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

If you have sold or transferred all your shares in **C C Land Holdings Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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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)

VERY SUBSTANTIAL DISPOSAL
AND
NOTICE OF SPECIAL GENERAL MEETING

A notice convening a special general meeting of C C Land Holdings Limited to be held on Friday, 10 July 2015 at 11:00 a.m. at 33/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong is set out on page SGM-1 of this circular. A form of proxy for use at the special general meeting is also enclosed with this circular. Whether or not you intend to attend and vote at the special general meeting in person, you are requested to complete and return it to the branch share registrar of C C Land Holdings Limited in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the special general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the special general meeting or any adjournment thereof should you so wish.

23 June 2015

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DEFINITIONS

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

“Agreement”	the agreement dated 2 June 2015 entered into between Marvel Leader, the Purchaser and the Purchaser’s Guarantor in relation to the Disposal
“Announcement”	the announcement of the Company dated 2 June 2015 in relation to, among other things, the Agreement and the transactions contemplated thereunder
“Articles”	the articles of association of Starhigh as amended from time to time
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“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
“Charm Best”	Charm Best Investment Limited, a company incorporated in Hong Kong with limited liability, which is directly wholly-owned by Starhigh
“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 Date”	the date on which Completion takes place
“Conditions Precedent”	conditions precedent to Completion specified in the Agreement and described under the paragraph headed “2.5 Conditions Precedent” in the Letter from the Board
“Consideration”	consideration for the Disposal
“CQZY”	重慶中渝物業發展有限公司 (Chongqing Zhong Yu Property Development Co. Ltd.), a privately-owned enterprise established in the PRC, which is directly wholly-owned by Charm Best
“CQZY Group”	CQZY and its subsidiaries
“Director(s)”	the director(s) of the Company
“Disposal”	(a) the disposal of the Sale Shares, and (b) the assignment of the benefits and interests of and in the Shareholder’s Loan, by Marvel Leader to the Purchaser pursuant to the Agreement
“GDP”	gross domestic product
“GFA”	gross floor area
“GCAL”	Greater China Appraisal Limited, an independent firm of professional valuers

DEFINITIONS

“Group”	the Company and its subsidiaries
“Happy Yield”	Happy Yield Holdings Limited, a company incorporated in the BVI and wholly-owned by Mr. Tsang
“HK\$” and “HKD”	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)
“Investment Agreement”	the investment agreement dated 7 April 2014 entered into among Marvel Leader, Starhigh and Mr. Tsang (details of which are set out in the Company’s announcements dated 7 April 2014 and 3 June 2015 and circular dated 13 November 2014)
“Latest Practicable Date”	18 June 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
“Marvel Leader”	Marvel Leader Investments Limited, a company incorporated in the BVI with limited liability and directly wholly-owned by the Company
“Mr. Tsang”	Mr. Tsang Wai Choi, among others, a Director and deputy chairman of the Board
“PRC”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, Macau and Taiwan
“Purchaser”	Shengyu (BVI) Limited, a company incorporated in the BVI and indirectly wholly-owned by the Purchaser’s Guarantor
“Purchaser’s Guarantor”	Evergrande Real Estate Group Limited, a company incorporated in Cayman Islands with limited liability whose shares are listed on the main board of the Stock Exchange
“Remaining Group”	the Group immediately after Completion
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	the 2,760 Starhigh Shares, representing 92% of the entire issued capital of Starhigh as at the date of signing of the Agreement
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened on 10 July 2015 for approving and ratifying the Agreement and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company

DEFINITIONS

“Shareholder(s)”	holder(s) of the Shares
“Shareholders’ Deed”	the shareholders’ deed in respect of Starthigh entered into among Marvel Leader, Mr. Tsang, Happy Yield and Starthigh on 17 December 2014 (details of which are set out in the Company’s announcement and circular dated 7 April 2014 and 13 November 2014 respectively)
“Shareholder’s Loan”	the aggregate amount of the loans and net amount due and owing by Starthigh to Marvel Leader as at Completion, which for reference only, as at the date of signing of the Agreement, amounted to HK\$627,735,887.59
“Sole Distribution Entitlement”	the arrangement regarding Marvel Leader’s sole entitlement and right to receive a cumulative amount of a distribution of RMB2.55 billion (equivalent to approximately HK\$3.23 billion) by Starthigh prior to any pro-rata distribution between Marvel Leader and Mr. Tsang pursuant to the Shareholders’ Deed
“sqm”	square meters
“Starthigh”	Starthigh International Limited, a company incorporated in the BVI with limited liability, which is directly owned as to 92% by Marvel Leader and indirectly owned as to 8% by Mr. Tsang, as at the Latest Practicable Date
“Starthigh Share(s)”	the ordinary share(s) of US\$1.00 each (equivalent to approximately HK\$7.75) in the share capital of Starthigh and having the voting and other rights and benefits and being subject to the restrictions set out in the Articles, the terms of the Shareholders’ Deed and any arrangements which may be agreed between Marvel Leader, Mr. Tsang and any other shareholders of Starthigh from time to time, which shall rank <i>pari passu</i> in all respects with each other
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Group”	Starthigh and its subsidiaries (including Charm Best and CQZY Group)
“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

23 June 2015

To the Shareholders,

Dear Sir or Madam,

VERY SUBSTANTIAL DISPOSAL

1. INTRODUCTION

Reference is made to the Announcement. On 2 June 2015, Marvel Leader, the Purchaser and the Purchaser's Guarantor entered into the Agreement, pursuant to which (a) Marvel Leader conditionally agreed to sell, and the Purchaser conditionally agreed to acquire the Sale Shares, and (b) Marvel Leader conditionally agreed to assign, and the Purchaser conditionally agreed to take the assignment of all benefits and interests of and in the Shareholder's Loan, at a total consideration of RMB5,500,000,000 (equivalent to approximately HK\$6,968,500,000).

The purpose of this circular is to provide you with, among other things, (i) further details of the Agreement; (ii) financial information of the Group; (iii) financial information of the Target Group; (iv) the unaudited pro forma financial information of the Remaining Group; (v) a property valuation report; and (vi) a notice of the SGM.

LETTER FROM THE BOARD

2. THE AGREEMENT

2.1 Date

2 June 2015

2.2 Parties

- (a) **Vendor:** Marvel Leader
- (b) **Purchaser:** Shengyu (BVI) Limited
- (c) **Purchaser's Guarantor:** Evergrande Real Estate Group Limited

The Purchaser's Guarantor guarantees the Purchaser's performance of obligations and undertakings under the Agreement. The Purchaser's Guarantor undertakes that if the Purchaser fails to perform all of its obligations and undertakings under the Agreement in accordance with the terms of the Agreement (including but not limited to the payment of Consideration and interest), all such obligations shall be assumed and performed by the Purchaser's Guarantor.

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 Shares, representing 92% of the entire issued share capital of Starhigh, together with all rights attached, accrued or accruing thereto (including the Sole Distribution Entitlement); and
- (b) Marvel Leader's benefits and interests of and in the Shareholder's Loan.

2.4 Consideration

The Consideration shall be RMB5,500,000,000 (equivalent to approximately HK\$6,968,500,000).

The Consideration shall be payable in cash or by bank transfer (or by any other method as may be agreed by Marvel Leader and the Purchaser) by or on behalf of the Purchaser to Marvel Leader or as it may direct in the following manner:

- (i) RMB550,000,000 (equivalent to approximately HK\$696,850,000), being 10% of the Consideration, as deposit, shall be payable within 5 Business Days after the date of signing of the Agreement ("**Deposit**");
- (ii) RMB1,650,000,000 (equivalent to approximately HK\$2,090,550,000), being 30% of the Consideration, shall be payable on the Completion Date;
- (iii) RMB1,650,000,000 (equivalent to approximately HK\$2,090,550,000), being 30% of the Consideration, shall be payable within 6 months after the date of signing of the Agreement (or such other date as Marvel Leader and the Purchaser shall agree in writing); and
- (iv) RMB1,650,000,000 (equivalent to approximately HK\$2,090,550,000), being the remaining 30% of the Consideration, shall be payable within 9 months after the date of signing of the Agreement (or such other date as Marvel Leader and the Purchaser shall agree in writing).

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Deposit has been duly paid by the Purchaser pursuant to the terms of the Agreement.

The Consideration was determined following arm's length negotiations on normal commercial terms between the parties to the Agreement by reference to the adjusted unaudited consolidated net asset value of the Target Group attributable to Marvel Leader of approximately HK\$6,289,026,000 as at 31 March 2015 after taking into account the effects of the preliminary result of the valuation of the properties of the Target Group performed by GCAL, the Sole Distribution Entitlement attached to the Sale Shares and on the assumption that the subscription of Starhigh Shares by Mr. Tsang having been completed pursuant to the terms of the Investment Agreement and taking into account the amount of the Shareholder's Loan which is analysed as follows:

	<i>HK\$'000</i>
Unaudited consolidated net asset value of the Target Group as at 31 March 2015	7,302,281
Adjustment on revaluation of properties (net of deferred tax)	<u>536,531</u>
Adjusted unaudited consolidated net asset value of the Target Group	8,838,812
<i>Less:</i> Non-controlling interests of the Target Group	(135,002)
<i>Add:</i> Proceeds from subscription of Starhigh Shares by Mr. Tsang	<u>624,000</u>
Adjusted unaudited consolidated net asset value of the Target Group attributable to equity holders on the assumption that the subscription of Starhigh Shares by Mr. Tsang has been completed pursuant to the terms of the Investment Agreement	8,327,810
<i>Less:</i> Sole Distribution Entitlement	<u>(3,230,850)</u>
Adjusted unaudited consolidated net asset value of the Target Group attributable to equity holders (ex-dividend)	<u>5,096,960</u>
60% of the adjusted unaudited consolidated net asset value of the Target Group attributable to Marvel Leader (ex-dividend)	3,058,176
<i>Add:</i> Sole Distribution Entitlement	<u>3,230,850</u>
Adjusted unaudited consolidated net asset value of the Target Group attributable to Marvel Leader	6,289,026
Shareholder's Loan	<u>627,736</u>
Total value of Marvel Leader's interest in the Target Group after adjustment for the revaluation of properties	6,916,762
Premium	<u>51,738</u>
Consideration	<u>6,968,500</u>

The Consideration represents a premium of approximately HK\$51,738,000 or 0.7% over the adjusted book value of Marvel Leader's interest in the Target Group of approximately HK\$6,916,762,000. Such book value has been adjusted by taking into account all factors considered relevant to reflect the current value of Marvel Leader's interest in the Target Group including the effects of the preliminary result of the valuation of the properties of the Target Group performed by GCAL, the Sole Distribution Entitlement attached to the Sale Shares and on the assumption that the subscription of Starhigh Shares by Mr. Tsang having been completed pursuant to the terms of the Investment Agreement. The Directors consider that, based on the book value of Marvel Leader's interest in the Target Group as adjusted, the Consideration, representing a premium

LETTER FROM THE BOARD

of approximately HK\$51,738,000 or 0.7% over the current value of Marvel Leader's interest in the Target Group is fair and reasonable and in the interest of the Company and the Shareholders. The payment arrangement of the Consideration with 60% of it to be paid within 6 to 9 months after the date of signing of the Agreement was determined following arm's length negotiations between the parties to the Agreement. Taking into account the time which would likely be required for proceeding to Completion, the identity and standing of the Purchaser and the Purchaser's Guarantor, and the guarantee and undertaking given by the Purchaser's Guarantor with regard to the Purchaser's performance of obligations and undertakings under the Agreement (including but not limited to the payment of Consideration and interest), the Directors consider that such payment arrangement is on normal commercial terms and in the interest of the Company.

2.5 Conditions Precedent

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

- (a) if it is required under the Listing Rules or by the Stock Exchange, the Company shall obtain all necessary approval by the Shareholders in general meeting by way of an ordinary resolution approving the Agreement and the transactions contemplated thereunder (where applicable);
- (b) Marvel Leader shall obtain all necessary consent from any third parties in relation to the Disposal (where applicable);
- (c) if it is required under the Listing Rules or by the Stock Exchange, the Purchaser's ultimate holding company shall obtain all necessary approval by its shareholders in general meeting by way of an ordinary resolution approving the Agreement and the transactions contemplated thereunder (where applicable);
- (d) the Purchaser shall obtain all necessary consent from any third parties in relation to the Disposal (where applicable);
- (e) each party to the Agreement shall fulfill and comply with all relevant regulatory requirements (including but not limited to the Listing Rules) in connection with the transactions contemplated under the Agreement; and
- (f) the Purchaser is satisfied with the result of its due diligence review on the Target Group.

Upon signing of the Agreement, Marvel Leader and the Purchaser shall use their respective best endeavours to procure the fulfillment of all the Conditions Precedent as soon as practicable and in any event by no later than the date falling on the expiry of the 6-month period from the date of the Agreement.

In the event that any of the Conditions Precedent (except for the Condition Precedent set out in paragraph (f) above which shall be completed within 15 Business Days from the date of signing of the Agreement) are not fulfilled by the date falling on the expiry of the 6-month period from the date of the Agreement, unless Marvel Leader and the Purchaser otherwise agree, the Agreement shall be terminated automatically, upon which Marvel Leader shall return the Deposit (without interest) to the Purchaser, and repay such amount (if any) that the Purchaser may incur in connection with the execution of the Agreement (the sum of which shall be mutually agreed by Marvel Leader and the Purchaser) and neither party shall have any further liability to the other party as a result of such termination.

As regards Condition Precedent (b) above, consent from various lenders is required for the release of Starhigh, Charm Best and CQZY from their obligations as guarantors, among other members of the Group, under certain banking facilities granted to the Company upon Completion. As at the

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Latest Practicable Date, the Company has already applied for and is awaiting such 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.

As at the Latest Practicable Date, all Conditions Precedent (where applicable) are yet to be fulfilled.

2.6 Termination

- (a) If the Purchaser is not satisfied with the result of its due diligence review on the Target Group, the Purchaser shall be entitled to unilaterally early terminate the Agreement whereupon Marvel Leader shall return the Deposit (without interest) to the Purchaser within 5 Business Days after such termination, in which case neither party shall have any further liability to the other party as a result of such termination.
- (b) The Agreement may be terminated as a result of the occurrence of any one of the following events: (i) the parties to the Agreement having reached a mutual agreement in writing in respect of the termination; (ii) the Agreement having been performed in full; (iii) as in accordance with applicable law; or (iv) the Agreement not being capable of performance for more than 3 months as a result of a force majeure event and the parties to the Agreement having agreed in writing confirming termination of the Agreement.
- (c) Unless the Agreement otherwise provides, if any party commits a breach of its obligations under the Agreement, the defaulting party shall be liable to the non-defaulting party for all losses and damages (including pecuniary and non-pecuniary losses and damages) that the non-defaulting party may suffer as a result of such breach.

2.7 Investment Agreement and Shareholders' Deed

- (a) During the period from the date of the Agreement to the Completion Date, Marvel Leader shall liaise with Mr. Tsang and Happy Yield on a postponement of the completion date for subscription of the first tranche of Starhigh Shares pursuant to the Investment Agreement to a date within 1 month after the Completion Date. The Purchaser agrees to assume all the obligations and liabilities of Marvel Leader under the Investment Agreement and the Shareholders' Deed in place of Marvel Leader by way of novation, to be effective from the Completion Date.
- (b) During the period from the date of the Agreement to the Completion Date, Marvel Leader shall endeavour to facilitate cooperation among Mr. Tsang, Happy Yield and the Purchaser on the conduct of business of the Target Group.

As at the Latest Practicable Date, Marvel Leader/Starhigh and Mr. Tsang/Happy Yield have agreed in writing that the completion date for subscription of the first tranche of Starhigh Shares pursuant to the Investment Agreement be postponed to a date within 1 month after the Completion Date; and that Mr. Tsang/Happy Yield have consented in writing for Marvel Leader to novate the Investment Agreement and the Shareholders' Deed to the Purchaser with effect from the Completion Date. Deeds of novation in respect of the Investment Agreement and Shareholders' Deed will be entered into by the relevant parties on or before the Completion Date.

2.8 Completion

Completion shall take place on the 5th Business Day after the fulfillment of the last Condition Precedent (or such other date as Marvel Leader and the Purchaser shall agree).

The sale and purchase of the Sale Shares and the assignment of the Shareholder's Loan shall be completed simultaneously.

LETTER FROM THE BOARD

3. REASONS FOR AND BENEFITS OF THE DISPOSAL

After a decade of fast growth in the property sector in the PRC spurred by her spiraling GDP growth, the real estate market sentiment became hit for more than a year, successively by external economic factors and by the slowing down of PRC's GDP growth rate. Investment pessimism further increased in the first quarter of 2015 when GDP growth slowed to a six-year low, which was aggravated by the Central Government's announcement after the Central Economic Working Meeting held in mid December 2014 that adjustments will be made to the rate of GDP growth in the PRC under the future growth model for the country. In addition, there were concerns, among other things, about the effect of property taxes on property owners shortly to be imposed in the whole of the PRC following the announcement of the Interim Regulation on Real Estate Registration by the State Council of the PRC on 24 November 2014. The Interim Regulation which came into effect on 1 March 2015 marks the beginning of the PRC's nationwide real estate registration system in accordance with its property laws. Such a registration system has been perceived by the market as likely a potential measure to pave the way for imposition of real estate property tax. Whilst it remains to be seen as to whether the enactment of the Interim Regulation would have any direct and immediate impact on the Group's property sale in the PRC, the Directors consider that the already weakened market sentiment would likely be further dampened in both the short and long run by concerns particularly over the imposition of real estate property tax as further explained below.

Whilst the Group continued to achieve outstanding results in 2014, achieving record high consolidated revenue and net profit, the effect of this fast weakening of market sentiment has set in in the first quarter of 2015. The Group's contract sales in the first quarter of 2015 has been decreased by about 40% to RMB1,017 million (equivalent to approximately HK\$1,289 million). Given the fact that the property industry in the PRC is generally unable to react in time by suitably slowing the pace of inventory build-up, there are serious concerns, particular for property market in second-tier cities such as Chongqing, that the situation of high levels of unsold inventory and weakening of liquidity in developers might lead to detrimental price cutting and a prolonged disorderly market adjustment. As yet, no official announcement has been made by the PRC government on the details of any real estate property tax scheme and tax rate. Its effect on property value and sale in the PRC has therefore remained unpredictable. However, the introduction of nationwide real estate property tax would likely revolutionize the properties tax regime in the PRC. Despite such unpredictability of its effect on property value and sale, the Directors believe that imposition of real estate property tax would likely remain a genuine concern for property buyers, now and in the future, which would adversely affect the Group's property sale in the PRC.

The Group has been acting proactively in this regard and has frozen its land bank since 2014 by not making any land acquisition. However, since the Group has in the past re-invested its property sale proceeds in land holdings, as at the end of the first quarter 2015 the Group's total land bank still stood at 12.3 million sqm (or 8.5 million sqm on an attributable basis), of which 6.3 million sqm is located in Chongqing. It is the Directors' opinion that further efforts at inventory reduction, particularly in Chongqing, will be required to meet the challenges of a possible prolonged adjustment in the Western China property market.

Notwithstanding that it was the prior intention of the Company to align the long-term interest of Mr. Tsang and secure his participation through entering into the Investment Agreement and not to introduce any third party as shareholder of Starhigh, the Directors consider that, taking into account the above-mentioned sequence of change in circumstances facing the Group, it was justified for the Group to depart from its prior intention as the Agreement offered the Group the opportunity for a one-off, accelerated realization of a portion of its inventory of properties holdings in Chongqing, thereby avoiding the uncertainties arising from effect of severe market competition caused by excessive inventory build-up by other developers in the city, which will seriously hit the Group's profitability derived from the portfolio earmarked for disposal. Likewise, though it was the prior intention of the Company to fine-tune its business strategy which included the diversification of its operations, allocation of additional financial resources in the development of commercial property, and enabling the Target Group to build up a substantial portfolio of investment properties in the Jiazhou Zone, the change in circumstances requires

LETTER FROM THE BOARD

such plans to be put in abeyance. Upon Completion, the Group will continue to focus on its core business of property development and investment in Western China as well as treasury investments. With a streamlined operation and 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 Agreement will have the further effect of providing hedging for the Group's bank loan portfolio in Hong Kong, which currently stands at HK\$3.8 billion of which HK\$2.6 billion are due on repayment within 1 year. In the event that loan interest hikes occur when major world economies start to curtail their policies of quantitative easing, their effect on the Group will be mitigated by such hedging. As the Group intends to apply part of the cash proceeds from the Disposal for repayment of its existing bank loans in Hong Kong, this will be able to reduce the Group's future finance costs burden in particular when it is widely expected the loan interest rising cycle will start in the third quarter of 2015. The Company will continue to adopt a prudent and cautious investment strategy by considering any investment and/or cooperation opportunities that may further improve its equity structure and cash flow and enhance returns from its projects in order to accelerate further growth of the Group as a whole, including negotiations with potential parties for the disposal of and/or joint investment and/or development with respect to the Group's projects.

The entering into 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 of the Company 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\$842,420,000 which is calculated as follows:

	<i>HK\$'000</i>
Consideration	6,968,500
Less: Shareholder's Loan as at the date of signing of the Agreement	(627,736)
Less: Unaudited consolidated net asset value of the Target Group attributable to Marvel Leader as at 31 March 2015 (see calculation below)	(6,891,201)
Less: Interest capitalized	(36,491)
Add: Release of exchange reserve upon Completion	1,309,680
Add: Release of available-for-sale investment revaluation reserve upon Completion	<u>119,668</u>
Gain on Completion	<u><u>842,420</u></u>

The exchange reserve and the available-for-sale investment revaluation reserve upon Completion are taken into account in determining the gain on Completion, pursuant to the accounting policies adopted by the Group as disclosed in its 2014 Annual Report including, in particular, those concerning "Available-for-sale financial investments" and "Foreign currencies" under Section 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES of the Notes to Financial Statements. The exchange reserve represented the net cumulative amount of the differences arising from translating the assets and liabilities of CQZY Group at the exchange rates between RMB and HKD prevailing at the end of the reporting period. The available-for-sale investment revaluation reserve represented the difference between the acquisition costs and the corresponding market value (net of deferred tax) of the available-for-sale investments held by the Target Group as at 31 March 2015. The exchange reserve and the available-for-sale investment revaluation reserve being a gain recognized in other comprehensive income in relation to the Target Group/CQZY Group are thus reclassified to profit or loss upon Completion pursuant to the accounting policies adopted by the Group.

LETTER FROM THE BOARD

Unaudited consolidated net asset value of the Target Group attributable to Marvel Leader as at 31 March 2015 is calculated as follows:

	<i>HK\$'000</i>
Unaudited consolidated net asset value of the Target Group as at 31 March 2015	7,302,281
<i>Less:</i> Non-controlling interests of the Target Group	<u>(92,789)</u>
Unaudited consolidated net asset value of the Target Group attributable to equity holders	7,209,492
<i>Less:</i> Sole Distribution Entitlement	<u>(3,230,850)</u>
Unaudited consolidated net asset value of the Target Group attributable to equity holders (ex-dividend)	<u><u>3,978,642</u></u>
92% of the unaudited consolidated net asset value of the Target Group attributable to Marvel Leader (ex-dividend)	3,660,351
<i>Add:</i> Sole Distribution Entitlement	<u>3,230,850</u>
Unaudited consolidated net asset value of the Target Group attributable to Marvel Leader as at 31 March 2015	<u><u>6,891,201</u></u>

The above calculation is only an estimate provided for illustrative purposes and the actual gain that the Company is able to realize will depend on the actual consolidated net asset value of the Target Group attributable to Marvel Leader and the Shareholder's Loan on Completion. There would be a total sum of RMB5,500,000,000 (equivalent to approximately HK\$6,968,500,000) in cash generated by the Disposal. The proceeds from the Disposal will be partly applied as repayment of existing bank loans and partly applied as working capital of the Group.

5. INFORMATION ON THE GROUP

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

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) is an investment holding company, the subsidiaries of which are principally engaged in property development and management and other industries including spring water, grain and oil, dairy and health in China.

7. INFORMATION ON MARVEL LEADER AND THE TARGET GROUP

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 92% of the entire issued share capital of Starthigh. The principal business activity of Marvel Leader is investment holding.

Starthigh is a private limited company incorporated in the BVI on 17 March 2006 with a current issued share capital of US\$3,000 (equivalent to approximately HK\$23,250). As at the Latest Practicable Date, Starthigh is directly owned as to 92% by Marvel Leader and indirectly owned as to 8% by Mr. Tsang. Starthigh is an investment holding company and the registered and beneficial owner of Charm Best. The sole business of Starthigh is the ownership of Charm Best.

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Charm Best is a private limited company incorporated in Hong Kong on 30 March 2006 with a current issued share capital of HK\$1 which is directly wholly-owned by Starhigh. Charm Best is an investment holding company and the registered and beneficial owner of CQZY. The sole business of Charm Best is the ownership of CQZY.

CQZY is a privately-owned enterprise established in the PRC on 11 June 1992 with a current registered and paid-up capital of US\$131,000,000 (equivalent to approximately HK\$1,015,250,000) which is directly wholly-owned by Charm Best. The principal business of CQZY Group is property development and investment in the PRC.

During the period of 2007 to 2014, CQZY Group has completed various property development projects of about 1.8 million sqm. CQZY Group currently owns a portfolio of completed properties and developing projects with a total completed and planned GFA of about 3.42 million sqm consisting of residential, commercial, hotel complexes and car park area which are mainly situated right at the heart of the Yubei District of Chongqing, a district where the central government administration region, major highway junctions and a new rail transportation hub are located. 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
A site (Lot No. 17-1) located to the south of Xingai Road, Chongqing International Finance and Trade Development Area, Longxi Jie Dao, Yubei District, Chongqing, the PRC	Residential, Commercial, Auxiliary Facilities and Car Park	35,700	211,000	2017 or after	At planning stage
A site (Lot No. 9) located to the east of Songpai Road, Chongqing International Finance and Trade Development Area, Longxi Jie Dao, Yubei District, Chongqing, the PRC	Residential, Commercial, Office and Car Park	81,300	656,000	2017 or after	At planning stage
A site (Lot No. 3-1) located to the east of Hongjin Road, Chongqing International Finance and Trade Development Area, Longxi Jie Dao, Yubei District, Chongqing, the PRC	Residential, Commercial, Office and Car Park	47,900	361,000	2017 or after	At planning stage
Two sites (Lot No. 20 and Lot No. 11-1) located in Chongqing International Finance and Trade Development Area, Longxi Jie Dao, Yubei District, Chongqing, the PRC	Residential and Car Park	19,900	60,000	2017 or after	At planning stage
A site (Lot No. 22) located in Chongqing International Finance and Trade Development Area, Longxi Jie Dao, Yubei District, Chongqing, the PRC	Residential and Car Park	5,300	20,000	2017 or after	At planning stage
A site (Lot No. 7-1) located in Chongqing International Finance and Trade Development Area, Longxi Jie Dao, Yubei District, Chongqing, the PRC	Residential and Car Park	5,200	11,000	2017 or after	At planning stage
A site located in Xinpaifang, Yubei District, Chongqing, the PRC	Residential, Commercial, Office and Car Park	8,600	26,000	2017 or after	At planning stage
A site (Lot No. 10) located to the southeast of the junction of Xingai Road, and Hongjin Road, Chongqing International Finance and Trade Development Area, Longxi Jie Dao, Yubei District, Chongqing, the PRC	Commercial, Hotel, Auxiliary Facilities and Car Park	59,400	290,000	2015-2017	Under construction

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Property Location	Intended Use	Approximate Site Area (sqm)	Approximate GFA (sqm)	Expected Completion Date (Year)	Status of Development
Three parcels of land (Lot No. 19) located in the junction of Xingai Road and Jinshan Road, Chongqing International Finance and Trade Development Area, Longxi Jie Dao, Yubei District, Chongqing, the PRC	Residential, Commercial, Office, Auxiliary Facilities and Car Park	141,600	296,000	2015-2016	Under construction
A site located in Xiyong Zone, Shapingba District, Chongqing, the PRC	Residential, Commercial, Auxiliary facilities and Car Park	47,300	206,000	2015	Under construction
A site (Lot No. 4) located to the west of Hongjin Road, Chongqing International Finance and Trade Development Area, Longxi Jie Dao, Yubei District, Chongqing, the PRC	Commercial, Office and Car Park	96,900	746,000	2016 or after	Under construction

Completed properties held for sale

Property Location	Usage	Approximate GFA (sqm)
Portion of No. 1 Peak Road located at No. 2 Jinding Road, Longxi Town, Yubei District, Chongqing, the PRC	Residential, Commercial and Car Park	13,000
Portion of No. 8 Peak Road located at No. 11 Jinshan Road, Longxi Town, Yubei District, Chongqing, the PRC	Residential, Commercial and Car Park	3,000
Portion of L'Ambassadeur (Phases I, II, III and IV) located at No. 18 Xingai Avenue and No. 15 Jinshan Road, Longxi Town, Yubei District, Chongqing, the PRC	Residential, Commercial, Auxiliary Facilities and Car Park	79,000
Portion of Mansions on the Peak located at the junction of Jinshan Road and Jinding Road, Yubei District, Chongqing, the PRC	Residential, Commercial, Auxiliary Facilities and Car Park	40,000
Portion of i-City (Phases I, II and III) located at Nos. 301, 303, 305, 307, 309 and 333 Donghunan Road, Yubei District, Chongqing, the PRC	Residential, Commercial, Office, Auxiliary Facilities and Car Park	58,000
Portion of One Central Midtown (Phase IA) and Portion of 9 Central Midtown (Phase IB) located at No. 18 Jinshan Road and No. 6 Xingai Avenue, Longxi Town, Yubei District, Chongqing, the PRC	Residential, Commercial, Office and Car Park	32,000
Portion of Zhongyu Plaza (Phases II and III) of Land Lot No. 10, located at Hongjin Avenue, Longxi Town, Yubei District, Chongqing, the PRC	Office	94,000

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Property Location	Usage	Approximate GFA (sqm)
Portion of Academic Heights (Phases I and II) located at Nos. 15 and 17 Sixian Road, Shapingba District, Chongqing, the PRC	Residential, Commercial, Auxiliary Facilities and Car Park	124,000
Portion of Silver Lining located at Lot Nos. R1-1-7, R1-1-7A and R1-1-10, Hi-tech Development District, Kunming City, Yunnan Province, the PRC	Residential, Commercial and Car Park	24,000

Completed properties held for investment

Property Location	Usage	Approximate GFA (sqm)
California Garden, Longxi Jie Dao, Yubei District, Chongqing, the PRC	Residential, Commercial and Car Park	29,000
California City Garden, Longxi Jie Dao, Yubei District, Chongqing, the PRC	Commercial, Auxiliary Facilities and Car Park	19,000
Kechuang Building, No. 8 Jinshan Road, Longxi Jie Dao, Yubei District, Chongqing, the PRC	Car Park	3,000
Huijingtai, No. 3 Jinshan Road, Longxi Jie Dao, Yubei District, Chongqing, the PRC	Commercial and Car Park	13,000
Underground Carpark, No. 2 Xingai Road, Longxi Jie Dao, Yubei District, Chongqing, the PRC	Car Park	8,000

The market value of CQZY Group's property portfolio as at 31 March 2015 was valued at RMB13,731 million (equivalent to approximately HK\$17,397 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 March 2015 is as follows:

	<i>RMB</i> <i>(in million)</i>
Carrying value of the property portfolio as at 31 December 2014	10,064
Development costs incurred during the period	180
Properties sold during the period	(100)
Depreciation and amortization provided during the period	<u>(2)</u>
Carrying value of the property portfolio as at 31 March 2015	10,142
Appreciation in value of the property portfolio	<u>3,589</u>
Valuation of the property portfolio as at 31 March 2015	<u><u>13,731</u></u>
Represented by:	
Properties with land use rights certificates obtained (see AIV-8 of Appendix IV – Property Valuation Report)	13,558
Property with land use rights certificate not yet obtained (see note (iv) of AIV-56 of Appendix IV – Property Valuation Report)	<u>173</u>
	<u><u>13,731</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:

	3 months ended 31 March 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	167,980	2,766,416	1,879,475
Profit Before Tax	3,252	676,585	661,395
Net Profit/(Loss)	(13,831)	215,440	263,908
	As at 31 March 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)
Total Assets	14,852,664	14,596,543	15,639,746
Total Liabilities	7,550,383	7,240,521	8,506,217
Net Assets	7,302,281	7,356,022	7,133,529

LETTER FROM THE BOARD

8. LISTING RULES IMPLICATIONS

As the applicable percentage ratio exceeds 75%, the Disposal constitutes a very substantial disposal and is subject to announcement and the shareholders' approval requirements under the Listing Rules.

