest in the Continuing Connected Transactions, and their respective associates are required to abstain from voting on the resolution to approve the Loan Agreement (together with the Caps) and the transactions contemplated thereunder at the EGM. Since none of the Directors had any material interest in the Loan Agreement and/or the Continuing Connected Transactions, none of them were required to abstain from voting on board resolutions of the Company in respect of such transactions.

An Independent Board Committee comprising Mr. Lai, Yun-hung, Mr. Mok, Hon-sang and Mr. Wong, Tik-tung (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Loan Agreement (together with the Caps) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the Caps are in the interests of the Company and the Shareholders as a whole; (iii) whether the Continuing Connected Transactions are conducted in the ordinary and usual course of business of the Company and are in the interests of the Company and the Shareholders as a whole; and (iv) how the Independent Shareholders should vote in respect of the resolution to approve the Continuing Connected Transactions (together with the Caps) at the EGM. We, Guangdong Securities Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

LETTER FROM GUANGDONG SECURITIES

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in the Circular misleading.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, the Group, Longman, CE Group or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Continuing Connected Transactions. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, the sole responsibility of Guangdong Securities is to ensure that such information has been correctly extracted from the relevant sources.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Loan Agreement and the Caps, we have taken into consideration the following principal factors and reasons:

Background of the Continuing Connected Transactions

Business overview of the Group

As referred to in the Board Letter, the Group is principally engaged in property development and investment, securities investment and finance.

LETTER FROM GUANGDONG SECURITIES

Set out below are the financial results of the Group for the six months ended 30 June 2011 and the two years ended 31 December 2010 as extracted from the Company's unaudited interim report for the six months ended 30 June 2011 (the "**Interim Report**") and its audited annual report for the year ended 31 December 2010 (the "**Annual Report**") respectively:

	For the six months ended 30 June 2011 HK\$'000 (unaudited)	For the year ended 31 December 2010 HK\$'000 (audited)	For the year ended 31 December 2009 HK\$'000 (audited)	Year on year change from 2009 to 2010 %
Revenue	8,922	84,572	23,558	258.99
Gross profit	8,796	67,116	20,363	229.60
Profit for the period/year	8,639	52,941	17,861	196.41

	As at 30 June 2011 HK\$'000 (unaudited)	As at 31 December 2010 HK\$'000 (audited)	As at 31 December 2009 HK\$'000 (audited)	Year on year change from 2009 to 2010 %
Cash and cash equivalents	44,337	28,493	9,759	191.97
Total assets	1,061,245	1,058,933	1,007,066	5.15
Total equity	1,051,009	1,049,439	1,002,676	4.66

From the above table, we note that the Group's total revenue for the year ended 31 December 2010 had increased significantly for approximately 258.99% as compared to the prior year. In addition, the Group also enjoyed an improvement in net profit during the same year. According to the Annual Report, the aforesaid improvement was mainly attributable to the proceeds from the sale of the four godown units in Gemstar Tower in Hong Kong. During the six months ended 30 June 2011, the Group's total revenue was mainly attributed to the interest income received from the loan with a total sum of HK\$900 million to Longman pursuant to the Former Loan Agreement and the interest income from the investment in certain long and short term fixed and floating rate notes with the aggregate principal sum of US\$12 million.

LETTER FROM GUANGDONG SECURITIES

Information on Longman

According to the Board Letter, Longman is a wholly-owned subsidiary of CE incorporated in the British Virgin Islands and is not engaged in any other business currently, other than acting as the borrower under the Former Loan Agreement and the Loan Agreement.

Information on CE

CE is a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange and the guarantor of the Former Loan Agreement and the guarantor of the Loan Agreement. CE is principally engaged in property investment and development, brokerage, securities investment, money lending and cosmetics distribution and trading. The Company is an indirect non-wholly-owned subsidiary of CE.

Reasons for the Continuing Connected Transactions

With reference to the Board Letter, given the current global economic condition and the volatility of the stock market, the management of the Company currently has not identified any potential projects or investments opportunities suitable for the Group to pursue for the abundant cash on hand. On the other hand, any substantial distribution of idle cash to the Shareholders would curb the Company's ability to invest in other potential projects that may generate a higher-yield of income to the Company as and when appropriate and would also limit the Group's flexibility in weathering any sudden changes in the operating environment in the face of the downturn in the global economy and the recent volatility in the capital and stock markets. As such, the management of the Company considers that it is in the commercial interest of the Company to advance the relevant amount of cash to Longman to generate a higher return than keeping such cash as bank deposits. According to the Interim Report, the Group has accrued an interest income from the revolving loan under the Former Loan Agreement in the sum of approximately HK\$5.3 million during the six months ended 30 June 2011.

