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C C Land Holdings Limited
中渝置地控股有限公司

(Incorporated in Bermuda with limited liability)

Website: www.ccland.com.hk

(Stock Code: 1224)

MAJOR TRANSACTION

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DEFINITIONS

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

“Agreement”	the agreement dated 24 July 2015 entered into between Marvel Leader, the Company, the Purchaser, the Purchaser’s Guarantor, CC Sichuan and CDGJ in relation to the Disposal
“Announcement”	the announcement of the Company dated 24 July 2015 in relation to, among other things, the Agreement and the transactions contemplated thereunder
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Balance Payment Conditions Precedent”	conditions precedent to Balance Payment specified in the Agreement and as described under the paragraph headed “2.6.3 Balance Payment Conditions Precedent” in the Letter from the Board
“Board”	the board of Directors
“Business Day”	a day (other than Saturday, Sunday or general holidays) on which major commercial banks in Hong Kong are generally open for business
“BVI”	the British Virgin Islands
“CC Sichuan”	四川中渝置地有限公司 (CC Land Holdings (Sichuan) Limited), a company established in the PRC and indirectly wholly-owned by the Company
“CDGJ”	成都國嘉志得置業有限公司 (Chengdu Guojia Cheer Gain Property Company Limited), a company established in the PRC and beneficially owned as to 51% and 49% by Cheer Gain and Guojia Property respectively
“CDGJ Group”	CDGJ and its subsidiaries
“Cheer Gain”	Cheer Gain Development Limited, a company incorporated in Hong Kong with limited liability and directly wholly-owned by Joyview
“Company”	C C Land Holdings Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the main board of the Stock Exchange
“Completion”	completion of the Disposal pursuant to the Agreement
“Completion Conditions Precedent”	conditions precedent to Completion specified in the Agreement and as described under the paragraph headed “2.6.1 Completion Conditions Precedent” in the Letter from the Board
“Completion Date”	the date on which Completion takes place
“Consideration”	the total consideration for the Disposal
“Director(s)”	the director(s) of the Company

DEFINITIONS

“Disposal”	(a) the disposal of the Sale Share, and (b) the assignment of the benefits and interests of and in the Loan, by Marvel Leader to the Purchaser pursuant to the Agreement
“GCAL”	Greater China Appraisal Limited, an independent firm of professional valuers
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Guojia Property”	四川省國嘉地產有限公司 (Sichuan Guojia Property Company Limited), a company established in the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	independent third party(ies) who is (are) not connected person(s) (as defined under the Listing Rules) of the Company and is (are) independent of and not connected with the Company and its connected person(s)
“Joint Account”	a bank account opened and maintained in Hong Kong pursuant to the terms of the Agreement with two authorized signatories, one of whom was designated by Marvel Leader and another one by the Purchaser
“Joyview”	Joyview Group Limited, a company incorporated in the BVI with limited liability and directly wholly-owned by Marvel Leader
“Latest Practicable Date”	26 August 2015, being the latest practicable date prior to the printing of this circular for the purposes of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the aggregate amount of the non-interest bearing project loans due and owing by Joyview to Marvel Leader, which, as at the date of signing of the Agreement, amounted to HK\$1,215,879,000 and is not subject to any adjustment after the date of signing of the Agreement
“Majority Shareholders”	Thrivetrade Limited (a company wholly-owned by Mr. Cheung) and Regulator Holdings Limited, a wholly-owned subsidiary of Yugang International Limited (a company beneficially owned by Mr. Cheung as to 44.06%) which holds 1,070,810,231 Shares and 260,395,559 Shares respectively, representing in aggregate approximately 51.43% of the issued share capital of the Company
“Marvel Leader”	Marvel Leader Investments Limited, a company incorporated in the BVI with limited liability and directly wholly-owned by the Company
“Mr. Cheung”	Mr. Cheung Chung Kiu, Chairman of the Board
“PRC”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, Macau and Taiwan

DEFINITIONS

“Provisional Joint Account”	a bank account opened and maintained in the PRC pursuant to the terms of the Agreement with Marvel Leader and the Purchaser keeping the chop jointly
“Purchaser”	Ease Success Holdings Limited, a company incorporated in the BVI and wholly-owned by the Purchaser’s Guarantor
“Purchaser’s Guarantor”	Sunac China Holdings Limited, a company incorporated in Cayman Islands with limited liability whose shares are listed on the main board of the Stock Exchange
“RMB”	Renminbi, the lawful currency of the PRC
“SAIC”	State Administration for Industry and Commerce of the PRC, including its branches and delegated authorities
“Sale Share”	the one (1) share of US\$1.00 each (equivalent to approximately HK\$7.75) in the share capital of Joyview, representing the entire issued capital of Joyview
“Second Payment Conditions Precedent”	conditions precedent to Second Part Payment specified in the Agreement and as described under the paragraph headed “2.6.2 Second Payment Conditions Precedent” in the Letter from the Board
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the Shares
“Shares”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“sqm”	square meters
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Group”	Joyview and its subsidiaries
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	percent

The English names/translations of the companies established in the PRC, relevant authorities in the PRC and other Chinese terms used in this circular are only translations of their official Chinese names. In case of inconsistency, the Chinese names prevail.

In this circular, RMB and US\$ have been converted to HK\$ at the rate of RMB1 = HK\$1.267 and US\$1 = HK\$7.75 respectively for illustration purpose only. No representation is made that any amounts in RMB, US\$ or HK\$ have been, could have been or could be converted at the above rate or at any other rates or at all.

LETTER FROM THE BOARD



C C Land Holdings Limited 中渝置地控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1224)

Executive Directors:

Mr. Cheung Chung Kiu (*Chairman*)
Dr. Lam How Mun Peter
(Deputy Chairman & Managing Director)
Mr. Tsang Wai Choi (*Deputy Chairman*)
Mr. Leung Chun Cheong
Mr. Leung Wai Fai

Non-executive Director:

Mr. Wong Yat Fai

Independent Non-executive Directors:

Mr. Lam Kin Fung Jeffrey
Mr. Leung Yu Ming Steven
Dr. Wong Lung Tak Patrick

Registered office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

*Head office and principal place
of business in Hong Kong:*

Rooms 3308-10, 33rd Floor
China Resources Building
26 Harbour Road
Wanchai, Hong Kong

31 August 2015

To Shareholders,

Dear Sir or Madam,

MAJOR TRANSACTION

1. INTRODUCTION

Reference is made to the Announcement. On 24 July 2015, Marvel Leader, the Company, the Purchaser, the Purchaser's Guarantor, CC Sichuan and CDGJ entered into the Agreement, pursuant to which Marvel Leader conditionally agreed to sell, and the Purchaser conditionally agreed to acquire (a) the Sale Share, and (b) the Loan, at a total consideration of RMB2,755,553,457.92 (equivalent to approximately HK\$3,491,286,000). After accounting to Guojia Property for a sum of RMB652,500,000 (equivalent to approximately HK\$826,718,000), the net aggregate consideration for the Disposal to be received by Marvel Leader will be RMB2,103,053,457.92 (equivalent to approximately HK\$2,664,568,000).

The purpose of this circular is to provide you with, among other things, (i) further details of the Disposal; (ii) financial information of the Group; (iii) a property valuation report; and (iv) other information as required under the Listing Rules.

LETTER FROM THE BOARD

2. THE AGREEMENT

2.1 Date

24 July 2015

2.2 Parties

- | | | |
|-----|-------------------------------|-------------------------------|
| (a) | Vendor: | Marvel Leader |
| (b) | Vendor's Guarantor: | the Company |
| (c) | Purchaser: | Ease Success Holdings Limited |
| (d) | Purchaser's Guarantor: | Sunac China Holdings Limited |
| (e) | Debtor: | CC Sichuan |
| (f) | Target Company: | CDGJ |

The Company guarantees Marvel Leader's full and punctual performance of its obligations and undertakings under the Agreement. The Company also jointly and severally guarantees with Marvel Leader, CDGJ and CC Sichuan that representations and warranties made by each of them under the Agreement shall remain true, accurate and complete in material respects as at the date of the Agreement and Completion Date. If any of such representations and warranties are found to be false, inaccurate or incomplete in material respects causing losses and damages to the Purchaser, the Purchaser is entitled to request Marvel Leader, the Company, CDGJ or CC Sichuan to assume liability for compensation.

The Purchaser's Guarantor guarantees the Purchaser's full and punctual performance of its obligations and undertakings under the Agreement. The Purchaser's Guarantor together with the Purchaser also guarantees that representations and warranties made by each of them under the Agreement shall remain true, accurate and complete in material respects as at the date of the Agreement and Completion Date. If any of such representations and warranties are found to be false, inaccurate or incomplete in material respects causing losses and damages to Marvel Leader and CDGJ, Marvel Leader is entitled to request the Purchaser and the Purchaser's Guarantor to assume liability for compensation.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser, the Purchaser's Guarantor and the controlling shareholder(s) of the Purchaser's Guarantor are Independent Third Parties.

2.3 Assets to be disposal of

- (a) Marvel Leader's interest in the Sale Share, representing the entire issued share capital of Joyview, together with all rights attached thereto; and
- (b) Marvel Leader's benefits and interests of and in the Loan.

LETTER FROM THE BOARD

2.4 Consideration

The Consideration is RMB2,755,553,457.92 (equivalent to approximately HK\$3,491,286,000), comprising:

(a) Loan Consideration

An amount that equals the Loan (“**Loan Consideration**”).

(b) Share Consideration

An amount when aggregated with the Loan Consideration equals RMB2,755,553,457.92 (equivalent to approximately HK\$3,491,286,000) (“**Share Consideration**”).

As explained in the paragraph headed “3. Reasons for and Benefits of the Disposal” below, for strategic consideration, the Company has canvassed the market for buyers for the Target Group’s property, particularly commercial and office property, in volume in Chengdu with a view that all these property interests can be disposed of within a short time. Such purchase mode and the fact that the properties involved are all located in specific regions of Chengdu have limited the number of candidates readily available. Based on enquiries made to, and response including degree of interest and price idea from, the candidates that were identified, on account of the financial standing of the Purchaser’s Guarantor as shown in its latest published accounts, its business infrastructure being capable of undertaking its obligation under the Disposal and the terms of payment proposed, the Company decided to enter into the Agreement with the Purchaser. The Consideration was determined following arm’s length negotiation on normal commercial terms between the parties to the Agreement and taking into account the total value of Marvel Leader’s interest in the Target Group amounting to HK\$1,802,674,000 which was represented by the aggregate of the unaudited consolidated net asset value of the Target Group attributable to Marvel Leader of approximately HK\$586,795,000 as at 31 May 2015 representing its 51% beneficial interest in CDGJ Group and the book value of the Loan of HK\$1,215,879,000 as at the date of signing of the Agreement, and the Guojia Property Entitlement mentioned below. The Consideration represents a premium of approximately HK\$221,472,000 or 9% over the adjusted value of Marvel Leader’s interest in the Target Group of HK\$2,443,096,000 after taking into account the preliminary results of the valuation of the properties of the Target Group performed by GCAL. In the circumstances, the Directors considered that the Consideration is fair and reasonable.

Guojia Property Entitlement

As mentioned in the paragraph headed “7. Information on the Group, Marvel Leader and the Target Group”, CDGJ is currently beneficially owned as to 51% by Marvel Leader through Cheer Gain, with the remaining 49% by Guojia Property. However, as further mentioned in the aforesaid paragraph, since initial incorporation, the registered and paid-up capital of CDGJ was and has remained registered with SAIC at the ratio of 80% under Cheer Gain and 20% under Guojia Property. For this reason, the Purchaser had chosen to set the Consideration payable to Marvel Leader as if Cheer Gain in fact held 80% interest in CDGJ Group and Guojia Property held 20%. Notwithstanding this, as far as the basis of determining the Consideration is concerned, there would not be any difference whether Marvel Leader were treated as holding 80% or 51% interest in CDGJ Group, save that if the Consideration were set by reference to Marvel Leader’s 80% nominal interest in CDGJ Group, Marvel Leader had to take into account the obligation to account to Guojia Property for the 29% difference (80% minus 51%) between Marvel Leader’s 80% nominal interest under the Agreement and its 51% beneficial ownership interest in CDGJ (“**Guojia Property Entitlement**”) which is calculated as follows:

LETTER FROM THE BOARD

	<i>RMB'000</i>
Consideration	2,755,553
Less: CC Sichuan's indebtedness to CDGJ (referred to at paragraph 2.5 below)	(955,553)
	<hr/>
Consideration for 80% nominal interest in CDGJ	(A) <u>1,800,000</u>
Guojia Property Entitlement	(A/80%*29%) <u>652,500</u>

After accounting to Guojia Property for the Guojia Property Entitlement, the net aggregate consideration for the Disposal to be received by Marvel Leader will be RMB2,103,053,457.92 (equivalent to approximately HK\$2,664,568,000). Had the Purchaser chosen to set the Consideration payable to Marvel Leader on the basis of Marvel Leader's 51% beneficial interest in CDGJ Group, the Consideration would have been RMB2,103,053,457.92 (equivalent to approximately HK\$2,664,568,000) taking into account that Marvel Leader would not have to account to Guojia Property for any difference in their interests in the Target Group.

Payment

The Consideration is payable by the Purchaser in the following manner:

- (a) a sum in Hong Kong dollars equivalent to RMB360,000,000 (equivalent to approximately HK\$456,120,000) shall be paid into the Joint Account (or Provisional Joint Account, if the Joint Account is yet to be opened by then) within 2 days after the date of opening of the Joint Account (or Provisional Joint Account) and after the date of signing of the Agreement ("**Deposit**");
- (b) a sum in Hong Kong dollars equivalent to RMB540,000,000 (equivalent to approximately HK\$684,180,000) shall be paid into the Joint Account within 2 days after the Second Payment Conditions Precedent having all been fulfilled ("**Second Part Payment**");
- (c) a sum in Hong Kong dollars equivalent to RMB955,553,457.92 (equivalent to approximately HK\$1,210,686,000) shall be paid into the Joint Account on the 70th day (or, if such day is not a Business Day, the next Business Day) from the date of signing of the Agreement or on any other date as may be agreed between Marvel Leader and the Purchaser ("**Third Part Payment**"); and
- (d) a sum in Hong Kong dollars equivalent to RMB900,000,000 (equivalent to approximately HK\$1,140,300,000) shall be paid into the Joint Account within 3 months after the date of signing of the Agreement and the Balance Payment Conditions Precedent having all been fulfilled or, if the Balance Payment Conditions Precedent not having all been fulfilled within 3 months after the date of signing of the Agreement, the next day after fulfillment of all the Balance Payment Conditions Precedent ("**Balance Payment**").

As at the Latest Practicable Date, the Deposit and the Second Part Payment have been duly paid by the Purchaser pursuant to the terms of the Agreement.

LETTER FROM THE BOARD

2.5 Repayment by CC Sichuan

CC Sichuan shall settle its indebtedness to CDGJ in the sum of RMB955,553,457.92 (equivalent to approximately HK\$1,210,686,000) being the balance recorded as at the date of signing of the Agreement as follows:

- (a) on the date of payment of the Third Part Payment, CC Sichuan shall pay to a company designated by the Purchaser a sum of RMB955,553,457.92 (equivalent to approximately HK\$1,210,686,000) being the total amount of its indebtedness to CDGJ; and
- (b) upon the said payment by CC Sichuan, the Purchaser shall procure the release of a sum in Hong Kong dollars equivalent to RMB955,553,457.92 (equivalent to approximately HK\$1,210,686,000) from the Joint Account to an account designated by Marvel Leader,

such that the indebtedness due by CC Sichuan to CDGJ shall then be transferred to and assumed by such party designated by the Purchaser. CC Sichuan, CDGJ and such party designated by the Purchaser shall enter into an agreement to signify the said transfer.