While Mr. Tsang has no interest in the Agreement, given that Mr. Tsang is a Shareholder holding 3,394,242 Shares, representing approximately 0.13% of the issued Shares, and is indirectly interested in 240 Starhigh Shares, representing 8% of the entire issued share capital of Starhigh as at the Latest Practicable Date and will be interested in 40% thereof upon completion of the subscription of Starhigh Shares in full pursuant to the terms of the Investment Agreement, Mr. Tsang and his associates will abstain from voting on the relevant proposed resolution approving and ratifying the Agreement and the transactions contemplated thereunder at the SGM. Mr. Tsang, as a Director, had already abstained from voting on the resolutions of the Board approving the Agreement and the transactions contemplated thereunder.

9. SGM

The SGM will be held at 33/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on Friday, 10 July 2015 at 11:00 a.m., at which an ordinary resolution will be proposed to the Shareholders to consider and, if thought fit, approve and ratify the Agreement and the transactions contemplated thereunder. The notice of the SGM is set out on page SGM-1 of this circular. Votes of the Shareholders will be taken at the SGM by poll and results of voting at the SGM will be announced by the Company in accordance with the Listing Rules.

A form of proxy for use at the SGM is enclosed. Whether or not you intend to attend and vote the SGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of the Company in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

10. RECOMMENDATION

The Directors consider that the terms of the Agreement and the transactions contemplated thereunder 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. Accordingly, the Directors recommends that the Shareholders vote in favour of the ordinary resolution set out in the notice of the SGM for the approval and ratification of the Agreement and the transactions contemplated thereunder.

11. ADDITIONAL INFORMATION

Your attention is also drawn to the information set out in the Appendices to this circular and notice of the SGM.

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

1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group for each of the three years ended 31 December 2014, 2013 and 2012 are disclosed in the following documents which have been published on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.ccland.com.hk):

- The annual report 2014 of the Company for the year ended 31 December 2014 dated 25 March 2015 (page 64 to 133);
- The annual report 2013 of the Company for the year ended 31 December 2013 dated 25 March 2014 (page 66 to 141);
- The annual report 2012 of the Company for the year ended 31 December 2012 dated 26 March 2013 (page 63 to 117).

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 May 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 borrowings of approximately HK\$9,910,353,000 comprising secured and unsecured bank borrowings of approximately HK\$7,080,353,000 and approximately HK\$2,830,000,000 respectively. The secured bank borrowings were secured by the Group's leasehold properties, time deposits, properties under development, prepaid land lease payments, completed properties held for sale and investment properties with an aggregate carrying value of approximately HK\$16,355,204,000.

As at 31 May 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\$7,630,766,000.

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 May 2015.

3. 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.

4. FINANCIAL AND TRADING PROSPECTS OF THE REMAINING GROUP

The core business of the Remaining 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.

The Remaining Group currently has a land bank of approximately 9.1 million sqm GFA which is sufficient for 4-5 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	113,000	Under construction	2015	Commenced Pre-sale
Coronation Chongqing, the PRC	Residential, Commercial, Office and Car Park	1,029,000	Under construction	2015 or after	Commenced Pre-sale
Verakin New Park City Chongqing, the PRC	Residential, Commercial, Office and Car Park	614,000	Under construction	2016 or after	Commenced Pre-sale
Bishan Verakin New Park City Chongqing, the PRC	Residential, Commercial and Car Park	791,000	Under construction	2015 or after	Commenced Pre-sale
Verakin Riviera Chongqing, the PRC	Residential, Commercial and Car Park	146,000	Under construction	2015	Commenced Pre-sale
Verakin Joyful City Chongqing, the PRC	Residential, Commercial, Office and Car Park	676,000	Under construction	2017 or after	Commenced Pre-sale
Sky Villa Chengdu, Sichuan Province, the PRC	Residential and Car Park	215,000	Under construction	2015	Commenced Pre-sale
Sky Villa Condominiums Chengdu, Sichuan Province, the PRC	Residential, Commercial and Car Park	125,000	Under construction	2015	Commenced Pre-sale
Villa Royale Chengdu, Sichuan Province, the PRC	Residential and Car Park	63,000	Under construction	2015 or after	Commenced Pre-sale

Property Location	Intended Use	Approximate Total GFA (sqm)	Status of Development	Expected Completion Date (Year)	Expected Pre-sale Date (Year)
C C Land Plaza Chengdu, Sichuan Province, the PRC	Residential, Commercial, Office and Car Park	117,000	Under construction	2017 or after	2015
Residence du Lac Chengdu, Sichuan Province, the PRC	Residential, Commercial and Car Park	398,000	Under construction	2015 or after	Commenced Pre-sale
Residence du Paradis Chengdu, Sichuan Province, the PRC	Residential, Commercial and Car Park	815,000	Under construction	2015 or after	Commenced Pre-sale
Radiant Bay Dazhou, Sichuan Province, the PRC	Residential, Commercial and Car Park	247,000	Under construction	2015 or after	Commenced Pre-sale
First City, Guiyang Guiyang, Guizhou Province, the PRC	Residential, Commercial, Office and Car Park	1,191,000	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	626,000	Under construction	2016 or after	Commenced Pre-sale

5. MANAGEMENT DISCUSSION AND ANALYSIS OF THE REMAINING GROUP

The following discussion should be read in conjunction with the financial information of the Group and the historical financial information and operating data included in this circular. The financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards.

The management's discussion and analysis of the Remaining Group for each of the years ended 31 December 2014, 2013 and 2012 is set out below, in which the Target Group will cease to be subsidiaries of the Company, and the Company will no longer have any ownership interest in the Target Group.

(A) FOR THE YEAR ENDED 31 DECEMBER 2014**RESULTS**

The Remaining Group achieved a revenue of approximately HK\$7,533.5 million in 2014, up 51.7% year-on-year. Net profit surged by 119.2% year-on-year to HK\$874.7 million. There are non-recurring gains from the disposal of the Zhaomu Mountain project and the Wanzhou project in Chongqing, which yielded profits before tax of approximately HK\$457.4 million and HK\$90.0 million respectively. The Remaining Group attained a profit attributable to shareholders for the year ended 31 December 2014 of HK\$877.7 million (2013: HK\$244.1 million), an increase of about 259.6% from that of last year.

BUSINESS REVIEW

The Remaining Group continued to focus its property development and investment business in Western China. Most of its projects are located in the provincial capitals of Western China where the GDP growth is higher than the national average. Last year, the Chinese economy experienced a stage of adjustment in its economic and social development. The economic growth slowed to an actual GDP growth of 7.4% (2013: 7.7%). The poor sentiment for the real estate market resulted in a fall in both transaction volume and selling prices across the country.

In order to keep the property market on a healthy, balanced and sustainable growth, the Central Government has relaxed its tightening policies on the property sector, resulting in more buyers being granted better mortgage terms, thus promoting sales. At the end of 2014, in major cities, there were clear signs of stabilization of the property market which is expected to have little risk of a major downturn due to the underlying fundamentals in China.

Recognized Revenue

The property sales revenue of the Remaining Group was HK\$7,506.9 million (RMB5,939.7 million) (2013: HK\$4,943.9 million (RMB3,910.9 million)) against a total booked gross floor area (“GFA”) sales of 866,900 sqm (2013: 519,800 sqm). The revenue from property sales and booked GFA represented an increase of 51.8% and 66.8% respectively from those of last year. The substantial increase in sales revenue and booked GFA was mainly attributable to more properties delivered and recognized as revenue in the year. The recognized revenue of the Remaining Group mainly came from 3 projects in Chongqing, 3 projects in Chengdu and 1 project in Guiyang. As most of the projects recognized revenues in the previous year 2013 were from high-end residential projects which carried higher average selling price (“ASP”) and gross profit margins, the ASP of recognized sales of the Remaining Group in 2014 decreased by 9.8% from RMB7,520 per sqm in 2013 to RMB6,850 per sqm in 2014. The booked gross profit margin of the Remaining Group for 2014 was 27.1% (2013: 30.7%). A provision for impairment of HK\$256.0 million was made in respect of certain development properties of the Remaining Group in the year (2013: HK\$168.7 million). After the provision, the gross profit margin of the Remaining Group’s property development and investment business in 2014 was 23.7% (2013: 27.4%).

Contract Sales

In the first few months of 2014, the Central Government continued to implement the restrictive measures on the real estate market. A strong wait-and-see sentiment in the market had dampened the buying desire from first-time home buyers and from up-graders. With this adverse market sentiment, the Remaining Group recorded decreases in both the contract volume and floor area sold compared with last year.

In 2014, the Remaining Group launched its first project in Xi’an which recorded satisfactory sales performance.

The total contract sales achieved by the Remaining Group during the year was RMB5,160.0 million (2013: RMB7,398.0 million) from 16 projects in 6 cities, with a pre-sold area totaling 658,100 sqm (2013: 894,000 sqm), representing a decrease of 30.3% and 26.4% respectively when compared with those of last year. The overall ASP decreased by 5.2% to RMB7,840 per sqm from RMB8,280 per sqm in 2013. The decrease was mainly attributed to the change in project contribution and product mix when compared with those of last year.

In addition to the contract sales above, as at 31 December 2014, a total of 86,000 sqm at a value of RMB781 million was subscribed for, which will be converted to contract sales in the coming months.

Sixteen projects were launched for pre-sales in 2014. Of this total, four were new projects, namely Verakin Joyful City in Chongqing, Residence du Lac in Chengdu, Zhongyu Metropol in Xi'an and Florentia Town in Guiyang.

Land Bank

The Remaining Group has continued its strategy to develop its business in key cities of Western China. After taking into consideration the macro-economic condition, market change and sales results, the Remaining Group decided not to make any new land acquisition in year 2014.

As at 31 December 2014, the Remaining Group was in possession of a land bank of 9.6 million sqm GFA (attributable GFA amounting to about 6.0 million sqm) which is sufficient for 4-5 years' of development. The projects are in five cities namely Chongqing, Chengdu, Guiyang, Dazhou and Xi'an. Around 38% and 21% of the land bank held for development are located in Chongqing and Chengdu respectively, whilst 41% is in Dazhou, Guiyang and Xi'an. The average GFA land cost is around RMB 1,800 per sqm.

To further consolidate its land bank resources, the Remaining Group completed the disposal of its projects in Zhaomu Mountain and Wanzhou District, Chongqing, at the consideration of about RMB1,425.5 million and RMB459 million respectively. The disposal for these two projects resulted in a total pre-tax gain of approximately HK\$547.4 million.

There were 16 projects at different stages of development during the year. The total area under construction as at 31 December 2014 was about 3.8 million sqm which is about 40% of the Remaining Group's total land bank.

Treasury Investment Business

The treasury investments segment recorded a profit for the year of HK\$172.9 million (2013: HK\$67.4 million). There was a gain of HK\$97.8 million (2013: HK\$83.2 million) realized on the disposal of available-for-sale investments held by the Remaining Group. The realized losses and unrealized gains on listed securities amounted to HK\$4.5 million and HK\$60.5 million respectively (2013: realized gains and unrealized losses on listed securities were HK\$0.8 million and HK\$27.9 million respectively). Dividend income and interest income from investment in notes receivable totaled HK\$22.9 million (2013: HK\$15.0 million).

Financial Position

The Remaining Group had maintained a healthy financial position during the year. As of 31 December 2014, the Remaining Group had aggregate cash and bank balances and time deposits amounting to HK\$7,958.0 million (2013: HK\$6,859.2 million). The Remaining Group monitors its capital on the basis of the gearing ratio. The net gearing ratio of the Remaining Group as at 31 December 2014 was 42.9% (2013: 32.4%) calculated by total borrowings less cash and bank balances and time deposits divided by owners' equity. The increase in gearing ratio was mainly due to the payment of land premium and related costs as well as construction costs of RMB553.4 million and RMB3,413.5 million respectively. These payments were mainly financed by internal resources generated from cash received from property presales and external bank borrowings. The slow down in contract sales has affected the receipt of pre-sale proceeds. The average borrowing interest rate for the year ended 31 December 2014 was 6.09% (2013: 6.53%) per annum which is relatively low in the market.

The cash collection ratio for the property business was 108% during the year.

CORPORATE STRATEGY AND OUTLOOK

The macro-regulatory environment had deterred potential homebuyers. As the market momentum slowed in 2014, homebuyers adopted a 'wait-and-see' attitude and continued to stay away from the property market. Housing supply and turnover in most cities reached a historic low. Government measures aimed at attracting homebuyers began to surface in September. These included improving the availability of mortgages and better mortgage terms for first-time homebuyers, as well as for second-time buyers who have repaid their first mortgage. It is expected that China will continue to adopt a prudent monetary policy and ensure economic drive in implementing reforms. The favorable policies boosted consumer confidence. The fall in housing sales eased in the last quarter of 2014, and was particularly evident in the first-tier cities. These changes should help activity in the housing market to regain momentum in the months ahead if the economic background continues to improve.

In respect of land acquisitions, the Remaining Group will carefully screen and assess each and every opportunity based on future market supply and consumption preferences of home buyers. To ensure sustainable growth, the Remaining Group continues to ensure that it always has sufficient funding to expand resources land reserves with high potential profitability.

The target completion area of the Remaining Group for year 2015 are 2,053,000 sqm, which is about 159% higher when compared with the 2014 completion area of 792,900 sqm.

As at 31 December 2014, the Remaining Group had a total of 16 projects under development. Based on the existing development schedule, the Remaining Group expects the total area for construction start-up in 2015 to be around 2.0 million sqm. Together with the area under construction of 3.8 million sqm as at 31 December 2014, the total area under development at the end of 2015 is expected to be over 5.8 million sqm – about 60% of the Remaining Group's total land bank.

As at 31 December 2014, the outstanding land premium was about RMB542 million. The expected construction cost for 2015 is about RMB5.6 billion.

The Remaining Group will continue to adopt a prudent and cautious investment strategy and will from time to time consider any investment and/or cooperation opportunities that may lower the Remaining Group's financial commitments and enhance returns from its projects in order to accelerate further growth of the Remaining Group. The Remaining Group will closely monitor changes of the market condition and demand, making timely and appropriate adjustment to the development plan in order to maintain satisfactory sales progress, maximize the performance of its operation and generate the greatest returns for its shareholders.

FINANCIAL REVIEW

Investments

For the sake of strategic investment with growth potential, and in view of the shrinking interest returns on bank deposits, the Remaining Group instead has identified certain investment opportunities and invested its unused cash in a portfolio of listed and unlisted equity securities and unlisted investment funds. To maintain a prudent investment portfolio, the value of the portfolio is limited to no more than 10% of the total asset of the Remaining Group.

As at 31 December 2014, the Remaining Group held a portfolio of listed and unlisted equity securities and notes receivable (issued by companies listed on the Stock Exchange) with a carrying value of HK\$1,270.2 million (31 December 2013: HK\$694.4 million) which is about 3.6% of the total assets of the Remaining Group. The Remaining Group will monitor closely the usage of unused cash and adjust the size of its investment portfolio. Owing to the price fluctuation in the Hong Kong stock market during the year, the Remaining Group recorded an unrealized fair value gains of HK\$60.5 million on listed investment (2013: unrealized fair value losses of HK\$27.9 million). The amount of dividends and interest income from investments for the year was HK\$22.9 million (2013: HK\$15.0 million).

Liquidity and Financial Resources

The Remaining Group will continue to adopt a prudent financial policy. Finance and fund utilization activities are subject to effective centralized management and supervision. While continuing to maintain the current relationship with major bankers, the Remaining Group is also exploring other funding channels and optimizing its capital structure so as to enhance its risk resistance capabilities.

As of 31 December 2014, the Remaining Group's financial position was healthy, ready for future capital expansion while maintaining a sufficiently high level of fixed deposits and bank balances amounting to HK\$7,958.0 million (31 December 2013: HK\$6,859.3 million) which included HK\$1,524.2 million (31 December 2013: Nil) of deposit pledged to banks. Of the cash and bank balances, the carrying amount of restricted cash was approximately HK\$802.4 million (31 December 2013: approximately HK\$2,102.4 million). According to the relevant laws and regulations of the PRC, the Remaining Group was required to place certain amount of pre-sales proceeds into designated bank accounts as guarantees for the development of the relevant properties.

An analysis by currency denomination of the cash and bank balances is as follows:

	2014		2013	
	HK\$'M	Percentage	HK\$'M	Percentage
Renminbi	6,945.3	87.2	5,544.6	80.8
Hong Kong Dollars	1,009.9	12.7	1,302.7	19.0
United States Dollars	<u>2.8</u>	<u>0.1</u>	<u>12.0</u>	<u>0.2</u>
Total	<u>7,958.0</u>	<u>100.0</u>	<u>6,859.3</u>	<u>100.0</u>

As at 31 December 2014, the Remaining Group's working capital (current assets less current liabilities) amounted to approximately HK\$8,444.8 million (31 December 2013: HK\$7,063.9 million). The Remaining Group's current ratio (current assets over current liabilities) was 1.5 times (31 December 2013: 1.4 times). The unutilized banking facilities of the Remaining Group amounted to HK\$353 million as at 31 December 2014 (31 December 2013: HK\$678 million), most of which are arranged on a medium to long term basis, which helps to minimize refinancing risk. The Remaining Group mainly relies upon internally generated funds as well as bank borrowings to ensure long term stability and healthy development of the Remaining Group whilst monitoring the gearing position from time to time to minimize the risks.

Total borrowings of the Remaining Group amounted to HK\$11,188.3 million (31 December 2013: HK\$9,179.0 million), of which HK\$3,998.5 million (31 December 2013: HK\$2,534.8 million) was repayable within one year or on demand and HK\$7,189.8 million (31 December 2013: HK\$6,644.1 million) was repayable after one year. The average borrowing interest rate for the year ended 31 December 2014 was 6.09% (31 December 2013: 6.53%) per annum with 19.6% (2013: 20.7%) of total borrowings are at fixed rate. The total finance costs increased by approximately 77.0 % as compared to last year and amounted to HK\$158.4 million (31 December 2013: HK\$86.1 million), after capitalization of HK\$494.1 million (31 December 2013: HK\$502.1 million) into the cost of properties under development. Secured debts accounted for approximately 69% of total borrowings as at 31 December 2014 (31 December 2013: 59%). As at 31 December 2014, the Remaining Group was at a net borrowing position of HK\$3,230.3 million after netting off total bank borrowings against cash balance (31 December 2013: net borrowing position of HK\$2,319.7 million). The increase in the net borrowing balance was mainly due to the funding required for the payment of land premium and related costs of about RMB553.4 million and the payment of construction costs of about RMB3.4 billion during the year.

The Remaining Group's owners' equity as at 31 December 2014 was HK\$7.5 billion (31 December 2013: HK\$7.2 billion).

The maturity profile of the bank borrowings, and the cash and bank balances and time deposits as at 31 December 2014 were as follows:

Currency of Bank Loans	RMB HK\$'M	HK\$ HK\$'M	US\$ HK\$'M	Total HK\$'M	Percentage
Bank borrowings repayable:					
– Within 1 year or on demand	2,163.4	1,835.1	–	3,998.5	35.7
– In the second year	3,112.8	2,911.0	–	6,023.8	53.9
– In the third to fifth years, inclusive	<u>506.0</u>	<u>660.0</u>	<u>–</u>	<u>1,166.0</u>	<u>10.4</u>
Total bank borrowings	5,782.2	5,406.1	–	11,188.3	100.0
Less: Cash and bank balances and time deposits	<u>(6,945.3)</u>	<u>(1,009.9)</u>	<u>(2.8)</u>	<u>(7,958.0)</u>	
Net borrowing position	<u><u>(1,163.1)</u></u>	<u><u>4,396.2</u></u>	<u><u>(2.8)</u></u>	<u><u>3,230.3</u></u>	

Contingent Liabilities/Financial Guarantees

As at 31 December 2014, the Remaining Group had the following contingent liabilities/financial guarantees:

1. Guarantees given in favour of the banks in connection with facilities granted to an associate in the amount of HK\$526.1 million (31 December 2013: HK\$526.1 million).
2. Guarantees given in favour of the banks in respect of mortgage facilities granted to certain purchasers of the Remaining Group's property units in the amount of HK\$6,477.5 million (31 December 2013: HK\$6,444.2 million).

Pledge of Assets

As at 31 December 2014, the Remaining Group has pledged the following assets:

- a. Bank balances and time deposits as security for general banking facilities granted to the Remaining Group. HK\$1,524.3 million
- b. Properties under development and completed properties held for sales pledged to secure banking facilities granted to the Remaining Group. RMB10,151.7 million
- c. 100% equity holdings of a subsidiary of the Remaining Group in the PRC. RMB202.1 million

Exchange Risks

As the Remaining Group's property business operates in the PRC, its revenue and most of its expenses are denominated in RMB. Therefore the property business is not exposed to material foreign exchange risks. The directors expect that any fluctuation of RMB's exchange rate will not have any material adverse effects on the operation of the Remaining Group. No currency hedging arrangements were made as at 31 December 2014. The Remaining Group will continue to closely monitor and manage its exposure to fluctuation in foreign exchange rates.

EMPLOYEES

As of 31 December 2014, the Remaining Group had approximately 1,846 employees in China and Hong Kong (31 December 2013: 1,562 employees) and incurred employee costs in the amount of approximately HK\$282 million (31 December 2013: HK\$260 million). The Remaining Group reviews the remuneration policies and packages on a regular basis and remunerates its employees based on their merit, qualification, competence and the prevailing market condition. In order to attract, retain and motivate employees, the Remaining Group has also established an incentive bonus scheme to reward employees based on their performance and the Remaining Group's performance as a whole. Employees are also eligible for share options under the Company's share option scheme at the discretion of the Board. For the years ended 31 December 2014 and 31 December 2013, no equity-settled share option expense was charged off to the consolidated statement of profit or loss. Other employee benefits include contributions to mandatory provident funds, and medical insurance.

(B) FOR THE YEAR ENDED 31 DECEMBER 2013**RESULTS**

The Remaining Group achieved a revenue of HK\$4,965.4 million in 2013, representing an increase of approximately 4.9% from last year and a net profit increase of 17.6% to HK\$399.0 million. The Remaining Group attained a profit attributable to shareholders for the year ended 31 December 2013 of HK\$244.1 million (2012: HK\$224.3 million), an increase of about 8.8% from that of last year.

BUSINESS REVIEW

In 2013, recovery of the U.S. economy has picked up pace. The European economy is forecast to return to a small growth. China's economic growth continued, the actual GDP growth for 2013 was 7.7% against 7.8% in 2012. For the property market, the restrictive measures imposed by the central government have not significantly dampened the market sentiments. Driven by the continuous growth of disposable income per capita, acceleration of urbanization and increased housing demand for self use and improvement purposes, China's real estate market showed a significant overall upward trend with rises in both the home prices and transaction volumes. Year 2013 has been exciting and strategically important for the Remaining Group as the first project in Xi'an was added to the Remaining Group's portfolio. Expanding to other key cities in Western China will enable the Remaining Group to benefit from the economic growth in the region through diversification.

Recognized Revenue

During 2013, 6 projects were completed on schedule with a total completion area of 940,200 sqm which is about 38.2% more than that in the previous year. As the completion certificate of the First City project in Guiyang was issued at the end of December, despite on time completion of the project, revenue for this project's residential portion could only be recognized in 2014 upon the project delivery to buyers. The Remaining Group recorded an increase of approximately 10.1% and 4.5% from the previous year for the recognized delivered area and revenue from property sales in the amount of 519,800 sqm (2012: 472,100 sqm) and HK\$4,943.9 million (RMB3,910.9 million) (2012: HK\$4,729.3 million (RMB3,846.4 million)) respectively. To cope with the policy change in the past years to support the first time home buyers which are plentiful in Western China, the Remaining Group adjusted its product mix to offer more mid-end products which carry a lower average selling price ("ASP"). Hence the ASP of the recognized property sales decreased by 7.7% to RMB7,520 per sqm (2012: RMB8,150 per sqm). The booked gross profit margin of the Remaining Group for 2013 was 30.7% (2012: 27.7%). A provision for impairment of HK\$168.7 million was made in respect of certain development properties of the Remaining Group in the year (2012: Nil). After the provision, the gross profit margin of the Remaining Group's property development and investment business in 2013 was 27.4% (2012: 27.8%).

Contract Sales

With the implementation of property purchase restrictions, speculative demand has been effectively curbed. In 2013, the Remaining Group continued to adjust its geographical and product mix. To extend its presence in Western China, the Remaining Group acquired its first project in Xi'an which started its pre-sale in January 2014. As to the product mix, the Remaining Group continued to focus on products targeting first-time homebuyer and end-users. Benefiting from the increasing fundamental demand, the property market kept growing at a steady pace.

During the year, the Remaining Group's contract sales came from 13 projects in 5 cities. Ten projects were existing projects with new phases, while the remaining was from 3 new projects. These new projects were Sky Villa Condominiums, Residence du Paradis and Residence du Lac in Chengdu. Benefiting from timely marketing plans and effective sales strategies, the Remaining Group achieved a total contract sales of approximately RMB7,398.0 million in 2013, representing a significant growth of 21.3% as compared to the previous year. The GFA sold increased by 14.0% to 894,000 sqm from the previous year. The overall ASP increased by 6.4% to RMB8,280 per sqm from RMB7,780 per sqm in 2012. The increase was mainly attributed to the change in product mix with more contribution from commercial units in 2013.

Major projects under promotion in the year, namely Sky Villa Condominiums, Residence du Paradis and First City, Guiyang, have contributed to most of the contract sales, and have achieved a total transaction amount of approximately RMB2,522.7 million, representing 34.1% of the total contract sales value in 2013.

Land Bank

The land price in 2013 was in an upward trend. To support sustainable development, the Remaining Group continued to keep a close watch on the land market to replenish or augment its land bank. The following land lots were acquired, either through public auction as arranged by the PRC government or through acquisition of the project companies holding the land use rights, during the year. The Remaining Group's first project in Xi'an was acquired during the year. Altogether 5 new sites with a total planned GFA of about 3.4 million sqm were added to the land bank of the Remaining Group for a total consideration of RMB3.0 billion. The average GFA cost was around RMB870 per sqm. The majority of the units to be built will be medium-sized units which are the preferred products of the first-home buyers.

	Land Location	Acquisition Month	Usage	Consideration (RMB million)	Planned GFA (sqm)	Unit Land Cost (RMB)	The Group's Interest
1.	Wudang District, Guiyang	February	Residential & Commercial	330	626,000	530	85%
2.	Hefei Road, Guiyang	May	Residential & Commercial	919	1,313,000	700	85%
3.	Weiyang District, Xi'an	May	Residential & Commercial	550	640,000	860	100%
4.	Bishan County, Chongqing	October	Residential & Commercial	137	145,000	940	26%
5.	Shapingba District, Chongqing	December	Residential & Commercial	1,027	675,000	1,520	51%
				2,963	3,399,000		

As at 31 December 2013, the Remaining Group had land lots in five cities, namely Chongqing, Chengdu, Guiyang, Xi'an and Dazhou. The Remaining Group's strategy to expand its business to other key cities in Western China will enable it to benefit from the economic growth in the region while diversifying risks.