Furthermore, as the Loan Agreement confers the Company the right to make final decision as to approving the drawdown by Longman and to demand repayment of the loan upon giving prior notice to Longman, the Group would also be able to enjoy the financial flexibility to adjust its credit policy to the CE Group in accordance with the then situation of the Group and to utilise the cash should any suitable investment opportunity arises.

Having considered the above, we are of the view that the Continuing Connected Transactions, even though is not conducted in the ordinary and usual course of business of the Company, are in the interests of the Company and the Shareholders as a whole.

LETTER FROM GUANGDONG SECURITIES

Principal terms of the Loan Agreement

Set out below are the principal terms of the Loan Agreement dated 22 September 2011:

Parties:	the Company (as lender) Longman (as borrower) CE (as guarantor)
The facility:	Three-year revolving facility of up to HK\$900 million
Final maturity:	Three years from (a) the date on which all conditions precedent are fulfilled (or waived); and (b) 3 November 2011, whichever is later
Available period:	The period from (a) the date on which all conditions precedent are fulfilled (or waived); and (b) 3 November 2011, whichever is later, to one business day prior to final maturity
Interest:	HIBOR plus 1.5% per annum (the “ Interest Rate ”)

Pursuant to the Loan Agreement, the Interest Rate payable by Longman to the Company will be HIBOR plus 1.5% per annum while HIBOR is the rate for the relevant period displayed on page HKAB HIBOR of the Reuters Monitor Money Rate Services. If the agreed page or service is not available, the Company may, after consultation with Longman, determine another page or service displaying appropriate rate for one-month deposit in Hong Kong dollar, at or about 11:15 a.m. on such business day. As advised by the Directors and based on our understanding, it is a common practice for commercial banks in Hong Kong to charge interest at a rate with reference to HIBOR, the London Interbank Offered Rate (“**LIBOR**”) or the Hong Kong dollar best lending rate (the “**Prime Rate**”) on corporate loans. In addition, we have searched over the internet and found out that according to the statistics from the Hong Kong Monetary Authority, the “1-month HIBOR fixing” ranged from approximately 0.11% to 0.24% per annum from January 2011 to September 2011. As for LIBOR, the “1-month LIBOR fixing” ranged from approximately 0.19% to 0.26% per annum from January 2011 to September 2011.

LETTER FROM GUANGDONG SECURITIES

As advised by the Directors, (i) the Company receive an average annual interest rate of approximately 0.01% for the six months ended 30 June 2011 from its bank deposits; (ii) the expected yields of the existing floating rate notes on principal are ranging from LIBOR plus 0.23% to LIBOR plus 0.25% per annum; and (iii) the expected yields of the existing fixed rate notes on principal are ranging from 4.75% to 6.50% per annum. Based on our research of “1-month HIBOR fixing” from January 2011 to September 2011, the Interest Rate would be ranging from 1.61% to 1.74%. Accordingly, the entire range of the Interest Rate is above the average annual interest rate of the Company’s bank deposits for the six months ended 30 June 2011 (being 0.01% per annum). In addition, we also noted that the Interest Rate is 0.5% higher than the interest rate of “HIBOR plus 1% per annum” under the Former Loan Agreement. Lastly, we have enquired into the Directors and were advised that the CE Group’s (including the Group and G-Prop Group) bank and other borrowings in Hong Kong dollar as at 30 June 2011 carry interest rates of “HIBOR plus 0.37% to HIBOR plus 2% per annum”. The Interest Rate is hence within the said range.

In light of the current global economic condition and the volatility of the stock market, the Directors confirmed that the management of the Company currently has not identified any potential project or investment opportunities (including investment in securities) suitable for the Group to pursue for the abundant cash on hand and the only alternative available to the Company would be keeping such cash as bank deposits. Having considered the foregoing, together with financial flexibility which the Company would enjoy due to the drawdown arrangement and repayment arrangement as detailed below, we are of the view that the Continuing Connected Transactions are in the commercial interest of the Company and the Shareholders as a whole.