Reference is made to the Company's announcement dated 21 December 2009. The JV Agreement (as therein defined) allows (among other things) for repatriation of any temporary excess funds to Cheer Gain and Guojia Property in proportion to the ratio of their capital contribution. The repatriation took the form of inter-company loans from CDGJ to each of the parties or their nominees. CC Sichuan's indebtedness to CDGJ represented the balance of the aggregate amount due by CC Sichuan to CDGJ as at the date of signing of the Agreement comprising mainly the total amount of such funds repatriated by CDGJ to CC Sichuan as nominee of Cheer Gain during the period from 2011 and up to the date of signing of the Agreement. CC Sichuan's indebtedness to CDGJ is non-interest bearing and has no specific repayment terms. The amount of RMB955,553,457.92 (equivalent to approximately HK\$1,210,686,000) is not subject to any adjustment.

As at the Latest Practicable Date, CC Sichuan has yet to pay the said indebtedness of RMB955,553,457.92 (equivalent to approximately HK\$1,210,686,000) to a company designated by the Purchaser.

Premium

The Consideration, after netting off the Guojia Property Entitlement, represents a premium of HK\$861,894,000 (or approximately 48%) over the total value of Marvel Leader's interest in the Target Group amounting to HK\$1,802,674,000 represented by the aggregate of the unaudited consolidated net asset value of the Target Group attributable to Marvel Leader of approximately HK\$586,795,000 as at 31 May 2015 representing its 51% beneficial interest in CDGJ Group and the book value of the Loan of HK\$1,215,879,000 as at the date of signing of the Agreement. In determining the said premium, it is not required to take into account, nor deduct from the Consideration, the settlement of the CC Sichuan's indebtedness to CDGJ. Although the Agreement requires the CC Sichuan's indebtedness to be settled on the date of payment of the Third Part Payment prior to Completion, with an equal amount to be released from the Joint Account to Marvel Leader, the arrangement is in effect a way of settling Cheer Gain's entitlement to the repatriated funds made by CDGJ to CC Sichuan by virtue of its capital contribution, which would not have to be returned but for the manner in which they were distributed as mentioned above.

LETTER FROM THE BOARD

2.6 Conditions Precedent

2.6.1 Completion Conditions Precedent

Completion is subject to and conditional upon the fulfillment of the following conditions:

- (a) if required under the Listing Rules, the Company shall obtain written approval from its shareholder holding more than 50% of its shareholding approving the Agreement and the transactions contemplated thereunder (“**Written Shareholder’s Approval**”) with the conditions applicable under the Listing Rules having been met, which is to be accepted in lieu of holding a general meeting, or (where applicable) the Company shall obtain confirmation from the Stock Exchange for waiving the requirement to hold a general meeting (any conditions attached to the grant of such waiver shall be met). If the Company fails to obtain the Written Shareholder’s Approval or the Stock Exchange does not agree to grant such waiver, the Company shall obtain approval by its shareholders in general meeting by way of an ordinary resolution approving the Agreement and the transactions contemplated thereunder;
- (b) Marvel Leader shall obtain all necessary approvals from any third parties in relation to the Disposal (where Marvel Leader considers necessary);
- (c) if required under the Listing Rules, the Purchaser’s Guarantor shall obtain approval by its shareholders in general meeting by way of an ordinary resolution approving the Agreement and the transactions contemplated thereunder; and
- (d) the Purchaser shall obtain all necessary approvals from any third parties in relation to the Disposal (where the Purchaser considers necessary).

Upon signing of the Agreement, Marvel Leader and the Purchaser shall use their respective best endeavours to procure the fulfillment of all Completion Conditions Precedent as soon as practicable (and in any event within 3 months from the date of signing of the Agreement).

In the event that the Completion Conditions Precedent are not fulfilled within 3 months from the date of signing of the Agreement (except for any non-fulfillment of Completion Conditions Precedent during the said period as a result of any default by either party), unless Marvel Leader and the Purchaser otherwise agree, the Agreement shall be terminated automatically, upon which Marvel Leader shall return all such sum received (without interest) to the Purchaser and neither party shall have any further liability to the other party as a result of such termination.

As regards the Completion Condition Precedent (b) above, consent from various lenders is required for the release of Joyview and Cheer Gain from their obligations as guarantors, among other members of the Group, under certain banking facilities granted to the Company upon Completion. As at the Latest Practicable Date, the Company has already obtained prior consent from those lenders. Save and except the foregoing, Marvel Leader is not required to obtain any other consent from any third parties in relation to the Disposal.

All Completion Conditions Precedent (where applicable) have been fulfilled as at the Latest Practicable Date.

LETTER FROM THE BOARD

2.6.2 Second Payment Conditions Precedent

Payment of the Second Part Payment is subject to and conditional upon the fulfillment of the following conditions:

- (a) information disclosed by CDGJ and Marvel Leader up to the date of signing of the Agreement shall remain true in material respect and the Purchaser has not identified during its due diligence exercise any risk which would cause potential material adverse impact on the transactions contemplated under the Agreement;
- (b) each of Marvel Leader and the Purchaser has obtained all of its necessary internal approval approving the Disposal, including but not limited to resolutions from its shareholders (where applicable) and resolutions from its board of directors approving the Disposal and execution and performance of all such transaction documents in connection with the Disposal;
- (c) all documents in respect of a pledge of 40% equity interest in CDGJ in favour of the Purchaser or a third party designated by the Purchaser (“**Pledge**”) (including but not limited to relevant pledge agreement and resolutions of CDGJ’s shareholder (being Cheer Gain) approving the Pledge) shall have been duly executed, pre-approved by the SAIC for conformity and delivered to the Purchaser;
- (d) on the date on which the Purchaser makes payment of the Deposit to the Joint Account, Marvel Leader shall return to the Purchaser or a third party designated by the Purchaser a sum equivalent to the Deposit from the Provisional Joint Account; and
- (e) Marvel Leader shall provide the Purchaser with a copy of the Written Shareholder’s Approval.

On the date on which all Second Payment Conditions Precedent have been fulfilled, the Deposit shall automatically become part payment of the Consideration. If the Second Payment Conditions Precedent cannot be fulfilled, causing the Purchaser to terminate the Agreement, Marvel Leader shall, within 3 Business Days after the Purchaser’s issuance of a written notice, release and return the Deposit to an account designated by the Purchaser.

As at the Latest Practicable Date, all Second Payment Conditions Precedent (where applicable) have been fulfilled.

2.6.3 Balance Payment Conditions Precedent

Payment of the Balance Payment is subject to and conditional upon the fulfillment of the following conditions:

- (a) all of the Second Payment Conditions Precedent remain fulfilled;
- (b) Marvel Leader shall have procured completion of the following actions: (i) one director of CDGJ previously appointed by Marvel Leader shall have been changed to one person appointed by the Purchaser; (ii) the general manager and financial controller shall have been delegated by the Purchaser to CDGJ; and (iii) all chops and certificates of CDGJ shall have been in the joint custody between Marvel Leader and the Purchaser;
- (c) the Purchaser shall have obtained evidence of the Pledge, or registration of the Pledge has been completed;

LETTER FROM THE BOARD

- (d) any pledge or encumbrances over the Sale Share shall have been discharged (except for the Pledge) and all interests of the Sale Share remain intact; and
- (e) CC Sichuan shall have duly performed its payment obligations in accordance with the provisions of the Agreement described in paragraph 2.5 above.

If it is due to the Purchaser's default in fulfilling the Second Payment Conditions Precedent and the Balance Payment Conditions Precedent, Marvel Leader shall be deemed as being able to fulfill punctually all the Second Payment Conditions Precedent and the Balance Payment Conditions Precedent, and the Purchaser shall make payment of the relevant amount to Marvel Leader in accordance with the terms of the Agreement, failing which the Purchaser shall be regarded as being default in punctual performance of its payment obligation.

As at the Latest Practicable date, Balance Payment Conditions Precedent (a), (c) and (d) have been fulfilled, whereas Balance Payment Conditions Precedent (b) and (e) (where applicable) are yet to be fulfilled.

2.7 Termination

- (a) Upon payment of the Deposit, the Purchaser shall arrange relevant personnel to conduct due diligence against the Target Group and its projects. If (i) the Purchaser fails to notify Marvel Leader in writing as to whether it will continue to perform the Agreement within 2 days after the expiry of the due diligence period (being a 10-day period from the next day after the payment of the Deposit) and (ii) the Purchaser fails to make the Second Part Payment, the Purchaser shall be deemed as having opted for terminating the Agreement. Marvel Leader and the Purchaser shall within 2 days after the expiry of the said 2-day period release and return the Deposit to the Purchaser. The Agreement shall be terminated accordingly.
- (b) Marvel Leader and the Purchaser agree that the parties shall perform and complete all conditions and provisions relating to the Disposal under the Agreement within 3 months from the date of signing of the Agreement ("**Transaction Period**"). If upon expiry of the Transaction Period, conditions and provisions relating to the Disposal under the Agreement have not been fulfilled in full, Marvel Leader, the Purchaser or CC Sichuan shall be liable for the non-fulfillment, and the non-defaulting party (for the avoidance of doubt, if it is due to CC Sichuan's default in failing to fulfill all conditions and provisions relating to the Disposal under the Agreement and CC Sichuan is made liable for such default, Marvel Leader shall not be regarded as a non-defaulting party) shall be entitled to decide whether to terminate the Agreement or not. If the non-defaulting party decides to terminate the Agreement, Marvel Leader and the Purchaser shall unwind the transaction back to the status prior to the signing of the Agreement and the non-defaulting party shall be entitled to seek compensation from the defaulting party as a result of the breach. If during the Transaction Period each of the parties has endeavoured reasonably to procure the Completion in good faith but not all of the conditions and provisions relating to the Disposal under the Agreement could be fulfilled, it shall be resolved as the parties may agree.

2.8 Completion

Completion shall take place on the next Business Day after the Purchaser has made the Balance Payment in the manner set out under item (d) of the sub-paragraph headed "Payment" under the paragraph headed "2.4 Consideration" above or at such other time as the parties may agree.

Within 1 Business Day after Marvel Leader's performance of its completion obligations under the Agreement, any remaining balance standing in the Joint Account shall be released to Marvel Leader's designated account.

LETTER FROM THE BOARD

3. REASONS FOR AND BENEFITS OF THE DISPOSAL

Property markets in many non-Tier 1 cities in the PRC during the current year have remained generally weak despite the various measures adopted by the PRC government to boost the industry. The Chengdu market follows the same weak trend under the slowed economy in the PRC, with prospects of the office and commercial property sector particularly uncertain. In the foreseeable future, it is expected that the demand for grade A office from foreign companies will continue to moderate. Demand for retail space is usually from local luxury brands which are usually expanding business within their existing city locations. As a result of the slow economy, it is expected that demand for retail space will fall in the short-to-medium term. Inventory build-up under this weak market has led to work stoppage or semi-stoppage of a number of commercial developments in the city, which may ignite further downward adjustment. The uncertainty presents a particular challenge to the Group.

Currently, the Target Group has a total of 7 under development and completed projects with a total saleable GFA of 2.4 million sqm, out of which approximately 1.4 million sqm has not been contracted for sales, which includes office space, commercial property and car parks. The Directors expected a fast disposal of these properties will significantly improve the capital utilization of the Group and the increase in liquidity will enhance its future development potential in Chengdu when there is a market turnaround.

The Disposal offered the Group the opportunity for a one-off, accelerated realization of a portion of its inventory of properties holdings in Chengdu. With a streamlined inventory of properties holdings, the Group will be able to continue its policy of selective price adjustments to maximize the Group's future gains, and to weather any prolonged market downturn that the Group may have to face.

The entering into of the Agreement is therefore in line with the Group's prudent and cautious investment strategy. The Directors consider that the terms of the Agreement have been negotiated on an arm's length basis and on normal commercial terms and the terms thereof are fair and reasonable and are in the interests of the Group and the Shareholders as a whole.

4. FINANCIAL EFFECT ON THE DISPOSAL AND USE OF PROCEEDS

Upon Completion, the Company will cease to have any interest in the Target Group, all members of which will cease to be subsidiaries of the Company and their assets and liabilities and their profits and losses will no longer be consolidated into the consolidated financial statements of the Company.

The Company expects to realize from the Completion a net gain before tax of approximately HK\$977,676,000, being the excess of the Consideration, after netting off the Guojia Property Entitlement of RMB652,500,000 (equivalent to approximately HK\$826,718,000), for the Disposal over the aggregation of the net asset value of the Target Group attributable to Marvel Leader of HK\$586,795,000 and the Loan of HK\$1,215,879,000 as at the date of signing of the Agreement plus the release of exchange reserve of HK\$115,782,000. There would be a net sum of RMB1,147,500,000 (equivalent to approximately HK\$1,453,882,000) after netting off the Guojia Property Entitlement and the repayment of CC Sichuan's indebtedness to CDGJ in cash to be generated by the Disposal.

The above calculation is only an estimate provided for illustration purposes and the actual gain that the Company is able to realize will depend on the actual net asset value of the Target Group attributable to Marvel Leader and the Loan on Completion. The proceeds from the Disposal will be applied as working capital of the Group.

5. PROSPECTS AND FUTURE DEVELOPMENT

It is the Company's intention to continue engagement in the property business in the PRC. Due to the change in circumstance in the PRC property market in the last two years, an earlier plan to diversify its operation and allocate additional financial resources in the development of commercial property has been put in abeyance. Instead, as a measure to maximize the Company's investment returns, and to combat market challenges which may be long lasting, the Company has embarked on a series of strategic

LETTER FROM THE BOARD

disposal transactions, which has been previously announced, from its portfolio of property, joint investments and/or investment projects. The Company has already benefited from accelerated returns from these disposal transactions and its cash position has been much enhanced.

As excessive inventory build-up still remains the major negative factor for the property market in non-tier one cities in the PRC, whilst the Company has no intention to dispose of its existing business, the Directors are reviewing opportunities to accelerate returns from any slow moving inventory in its property portfolio, and will continually evaluate the performance of the Company's business operation based on the relative market opportunities. If opportunities arise which compare favourably with the current market outlook, and which will generate reasonable and faster returns to Shareholders, the Company will take advantage of such opportunities in the interests of its shareholders. The Disposal provides funds for further investment options which is also in the interests of the Company.

As at the Latest Practicable Date, the Company was not in negotiation of, or proposed to enter into any agreement, arrangement, undertaking and understanding in respect of any acquisition or development that would lead to the change in principal business of the Group.

6. INFORMATION ON THE PURCHASER AND THE PURCHASER'S GUARANTOR

To the best of the Directors' knowledge, (i) the principal business activity of the Purchaser is investment holding, and (ii) the Purchaser's Guarantor (the ultimate holding company of the Purchaser) and its subsidiaries are principally engaged in property development, property investment and property management in the PRC. Shares of the Purchaser's Guarantor are listed on the main board of the Stock Exchange.

7. INFORMATION ON THE GROUP, MARVEL LEADER AND THE TARGET GROUP

The core businesses of the Group are property development and investment in Western China, as well as treasury investments.

Marvel Leader is a private limited company incorporated in the BVI on 11 May 2006 with a current issued share capital of US\$50,000 (equivalent to approximately HK\$387,500) which is directly wholly-owned by the Company. Marvel Leader is an investment holding company and the registered and beneficial owner of the entire issued share capital of Joyview. The principal business activity of Marvel Leader is investment holding.

Joyview is a private limited company incorporated in the BVI on 12 July 2007 with a current issued share capital of US\$1 (equivalent to approximately HK\$7.75) which is directly wholly-owned by Marvel Leader. Joyview is an investment holding company and the registered and beneficial owner of Cheer Gain. The sole business of Joyview is the ownership of Cheer Gain.

Cheer Gain is a private limited company incorporated in Hong Kong on 14 June 2007 with a current issued share capital of HK\$1 which is directly wholly-owned by Joyview. Cheer Gain is an investment holding company and the registered owner of 80% of the registered capital of CDGJ. The sole business of Cheer Gain is the ownership of CDGJ.