During the year, to further refine its land bank portfolio, the Remaining Group entered into agreements to dispose of several parcels of land. The received proceeds were used to finance land bank acquisition and working capital of the Remaining Group during the year.

1. In January 2013, the Remaining Group completed the disposal of all of its 60% interest in the Villa Splendido Project in Yutang Town, Dujiangyan District, Chengdu, at a consideration of about RMB331.9 million. The disposal represented an opportunity for the Remaining Group to realize its project investment with an attractive return. The disposal resulted in a pre-tax gain of approximately HK\$171.9 million.
2. In November 2013, the Remaining Group entered into an agreement to dispose of all of its interest in the project in Zhaomu Mountain, Chongqing, at a consideration of about RMB1,425.5 million. The disposal was completed in January 2014 and the expected pre-tax gain from this disposal was approximately HK\$457.4 million, which will be accounted for in the fiscal year 2014.
3. As a result of the authority's failure to engineer a high voltage power line in accordance with the terms of the land grant contract for the Ertang Project in Chongqing, and taking into consideration of the new local city planning that would have hampered our development plan, the Remaining Group accepted the re-possession offer of the land lot from the local government. The deposit paid for the land lot in the amount of RMB376.9 million was returned to the Remaining Group forthwith.

As at 31 December 2013, the Remaining Group's land bank held for development stood at 10.8 million sqm GFA (attributable GFA amounting to about 6.9 million sqm) which is sufficient for the Remaining Group's next 5-6 years of development. Around 43% of the land bank held for development is located in Chongqing whilst the remaining 57% is in Chengdu, Dazhou, Guiyang and Xi'an. The average GFA cost is around RMB1,760 per sqm.

There were 15 projects at different stages of development during the year. The total area under construction as at 31 December 2013 was about 3.5 million sqm which is about 32% of the Remaining Group's total land bank.

Treasury Investment Business

The treasury investments segment recorded a profit for the year of HK\$67.4 million (2012: HK\$188.1 million). There was a gain of HK\$83.2 million (2012: HK\$187.4 million) realized on the partial disposals of available-for-sale investments held by the Remaining Group. The realized gains and unrealized losses on listed securities amounted to HK\$0.8 million and HK\$27.9 million respectively (2012: realized loss and unrealized gains on listed securities were HK\$7.4 million and HK\$1.4 million respectively). Dividend income and interest income from investment in notes receivable totaled HK\$15.0 million (2012: HK\$9.8 million).

To efficiently manage the funds, the Remaining Group's financing and treasury activities were centrally coordinated at the corporate level. Faced with low interest environment in 2013, the Remaining Group strived to secure a better return on bank deposits by investing its idle cash in a portfolio of listed securities and unlisted investment funds. The investment policy remains conservative by limiting the value of the portfolio to no more than 10% of the total assets of the Remaining Group in the past few years.

Financial Position

The Remaining Group has maintained a strong financial position during the year. As of 31 December 2013, the Remaining Group had aggregate cash and bank balance and time deposits amounting to HK\$6,859.2 million (2012: HK\$4,981.2 million). The Remaining Group monitors its capital on the basis of the gearing ratio. The net gearing ratio of the Remaining Group as at 31 December 2013 was 32.4% (2012: 41.8%) calculated by total borrowings less bank balances and cash divided by owners' equity. During the period, the payment of land premium and related costs as well as construction costs were RMB2.5 billion and RMB3.7 billion respectively. These payments were mainly financed by internal resources generated from cash received from property presales and external bank borrowings. The cash collection ratio for the property business was 97% during the year under review. The average borrowing interest rate for the year ended 31 December 2013 was 6.53% (2012: 5.67%) per annum which is relatively low in the market.

CORPORATE STRATEGY AND OUTLOOK

The world economy appears to continue its modest growth. In the US, the recent federal spending cuts have created uncertainty while the economic recovery of the European Union is relatively slow. In China, the economy continues to grow steadily, albeit at a slower pace. The central government has maintained its tightening policies over the property market but further tough controls are not expected.

Amid the moderate pace of the economic growth in China, China's economy and property policies are favorable in the long run to the sustainable growth of the property sector. Coupled with the continuous growth of disposable income and accelerated urbanization, housing demand for self-use and upgrading purposes is expected to remain strong.

To support healthy and sustainable growth, the Remaining Group will continue to adhere to its prudent investment strategy and be ever cautious and selective in land acquisitions but will remain open to add high quality land parcels with huge potential of value appreciation into the Remaining Group's land reserve to expand the Remaining Group's saleable resources in future years. The Remaining Group will maintain a land bank policy of keeping its land bank sufficient for the next 4 to 5 years' development.

Looking forward, the Remaining Group will enhance the development progress for existing projects and shall continue to strategically select and develop property projects which are in line with its development strategies and economic environment. The Remaining Group will closely monitor changes in the market demands, making timely and appropriate adjustment to the development plan in order to maintain satisfactory sales progress, maximize the performance of its operation and generate the greatest returns for its shareholders. As part of this prudent and cautious investment strategy, the Remaining Group will from time to time consider any investment and/or cooperation opportunities that may further improve its equity structure and cash flow and enhance returns from its projects in order to accelerate further growth of the Remaining Group as a whole.

FINANCIAL REVIEW

Investments

As at 31 December 2013, the Remaining Group held a portfolio of listed and unlisted equity securities and notes receivable (issued by companies listed on the Stock Exchange) with a carrying value of HK\$694.4 million (31 December 2012: HK\$489.6 million). Owing to the price fluctuation in the Hong Kong stock market during the year, the Remaining Group recorded an unrealized fair value loss of HK\$27.9 million on listed investment. The amount of dividends and interest income from investments for the year was HK\$15.0 million (2012: HK\$9.8 million).

Liquidity and Financial Resources

Throughout the year, the Remaining Group had maintained a healthy and stable liquidity to safeguard the healthy development of the Remaining Group's business. As at 31 December 2013, the Remaining Group's aggregate cash and bank balances and time deposits totaled HK\$6,859.2 million (31 December 2012: HK\$4,981.2 million). Of these aggregate balances, the carrying amount of the restricted cash was HK\$2,102.4 million (31 December 2012: HK\$1,804.8 million). Pursuant to relevant regulations, the Remaining Group was required to deposit a proportion of proceeds from properties pre-sales in designated bank accounts. Before the completion of the projects, the proceeds deposited could only be used for payment of expenditures in relation to the relevant property construction.

The Remaining Group has maintained an appropriate level of external borrowings for the Remaining Group's operation. As at 31 December 2013, the total borrowings amounted to HK\$9,179.0 million (31 December 2012: HK\$7,786.8 million), of which HK\$2,534.8 million (31 December 2012: HK\$5,842.2 million) was repayable within one year or on demand and HK\$6,644.1 million (31 December 2012: HK\$1,944.6 million) was repayable after one year. The average borrowing interest rate for the year ended 31 December 2013 was 6.53% (2012: 5.67%) per annum. The total finance costs charged to the consolidated statement of profit or loss increased by approximately 57.3 % as compared to the previous year and amounted to HK\$86.1 million, after capitalization of HK\$502.1 million (2012: HK\$300.9 million) into the cost of properties under development. Secured debts accounted for approximately 59% of total borrowings as at 31 December 2013 (31 December 2012: 53%).

As at 31 December 2013, the Remaining Group was at a net borrowing position of HK\$2,319.7 million after netting off total bank and other borrowings against cash balance (31 December 2012: HK\$2,805.5 million). The Remaining Group's owners' equity as at 31 December 2013 was HK\$7.2 billion (31 December 2012: HK\$6.7 billion).

Contingent Liabilities/Financial Guarantees

As at 31 December 2013, the Remaining Group had the following contingent liabilities/financial guarantees:

1. Guarantees given in favour of the banks in connection with facilities granted to an associate in the amount of HK\$526.1 million (31 December 2012: HK\$455.0 million).
2. Guarantees given in favour of the banks in respect of mortgage facilities granted to certain purchasers of the Remaining Group's property units in the amount of HK\$6,444.2 million (31 December 2012: HK\$4,793.0 million).

Pledge of Assets

As at 31 December 2013, the Remaining Group has pledged the following assets:

- a. Leasehold properties as security for general banking facilities granted to the Remaining Group. HK\$3.3 million
- b. Properties under development and completed properties held for sales pledged to secure banking facilities granted to the Remaining Group. RMB7,403.1 million

Exchange Risks

As the Remaining Group's property business operates in the PRC, its revenue and most of its expenses are denominated in RMB. Therefore the property business is not exposed to material foreign exchange risks. The directors expect that any fluctuation of RMB's exchange rate will not have any material adverse effects on the operation of the Remaining Group. No currency hedging arrangements were made as at 31 December 2013. The Remaining Group will continue to closely monitor and manage its exposure to fluctuation in foreign exchange rates.

EVENT AFTER THE REPORTING PERIOD

On 15 January 2014, the disposal of Ho Yeung Group Limited was completed.

EMPLOYEES

As at 31 December 2013, the Remaining Group had approximately 1,562 employees and incurred wages and salaries in the amount of approximately HK\$260 million for 2013. The Remaining Group remunerates its staff based on their merit, qualification, competence and the prevailing market wage level. In order to attract, retain and motivate executives and key employees, the Remaining Group has also established an incentive bonus scheme to reward employees based on their performance. Employees are also eligible to be granted share options under the Company's share option scheme at the discretion of the Board. No equity-settled share option expense was charged off to the income statement for both year of 2012 and 2013. Other benefits include contributions to a mandatory provident fund and medical insurance.

(C) FOR THE YEAR ENDED 31 DECEMBER 2012**RESULTS**

The Remaining Group achieved a revenue of HK\$4,934.4 million for the year ended 31 December 2012, a 88% increase from HK\$2,619.2 million of 2011. The property development and investment business and treasury investment business (continuing operations) recorded a revenue of HK\$4,734.8 million (2011: HK\$2,046.1 million) representing an increase of approximately 131% over that of last year, and a net profit of HK\$327.0 million, a substantial increase of approximately 187% over the last year. The revenue for the discontinued operations of the Remaining Group's manufacturing business was HK\$199.7 million with a net profit of HK\$12.2 million up to the completion of the spin-off in July 2012.

The Remaining Group attained a profit attributable to shareholders for the year ended 31 December 2012 of HK\$224.3 million (2011: HK\$33.8 million), a significant increase of about 564% over that of last year.

BUSINESS REVIEW

Year 2012 was one of the transformation years for the Remaining Group. During the year, the Remaining Group undertook a series of corporate restructuring exercises to streamline its business. A new Group (including the Remaining Group) was formed. The Remaining Group is now engaged principally in its core business of property development in Western China.

During the year 2012, no more new stiff control measures were introduced by the Chinese Government to curb the property market as the current restrictions have been effective in discouraging speculation as a whole. To increase market liquidity in response to external economic uncertainties and to support growth, the Central Government twice reduced the benchmark interest rates and eased off banks' reserve requirements. As a result, the property market gradually picked up and got back on track from March 2012. Both selling prices and transaction volumes gradually rebounded, supported by increasing end-user demands from first time homebuyers and up-graders. Land prices also improved.

In addition to Chongqing and Chengdu, the Remaining Group launched its first project in Guiyang in May 2012. These three cities have seen strong economic growth with the GDP growth of Chongqing, Chengdu, and Guiyang for the year of 2012 reaching 13.6%, 13.0% and 15.9% respectively, which are much higher than the nation's average of 7.8% in the year.

Recognized Revenue

During the year, the Remaining Group's property sales revenue was HK\$4,729.3 million (RMB3,846.4 million) (2011: HK\$2,037.8 million (RMB1,663.3 million)) against a total booked GFA of 472,100 sqm (2011: 317,200 sqm). The revenue from property sales and booked GFA represented a growth of 132% and 49% respectively over the corresponding year of 2011. For 2012, the ASP of recognized sales increased by 55% to RMB8,150 per sqm (2011: RMB5,240 per sqm). Overall booked gross profit margin for the year increased by 6.2 percentage points to 27.7% from 21.5% in 2011 as some projects were delivered as the second or third phase which have a higher selling price than the first phase.

Six projects were completed on schedule in 2012. The total GFA completed by the Remaining Group in the period under review amounted to approximately 680,000 sqm.

Contract Sales

During the year, the government's initiatives, including low-cost social housing plans and the regulatory measures imposed on private housing purchases, have been effective as some cities reported decreased property transaction volumes and month-on-month declines in housing prices. The measures are designed to create stability and promote healthy growth of the property sector in the PRC in the long run. With the strong demands from the first time homebuyers, the sale of residential properties began to pick up since March 2012.

The total contract sales of the Remaining Group in 2012 were RMB6,097.3 million which showed a 45% increase from the previous year. The total GFA sold increased by 58% to 784,200 sqm GFA from the previous year. It is supported by a schedule of launching 10 projects, which was achieved through the Remaining Group's adjustment of its product mix to offer more mid-end products with a smaller lump sum price tag per unit to meet the demand of first-time homebuyers and promote sales, resulting in the decrease of the overall ASP by about 8% from RMB8,490 per sqm in 2011 to RMB7,780 per sqm in 2012. Out of these projects, 3 were new projects, namely, Bishan Verakin New Park City in Chongqing, Brighton Place & Plaza in Chengdu, and First City in Guiyang. During the year, Verakin New Park City, Brighton Place & Plaza, and First City were the top 3 projects, contributing most of the contract sales.

Land Bank

During the year, the Remaining Group had land lots in four cities, namely Chongqing, Chengdu, Guiyang and Dazhou. As at the report date, the Remaining Group's land bank stood at 10.0 million sqm GFA (attributable GFA amounting to about 6.0 million sqm). Around 54% of the land bank held for development is located in Chongqing while the remainder is in Chengdu, Dazhou and Guiyang. The average land cost is around RMB1,960 per sqm. The land bank is sufficient for development for the next 4 to 5 years.

The Remaining Group continues to proceed cautiously with land purchases. After taking into account various factors such as the land market environment, the development trend of the property market and its own financial position, the Remaining Group acquired during the year the following 5 parcels of land which it believed to have great development potential. The total consideration amounted to approximately RMB3.9 billion yielding an additional planned GFA of about 2.1 million sqm with an average land cost of approximately RMB1,830 per sqm.

	Acquisition Land Location	Month	Usage	Planned Consideration (RMB million)	Unit Land GFA (sqm)	The Group's Cost (RMB)	Interest
1.	Rongchang, Chongqing	January	Residential	125	152,000	820	25%
2.	Zhaomu Mountain, Chongqing	November	Residential & Commercial	2,190	663,000	3,300	100%
3.	Huafu Avenue, Chengdu	November	Residential & Commercial	560	398,000	1,410	51%
4.	Yizhou Avenue, Chengdu	November	Residential & Commercial	90	121,000	740	51%
5.	Damian Town, Chengdu	December	Residential & Commercial	959	814,000	1,180	51%
				3,925	2,148,000		

Subsequent to the year ended 31 December 2012, the Remaining Group acquired a land lot at No.1 Zhenhua Square of the Upper Village and Longtang Village, Wudang District, Guiyang City, through its 85%-owned subsidiary at a consideration of approximately RMB330 million. The newly-acquired land lot has a total GFA of approximately 444,000 sqm. The unit land cost is approximately RMB740 per sqm GFA. This land lot is planned for the development of a mid to high-end residential project.

During the year, to further refine its land bank portfolio, the Remaining Group entered into agreements to dispose of the following parcels of land. The received proceeds were used to finance land bank acquisition during the year.

1. The Remaining Group entered into an agreement to dispose all of its 60% interest in the Villa Splendido Project in Yutang Town, Dujiangyan District, Chengdu at a consideration of about RMB332 million. The disposal was completed in January 2013.
2. The Remaining Group disposed all of its 51% interest in the La Concorde Project in Xinjin County, Chengdu at a consideration of about RMB680 million with a profit before tax of HK\$10 million which was recognized in the year.

There were 11 projects at different stages of development during the year. The total area under construction as at 31 December 2012 was about 3.2 million sqm.

Treasury Investment Business

The treasury investments segment recorded a profit for the year of HK\$188.1 million (2011: a loss of HK\$0.8 million). There was a gain of HK\$187.4 million (2011: HK\$48.9 million) realized on the partial disposals of available-for-sale investments held by the Remaining Group. Dividend income and interest income from investment in notes receivable totaled HK\$9.8 million (2011: HK\$38.3 million). The realized loss and unrealized gains on listed securities amounted to HK\$7.4 million and HK\$1.4 million respectively (2011: realized and unrealized losses on listed securities were HK\$30.7 million and HK\$50.4 million respectively).

To maximize shareholders' return and in view of the shrinking interest returns on bank deposits, the Remaining Group invested its unused cash in a portfolio of listed securities and unlisted investment funds. To maintain a prudent treasury investment portfolio, the value of the portfolio has been limited to no more than 10% of the total assets of the Remaining Group in the past few years.

Financial Position

The Remaining Group had maintained a strong financial position during the year. As of 31 December 2012, the Remaining Group had aggregate cash and bank balance and time deposits amounting to HK\$4,981.2 million (2011: HK\$3,267.0 million). The net gearing ratio of the Remaining Group as at 31 December 2012 was 41.8% (2011: 33.7%) calculated by total borrowings less bank balances and cash divided by owners' equity. The increase in gearing ratio was mainly due to the payment of land premium and related costs as well as construction costs of RMB2.9 billion and RMB3.3 billion respectively. These payments were mainly financed by internal resources generated from cash received from property pre-sales and external bank borrowings. The cash collection ratio for the property business was 80% during the year under review. The average borrowing interest rate for the year ended 31 December 2012 was 5.67% (2011: 4.46%).

CORPORATE STRATEGY AND OUTLOOK

Looking forward to 2013, the international financial and economic conditions are expected to remain uncertain. China's economy will continue to be affected by the slow recovery of the global economy. It is expected the existing cooling and restrictive measures imposed on the residential market will not change significantly in 2013. Meanwhile, the growing demand for new and better housing, accelerated urbanization and other factors will continue to drive up demand in the property market especially in Western China, which historically lags behind the Tier 1 cities, and where the end-user demand is robust.

The Remaining Group has adopted a fast asset turnover model and targets to double its yearly contract sales in three to four years' time. With the new construction start-up area growing at the same ratio, the financial position of the Remaining Group can comfortably achieve this target sales growth and maintain

the profit margin without cutting the sales price severely during the market downturn. In order to ensure ample land supply for its property development and strategic planning in the long run, the Remaining Group will actively and prudently consider every opportunity to look for suitable land lots at other Western China cities for diversification by taking its advantage of sound financial position and low gearing ratio. The Remaining Group prefers land lots which may be immediately developed following completion of acquisition, thereby maintaining a balance between achieving fast asset turnover and effective risk management. The Remaining Group will maintain a land bank policy of keeping its land bank sufficient for the next 4 to 5 years' development. At the same time a prudent cash flow management will be adopted to keep the Remaining Group's gearing at a healthy level in order to support its long term growth.

FINANCIAL REVIEW

Investments

As at 31 December 2012, the Remaining Group held a portfolio of listed and unlisted equity securities and notes receivable (issued by a company listed on the Stock Exchange) with a carrying value of HK\$489.6 million (31 December 2011: HK\$989.3 million). The amount of dividends, interest and other income from investments for the year was HK\$9.8 million (2011: HK\$38.3 million).

Liquidity and Financial Resources

The Remaining Group had maintained a sound financial position throughout the year. As at 31 December 2012, the Remaining Group's aggregate cash and bank balances and time deposits stood at HK\$4,981.2 million (31 December 2011: HK\$3,267.0 million) which included HK\$55.5 million (31 December 2011: HK\$1 million) of deposits pledged to banks. Total borrowings amounted to HK\$7,786.8 million (31 December 2011: HK\$5,549.5 million). About 75% are repayable within one year and the remaining 25% are long term borrowings. In order to ensure the Remaining Group has the financial liquidity to response to any potential need of additional funding, the Remaining Group has secured sufficient working capital at competitive costs during the year. In December 2012, the Remaining Group finalized terms for a syndicated bank loan in the amount of HK\$3.4 billion at a reasonable interest rate of HIBOR plus 425 basis points with a tenure of 3 years. Formal agreement was entered into in January 2013. In addition, two bank loans were concluded in December 2012, in the amounts of HK\$1.25 billion and HK\$0.4 billion for financing the land bank acquisition.

Out of the Remaining Group's total bank borrowings, approximately HK\$5.8 billion are due within one year, consisting of a Hong Kong Dollar syndicated loan and bridging loans in the amount of the HK\$1.9 billion and HK\$1.3 billion respectively. These loans will be refinanced by the above HK\$3.4 billion syndicated bank loan. The remaining amount will be financed by proceeds from sales of properties and internal resources.

The average borrowing interest rate for the year ended 31 December 2012 was 5.67% (2011: 4.46%) per annum. The finance costs charged to consolidated income statement increased by approximately 10% as compared to the previous year and amounted to HK\$54.7 million, after capitalization of HK\$300.9 million (2011: HK\$181.6 million) into the cost of properties under development. Secured debts accounted for approximately 53% of total borrowings as at 31 December 2012 (31 December 2011: 56%).

As at 31 December 2012, the Remaining Group was at a net borrowing position of HK\$2,805.5 million after netting off total bank and other borrowings against cash balance (31 December 2011: HK\$2,282.5 million). The Remaining Group's owners' equity as at 31 December 2012 was HK\$6,706.7 million (31 December 2011: HK\$6,763.1 million).

Contingent Liabilities/Financial Guarantees

As at 31 December 2012, the Remaining Group had the following contingent liabilities/financial guarantees:

1. Guarantees given in favour of the banks in connection with facilities granted to an associate in the amount of HK\$455 million (31 December 2011: HK\$350 million).
2. Guarantees given in favour of the banks in respect of mortgage facilities granted to certain purchasers of the Remaining Group's property units in the amount of HK\$4,793.0 million (31 December 2011: HK\$3,530.2 million).

Pledge of Assets

As at 31 December 2012, the Remaining Group has pledged the following assets:

- a. Leasehold properties as security for general banking facilities granted to the Remaining Group. HK\$3.3 million
- b. Time deposits as security for general banking facilities granted to the Remaining Group. HK\$55.5 million
- c. Properties under development and completed properties held for sales pledged to secure banking facilities granted to the Remaining Group. RMB5,969.2 million

Exchange Risks

As the Remaining Group's property business operates in the PRC, its revenue and most of its expenses are denominated in RMB. Therefore the property business is not exposed to material foreign exchange risks. The directors expect that any fluctuation of RMB's exchange rate will not have any material adverse effects on the operation of the Remaining Group. No currency hedging arrangements were made as at 31 December 2012. The Remaining Group will continue to closely monitor and manage its exposure to fluctuation in foreign exchange rates.

EVENT AFTER THE REPORTING PERIOD

1. On 3 January 2013, the disposal of Keen Star Group Limited was completed.
2. On 25 January 2013, the Company as borrower executed a facility agreement (the "Facility Agreement") with, among others, various companies in the Remaining Group as guarantors and various financial institutions as lenders for a 3-year term loan facility in an aggregate amount of HK\$3,400,000,000. Under the Facility Agreement, it is (among other matters) an event of default if Mr. Cheung Chung Kiu (i) save for certain exceptions, does not or ceases to hold (directly or indirectly) 35% or more of the beneficial shareholding interest, carrying 35% or more of the voting rights, in the issued share capital of the Company; (ii) directly or indirectly, is not or ceases to be the single largest shareholder of the Company; or (iii) does not or ceases to have management control of the Company.

EMPLOYEES

As at 31 December 2012, the Remaining Group had approximately 1,261 employees and incurred wages and salaries in the amount of approximately HK\$198 million for 2012. The Remaining Group remunerates its staff based on their merit, qualification, competence and the prevailing market wage level. The Remaining Group has also established an incentive bonus scheme to reward employees based on their performance. Employees are also eligible to be granted share options under the Company's share option scheme at the discretion of the Board. For the year ended 31 December 2012, no equity-settled share option expense (2011: HK\$0.1 million) was charged off to the income statement. Other benefits include contributions to a provident fund scheme, mandatory provident fund, and medical insurance.

UNAUDITED FINANCIAL INFORMATION OF THE TARGET GROUP

Set out below are the unaudited consolidated statements of financial position of the Target Group as at 31 December 2012, 2013 and 2014, and the unaudited consolidated statements of profit or loss, the unaudited consolidated statements of comprehensive income, the unaudited consolidated statements of changes in equity and the unaudited consolidated statements of cash flows of the Target Group for each of the years ended 31 December 2012, 2013 and 2014 and explanatory notes (the “**Unaudited Financial Information**”).

The Unaudited Financial Information has been prepared in accordance with paragraph 14.68(2)(a)(i) of the Rules Governing the Listing of Securities on Stock Exchange and the basis of preparation as set out in note 2 to the Unaudited Financial Information.

The Unaudited Financial Information is prepared by the Directors solely for the purpose of inclusion in this circular in connection with the Disposal. The Company’s reporting accountants, Ernst & Young, were engaged to review the financial information of the Target Group as set out on pages AII-2 to AII-9 in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* and with reference to Practice Note 750 *Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal* issued by the Hong Kong Institute of Certified Public Accountants.

A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable the reporting accountants to obtain assurance that the reporting accountants would become aware of all significant matters that might be identified in an audit. Accordingly, the reporting accountants do not express an audit opinion. Based on the review, nothing has come to the reporting accountants’ attention that causes them to believe that the Unaudited Financial Information is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2 to the Unaudited Financial Information.

UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Years ended 31 December 2012, 2013 and 2014

	Unaudited		
	Year ended 31 December		
	2012	2013	2014
	HK\$'000	HK\$'000	HK\$'000
REVENUE	2,697,939	1,879,475	2,766,416
Cost of sales	<u>(1,031,460)</u>	<u>(897,738)</u>	<u>(1,423,121)</u>
Gross profit	1,666,479	981,737	1,343,295
Other income and gains	56,029	118,834	135,006
Selling and distribution expenses	(97,151)	(85,362)	(107,134)
Administrative expenses	(100,358)	(108,298)	(98,981)
Other expenses	(169)	–	(1,616)
Finance costs	<u>(9,741)</u>	<u>(4,172)</u>	<u>(1,401)</u>
PROFIT BEFORE TAX	1,515,089	902,739	1,269,169
Income tax expense	<u>(806,714)</u>	<u>(457,825)</u>	<u>(570,644)</u>
PROFIT FOR THE YEAR	<u>708,375</u>	<u>444,914</u>	<u>698,525</u>
Attributable to:			
Shareholders of Starhigh	680,316	442,310	653,835
Non-controlling interests	<u>28,059</u>	<u>2,604</u>	<u>44,690</u>
	<u>708,375</u>	<u>444,914</u>	<u>698,525</u>

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Years ended 31 December 2012, 2013 and 2014

	Unaudited		
	Year ended 31 December		
	2012	2013	2014
	HK\$'000	HK\$'000	HK\$'000
PROFIT FOR THE YEAR	<u>708,375</u>	<u>444,914</u>	<u>698,525</u>
OTHER COMPREHENSIVE INCOME			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>			
Available-for-sale investments:			
Changes in fair value	17,593	(3,779)	95,454
Deferred tax	<u>(4,398)</u>	<u>945</u>	<u>(23,864)</u>
	<u>13,195</u>	<u>(2,834)</u>	<u>71,590</u>
Exchange fluctuation reserve:			
Exchange differences on translation of foreign operations	<u>319</u>	<u>94,218</u>	<u>(9,446)</u>
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>13,514</u>	<u>91,384</u>	<u>62,144</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	<u>13,514</u>	<u>91,384</u>	<u>62,144</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>721,889</u></u>	<u><u>536,298</u></u>	<u><u>760,669</u></u>
Attributable to:			
Shareholders of Starthigh	693,624	532,421	715,813
Non-controlling interests	<u>28,265</u>	<u>3,877</u>	<u>44,856</u>
	<u><u>721,889</u></u>	<u><u>536,298</u></u>	<u><u>760,669</u></u>

UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

31 December 2012, 2013 and 2014

	2012	Unaudited 31 December 2013	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
NON-CURRENT ASSETS			
Property and equipment	97,921	98,974	110,267
Investment properties	379,946	411,330	421,666
Prepaid land lease payments	13,729	13,871	13,537
Investment in a joint venture	–	–	294,223
Available-for-sale investments	209,589	212,373	360,357
Properties under development	851,577	805,714	434,520
Interests in land use rights for property development	14,676	223,071	222,324
Deferred tax assets	<u>147,579</u>	<u>209,264</u>	<u>265,095</u>
Total non-current assets	<u>1,715,017</u>	<u>1,974,597</u>	<u>2,121,989</u>
CURRENT ASSETS			
Properties under development	2,312,663	3,373,766	3,020,560
Completed properties held for sale	1,543,134	1,690,144	2,792,822
Prepaid land lease payments	279	288	287
Prepayments, deposits and other receivables	139,528	233,707	216,922
Prepaid land appreciation tax	5,796	–	–
Deposits with brokerage companies	1	1	3
Pledged deposits	1,516,927	781,247	356,534
Restricted bank balances	1,149,056	976,740	554,880
Cash and cash equivalents	<u>525,635</u>	<u>1,019,053</u>	<u>649,613</u>
Total current assets	<u>7,193,019</u>	<u>8,074,946</u>	<u>7,591,621</u>
CURRENT LIABILITIES			
Trade and bills payables	905,276	998,359	1,260,008
Other payables and accruals	1,587,781	1,882,759	855,549
Loan from a non-controlling shareholder of subsidiaries	11,470	11,470	11,470
Interest-bearing bank borrowings	1,036,448	1,028,516	154,018
Tax payable	1,187,595	1,286,848	1,674,794
Amount due to the Remaining Group	<u>941,861</u>	<u>1,171,153</u>	<u>1,474,568</u>
Total current liabilities	<u>5,670,431</u>	<u>6,379,105</u>	<u>5,430,407</u>
NET CURRENT ASSETS	<u>1,522,588</u>	<u>1,695,841</u>	<u>2,161,214</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>3,237,605</u>	<u>3,670,438</u>	<u>4,283,203</u>
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	<u>993,089</u>	<u>886,509</u>	<u>739,691</u>
Total non-current liabilities	<u>993,089</u>	<u>886,509</u>	<u>739,691</u>
Net assets	<u><u>2,244,516</u></u>	<u><u>2,783,929</u></u>	<u><u>3,543,512</u></u>