In respect of the drawdown arrangement as stipulated under the Loan Agreement, we concur with the Directors that the Company would be given enough financial flexibility to carry out the Continuing Connected Transactions since the Company shall have the overriding right to (i) determine whether to permit the drawing of an advance by Longman under the facility; and (ii) reduce the amount of advance requested by Longman, provided that the Company shall within one business day from its receipt of the drawdown notice notify Longman of its decision to disallow the advance or reduce the amount of the advance requested.

If a drawdown is made on the date when there remains an outstanding sum in the same amount due by Longman under the Former Loan Agreement, the Previous Loan due under the Former Loan Agreement shall be deemed to have been fully repaid, and replaced by such drawdown made under the Loan Agreement, on the same date.

LETTER FROM GUANGDONG SECURITIES

In addition, we also concur with the Directors that the repayment arrangement as stipulated under the Loan Agreement would further enhance the financial flexibility of the Company since the Company is entitled, by giving not less than one month's prior notice (or such shorter period as Longman may agree) to Longman, to demand full or partial repayment of the amount outstanding.

Furthermore, the Directors advised us that the maximum loan amount of HK\$900 million was determined with reference to (i) the loan amount of HK\$900 million advanced to Longman as at 31 August 2011; and (ii) the financial resources available to the Group. Given the above, we concur with the Directors' view that the maximum loan amount of HK\$900 million is fair and reasonable.

Lastly, we have discussed with the Directors regarding the possible credit risks under the Loan Agreement and were advised by the Directors that since CE shall provide continuing guarantee and will extend to the ultimate balance of sums payable by Longman under the Loan Agreement, regardless of any intermediate payment or discharge in whole or in part, the Directors consider the Group would be exposed to limited credit risks under the Loan Agreement. For information only and with reference to the interim report of CE for the six months ended 30 June 2011, CE Group's (including the Group and G-Prop Group) unaudited (i) total equity; (ii) net current assets; and (iii) time deposits, bank balances and cash were approximately HK\$37.61 billion, HK\$5.83 billion and HK\$6.63 billion respectively as at 30 June 2011.

In light of all the foregoing, we consider the terms of the Loan Agreement to be on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

The Caps

The table below shows the Caps for each of the following periods during the term of the Loan Agreement:

	(1) From 3 November 2011 to 31 December 2011 <i>HK\$ million</i>	(2) For the year ending 31 December 2012 <i>HK\$ million</i>	(3) For the year ending 31 December 2013 <i>HK\$ million</i>	(4) From 1 January 2014 to 2 November 2014 <i>HK\$ million</i>
The Caps	912	972	972	960

LETTER FROM GUANGDONG SECURITIES

According to the Board Letter, the Caps were determined with reference to the aggregate of the principal amount outstanding under the facility to be granted by the Company and the annual interest payable under the Loan Agreement, based on the assumption that Longman will borrow up to HK\$900 million for each of (1) the period from 3 November 2011 to 31 December 2011; (2) the year ending 31 December 2012; (3) the year ending 31 December 2013; and (4) the period from 1 January 2014 to 2 November 2014 (altogether, the “**Periods**”) respectively. To assess the fairness and reasonableness of the Caps, we have discussed with the Directors regarding the basis and assumptions underlying the projection of the Caps. Since the Caps are expected to cover the aggregate amount (including interests) payable by Longman to the Company assuming that Longman will draw down HK\$900 million from the facility under the Loan Agreement (Longman had drawn down HK\$900 million from the facility under the Former Loan Agreement), we consider that the Caps for each of the Periods are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

Shareholders should note that as the Caps are relating to future events and are estimated based on assumptions which may or may not remain valid for the entire period up to 2 November 2014, and they do not represent forecasts of interest to be generated from the transactions contemplated under the Loan Agreement. Consequently, we express no opinion as to how closely the actual interest to be generated under the Continuing Connected Transactions will correspond with the Caps.