CDGJ is a Chinese-foreign equity joint venture established in Chengdu, the PRC in 2007 with current registered and paid-up capital of RMB1,375,000,000 (equivalent to approximately HK\$1,742,125,000). Since incorporation, 80% of the registered and paid-up capital of CDGJ has been registered in the name of, and contributed by Cheer Gain, and 20% in the name of, and contributed by Guojia Property. As announced by the Company on 21 December 2009, following the Capital Contributions (as therein defined), Cheer Gain's beneficial ownership interest in CDGJ was reduced to 51% with the remaining 49% held by Guojia Property. As at the date of signing of the Agreement, CDGJ remains beneficially owned as to 51% and 49% by Cheer Gain and Guojia Property respectively. The principal business of CDGJ Group is property development and investment in the PRC.

LETTER FROM THE BOARD

During the period from 2007 to May 2015, CDGJ Group completed various property development projects of about 0.8 million sqm. CDGJ Group currently owns a portfolio of completed properties and developing projects with a total completed and planned saleable GFA of about 1.9 million sqm, out of which 0.5 million sqm has been contracted for sales, in Chengdu consisting of residential, commercial, office and car park area. A summary of this property portfolio is detailed as follows:

Properties held under development

Property Location	Intended Use	Approximate Site Area (sqm)	Approximate GFA (sqm)	Expected Completion Date (Year)	Status of Development
Portion of Sky Villa Chengdu, Sichuan Province, the PRC	Residential, Commercial and Car Park	52,500	219,000	2015	Under construction
Sky Villa Condominiums Chengdu, Sichuan Province, the PRC	Residential, Commercial and Car Park	29,600	123,000	2015	Under construction
Portion of Villa Royale Chengdu, Sichuan Province, the PRC	Residential and Car Park	84,600	82,000	2015 or after	Under construction
C C Land Plaza Chengdu, Sichuan Province, the PRC	Residential, Commercial, Office and Car Park	16,800	113,000	2017 or after	Under construction
Residence du Lac Chengdu, Sichuan Province, the PRC	Residential, Commercial and Car Park	99,900	392,000	2015 or after	Under construction
Residence du Paradis Chengdu, Sichuan Province, the PRC	Residential, Commercial and Car Park	99,600	800,000	2015 or after	Under construction

Completed properties held for sale

Property Location	Usage	Approximate GFA (sqm)
Portion of Sky Villa Chengdu, Sichuan Province, the PRC	Residential, Commercial and Car Park	15,000
Portion of Villa Royale Chengdu, Sichuan Province, the PRC	Residential, Commercial and Car Park	71,000
Portion of Brighton Place & Plaza Chengdu, Sichuan Province, the PRC	Residential, Commercial, Office and Car Park	122,000

The market value of CDGJ Group's property portfolio as at 31 May 2015 was valued at RMB9,278 million (equivalent to approximately HK\$11,755 million) by GCAL.

LETTER FROM THE BOARD

A reconciliation of the carrying value of the property portfolio as at 31 December 2014 and the valuation of the property portfolio as at 31 May 2015 is as follows:

	<i>RMB</i> <i>(in million)</i>
Carrying value of the property portfolio as at 31 December 2014	6,799
Development costs incurred during the period	586
Properties sold during the period	<u>(392)</u>
Carrying value of the property portfolio as at 31 May 2015	6,993
Appreciation in value of the property portfolio	<u>2,285</u>
Valuation of the property portfolio as at 31 May 2015	<u><u>9,278</u></u>

The financial highlights and consolidated operating results of the Target Group included in the consolidated financial statements of the Company are as follows:

	5 months ended 31 May 2015 <i>HK\$'000</i> (Unaudited)	12 months ended 31 December 2014 <i>HK\$'000</i> (Unaudited)	12 months ended 31 December 2013 <i>HK\$'000</i> (Unaudited)
Revenue	904,001	2,444,832	1,238,457
Profit Before Tax	369,696	549,238	362,312
Net Profit	208,255	332,722	170,562
	As at 31 May 2015 <i>HK\$'000</i> (Unaudited)	As at 31 December 2014 <i>HK\$'000</i> (Unaudited)	As at 31 December 2013 <i>HK\$'000</i> (Unaudited)
Properties under development	7,177,719	8,195,831	7,115,349
Completed properties held for sale	1,682,393	422,288	748,359
Other assets	<u>2,441,170</u>	<u>2,632,827</u>	<u>3,347,098</u>
Total Assets	<u><u>11,301,282</u></u>	<u><u>11,250,946</u></u>	<u><u>11,210,806</u></u>
Trade and other payables	5,711,486	6,007,599	5,701,047
Bank borrowings	2,275,520	2,277,942	2,669,702
Other liabilities	<u>1,859,894</u>	<u>1,717,890</u>	<u>1,919,205</u>
Total Liabilities	<u><u>9,846,900</u></u>	<u><u>10,003,431</u></u>	<u><u>10,289,954</u></u>
Net Assets attributable to:			
– Marvel Leader (representing 51% beneficial interest in CDGJ)	586,795	481,293	314,707
– Guojia Property (representing 49% beneficial interest in CDGJ)	<u>867,587</u>	<u>766,222</u>	<u>606,145</u>
	<u><u>1,454,382</u></u>	<u><u>1,247,515</u></u>	<u><u>920,852</u></u>

LETTER FROM THE BOARD

Details of the net assets of HK\$586,795,000 attributable to Marvel Leader's 51% indirect beneficial interest in CDGJ Group as at 31 May 2015 are as follows:

		<i>HK\$'000</i>	
Net assets of Target Group as at 31 May 2015		<u>1,454,382</u>	(A)
	Registered capital <i>HK\$'000</i>	Reserves <i>HK\$'000</i>	Total <i>HK\$'000</i>
Net assets of CDGJ Group as at 31 May 2015	<u>1,520,001</u>	<u>1,150,179</u>	<u>2,670,180</u>
Interest attributable to Guojia Property	20%	49%	
Net assets of CDGJ Group as at 31 May 2015 attributable to Guojia Property	<u>304,000</u>	<u>563,587</u>	<u>867,587</u> (B)
Net assets of Target Group as at 31 May 2015 attributable to Marvel Leader		<u>586,795</u>	(A)-(B)

8. LISTING RULES IMPLICATIONS

As the applicable percentage ratio exceeds 25% but is below 75%, the Disposal constitutes a major transaction and is subject to applicable notification, publication and shareholders' approval requirements under the Listing Rules.

The Company has obtained Written Shareholder's Approval from the Majority Shareholders who are a closely allied group of Shareholders holding in aggregate more than 50% in terms of voting rights of the issued share capital of the Company as at the date of the Announcement. Since none of the Shareholders (including the Majority Shareholders) has a material interest in the Disposal other than their interests as Shareholders, no Shareholder would be required to abstain from voting if the Company were to convene a general meeting for considering and, if thought fit, approving the Agreement, the Disposal and the transactions contemplated thereunder. Accordingly, as all the conditions under Rule 14.44 of the Listing Rules are met, the Written Shareholder's Approval has been accepted in lieu of holding a special general meeting to approve the Agreement, the Disposal and the transactions contemplated thereunder.

9. RECOMMENDATION

The Board considers that the Agreement, the Disposal and the transactions contemplated thereunder are on normal commercial terms and the terms of the Agreement have been negotiated on an arm's length basis which are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Had a special general meeting been convened for the approval of the Agreement, the Disposal and the transactions contemplated thereunder, the Board would have recommended the Shareholders to vote in favour of the Agreement, the Disposal and the transactions contemplated thereunder.

10. ADDITIONAL INFORMATION

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

Yours faithfully,
By order of the Board of
C C Land Holdings Limited
Lam How Mun Peter
Deputy Chairman & Managing Director

1. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 July 2015, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had total bank and other borrowings of approximately HK\$9,151,194,000 comprising secured and unsecured bank and other borrowings of approximately HK\$6,321,194,000 and approximately HK\$2,830,000,000 respectively. The secured bank and other borrowings were secured by the Group's time deposits, properties under development, completed properties held for sale and 100% equity holdings of a subsidiary of the Group with an aggregate carrying value of approximately HK\$21,120,523,000.

As at 31 July 2015, the Group had the following contingent liabilities/financial guarantees:

- (i) Guarantees given in favour of the banks in connection with facilities granted to an associate in the amount of approximately HK\$526,092,000; and
- (ii) Guarantees given in favour of the banks in respect of mortgage facilities granted to certain purchasers of the Group's property units in the amount of approximately HK\$7,167,225,000.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Group did not have any debt securities issued and outstanding or agreed to be issued, term loans, loan capital, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptable credits, debentures, mortgages, charges, finance lease or hire purchase commitments, which are either guaranteed, unguaranteed, secured and unsecured, guarantees or other material contingent liabilities at the close of business on 31 July 2015.

2. WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that, after taking into consideration the effect of the Completion and the present financial resources available to the Group, including funds internally generated from its business operations and the available financial facilities, the Group will have sufficient working capital for its business operations for at least the next twelve months from the date of this circular in the absence of unforeseen circumstances.

3. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The core business of the Group is property development and investment in Western China as well as treasury investments. The Group's land bank is located in several major cities in Western China, including Chongqing, Chengdu, Guiyang and Xi'an.

Excluding the land bank of approximately 1.7 million sqm GFA held by CDGJ Group, the Group currently has a land bank of approximately 7.0 million sqm GFA which is sufficient for 3 to 4 years' of development and the details of the land bank is analysed by projects as follows:

Property Location	Intended Use	Approximate Total GFA (sqm)	Status of Development	Expected Completion Date (Year)	Expected Pre-sale Date (Year)
Phoenix County Chongqing, the PRC	Residential, Commercial and Car Park	110,000	Under construction	2015	Commenced Pre-sale
Coronation Chongqing, the PRC	Residential, Commercial, Office and Car Park	983,000	Under construction	2016 or after	Commenced Pre-sale
Verakin New Park City Chongqing, the PRC	Residential, Commercial, Office and Car Park	629,000	Under construction	2016 or after	Commenced Pre-sale
Bishan Verakin New Park City Chongqing, the PRC	Residential, Commercial, and Car Park	700,000	Under construction	2016 or after	Commenced Pre-sale
Verakin Riviera Chongqing, the PRC	Residential, Commercial, and Car Park	67,000	Under construction	2015	Commenced Pre-sale
Verakin Joyful City Chongqing, the PRC	Residential, Commercial, Office and Car Park	675,000	Under construction	2017 or after	Commenced Pre-sale
Radiant Bay Dazhou, Sichuan Province, the PRC	Residential, Commercial, and Car Park	201,000	Under construction	2015 or after	Commenced Pre-sale
First City, Guiyang Guiyang, Guizhou Province, the PRC	Residential, Commercial, Office and Car Park	1,079,000	Under construction	2015 or after	Commenced Pre-sale
Florentia Town Guiyang, Guizhou Province, the PRC	Residential, Commercial, and Car Park	641,000	Under construction	2017 or after	Commenced Pre-sale
Concordia City Guiyang, Guizhou Province, the PRC	Residential, Commercial, Office and Car Park	1,313,000	At planning stage	2017 or after	2016
Zhongyu Metropol Xi'an, Shannxi Province, the PRC	Residential, Commercial, Office and Car Park	638,000	Under construction	2016 or after	Commenced Pre-sale

The following is the text of a letter, a summary of values and valuation certificates prepared for the purpose of incorporating in this circular received from Greater China Appraisal Limited, an independent valuer, in connection with their valuation as at 31 May 2015 of the real property interests held by CDGJ and its subsidiaries.

GREATER CHINA APPRAISAL LIMITED

漢華評值有限公司

Room 2703
Shui On Centre
6-8 Harbour Road
Wanchai
Hong Kong

31 August 2015

The Board of Directors
C C Land Holdings Limited
Rooms 3308-3310, 33rd Floor
China Resources Building
No. 26 Harbour Road
Wanchai
Hong Kong

Dear Sirs,

Re: Valuation of various real property interests held by Chengdu Guojia Cheer Gain Property Company Limited (the “CDGJ”) and its subsidiaries (together referred as “CDGJ Group”) in the People’s Republic of China (the “PRC”)

In accordance with the instructions from C C Land Holdings Limited (the “Company”) for us to value the real property interests held by the CDGJ, we confirm that we have carried out inspection, 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 real property interests as at 31 May 2015 (referred to as the “valuation date”).

This letter which forms part of our valuation report explains the basis and methodology of valuation, and clarifies our assumptions made, title investigation of the real properties and the limiting conditions.

I. BASIS OF VALUATION

The valuation of the real property interests is our opinion of the market value which we would define as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion.”

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

II. VALUATION METHODOLOGY

We have valued the real property interests in Group I by using direct comparison approach assuming sale of the real property interests in their existing state with the benefit of immediate vacant possession and by making reference to comparable sale transactions as available in the relevant market. For the real property interests that subject to tenancy, we have valued the real property interests by using the income capitalisation method where the amount of rent payable during the lease term was capitalised for the residual period of the lease with due allowance for the reversionary interest after expiry of the tenancy.

In valuing the real property interests in Group II which are currently under construction, we have assumed that it will be developed and completed in accordance with the latest development proposals provided to us by CDGJ. In arriving at our opinion of the market value, we have taken into account the development costs relevant to the stage of construction as at the valuation date and the remainder of the costs and fees to be expended to complete the development.

III. ASSUMPTIONS

Our valuation has been made on the assumption that the owner sells the real property interests in their existing state without the benefit of any deferred terms contracts, leaseback, joint ventures, management agreements or any similar arrangement which would serve to increase or reduce the value of the real property interests.

For the real properties that are held under long-term land use rights, we have assumed that the owner of the real property interests have free and uninterrupted rights to use or transfer the real property interests for the whole of the unexpired term of the respective land use rights. In our valuation, we have assumed that the real property interests can be freely disposed of and transferred to third parties on the open market without any additional payment to the relevant government authorities.

We have valued the real property interests in Group II, which are currently under construction, on the assumption that it will be developed in accordance with development proposals provided to us. We have assumed that all consents, approvals and licenses from relevant government authorities for the development proposals have been granted or would be granted without onerous conditions or delays and all land premium in respect of the real properties and the proposed development schemes thereof (if applicable) have been fully paid and settled.

All applicable zoning and use regulations and restrictions have been complied with unless nonconformity has been stated, defined, and considered in the valuation report.

No environmental impact study has been ordered or made. Full compliance with applicable local, provincial and national environmental regulations and laws is assumed. In addition, it is assumed that all required licences, consents or other legislative or administrative authority from any local, provincial or national government or private entity or organization either have been or can be obtained or renewed for any use which the report covers.

Other specific assumptions of the valuation, if any, have been stated out in the footnotes of the valuation certificates.

IV. TITLESHIP INVESTIGATION

We have been provided with copies of legal documents regarding the title of the real properties. However, due to the current registration system of the PRC, we are unable to conduct any search or investigation regarding the legal title or any liabilities attached to the real properties.

In the course of our valuation, we have relied upon the legal opinion given by the Company's PRC legal advisors – Jingtian & Gongcheng (競天公誠律師事務所) in relation to the legal title to the real properties. All legal documents disclosed in this report are for reference only and no responsibility is assumed for any legal matters concerning the legal title to the real properties set out in this report.

V. LIMITING CONDITIONS

We have inspected the exterior and, where possible, the interior of the real properties. However, no structural survey has been made and we are therefore unable to report as to whether the real properties are free from rot, infestation or any other structural defects. No tests were carried out on any of the services.

We have not carried out detailed site measurements to verify the correctness of the areas in respect of the real properties but have assumed that the areas shown on the documents provided to us are correct. Based on our experience of valuation of similar properties in the PRC, we consider the assumptions so made to be reasonable. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

No soil investigations have been carried out to determine the suitability of the ground conditions and services etc. for any property development. Our valuation has been prepared on the assumption that these aspects are satisfactory and that no unexpected cost and delay will be incurred during construction.