	2012	Unaudited 31 December 2013	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
EQUITY			
Equity attributable to shareholders of Starthigh			
Issued capital	–	–	23
Reserves	<u>2,203,302</u>	<u>2,735,723</u>	<u>3,451,536</u>
	2,203,302	2,735,723	3,451,559
Non-controlling interests	<u>41,214</u>	<u>48,206</u>	<u>91,953</u>
	2,244,516	2,783,929	3,543,512
Total equity	<u><u>2,244,516</u></u>	<u><u>2,783,929</u></u>	<u><u>3,543,512</u></u>

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Years ended 31 December 2012, 2013 and 2014

	Unaudited						
	Attributable to shareholders of Starhigh						
	Issued capital HK\$'000	Exchange fluctuation reserve HK\$'000	Available- for-sale investment revaluation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non- controlling interests HK\$'000	Total equity HK\$'000
At 1 January 2012	-	217,650	56,802	1,235,226	1,509,678	12,949	1,522,627
Profit for the year	-	-	-	680,316	680,316	28,059	708,375
Other comprehensive income for the year:							
Changes in fair value of available-for-sale investments, net of tax	-	-	13,195	-	13,195	-	13,195
Exchange differences on translation of foreign operations	-	113	-	-	113	206	319
Total comprehensive income for the year	-	113	13,195	680,316	693,624	28,265	721,889
At 31 December 2012 and 1 January 2013	-	217,763	69,997	1,915,542	2,203,302	41,214	2,244,516
Profit for the year	-	-	-	442,310	442,310	2,604	444,914
Other comprehensive income for the year:							
Changes in fair value of available-for-sale investments, net of tax	-	-	(2,834)	-	(2,834)	-	(2,834)
Exchange differences on translation of foreign operations	-	92,945	-	-	92,945	1,273	94,218
Total comprehensive income for the year	-	92,945	(2,834)	442,310	532,421	3,877	536,298
Contribution by a non-controlling shareholder	-	-	-	-	-	3,115	3,115
At 31 December 2013 and 1 January 2014	-	310,708	67,163	2,357,852	2,735,723	48,206	2,783,929
Profit for the year	-	-	-	653,835	653,835	44,690	698,525
Other comprehensive income for the year:							
Changes in fair value of available-for-sale investments, net of tax	-	-	71,590	-	71,590	-	71,590
Exchange differences on translation of foreign operations	-	(9,612)	-	-	(9,612)	166	(9,446)
Total comprehensive income for the year	-	(9,612)	71,590	653,835	715,813	44,856	760,669
Issue of share	23	-	-	-	23	-	23
Disposal of subsidiaries	-	-	-	-	-	(1,109)	(1,109)
At 31 December 2014	23	301,096	138,753	3,011,687	3,451,559	91,953	3,543,512

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended 31 December 2012, 2013 and 2014

	Unaudited		
	Year ended 31 December		
	2012	2013	2014
	HK\$'000	HK\$'000	HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	1,515,089	902,739	1,269,169
Adjustments for:			
Write-down of completed properties held for sale to net realisable value	–	40,177	68,942
Depreciation	9,402	14,442	10,055
Amortisation of prepaid land lease payments	271	250	276
Finance costs	9,741	4,172	1,401
Interest income from bank deposits	(43,799)	(46,295)	(19,203)
Fair value gains on investment properties	(7,630)	(18,260)	(5,950)
Dividend income from listed equity investments	(3,804)	(9,341)	(10,131)
Dividend income from unlisted equity investments	(916)	(1,303)	(4,174)
Loss on disposal of investment properties	149	–	–
Gain on disposal of subsidiaries	–	–	(98,957)
	1,478,503	886,581	1,211,428
Increase in properties under development	(1,981,927)	(1,781,655)	(2,109,608)
Decrease in completed properties held for sale	1,027,869	853,382	1,350,128
Decrease/(increase) in prepayments, deposits and other receivables	103,468	(89,809)	(37,237)
Increase in deposits with brokerage companies	–	(1)	(1)
Decrease/(increase) in restricted bank balances	(5,166)	208,298	418,591
Increase/(decrease) in trade, bills and other payables and accruals	(525,337)	284,971	(529,560)
Cash generated from operations	97,410	361,767	303,741
Tax paid, net	(374,384)	(407,489)	(261,977)
Interest paid	(142,086)	(145,812)	(114,230)
Net cash flows used in operating activities	(419,060)	(191,534)	(72,466)
CASH FLOWS FROM INVESTING ACTIVITIES			
Loan to a joint venture	–	–	(11,593)
Decrease/(increase) in pledged time deposits	(1,365,879)	783,180	422,099
Payment of land premium and related transaction costs	(14,676)	(207,935)	–
Purchases of items of property and equipment	(6,208)	(7,189)	(22,127)
Purchases of investment properties	–	–	(5,676)
Interest received from bank deposits	43,799	46,295	19,203
Dividend income from listed equity investments	3,804	9,341	10,131
Dividend income from unlisted equity investments	916	1,303	4,174
Proceeds from disposal of items of property and equipment	1,421	–	92
Proceeds from disposal of investment properties	443	–	–
Net cash flows from/(used in) investing activities	(1,336,380)	624,995	416,303

	Unaudited		
	Year ended 31 December		
	2012	2013	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Net cash flows from/(used in) investing activities	<u>(1,336,380)</u>	<u>624,995</u>	<u>416,303</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital contribution by a non-controlling shareholder	–	3,115	–
Decrease/(increase) in amount due to the Remaining Group	(389,976)	221,564	305,017
Additions/(repayments) of bank borrowings, net	479,743	(178,065)	(1,014,907)
Proceed from issue of shares	<u>–</u>	<u>–</u>	<u>23</u>
Net cash flows from/(used in) financing activities	<u>89,767</u>	<u>46,614</u>	<u>(709,867)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
	(1,665,673)	480,075	(366,030)
Cash and cash equivalents at beginning of year	2,191,713	525,635	1,019,053
Effect of foreign exchange rate changes, net	<u>(405)</u>	<u>13,343</u>	<u>(3,410)</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>525,635</u></u>	<u><u>1,019,053</u></u>	<u><u>649,613</u></u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	<u>525,635</u>	<u>1,019,053</u>	<u>649,613</u>
Cash and cash equivalents as stated in the consolidated statements of cash flows	<u><u>525,635</u></u>	<u><u>1,019,053</u></u>	<u><u>649,613</u></u>

NOTES TO THE UNAUDITED FINANCIAL INFORMATION

Years ended 31 December 2012, 2013 and 2014

1. GENERAL

Starthigh is a limited liability company incorporated in the BVI and is principally engaged in investment holding. The Target Group is principally engaged in property development and investment in Mainland China.

On 2 June 2015, Marvel Leader, a directly wholly-owned subsidiary of the Company and the immediate holding company of Starthigh, entered into the Agreement for the disposal of 92% of the issued capital of Starthigh and the shareholder's loans owed and repayable by Starthigh to Marvel Leader.

2. BASIS OF PREPARATION OF THE UNAUDITED FINANCIAL INFORMATION

The Unaudited Financial Information of the Target Group for the years ended 31 December 2012, 2013 and 2014 has been prepared in accordance with paragraph 14.68(2)(a)(i) of the Listing Rules, and solely for the purposes of inclusion in the circular to be issued by the Company in connection with the Disposal.

The amounts included in the Unaudited Financial Information have been recognised and measured in accordance with the relevant accounting policies of the Company adopted in the preparation of the consolidated financial statements of the Company and its subsidiaries for the relevant years, which conform with Hong Kong Financial Reporting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and accounting principles generally accepted in Hong Kong. The Unaudited Financial Information has been prepared under the historical cost convention and is presented in Hong Kong dollar. All values are rounded to the nearest thousand (HK\$'000) except when otherwise indicated.

The Unaudited Financial Information does not contain sufficient information to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard 1 *Presentation of Financial Statements* nor a set of condensed financial statements as defined in Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the HKICPA.

A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP**Introduction**

The accompanying unaudited pro forma financial information (the “**Unaudited Pro Forma Financial Information**”) of the remaining group of C C Land Holdings Limited (the “**Company**”) and its subsidiaries (hereafter collectively referred to as the “**Group**”), after the disposal of Starthigh International Limited (“**Starthigh**”) and its subsidiaries (hereafter collectively referred to as the “**Target Group**”) (the remaining group of the Group after the completion of the disposal of the Target Group are hereafter referred to as the “**Remaining Group**”), comprising the unaudited pro forma consolidated statement of financial position of the Remaining Group as at 31 December 2014, the unaudited pro forma consolidated statement of profit or loss and the unaudited pro forma consolidated statement of cash flows of the Remaining Group for the year ended 31 December 2014, has been prepared by the directors of the Company (the “**Directors**”) in accordance with rules 4.29 and 14.68(2)(a)(i) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of illustrating the effect of the proposed disposal of 92% of the issued capital of Starthigh (the “**Disposal**”).

The preparation of the unaudited pro forma consolidated statement of financial position of the Remaining Group is based on (i) the audited consolidated statement of financial position of the Group as at 31 December 2014 which has been extracted from the published annual report of the Group for the year ended 31 December 2014 dated 25 March 2015; and (ii) the unaudited consolidated statement of financial position of the Target Group as at 31 December 2014, which has been extracted from the unaudited financial information of the Target Group as set out in Appendix II to this circular, and adjusted in accordance with the pro forma adjustments described in the notes thereto, as if the Disposal had been completed on 31 December 2014.

The preparation of the unaudited pro forma consolidated statement of profit or loss and the unaudited pro forma consolidated statement of cash flows of the Remaining Group is based on (i) the audited consolidated statement of profit or loss and the audited consolidated statement of cash flows of the Group for the year ended 31 December 2014 which have been extracted from the published annual report of the Group for the year ended 31 December 2014 dated 25 March 2015; and (ii) the unaudited consolidated statement of profit or loss and the unaudited consolidated statement of cash flows of the Target Group for the year ended 31 December 2014 which have been extracted from the unaudited financial information of the Target Group as set out in Appendix II to this circular, and adjusted in accordance with the pro forma adjustments described in the notes thereto, as if the Disposal had been completed on 1 January 2014.

A narrative description of the pro forma adjustments of the Disposal that are directly attributable to the transactions and factually supportable, is summarised in the accompanying notes.

The Unaudited Pro Forma Financial Information has been prepared based on a number of assumptions, estimates, uncertainties, currently available information and are prepared for illustrative purpose only. Because of its hypothetical nature, it may not purport to describe the results of operations, financial positions or cash flows of the Remaining Group had the Disposal been completed as at the respective dates to which it is made up to or at any future dates. Furthermore, the Unaudited Pro Forma Financial Information does not purport to predict the Remaining Group’s future results of operations, financial positions or cash flows. The Unaudited Pro Forma Financial Information should be read in the conjunction with the financial information of the Group as set out in Appendix I to this circular, the published annual report of the Company for the year ended 31 December 2014 dated 25 March 2015, the financial information of the Target Group as set out in Appendix II to this circular, the Company’s announcement dated 2 June 2015 and other financial information included elsewhere in this circular. The Unaudited Pro Forma Financial Information does not take into account any trading or other transactions subsequent to the dates of the respective financial statements of the companies comprising the Remaining Group.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS OF THE
REMAINING GROUP

	The Group for the year ended 31 December 2014		Pro forma adjustments		Pro forma The Remaining Group for the year ended 31 December 2014	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	Note 1	Note 2	Note 3	Note 4	Note 5	
REVENUE	10,299,888	(2,766,416)	-	-	-	7,533,472
Cost of sales	<u>(7,587,444)</u>	<u>1,423,121</u>	<u>433,621</u>	<u>-</u>	<u>-</u>	<u>(5,730,702)</u>
Gross profit	2,712,444	(1,343,295)	433,621	-	-	1,802,770
Other income and gains	844,041	(135,006)	158,389	-	1,420,475	2,287,899
Selling and distribution expenses	(397,620)	107,134	-	-	-	(290,486)
Administrative expenses	(463,806)	98,981	4,354	-	-	(360,471)
Other expenses	(18,640)	1,616	-	-	-	(17,024)
Finance costs	(159,763)	1,401	-	-	-	(158,362)
Share of profits and losses of:						
Joint ventures	(24,173)	-	-	-	-	(24,173)
Associates	<u>(13,448)</u>	<u>-</u>	<u>-</u>	<u>(3,780)</u>	<u>-</u>	<u>(17,228)</u>
PROFIT BEFORE TAX	2,479,035	(1,269,169)	596,364	(3,780)	1,420,475	3,222,925
Income tax expense	<u>(1,388,923)</u>	<u>570,644</u>	<u>(109,499)</u>	<u>-</u>	<u>(540,673)</u>	<u>(1,468,451)</u>
PROFIT FOR THE YEAR	<u>1,090,112</u>	<u>(698,525)</u>	<u>486,865</u>	<u>(3,780)</u>	<u>879,802</u>	<u>1,754,474</u>
Attributable to:						
Owners of the parent	1,068,280	(653,835)	467,066	(3,780)	879,802	1,757,533
Non-controlling interests	<u>21,832</u>	<u>(44,690)</u>	<u>19,799</u>	<u>-</u>	<u>-</u>	<u>(3,059)</u>
	<u>1,090,112</u>	<u>(698,525)</u>	<u>486,865</u>	<u>(3,780)</u>	<u>879,802</u>	<u>1,754,474</u>

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE
REMAINING GROUP

	The Group						Pro forma
	for the year						The
	ended						Remaining
31 December							Group for
2014							the year
HK\$'000	HK\$'000	Pro forma adjustments			HK\$'000	HK\$'000	ended
Note 6	Note 7	HK\$'000	HK\$'000	HK\$'000	Note 9	Note 10	31 December
		Note 4	Note 8				2014
							HK\$'000
NON-CURRENT ASSETS							
Property and equipment	184,099	(110,267)	-	(19,546)	-	-	54,286
Investment properties	421,666	(421,666)	-	-	-	-	-
Prepaid land lease payments	121,068	(13,537)	-	(106,839)	-	-	692
Golf club membership	10,540	-	-	-	-	-	10,540
Investments in joint ventures	439,947	(294,223)	-	-	-	-	145,724
Investments in associates	1,503,311	-	(57,021)	-	-	-	1,446,290
Available-for-sale investments	690,448	(360,357)	53,241	-	-	-	383,332
Properties under development	7,324,735	(434,520)	-	(2,108,544)	-	-	4,781,671
Interests in land use rights for property development	961,336	(222,324)	-	-	-	-	739,012
Consideration receivable on disposal of subsidiaries	290,922	-	-	-	2,090,550	-	2,381,472
Deferred tax assets	147,076	(265,095)	-	265,095	-	-	147,076
Total non-current assets	12,095,148	(2,121,989)	(3,780)	(1,969,834)	2,090,550	-	10,090,095
CURRENT ASSETS							
Properties under development	18,993,862	(3,020,560)	-	(2,326,834)	(10,986)	-	13,635,482
Completed properties held for sale	6,084,612	(2,792,822)	-	(580,222)	(18,500)	-	2,693,068
Prepaid land lease payments	2,565	(287)	-	(2,264)	-	-	14
Prepayments, deposits and other receivables	1,965,948	(216,922)	-	1	2,090,550	-	3,839,577
Amounts due from the Target Group	-	-	-	-	-	846,832	846,832
Equity investments at fair value through profit or loss	848,057	-	-	-	-	-	848,057
Available-for-sale investments	38,789	-	-	-	-	-	38,789
Prepaid income tax and land appreciation tax	115,525	-	-	-	-	-	115,525
Deposits with brokerage companies	58,030	(3)	-	-	-	-	58,027
Pledged deposits	1,880,790	(356,534)	-	-	-	-	1,524,256
Restricted bank balances	1,357,267	(554,880)	-	-	-	-	802,387
Cash and cash equivalents	6,280,933	(649,613)	-	-	2,787,400	-	8,418,720
Total current assets	37,626,378	(7,591,621)	-	(2,909,319)	4,848,464	846,832	32,820,734

APPENDIX III
**UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

	The Group for the year ended 31 December 2014		Pro forma adjustments			Pro forma The Remaining Group for the year ended 31 December 2014	
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>Note 6</i>	<i>Note 7</i>	<i>Note 4</i>	<i>Note 8</i>	<i>Note 9</i>	<i>Note 10</i>	
CURRENT LIABILITIES							
Trade and bills payables	4,510,638	(1,260,008)	-	-	-	-	3,250,630
Other payables and accruals	11,930,179	(855,549)	-	-	3,000	-	11,077,630
Loans from non-controlling shareholders of subsidiaries	559,821	(11,470)	-	-	-	-	548,351
Interest-bearing bank borrowings	4,152,564	(154,018)	-	-	-	-	3,998,546
Tax payable	2,939,012	(1,674,794)	-	-	540,673	-	1,804,891
Amounts due to the Remaining Group	-	(1,474,568)	-	-	627,736	846,832	-
Consideration payable on acquisition of subsidiaries	18,847	-	-	-	-	-	18,847
Total current liabilities	24,111,061	(5,430,407)	-	-	1,171,409	846,832	20,698,895
NET CURRENT ASSETS	13,515,317	(2,161,214)	-	(2,909,319)	3,677,055	-	12,121,839
TOTAL ASSETS LESS CURRENT LIABILITIES	25,610,465	(4,283,203)	(3,780)	(4,879,153)	5,767,605	-	22,211,934
NON-CURRENT LIABILITIES							
Interest-bearing bank borrowings	7,929,438	(739,691)	-	-	-	-	7,189,747
Deferred tax liabilities	1,136,902	-	-	(1,070,423)	-	-	66,479
Total non-current liabilities	9,066,340	(739,691)	-	(1,070,423)	-	-	7,256,226
Net assets	16,544,125	(3,543,512)	(3,780)	(3,808,730)	5,767,605	-	14,955,708
EQUITY							
Equity attributable to owners of the parent							
Issued capital	258,822	(23)	-	-	23	-	258,822
Reserves	14,538,245	(3,451,536)	(3,780)	(3,807,705)	6,090,158	-	13,365,382
	14,797,067	(3,451,559)	(3,780)	(3,807,705)	6,090,181	-	13,624,204
Non-controlling interests	1,747,058	(91,953)	-	(1,025)	(322,576)	-	1,331,504
Total equity	16,544,125	(3,543,512)	(3,780)	(3,808,730)	5,767,605	-	14,955,708

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF THE
REMAINING GROUP

	The Group for the year ended 31 December 2014		Pro forma adjustments			Pro forma The Remaining Group for the year ended 31 December 2014	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	Note 1	Note 2	Note 3	Note 4	Note 11	Note 12	
CASH FLOWS FROM OPERATING ACTIVITIES							
Profit before tax	2,479,035	(1,269,169)	596,364	(3,780)	1,420,475	–	3,222,925
Adjustments for:							
Write-down of completed properties held for sale to net realisable value	91,661	(68,942)	–	–	–	–	22,719
Write-down of properties under development to net realisable value	233,277	–	–	–	–	–	233,277
Depreciation	24,002	(10,055)	(2,076)	–	–	–	11,871
Amortisation of prepaid land lease payments	2,554	(276)	(2,278)	–	–	–	–
Impairment of an other receivable	12,676	–	–	–	–	–	12,676
Finance costs	159,763	(1,401)	–	–	–	–	158,362
Share of profits and losses of joint ventures	24,173	–	–	–	–	–	24,173
Share of profits and losses of associates	13,448	–	–	3,780	–	–	17,228
Interest income from bank deposits	(83,474)	19,203	–	–	–	–	(64,271)
Interest income from unlisted debt investments	(5,008)	–	–	–	–	–	(5,008)
Other interest income	(89,321)	–	–	–	–	–	(89,321)
Fair value gains on equity investments at fair value through profit or loss, net	(60,517)	–	–	–	–	–	(60,517)
Fair value gains on investment properties	(5,950)	5,950	–	–	–	–	–
Gain on disposal of available-for-sale investments	(97,806)	–	–	–	–	–	(97,806)
Dividend income from listed equity investments	(27,994)	10,131	–	–	–	–	(17,863)
Dividend income from unlisted equity investments	(4,174)	4,174	–	–	–	–	–
Gain on disposal of items of property and equipment	(133)	–	–	–	–	–	(133)
Gain on disposal of subsidiaries, net	(497,523)	98,957	(158,389)	–	(1,420,475)	–	(1,977,430)
	2,168,689	(1,211,428)	433,621	–	–	–	1,390,882
Increase in properties under development	(7,237,290)	2,109,608	–	–	–	–	(5,127,682)
Decrease in completed properties held for sale	7,258,456	(1,350,128)	(433,621)	–	–	–	5,474,707
Increase in prepayments, deposits and other receivables	(186,628)	37,237	–	–	–	–	(149,391)
Increase in equity investments at fair value through profit or loss	(474,676)	–	–	–	–	–	(474,676)
Increase in deposits with brokerage companies	(56,378)	1	–	–	–	–	(56,377)
Decrease in restricted bank balances	1,711,544	(418,591)	–	–	–	–	1,292,953
Decrease in trade, bills and other payables and accruals	(666,971)	529,560	–	–	–	–	(137,411)
Cash generated from operations	2,516,746	(303,741)	–	–	–	–	2,213,005
Tax paid, net	(901,874)	261,977	–	–	–	–	(639,897)
Interest paid	(703,765)	114,230	–	–	–	–	(589,535)
Net cash flows from operating activities	911,107	72,466	–	–	–	–	983,573

APPENDIX III
**UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE REMAINING GROUP**

	The Group						Pro forma
	for the year						The
	ended						Remaining
	31 December						Group for
	2014						the year
	HK\$'000	HK\$'000	Pro forma adjustments			HK\$'000	ended
	Note 1	Note 2	HK\$'000	HK\$'000	HK\$'000	Note 12	31 December
			Note 3	Note 4	Note 11		2014
						HK\$'000	HK\$'000
CASH FLOWS FROM INVESTING ACTIVITIES							
Acquisition of subsidiaries that are not a business	(300,183)	-	-	-	-	-	(300,183)
Loans to a joint venture	(170,903)	11,593	-	-	-	-	(159,310)
Investment in an associate	(230,561)	-	-	-	-	-	(230,561)
Decrease in balances with associates	41,699	-	-	-	-	-	41,699
Increase in pledged time deposits	(1,102,158)	(422,099)	-	-	-	-	(1,524,257)
Decrease in non-pledged time deposits with original maturity of more than three months when acquired	68,843	-	-	-	-	-	68,843
Increase in loans to non-controlling shareholders	(13,188)	-	-	-	-	-	(13,188)
Payment of land premium and related transaction costs	(701,498)	-	-	-	-	-	(701,498)
Purchases of items of property and equipment	(44,090)	22,127	-	-	-	-	(21,963)
Purchases of unlisted equity investments	(158,875)	-	-	-	-	-	(158,875)
Purchases of investment properties	(5,676)	5,676	-	-	-	-	-
Interest received from bank deposits	83,474	(19,203)	-	-	-	-	64,271
Interest received from unlisted debt investments	5,008	-	-	-	-	-	5,008
Other interest received	89,321	-	-	-	-	-	89,321
Dividend income from listed equity investments	27,994	(10,131)	-	-	-	-	17,863
Dividend income from unlisted equity investments	4,174	(4,174)	-	-	-	-	-
Proceeds from disposal of items of property and equipment	3,102	(92)	-	-	-	-	3,010
Proceeds from disposal of subsidiaries	1,771,625	-	-	-	2,787,400	-	4,559,025
Proceeds from disposal of unlisted equity investments	155,987	-	-	-	-	-	155,987
Proceeds from partial disposal of interest in a subsidiary	93,600	-	-	-	-	-	93,600
Increase in amounts due from the Target Group	-	-	-	-	-	(305,040)	(305,040)
Net cash flows from/(used in) investing activities	(382,305)	(416,303)	-	-	2,787,400	(305,040)	1,683,752
CASH FLOWS FROM FINANCING ACTIVITIES							
Dividends paid	(116,470)	-	-	-	-	-	(116,470)
Dividend paid to non-controlling shareholders	(215,279)	-	-	-	-	-	(215,279)
Decrease in loans from non-controlling shareholders	(574,762)	-	-	-	-	-	(574,762)
Additions of bank borrowings, net	966,609	1,014,907	-	-	-	-	1,981,516
Decrease in amounts due to the Remaining Group	-	(305,017)	-	-	-	305,017	-
Proceed from issue of shares	-	(23)	-	-	-	23	-
Net cash flows from financing activities	60,098	709,867	-	-	-	305,040	1,075,005

	The Group for the year ended 31 December 2014		Pro forma adjustments			Pro forma The Remaining Group for the year ended 31 December 2014	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	Note 1	Note 2	Note 3	Note 4	Note 11	Note 12	
NET INCREASE IN CASH AND CASH EQUIVALENTS	588,900	366,030	-	-	2,787,400	-	3,742,330
Cash and cash equivalents at beginning of year	5,706,852	(1,019,053)	-	-	-	-	4,687,799
Effect of foreign exchange rate changes, net	(14,819)	3,410	-	-	-	-	(11,409)
CASH AND CASH EQUIVALENTS AT END OF YEAR	6,280,933	(649,613)	-	-	2,787,400	-	8,418,720
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS							
Cash and bank balances	5,569,155	(649,613)	-	-	2,787,400	-	7,706,942
Non-pledged time deposits with original maturity of less than three months when acquired	711,778	-	-	-	-	-	711,778
Cash and cash equivalents as stated in the consolidated statement of cash flows	6,280,933	(649,613)	-	-	2,787,400	-	8,418,720

NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

- (1) The amounts are extracted from the audited consolidated statement of profit or loss and audited consolidated statement of cash flows of the Group for the year ended 31 December 2014, as set out in the published annual report of the Company for the year ended 31 December 2014 dated 25 March 2015.
- (2) The adjustment reflects the exclusion of the results and cash flows of the Target Group for the year ended 31 December 2014, which is extracted from the unaudited consolidated statement of profit or loss and unaudited consolidated statement of cash flows of the Target Group for the year ended 31 December 2014, as set out in Appendix II to this circular, assuming the Disposal had been taken place on 1 January 2014.
- (3) The adjustment represents the fair value adjustments on properties arising from the acquisition of the Target Group by the Group in 2006 that were released to the Group's consolidated statement of profit or loss for the year ended 31 December 2014 upon the sales recognition of the related properties or through the depreciation process of the related properties. The fair value adjustments on properties arising from the acquisition of the Target Group by the Group in 2006 that were recognised on the date of acquisition in 2006 represented the difference between the fair values of these properties in the Target Group on the date of acquisition by the Group in 2006 and their respective book values on the same date. From the Group's perspective, the costs of the relevant properties were the book values as shown in the financial statements of the Target Group plus the fair value adjustments. Therefore, when these properties are sold by the Group, the Group will transfer the cost of properties from the Group's perspective to the cost of sales in the Group's consolidated profit or loss. If the properties acquired are used by the Group rather than for sale, the Group will depreciate the properties based on cost of properties from the Group's perspective.

For the year ended 31 December 2014, the cost of sales of the Target Group from the Group's perspective was HK\$1,856,742,000, representing the cost of properties sold amounted to HK\$1,423,121,000 at the Target Group's books plus the release of fair value adjustment related to the sold properties amounted to HK\$433,621,000 at the Group's consolidation. In addition, the Group had disposed of a subsidiary within the Target Group during the year ended 31 December 2014. The net asset value of this subsidiary within the Target Group's books is lower than that from the Group's perspective, resulting in a decrease in the gain on disposal of a subsidiary of HK\$158,389,000 as recorded in other income and gains account of the Group. The above fair value adjustments released to the Group's consolidated statement of profit or loss are directly attributable to the assets and liabilities of the Target Group in arriving the deemed costs of the relevant assets/liabilities from the Group's perspective. They are non-cash adjustments and only affect the presentation of certain items in the cash flows from operating activities in the Remaining Group's unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2014.

- (4) The adjustment represents the share of profit for the year ended 31 December 2014 from a 14% unlisted equity investment which is owned by the Target Group. The Target Group does not have significant influence over this investee and therefore has accounted for the investment in the Target Group's consolidated statement of financial position as an available-for-sale investment measured at cost. On the Group's level, the Group owns a total of 39% equity interest in this investment and has significant influence over this investee, and the aggregate investment is accounted for as an associate under the equity method of accounting. Therefore, there is difference in accounting treatment between the Group level and the Target Group level on this 14% unlisted equity investment. Upon completion of the Disposal, the Remaining Group's interest in this investment will become 25% and continue to be accounted for as an associate under the equity method of accounting.
- (5) The adjustment reflects (a) the pro forma gain on the Disposal; and (b) the recognition of the tax on capital gain on the Disposal, assuming that the Disposal had been completed on 1 January 2014. The pro forma gain on the Disposal is calculated as follows:

	<i>HK\$'000</i>
Cash consideration for the Disposal	6,968,500
Net assets of the Target Group (including fair value adjustments) as at 1 January 2014 attributable to the shareholders of Starthigh	(7,025,049)
8% retained interest of the Target Group that is accounted for as an available-for-sale investment (<i>note i</i>)	562,004
Assignment of the shareholder's loan (<i>note ii</i>)	(627,736)
Estimated professional fees and other expenses directly attributable to the Disposal	(3,000)
Release of the exchange fluctuation reserve as at 1 January 2014	1,478,593
Release of available-for-sale investment revaluation reserve as at 1 January 2014	<u>67,163</u>
Pro forma gain on the Disposal before tax	1,420,475
Estimated tax on capital gain on the Disposal (<i>note iii</i>)	<u>(540,673)</u>
Pro forma gain on the Disposal after tax	<u><u>879,802</u></u>

This pro forma adjustment will not have any continuing effect on the consolidated statement of profit or loss of the Remaining Group. The final gain on the Disposal may be different from the amount described above and would be subject to the carrying amount of the assets and liabilities of the Target Group on the date of the Disposal.