Listing Rules implication

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.37 to 14A.41 of the Listing Rules pursuant to which (i) the values of the transactions contemplated under the Loan Agreement must be restricted by the Caps for each of the Periods; (ii) the terms of the transactions contemplated under the Loan Agreement (including the Caps) must be reviewed by the independent non-executive Directors annually; (iii) details of independent non-executive Directors’ annual review on the terms of the transactions contemplated under the Loan Agreement (including the Caps) must be included in the Company’s subsequent published annual reports and financial accounts. Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among others, that Loan Agreement is carried out in accordance with the relevant agreement(s) governing the transactions contemplated under the Loan Agreement, and the Caps are not being exceeded. In the event that the total amounts of transactions contemplated under the Loan Agreement exceed the Caps, or that there is any material amendment to the terms of the Loan Agreement, the Company, as confirmed by the Directors, shall comply with the applicable provisions of the Listing Rules governing continuing connected transactions.

LETTER FROM GUANGDONG SECURITIES

Given the above stipulated requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the transactions contemplated under the Loan Agreement (including the Caps) and hence the interest of the Independent Shareholders would be safeguarded.

RECOMMENDATION

Having taken into account the above factors and reasons, we are of the opinion that (i) the terms of the Loan Agreement (together with the Caps) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) the Caps are in the interests of the Company and the Shareholders as a whole; and (iii) the Continuing Connected Transactions, even though is not conducted in the ordinary and usual course of business of the Company, are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Continuing Connected Transactions (together with the Caps) and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,
For and on behalf of
Guangdong Securities Limited
Graham Lam
Managing Director

1. RESPONSIBILITY STATEMENT

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

2. INTERESTS OF DIRECTORS

As at the Latest Practicable Date,

- (a) none of the Directors or chief executive of the Company had any interest or short position 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) 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 any interests and short positions which he was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange;
- (b) none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2010, being the date up to which the latest published audited financial statements of the Group were made;
- (c) none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date which was significant in relation to the business of the Group; and
- (d) none of the Directors or their respective associates had any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

3. INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as was known to any Director or chief executive of the Company, the following parties (other than a Director or the chief executive of the Company) had an interest or short position in the shares, underlying shares or debentures 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 were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group:

(a) Long positions in the Company:

Name of substantial Shareholders	Number of issued shares of the Company	Capacity	Notes	Percentage of shareholding %
Billion Up Limited	209,931,186	Beneficial owner	1	61.96
Lucky Years Ltd.	209,931,186	Interests in controlled corporation	1	61.96
CE	209,931,186	Interests in controlled corporation	1	61.96
Mr. Joseph Lau, Luen-hung	209,931,186	Interests in controlled corporation	2	61.96
Global King (PTC) Ltd.	209,931,186	Trustee	3	61.96
GZ Trust Corporation	209,931,186	Trustee and beneficiary of a trust	3	61.96
Primetek Holdings Limited	20,827,142	Beneficial owner	4	6.15
Hutchison International Limited	20,827,142	Interests of a controlled corporation	4	6.15

Name of substantial Shareholders	Number of issued shares of the Company	Capacity	Notes	Percentage of shareholding %
Hutchison Whampoa Limited	20,827,142	Interests of controlled corporations	4	6.15
Cheung Kong (Holdings) Limited	20,827,142	Interests of controlled corporations	4 & 5	6.15
Li Ka-Shing Unity Trustee Company Limited	20,827,142	Trustee	4 & 5	6.15
Li Ka-Shing Unity Trustee Corporation Limited	20,827,142	Trustee and beneficiary of a trust	4 & 5	6.15
Li Ka-Shing Unity Trustcorp Limited	20,827,142	Trustee and beneficiary of a trust	4 & 5	6.15
Mr. Li Ka-shing	20,827,142	Founder of discretionary trusts and interests of controlled corporations	4 & 5	6.15
Mr. Lai, Kwok-kwong	28,482,000	Beneficial owner	6	8.41

Notes:

1. Billion Up Limited is a wholly-owned subsidiary of Lucky Years Ltd., which in turn is a wholly-owned subsidiary of CE. By virtue of the SFO, Lucky Years Ltd. and CE are deemed to be interested in the 209,931,186 shares of the Company held by Billion Up Limited out of the existing 338,765,987 issued shares in the capital of the Company as at the Latest Practicable Date.
2. Mr. Joseph Lau, Luen-hung, by virtue of his 74.94% interests in the issued share capital of CE, is deemed to be interested in the same interest stated against CE under the SFO.
3. GZ Trust Corporation as trustee of a discretionary trust holds units in a unit trust of which Global King (PTC) Ltd., is the trustee. Global King (PTC) Ltd. is entitled to exercise more than one-third of the voting power at the general meetings of CE. Accordingly, Global King (PTC) Ltd. and GZ Trust Corporation are deemed to be interested in the same interests stated against CE by virtue of the SFO.