Having examined all relevant documentation, we have relied to a very considerable extent on the information provided by CDGJ Group and have accepted advice given to us by it on such matters as planning approvals, statutory notices, easements, tenures, occupations, development schemes, construction costs, rentals, lettings, site and floor areas and in the identification of the real properties. We have had no reason to doubt the truth and accuracy of the information provided to us by CDGJ Group. We were also advised by CDGJ 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 have no reason to suspect that any material information has been withheld.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the real 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 real property interests are free of encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

Since the real properties are located in a relatively developing market, the PRC, those assumptions are often based on imperfect market evidence. A range of values may be attributable to the real property interests depending upon the assumptions made. While we have exercised our professional judgment in arriving at the value, report readers are urged to consider carefully the nature of such assumptions which are disclosed in the valuation report and should exercise caution in interpreting the valuation report.

VI. OPINION OF VALUE

Our opinion of the market value of the real property interests is shown in the attached summary of values and valuation certificates.

VII. REMARKS

Our valuation has been prepared in accordance with generally accepted valuation procedures and in compliance with the requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited.

In valuing the real property interests, we have complied with the requirements contained in the HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors.

Site inspection of the real properties was conducted on various dates in July 2015 by Mr. Daniel W. H. Tang, who is a Chartered Surveyor and Mr. Terry C. H. Fung (MSc). The completed real properties were maintained in a reasonable condition commensurate with its ages and uses and equipped with normal building services.

Unless otherwise stated, all monetary amounts herein are denominated in the currency of Renminbi (referred to as “RMB”).

We enclose herewith the summary of values and valuation certificates.

This valuation report is issued subject to our General Service Conditions.

Yours faithfully,
For and on behalf of
GREATER CHINA APPRAISAL LIMITED

Mr. Gary Man
Registered Professional Surveyor (G.P.)
FHKIoD, FRICS, MHKIS, MCIREA
Director

Note: Mr. Gary Man is a Chartered Surveyor who has more than 26 years of valuation experience in countries such as the PRC, Hong Kong, Singapore, Vietnam, Philippines and the Asia Pacific region.

SUMMARY OF VALUES

GROUP I – REAL PROPERTIES HELD FOR SALE BY CDGJ GROUP IN THE PRC

No. Real Property	Market Value in existing state as at 31 May 2015 (RMB)
1. Portion of Phases I and II of Sky Villa, No. 5 Huang Ge Shu Street and No. 692 Mu Dan Street, Jinjiang District, Chengdu City, Sichuan Province, the PRC 610011	144,400,000
2. Portion of a development known as “Villa Royale” (Phases I, II (portion), III, IV (portion) and VI) located at Chuan Da Road Section 2, Xi Hang Gang Jie Dao, Shuang Liu County, Chengdu City, Sichuan Province, the PRC 610211	944,080,000
3. Portion of a development Phases I – IV known as “Brighton Place for the Residential” and Phase V known as “Guang Hua Centre” located at Guang Hua Dong Road, Qing Yang District, Chengdu City, Sichuan Province, the PRC 610074	1,208,510,000
	<hr/> Sub-total: <u>2,296,990,000</u>

GROUP II – REAL PROPERTIES HELD UNDER DEVELOPMENT BY CDGJ GROUP IN THE PRC

No. Real Property	Market Value in existing state as at 31 May 2015 (RMB)
4. Phase III of Sky Villa, No. 879 Mu Dan Street, Jinjiang District, Chengdu City, Sichuan Province, the PRC 610011	2,115,000,000

No. Real Property	Market Value in existing state as at 31 May 2015 (RMB)
5. Sky Villa Condominiums, No. 168 Cha Hua Street, Jinjiang District, Chengdu City, Sichuan Province, the PRC 610011	863,000,000
6. Portion of a development known as “Villa Royale” (Phases II (portion), IV (portion), V, VII and VIII) located at Chuan Da Road Section 2, Xi Hang Gang Jie Dao, Shuang Liu County, Chengdu City, Sichuan Province, the PRC 610211	652,700,000
7. Phases I, II and III of Residence du Paradis, Tian E Hu Village, Jin Feng Road, Da Mian Street Office, Long Quan Yi District, Chengdu City, Sichuan Province, The PRC 610100	1,822,000,000
8. A development known as “Residence du Lac” (Phases I and II) located at Jian Nan Da Dao extension Shuang Liu County, Chengdu City, the PRC 610200	1,298,000,000
9. Two parcels of land, known as Nos. 02-13-097 and 02-13-098, located at Fulong Community, Huayang District, Shuang Liu County, Chengdu City, Sichuan Province, the PRC 610200	230,000,000
	Sub-total: 6,980,700,000
	Total: 9,277,690,000

VALUATION CERTIFICATE

GROUP I – REAL PROPERTIES HELD FOR SALE BY CDGJ GROUP IN THE PRC

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 May 2015																		
1.	Portion of Phases I and II of Sky Villa, No. 5 Huang Ge Shu Street and No. 692 Mu Dan Street, Jinjiang District, Chengdu City, Sichuan Province, the PRC 610011	<p>The real property comprises 61 residential units, 5 commercial/club house and 251 car parking spaces of Phases I and II of Sky Villa, which is a residential/commercial development. Phase I was completed in about 2010, while Phase II was completed in about 2013.</p> <p>As advised by CDGJ, the total gross floor area of the real property is approximately 15,492 square metres, details of which are as follows:</p> <p>Phase I:</p> <table border="1"> <thead> <tr> <th>Usage</th> <th>Gross Floor Area (square metres)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>361.70</td> </tr> <tr> <td>Commercial</td> <td>213.99</td> </tr> <tr> <td>Car park</td> <td>820.41</td> </tr> </tbody> </table> <p>Phase II:</p> <table border="1"> <thead> <tr> <th>Usage</th> <th>Gross Floor Area (square metres)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>5,607.27</td> </tr> <tr> <td>Commercial/ Clubhouse</td> <td>2,053.35</td> </tr> <tr> <td>Car park</td> <td><u>6,435.30</u></td> </tr> <tr> <td>Grand Total:</td> <td><u>15,492.02</u></td> </tr> </tbody> </table> <p>The land use rights of the real property have been granted for township mixed residential uses for terms expiring on 6 December 2077 for residential use and 6 December 2047 for commercial uses.</p>	Usage	Gross Floor Area (square metres)	Residential	361.70	Commercial	213.99	Car park	820.41	Usage	Gross Floor Area (square metres)	Residential	5,607.27	Commercial/ Clubhouse	2,053.35	Car park	<u>6,435.30</u>	Grand Total:	<u>15,492.02</u>	<p>According to the information provided by CDGJ, portions of Phase II of the real property are currently subject to various tenancies with the latest term expiring on 30 April 2020 at a total monthly rent of RMB26,483. The remaining portion of the real property is currently vacant.</p>	<p>RMB144,400,000</p> <p>(Renminbi One Hundred Forty Four Million and Four Hundred Thousand)</p> <p>(see Notes (viii) and (x))</p>
Usage	Gross Floor Area (square metres)																					
Residential	361.70																					
Commercial	213.99																					
Car park	820.41																					
Usage	Gross Floor Area (square metres)																					
Residential	5,607.27																					
Commercial/ Clubhouse	2,053.35																					
Car park	<u>6,435.30</u>																					
Grand Total:	<u>15,492.02</u>																					

Notes:

- (i) According to a State-owned Land Use Rights Certificate, known as Cheng Guo Yong (2008) No. 108, issued by the Land Resources Bureau of Chengdu City on 28 January 2008, the land use rights of Phase I of Sky Villa with site area of approximately 21,687.13 square metres have been granted to CDGJ for township mixed residential uses for terms expiring on 6 December 2077 for residential use and 6 December 2047 for commercial uses.
- (ii) According to a State-owned Land Use Rights Certificate, known as Cheng Guo Yong (2009) No. 1035, issued by the Land Resources Bureau of Chengdu City on 14 December 2009, the land use rights of Phase II of Sky Villa with site area of approximately 33,996.81 square metres have been granted to CDGJ for township mixed residential uses for terms expiring on 6 December 2077 for residential use and 6 December 2047 for commercial uses.

- (iii) According to 2 sets of Construction Land Use Planning Permit, known as Cheng Gui Yong Di [2007] Nos. 498 and 513, issued by Planning and Management Bureau of Chengdu City, permission has been given for the planning of construction of the real property with a total site area of approximately 192,744.35 square metres, of which 54,986.14 square metres belongs to requisition land.
- (iv) According to 2 sets of Construction Work Planning Permit, known as Jian Zi Nos. 510104200830278 and 510104200930802, issued by the Planning and Management Bureau of Chengdu City, the construction of the real property with a total gross floor area of approximately 235,859.5 square metres has been approved.
- (v) According to 3 sets of Construction Work Commencement Permit, known as Nos. 510100200804250201, 510100200912310101 and 510100201004010201, issued by Construction Committee of Chengdu City, permission has been given for the commencement of construction of the real property with a total gross floor area of approximately 235,859.5 square metres.
- (vi) According to 10 sets of Commodity Pre-sale Permission Certificate, known as Cheng Fang Yu Shou Zhong Xin Cheng Qu Zi Nos. 5519, 5535, 5834, 5916, 6285, 6400, 6630, 8074, 8223 and 8590, issued by Real Estate Management Bureau of Chengdu City, permission for presale of real properties with a total gross floor area of approximately 214,038.8 square metres has been given.
- (vii) According to a Building Ownership Certificate, known as Cheng Fang Quan Zheng Jian Zheng Zi Di No.3474773, issued by Real Estate Ownership Registration Centre of Chengdu City, the building ownership of a commercial/clubhouse of the real property with a total gross floor area of approximately 2,053.35 square metres is held by CDGJ.
- (viii) As advised by CDGJ, 30 residential units with a total gross floor area of approximately 2,865.42 square metres and 12 car parking spaces with a total gross floor area of approximately 387 square metres were contracted to be sold at a total consideration of approximately RMB56,900,000. The market value of such units is stated at the consideration aforesaid and is included in our valuation.
- (ix) We have been provided with a legal opinion regarding the real property by the Company's PRC legal advisors, which contains, *inter alia*, the following:
 - (a) CDGJ is entitled to the land use rights of the real property;
 - (b) As at the Latest Practicable Date, the real property is not subject to any mortgage or judicial seizure;
 - (c) Within the land use rights term, CDGJ is legally entitled to occupy, use, gain earnings and dispose of the subject land, and has the rights to construct buildings, structures and ancillary facilities on the subject land. CDGJ also has the rights to transfer, lease or mortgage the land use rights of the subject land;
 - (d) CDGJ has obtained the construction land planning permit, construction work planning permit and construction work commencement permit of the real property and the development complies with relevant laws and regulations. After CDGJ obtained all the relevant completion document and fully settled the relevant fees, CDGJ has no legal impediment in obtaining the Real Estate Title Certificate(s) of such portion. After obtaining the Real Estate Title Certificate(s), CDGJ has the rights to occupy, use, gain earnings and dispose of the real property, and has the rights to transfer, lease or mortgage of the real property;
 - (e) CDGJ has obtained the commodity pre-sale permission certificate of portion of the real property. CDGJ has the rights to pre-sale the relevant portion of the real property;
 - (f) Regarding the contracted to be sold portion of the subject development, the content of the commodity sale and purchase contracts, entered between CDGJ and the purchasers, does not violate the laws and regulations. Such contracts are registered according to the regulations and are legal and effective. CDGJ has the rights to receive the considerations of the real property. Prior to the titleship has been transferred, CDGJ is entitled to the building ownership and the corresponding land use rights of such portion. However, since the commodity sale and purchase contracts have been signed and registered, CDGJ transfers, leases or mortgages such portions will be subject to restriction; and
 - (g) Portions of the real property are subject to various tenancy agreements. The content of the tenancy agreements does not violate the laws and regulations, and is legal and effective. In accordance with the relevant regulations, the tenancy agreements have to be registered in the real estate management department. Although CDGJ has not applied for the registration in respect of the tenancy agreements, according to the PRC Contract Law, the tenancy agreements, which are entered into legally, is effective since it has been entered into. Therefore, the tenancy agreement is till legal and effective.
- (x) In our valuation, we have assumed that the real property interest can be freely disposed of and transferred to third parties on the open market without payment of any premium or onerous monies to the relevant government authorities.

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 May 2015										
2.	Portion of a development known as "Villa Royale" (Phases I, II (portion), III, IV (portion) and VI) located at Chuan Da Road Section 2, Xi Hang Gang Jie Dao, Shuang Liu County, Chengdu City, Sichuan Province, the PRC 610211	<p>The real property comprises 206 villa units, 1 clubhouse and 294 car parking spaces in a composite (residential/commercial) development located opposite to the Jiang An campus of Sichuan University. The real property was developed in phases and completed in various stages between 2010 and 2015.</p> <p>As advised by CDGJ, the total gross floor area of the real property is approximately 70,834 square metres, details of which are as follows:</p> <table border="1"> <thead> <tr> <th>Usage</th> <th>Gross Floor Area (square metres)</th> </tr> </thead> <tbody> <tr> <td>Villa</td> <td>54,539</td> </tr> <tr> <td>Clubhouse</td> <td>6,107</td> </tr> <tr> <td>Car park</td> <td>10,188</td> </tr> <tr> <td>Total:</td> <td>70,834</td> </tr> </tbody> </table> <p>The land use rights of the real property have been granted for township mixed residential uses and township residential uses for various terms with the latest expiring on 28 March 2075. (see Notes (i) and (ii)).</p>	Usage	Gross Floor Area (square metres)	Villa	54,539	Clubhouse	6,107	Car park	10,188	Total:	70,834	<p>According to the information provided by CDGJ, portion of the clubhouse is currently used as a sales office.</p> <p>The remaining portion of the real property is currently vacant.</p>	<p>RMB944,080,000</p> <p>(Renminbi Nine Hundred Forty Four Million and Eighty Thousand)</p> <p>(see Notes (vii) and (ix))</p>
Usage	Gross Floor Area (square metres)													
Villa	54,539													
Clubhouse	6,107													
Car park	10,188													
Total:	70,834													

Notes:

- (i) According to a State-owned Land Use Rights Certificate, known as Shuang Guo Yong (2008) Di No. 1097, issued by the Land Resources Bureau of Shuang Liu County dated 3 July 2008, the land use rights of real property with a site area of approximately 136,553.33 square metres has been granted to 成都眾怡房地產開發有限公司 (translated as "Chengdu Zhongyi Real Estate Development Company Limited") ("Chengdu Zhongyi"), which is a wholly-owned subsidiary of CDGJ, for township mixed residential uses for a term expiring on 28 March 2075 (for residential uses expiring on 28 March 2075 and for commercial uses expiring on 28 March 2045).
- (ii) According to a State-owned Land Use Rights Certificate, known as Shuang Guo Yong (2013) Di No. 9838, issued by the Land Resources Bureau of Shuang Liu County on 28 May 2013, the land use rights of real property with a site area of approximately 68,700.93 square metres has been granted to Chengdu Zhongyi for township residential uses (with commercial services uses) for terms expiring on 28 March 2075 (residential uses) and 28 March 2045 (commercial services uses).
- (iii) According to 2 sets of Construction Land Use Planning Permit, known as No. (05)265 and Di Zi Di No. 510122200821066, issued by the Planning and Management Bureau of Shuang Liu County, permission has been given for the planning of construction of the real property with a total site area of approximately 407.99 Chinese Mu, of which 100.13 Chinese Mu belongs to requisition land.
- (iv) According to 5 sets of Construction Work Planning Permit, known as Jian Zi Di Nos. 510122200931083, 510122201031009, 510122201131035, 510122201131034 and 510122201331016, issued by the Planning and Management Bureau of Shuang Liu County, the construction of the real property with a total gross floor area of approximately 209,829 square metres has been approved.