Notes:

- (i) Assuming that the Disposal had been completed on 1 January 2014, the Remaining Group would retain 8% interest in the Target Group in which the Remaining Group had neither control nor significant influence over the Target Group. Accordingly, the retained interest in the Target Group would be accounted for as an available-for-sale investment by the Remaining Group upon the completion of the Disposal. The available-for-sale investment is initially recognised at fair value, assumed to be approximated to the carrying amount of the investment and calculated as follows:

		<i>HK\$'000</i>
Net assets of the Target Group (including fair value adjustments) as at 1 January 2014 attributable to the shareholders of Starthigh	(A)	<u>7,025,049</u>
Fair value of 8% retained interest of the Target Group	<i>(B) = (A) x 8%</i>	<u>562,004</u>

- (ii) The amount represents the aggregate amount of the loans and net amount due and owing by Starthigh to Marvel Leader as at the date of signing of the Agreement.
- (iii) The capital gain tax on the Disposal is estimated to be at a tax rate of 10% on the capital gain.
- (6) The amounts are extracted from the audited consolidated statement of financial position of the Group as at 31 December 2014, as set out in the published annual report of the Company for the year ended 31 December 2014 dated 25 March 2015.
- (7) The adjustment reflects the exclusion of the assets and liabilities of the Target Group as at 31 December 2014, which is extracted from the unaudited consolidated statement of financial position of the Target Group as at 31 December 2014, as set out in Appendix II to this circular, assuming the Disposal had been taken place on 31 December 2014.
- (8) The adjustment represents the remaining balance of fair value adjustments on properties arising from the acquisition of the Target Group by the Group in 2006. The fair value adjustments on properties arising from the acquisition of the Target Group by the Group in 2006 that were recognised on the date of acquisition in 2006 represented the difference between the fair values of these properties in the Target Group on the date of acquisition by the Group in 2006 and their respective book values on the same date. From the Group's perspective, the costs of the properties were the book values as shown in the financial statements of the Target Group plus the fair value adjustments. As mentioned in Note (3) above, the fair value adjustments recognised on the date of acquisition in 2006 will be released to the Group's consolidated statement of profit or loss upon the sales recognition of the related properties or through the depreciation process of the related properties. They are directly attributable to the assets and liabilities of the Target Group in arriving the deemed costs of the relevant assets/liabilities from the Group's perspective. Please refer to second pro forma adjustment for the amounts of fair value adjustments that were transferred to the Group's consolidated statement of profit or loss for the year ended 31 December 2014.

- (9) The adjustment reflects (a) the pro forma gain on the Disposal; and (b) the recognition of the tax on capital gain on the Disposal, assuming that the Disposal had been completed on 31 December 2014. The pro forma gain on the Disposal is calculated as follows:

	<i>HK\$'000</i>
Cash consideration for the Disposal	6,968,500
Net assets of the Target Group (including fair value adjustments and adjustment to share the net asset of an associate on the Group's level) as at 31 December 2014 attributable to the shareholders of Starthigh	(7,263,044)
8% non-controlling interest on the Target Group	322,576
Assignment of the shareholder's loan (<i>note i</i>)	(627,736)
Estimated professional fees and other expenses directly attributable to the Disposal	(3,000)
Interest capitalised at Group level	(29,486)
Release of the exchange fluctuation reserve as at 31 December 2014	1,338,072
Release of available-for-sale investment revaluation reserve as at 31 December 2014	<u>127,653</u>
Pro forma gain on the Disposal before tax	833,535
Estimated tax on capital gain on the Disposal (<i>note ii</i>)	<u>(540,673)</u>
Pro forma gain on the Disposal after tax	<u><u>292,862</u></u>

Notes:

- (i) The amount represents the aggregate amount of the loans and net amount due and owing by Starthigh to Marvel Leader as at the date of signing of the Agreement.
- (ii) The capital gain tax on the Disposal is estimated to be at a tax rate of 10% on the capital gain.
- (10) The adjustment represents the reclassification of the intra-group balances as at 31 December 2014 as the Target Group is no longer companies within the Remaining Group after completion of the Disposal.
- (11) The adjustment represents the first and second installments of the consideration for the Disposal of HK\$2,787,400,000 received in cash from the Vendor on the completion date of the Disposal, as if the Disposal had been completed on 1 January 2014. The remaining third and fourth installments of the consideration amounted to HK\$2,090,550,000 and HK\$2,090,550,000, respectively, would be paid by the Vendor on 1 December 2015 and 1 March 2016, respectively, being the last dates of the third and fourth installments' credit period stipulated in the Agreement. It is assumed that the estimated professional fees and other expenses directly attributable to the Disposal and the estimated tax on capital gain on the Disposal have not been paid in the unaudited pro forma consolidated statement of cash flows of the Remaining Group. This pro forma adjustment will not have any continuing effect on the consolidated statement of cash flows of the Remaining Group. The final net cash inflow on the Disposal may be different from the amount described above and would be subject to the carrying amount of the cash and cash equivalents balance of the Target Group on the date of the Disposal.
- (12) The adjustment represents the reclassification of the intra-group cash flows for the year ended 31 December 2014 as the Target Group is no longer companies within the Remaining Group after completion of the Disposal.

**B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE
REMAINING GROUP**

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



22/F, CITIC Tower
1 Tim Mei Avenue
Hong Kong

23 June 2015

The Board of Directors
C C Land Holdings Limited
Rooms 3308-10, 33/F
China Resources Building
26 Harbour Road
Wanchai
Hong Kong

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of C C Land Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purpose only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 31 December 2014, the unaudited pro forma consolidated statement of profit or loss for the year ended 31 December 2014, the unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2014, and the related notes as set out on pages AIII-2 to AIII-10 of the circular dated 23 June 2015 (the “**Circular**”) issued by the Company (the “**Unaudited Pro Forma Financial Information**”) in connection with the proposed disposal (the “**Proposed Disposal**”) of 92% of the issued capital of Starthigh International Limited (“**Starthigh**” and together with its subsidiaries, collectively, the “**Target Group**”) and the shareholder’s loans owed and repayable by Starthigh to Marvel Leader Investments Limited, a wholly-owned subsidiary of the Company. The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in the section headed “Introduction” on page AIII-1 to the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Proposed Disposal on the Group’s financial position as at 31 December 2014 and the Group’s financial performance and cash flows for the year ended 31 December 2014 as if the transaction had taken place at 31 December 2014 and 1 January 2014, respectively. As part of this process, information about the Group’s financial position, financial performance and cash flows has been extracted by the Directors from the Group’s financial statements for the year ended 31 December 2014. Information about the Target Group’s financial position, financial performance and cash flows has been extracted by the Directors from the financial information of the Target Group for the years ended 31 December 2012, 2013 and 2014 as published in Appendix II to the Circular.

DIRECTORS' RESPONSIBILITY FOR THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

REPORTING ACCOUNTANTS' RESPONSIBILITIES

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

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information, in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of the Proposed Disposal on unadjusted financial information of the Group as if the Proposed Disposal had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Proposed Disposal would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the Proposed Disposal, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the Proposed Disposal in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,
Ernst & Young
Certified Public Accountants
Hong Kong

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 GCAL, in connection with their valuation as at 31 March 2015 of the real property interests held by CQZY Group.

GREATER CHINA APPRAISAL LIMITED

漢華評值有限公司

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

23 June 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 Chongqing Zhong Yu Property Development Co. Ltd. (the “CQZY”) and its subsidiaries (together referred as “CQZY 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 CQZY, 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 March 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

Except otherwise stated, we have valued the real property interests in Groups I, II, III and V by using the 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. Full market rent was adopted for capitalisation after the current lease expired.

In valuing the real property interests in Group IV 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 CQZY. 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 IV, 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 that 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 – K & H Law Firm (重慶坤源衡泰律師事務所) 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 CQZY 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 CQZY Group. We were also advised by CQZY 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 April and May 2015 by Mr. Daniel W. H. Tang, who is a Chartered Surveyor and Ms. Candice Y. Q. Li (BSc). 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 owner occupation by CQZY Group in the PRC

No. Real Property	Market Value in existing state as at 31 March 2015 (RMB)
1. A school situated at Jiazhou Garden, Longxi Town, Yubei District, Chongqing, the PRC 401147	11,300,000
2. Block No.7, Jiazhou City Garden, Longxi Town, Yubei District, Chongqing, the PRC 401147	61,200,000
3. Commercial Block 3, No.8 Xingai Avenue, Longxi Town, Yubei District, Chongqing, the PRC 401147	40,000,000
4. 3 units known as “1-1”, “1-2” and “1-3”, Level 1, 9 Central Midtown located at No. 6 Xingai Avenue, Longxi Town, Yubei District, Chongqing, the PRC 401147	12,900,000
Sub-total:	<u>125,400,000</u>

Group II – Real properties held for investment by CQZY Group in the PRC

No. Real Property	Market Value in existing state as at 31 March 2015 (RMB)
5. Levels 1 to 3, Unit 3 on Level 17 and Unit 7 on Level 26, Block A2, Jiazhou Garden, Longxi Town, Yubei District, Chongqing, the PRC 401147	16,300,000
6. Portion of Levels 1 to 3, Units 1 on Level 6 and Unit 4 on Levels 32/33, Block A3, Jiazhou Garden, Longxi Town, Yubei District, Chongqing, the PRC 401147	26,830,000
7. Units 3 to 6 on Level 1 and Units 5 and 6 on Level 2, Block A9, Jiazhou Garden, Longxi Town, Yubei District, Chongqing, the PRC 401147	3,150,000
8. Levels 1 to 4, Block B2, Jiazhou Garden, Longxi Town, Yubei District, Chongqing, the PRC 401147	20,300,000
9. Levels 1 to 3, Block B4, Jiazhou Garden, Longxi Town, Yubei District, Chongqing, the PRC 401147	53,900,000
10. Levels 1 to 2, Block C2, Jiazhou Garden, Longxi Town, Yubei District, Chongqing, the PRC 401147	13,200,000
11. Levels 1 to 2, and 6 residential units on Block C3, Jiazhou Garden, Longxi Town, Yubei District, Chongqing, the PRC 401147	5,420,000
12. An agricultural market located at Jiazhou Garden, Longxi Town, Yubei District, Chongqing, the PRC 401147	7,680,000

No. Real Property	Market Value in existing state as at 31 March 2015 (RMB)
13. A two-level basement car park of Blocks A and B of Jiazhou Garden, Longxi Town, Yubei District, Chongqing, the PRC 401147	33,000,000
14. The car park of connective level between Blocks 4 and 5, Jiazhou City Garden, Longxi Town, Yubei District, Chongqing, the PRC 401147	1,370,000
15. Portion of Level 1 and the car park of connective level between Blocks 8 and 9, Jiazhou City Garden, Longxi Town, Yubei District, Chongqing, the PRC 401147	14,360,000
16. The car park of connective level between Blocks 9 and 10, Jiazhou City Garden, Longxi Town, Yubei District, Chongqing, the PRC 401147	1,910,000
17. The basement car park and Levels 1 to 3, Block 13, Jiazhou City Garden, Longxi Town, Yubei District, Chongqing, the PRC 401147	30,690,000
18. Carports A and B located at Jiazhou City Garden, Longxi Town, Yubei District, Chongqing, the PRC 401147	25,700,000
19. Basement Levels 1 to 2, Zhongyu Kechuang Building, No. 8 Jinshan Road, Longxi Town, Yubei District, Chongqing, the PRC 401147	8,440,000
20. Jiazhou City Garden Kindergarten, Jiazhou City Garden, Longxi Town, Yubei District, Chongqing, the PRC 401147	4,230,000
21. Basement Level 1 of Block 4 and Basement Level 2 of Block 3 of Phase 1 and Basement Level 1 of Blocks 18, 19 and Commercial Building and Basement Level 2 of Block 18 of Phase 2, Huijing Terrace, No. 3 Jinshan Road, Yubei District, Chongqing, the PRC 401147	40,860,000
22. Basement Levels 1 to 3, Chongqing International Technology Convention and Exhibition Centre, Chongqing International Finance and Trade Development Area, No. 2 Xingai Avenue Longxi Town, Yubei District, Chongqing, the PRC 401147	18,700,000
23. A unit known as "1-4", Level 1, 9 Central Midtown located at No. 6 Xingai Avenue, Longxi Town, Yubei District, Chongqing, the PRC 401147	4,410,000
Total:	<u><u>330,450,000</u></u>

Group III – Real properties held for sale by CQZY Group in the PRC

No.	Real Property	Market Value in existing state as at 31 March 2015 (RMB)
24.	Portion of No. 1 Peak Road located at No. 2 Jinding Road, Longxi Town, Yubei District, Chongqing, the PRC 401147	45,440,000
25.	Portion of No. 8 Peak Road located at No. 11 Jinshan Road, Longxi Town, Yubei District, Chongqing, the PRC 401147	30,330,000
26.	Portion of L' Ambassadeur (Phases I, II, III and IV) located at No. 18 Xingai Avenue and No. 15 Jinshan Road, Longxi Town, Yubei District, Chongqing, the PRC 401147	538,040,000
27.	Portion of Mansions on the Peak located at the junction of Jinshan Road and Jinding Road, Yubei District, Chongqing, the PRC 401147	1,009,300,000
28.	Portion of i-City (Phases I, II and III) located at Nos. 301, 303, 305, 307, 309 and 333 Donghunan Road, Yubei District, Chongqing, the PRC 401147	358,690,000
29.	Portion of Zhongyu One Central Midtown (Phase I A) and Portion of 9 Central Midtown (Phase I B) located at No. 18 Jinshan Road and No. 6 Xingai Avenue, Longxi Town, Yubei District, Chongqing, the PRC 401147	160,900,000
30.	Portion of Academic Heights (Phases I and II) located at Nos. 15 and 17 Sixian Road, Shapingba District, Chongqing, the PRC 401147	507,440,000
31.	Portion of Silver Lining located at Lot Nos. R1-1-7, R1-1-7A and R1-1-10, Hi-tech Development District, Kunming City, Yunnan Province, the PRC 650102	312,100,000
32.	Portions of Office Tower T6, Tower T8 and Tower T9 of Zhongyu Plaza of Land Lot No.10, Hongjin Avenue, Longxi Town, Yubei District, Chongqing, the PRC 401147	1,733,700,000
Sub-total:		<u><u>4,695,940,000</u></u>

Group IV – Real properties held under development by CQZY Group in the PRC

No. Real Property	Market Value in existing state as at 31 March 2015 (RMB)
33. Portions of Phases II and III of Zhongyu Plaza of Land Lot No. 10, Hongjin Avenue, Longxi Town, Yubei District, Chongqing, the PRC 401147	1,056,000,000
34. Land Lot No. 19, Residence Serene, North of Xingai Road, Yubei District, Chongqing, the PRC 401147	1,400,000,000
35. Portion of Phases I and III of Academic Heights, Nos. 15 and 21 Sixian Road, Shapingba District, Chongqing, the PRC 401147	399,800,000
36. Land Lot No. 4, Jiazhou Garden, Xinpaifang, Longxi Town, Yubei District, Chongqing, the PRC 401147	2,470,000,000
Sub-total:	<u>5,325,800,000</u>

Group V – Real properties held for future development by CQZY Group in the PRC

No. Real Property	Market Value in existing state as at 31 March 2015 (RMB)
37. A parcel of land, known as No. C56-5/03, located at District C of Guanyinqiao Group, Yubei District, Chongqing, the PRC 401147	No commercial value
38. Land Lot No. 3-1, Jiazhou Garden, Xinpaifang, Longxi Town, Yubei District, Chongqing, the PRC 401147	820,000,000
39. Land Lot No. 17-1, Jiazhou Garden, Xinpaifang, Longxi Town, Yubei District, Chongqing, the PRC 401147	456,000,000
40. Land Lot No. 9, Jiazhou Garden, Xinpaifang, Longxi Town, Yubei District, Chongqing, the PRC 401147	1,560,000,000
41. Land Lot Nos. 11-1 and 20, Jiazhou Garden, Xinpaifang, Longxi Town, Yubei District, Chongqing, the PRC 401147	174,000,000
42. Land Lot No. 22, Longxi Town, Yubei District, Chongqing, the PRC 401147	37,400,000
43. Land Lot No. 7-1, Jiazhou Garden, Xinpaifang, Longxi Town, Yubei District, Chongqing, the PRC 401147	32,800,000
Sub-total:	<u>3,080,200,000</u>
Total:	<u>13,557,790,000</u>

VALUATION CERTIFICATE

Group I – Real properties held for owner occupation by CQZY Group in the PRC

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 March 2015
1.	A school situated at Jiazhou Garden, Longxi Town, Yubei District, Chongqing, the PRC 401147	<p>The real property comprises a school with a block of 7-storey (plus a basement level) teaching building and a block of 7-storey composite building completed by phases and in between 1995 and 2001.</p> <p>According to the information provided by CQZY, the total gross floor area of the real property is approximately 11,277.49 square metres.</p> <p>The land use rights of the real property have been granted for a term expiring on 29 June 2062 for school uses.</p>	As per our on-site inspection, the real property is occupied as a school.	<p>RMB11,300,000</p> <p>(Renminbi Eleven Million and Three Hundred Thousand)</p>

Notes:

- (i) According to 2 sets of State-owned Land Use Rights Certificate, known as Yu Wai Guo Yong (2003) Zi Di Nos. 021 and 022, issued by the People's Government of Chongqing, the land use rights of the real property with a total site area of approximately 2,495.81 square metres have been granted to CQZY for a term expiring on 29 June 2062 for school uses.
- (ii) According to 2 sets of Building Ownership Certificate, known as Chongqing Shi Fang Quan Zheng 201 Zi Di Nos. 078392 and 078393, issued by Land Resources and Housing Administration Bureau of Chongqing Yubei District, the building ownership of the real property with a total gross floor area of approximately 11,277.49 square metres is held by CQZY.
- (iii) 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. CQZY is entitled to the building ownership and the corresponding 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; and
 - c. CQZY is legally entitled to occupy, use, gain earnings and dispose of the real property, and has the rights to transfer, lease or mortgage the real property.

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 March 2015
2.	Block No. 7, Jiazhou City Garden, Longxi Town, Yubei District, Chongqing, the PRC 401147	<p>The real property comprises a 5-storey office building completed in about 2004.</p> <p>According to the information provided by CQZY, the total gross floor area of the real property is approximately 9,127.73 square metres.</p> <p>The land use rights of the real property have been granted for a term expiring on 25 May 2062 for office uses.</p>	<p>According to the information provided by CQZY, portions of the real property are subject to various tenancies with the latest term expiring on 31 December 2016 with a total current monthly rental of approximately RMB88,049.</p> <p>The remaining portion is currently occupied by CQZY for office uses.</p>	<p>RMB61,200,000</p> <p>(Renminbi Sixty One Million and Two Hundred Thousand)</p>

Notes:

- (i) According to a State-owned Land Use Rights Certificate, known as Yu Guo Yong (2004) Di No. 1551, issued by the People's Government of Chongqing, the land use rights of the real property with a site area of approximately 3,113.6 square metres have been granted to CQZY for a term expiring on 25 May 2062 for office uses.
- (ii) According to a Building Ownership Certificate, known as Chongqing Shi Fang Quan Zheng 201 Zi Di No. 0169231, issued by the Land Resources and Housing Administration Bureau of Chongqing, the building ownership of the real property with a total gross floor area of approximately 9,127.73 square metres is held by CQZY.
- (iii) 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. CQZY is entitled to the building ownership and the corresponding land use rights of the real property;
 - b. The real property is subject to a mortgage;
 - c. As at the Latest Practicable Date, the real property is not subject to any judicial seizure;
 - d. CQZY is legally entitled to occupy, use, gain earnings and dispose of the real property, and has the rights to transfer, lease or mortgage the real property. However, as the real property is subject to mortgage, within the mortgage period, CQZY has to obtain the consent from the mortgagee before transferring the real property; and
 - e. The real property is 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 relevant regulations, the tenancy agreements have to be registered in the real estate management department. Although CQZY 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 they have been entered into. Therefore, the tenancy agreements are still legal and effective.

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 March 2015
3.	Commercial Block 3, No. 8 Xingai Avenue, Longxi Town, Yubei District, Chongqing, the PRC 401147	<p>The real property comprises a 3-storey commercial building completed in about 2012.</p> <p>According to the information provided by CQZY, the total gross floor area of the real property is approximately 1,937.51 square metres.</p> <p>The land use rights of the real property have been granted for a term expiring on 25 May 2063 for other commercial services uses.</p>	As per our on-site inspection, the real property is occupied as a sales office.	RMB40,000,000 (Renminbi Forty Million)

Notes:

- (i) According to a Real Estate Title Certificate, known as 201 Fang Di Zheng 2013 Zi Di No. 021792 issued by the Land Resources and Housing Administration Bureau of Chongqing, the land use rights of the real property with a common site area of approximately 967.5 square metres have been granted to CQZY for a term expiring on 25 May 2063 for other commercial services uses and the building ownership of the real property with a gross floor area of approximately 1,937.51 square metres is held by CQZY.
- (ii) 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. CQZY is entitled to the building ownership and the corresponding land use rights of the real property;
 - b. The real property is subject to a mortgage;
 - c. As at the Latest Practicable Date, the real property is not subject to any judicial seizure;
 - d. CQZY is legally entitled to occupy, use, gain earnings and dispose of the real property, and has the rights to transfer, lease or mortgage the real property. However, as the real property is subject to mortgage, within the mortgage period, CQZY has to obtain the consent from the mortgagee before transferring the real property.

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 March 2015
4.	3 units known as "1-1", "1-2" and "1-3", Level 1, 9 Central Midtown located at No. 6 Xingai Avenue, Longxi Town, Yubei District, Chongqing, the PRC 401147	<p>The real property comprises 3 commercial units on Level 1 of a 28-storey commercial building plus a 3-level basement. The building was completed in about 2011.</p> <p>According to the information provided by CQZY, the total gross floor area of the real property is approximately 428.94 square metres.</p> <p>The land use rights of the real property have been granted for a term expiring on 25 May 2063 for other commercial services uses.</p>	<p>According to the information provided by CQZY, Units "1-2" and "1-3" of the real property are currently occupied as a sales office while Unit "1-1" of the real property is currently vacant.</p>	<p>RMB12,900,000</p> <p>(Renminbi Twelve Million and Nine Hundred Thousand)</p>

Notes:

- (i) According to 3 sets of Real Estate Title Certificate, known as 201 Fang Di Zheng 2014 Zi Di Nos. 022772, 022792 and 022795, issued by the Land Resources and Housing Administration Bureau of Chongqing, the land use rights of the real property with a common site area of approximately 1,233.5 square metres have been granted to CQZY for a term expiring on 25 May 2063 for other commercial services uses and the building ownership of the real property with a total gross floor area of approximately 428.94 square metres is held by CQZY.
- (ii) 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. CQZY is entitled to the building ownership and the corresponding 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; and
 - c. CQZY 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.

Group II – Real properties held for investment by CQZY Group in the PRC

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 March 2015
5.	Levels 1 to 3, Unit 3 on Level 17 and Unit 7 on Level 26, Block A2, Jiazhou Garden, Longxi Town, Yubei District, Chongqing, the PRC 401147	<p>The real property comprises Levels 1 to 3 of a commercial podium and 2 residential units of a 27-storey residential tower erected upon a 3-level commercial podium completed in about 1997.</p> <p>According to the information provided by the CQZY, the total gross floor area of the commercial portion and residential portion are approximately 1,822.78 square metres and 311.78 square metres respectively.</p> <p>The land use rights of the real property have been granted for a term of 70 years expiring on 29 June 2062 for residential and commercial uses.</p>	<p>According to the information provided by the CQZY, a portion of Level 2 of the real property with a gross floor area of approximately 118.79 square metres is subject to a tenancy with a term expiring on 31 December 2017 at a current monthly rental of approximately RMB1,188.</p> <p>The remaining portion of the real property is currently vacant.</p>	<p>RMB16,300,000</p> <p>(Renminbi Sixteen Million and Three Hundred Thousand)</p>

Notes:

- (i) According to a State-owned Land Use Rights Certificate, known as Yu Guo Yong (1997) Zi Di No. 041, issued by the People's Government of Chongqing, the land use rights of Blocks A1 and A2 of Jiazhou Garden, with a site area of approximately 4,312.6 square metres have been granted to CQZY for a term of 70 years expiring on 29 June 2062 for residential and commercial uses.
- (ii) According to 2 sets of Building Ownership Certificate, known as Chongqing Fang Quan Zheng 201 Zi Di No. 0162364 and Yu Bei Qu Zi Di No. 29899, issued by the Land Resources and Housing Administration Bureau of Chongqing and Housing Administration Bureau of Chongqing Yubei District, the building ownership of Block A2 of Jiazhou Garden with a total gross floor area of approximately 37,238.88 square metres is held by CQZY.
- (iii) 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. CQZY is entitled to the building ownership and the corresponding 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. CQZY is legally entitled to occupy, use, gain earnings and dispose of the real property, and has the rights to transfer, lease or mortgage the real property; and
 - d. The real property is subject to a tenancy agreement. The content of the tenancy agreement does not violate the laws and regulations, and is legal and effective. In accordance with relevant regulations, the tenancy agreement has to be registered in the real estate management department. Although CQZY has not applied for the registration in respect of the tenancy agreement, according to the PRC Contract Law, the tenancy agreement, which is entered into legally, is effective since it has been entered into. Therefore, the tenancy agreement is still legal and effective.

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 March 2015
6.	Portion of Levels 1 to 3, Unit 1 on Level 6 and Unit 4 on Levels 32/33, Block A3, Jiazhou Garden, Longxi Town, Yubei District, Chongqing, the PRC 401147	<p>The real property comprises portion of Levels 1 to 3 of a commercial podium and 2 residential units of a 30-storey residential tower erected upon a 3-level (plus a basement) commercial podium completed in about 1997.</p> <p>According to the information provided by CQZY, the gross floor area of the commercial portion and residential portion are approximately 4,736.79 square metres and 411.79 square metres respectively.</p> <p>The land use rights of the real property have been granted for a term of 70 years expiring on 25 May 2062 for residential uses.</p>	<p>According to the information provided by CQZY, Level 1 and portions of Level 2 of the real property with a total floor area of approximately 841.52 square metres are subject to various tenancies with the latest term expiring on 31 December 2017 at a total current monthly rental of approximately RMB12,316.</p> <p>The remaining portion of the real property is currently vacant.</p>	<p>RMB26,830,000</p> <p>(Renminbi Twenty Six Million Eight Hundred and Thirty Thousand)</p>

Notes:

- (i) According to a State-owned Land Use Rights Certificate, known as Yu Guo Yong (1997) Zi Di No. 075 issued by the People's Government of Chongqing, the land use rights of Block A3 of Jiazhou Garden with a site area of approximately 4,126.5 square metres have been granted to CQZY for a term of 70 years expiring on 25 May 2062 for residential uses.
- (ii) According to 2 sets of Building Ownership Certificate, known as Chongqing Fang Quan Zheng 201 Zi Di Nos. 073125 and 073126, issued by the Land Resources and Housing Administration Bureau of Chongqing, the building ownership of Block A3 of Jiazhou Garden with a total gross floor area of approximately 12,143.38 square meters is held by CQZY.
- (iii) 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. CQZY is entitled to the building ownership and the corresponding land use rights of the real property;
 - b. The real property is subject to a mortgage;
 - c. As at the Latest Practicable Date, the real property is not subject to any judicial seizure;
 - d. CQZY is legally entitled to occupy, use, gain earnings and dispose of the real property, and has the rights to transfer, lease or mortgage the real property. However, as portions of the real property are subject to mortgage, within the mortgage period, CQZY has to obtain the consent from the mortgagee before transferring such portions of the real property;
 - e. The real property is 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 relevant regulations, the tenancy agreements have to be registered in the real estate management department. Although CQZY 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 they have been entered into. Therefore, the tenancy agreements are still legal and effective; and
 - f. According to the State-owned Land Use Rights Certificate in Note (i), the land use rights of the real property have been granted for residential uses while the usage of portion of the real property is stated for non-residential uses in the Building Ownership Certificate (Chongqing Fang Quan Zheng 201 Zi Di No. 073125). Since such Building Ownership Certificate is issued later than the State-owned Land Use Rights Certificate, the usage of such portion is non-residential.

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 March 2015
7.	Units 3 to 6 on Level 1 and Units 5 and 6 on Level 2, Block A9, Jiazhou Garden, Longxi Town, Yubei District, Chongqing, the PRC 401147	<p>The real property comprises six residential units of a 30-storey residential building completed in about 1997.</p> <p>According to the information provided by CQZY, the total gross floor area of the real property is approximately 848.64 square metres.</p> <p>The land use rights of the real property have been granted for a term of 70 years expiring on 25 May 2062 for residential uses.</p>	According to the information provided by CQZY, the real property is currently vacant.	<p>RMB3,150,000</p> <p>(Renminbi Three Million One Hundred and Fifty Thousand)</p>

Notes:

- (i) According to a State-owned Land Use Rights Certificate, known as Yu Guo Yong (1997) Zi Di No. 081 issued by the People's Government of Chongqing, the land use rights of Block A9 of Jiazhou Garden with a site area of approximately 1,520.2 square metres have been granted to CQZY for a term of 70 years expiring on 25 May 2062 for residential uses.
- (ii) According to a Building Ownership Certificate, known as Chongqing Fang Quan Zheng 201 Zi Di No. 034924, issued by the Land Resources and Housing Administration Bureau of Chongqing, the building ownership of Block A9 of Jiazhou Garden with a total gross floor area of approximately 33,883.02 square metres is held by CQZY.
- (iii) 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. CQZY is entitled to the building ownership and the corresponding 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; and
 - c. CQZY is legally entitled to occupy, use, gain earnings and dispose of the real property, and has the rights to transfer, lease or mortgage the real property.