4. Primetek Holdings Limited (“**Primetek**”) is a wholly-owned subsidiary of Hutchison International Limited (“**HIL**”), which in turn is a wholly-owned subsidiary of Hutchison Whampoa Limited (“**HWL**”). By virtue of the SFO, each of HWL and HIL is deemed to be interested in the 20,827,142 shares of the Company beneficially owned by Primetek.
5. Li Ka-Shing Unity Holdings Limited, of which each of Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor and Mr. Li Tzar Kai, Richard is interested in one-third of the entire issued share capital, owns the entire issued share capital of Li Ka-Shing Unity Trustee Company Limited (“**TUT1**”). TUT1 as trustee of The Li Ka-Shing Unity Trust (“**UT1**”), together with certain companies which TUT1 as trustee of UT1 is entitled to exercise or control the exercise of more than one-third of the voting power at their general meetings, hold more than one-third of the issued share capital of Cheung Kong (Holdings) Limited (“**CKH**”). Subsidiaries of CKH are entitled to exercise or control the exercise of more than one-third of the voting power at the general meetings of HWL.

In addition, Li Ka-Shing Unity Holdings Limited also owns the entire issued share capital of Li Ka-Shing Unity Trustee Corporation Limited (“**TDT1**”) as trustee of The Li Ka-Shing Unity Discretionary Trust (“**DT1**”) and Li Ka-Shing Unity Trustcorp Limited (“**TDT2**”) as trustee of another discretionary trust (“**DT2**”). Each of TDT1 and TDT2 holds units in the UT1.

By virtue of the SFO, Mr. Li Ka-shing, being the settlor of DT1 and DT2, may be regarded as a founder of DT1 and DT2 and for the purposes of the SFO, each of Mr. Li Ka-shing, TDT1, TDT2, TUT1 and CKH is deemed to be interested in the 20,827,142 shares of the Company beneficially owned by Primetek.

6. Of the 28,482,000 shares of the Company in which Mr. Lai, Kwok-kwong is interested, 6,000,000 shares are held by Powerplanet Limited, a company wholly-owned by Mr. Lai, Kwok-kwong. By virtue of the SFO, Mr. Lai, Kwok-kwong is deemed to be interested in the 6,000,000 shares of the Company held by Powerplanet Limited. The remaining 22,482,000 shares of the Company are beneficially owned by Mr. Lai, Kwok-kwong personally.

All the interests stated above represent long positions. As at the Latest Practicable Date, no short positions were recorded in the register kept by the Company under section 336 of the SFO.

(b) Parties having direct or indirect interests in 5% or more of the voting rights in the members of the Group:

As at the Latest Practicable Date, so far as was known to any Director or chief executive of the Company, no persons had an interest or short position in the shares and 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 were, directly or indirectly, interested in 5% 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.

As at the Latest Practicable Date, Mr. Matthew Cheong, Veng-va and Ms. Teresa Poon, Mun-chie, Directors, were also employees of subsidiaries of CE. These subsidiaries were not themselves substantial Shareholders.

4. SERVICE AGREEMENTS

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

5. MATERIAL ADVERSE CHANGES

As at the Latest Practicable Date, save as the negative effect imposed by the current global economic condition and the volatility of the capital and stock markets (as mentioned in the paragraph headed “Reasons for the Continuing Connected Transactions” in the “Letter from the Board” of this circular), the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2010, being the date to which the latest published audited financial statements of the Group were made up, save those having been disclosed in the 2011 unaudited interim report of the Group for the six-month ended 30 June 2011 or other information that has been made public since 1 January 2011.

6. QUALIFICATION AND CONSENT OF EXPERT

Guangdong Securities is a corporation licensed under the SFO to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities.

Guangdong Securities has given and has not withdrawn its written consent to the issue of this circular with the reference to its name and its letter in the form and context in which it appears.