- (v) According to 5 sets of Construction Work Commencement Permit, known as Shuang Shi [2009] Bian Hao No.108, Shuang Shi [2010] Bian Hao No.023, Shuang Shi [2011] Bian Hao Nos. 043 and 044, and Shuang Shi [2013] Bian Hao No.048, issued by Construction Bureau and Urban-rural Construction Bureau of Shuang Liu County, permission has been given for commencement of construction of the real property with a total gross floor area of approximately 210,121 square metres.
- (vi) According to 17 sets of Commodity Pre-sale Permission Certificate, known as Cheng Fang Yu Shou Shuang Zi Di Nos. 10057, 10058, 10062, 10063, 10073, 10078, 10093, 10153, 11051, 11130, 12048, 13097, 13108, 13248, 13249, 13250 and 13326 issued by Real Estate Management Bureau of Shuang Liu County, permission for pre-sale of the real property with a total gross floor area of approximately 191,100 square metres has been given.
- (vii) As advised by CDGJ, 15 villa units with a total gross floor area of approximately 5,219 square metres and 10 car parking spaces with a total gross floor area of approximately 336 square metres were contracted to be sold at a total consideration of approximately RMB77,100,000. The market value of such units is stated at the consideration aforesaid and is included in our valuation.
- (viii) We have been provided with a legal opinion regarding the real property by the Company's PRC legal advisors, which contains, *inter alia*, the following:
- (a) Chengdu Zhongyi is entitled to the land use rights of the real property;
 - (b) The land use rights of the real property is subject to mortgage;
 - (c) As at the Latest Practicable Date, the real property is not subject to any judicial seizure;
 - (d) Within the land use rights term, Chengdu Zhongyi is legally entitled to occupy, use, gain earnings and dispose of the subject land, and has the rights to construct buildings, structures and ancillary facilities on the subject land. Chengdu Zhongyi also has the rights to transfer, lease or mortgage the land use rights of the subject land. However, as the subject land is subject to mortgage, within the mortgage period, Chengdu Zhongyi has to obtain the consent from the mortgagee before transferring the land use rights;
 - (e) Chengdu Zhongyi has obtained the construction land planning permit, construction work planning permit and construction work commencement permit of the real property and the development complies with relevant laws and regulations. After Chengdu Zhongyi obtained all the relevant completion document and fully settled the relevant fees, Chengdu Zhongyi has no legal impediment in obtaining the Real Estate Title Certificate(s) of such portion. After obtaining the Real Estate Title Certificate(s), Chengdu Zhongyi has the rights to occupy, use, gain earnings and dispose of the real property, and has the rights to transfer, lease or mortgage of the real property;
 - (f) Chengdu Zhongyi has obtained the commodity pre-sale permission certificate of portion of the real property. Chengdu Zhongyi has the rights to pre-sale the relevant portion of the real property; and
 - (g) Regarding the contracted to be sold portion of the subject development, the content of the commodity sale and purchase contracts, entered between Chengdu Zhongyi and the purchasers, does not violate the laws and regulations. Such contracts are registered according to the regulations and are legal and effective. Chengdu Zhongyi has the rights to receive the considerations of the real property. Prior to the titleship has been transferred, Chengdu Zhongyi is entitled to the building ownership and the corresponding land use rights of such portion. However, since the commodity sale and purchase contracts have been signed and registered, Chengdu Zhongyi transfers, leases or mortgages such portions will be subject to restriction.
- (ix) In our valuation, we have assumed that the real property interest can be freely disposed of and transferred to third parties on the open market without payment of any premium or onerous monies to the relevant government authorities.

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 May 2015												
3.	Portion of a development Phases I – IV known as “Brighton Place for the Residential” and Phase V known as “Guang Hua Centre” located at Guang Hua Dong Road, Qing Yang District, Chengdu City, Sichuan Province the PRC 610074	<p>The real property comprises 19 residential units, 101 retail units, 326 office units and 1,813 car parking spaces in a composite (residential/commercial) development, which was completed in between 2014 and 2015.</p> <p>As advised by CDGJ, the total gross floor area of the real property is approximately 122,089 square metres, details of which are as follow:</p> <table border="1"> <thead> <tr> <th>Usage</th> <th>Gross Floor Area (square metres)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>1,229</td> </tr> <tr> <td>Retail</td> <td>15,561</td> </tr> <tr> <td>Office</td> <td>49,279</td> </tr> <tr> <td>Car park</td> <td><u>56,020</u></td> </tr> <tr> <td>Total:</td> <td><u>122,089</u></td> </tr> </tbody> </table> <p>The land use rights of the real property have been granted for township mixed residential and commercial uses for a term expiring on 23 June 2081 for residential uses and for a term expiring on 23 June 2051 for commercial uses.</p>	Usage	Gross Floor Area (square metres)	Residential	1,229	Retail	15,561	Office	49,279	Car park	<u>56,020</u>	Total:	<u>122,089</u>	<p>According to the information provided by CDGJ, portion of the retail units and office units of the real property is currently subject to various tenancies for various terms with the latest term expiring on 3 June 2023 at a total monthly rental of approximately RMB553,527.</p> <p>The remaining portion of the real property is currently vacant.</p>	<p>RMB1,208,510,000</p> <p>(Renminbi One Thousand Two Hundred Eight Million Five Hundred and Ten Thousand)</p> <p>(see Notes (vii) and (ix))</p>
Usage	Gross Floor Area (square metres)															
Residential	1,229															
Retail	15,561															
Office	49,279															
Car park	<u>56,020</u>															
Total:	<u>122,089</u>															

Notes:

- (i) According to a Contract of The Grant of The State-owned Construction Land Use Rights together with a supplementary agreement, known as 510100-2011-B009 (Qing) (“Contracts”), entered into between Land Resources Bureau of Chengdu City and Chengdu Guojia Cheer Gain Property Company Limited”) (“CDGJ”) on 24 June 2011, the land use rights of a parcel of land with a site area of approximately 103,652.28 square metres have been contracted to be granted to CDGJ for township mixed residential and commercial uses at a consideration of RMB766,978,800. The Contracts contain, *inter alia*, the following covenants:
- (a) Total maximum gross floor area : Not more than 273,921 square metres
- (b) Land Use Rights term : Residential uses for 70 years and commercial uses for 40 years
- (ii) According to a State-owned Land Use Rights Certificate, known as Cheng Guo Yong (2012) Di No. 108, issued by the Land Resources Bureau of Chengdu City, the land use rights of land parcel with a site area of approximately 76,089.28 square metres has been granted to CDGJ for township mixed residential and commercial uses for a term expiring on 23 June 2081 for residential uses, and for a term expiring on 23 June 2051 for commercial uses.
- (iii) According to a Construction Land Use Planning Permit, known as Di Zi Di No. 510105201120188, issued by the Planning and Management Bureau of Chengdu City, permission has been given for the planning of construction of the real property with a total site area of approximately 103,652.28 square metres, of which 27,563 square metres is designated for road, greenery and other uses.
- (iv) According to a Construction Work Planning Permit, known as Jian Zi Di No. 510105201230005, issued by the Planning and Management Bureau of Chengdu City, the construction of the real property, with a gross floor area of approximately 364,888.94 square metres has been approved.

- (v) According to 6 sets of Construction Work Commencement Permit, known as Nos. 51010201202200101, 51010201203280101, 51010201207240101, 51010201205150301, 51010201304030201 and 51010201201190701, issued by Urban-rural Construction Committee of Chengdu City, permission has been given for commencement of construction of the real property with a total gross floor area of 366,535 square metres.
- (vi) According to 12 sets of Commodity Pre-sale Permission Certificate, known as Cheng Fang Yu Shou Zhong Xin Cheng Qu Zi Di Nos. 8733, 8734, 8735, 8797, 8865, 8912, 9296, 9331, 9439, 9623, 9763 and 9939 issued by Urban-rural Real Estate Management Bureau of Chengdu City, permission for pre-sale of the real property with a total gross floor area of approximately 297,208 square metres has been given.
- (vii) As advised by CDGJ, 4 residential units, 9 retail units and 40 office units villa units with a total gross floor area of approximately 8,130 square metres, and 80 car parking spaces with a total gross floor area of approximately 2,618 were contracted to be sold at a total consideration of approximately RMB124,000,000. The market value of such residential units is stated at the consideration aforesaid and is included in our valuation.
- (viii) We have been provided with a legal opinion regarding the real property by the Company's PRC legal advisors, which contains, *inter alia*, the following:
- (a) CDGJ is entitled to the land use rights of the real property;
 - (b) As at the Latest Practicable Date, the real property is not subject to any mortgage or judicial seizure;
 - (c) Within the land use rights term, CDGJ is legally entitled to occupy, use, gain earnings and dispose of the subject land, and has the rights to construct buildings, structures and ancillary facilities on the subject land. CDGJ also has the rights to transfer, lease or mortgage the land use rights of the subject land;
 - (d) CDGJ has obtained the construction land planning permit, construction work planning permit and construction work commencement permit of the real property and the development complies with relevant laws and regulations. After CDGJ obtained all the relevant completion document and fully settled the relevant fees, CDGJ has no legal impediment in obtaining the Real Estate Title Certificate(s) of such portion. After obtaining the Real Estate Title Certificate(s), CDGJ has the rights to occupy, use, gain earnings and dispose of the real property, and has the rights to transfer, lease or mortgage of the real property;
 - (e) CDGJ has obtained the commodity pre-sale permission certificate of portion of the real property. CDGJ has the rights to pre-sale the relevant portion of the real property;
 - (f) Regarding the contracted to be sold portion of the subject development, the content of the commodity sale and purchase contracts, entered between CDGJ and the purchasers, does not violate the laws and regulations. Such contracts are registered according to the regulations and are legal and effective. CDGJ has the rights to receive the considerations of the real property. Prior to the title has been transferred, CDGJ is entitled to the building ownership and the corresponding land use rights of such portion. However, since the commodity sale and purchase contracts have been signed and registered, CDGJ transfers, leases or mortgages such portions will be subject to restriction; and
 - (g) Portions of the real property are subject to various tenancy agreements. The content of the tenancy agreements does not violate the laws and regulations, and is legal and effective. In accordance with the relevant regulations, the tenancy agreements have to be registered in the real estate management department. Although CDGJ has not applied for the registration in respect of the tenancy agreements, according to the PRC Contract Law, the tenancy agreements, which are entered into legally, are effective since it has been entered into. Therefore, the tenancy agreements are still legal and effective.
- (ix) In our valuation, we have assumed that the real property interest can be freely disposed of and transferred to third parties on the open market without payment of any premium or onerous monies to the relevant government authorities.

GROUP II – REAL PROPERTIES HELD UNDER DEVELOPMENT BY CDGJ GROUP IN THE PRC

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 May 2015												
4.	Phase III of Sky Villa, No. 879 Mu Dan Street, Jinjiang District, Chengdu City, Sichuan Province, The PRC 610011	<p>The real property comprises Phase III of Sky Villa, which is a residential/commercial development under construction of 6 blocks of residential and commercial building and ancillary facilities and car parks. The real property is scheduled to be completed in about October 2015.</p> <p>According to the information provided, the total planned gross floor area of the real property will be approximately 219,007 square metres upon completion. Detailed breakdown as follows:</p> <table border="1"> <thead> <tr> <th>Usage</th> <th>Gross Floor Area (square metres)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>157,916.02</td> </tr> <tr> <td>Retail</td> <td>377.23</td> </tr> <tr> <td>Car park</td> <td>25,597.37</td> </tr> <tr> <td>Other ancillary</td> <td><u>35,116.17</u></td> </tr> <tr> <td>Total:</td> <td><u>219,006.79</u></td> </tr> </tbody> </table> <p>As advised by CDGJ, the total construction cost incurred up to the valuation date is about RMB619,000,000 and the estimated cost to completion of the real property is about RMB288,000,000.</p> <p>The land use rights of the real property have been granted for township mixed residential uses for a term expiring on 4 March 2080 for residential use and for a term expiring on 4 March 2050 for commercial uses.</p>	Usage	Gross Floor Area (square metres)	Residential	157,916.02	Retail	377.23	Car park	25,597.37	Other ancillary	<u>35,116.17</u>	Total:	<u>219,006.79</u>	As per our on-site inspection, the real property is under construction.	RMB2,115,000,000 (Renminbi Two Thousand One Hundred and Fifteen Million) (see Notes (vi) and (ix))
Usage	Gross Floor Area (square metres)															
Residential	157,916.02															
Retail	377.23															
Car park	25,597.37															
Other ancillary	<u>35,116.17</u>															
Total:	<u>219,006.79</u>															

Notes:

- (i) According to a State-owned Land Use Rights Certificate, known as Cheng Guo Yong (2010) No. 563, issued by the Land Resources Bureau of Chengdu City on 1 July 2010, the land use rights of Phase III of Sky Villa with site area of approximately 52,482.54 square metres have been granted to CDGJ for township mixed residential uses for a term expiring on 4 March 2080 for residential use and for a term expiring on 4 March 2050 for commercial uses.
- (ii) According to 2 sets of Construction Land Use Planning Permit, known as Cheng Gui Yong Di [2007] Nos. 498 and 513, issued by Planning and Management Bureau of Chengdu City, permission has been given for the planning of construction of the real property with a total site area of approximately 192,744.35 square metres, of which 54,986.14 square metres belongs to requisition land.
- (iii) According to 2 sets of Construction Work Planning Permit, known as Jian Zi Nos. 510104201030526 and 510104201030527, issued by the Planning and Management Bureau of Chengdu City, the construction of the real property with a total gross floor area of approximately 214,645.62 square metres has been approved.

- (iv) According to 2 sets of Construction Work Commencement Permit, known as Nos. 510101201011150401 and 510101201011150501, issued by Construction Committee of Chengdu City, permission has been given for the commencement of construction of the real property with a total gross floor area of approximately 214,645.62 square metres.
- (v) According to 4 sets of Commodity Pre-sale Permission Certificate, known as Cheng Fang Yu Shou Zhong Xin Cheng Qu Zi Nos. 9688, 9466, 9515 and 8913, issued by Urban-rural Real Estate Management Bureau of Chengdu City, permission for pre-sale of the real property with a total gross floor area of approximately 105,063.12 square metres has been given.
- (vi) As advised by CDGJ, 774 residential units with a total gross floor area of 72,858 square metres were contracted to be sold at a total consideration of approximately RMB1,192,000,000. The market value of such units is stated at the consideration aforesaid and is included in our valuation.
- (vii) The capital value of the real property, as if completed according to the development proposals as described above as at the valuation date, would be RMB2,826,000,000.
- (viii) We have been provided with a legal opinion regarding the real property by the Company's PRC legal advisors, which contains, *inter alia*, the following:
 - (a) CDGJ is entitled to the land use rights of the real property;
 - (b) The land use rights of the real property is subject to mortgage;
 - (c) As at the Latest Practicable Date, the real property is not subject to any judicial seizure;
 - (d) Within the land use rights term, CDGJ is legally entitled to occupy, use, gain earnings and dispose of the subject land, and has the rights to construct buildings, structures and ancillary facilities on the subject land. CDGJ also has the rights to transfer, lease or mortgage the land use rights of the subject land. However, as the subject land is subject to mortgage, within the mortgage period, CDGJ has to obtain the consent from the mortgagee before transferring that portion of land;
 - (e) CDGJ has obtained the construction land planning permit, construction work planning permit and construction work commencement permit of the real property and the development complies with relevant laws and regulations. After CDGJ obtained all the relevant completion document and fully settled the relevant fees, CDGJ has no legal impediment in obtaining the Real Estate Title Certificate(s) of such portion. After obtaining the Real Estate Title Certificate(s), CDGJ has the rights to occupy, use, gain earnings and dispose of the real property, and has the rights to transfer, lease or mortgage of the real property;
 - (f) CDGJ has obtained the commodity pre-sale permission certificate of portion of the real property. CDGJ has the rights to pre-sale the relevant portion of the real property;
 - (g) Regarding the contracted to be sold portion of the subject development, the content of the commodity sale and purchase contracts, entered between CDGJ and the purchasers, does not violate the laws and regulations. Such contracts are registered according to the regulations and are legal and effective. CDGJ has the rights to receive the considerations of the real property. Prior to the titleship has been transferred, CDGJ is entitled to the building ownership and the corresponding land use rights of such portion. However, since the commodity sale and purchase contracts have been signed and registered, CDGJ transfers, leases or mortgages such portions will be subject to restriction;
 - (h) In transferring the development, the following requirements should be complied with: (1) all the land grant fee has been settled and obtained the land use rights certificate(s); (2) invest and develop according to the terms stated in the land grant contract: – for building development, has developed and invested over 25% of the total investment amount; for development of land, has formed the sites to industrial land or other construction land conditions; and
 - (i) As the development has not been completed, before the titleship has been transferred, CDGJ is entitled to construction of the development. However, for those pre-sold portion, as the commodity sales and purchase contracts have been signed and registered, CDGJ transfers, leases or mortgages those portions will be subject to restriction.
- (ix) In our valuation, we have assumed that the real property interest can be freely disposed of and transferred to third parties on the open market without payment of any premium or onerous monies to the relevant government authorities.