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 March 2015
8.	Levels 1 to 4, Block B2, Jiazhou Garden, Longxi Town, Yubei District, Chongqing, the PRC 401147	<p>The real property comprises Levels 1 to 4 of a commercial podium of a 21-storey residential tower erected upon a 4-level commercial podium completed in about 1997.</p> <p>According to the information provided by CQZY, the total gross floor area of the real property is approximately 3,813.66 square metres.</p> <p>The land use rights of the real property have been granted for a term of 70 years expiring on 29 June 2062 for residential and commercial uses.</p>	<p>According to the information provided by CQZY, Level 4 and portions of Levels 1 and 3 with a total gross floor area of approximately 1,060.63 square metres are subject to various tenancies with the latest term expiring on 31 December 2017 at a total current monthly rental of approximately RMB25,336.</p> <p>Portions of the real property with a total gross floor area of approximately 1,061.04 square metres is currently occupied by CQZY.</p> <p>The remaining portion of the real property is currently vacant.</p>	<p>RMB20,300,000</p> <p>(Renminbi Twenty Million and Three Hundred Thousand)</p>

Notes:

- (i) According to a State-owned Land Use Rights Certificate, known as Yu Guo Yong (1997) Zi Di No. 043, issued by the People's Government of Chongqing, the land use rights of Blocks B1, B2, B3 and B4 of Jiazhou Garden, with a site area of approximately 7,458.2 square metres have been granted to CQZY for a term of 70 years expiring on 29 June 2062 for residential and commercial uses.
- (ii) According to a Building Ownership Certificate, known as Chongqing Fang Quan Zheng 201 Zi Di No. 0162097, issued by the Land Resources and Housing Administration Bureau of Chongqing, the building ownership of the real property with a total gross floor area of approximately 3,813.66 square metres is held by CQZY.
- (iii) 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. CQZY is entitled to the building ownership and the corresponding 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. CQZY is legally entitled to occupy, use, gain earnings and dispose of the real property, and has the rights to transfer, lease or mortgage the real property; and
 - d. The real property is 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 relevant regulations, the tenancy agreements have to be registered in the real estate management department. Although CQZY 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 they have been entered into. Therefore, the tenancy agreements are still legal and effective.

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 March 2015
9.	Levels 1 to 3, Block B4, Jiazhou Garden, Longxi Town, Yubei District, Chongqing, the PRC 401147	<p>The real property comprises Levels 1 to 3 of a commercial podium of a 22-storey residential tower erected upon a 3-level commercial podium completed in about 1997.</p> <p>According to the information provided by the CQZY, the total gross floor area of the real property is approximately 6,994.17 square metres.</p> <p>The land use rights of the real property have been granted for a term of 70 years expiring on 29 June 2062 for residential and commercial uses.</p>	<p>According to the information provided by the CQZY, portions of the real property with a total gross floor area of approximately 6,548.35 square metres are subject to various tenancies with the latest term expiring on 31 December 2022 at a total current monthly rental of approximately RMB276,609.</p> <p>The remaining portion of the real property is currently vacant.</p>	<p>RMB53,900,000</p> <p>(Renminbi Fifty Three Million and Nine Hundred Thousand)</p>

Notes:

- (i) According to a State-owned Land Use Rights Certificate, known as Yu Guo Yong (1997) Zi Di No. 043, issued by the People's Government of Chongqing, the land use rights of Blocks B1, B2, B3 and B4 of Jiazhou Garden, with a site area of approximately 7,458.2 square metres have been granted to CQZY for a term of 70 years expiring on 29 June 2062 for residential and commercial uses.
- (ii) According to a Building Ownership Certificate, known as Chongqing Fang Quan Zheng 201 Zi Di No. 0104644, issued by the Land Resources and Housing Administration Bureau of Chongqing, the building ownership of the real property with a total gross floor area of approximately 6,994.17 square metres is held by CQZY.
- (iii) 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. CQZY is entitled to the building ownership and the corresponding land use rights of the real property;
 - b. The real property is subject to a mortgage;
 - c. As at the Latest Practicable Date, the real property is not subject to any judicial seizure;
 - d. CQZY is legally entitled to occupy, use, gain earnings and dispose of the real property, and has the rights to transfer, lease or mortgage the real property. However, as the real property is subject to mortgage, within the mortgage period, CQZY has to obtain the consent from the mortgagee before transferring the real property; and
 - e. The real property is 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 relevant regulations, the tenancy agreements have to be registered in the real estate management department. Although CQZY 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 they have been entered into. Therefore, the tenancy agreements are still legal and effective.

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 March 2015
10.	Levels 1 to 2, Block C2, Jiazhou Garden, Longxi Town, Yubei District, Chongqing, the PRC 401147	<p>The real property comprises Levels 1 to 2 of a 16-storey residential tower erected upon a 2-level commercial podium completed in about 1997.</p> <p>According to the information provided by CQZY, the total gross floor area of the real property is approximately 1,626.83 square metres.</p> <p>The land use rights of the real property have been granted for a term of 70 years expiring on 29 June 2062 for residential and commercial uses.</p>	<p>According to the information provided by the CQZY, portions of the real property with a total gross floor area of approximately 1,421.72 square metres are currently subject to various tenancies with the latest term expiring on 31 August 2018 at a total monthly rental of approximately RMB53,066 as at the valuation date.</p> <p>The remaining portion of the real property is currently vacant.</p>	<p>RMB13,200,000</p> <p>(Renminbi Thirteen Million and Two Hundred Thousand)</p>

Notes:

- (i) According to a State-owned Land Use Rights Certificate, known as Yu Guo Yong (1997) Zi Di No. 042, issued by the People's Government of Chongqing, the land use rights of Blocks C2, C3 and C4 of Jiazhou Garden, with a site area of approximately 9,721.9 square metres have been granted to CQZY for a term of 70 years expiring on 29 June 2062 for residential and commercial uses.
- (ii) According to 2 sets of Building Ownership Certificate, known as Chongqing Fang Quan Zheng 201 Zi Di Nos. 0146890 and 0162095, issued by the Land Resources and Housing Administration Bureau of Chongqing, the real property with a total gross floor area of approximately 1,626.83 square metres is held by CQZY.
- (iii) 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. CQZY is entitled to the building ownership and the corresponding 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. CQZY is legally entitled to occupy, use, gain earnings and dispose of the real property, and has the rights to transfer, lease or mortgagee the real property; and
 - d. The real property is 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 relevant regulations, the tenancy agreements have to be registered in the real estate management department. Although CQZY 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 they have been entered into. Therefore, the tenancy agreements are still legal and effective.

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 March 2015
11.	Levels 1 to 2, and 6 residential units on Block C3, Jiazhou Garden, Longxi Town, Yubei District, Chongqing, the PRC 401147	<p>The real property comprises Levels 1 to 2 of a commercial podium and 6 residential units of a 16-storey residential tower erected upon a 2-level commercial podium completed in about 1997.</p> <p>According to the information provided by the CQZY, the total gross floor area of the commercial and residential portion is approximately 271.43 square metres and 751 square metres respectively.</p> <p>The land use rights of the real property have been granted for a term of 70 years expiring on 29 June 2062 for residential and commercial uses.</p>	<p>According to the information provided by the CQZY, the commercial portion of the real property with a total gross floor area of approximately 271.43 square metres is subject to two tenancies both expiring on 31 August 2018 at a total current monthly rental of approximately RMB8,143.</p> <p>The remaining portion of the real property is currently vacant.</p>	<p>RMB5,420,000</p> <p>(Renminbi Five Million Four Hundred and Twenty Thousand)</p>

Notes:

- (i) According to a State-owned Land Use Rights Certificate, known as Yu Guo Yong (1997) Zi Di No. 042, issued by the People's Government of Chongqing, the land use rights of Blocks C2, C3 and C4 of Jiazhou Garden, with a site area of approximately 9,721.9 square metres have been granted to CQZY for a term of 70 years expiring on 29 June 2062 for residential and commercial uses.
- (ii) According to 3 sets of Building Ownership Certificate, known as Chongqing Fang Quan Zheng 201 Zi Di Nos. 0146887 and 0146888 and Yu Bei Qu Zi Di No. 29897, issued by the Land Resources and Housing Administration Bureau of Chongqing and Housing Administration Bureau of Chongqing Yubei District, Block C3 of Jiazhou Garden with a total gross floor area of approximately 17,629.61 square metres is held by CQZY.
- (iii) 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. CQZY is entitled to the building ownership and the corresponding 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. CQZY is legally entitled to occupy, use, gain earnings and dispose of the real property, and has the rights to transfer, lease or mortgage the real property; and
 - d. The real property is 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 relevant regulations, the tenancy agreements have to be registered in the real estate management department. Although CQZY 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 they have been entered into. Therefore, the tenancy agreements are still legal and effective.

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 March 2015
12.	An agricultural market located at Jiazhou Garden, Longxi Town, Yubei District, Chongqing, the PRC 401147	<p>The real property comprises a block of single storey agriculture trading market. The building was completed in about 2004.</p> <p>According to the information provided by CQZY, the gross floor area of the real property is approximately 2,794.38 square metres.</p> <p>The land use rights of the real property have been granted for a term expiring on 25 May 2063 for composite uses.</p>	According to the information provided by CQZY, the real property is subject to various tenancies with the latest term expiring on 30 December 2015 at a total current monthly rent of approximately RMB40,590.	RMB7,680,000 (Renminbi Seven Million Six Hundred and Eighty Thousand)

Notes:

- (i) According to a State-owned Land Use Rights Certificate, known as Yu Wai Guo Yong (2004) Zi Di No. 009, issued by the People's Government of Chongqing, the land use rights of the real property with a site area of approximately 8,216.03 square metres have been granted to CQZY with a term expiring on 25 May 2063 for composite uses.
- (ii) According to a Building Ownership Certificate, known as Chongqing Shi Fang Quan Zheng 201 Zi Di No. 0135755, issued by the Land Resources and Housing Administration Bureau of Chongqing, the building ownership of the real property with a gross floor area of approximately 2,794.38 square metres is held by CQZY.
- (iii) 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. CQZY is entitled to the building ownership and the corresponding 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. CQZY is legally entitled to occupy, use gain earnings and dispose of the real property, and has the rights to transfer, lease or mortgage the real property; and
 - d. The real property is 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 relevant regulations, the tenancy agreements have to be registered in the real estate management department. Although CQZY 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 they have been entered into. Therefore, the tenancy agreements are still legal and effective.

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 March 2015
13.	A two-level basement car park of Blocks A and B of Jiazhou Garden, Longxi Town, Yubei District, Chongqing, the PRC 401147	<p>The real property comprises 362 car parking spaces of a two-level basement car park completed in about 1997.</p> <p>According to the information provided by CQZY, the total gross floor area of the real property is approximately 15,645.73 square metres.</p> <p>The land use rights of the real property have been granted for a term expiring on 25 May 2062 for composite uses (basement car park).</p>	According to the information provided by CQZY, the real property is subject to a licence at a current monthly licence fee of approximately RMB86,317.	RMB33,000,000 (Renminbi Thirty Three Million)

Notes:

- (i) According to a State-owned Land Use Rights Certificate, known as Yu Wai Guo Yong (2001) Zi Di No. 009, issued by the Land Resources and Housing Administration Bureau of Chongqing, the land use rights of the basement car park of Jiazhou Garden with a site area of approximately 9,780.87 square metres have been granted to CQZY for a term expiring on 25 May 2062 for composite uses (basement car park).
- (ii) According to a Building Ownership Certificate, known as Chongqing Fang Quan Zheng 100 Zi Di No. 0100002, issued by the Land Resources and Housing Administration Bureau of Chongqing, the building ownership of the real property with a total gross floor area of approximately 15,645.73 square metres is held by CQZY.
- (iii) 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. CQZY is entitled to the building ownership and the corresponding land use rights of the real property;
 - b. The real property is subject to a mortgage;
 - c. As at the Latest Practicable Date, the real property is not subject to any judicial seizure;
 - d. CQZY is legally entitled to occupy, use, gain earnings and dispose of the real property, and has the rights to transfer, lease or mortgage the real property. However, as the real property is subject to mortgage, within the mortgage period, CQZY has to obtain the consent from the mortgagee before transferring the real property; and
 - e. The real property is subject to a tenancy agreement. The content of the tenancy agreement does not violate the laws and regulations, and is legal and effective. In accordance with relevant regulations, the tenancy agreement has to be registered in the real estate management department. Although CQZY has not applied for the registration in respect of the tenancy agreement, according to the PRC Contract Law, the tenancy agreement, which is entered into legally, is effective since it has been entered into. Therefore, the tenancy agreement is still legal and effective.

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 March 2015
14.	The car park of connective level between Blocks 4 and 5, Jiazhou City Garden, Longxi Town, Yubei District, Chongqing, the PRC 401147	<p>The real property comprises 15 car parking spaces of the connective floor between Blocks 4 and 5 completed in about 2004.</p> <p>According to the information provided by CQZY, the total gross floor area of the real property is approximately 415.08 square metres.</p> <p>The land use rights of the real property have been granted for a term expiring on 25 May 2062 for commercial uses.</p>	According to the information provided by CQZY, the real property is subject to a licence at a total current monthly licence fee of approximately RMB4,166.	RMB1,370,000 (Renminbi One Million Three Hundred and Seventy Thousand)

Notes:

- (i) According to a Real Estate Title Certificate, known as 201 Fang Di Zheng 2005 Zi Di No. 22311 issued by the Land Resources and Housing Administration Bureau of Chongqing, the land use rights of the real property with a site area of approximately 172.67 square metres have been granted to CQZY for a term expiring on 25 May 2062 for commercial uses and the building ownership of the real property with a gross floor area of approximately 415.08 square metres is held by CQZY.
- (ii) 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. CQZY is entitled to the building ownership and the corresponding 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. CQZY is legally entitled to occupy, use, gain earnings and dispose of the real property, and has the rights to transfer, lease or mortgage the real property; and
 - d. The real property is subject to a tenancy agreement. The content of the tenancy agreement does not violate the laws and regulations, and is legal and effective. In accordance with relevant regulations, the tenancy agreement has to be registered in the real estate management department. Although CQZY has not applied for the registration in respect of the tenancy agreement, according to the PRC Contract Law, the tenancy agreement, which is entered into legally, is effective since it has been entered into. Therefore, the tenancy agreement is still legal and effective.

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 March 2015
15.	Portion of Level 1 and the car park of connective level between Blocks 8 and 9, Jiazhou City Garden, Longxi Town, Yubei District, Chongqing, the PRC 401147	<p>The real property comprises a commercial unit on Level 1 and 83 car parking spaces of the connective floor between Blocks 8 and 9 completed in about 2004.</p> <p>According to the information provided by CQZY, the gross floor area of the commercial portion and car park portion is approximately 598.15 square metres and 2,116.70 square metres respectively.</p> <p>The land use rights of the real property have been granted for a term expiring on 25 May 2062 for commercial services uses.</p>	<p>According to the information provided by CQZY, portion of the real property with a gross floor area of approximately 1,957.4 square metres is subject to a licence at a current monthly licence fee of approximately RMB19,644 and portions of the real property with a total gross floor area of approximately 383.41 square metres are subject to two tenancies with the latest term expiring on 30 November 2017 at a total current monthly rental of approximately RMB17,291.</p> <p>The remaining portion of the real property is currently vacant.</p>	<p>RMB14,360,000</p> <p>(Renminbi Fourteen Million Three Hundred and Sixty Thousand)</p>

Notes:

- (i) According to 2 sets of Real Estate Title Certificate, known as 201 Fang Di Zheng 2006 Zi Di Nos. 57096 and 57097, issued by the Land Resources and Housing Administration Bureau of Chongqing, the land use rights of the real property with a total site area of approximately 170.49 square metres have been granted to CQZY for a term expiring on 25 May 2062 for commercial services uses and the building ownership of the real property with a total gross floor area of approximately 2,714.85 square metres is held by CQZY.
- (ii) 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:
- CQZY is entitled to the building ownership and the corresponding land use rights of the real property;
 - As at the Latest Practicable Date, the real property is not subject to any mortgage or judicial seizure;
 - CQZY is legally entitled to occupy, use, gain earnings and dispose of the real property, and has the rights to transfer, lease or mortgage the real property; and
 - The real property is 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 relevant regulations, the tenancy agreements have to be registered in the real estate management department. Although CQZY 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 they have been entered into. Therefore, the tenancy agreements are still legal and effective.

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 March 2015
16.	The car park of connective level between Blocks 9 and 10, Jiazhou City Garden, Longxi Town, Yubei District, Chongqing, the PRC 401147	<p>The real property comprises 21 car parking spaces of the connective floor between Blocks 9 and 10 completed in about 2004.</p> <p>According to the information provided by CQZY, the gross floor area of the real property is approximately 527.84 square metres.</p> <p>The land use rights of the real property have been granted for a term expiring on 25 May 2062 for commercial uses.</p>	According to the information provided by CQZY, the real property is subject to a licence at a current monthly licence fee of approximately RMB5,297.	RMB1,910,000 (Renminbi One Million Nine Hundred and Ten Thousand)

Notes:

- (i) According to a Real Estate Title Certificate, known as 201 Fang Di Zheng 2005 Zi Di No. 22310, issued by the Land Resources and Housing Administration Bureau of Chongqing, the land use rights of the real property with a site area of approximately 191.66 square metres have been granted to CQZY for a term expiring on 25 May 2062 for commercial uses and the building ownership of the real property with a gross floor area of approximately 527.84 square metres is held by CQZY.
- (ii) 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. CQZY is entitled to the building ownership and the corresponding 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. CQZY is legally entitled to occupy, use, gain earnings and dispose of the real property, and has the rights to transfer, lease or mortgage the real property; and
 - d. The real property is subject to a tenancy agreement. The content of the tenancy agreement does not violate the laws and regulations, and is legal and effective. In accordance with relevant regulations, the tenancy agreement has to be registered in the real estate management department. Although CQZY has not applied for the registration in respect of the tenancy agreement, according to the PRC Contract Law, the tenancy agreement, which is entered into legally, is effective since it has been entered into. Therefore, the tenancy agreement is still legal and effective.

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 March 2015
17.	The basement car park and Levels 1 to 3, Block 13, Jiazhou City Garden, Longxi Town, Yubei District, Chongqing, the PRC 401147	<p>The real property comprises Levels 1 to 3 of the commercial podium and 35 car parking spaces at Basement 1 of a 23-storey residential tower erected upon a 3-level (plus a basement) commercial podium completed in about 2004.</p> <p>According to the information provided by CQZY, the total gross floor area of the commercial portion and car park portion is approximately 4,086.80 square metres and 1,061.87 square metres respectively.</p> <p>The land use rights of the real property have been granted for a term expiring on 25 May 2062 for commercial uses.</p>	<p>According to the information provided by CQZY, the car park is subject to a licence at a current monthly licence fee of approximately RMB10,657.</p> <p>Portions of the Levels 1 to 3 of the real property with a total gross floor area of approximately 3,516.15 square metres are currently subject to various tenancies with the latest term expiring on 30 September 2018 at a total monthly rental of approximately RMB119,434 as at the valuation date.</p> <p>Portion of the real property with a gross floor area of approximately 40.21 square metres is currently occupied by CQZY.</p> <p>The remaining portion of the real property is currently vacant.</p>	<p>RMB30,690,000</p> <p>(Renminbi Thirty Million Six Hundred and Ninety Thousand)</p>

Notes:

- (i) According to a State-owned Land Use Rights Certificate, known as Yu Bei Guo Yong (2004) Di No. 16638, issued by the People's Government of Chongqing Yu Bei District, the land use rights of Block 13 of Jiazhou City Garden with a site area of approximately 297.59 square metres have been granted to CQZY for a term expiring on 25 May 2062 for commercial uses.
- (ii) According to a Building Ownership Certificate, known as Chongqing Fang Quan Zheng 201 Zi Di No. 0143472, issued by the Land Resources and Housing Administration Bureau of Chongqing, the building ownership of the real property with a total gross floor area of approximately 5,148.67 square metres is held by CQZY.
- (iii) 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. CQZY is entitled to the building ownership and the corresponding 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. CQZY is legally entitled to occupy, use, gain earnings and dispose of the real property, and has the rights to transfer, lease or mortgage the real property; and
 - d. The real property is 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 relevant regulations, the tenancy agreements have to be registered in the real estate management department. Although CQZY 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 they have been entered into. Therefore, the tenancy agreements are still legal and effective.

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 March 2015
18.	Carports A and B located at Jiazhou City Garden, Longxi Town, Yubei District, Chongqing, the PRC 401147	<p>The real property comprises 267 car parking spaces constructed on two single storey car ports completed in about 2004.</p> <p>According to the information provided by CQZY, the total gross floor area of the real property is approximately 7,972.11 square metres.</p> <p>The land use rights of the real property have been granted for a term expiring on 25 May 2062 for carport uses.</p>	<p>According to the information provided by CQZY, the car park is subject to two licences at a total current monthly licence fee of approximately RMB80,006.</p>	<p>RMB25,700,000</p> <p>(Renminbi Twenty Five Million and Seven Hundred Thousand)</p>

Notes:

- (i) According to 2 sets of State-owned Land Use Rights Certificate, known as Yu Wai Guo Yong (2003) Zi Di Nos. 057 and 058, issued by the People's Government of Chongqing, the land use rights of the real property with a site area of approximately 7,729.5 square metres have been granted to CQZY for a term expiring on 25 May 2062 for carport uses.
- (ii) According to 2 sets of Building Ownership Certificate, known as Chongqing Fang Quan Zheng 201 Zi Di No. 0121104 and 0121105, issued by the Land Resources and Housing Administration Bureau of Chongqing, the building ownership of the real property with a total gross floor area of approximately 7,972.11 square metres is held by CQZY.
- (iii) 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. CQZY is entitled to the building ownership and the corresponding land use rights of the real property;
 - b. The real property is subject to a mortgage;
 - c. As at the Latest Practicable Date, the real property is not subject to any judicial seizure;
 - d. CQZY is legally entitled to occupy, use, gain earnings and dispose of the real property, and has the rights to transfer, lease or mortgage the real property. However, as the real property is subject to mortgage, within the mortgage period, CQZY has to obtain the consent from the mortgagee before transferring the real property; and
 - e. The real property is 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 relevant regulations, the tenancy agreements have to be registered in the real estate management department. Although CQZY 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 they have been entered into. Therefore, the tenancy agreements are still legal and effective.

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 March 2015
19.	Basement Levels 1 to 2, Zhongyu Kechuang Building, No. 8 Jinshan Road, Longxi Town, Yubei District, Chongqing, the PRC 401147	<p>The real property comprises 92 car parking spaces of a 2-level basement car park completed in about 2004.</p> <p>According to the information provided by CQZY, the total gross floor area of the real property is approximately 2,823.05 square metres.</p> <p>The land use rights of the real property have been granted for a term expiring on 29 May 2063 for commercial services uses.</p>	<p>According to the information provided by CQZY, the car park is subject to a licence at a current monthly licence fee of approximately RMB21,350.</p>	<p>RMB8,440,000</p> <p>(Renminbi Eight Million Four Hundred and Forty Thousand)</p>

Notes:

- (i) According to 2 sets of Real Estate Title Certificate, known as 201 Fang Di Zheng 2008 Zi Di Nos. 11745 and 18757, issued by the Land Resources and Housing Administration Bureau of Chongqing, the land use rights of the real property with a total site area of approximately 313.67 square metres have been granted to CQZY for a term expiring on 29 May 2063 for commercial services uses and the building ownership of the real property with a total gross floor area of approximately 2,823.05 square metres is held by CQZY.
- (ii) 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. CQZY is entitled to the building ownership and the corresponding land use rights of the real property;
 - b. The real property is subject to a mortgage;
 - c. As at the Latest Practicable Date, the real property is not subject to any judicial seizure;
 - d. CQZY is legally entitled to occupy, use, gain earnings and dispose of the real property, and has the rights to transfer, lease or mortgage the real property. However, as the real property is subject to mortgage, within the mortgage period, CQZY has to obtain the consent from the mortgagee before transferring the real property; and
 - e. The real property is subject to a tenancy agreement. The content of the tenancy agreement does not violate the laws and regulations, and is legal and effective. In accordance with relevant regulations, the tenancy agreement has to be registered in the real estate management department. Although CQZY has not applied for the registration in respect of the tenancy agreement, according to the PRC Contract Law, the tenancy agreement, which is entered into legally, is effective since it has been entered into. Therefore, the tenancy agreement is still legal and effective.

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 March 2015
20.	Jiazhou City Garden Kindergarten, Jiazhou City Garden, Longxi Town, Yubei District, Chongqing, the PRC 401147	<p>The real property comprises a block of two-storey kindergarten completed in about 2004.</p> <p>According to the information provided by CQZY, the gross floor area of the real property is approximately 2,564.74 square metres.</p> <p>The land use rights of the real property have been granted for a term expiring on 25 May 2062 for commercial services uses.</p>	<p>According to the information provided by CQZY, the real property is subject to a tenancy for a term expiring in August 2018 at a current monthly rent of approximately RMB12,052.</p>	<p>RMB4,230,000</p> <p>(Renminbi Four Million Two Hundred and Thirty Thousand)</p>

Notes:

- (i) According to a State-owned Land Use Rights Certificate, known as Yu Guo Yong (2004) Di No. 1550, issued by the People's Government of Chongqing, the land use rights of the real property with a site area of approximately 1,617.5 square meters have been granted to Zhongyu Property Development Company Limited, which is the former name of CQZY, with a term expiring on 25 May 2062 for commercial services uses.
- (ii) According to a Building Ownership Certificate, known as Chong Qing Shi Fang Quan Zheng 201 Zi Di No. 0168822, issued by Land Resources and Housing Administration Bureau of Chongqing, the building ownership of the real property with a total gross floor area of approximately 2,564.74 square metres is held by CQZY.
- (iii) 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. CQZY is entitled to the building ownership and the corresponding 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. CQZY is legally entitled to occupy, use gain earnings and dispose of the real property, and has the rights to transfer, lease or mortgage the real property; and
 - d. The real property is subject to a tenancy agreement and relevant supplementary agreements. The content of the tenancy agreement and supplementary agreements do not violate the laws and regulations, and is legal and effective. In accordance with relevant regulations, the tenancy agreements have to be registered in the real estate management department. Although CQZY 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 they have been entered into. Therefore, the tenancy agreements are still legal and effective.

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 March 2015
21.	Basement Level 1 of Block 4 and Basement Level 2 of Block 3 of Phase 1 and Basement Level 1 of Blocks 18, 19 and Commercial Building and Basement Level 2 of Block 18 of Phase 2, Huijing Terrace, No. 3 Jinshan Road, Yubei District, Chongqing, the PRC 401147	<p>The real property comprises various commercial spaces at Basement Levels 1 and 2 and 315 car parking spaces of a composite (residential/commercial) development completed in about 2003.</p> <p>According to the information provided by CQZY, the total gross floor area of the commercial portion and the car parking spaces is approximately 1,541.33 square metres and 10,950.79 square metres respectively.</p> <p>The land use rights of the real property have been granted for terms expiring on 12 December 2064 for Phase 1 and expiring on 29 May 2063 for Phase 2 for commercial and carport uses.</p>	<p>According to the information provided by CQZY, the car park portion is subject to various licences at a total current monthly licence fee of approximately RMB84,346.</p> <p>Portion of the Basement Level 2 with a gross floor area of approximately 100.33 square metres is subject to a tenancy with a term expiring on 31 December 2017 at a current monthly rental of approximately RMB1,300.</p> <p>The remaining portion of the real property is currently vacant.</p>	<p>RMB40,860,000</p> <p>(Renminbi Forty Million Eight Hundred and Sixty Thousand)</p>

Notes:

- (i) According to 2 sets of State-owned Land Use Rights Certificate, known as Yu Bei Guo Yong (2004) Di Nos. 20462 and 20463, issued by the People's Government of Chongqing Yu Bei District, the land use rights of Phase 1 of the real property with a total site area of approximately 2,266.96 square metres have been granted to CQZY for a term expiring on 12 December 2064 for commercial and carport uses.
- (ii) According to 2 sets of Building Ownership Certificate, known as Chongqing Fang Quan Zheng 201 Zi Di Nos. 0104132 and 0104133, issued by the Land Resources and Housing Administration Bureau of Chongqing, the building ownership of Phase 1 of the real property with a total gross floor area of approximately 3,673.86 square metres is held by CQZY.
- (iii) According to 3 sets of Real Estate Title Certificate, known as 201 Fang Di Zheng 2005 Zi Di Nos. 00086, 00088 and 00132, issued by the Land Resources and Housing Administration Bureau of Chongqing, the land use rights of Phase 2 of the real property with a total site area of approximately 2,327.24 square metres have been granted to CQZY for a term expiring on 29 May 2063 for commercial and carport uses and the building ownership of Phase 2 of the real property with a total gross floor area of approximately 8,818.27 square metres is held by CQZY.
- (iv) 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. CQZY is entitled to the building ownership and the corresponding 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. CQZY is legally entitled to occupy, use, gain earnings and dispose of the real property, and has the rights to transfer, lease or mortgage the real property; and
 - d. The real property is 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 relevant regulations, the tenancy agreements have to be registered in the real estate management department. Although CQZY 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 they have been entered into. Therefore, the tenancy agreements are still legal and effective.