As at the Latest Practicable Date, Guangdong Securities did not have any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of the Group.

Guangdong Securities did not have any interest, direct or indirect, in any assets which since 31 December 2010, the date to which the latest published audited financial statements of the Group were made up, have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

7. DOCUMENTS AVAILABLE FOR INSPECTION

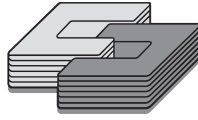
Copies of the following documents will be available for inspection at the registered office of the Company at 26th Floor, MassMutual Tower, 38 Gloucester Road, Wanchai, Hong Kong during normal business hours from the date of this circular up to and including 28 October 2011:

- (a) the Loan Agreement;
- (b) the letter from Guangdong Securities, the full text of which is set out on pages 15 to 24 of this circular; and
- (c) the letter of consent referred to in paragraph 6 of this appendix.

8. MISCELLANEOUS

The English text of this circular shall prevail over its Chinese text in case of any discrepancy.

NOTICE OF EGM



CHI CHEUNG INVESTMENT COMPANY, LIMITED 至祥置業有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 112)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“**Meeting**”) of Chi Cheung Investment Company, Limited (“**Company**”) will be held at Concord Room II-III, 8th Floor, Renaissance Harbour View Hotel Hong Kong, No. 1 Harbour Road, Wanchai, Hong Kong on 28 October 2011 at 10:30 a.m. for the purpose of considering and, if thought fit, with or without amendments, passing the following resolution which will be proposed as an ordinary resolution of the Company:

“**THAT** the loan agreement (“**Loan Agreement**”) dated 22 September 2011 (a copy of which will be produced to the Meeting marked “A” and signed by the chairman of the Meeting for the purpose of identification) and entered into between the Company (as lender), Longman Limited (as borrower) and Chinese Estates Holdings Limited (as guarantor) and the transactions contemplated thereby; and the relevant expected cap amounts of the transactions contemplated under the Loan Agreement as shown in the Company’s circular dated 12 October 2011 be and the same are hereby approved and that the directors of the Company be and are hereby authorised to take any step as they consider necessary, desirable or expedient in connection with the Loan Agreement or any of the transactions contemplated thereby and that the directors be and are hereby authorised, for and on behalf of the Company, to execute all such other documents, instruments and agreements and to do all such acts or things deemed by them to be incidental to, ancillary to or in connection with the matters contemplated under the Loan Agreement and to agree to any amendment to any of the terms of the Loan Agreement which in the opinion of the directors is not of a material nature and is in the interests of the Company.”

By Order of the Board
Chi Cheung Investment Company, Limited
Lam, Kwong-wai
Company Secretary

Hong Kong, 12 October 2011

NOTICE OF EGM

Registered office:

26th Floor
MassMutual Tower
38 Gloucester Road
Wanchai
Hong Kong

Notes:

1. The register of members of the Company will be closed from 26 October 2011 to 28 October 2011, both days inclusive, for the purpose of determination of entitlements to attend and vote at the Meeting. As such, all share transfers documents accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 25 October 2011.
2. Any shareholder entitled to attend and vote at the Meeting entitled to appoint one or more separate proxies to attend and vote instead of him. A proxy need not be a member of the Company.
3. To be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) must be deposited at the Company's share registrar and transfer office, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time for holding the Meeting (or any adjournment thereof). Completion and return of the form of proxy shall not preclude members from attending and voting in person at the Meeting or at any adjourned meeting (as the case may be) should they so wish.
4. Where there are joint registered holders of any share, any one of such persons may vote at the Meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders are present at the Meeting personally or by proxy, the joint member whose name stands first on the register of members of the Company in respect of such share, or his proxy, shall be alone entitled to vote and will be accepted to the exclusion of other joint registered holders in respect thereof.
5. As the above ordinary resolution is subject to independent shareholders' approval, the votes of shareholders to be taken at the Meeting to approve such ordinary resolution shall be taken on a poll.
6. As at the date hereof, the executive directors of the Company are Mr. Matthew Cheong, Veng-va and Ms. Teresa Poon, Mun-chie and the independent non-executive directors of the Company are Mr. Lai, Yun-hung, Mr. Mok, Hon-sang and Mr. Wong, Tik-tung.