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 May 2015												
5.	Sky Villa Condominiums, No. 168 Cha Hua Street, Jinjiang District, Chengdu City, Sichuan Province, the PRC 610011	<p>The real property comprises a residential/commercial development under construction of 8 blocks of residential/apartment and commercial buildings plus basement commercial and car park. The real property is scheduled to be completed in about December 2015.</p> <p>According to the information provided, the total planned gross floor areas of the real property will be approximately 123,210 square metres upon completion. Detailed breakdown as follows:</p> <table border="1"> <thead> <tr> <th>Usage</th> <th>Gross Floor Area (square metres)</th> </tr> </thead> <tbody> <tr> <td>Residential/ Apartment</td> <td>78,303.06</td> </tr> <tr> <td>Retail</td> <td>8,896.84</td> </tr> <tr> <td>Car park</td> <td>29,679.28</td> </tr> <tr> <td>Other ancillary</td> <td><u>6,330.75</u></td> </tr> <tr> <td>Total:</td> <td><u><u>123,209.93</u></u></td> </tr> </tbody> </table> <p>As advised by CDGJ, the total construction cost incurred up to the valuation date is about RMB260,000,000 and the estimated cost to completion of the real property is about RMB169,000,000.</p> <p>The land use rights of the real property have been granted for residential/commercial uses for a term expiring on 4 March 2080 for residential uses and for a term expiring on 4 March 2050 for commercial uses.</p>	Usage	Gross Floor Area (square metres)	Residential/ Apartment	78,303.06	Retail	8,896.84	Car park	29,679.28	Other ancillary	<u>6,330.75</u>	Total:	<u><u>123,209.93</u></u>	As per our on-site inspection, the real property is under construction.	<p>RMB863,000,000</p> <p>(Renminbi Eight Hundred and Sixty Three Million)</p> <p>(see Notes (vi) and (ix))</p>
Usage	Gross Floor Area (square metres)															
Residential/ Apartment	78,303.06															
Retail	8,896.84															
Car park	29,679.28															
Other ancillary	<u>6,330.75</u>															
Total:	<u><u>123,209.93</u></u>															

Notes:

- (i) According to a State-owned Land Use Rights Certificate, known as Cheng Guo Yong (2010) No. 907, issued by the Land Resources Bureau of Chengdu City on 3 November 2010, the land use rights of the real property with site area of approximately 29,591.73 square metres have been granted to CDGJ for residential/commercial uses for a term expiring on 4 March 2080 for residential uses and for a term expiring on 4 March 2050 for commercial uses.
- (ii) According to a Construction Land Use Planning Permit, known as Cheng Gui Yong Di [2007] Nos. 498, issued by Planning and Management Bureau of Chengdu City, permission has been given for the planning of construction of the real property with a total site area of approximately 83,378.65 square metres, of which 27,694.71 square metres belongs to requisition land.
- (iii) According to a Construction Work Planning Permit, known as Jian Zi No. 510104201330062, issued by the Planning and Management Bureau of Chengdu City, the construction of the real property with a total gross floor area of approximately 125,000.25 square metres has been approved.

- (iv) According to a Construction Work Commencement Permit, known as Nos. 510101201303200201, issued by Urban-rural Construction Committee of Chengdu City, permission has been given for the commencement of construction of the real property with a total gross floor area of approximately 124,970.25 square metres.
- (v) According to 5 sets of Commodity Pre-sale Permission Certificates, known as Cheng Fang Yu Shou Zhong Xin Cheng Qu Zi Nos. 9753, 9648, 9873, 10047 and 10238, issued by Urban-rural Real Estate Management Bureau of Chengdu City, permission for pre-sale of the real property with a total gross floor area of approximately 116,852.7 square metres has been given.
- (vi) As advised by CDGJ, 1,052 residential/apartment units and 100 retail units with a total gross floor area of 82,201 square metres were contracted to be sold at a total consideration of approximately RMB993,000,000. The market value of such units is stated at the consideration aforesaid and is included in our valuation.
- (vii) The capital value of the real property, as if completed according to the development proposals as described above as at the valuation date, would be RMB1,252,000,000.
- (viii) We have been provided with a legal opinion regarding the real property by the Company's PRC legal advisors, which contains, *inter alia*, the following:
- (a) CDGJ is entitled to the land use rights of the real property;
 - (b) As at the Latest Practicable Date, the real property is not subject to any mortgage or judicial seizure;
 - (c) Within the land use rights term, CDGJ is legally entitled to occupy, use, gain earnings and dispose of the subject land, and has the rights to construct buildings, structures and ancillary facilities on the subject land. CDGJ also has the rights to transfer, lease or mortgage the land use rights of the subject land;
 - (d) CDGJ has obtained the construction land planning permit, construction work planning permit and construction work commencement permit of the real property and the development complies with relevant laws and regulations. After CDGJ obtained all the relevant completion document and fully settled the relevant fees, CDGJ has no legal impediment in obtaining the Real Estate Title Certificate(s) of such portion. After obtaining the Real Estate Title Certificate(s), CDGJ has the rights to occupy, use, gain earnings and dispose of the real property, and has the rights to transfer, lease or mortgage of the real property;
 - (e) CDGJ has obtained the commodity pre-sale permission certificate of portion of the real property. CDGJ has the rights to pre-sale the relevant portion of the real property;
 - (f) Regarding the contracted to be sold portion of the subject development, the content of the commodity sale and purchase contracts, entered between CDGJ and the purchasers, does not violate the laws and regulations. Such contracts are registered according to the regulations and are legal and effective. CDGJ has the rights to receive the considerations of the real property. Prior to the titleship has been transferred, CDGJ is entitled to the building ownership and the corresponding land use rights of such portion. However, since the commodity sale and purchase contracts have been signed and registered, CDGJ transfers, leases or mortgages such portions will be subject to restriction;
 - (g) In transferring the development, the following requirements should be complied with: (1) all the land grant fee has been settled and obtained the land use rights certificate(s); (2) invest and develop according to the terms stated in the land grant contract: – for building development, has developed and invested over 25% of the total investment amount; for development of land, has formed the sites to industrial land or other construction land conditions; and
 - (h) As the development has not been completed, before the titleship has been transferred, CDGJ is entitled to construction of the development. However, for those pre-sold portion, as the commodity sales and purchase contracts have been signed and registered, CDGJ transfers, leases or mortgages those portions will be subject to restriction.
- (ix) In our valuation, we have assumed that the real property interest can be freely disposed of and transferred to third parties on the open market without payment of any premium or onerous monies to the relevant government authorities.

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 May 2015										
6.	Portion of a development known as "Villa Royale" (Phases II (portion), IV (portion), V, VII and VIII) located at Chuan Da Road Section 2, Xi Hang Gang Jie Dao, Shuang Liu County, Chengdu City, Sichuan Province, the PRC 610211	<p>The real property comprises Phases II (portion), IV (portion), V, VII and VIII of Villa Royale, which is a composite (residential/commercial) development under construction of providing 314 villa units, 368 car parking spaces and ancillary facilities. The subject development is located opposite to the Jiang An campus of Sichuan University. The real property is scheduled to be completed in various phases with the latest phase in June 2018.</p> <p>According to the information provided, the total planned gross floor area of the real property will be approximately 82,945 square metres upon completion. Details breakdown as follows:</p> <table border="1"> <thead> <tr> <th>Usage</th> <th>Gross Floor Area (square metres)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>69,584</td> </tr> <tr> <td>Car park</td> <td>12,761</td> </tr> <tr> <td>Other facilities</td> <td><u>600</u></td> </tr> <tr> <td>Total:</td> <td><u>82,945</u></td> </tr> </tbody> </table> <p>As advised by the CDGJ, the total construction cost incurred up to the valuation date is about RMB204,000,000 and the estimated cost to completion of the real property is about RMB265,000,000.</p> <p>The land use rights of the real property have been granted for township mixed residential uses and township residential uses for various terms with the latest expiring on 28 March 2075. (see Notes (i) and (ii)).</p>	Usage	Gross Floor Area (square metres)	Residential	69,584	Car park	12,761	Other facilities	<u>600</u>	Total:	<u>82,945</u>	As per our on-site inspection, the real property is under construction. Portion of Phase II is currently occupied as access road for other phases and portion of Phase VIII is currently a greenery area.	RMB652,700,000 (Renminbi Six Hundred Fifty Two Million and Seven Hundred Thousand) (see Note (ix))
Usage	Gross Floor Area (square metres)													
Residential	69,584													
Car park	12,761													
Other facilities	<u>600</u>													
Total:	<u>82,945</u>													

Notes:

- (i) According to a State-owned Land Use Rights Certificate, known as Shuang Guo Yong (2008) Di No. 1097, issued by the Land Resources Bureau of Shuang Liu County dated 3 July 2008, the land use rights of real property with a site area of approximately 136,553.33 square metres has been granted to 成都眾怡房地產開發有限公司 (translated as "Chengdu Zhongyi Real Estate Development Company Limited") ("Chengdu Zhongyi"), which is a wholly-owned subsidiary of CDGJ, for township mixed residential uses for a term expiring on 28 March 2075 (for residential uses expiring on 28 March 2075 and for commercial uses expiring on 28 March 2045).
- (ii) According to a State-owned Land Use Rights Certificate, known as Shuang Guo Yong (2013) Di No. 9838, issued by the Land Resources Bureau of Shuang Liu County on 28 May 2013, the land use rights of real property with a site area of approximately 68,700.93 square metres has been granted to Chengdu Zhongyi for township residential uses (with commercial services uses) for terms expiring on 28 March 2075 (residential uses) and 28 March 2045 (commercial services uses).

- (iii) According to 2 sets of Construction Land Use Planning Permit, known as No. (05)265 and Di Zi Di No. 510122200821066, issued by the Planning and Management Bureau of Shuang Liu County, permission has been given for the planning of construction of the real property with a total site area of approximately 407.99 Chinese Mu, of which 100.13 Chinese Mu belongs to requisition land.
- (iv) According to 5 sets of Construction Work Planning Permit, known as Jian Zi Di Nos. 510122201031009, 510122201131034, 510122201231052, 510122201331017 and 510122201331018 issued by the Planning and Management Bureau of Shuang Liu County, the construction of the real property with a total gross floor area of approximately 160,867 square metres has been approved.
- (v) According to 5 sets of Construction Work Commencement Permits, known as Shuang Shi [2010] Bian Hao No. 023, Shuang Shi [2011] Bian Hao No. 044, Shuang Shi [2012] Bian Hao No.136, Shuang Shi [2014] Bian Hao Nos. 017 and 018 issued by Construction Bureau and Urban-rural Development Bureau of Shuang Liu County, permission has been given for commencement of construction of the real property, with a total gross floor area of approximately 160,867 square metres.
- (vi) According to 3 sets of Commodity Pre-sale Permission Certificate, known as Cheng Fang Yu Shou Shuang Zi Di Nos. 13098, 13248 and 13326, permission for pre-sale of the real property with a total gross floor area of approximately 43,085 square metres has been given.
- (vii) The capital value of the real property, as if completed according to the development proposals as described above as at the valuation date, would be RMB1,187,000,000.
- (viii) We have been provided with a legal opinion regarding the real property by the Company's PRC legal advisors, which contains, *inter alia*, the following:
 - (a) Chengdu Zhongyi is entitled to the land use rights of the real property;
 - (b) The land use rights of the real property is subject to mortgage;
 - (c) As at the Latest Practicable Date, the real property is not subject to any judicial seizure;
 - (d) Within the land use rights term, Chengdu Zhongyi is legally entitled to occupy, use, gain earnings and dispose of the subject land, and has the rights to construct buildings, structures and ancillary facilities on the subject land. Chengdu Zhongyi also has the rights to transfer, lease or mortgage the land use rights of the subject land. However, as the subject land is subject to mortgage, within the mortgage period, Chengdu Zhongyi has to obtain the consent from the mortgagee before transferring such land use rights;
 - (e) Chengdu Zhongyi has obtained the construction land planning permit, construction work planning permit and construction work commencement permit of the real property and the development complies with relevant laws and regulations. After Chengdu Zhongyi obtained all the relevant completion document and fully settled the relevant fees, Chengdu Zhongyi has no legal impediment in obtaining the Real Estate Title Certificate(s) of such portion. After obtaining the Real Estate Title Certificate(s), Chengdu Zhongyi has the rights to occupy, use, gain earnings and dispose of the real property, and has the rights to transfer, lease or mortgage of the real property;
 - (f) Chengdu Zhongyi has obtained the commodity pre-sale permission certificate of portion of the real property. Chengdu Zhongyi has the rights to pre-sale the relevant portion of the real property;
 - (g) In transferring the development, the following requirements should be complied with: (1) all the land grant fee has been settled and obtained the land use rights certificate(s); (2) invest and develop according to the terms stated in the land grant contract: – for building development, has developed and invested over 25% of the total investment amount; for development of land, has formed the sites to industrial land or other construction land conditions; and
 - (h) As the development has not completed, before the titleship has been transferred, Chengdu Zhongyi is entitled to construction of the development.
- (ix) In our valuation, we have assumed that the real property interest can be freely disposed of and transferred to third parties on the open market without payment of any premium or onerous monies to the relevant government authorities.

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 May 2015																										
7.	Phases I, II and III of Residence du Paradis, Tian E Hu Village, Jin Feng Road, Da Mian Street Office, Long Quan Yi District, Chengdu City, Sichuan Province, the PRC 610100	<p>The real property is a residential/commercial development, namely Residence du Paradis. Residence du Paradis is developed by three phases. Phases I and II are under construction, while Phase III is vacant.</p> <p>Phase I is scheduled to be completed in about December 2015 and the total planned gross floor area will be approximately 232,432 square metres upon completion. Detailed breakdown as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Usage</th> <th style="text-align: right;">Gross Floor Area (square metres)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">161,347.21</td> </tr> <tr> <td>Retail</td> <td style="text-align: right;">18,364.21</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">46,428.00</td> </tr> <tr> <td>Kindergarten</td> <td style="text-align: right;">4,431.16</td> </tr> <tr> <td>Other ancillary</td> <td style="text-align: right;"><u>1,861.08</u></td> </tr> <tr> <td>Total:</td> <td style="text-align: right;"><u>232,431.66</u></td> </tr> </tbody> </table> <p>As advised by CDGJ, the total construction cost of Phase I incurred up to the valuation date is about RMB372,000,000 and the estimated cost to completion of the real property is about RMB272,000,000.</p> <p>Phase II is scheduled to be completed in about December 2016 and the total planned gross floor area will be approximately 307,626 square metres upon completion. Detailed breakdown as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Usage</th> <th style="text-align: right;">Gross Floor Area (square metres)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">185,434.82</td> </tr> <tr> <td>Retail</td> <td style="text-align: right;">21,158.32</td> </tr> <tr> <td>Car park</td> <td style="text-align: right;">93,855.00</td> </tr> <tr> <td>Other ancillary</td> <td style="text-align: right;"><u>7,178.19</u></td> </tr> <tr> <td>Total:</td> <td style="text-align: right;"><u>307,626.33</u></td> </tr> </tbody> </table> <p>As advised by CDGJ, the total construction cost of Phase II incurred up to the valuation date is about RMB234,000,000 and the estimated cost to completion of the real property is about RMB633,000,000.</p> <p>The land use rights of the real property have been granted for terms expiring on 14 January 2083 for residential uses, 14 January 2053 for commercial uses and 14 January 2063 for education uses.</p>	Usage	Gross Floor Area (square metres)	Residential	161,347.21	Retail	18,364.21	Car park	46,428.00	Kindergarten	4,431.16	Other ancillary	<u>1,861.08</u>	Total:	<u>232,431.66</u>	Usage	Gross Floor Area (square metres)	Residential	185,434.82	Retail	21,158.32	Car park	93,855.00	Other ancillary	<u>7,178.19</u>	Total:	<u>307,626.33</u>	As per our on-site inspection, Phases I and II are under construction and Phase III is vacant land.	<p>RMB1,822,000,000</p> <p>(Renminbi One Thousand Eight Hundred and Twenty Two Million)</p> <p>(see Notes (vii) and (x))</p>
Usage	Gross Floor Area (square metres)																													
Residential	161,347.21																													
Retail	18,364.21																													
Car park	46,428.00																													
Kindergarten	4,431.16																													
Other ancillary	<u>1,861.08</u>																													
Total:	<u>232,431.66</u>																													
Usage	Gross Floor Area (square metres)																													
Residential	185,434.82																													
Retail	21,158.32																													
Car park	93,855.00																													
Other ancillary	<u>7,178.19</u>																													
Total:	<u>307,626.33</u>																													