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 March 2015
22.	Basement Levels 1 to 3, Chongqing International Technology Convention and Exhibition Centre, Chongqing International Finance and Trade Development Area, No. 2 Xingai Avenue Longxi Town, Yubei District, Chongqing, the PRC 401147	<p>The real property comprises a 3-storey underground car park of a commercial building completed in about 2007.</p> <p>According to the information provided by CQZY, the total gross floor area of the real property is approximately 8,235.74 square metres.</p> <p>The land use rights of the real property have been granted for a term expiring on 29 May 2063 for commercial services uses.</p>	According to the information provided by CQZY, the real property is currently vacant.	RMB18,700,000 (Renminbi Eighteen Million and Seven Hundred Thousand)

Notes:

- (i) According to a Real Estate Title Certificate, known as 201 Fang Di Zheng 2007 Zi Di No. 09161, the land use rights of the real property with a site area of approximately 3,199.7 square metres have been granted to CQZY for a term expiring on 29 May 2063 for commercial services uses and the building ownership of the real property with a gross floor area of approximately 8,235.74 square metres is held by CQZY.
- (ii) 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. CQZY is entitled to the building ownership and the corresponding land use rights of the real property;
 - b. The real property is subject to a mortgage;
 - c. As at the Latest Practicable Date, the real property is not subject to any judicial seizure; and
 - d. CQZY is legally entitled to occupy, use, gain earnings and dispose of the real property, and has the rights to transfer, lease or mortgage the real property. However, as the real property is subject to mortgage, within the mortgage period, CQZY has to obtain the consent from the mortgagee before transferring the real property.

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 March 2015
23.	A unit known as "1-4", Level 1, 9 Central Midtown located at No. 6 Xingai Avenue, Longxi Town, Yubei District, Chongqing, the PRC 401147	<p>The real property comprises a commercial unit on Level 1 of a 28-storey commercial building plus a 3-level basement. The building was completed in about 2011.</p> <p>The gross floor area of the real property is approximately 184.08 square metres.</p> <p>The land use rights of the real property have been granted for a term expiring on 25 May 2063 for other commercial services uses.</p>	<p>According to the information provided by CQZY, the real property is subject to a tenancy expiring on 31 December 2018 at a current monthly rental of approximately RMB15,427 for office uses.</p>	<p>RMB4,410,000</p> <p>(Renminbi Four Million Four Hundred and Ten Thousand)</p>

Notes:

- (i) According to a Real Estate Title Certificate, known as 201 Fang Di Zheng 2014 Zi Di No. 022671, issued by the Land Resources and Housing Administration Bureau of Chongqing, the land use rights of the real property have been granted to CQZY for a term expiring on 25 May 2063 for other commercial services uses and the building ownership of the real property is held by CQZY.
- (ii) 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. CQZY is entitled to the building ownership and the corresponding 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. CQZY is legally entitled to occupy, use, gain earnings and dispose of the real property, and has the rights to transfer, lease or mortgage the real property; and
 - d. The real property is subject to a tenancy agreement. The content of the tenancy agreement does not violate the laws and regulations, and is legal and effective. In accordance with relevant regulations, the tenancy agreement has to be registered in the real estate management department. Although CQZY has not applied for the registration in respect of the tenancy agreement, according to the PRC Contract Law, the tenancy agreement, which is entered into legally, is effective since it has been entered into. Therefore, the tenancy agreement is still legal and effective.

Group III – Real properties held for sale by CQZY Group in the PRC

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 March 2015										
24.	Portion of No. 1 Peak Road located at No. 2 Jinding Road, Longxi Town, Yubei District, Chongqing, the PRC 401147	<p>The real property comprises a residential unit, 2 retail units and 305 car parking spaces in a composite (residential/commercial) development, located at the eastern side of Jinzi Mountain, close to the Tower of Standing Committee of Chongqing People's Congress and Chongqing Higher People's Court. The real property was completed in about 2008.</p> <p>As advised by the CQZY, the total gross floor area of the real property is approximately 13,685 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>Residential</td> <td>75.02</td> </tr> <tr> <td>Retail</td> <td>575.66</td> </tr> <tr> <td>Car park</td> <td>13,034.01</td> </tr> <tr> <td>Total:</td> <td>13,684.69</td> </tr> </tbody> </table> <p>The land use rights of the real property have been granted for a term expiring on 29 May 2063 for residential and commercial services uses.</p>	Usage	Gross Floor Area (square metres)	Residential	75.02	Retail	575.66	Car park	13,034.01	Total:	13,684.69	<p>According to the information provided by CQZY, portions of the real property with a total gross floor area of approximately 294.14 square metres are subject to various tenancies with the latest term expiring on 30 September 2018 at a total current monthly rental of approximately RMB9,960.</p> <p>The remaining portion of the real property is currently vacant.</p>	<p>RMB45,440,000</p> <p>(Renminbi Forty Five Million Four Hundred and Forty Thousand)</p>
Usage	Gross Floor Area (square metres)													
Residential	75.02													
Retail	575.66													
Car park	13,034.01													
Total:	13,684.69													

Notes:

- (i) According to 2 sets of Real Estate Title Certificate, known as 201 Fang Di Zheng 2008 Zi Di Nos. 52173 and 55980, issued by the Land Resources and Housing Administration Bureau of Chongqing, the land use rights of portion of No. 1 Peak Road with a total site area of approximately 8,321 square metres have been granted to CQZY for a term expiring on 29 May 2063 for commercial services uses and the building ownership of such portion with a total gross floor area of approximately 22,151.97 square metres is held by CQZY.
- (ii) According to a Real Estate Title Certificate, known as 201 Fang Di Zheng 2008 Zi Di No. 52177, issued by the Land Resources and Housing Administration Bureau of Chongqing, the land use rights of portion of No. 1 Peak Road with a site area of approximately 953.3 square metres have been granted to CQZY for a term expiring on 29 May 2063 for residential and commercial services uses and the building ownership of such portion with a gross floor area of approximately 17,308.72 square metres is held by CQZY.
- (iii) 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. CQZY is entitled to the building ownership and the corresponding land use rights of the unsold portion of the subject development;
 - b. As at the Latest Practicable Date, the unsold portion of the subject development is not subject to any mortgage or judicial seizure;
 - c. CQZY is legally entitled to occupy, use, gain earnings and dispose of the unsold portion of the subject development, and has the rights to transfer, lease or mortgage of such portion; and
 - d. 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 relevant regulations, the tenancy agreements have to be registered in the real estate management department. Although CQZY 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 they have been entered into. Therefore, the tenancy agreements are still legal and effective.

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 March 2015										
25.	Portion of No. 8 Peak Road located at No. 11 Jinshan Road, Longxi Town, Yubei District, Chongqing, the PRC 401147	<p>The real property comprises 5 residential units, 5 retail units and 19 car parking spaces in a composite (residential/commercial) development, located next to the No. 1 Peak, Road, close to the Tower of Standing Committee of Chongqing People's Congress and Chongqing Higher People's Court. The real property was completed in about 2011.</p> <p>As advised by CQZY, the total gross floor area of the real property is approximately 2,954 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>Residential</td> <td>1,561.93</td> </tr> <tr> <td>Retail</td> <td>419.48</td> </tr> <tr> <td>Car park</td> <td>972.88</td> </tr> <tr> <td>Total:</td> <td><u>2,954.29</u></td> </tr> </tbody> </table> <p>The land use rights of the real property have been granted for a term expiring on 29 May 2063 for township residential and other commercial services uses.</p>	Usage	Gross Floor Area (square metres)	Residential	1,561.93	Retail	419.48	Car park	972.88	Total:	<u>2,954.29</u>	As advised by CQZY, the real property is currently vacant.	RMB30,330,000 (Renminbi Thirty Million Three Hundred and Thirty Thousand)
Usage	Gross Floor Area (square metres)													
Residential	1,561.93													
Retail	419.48													
Car park	972.88													
Total:	<u>2,954.29</u>													

Notes:

- (i) According to 3 sets of Real Estate Title Certificate, known as 201 Fang Di Zheng 2011 Zi Di Nos. 055899, 055913 and 055939, issued by the Land Resources and Housing Administration Bureau of Chongqing, the land use rights of portion of No. 8 Peak Road with a total site area of approximately 5,658.9 square metres have been granted to CQZY for a term expiring on 29 May 2063 for township residential uses and the building ownership of such portion with a total gross floor area of approximately 14,444.3 square metres is held by CQZY.
- (ii) According to 2 sets of Real Estate Title Certificate, known as 201 Fang Di Zheng 2011 Zi Di Nos. 064194 and 064264, issued by the Land Resources and Housing Administration Bureau of Chongqing, the land use rights of portion of No. 8 Peak Road with a site area of approximately 9,724.5 square metres have been granted to CQZY for a term expiring on 29 May 2063 for other commercial services uses and the building ownership of such portion with a total gross floor area of approximately 10,122.6 square metres is held by CQZY.
- (iii) 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. CQZY is entitled to the building ownership and the corresponding land use rights of the unsold portion the subject development;
 - b. As at the Latest Practicable Date, the unsold portion of the subject development is not subject to any mortgage or judicial seizure; and
 - c. CQZY is legally entitled to occupy, use, gain earnings and dispose of the unsold portion of the subject development, and has the rights to transfer, lease or mortgage of such portion.

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 March 2015												
26.	Portion of L' Ambassadeur (Phases I, II, III and IV) located at No. 18 Xingai Avenue and No. 15 Jinshan Road, Longxi Town, Yubei District, Chongqing, the PRC 401147	<p>The real property comprises 113 residential units, 3 retail units, 1,096 car parking spaces and a kindergarten in a composite (residential/commercial) development located next to the No. 1 Peak Road and the No. 8 Peak Road, close to the Tower of Standing Committee of Chongqing People's Congress and Chongqing Higher People's Court. The real property was developed in four phases and completed in between 2012 and 2014.</p> <p>As advised by CQZY, the total gross floor area of the real property is approximately 81,726 square metres, details of which are as follows:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>Usage</th> <th>Gross Floor Area (square metres)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>12,781.87</td> </tr> <tr> <td>Retail</td> <td>22,558.94</td> </tr> <tr> <td>Kindergarten</td> <td>3,200.30</td> </tr> <tr> <td>Car park</td> <td><u>43,184.82</u></td> </tr> <tr> <td>Total:</td> <td><u>81,725.93</u></td> </tr> </tbody> </table> <p>The land use rights of the real property have been granted for a term expiring on 29 May 2063 for township residential and other commercial services uses.</p>	Usage	Gross Floor Area (square metres)	Residential	12,781.87	Retail	22,558.94	Kindergarten	3,200.30	Car park	<u>43,184.82</u>	Total:	<u>81,725.93</u>	<p>According to the information provided by CQZY, portion of the real property with a gross floor area of approximately 5,394.95 square metres is subject to a tenancy with a term expiring on 30 December 2028 at a current monthly rental of approximately RMB9,100.</p> <p>The remaining portion of the real property is currently vacant.</p>	<p>RMB538,040,000</p> <p>(Renminbi Five Hundred Thirty Eight Million and Forty Thousand)</p> <p>(see Notes (iv) and (xi))</p>
Usage	Gross Floor Area (square metres)															
Residential	12,781.87															
Retail	22,558.94															
Kindergarten	3,200.30															
Car park	<u>43,184.82</u>															
Total:	<u>81,725.93</u>															

Notes:

- (i) According to a Real Estate Title Certificate, known as 201 Fang Di Zheng 2013 Zi Di Nos. 051425, issued by the Land Resources and Housing Administration Bureau of Chongqing, the land use rights of portion of L' Ambassadeur with a common site area of approximately 47,152.87 square metres have been granted to CQZY for a term expiring on 29 May 2063 for other commercial services uses and the building ownership of such portion with a gross floor area of approximately 81,803.37 square metres is held by CQZY.
- (ii) According to 9 sets of Real Estate Title Certificates, known as 201 Fang Di Zheng 2013 Zi Di Nos. 006757, 006854, 006856, 036394, 036778, 037481, 037514, 037533 and 042147, issued by the Land Resources and Housing Administration Bureau of Chongqing, the land use rights of portion of L' Ambassadeur with a total site area and a total common site area of approximately 6,520.88 and 11,216.5 square metres respectively have been granted to CQZY for a term expiring on 29 May 2063 for township residential uses and the building ownership of such portion with a total gross floor area of approximately 270,561 square metres is held by CQZY.
- (iii) According to a Real Estate Title Certificate, known as 201D Fang Di Zheng 2011 Zi Di No. 50241, issued by the Land Resources and Housing Management Bureau of Chongqing, the land use rights of a parcel of land having a site area of approximately 17,250.9 square metres have been granted to CQZY for a term expiring on 29 May 2063 for township residential use. This Real Estate Title Certificate comprises Phase IV.
- (iv) As advised by CQZY, 46 residential units with a total gross floor area of approximately 5,183 square metres were contracted to be sold at a total consideration of approximately RMB44,200,000. The market value of such residential units is stated at the consideration aforesaid and is included in our valuation.

- (v) According to a Construction Land Use Planning Permits, known as De Zi Di Jian 500136200900226, issued by the Urban Planning Board of Chongqing, permission has been given for the planning of construction of the kindergarten and Phase IV of the real property.
- (vi) According to 2 sets of Construction Work Planning Permits, known as Jian Zi Di Jian 500112200900135 and 500112200909128, issued by the Urban Planning Board of Chongqing, the construction of the kindergarten and Phase IV of the real property has been approved.
- (vii) According to 2 sets of Construction Work Commencement Permits, known as Nos. 510202200912280601 and 510202200912280701, issued by Chongqing Municipal commission of Urban-Rural Development, permission has been given for commencement of construction of the kindergarten and Phase IV of the real property.
- (viii) According to 2 sets of Commodity Pre-sale Permission Certificate, known as Yu Guo Tu Fang Guan (2012) Yu Zi Di Nos. (479) and (756), permission for pre-sale of the real property with a total gross floor area of approximately 71,071.27 square metres has been given.
- (ix) According to 2 sets of Construction Completion and Inspection Records, known as Jian Jun Bei Zi (2014) No. 0044 and No. 0124, issued by Urban-rural Construction Management Committee, the construction of the subject development with a total gross floor area of approximately 103,829 square metres and the kindergarten have been completed and have passed the acceptance inspection.
- (x) 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. CQZY is entitled to the building ownership and the corresponding land use rights of the unsold portion (excluding the kindergarten portion and Phase IV) of the subject development;
 - b. CQZY is entitled to the land use rights of Phase IV of the real property;
 - c. As at the Latest Practicable Date, the unsold portion of the subject development is not subject to any mortgage or judicial seizure;
 - d. CQZY is legally entitled to occupy, use, gain earnings and dispose of the unsold portion (excluding the kindergarten portion and Phase IV) of the subject development, and has the rights to transfer, lease or mortgage of such portion;
 - e. Within the land use rights term, CQZY is legally entitled to occupy, use, gain earnings and dispose of the land of Phase IV and has the rights to construct buildings, structures and ancillary facilities on the land. CQZY also has the rights to transfer, lease or mortgage the land use rights of the land;
 - f. CQZY has obtained the commodity pre-sale permission certificate of portion of Phase IV. CQZY has the rights to pre-sale the relevant portion of the real property, and would have the rights to sell or lease the real property when the relevant laws and regulations requirement have been complied with;
 - g. Regarding the contracted to be sold portion of the subject development, the content of the commodity sale and purchase contracts, entered into between CQZY and the purchasers, does not violate the laws and regulations. Such contracts are registered according to the regulations and are legal and effective. CQZY has the rights to receive the considerations of the real property. Prior to the titleship has been transferred, CQZY 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, CQZY transfers, leases or mortgages such portion will be subject to restriction;
 - h. CQZY has obtained the construction land planning permit, construction work planning permit and construction work commencement permit and the development complies with relevant laws and regulations. The kindergarten portion and Phase IV have been completed, after CQZY obtained all the relevant completion documents and fully settled the relevant fees, CQZY has no legal impediment in obtaining the Real Estate Title Certificate of such portion. After obtaining the Real Estate Title Certificate, CQZY has the rights to occupy, use, gain earnings and dispose of the kindergarten portion and Phase IV, and has the rights to transfer, lease or mortgage of such portions; and
 - i. Portion of the real property is subject to a tenancy agreement. The content of the tenancy agreement does not violate the laws and regulations, and is legal and effective. In accordance with relevant regulations, the tenancy agreement has to be registered in the real estate management department. Although CQZY has not applied for the registration in respect of the tenancy agreement, according to the PRC Contract Law, the tenancy agreement, which is entered into legally, is effective since it has been entered into. Therefore, the tenancy agreement is still legal and effective.
- (xi) 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 March 2015												
27.	Portion of Mansions on the Peak located at the junction of Jinshan Road and Jinding Road, Yubei District, Chongqing, the PRC 401147	<p>The real property comprises 37 villas, a clubhouse, a commercial block and 105 car parking spaces in a residential development, located at the junction of Jinshan Road and Jinding Road at the district of Yubei. The real property was completed in between 2011 and 2013.</p> <p>As advised by CQZY, the total gross floor area of the real property is approximately 40,235 square metres, details of which are as follows:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>Usage</th> <th>Gross Floor Area (square metres)</th> </tr> </thead> <tbody> <tr> <td>Villa</td> <td>28,667.12</td> </tr> <tr> <td>Clubhouse</td> <td>5,885.35</td> </tr> <tr> <td>Commercial Block</td> <td>1,704.08</td> </tr> <tr> <td>Car park</td> <td><u>3,978.26</u></td> </tr> <tr> <td>Total:</td> <td><u>40,234.81</u></td> </tr> </tbody> </table> <p>The land use rights of the real property have been granted for a term expiring on 29 May 2063 for township residential and other commercial services uses.</p>	Usage	Gross Floor Area (square metres)	Villa	28,667.12	Clubhouse	5,885.35	Commercial Block	1,704.08	Car park	<u>3,978.26</u>	Total:	<u>40,234.81</u>	<p>According to the information provided by CQZY, portion of the commercial block of the real property is subject to a tenancy for a term expiring on 31 January 2020 at a current monthly rental of approximately RMB30,079.</p> <p>The remaining portion of the real property is currently vacant.</p>	<p>RMB1,009,300,000</p> <p>(Renminbi One Thousand Nine Million and Three Hundred Thousand)</p>
Usage	Gross Floor Area (square metres)															
Villa	28,667.12															
Clubhouse	5,885.35															
Commercial Block	1,704.08															
Car park	<u>3,978.26</u>															
Total:	<u>40,234.81</u>															

Notes:

- (i) According to 37 sets of Real Estate Title Certificate, known as 201 Fang Di Zheng 2013 Zi Di Nos. 006749, 024820, 024822, 024823, 024828, 024831, 024840, 024845, 024850, 024893-024897, 024899-024900, 024904, 024906, 024911, 024915, 024917, 024936, 024939, 024940, 024944, 024945, 024953, 024967, 024969, 024992, 024994, 024998-025000, 025002, 025004 and 025005, issued by the Land Resources and Housing Administration Bureau of Chongqing, the land use rights of portion of the real property with a total site area of approximately 18,570.3 square metres have been granted to CQZY for a term expiring on 29 May 2063 for township residential uses and the building ownership of such portion with a total gross floor area of approximately 28,667.12 square metres is held by CQZY.
- (ii) According to 3 sets of Real Estate Title Certificate, known as 201 Fang Di Zheng 2013 Zi Di No. 051309, 201 Fang Di Zheng 2014 Zi Di Nos. 000631 and 010565, issued by the Land Resources and Housing Administration Bureau of Chongqing, the land use rights of portion of the real property with a total common site area of approximately 5,748.2 square metres have been granted to CQZY for a term expiring on 29 May 2063 for other commercial services uses and the building ownership of such portion with a total gross floor area of approximately 10,679.77 square metres is held by CQZY.
- (iii) According to 2 sets of Real Estate Title Certificate, known as 201 Fang Di Zheng 2014 Zi Di No. 025409 and 025418, issued by the Land Resources and Housing Administration Bureau of Chongqing, the land use rights of portion of the real property with a total common site area of approximately 13,366.6 square metres have been granted to CQZY for a term expiring on 29 May 2063 for other commercial services uses and the building ownership of such portion with a total gross floor area of approximately 887.92 square metres is held by CQZY.

- (iv) 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. CQZY is entitled to the building ownership and the corresponding 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. CQZY is legally entitled to occupy, use, gain earnings and dispose of the real property, and has the rights to transfer, lease or mortgage the real property; and
 - d. Portion of the real property is subject to a tenancy agreement. The content of the tenancy agreement does not violate the laws and regulations, and is legal and effective. In accordance with relevant regulations, the tenancy agreement has to be registered in the real estate management department. Although CQZY has not applied for the registration in respect of the tenancy agreement, according to the PRC Contract Law, the tenancy agreement, which is entered into legally, is effective since it has been entered into. Therefore, the tenancy agreement is still legal and effective.

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 March 2015																
28.	Portion of i-City (Phases I, II and III) located at Nos. 301, 303, 305, 307, 309 and 333 Donghunan Road, Yubei District, Chongqing, the PRC 401147	<p>The real property comprises 53 residential units, 110 service apartment units, 4 office units, 15 retail units, 1,063 car parking spaces and a kindergarten in a composite (residential/commercial) development, located at the southern side of Chongqing North Railway Station of Longtousi in the Northern New District. The real property was developed in three phases and completed in between 2010 and 2011.</p> <p>As advised by CQZY, the total gross floor area of the real property is approximately 57,709 square metres, details of which are as follows:</p> <table border="1" data-bbox="518 819 901 1159"> <thead> <tr> <th>Usage</th> <th>Gross Floor Area (square metres)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>3,513.92</td> </tr> <tr> <td>Service apartment</td> <td>4,602.95</td> </tr> <tr> <td>Office</td> <td>1,027.03</td> </tr> <tr> <td>Retail</td> <td>10,336.54</td> </tr> <tr> <td>Kindergarten</td> <td>2,763.25</td> </tr> <tr> <td>Car park</td> <td>35,465.55</td> </tr> <tr> <td>Total:</td> <td><u>57,709.24</u></td> </tr> </tbody> </table> <p>The land use rights of the real property have been granted for a term expiring on 17 June 2075 for township residential uses and for a term expiring on 17 June 2045 for other commercial services, business finance, accommodation beverage and wholesale retail and industrial uses.</p>	Usage	Gross Floor Area (square metres)	Residential	3,513.92	Service apartment	4,602.95	Office	1,027.03	Retail	10,336.54	Kindergarten	2,763.25	Car park	35,465.55	Total:	<u>57,709.24</u>	<p>As advised by CQZY, the kindergarten is subject to a tenancy for a term expiring on 31 May 2030 at a current monthly rent of approximately RMB14,093.</p> <p>The remaining portion of the real property is currently vacant.</p>	<p>RMB358,690,000</p> <p>(Renminbi Three Hundred Fifty Eight Million Six Hundred and Ninety Thousand)</p> <p>(See Notes (viii) and (x))</p>
Usage	Gross Floor Area (square metres)																			
Residential	3,513.92																			
Service apartment	4,602.95																			
Office	1,027.03																			
Retail	10,336.54																			
Kindergarten	2,763.25																			
Car park	35,465.55																			
Total:	<u>57,709.24</u>																			

Notes:

- (i) According to 5 sets of Real Estate Title Certificate, known as 112 Fang Di Zheng 2010 Zi Di Nos. 011706, 012299, 112 Fang Di Zheng 2011 Zi Di Nos. 10614, 10615 and 23598, issued by the Land Resources and Housing Administration Bureau of Chongqing, the land use rights of portion of i-City with a total site area of approximately 4,111.81 square metres have been granted to CQZY for a term expiring on 17 June 2075 for township residential uses and the building ownership of such portion with a total gross floor area of approximately 71,247.41 square metres is held by CQZY.
- (ii) According to 3 sets of Real Estate Title Certificate, known as 112 Fang Di Zheng 2010 Zi Di No. 025072, 112 Fang Di Zheng 2011 Zi Di Nos. 16496 and 115 Fang Di Zheng 2012 Zi Di No. 08368, issued by the Land Resources and Housing Administration Bureau of Chongqing, the land use rights of portion of i-City with a total site area of approximately 30,103.74 square metres have been granted to CQZY for a term expiring on 17 June 2045 for other commercial services uses and the building ownership of such portion with a total gross floor area of approximately 56,758.24 square metres is held by CQZY.
- (iii) According to 4 sets of Real Estate Title Certificate, known as 112 Fang Di Zheng 2011 Zi Di Nos. 09538, 09540 and 09550 and 112 Fang Di Zheng 2012 Zi Di No. 03114, issued by the Land Resources and Housing Administration Bureau of Chongqing, the land use rights of portion of i-City with a total site area of approximately 4,772.7 square metres have been granted to CQZY for a term expiring on 17 June 2045 for business finance uses and the building ownership of such portion with a total gross floor area of approximately 34,537.39 square metres is held by CQZY.

- (iv) According to a Real Estate Title Certificate, known as 115 Fang Di Zheng 2012 Zi Di No. 02123, issued by the Land Resources and Housing Administration Bureau of Chongqing, the land use rights of portion of i-City with a site area of approximately 1,111 square metres have been granted to CQZY for a term expiring on 17 June 2045 for accommodation beverage uses and the building ownership of such portion with a gross floor area of approximately 19,250.66 square metres is held by CQZY.
- (v) According to a Real Estate Title Certificate, known as 112 Fang Di Zheng 2012 Zi Di No. 03115, issued by the Land Resources and Housing Administration Bureau of Chongqing, the land use rights of portion of i-City with a site area of approximately 326.8 square metres have been granted to CQZY for a term expiring on 17 June 2045 for wholesale retail uses and the building ownership of such portion with a gross floor area of approximately 5,662.32 square metres is held by CQZY.
- (vi) According to a Real Estate Title Certificate, known as 115 Fang Di Zheng 2012 Zi Di No. 17480, issued by the Land Resources and Housing Administration Bureau of Chongqing, the land use rights of the kindergarten portion of the real property with a site area of approximately 1,115.9 square metres have been granted to CQZY for a term expiring on 17 June 2045 for industrial uses and the building ownership of such portion with a gross floor area of approximately 2,763.25 square metres is held by CQZY for other uses.
- (vii) According to the survey floor plans attached to the Real Estate Certificate as stated in Note (vi) above, the indicated usage of the building is i-City kindergarten. In our valuation, we have valued this portion of the real property based on the kindergarten uses.
- (viii) As advised by CQZY, 11 residential units, 70 service apartment units, 6 commercial units and 14 car parking spaces with a total gross floor area of approximately 10,083 square metres were contracted to be sold at a total consideration of approximately RMB131,000,000. The market value of such units and car parking spaces 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. CQZY is entitled to the building ownership and the corresponding land use rights of the unsold portion of the subject development;
 - b. As at the Latest Practicable Date, the unsold portion of the subject development is not subject to any mortgage or judicial seizure;
 - c. CQZY is legally entitled to occupy, use, gain earnings and dispose of the unsold portion of the subject development, and has the rights to transfer, lease or mortgage of such portion;
 - d. Regarding the contracted to be sold portion of the subject development, the content of the commodity sale and purchase contracts, entered into between CQZY and the purchasers, does not violate the laws and regulations. Such contracts are registered according to the regulations and are legal and effective. CQZY has the rights to receive the considerations of the real property. Prior to the title has been transferred, CQZY 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, CQZY transfers, leases or mortgages such portions will be subject to restriction;
 - e. According to the Real Estate Title Certificate stated in note (vi) above, CQZY is entitled to the building ownership and the corresponding land use rights of the kindergarten portion. CQZY is legally entitled to occupy, use, gain earnings and dispose of such portion and has the rights to transfer, lease or mortgage of such portion. As advised by CQZY, the land use rights of the kindergarten portion of the real property should be for commercial services and residential uses. The usage as shown in the Real Estate Title Certificate stated in note (vi) above for industrial should be an error occurred during applying for the certificate. CQZY is in the process dealing with the relevant government department regarding to this error. However, the result of the rectification would not affect the title and rights of CQZY over the kindergarten portion; and
 - f. The kindergarten portion of the real property is subject a tenancy agreement. The content of the tenancy agreement does not violate the laws and regulations, and is legal and effective. In accordance with relevant regulations, the tenancy agreement has to be registered in the real estate management department. Although CQZY has not applied for the registration in respect of the tenancy agreement, according to the PRC Contract Law, the tenancy agreement, which is entered into legally, is effective since it has entered into. Therefore, the tenancy agreement is still 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 March 2015																		
29.	Portion of Zhongyu One Central Midtown (Phase I A) and Portion of 9 Central Midtown (Phase I B) located at No. 18 Jinshan Road and No. 6 Xingai Avenue, Longxi Town, Yubei District, Chongqing, the PRC 401147	<p>The real property comprises 10 residential units, 7 retail units and 685 car parking spaces of Zhongyu One Central Midtown and 26 office units and 3 retail units of 9 Central Midtown.</p> <p>Zhongyu One Central Midtown and 9 Central Midtown are composite (residential/commercial) developments, located next to the Jiazhou Station, close to the Tower of Standing Committee of Chongqing People's Congress and Chongqing Higher People's Court. The real property was completed in between 2011 and 2012.</p> <p>As advised by CQZY, the total gross floor area of the real property is approximately 32,467 square metres, details of which are as follows:</p> <p><i>Portion of Zhongyu One Central Midtown (Phase I A)</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>675.37</td> </tr> <tr> <td>Retail</td> <td>1,681.97</td> </tr> <tr> <td>Car park</td> <td><u>28,202.64</u></td> </tr> <tr> <td>Total:</td> <td><u>30,559.98</u></td> </tr> </tbody> </table> <p><i>Portion of 9 Central Midtown (Phase I B)</i></p> <table border="1"> <thead> <tr> <th>Usage</th> <th>Gross Floor Area (square metres)</th> </tr> </thead> <tbody> <tr> <td>Office</td> <td>1,314.19</td> </tr> <tr> <td>Retail</td> <td><u>593.21</u></td> </tr> <tr> <td>Total:</td> <td><u>1,907.40</u></td> </tr> </tbody> </table> <p>The land use rights of the real property have been granted for a term expiring on 25 May 2063 for township residential and other commercial services uses.</p>	Usage	Gross Floor Area (square metres)	Residential	675.37	Retail	1,681.97	Car park	<u>28,202.64</u>	Total:	<u>30,559.98</u>	Usage	Gross Floor Area (square metres)	Office	1,314.19	Retail	<u>593.21</u>	Total:	<u>1,907.40</u>	As advised by CQZY, the real property is currently vacant.	<p>RMB160,900,000</p> <p>(Renminbi One Hundred Sixty Million and Nine Hundred Thousand)</p> <p>(see Notes (iv) and (vi))</p>
Usage	Gross Floor Area (square metres)																					
Residential	675.37																					
Retail	1,681.97																					
Car park	<u>28,202.64</u>																					
Total:	<u>30,559.98</u>																					
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Total:	<u>1,907.40</u>																					