Notes:

- (i) According to a State-owned Land Use Rights Grant Contract, known as No. 510101-2012-241 (“Contract”), dated 7 January 2013 and entered into between Land Resources Bureau of Long Quan Yi District, Chengdu City, Sichuan Province and 成都市永平置業有限公司 (translated as Chengdu City Yong Ping Property Company Limited) (“Yong Ping”), the land use rights of the real property with a total site area of approximately 99,609 square metres were contracted to be granted to Yong Ping for terms of 70 years for residential use, 40 years for commercial use and 50 years for education uses at a consideration of RMB959,234,670. The Contract contains, *inter alia*, the following covenants:
- (a) Total maximum gross floor area : Not more than 573,654 square metres for residential land portion; not more than 4,800 square metres for education land portion
 - (b) Construction density : Not more than 35%
 - (c) Commencement date of the construction : Before 14 July 2013
 - (d) Completion date of the construction : Before 14 July 2016
- (ii) According to a State-owned Land Use Rights Certificate, known as Long Guo Yong (2013) No. 6495, issued by the Land Resources Bureau of Long Quan Yi District, Chengdu City on 13 April 2013, the land use rights of the real property with site area of approximately 99,609 square metres have been granted to Yong Ping for terms expiring on 14 January 2083 for residential uses, 14 January 2053 for commercial uses and 14 January 2063 for education uses.
- (iii) According to a Construction Land Use Planning Permit, known as Di Zi Di No. 510112201320011, issued by Planning and Management Bureau of Long Quan Yi District of Chengdu City, permission has been given for the planning of construction of the real property with a total site area of approximately 149.4135 Chinese Mu.
- (iv) According to 4 sets of Construction Work Planning Permit, known as Jian Zi No. 510112201330010, 510112201330013, 510112201430004 and 510112201530009, issued by the Planning and Management Board of Long Quan Yi District, Chengdu City, the construction of the real property with a total gross floor area of approximately 814,790.21 square metres has been approved.
- (v) According to 3 sets of Construction Work Commencement Permit, known as Nos. 510112201304010101, 510112201403050101 and 510112201406240101, issued by Urban-rural Construction Bureau of Long Quan Yi District, Chengdu City, permission has been given for the commencement of construction of the real property with a total gross floor area of approximately 556,078.16 square metres.
- (vi) According to 9 sets of Commodity Pre-sale Permission Certificate, known as Cheng Fang Yu Shou Long Quan Zi Nos. 683, 664, 719, 730, 782, 791, 871, 919 and 925, issued by Urban-rural Real Estate Management Bureau of Chengdu City, permission for pre-sale of the real property with a total gross floor area of approximately 329,029.71 square metres has been given.
- (vii) As advised by CDGJ, 2,272 residential units and 40 retail units with a total gross floor area of 186,943.86 square metres were contracted to be sold at a total consideration of approximately RMB1,203,300,000. The market value of such units is stated at the consideration aforesaid and is included in our valuation.
- (viii) The capital value of the real property, as if completed according to the development proposals as described above as at the valuation date, would be RMB4,540,000,000.
- (ix) We have been provided with a legal opinion regarding the real property by the Company’s PRC legal advisors, which contains, *inter alia*, the following:
- (a) Yong Ping is entitled to the land use rights of the real property;
 - (b) The land use rights of the real property is subject to mortgage;
 - (c) As at the Latest Practicable Date, the real property is not subject to any judicial seizure;
 - (d) Within the land use rights term, Yong Ping is legally entitled to occupy, use, gain earnings and dispose of the subject land, and has the rights to construct buildings, structures and ancillary facilities on the subject land. Yong Ping also has the rights to transfer, lease or mortgage the land use rights of the subject land. However, as the subject land is subject to mortgage, within the mortgage period, Yong Ping has to obtain the consent from the mortgagee before transferring such land use rights;

- (e) Yong Ping has obtained the construction land planning permit, construction work planning permit and construction work commencement permit of the real property and the development complies with relevant laws and regulations. After Yong Ping obtained all the relevant completion document and fully settled the relevant fees, Yong Ping has no legal impediment in obtaining the Real Estate Title Certificate(s) of such portion. After obtaining the Real Estate Title Certificate(s), Yong Ping has the rights to occupy, use, gain earnings and dispose of the real property, and has the rights to transfer, lease or mortgage of the real property;
 - (f) Yong Ping has obtained the commodity pre-sale permission certificate of portion of the real property. Yong Ping has the rights to pre-sale the relevant portion of the real property;
 - (g) Regarding the contracted to be sold portion of the subject development, the content of the commodity sale and purchase contracts, entered between Yong Ping and the purchasers, does not violate the laws and regulations. Such contracts are registered according to the regulations and are legal and effective. Yong Ping has the rights to receive the considerations of the real property. Prior to the title has been transferred, Yong Ping is entitled to the building ownership and the corresponding land use rights of such portion. However, since the commodity sale and purchase contracts have been signed and registered, Yong Ping transfers, leases or mortgages such portions will be subject to restriction;
 - (h) In transferring the development, the following requirements should be complied with: (1) all the land grant fee has been settled and obtained the land use rights certificate(s); (2) invest and develop according to the terms stated in the land grant contract: – for building development, has developed and invested over 25% of the total investment amount; for development of land, has formed the sites to industrial land or other construction land conditions; and
 - (i) As the development has not been completed, before the title has been transferred, Yong Ping is entitled to construction of the development. However, for those pre-sold portion, as the commodity sales and purchase contracts have been signed and registered, Yong Ping transfers, leases or mortgages those portions will be subject to restriction.
- (x) In our valuation, we have assumed that the real property interest can be freely disposed of and transferred to third parties on the open market without payment of any premium or onerous monies to the relevant government authorities.

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 May 2015												
8.	A development known as "Residence du Lac" (Phases I and II) located at Jian Nan Da Dao extension, Shuang Liu County, Chengdu City, Sichuan Province, the PRC 610200	<p>The real property comprises a composite development (residential/commercial) under construction of various blocks of residential and commercial buildings and ancillary facilities and car parks. The real property is scheduled to be completed in about December 2016.</p> <p>According to the information provided, the total gross floor area of the real property will be approximately 392,337 square metres upon completion. Detailed breakdown as follows:</p> <table border="1"> <thead> <tr> <th>Usage</th> <th>Gross Floor Area (square metres)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>268,557</td> </tr> <tr> <td>Commercial</td> <td>30,137</td> </tr> <tr> <td>Other ancillary</td> <td>9,407</td> </tr> <tr> <td>Car park</td> <td><u>84,236</u></td> </tr> <tr> <td>Total:</td> <td><u>392,337</u></td> </tr> </tbody> </table> <p>As advised by the CDGJ, the total construction cost incurred up to the valuation date is about RMB516,000,000 and the estimated cost to completion of the real property is about RMB578,000,000.</p> <p>The land use rights of the real property have been granted for township residential uses (with commercial services uses) for a term expiring on 25 November 2082 for residential uses, and for a term expiring on 25 November 2052 for commercial services uses.</p>	Usage	Gross Floor Area (square metres)	Residential	268,557	Commercial	30,137	Other ancillary	9,407	Car park	<u>84,236</u>	Total:	<u>392,337</u>	As per our on-site inspection, the real property is under construction.	RMB1,298,000,000 (Renminbi One Thousand Two Hundred and Ninety Eight Million) (see Notes (vii) and (x))
Usage	Gross Floor Area (square metres)															
Residential	268,557															
Commercial	30,137															
Other ancillary	9,407															
Car park	<u>84,236</u>															
Total:	<u>392,337</u>															

Notes:

- (i) According to a Contract of The Grant of The State-owned Construction Land Use Rights, known as 510106-2012-B005 (Shuang) ("Contract"), entered into between Land Resources Bureau of Shuang Liu County and 成都國嘉中渝置業有限公司 (translated as "Chengdu Guojia Zhongyu Development Company Limited") ("Chengdu Guojia"), which is a wholly-owned subsidiary of CDGJ, on 21 November 2012, the land use rights of a parcel of land with a site area of approximately 99,893.44 square metres have been contracted to be granted to Chengdu Guojia for township residential uses (with commercial services uses) at a consideration of RMB560,402,348. The Contract contains, *inter alia*, the following covenants:
- (a) Plot Ratio : Not less than 1.8 and not more than or equal to 3.0
 - (b) Land Use Rights term : Residential uses for 70 years and commercial uses for 40 years
 - (c) Commencement date of the construction : Before 21 May 2013
 - (d) Completion date of the construction : Before 21 May 2015

- (ii) According to a State-owned Land Use Rights Certificate, known as Shuang Guo Yong (2013) Di No. 2584, issued by the People's Government of Shuang Liu County, the land use rights of a land parcel with a site area of approximately 99,893.44 square metres has been granted to Chengdu Guojia for township residential uses (with commercial services uses) for a term expiring on 25 November 2082 for residential uses and for a term expiring on 25 November 2052 for commercial service uses.
- (iii) Pursuant to a Construction Land Use Planning Permit, known as Di Zi Di No.510122201321003, issued by the Planning and Management Bureau of Shuang Liu County, permission has been given for the planning of construction of a real property with a site area of approximately 149.8402 Chinese Mu, and approximately 43.7176 Chinese Mu belongs to requisition land.
- (iv) According to 2 sets of Construction Work Planning Permit, known as Jian Zi Nos. 510122201331077 and 510122201431022, issued by the Planning and Management Bureau of Shuang Liu County, the construction of the real property with a total gross floor area of approximately 398,560.97 square metres has been approved.
- (v) According to 4 sets of Construction Work Commencement Permit, known as Shuang Shi [2013] Bian Hao Nos. 142 and 158, and Shuang Shi [2014] Bian Hao Nos.140 and 141, issued by Urban-rural Construction Bureau of Shuang Liu County, permission has been given for commencement of construction of the real property, with a total gross floor area of approximately 398,560.97 square metres.
- (vi) According to 6 sets of Commodity Pre-sale Permission Certificate, known as Cheng Fang Yu Shou Shuang Zi Di Nos. 13150, 13187, 13232, 13301, 13424 and 13442, issued by the Real Estate Management Bureau of Shuang Liu County, permission for pre-sale of the real property with a total gross floor area of approximately 179,106 square metres has been given.
- (vii) As advised by CDGJ, portions of the residential and commercial portions of the real property with a total gross floor area of approximately 108,957 square metres were contracted to be sold at a total consideration of approximately RMB727,000,000. The market value of such portion is stated at the consideration aforesaid and is included in our valuation.
- (viii) The capital value of the real property, as if completed according to the development proposals as described above as at the valuation date, would be RMB2,314,000,000.
- (ix) We have been provided with a legal opinion regarding the real property by the Company's PRC legal advisor, which contains, *inter alia*, the following:
 - (a) Chengdu Guojia is entitled to the land use rights of the real property;
 - (b) The land use rights of the real property is subject to mortgage;
 - (c) As at the Latest Practicable Date, the real property is not subject to any judicial seizure;
 - (d) Within the land use rights term, Chengdu Guojia is legally entitled to occupy, use, gain earnings and dispose of the subject land, and has the rights to construct buildings, structures and ancillary facilities on the subject land. Chengdu Guojia also has the rights to transfer, lease or mortgage the land use rights of the subject land. However, as the subject land is subject to mortgage, within the mortgage period, Chengdu Guojia has to obtain the consent from the mortgagee before transferring such land use rights;
 - (e) Chengdu Guojia has obtained the construction land planning permit, construction work planning permit and construction work commencement permit of the real property and the development complies with relevant laws and regulations. After Chengdu Guojia obtained all the relevant completion document and fully settled the relevant fees, Chengdu Guojia has no legal impediment in obtaining the Real Estate Title Certificate(s) of such portion. After obtaining the Real Estate Title Certificate(s), Chengdu Guojia has the rights to occupy, use, gain earnings and dispose of the real property, and has the rights to transfer, lease or mortgage of the real property;
 - (f) Chengdu Guojia has obtained the commodity pre-sale permission certificate of portion of the real property. Chengdu Guojia has the rights to pre-sale the relevant portion of the real property;
 - (g) Regarding the contracted to be sold portion of the subject development, the content of the commodity sale and purchase contracts, entered between Chengdu Guojia and the purchasers, does not violate the laws and regulations. Such contracts are registered according to the regulations and are legal and effective. Chengdu Guojia has the rights to receive the considerations of the real property. Prior to the titleship has been transferred, Chengdu Guojia is entitled to the building ownership and the corresponding land use rights of such portion. However, since the commodity sale and purchase contracts have been signed and registered, Chengdu Guojia transfers, leases or mortgages such portions will be subject to restriction;

- (h) In transferring the development, the following requirements should be complied with: (1) all the land grant fee has been settled and obtained the land use rights certificate(s); (2) invest and develop according to the terms stated in the land grant contract: – for building development, has developed and invested over 25% of the total investment amount; for development of land, has formed the sites to industrial land or other construction land conditions; and
- (i) As the development has not completed, before the titleship has been transferred, Chengdu Guojia is entitled to construction of the development. However, for those pre-sold portion, as the commodity sales and purchase contracts have been signed and registered, Chengdu Guojia transfers, leases or mortgages those portions will be subject to restriction.
- (x) In our valuation, we have assumed that the real property interest can be freely disposed of and transferred to third parties on the open market without payment of any premium or onerous monies to the relevant government authorities.

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 May 2015														
9.	Two parcels of land, known as Nos. 02-13-097 and 02-13-098, located at Fulong Community, Huayang District, Shuang Liu County, Chengdu City, Sichuan Province, the PRC 610200	<p>The real property comprises two parcels of land with site areas of approximately 8,585.18 square metres for Land Parcel 1 and 8,248.05 square metres for Land Parcel 2 respectively.</p> <p>According to the information provided, the total gross floor area of the real property will be approximately 112,590 square metres upon completion. Detailed breakdown as follows:</p> <table border="1"> <thead> <tr> <th>Usage</th> <th>Gross Floor Area (square metres)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>24,275</td> </tr> <tr> <td>Retail</td> <td>4,627</td> </tr> <tr> <td>Office</td> <td>52,987</td> </tr> <tr> <td>Other ancillary</td> <td>6,552</td> </tr> <tr> <td>Car park</td> <td><u>24,149</u></td> </tr> <tr> <td>Total:</td> <td><u>112,590</u></td> </tr> </tbody> </table>	Usage	Gross Floor Area (square metres)	Residential	24,275	Retail	4,627	Office	52,987	Other ancillary	6,552	Car park	<u>24,149</u>	Total:	<u>112,590</u>	As per our on-site inspection, the real property is currently vacant.	RMB230,000,000 (Renminbi Two Hundred and Thirty Million) (see Note (viii))
Usage	Gross Floor Area (square metres)																	
Residential	24,275																	
Retail	4,627																	
Office	52,987																	
Other ancillary	6,552																	
Car park	<u>24,149</u>																	
Total:	<u>112,590</u>																	
		<p>The real property is scheduled to be completed in about October 2017.</p> <p>As advised by CDGJ, the total construction cost incurred up to the valuation date is about RMB28,200,000 and the estimated cost to completion of the real property is about RMB365,200,000.</p> <p>The land use rights of the real property have been granted for a term expiring on 28 April 2049 for commercial uses for Land Parcel 1 and for a term expiring on 28 April 2079 for residential uses for Land Parcel 2.</p>																

Notes:

- (i) According to 2 sets of State-owned Land Use Rights Certificate, known as Shuang Guo Yong (2010) Di Nos.13434 and 13446, both issued by the People's Government of Shuang Liu County on 9 November 2010, the land use rights of the real property with a total land area of 16,833.23 square metres have been granted to Chengdu Hejia Property Company Limited ("Chengdu Hejia") for a term expiring on 28 April 2049 for commercial uses and for a term expiring on 28 April 2079 for residential uses respectively.
- (ii) Pursuant to a Construction Land Use Planning Permit, known as Di Zi Di No.510122201021068, issued by the Planning and Management Bureau of Shuang Liu County, permission has been given for the planning of construction of the real property with a total site area of approximately 25.24 Chinese Mu and requisition land of 2.35 Chinese Mu.
- (iii) Pursuant to 2 sets of Construction Work Planning Permit, known as Jian Zi Di Nos.510122201532010 and 510122201532011, issued by the Planning and Management Bureau of Chengdu City County, the construction of the real property with a total gross floor area of approximately 112,590.21 square metres has been approved.

- (iv) Pursuant to a notice “關於同意和佳置業有限公司商業用房開發項目登記備案延期的通知”, known as Tian Cheng Guan Jing Tou Zi Bei An (2014) No.29, issued by Economic and Development Bureau of Chengdu Administration Committee of Tianfu New District on 4 December 2014, the delay of the development has been approved for registration. The development should commence construction within one year from the date of the registration.
- (v) According to a Construction Work Commencement Permit, known as No. 51012201504270501, issued by Management Committee of Planning Construction and City Management Bureau of Chengdu District of Chengdu Tianfu New Zone of Sichuan Province, permission has been given for the commencement of construction of the real property with a total gross floor area of approximately 112,590.21 square metres.
- (vi) The capital value of the real property, as if completed according to the development proposals as described above as at the valuation date, would be RMB777,000,000.
- (vii) We have been provided with a legal opinion regarding the real property by the Company’s PRC legal advisors, which contains, *inter alia*, the following:
- (a) Chengdu Hejia is entitled to the land use rights of the real property;
 - (b) As at the Latest Practicable Date, the real property is not subject to any mortgage or judicial seizure;
 - (c) Within the land use rights term, Chengdu Hejia is legally entitled to occupy, use, gain earnings and dispose of the subject land, and has the rights to construct buildings, structures and ancillary facilities on the subject land. Chengdu Hejia also has the rights to transfer, lease or mortgage the land use rights of the subject land;
 - (d) Chengdu Hejia has obtained the construction land planning permit, construction work planning permit and construction work commencement permit of the real property and the development complies with relevant laws and regulations. After Chengdu Hejia obtained all the relevant completion document and fully settled the relevant fees, Chengdu Hejia has no legal impediment in obtaining the Real Estate Title Certificate(s) of such portion. After obtaining the Real Estate Title Certificate(s), Chengdu Hejia has the rights to occupy, use, gain earnings and dispose of the real property, and has the rights to transfer, lease or mortgage of the real property; and
 - (e) In transferring the development, the following requirements should be complied with: (1) all the land grant fee has been settled and obtained the land use rights certificate(s); (2) invest and develop according to the terms stated in the land grant contract: – for building development, has developed and invested over 25% of the total investment amount; for development of land, has formed the sites to industrial land or other construction land conditions.
- (viii) In our valuation, we have assumed that the real property interest can be freely disposed of and transferred to third parties on the open market without payment of any premium or onerous monies to the relevant government authorities.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests and short positions of each of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation(s) (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 interests and short positions which they are taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules (“Model Code”), to be notified to the Company and the Stock Exchange, were as follows:

Interests in shares of the Company (long positions)

Name of Directors	Interest in Shares		Interests in underlying Shares pursuant to share options granted by the Company ³	Aggregate interests	Approximate percentage ⁴
	Personal interests	Corporate interests			
Cheung Chung Kiu (“Mr. Cheung”)	–	1,331,205,790 ^{1&2}	–	1,331,205,790	51.43
Lam How Mun Peter	324,502	–	43,039,000	43,363,502	1.68
Tsang Wai Choi	3,394,242	–	–	3,394,242	0.13
Leung Chun Cheong	666,948	–	1,500,000	2,166,948	0.08
Leung Wai Fai	–	–	3,000,000	3,000,000	0.12

Notes:

- 1,070,810,231 of such Shares were held through Thrivetrade Limited (“Thrivetrade”), a company wholly-owned by Mr. Cheung. Accordingly, Mr. Cheung was deemed to be interested in the same number of Shares held through Thrivetrade.
- 260,395,559 of such Shares were held through Regulator Holdings Limited (“Regulator”), a direct wholly-owned subsidiary of Yugang International (B.V.I.) Limited (“Yugang-BVI”), which is in turn a direct wholly-owned subsidiary of Yugang International Limited (“Yugang”). Yugang was owned by Chongqing Industrial Limited (“CIL”), Timmex Investment Limited (“Timmex”) and Mr. Cheung as to approximately 44.06% in aggregate. CIL was owned as to 35%, 30%, 5% and 30% by Mr. Cheung, Peking Palace Limited (“Peking Palace”), Miraculous Services Limited (“Miraculous Services”) and Prize Winner Limited (“Prize Winner”) respectively. Mr. Cheung had 100% beneficial interest in Timmex. Prize Winner was beneficially owned by Mr. Cheung and his associates. Peking Palace and Miraculous Services were held by Palin Holdings Limited (“Palin”) as the trustee for Palin Discretionary Trust, a family discretionary trust, the objects of which included Mr. Cheung and his family. Accordingly, Mr. Cheung was also deemed to be interested in the same number of Shares held through Regulator.

3. Details of the Directors' interests in the underlying Shares pursuant to share options granted by the Company are set out below:

Name of Directors	Exercise period	Exercise price (HK\$ per Share)	Number of share options granted and not yet exercised
Lam How Mun Peter	07-05-2009 to 06-05-2019	3.27	17,500,000
	03-09-2010 to 02-09-2020	3.31	21,539,000
	01-01-2011 to 02-09-2020	3.31	4,000,000
Leung Chun Cheong	03-09-2010 to 02-09-2020	3.31	1,500,000
Leung Wai Fai	03-09-2010 to 02-09-2020	3.31	3,000,000

4. Approximate percentage refers to the aggregate interests of a Director expressed as a percentage (rounded to two decimal places) of the issued share capital of the Company as at the Latest Practicable Date.

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

As at the Latest Practicable Date, none of the Directors or proposed Director had any direct or indirect interests in any assets which have since 31 December 2014 (being the date to which the latest published audited accounts of the Group were made up), 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.

None of the Directors is materially interested in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group.

3. DISCLOSEABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS UNDER THE SFO

As at the Latest Practicable Date, so far as was known to the Directors and chief executive of the Company, the following parties (other than a Director or chief executive of the Company) had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholders	Capacity in which interests are held	Number of Shares held	Approximate percentage ³
Thrivetrade	Beneficial owner	1,070,810,231 ¹	41.37
Regulator	Beneficial owner	260,395,559 ²	10.06
Yugang-BVI	Interest of controlled corporation	260,395,559 ²	10.06
Yugang	Interest of controlled corporation	260,395,559 ²	10.06
CIL	Interest of controlled corporation	260,395,559 ²	10.06
Palin	Interest of controlled corporation	260,395,559 ²	10.06

Notes:

- These Shares were included in the interests of Mr. Cheung in the Shares as disclosed under the paragraph headed “Interests in shares of the Company (long positions)” of the section headed “2. Disclosure of Interests” above.

Mr. Cheung and Mr. Leung Yu Ming Steven are directors of Yugang. Mr. Cheung is also a director of each of Thrivetrade, Regulator, Yugang-BVI, CIL and Palin.
- The interests held by Regulator, Yugang-BVI, Yugang, CIL and Palin respectively as shown above refer to interests in the same block of Shares. The said Shares were also included in the interests of Mr. Cheung in the Shares as disclosed under the paragraph headed “Interests in shares of the Company (long positions)” of the section headed “2. Disclosure of Interests” above.
- Approximate percentage refers to the number of Shares which a Shareholder held or had short positions in expressed as a percentage (rounded to two decimal places) of the issued share capital of the Company as at the Latest Practicable Date.
- All of the interests disclosed above represent long positions.

As at the Latest Practicable Date, so far as was known to the Directors and chief executive of the Company, the following parties (other than Directors or chief executive of the Company) were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital (including any options in respect of such capital) carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name of the members of the Group	Name of shareholders	Approximate percentage of issued share capital
Win Harbour Investments Limited	Quick Fair Limited	15.0
成都國嘉志得置業有限公司 (Chengdu Guojia Cheer Gain Property Company Limited)	四川省國嘉地產有限公司 (Sichuan Guojia Property Company Limited)	49.0
重慶同景置業有限公司 (Chongqing Verakin Real Estate Company Limited)	同景集團有限公司 (Verakin Group Company Limited)	49.0
重慶同景文龍置地有限公司 (Chongqing Verakin Wenlong Real Estate Company Limited)	重慶新華書店集團房地產開發公司 (Chongqing Xinhua Bookstore Group Real Estate Development Company)	49.0
重慶同景共好置地有限公司 (Chongqing Verakin Gonghao Real Estate Company Limited)	重慶新華書店集團房地產開發公司 (Chongqing Xinhua Bookstore Group Real Estate Development Company)	49.0

Save as disclosed above, as at the Latest Practicable Date, according to the register of interests kept by the Company under section 336 of the SFO and so far as was known to the Directors and chief executive of the Company, no other person (other than Directors or chief executive of the Company) had any interest or short position in the Shares or underlying Shares 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 10% or more of the nominal value of any class of share capital (including any options in respect of such capital) carrying rights to vote in all circumstances at general meetings of any other member of the Group.

4. QUALIFICATION AND CONSENT OF THE EXPERT

The following is the qualification of the expert who has been named in this circular or has given its opinion or advice contained in this circular:

Name	Qualification
GCAL	professional valuer

GCAL has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its opinions or letter and the reference to its name in the form and context in which it appears.

GCAL has no shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe or to nominate persons to subscribe securities in any member of the Group.

GCAL has no direct or indirect interest in any assets which have since 31 December 2014 (being the date to which the latest published audited accounts of the Group were made up) 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.

5. COMPETING INTEREST

As at the Latest Practicable Date, to the best knowledge of the Directors, none of the Directors or their respective close associates had any interest in any business that competed or was likely to compete, either directly or indirectly, with the business of the Group save and except for Mr. Tsang Wai Choi (“Mr. Tsang”), a Director.

Mr. Tsang is a shareholder of Starthigh International Limited (“Starthigh”) which, through its subsidiaries, is indirectly engaging in property development and investment business in Chongqing. Formerly a subsidiary, the Company ceased to have any interest in Starthigh and its subsidiaries on 17 July 2015. Taking into account that, each of the Directors (including Mr. Tsang) owes fiduciary duties to the Company that he must, in the performance of his/her duties as director, avoid actual and potential conflicts of interest and duty, and not to profit himself/herself to the detriment of the Company, and that there are provisions in the bye-laws of the Company prohibiting a Director from voting (or being counted in the quorum) on any resolution of the Board approving of any contract or arrangement or any other proposal in which he/she or any of his/her associates is materially interested except for certain permitted matters, the Directors are of the view that, the Company is capable of carrying on its business independently of, and at arm’s length from, the business of Starthigh.

6. SERVICE CONTRACTS

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

7. MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by members of the Group within the two years immediately preceding the Latest Practicable Date:

- (a) the sale and purchase agreement dated 6 September 2013 (which was automatically terminated on 6 March 2015) entered into between 重慶同景置業有限公司 (Chongqing Verakin Real Estate Company) (as purchaser) and 重慶宏聲遠景實業(集團)有限公司 (Chongqing Hong Sheng Yuan

Jing Industrial (Group) Company Limited) (as vendor), for the acquisition of 57% of the project interest in a land plot for the development and construction of residential properties for sale, with a total site area of 95,312 sqm at a total consideration of RMB200,000,000;

- (b) the agreement dated 13 November 2013 entered into between Marvel Leader (as vendor), Shimao Property Holdings (BVI) Limited (as purchaser), the Company (as Marvel Leader's guarantor) and Shimao Property Holdings Limited (as purchaser's guarantor), for the disposal of the entire issued capital of Ho Yeung Group Limited (a company indirectly wholly-owned by the Company ("Ho Yeung")), and the assignment of all benefits and interests of and in the loans due and owing by Ho Yeung to Marvel Leader, at a total consideration of RMB1,425,480,000;
- (c) the investment agreement dated 7 April 2014 entered into between Marvel Leader (whose obligations and liabilities thereunder were assumed by Shengyu (BVI) Limited by way of novation on 17 July 2015 and pursuant to the agreement described in sub-paragraph (e) below), Starhigh and Mr. Tsang for the disposal of 240 shares in Starhigh by Marvel Leader and the allotment of 1,600 shares by Starhigh, to Mr. Tsang or his nominee, at a total consideration of HK\$717,600,000; and the shareholders' deed dated 17 December 2014 in respect of Starhigh entered into among Marvel Leader (whose obligations and liabilities thereunder were assumed by Shengyu (BVI) Limited by way of novation on 17 July 2015 and pursuant to the agreement described in sub-paragraph (e) below), Mr. Tsang, Happy Yield Holdings Limited and Starhigh;
- (d) the agreement dated 24 November 2014 entered into between 重慶瑞昌房地產有限公司 (Chongqing Lucky Boom Realty Company ("CQ Lucky Boom")), indirectly wholly-owned by the Company, as vendor and 重慶市驛鑫房地產開發有限公司 (Chongqing Yi Xin Real Estate Development Limited) as purchaser, for disposal of the entire equity interest in 重慶瑞繁實業有限公司 (Chongqing Rui Fan Enterprises Limited), a company directly wholly-owned by CQ Lucky Boom and indirectly wholly-owned by the Company, and the assignment of the shareholder's loan in the sum of RMB13,874,831.57, at a total consideration of RMB459,000,000;
- (e) the agreement dated 2 June 2015 entered into between Marvel Leader (as vendor), Shengyu (BVI) Limited (as purchaser) and Evergrande Real Estate Group Limited (as purchaser's guarantor), for the disposal of 92% of the entire issued share capital of Starhigh and the assignment of all benefits and interests of and in the loans due and owing by Starhigh to Marvel Leader, at a total consideration of RMB5,500,000,000; and
- (f) the Agreement.

8. LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or claim of material importance and, so far as the Directors were aware, there was no litigation or claims of material importance pending or threatened against any member of the Group.

9. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2014, being the date to which the latest published audited accounts of the Group were made up.

10. MISCELLANEOUS

- (a) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

- (b) The head office and principal place of business of the Company in Hong Kong is at Rooms 3308-10, 33rd Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.
- (c) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Secretaries Limited situated at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) The Company Secretary of the Company is Cheung Fung Yee, who is an associate of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators.
- (e) The English texts of this circular shall prevail over their respective Chinese texts in case of inconsistency.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the Company's branch office in Hong Kong at 15/F, China United Centre, 28 Marble Road, North Point, Hong Kong up to and including 14 September 2015:

- (a) the Agreement;
- (b) the circular dated 23 June 2015 and this circular;
- (c) the property valuation report prepared by GCAL, the text of which is set out in Appendix II of this circular;
- (d) the written consent from GCAL referred to in the section headed "4. Qualification and consent of the expert" in this Appendix;
- (e) the material contracts referred to in the section headed "7. Material contracts" in this Appendix;
- (f) the consolidated audited financial statements of the Company for each of the years ended 31 December 2013 and 2014; and
- (g) the memorandum of association and the bye-laws of the Company.