Notes:

- (i) According to 3 sets of Real Estate Title Certificate, known as 201 Fang Di Zheng 2011 Zi Di Nos. 052361, 052366 and 052460, issued by the Land Resources and Housing Administration Bureau of Chongqing, the land use rights of portion of Zhongyu One Central Midtown and 9 Central Midtown with a total site area of approximately 5,774.9 square metres have been granted to CQZY for a term expiring on 25 May 2063 for township residential uses and the building ownership of such portion with a total gross floor area of approximately 79,150.63 square metres is held by CQZY.
- (ii) According to 3 sets Real Estate Title Certificate, known as 201 Fang Di Zheng 2011 Zi Di No. 054188 and 057720, 201 Fang Di Zheng 2012 Zi Di No. 004745, issued by the Land Resources and Housing Administration Bureau of Chongqing, the land use rights of portion of Zhongyu One Central Midtown and 9 Central Midtown with a common site area of approximately 2,128.9 square metres have been granted to CQZY for a term expiring on 25 May 2063 for other commercial services uses and the building ownership of such portion with a total gross floor area of approximately 37,402.66 square metres is held by CQZY.
- (iii) According to a Real Estate Title Certificate, known as 201 Fang Di Zheng 2014 Zi Di No. 043751, issued by the Land Resources and Housing Administration Bureau of Chongqing, the land use rights of car park portion (Zones A and B) of Zhongyu One Central Midtown with a common site area of approximately 22,948.9 square metres have been granted to CQZY for a term expiring on 25 May 2063 for other commercial services uses and the building ownership of such portion with a gross floor area of approximately 37,148.62 square metres is held by CQZY.
- (iv) As advised by CQZY, 3 residential units, 24 office units and 9 commercial units with a total gross floor area of approximately 3,393 square metres were contracted to be sold at a total consideration of approximately RMB62,000,000. The market value of such units is stated at the consideration aforesaid and is included in our valuation.
- (v) 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. CQZY is entitled to the building ownership and the corresponding land use rights of the unsold portion of the subject development;
 - b. As at the Latest Practicable Date, the unsold portion of the subject development is not subject to any mortgage or judicial seizure;
 - c. CQZY is legally entitled to occupy, use, gain earnings and dispose of the unsold portion of the subject development, and has the rights to transfer, lease or mortgage of such portion; and
 - d. Regarding the contracted to be sold portion of the subject development, the content of the commodity sale and purchase contracts, entered into between CQZY and the purchasers, does not violate the laws and regulations. Such contracts are registered according to the regulations and are legal and effective. CQZY has the rights to receive the considerations of the real property. Prior to the titleship has been transferred, CQZY 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, CQZY transfers, leases or mortgages such portions will be subject to restriction.
- (vi) 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 March 2015														
30.	Portion of Academic Heights (Phases I and II) located at Nos. 15 and 17 Sixian Road, Shapingba District, Chongqing, the PRC 401147	<p>The real property comprises 489 residential units, 140 terrace houses, 90 retail units, 1,553 car parking spaces and a kindergarten in a residential/commercial development, located at the south of Sixian Road and east of Daxuecheng East Road. The real property was completed in various stages between 2013 and 2014.</p> <p>As advised by CQZY, the total gross floor area of the real property is approximately 130,651 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>Residential</td> <td>33,141.09</td> </tr> <tr> <td>Terrace House</td> <td>38,404.31</td> </tr> <tr> <td>Retail</td> <td>6,627.27</td> </tr> <tr> <td>Car park</td> <td>50,114.62</td> </tr> <tr> <td>Kindergarten</td> <td>2,364.14</td> </tr> <tr> <td>Total:</td> <td><u>130,651.43</u></td> </tr> </tbody> </table> <p>The land use rights of the real property have been granted for a term expiring on 20 July 2059 for township mixed residential uses.</p>	Usage	Gross Floor Area (square metres)	Residential	33,141.09	Terrace House	38,404.31	Retail	6,627.27	Car park	50,114.62	Kindergarten	2,364.14	Total:	<u>130,651.43</u>	<p>As advised by CQZY, the kindergarten is currently subject to a tenancy for a term expiring on 14 September 2034, with a rent free period until 14 September 2016, at a monthly rent of approximately RMB14,280 starting from 15 September 2016, with an 2% increment every 2 years thereafter.</p> <p>The remaining portion of the real property is currently vacant.</p>	<p>RMB507,440,000</p> <p>(Renminbi Five Hundred Seven Million Four Hundred and Forty Thousand)</p> <p>(see Notes (vii) and (ix))</p>
Usage	Gross Floor Area (square metres)																	
Residential	33,141.09																	
Terrace House	38,404.31																	
Retail	6,627.27																	
Car park	50,114.62																	
Kindergarten	2,364.14																	
Total:	<u>130,651.43</u>																	

Notes:

- (i) According to 2 sets of Real Estate Title Certificates, known as 104D Fang Di Zheng 2009 Zi Di Nos. 10522 and 10524, issued by the Land Resources and Housing Administration Bureau of Chongqing, the land use rights of two parcels of land having a total site area of approximately 85,638 square metres have been granted to CQZY for a term expiring on 20 July 2059 for township mixed residential uses.
- (ii) Pursuant to 2 sets of Construction Land Use Planning Permits, known as De Zi Di Nos. 500106201000171 and 500106201000172, issued by the Urban Planning Board of Chongqing, permission has been given for the planning of construction of the real property with a total site area of approximately 85,638.62 square metres and a total gross floor area (above ground) of approximately 214,096.56 square metres.
- (iii) According to 2 sets of Construction Work Planning Permits, known as Jian Zi Di Nos. 500106201100067 and 500106201200014, issued by the Urban Planning Board of Chongqing, the construction of the real property with a total gross floor area of approximately 302,468.14 has been approved.
- (iv) According to 2 sets of Construction Work Commencement Permits, known as No. 500106201106130101 and 500106201204110101, issued by the Chongqing Municipal Shapingba District Commission of Urban-Rural Development, permissions have been given for commencement of construction of the real property with a gross floor area of approximately 302,468.14 square metres.
- (v) According to 9 sets of Commodity Pre-sale Permission Certificate, known as Yu Guo Tu Fang Guan (2011) Yu Zi Di (909) and (942) Hao, Yu Guo Tu Fang Guan (2012) Yu Zi Di (084), (160), (525), (623), (739) and (831) Hao and Yu Guo Tu Fang Guan (2013) Yu Zi Di (230) Hao, permission for pre-sale of real properties with a total gross floor area of approximately 195,447.271 square metres has been given.

- (vi) According to 2 sets of Construction Completion and Inspection Records, known as Sha Jian Jun Bei Zi [2013] No. 0111 and Jian Jun Bei Zi [2014] No. 087, issued by Urban-rural Construction Bureau of Shapingba District of Chongqing, the construction of the real property with a total gross floor area of approximately 300,074.41 square metres has been completed and has passed the acceptance inspection.
- (vii) As advised by CQZY, 186 residential units, 22 terrace houses and 6 retail units with a total gross floor area of approximately 22,210 square metres were contracted to be sold at a total consideration of approximately RMB110,000,000. 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. CQZY is entitled to the land use rights of the real property;
 - b. Portion of 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, CQZY 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. CQZY also has the rights to transfer, lease or mortgage the land use rights of the subject land;
 - e. CQZY 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 CQZY obtained all the relevant completion documents and fully settled the relevant fees, CQZY has no legal impediment in obtaining the Real Estate Title Certificate of such portion. After obtaining the Real Estate Title Certificate, CQZY 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. However, as portion of the subject land is subject to mortgage, within the mortgage period, CQZY has to obtain the consent from the mortgagee before transferring that portion of land;
 - f. CQZY has obtained the commodity pre-sale permission certificate of portion of the real property. CQZY has the rights to pre-sale the relevant portion of the real property, and would have the rights to sell or lease the real property when the relevant laws and regulations requirement have been complied with;
 - g. Regarding the contracted to be sold portion of the subject development, the content of the commodity sale and purchase contracts, entered into between CQZY and the purchasers, does not violate the laws and regulations. Such contracts are registered according to the regulations and are legal and effective. CQZY has the rights to receive the considerations of the real property. Prior to the titleship has been transferred, CQZY 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, CQZY transfers, leases or mortgages such portions will be subject to restriction; and
 - h. The kindergarten is subject to a tenancy agreement. The content of the tenancy agreement does not violate the laws and regulations, and is legal and effective. In accordance with relevant regulations, the tenancy agreement has to be registered in the real estate management department. Although CQZY has not applied for the registration in respect of the tenancy agreement, according to the PRC Contract Law, the tenancy agreement, which is entered into legally, is effective since it has been entered into. Therefore, the tenancy agreement is 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.

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 March 2015										
31.	Portion of Silver Lining located at Lot Nos. R1-1-7, R1-1-7A and R1-1-10, Hi-tech Development District, Kunming City, Yunnan Province, the PRC 650102	<p>The real property comprises 35 residential units, 440 retail units and 245 car parking spaces in a composite (residential/commercial development, situated at the conjunction of the 2nd Ring West Road and Xin Fa Lane, approximately 5 kilometres west of Kunming city centre. It is also adjacent to Yunnan University of Finance and Economics West Campus. The real property was completed in about 2012.</p> <p>As advised by the Yunnan Zhong Yu, the total gross floor area of the real property is approximately 24,561 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>Residential</td> <td>2,700.13</td> </tr> <tr> <td>Retail</td> <td>14,535.01</td> </tr> <tr> <td>Car park</td> <td><u>7,325.88</u></td> </tr> <tr> <td>Total:</td> <td><u>24,561.02</u></td> </tr> </tbody> </table> <p>The land use rights of the real property have been granted for various terms expiring on 8 November 2065 and 19 June 2068 for residential uses.</p>	Usage	Gross Floor Area (square metres)	Residential	2,700.13	Retail	14,535.01	Car park	<u>7,325.88</u>	Total:	<u>24,561.02</u>	As advised by the Yunnan Zhong Yu, the real property is currently vacant.	RMB312,100,000 (Renminbi Three Hundred Twelve Million and One Hundred Thousand) (see Note (vii) and (ix))
Usage	Gross Floor Area (square metres)													
Residential	2,700.13													
Retail	14,535.01													
Car park	<u>7,325.88</u>													
Total:	<u>24,561.02</u>													

Notes:

- (i) According to 3 sets of State-owned Land Use Rights Certificate, known as Kun Guo Yong (2007) Di No. 00618 and Kun Guo Yong (2008) Di Nos. 00688 and 00689, issued by the Land Resources Bureau of Kunming City, the land use rights of Silver Lining with a total site area of approximately 18,918.15 square metres has been granted to Yunnan Zhong Yu Land Development Company Limited ("Yunnan Zhong Yu"), which is a 70%-owned subsidiary of CQZY, for various terms expiring on 8 November 2065 and 19 June 2068 for residential uses.
- (ii) According to 2 sets of Construction Land Use Planning Permit, known as De Zi Di Kun Gui Di Zheng (2008) Nos. 0209 and 0210, issued by the Urban Planning Board of Kunming City, permission has been given for the planning of construction of the real property with a total site area of approximately 18,927 square metres.
- (iii) According to a Construction Work Planning Permit, known as Jian Zi Di No. 530101200900175, issued by the Planning Bureau of Kunming City, the construction of the real property with a total gross floor area of approximately 94,254 square metres has been approved.
- (iv) According to 2 sets of Construction Work Commencement Permit, known as Kun Gao Shi 2010-06-01 and 2010-06-02, issued by Construction Bureau of Kunming Hi-tech Development District, permissions have been given for commencement of construction of the real property with a total gross floor area of approximately 94,254 square metres.
- (v) According to 2 sets of Construction Completion and Inspection Record, known as KG2012-10 and KG2012-11, issued by Housing and Urban-rural Development Bureau of Yunnan Province, the construction of the real property has been completed and has passed the acceptance inspection.

- (vi) According to a Commodity Pre-sale Permission Certificate, known as Yu Xu Kun Gao Fang Zi No. 201003, and a Letter of Pre-sale Registration (現售備案批復), known as Kun Jian Fa [2013] No. 12, permission for pre-sale of the real property with a total gross floor area of approximately 81,853 square metres has been given.
- (vii) As advised by Yunnan Zhong Yu, 3 residential units and 3 car parking spaces with a total gross floor area of approximately 320 square metres were contracted to be sold at a total consideration of approximately RMB2,140,000. The market value of such units and car parking spaces 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. Yunnan Zhong Yu 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, Yunnan Zhong Yu 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. Yunnan Zhong Yu also has the rights to transfer, lease or mortgage the land use rights of the subject land;
 - d. Although the land use rights of the real property have been granted for residential uses, portion of real property is clearly stated for commercial uses according to the construction land planning permit, construction work planning permit and construction work commencement permit. Such changes in the usage were approved by the relevant departments and fulfilled laws and regulations;
 - e. Yunnan Zhong Yu has obtained the construction land planning permit, construction work planning permit and construction work commencement permit and the development complies with the relevant laws and regulations. After Yunnan Zhong Yu obtained all the relevant completion documents and fully settled the relevant fees, Yunnan Zhong Yu has no legal impediment in obtaining the Real Estate Title Certificate of the real property. After obtaining the Real Estate Title Certificate, Yunnan Zhong Yu 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. Yunnan Zhong Yu has obtained the commodity pre-sale permission certificate and a letter of pre-sale registration of the respective real property. Yunnan Zhong Yu has the rights to pre-sale the relevant portion of the real property, and would have the rights to sell or lease the real property when the relevant laws and regulations requirement have been complied with;
 - g. Regarding the contracted to be sold portion of the subject development, the content of the commodity sale and purchase contracts, entered into between Yunnan Zhong Yu and the purchasers, does not violate the laws and regulations. Such contracts are registered according to the regulations and are legal and effective. Yunnan Zhong Yu has the rights to receive the considerations of the real property. Prior to the titleship has been transferred, Yunnan Zhong Yu is entitled to the building ownership and the corresponding land use rights of the respective real property. However, since the commodity sale and purchase contracts have been signed and registered, Yunnan Zhong Yu transfers, leases or mortgages such portions will be subject to restriction; and
 - h. Yunnan Zhong Yu holds a valid business licence for operation.
- (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 and all the outstanding cost has been fully settled.

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 March 2015
32.	Portion of Office Tower T6, Tower T8 and Tower T9 of Zhongyu Plaza of Land Lot No. 10, Hongjin Avenue, Longxi Town, Yubei district, Chongqing, the PRC 401147	<p>The real property comprises 269 units of three blocks of 27 to 40-storey office building, which are erected on a commercial podium and basement car parks. The real property was completed in about 2014.</p> <p>As advised by CQZY, the total gross floor area of the real property is approximately 94,861.38 square metres.</p> <p>The land use rights of the real property have been granted for a term expiring on 25 May 2063 for township mixed residential and other commercial services uses.</p>	<p>As advised by CQZY, portions of the real property are subject to various tenancies with the latest expiry date on 30 November 2020 at a total current monthly rent of approximately RMB322,494.1.</p> <p>The remaining portion of the real property is currently vacant.</p>	<p>RMB1,733,700,000</p> <p>(Renminbi One Thousand Seven Hundred Thirty Three Million and Seven Hundred Thousand)</p> <p>(see Notes (ix) and (xi))</p>

Notes:

- (i) According to 2 sets of Real Estate Title Certificates, known as 201 Fang Di Zheng 2014 Zi Di Nos. 026125 and 049846, issued by the Land Resources and Housing Administration Bureau of Chongqing, the land use rights of portions of the real property with a total common site area of approximately 3,260.24 square metres have been granted to CQZY for a term expiring on 25 May 2063 for other commercial services uses and the building ownership of portion of the real property with a total gross floor area of approximately 71,378.9 square metres is held by CQZY.
- (ii) According to a Real Estate Title Certificate, known as 201D Fang Di Zheng 2010 Zi Di No. 00280, issued by the Land Resources and Housing Administration Bureau of Chongqing, the land use rights of a parcel of land having a site area of approximately 103,434.88 square metres have been granted to CQZY for a term expiring on 25 May 2063 for township mixed residential uses. This Real Estate Title Certificate comprises the whole Land Lot No. 10.
- (iii) According to a Real Estate Title Certificate, known as 201D Fang Di Zheng 2012 Zi Di No. 00934, issued by the Land Resources and Housing Administration Bureau of Chongqing, the land use rights of a parcel of land having a site area of approximately 59,416.4 square metres have been granted to CQZY for a term expiring on 25 May 2063 for township mixed residential uses. This Real Estate Title Certificate comprises phases II and III of Land Lot No. 10.
- (iv) Pursuant to a Construction Land Use Planning Permit, known as De Zi Di 500136201000136, issued by the Urban Planning Board of Chongqing, permission has been given for the planning of construction of a real property with a site area of approximately 87,658 square metres and a gross floor area (above ground) of approximately 424,461 square metres. This permit comprises the whole Land Lot No. 10.
- (v) According to a Construction Work Planning Permit, known as Jian Zi Di 500136201200103, issued by Urban Planning Board of Chongqing, the construction of real property (Phases II and III – T8, T9 and the podium) with a gross floor area of approximately 268,573.07 square metres has been approved.
- (vi) According to a Construction Work Commencement Permit, known as No. 500000201111404101, issued by the Chongqing Municipal Commission of Urban-Rural Development, permissions have been given for commencement of construction of real property (Phases II and III – T8, T9 and podium) with a gross floor area of approximately 268,122.07 square metres.
- (vii) According to a Commodity Pre-sale Permission Certificate, known as Yu Guo Tu Fang Guan (2013) Yu Zi Di No. (122), permission for pre-sale of real property with a gross floor area of approximately 68,835.1 square metres has been given.
- (viii) According to a Construction Completion and Inspection Record, known as Jian Jun Bei Zi (2014) No. 0115, issued by Urban-rural Construction Management Committee, the construction of Phases II and III – T9 (levels 7-40) and portions of the podium (office levels 1, 2, 5, 6 and office lobby) with a gross floor area of approximately 73,207 square metres has been completed and has passed the acceptance inspection.

- (ix) As advised by CQZY, portion of the real property with a total gross floor area of approximately 6,117 square metres were contracted to be sold at a total consideration of approximately RMB103,000,000. The market value of such portion is stated at the consideration aforesaid and is included in our valuation.
- (x) 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. CQZY is entitled to the building ownership and the corresponding land use rights of the unsold portion (excluding T9 tower and portion of the podium) of the subject development;
 - b. As at the Latest Practicable Date, the unsold portion of the subject development is not subject to any mortgage or judicial seizure;
 - c. CQZY is legally entitled to occupy, use, gain earnings and dispose of the unsold portion (excluding T9 tower and portion of the podium) of the subject development, and has the rights to transfer, lease or mortgage of such portion;
 - d. Regarding the contracted to be sold portion of the subject development, the content of the commodity sale and purchase contracts, entered into between CQZY and the purchasers, does not violate the laws and regulations. Such contracts are registered according to the regulations and are legal and effective. CQZY has the rights to receive the considerations of the real property. Prior to the titleship has been transferred, CQZY 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, CQZY transfers, leases or mortgages such portions will be subject to restriction;
 - e. Regarding the T9 tower and portion of the podium, CQZY has obtained the construction land planning permit, construction work planning permit and construction work commencement permit and the development complies with relevant laws and regulations. After CQZY obtained all the relevant completion documents and fully settled the relevant fees, CQZY has no legal impediment in obtaining the Real Estate Title Certificate of such portion. After obtaining the Real Estate Title Certificate, CQZY has the rights to occupy, use, gain earnings and dispose of the T9 tower and portion of the podium, and has the rights to transfer, lease or mortgage of such portion; and
 - f. Portion of the real property is 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 relevant regulations, the tenancy agreements have to be registered in the real estate management department. Although CQZY 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 they have been entered into. Therefore, the tenancy agreements are still legal and effective.
- (xi) 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 IV – Real properties held under development by CQZY Group in the PRC

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 March 2015																								
33.	Portions of Phases II and III of Zhongyu Plaza of Land Lot No. 10, Hongjin Avenue, Longxi Town, Yubei District, Chongqing, the PRC 401147	<p>The real property comprises commercial developments under construction of a block of 33-storey hotel on a commercial podium and basement car parks. The real property is scheduled to be completed in various stages with the latest phase in about 2017.</p> <p>According to the information provided, the total planned gross floor area of the real property will be approximately 289,367 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 colspan="2"><i>Hotel portion ("Hotel Portion")</i></td> </tr> <tr> <td>Commercial</td> <td>21,390</td> </tr> <tr> <td>Hotel</td> <td>39,627</td> </tr> <tr> <td>Other ancillary</td> <td>11,375</td> </tr> <tr> <td>Car park</td> <td><u>7,310</u></td> </tr> <tr> <td>Total:</td> <td><u>79,702</u></td> </tr> <tr> <td colspan="2"><i>Other commercial portion ("Commercial Portion")</i></td> </tr> <tr> <td>Commercial</td> <td>72,186</td> </tr> <tr> <td>Other ancillary</td> <td>17,561</td> </tr> <tr> <td>Car park</td> <td><u>119,918</u></td> </tr> <tr> <td>Total:</td> <td><u>209,665</u></td> </tr> </tbody> </table>	Usage	Gross Floor Area (square metres)	<i>Hotel portion ("Hotel Portion")</i>		Commercial	21,390	Hotel	39,627	Other ancillary	11,375	Car park	<u>7,310</u>	Total:	<u>79,702</u>	<i>Other commercial portion ("Commercial Portion")</i>		Commercial	72,186	Other ancillary	17,561	Car park	<u>119,918</u>	Total:	<u>209,665</u>	As per our on-site inspection, the real property is under construction.	<p>RMB1,056,000,000</p> <p>(Renminbi One Thousand and Fifty Six Million)</p> <p>(see Notes (vii) and (x))</p>
Usage	Gross Floor Area (square metres)																											
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Car park	<u>119,918</u>																											
Total:	<u>209,665</u>																											
		<p>As advised by the CQZY, the total construction cost incurred up to the valuation date is about RMB951,500,000 and the estimated cost to completion of the real property is about RMB1,180,000,000.</p> <p>The land use rights of the real property have been granted for a term expiring on 25 May 2063 for township mixed residential uses.</p>																										

Notes:

- (i) According to a Real Estate Title Certificate, known as 201D Fang Di Zheng 2010 Zi Di No. 00280, issued by the Land Resources and Housing Administration Bureau of Chongqing, the land use rights of a parcel of land having a site area of approximately 103,434.88 square metres have been granted to CQZY for a term expiring on 25 May 2063 for township mixed residential uses. As advised by CQZY, this real estate certificate comprises the whole Land Lot No.10.
- (ii) According to a Real Estate Title Certificate, known as 201D Fang Di Zheng 2012 Zi Di No. 00934, issued by the Land Resources and Housing Administration Bureau of Chongqing, the land use rights of a parcel of land having a site area of approximately 59,416.4 square metres have been granted to CQZY for a term expiring on 25 May 2063 for township mixed residential uses. As advised by CQZY, this real estate certificate comprises portion of the Land Lot No.10 (phases II and III).
- (iii) Pursuant to a Construction Land Use Planning Permit, known as De Zi Di 500136201000136, issued by the Urban Planning Board of Chongqing, permission has been given for the planning of construction of a real property with a site area of approximately 87,658 square metres and a gross floor area (above ground) of approximately 424,461 square metres. As advised by CQZY, this permit comprises the whole Land Lot No.10.
- (iv) According to 3 sets of Construction Work Planning Permit, known as Jian Zi Di 500136201200103 to 500136201200105, issued by the Urban Planning Board of Chongqing, the construction of real property (Phases II and III – T6, T7, T8, T9 and the podium) with a total gross floor area of approximately 435,333.02 square metres has been approved.
- (v) According to 2 sets of Construction Work Commencement Permit, known as Nos. 500000201106150101 and 500000201111040101, issued by the Chongqing Municipal Commission of Urban-Rural Development, permissions have been given for commencement of construction of real property (Phases II and III – T6, T7, T8, T9 and the podium) with a total gross floor area of approximately 435,796.56 square metres.
- (vi) According to a Commodity Pre-sale Permission Certificate, known as Yu Guo Tu Fang Guan (2013) Yu Zi Di No. (122), permission for pre-sale of real property with a total gross floor area of approximately 68,835.1 square metres (T9 – 66,144.06 square metres and podium – 2,691.04 square metres) has been given.
- (vii) In the course of our valuation of the car park portions, we have relied on the number of car parking spaces provided by CQZY. As advised by CQZY, the Hotel Portion comprises 347 car parking spaces and the planned gross floor area of the car park portion will be approximately 7,310 square metres, subject to final survey, upon completion, while that of the Commercial Portion comprises 1,693 car parking spaces and gross floor area of 119,918 square metres.
- (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 RMB2,917,000,000.
- (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. CQZY is entitled to the land use rights of the real property;
 - b. As at the Latest Practicable Date, the land use rights of the real property is not subject to any mortgage or judicial seizure;
 - c. Within the land use rights term, CQZY 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. CQZY also has the rights to transfer, lease or mortgage the land use rights of the subject land; and
 - d. CQZY has obtained the construction land planning permit, construction work planning permit and construction work commencement permit and the development complies with relevant laws and regulations. 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; (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.
- (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 March 2015														
34.	Land Lot No. 19, Residence Serene, North of Xingai Road, Yubei District, Chongqing, the PRC 401147	<p>The real property comprises a composite development (residential/commercial) under construction of 14 blocks of residential and commercial buildings and ancillary facilities and car parks. The real property is scheduled to be completed in various stages with the latest phase in December 2016.</p> <p>According to the information provided, the total gross floor area of the real property will be approximately 295,739 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>131,883</td> </tr> <tr> <td>Commercial</td> <td>25,815</td> </tr> <tr> <td>Office</td> <td>59,610</td> </tr> <tr> <td>Other ancillary</td> <td>7,295</td> </tr> <tr> <td>Car park</td> <td>71,136</td> </tr> <tr> <td>Total:</td> <td>295,739</td> </tr> </tbody> </table> <p>As advised by the CQZY, the total construction cost incurred up to the valuation date is about RMB515,800,000 and the estimated cost to completion of the real property is about RMB748,500,000.</p> <p>The land use rights of the real property have been granted for terms expiring on 5 July 2060 and 25 May 2062 respectively for education and residential uses.</p>	Usage	Gross Floor Area (square metres)	Residential	131,883	Commercial	25,815	Office	59,610	Other ancillary	7,295	Car park	71,136	Total:	295,739	As per our on-site inspection, the real property is under construction.	RMB1,400,000,000 (Renminbi One Thousand and Four Hundred Million) (see Notes (vi) and (ix))
Usage	Gross Floor Area (square metres)																	
Residential	131,883																	
Commercial	25,815																	
Office	59,610																	
Other ancillary	7,295																	
Car park	71,136																	
Total:	295,739																	

Notes:

- (i) According to 4 sets of Real Estate Title Certificate, known as 201D Fang Di Zheng 2010 Zi Di Nos. 00329, 00330 and 2013 Zi Di Nos. 00172 and 00173, issued by the Land Resources and Housing Administration Bureau of Chongqing, the land use rights of the real property having a total site area of approximately 141,574.21 square metres have been granted to CQZY for terms expiring on 5 July 2060 and 25 May 2062 respectively for education and residential uses.
- (ii) Pursuant to a Construction Land Use Planning Permit, known as De Zi Di 500136201000353, issued by the Urban Planning Board of Chongqing, permission has been given for the planning of construction of a real property with a site area of approximately 108,598 square metres and a gross floor area (above ground) of approximately 260,324.93 square metres.
- (iii) According to 2 sets of Construction Work Planning Permit, known as Jian Zi Di 500112201300006 and 500112201300098, issued by the Urban Planning Board of Chongqing, the construction of the real property with a total gross floor area of approximately 295,709.72 square metres has been approved.
- (iv) According to a Construction Work Commencement Permit, known as No. 500000201302060101, issued by the Chongqing Municipal Commission of Urban-Rural Development, permissions have been given for commencement of construction of a real property with a total gross floor area of approximately 115,447.13 square metres.

- (v) According to 6 sets of Commodity Pre-sale Permission Certificate, known as Yu Guo Tu Fang Guan (2013) Yu Zi Di (745) and (905) Hao and Yu Guo Tu Fang Guan (2014) Yu Zi Di (574) and (893) Hao and Yu Guo Tu Fang Guan (2015) Yu Zi Di (124) and (179) Hao, permission for pre-sale of real properties with a total gross floor area of approximately 185,776.75 square metres has been given.
- (vi) As advised by CQZY, portions of the residential, commercial and office portions of the real property with a total gross floor area of approximately 28,807 square metres were contracted to be sold at a total consideration of approximately RMB270,000,000. The market value of such portion 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 RMB2,905,000,000.
- (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. CQZY is entitled to the land use rights of the real property;
 - b. Portion of 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, CQZY 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. CQZY also has the rights to transfer, lease or mortgage the land use rights of the subject land;
 - e. CQZY has obtained the construction land planning permit, construction work planning permit and construction work commencement permit and the development complies with relevant laws and regulations. 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; (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. However, as portion of the subject land is subject to mortgage, within the mortgage period, CQZY has to obtain the consent from the mortgagee before transferring that portion of land;
 - f. CQZY has obtained the commodity pre-sale permission certificate of portion of the real property. CQZY has the rights to pre-sale the relevant portion of the real property, and would have the rights to sell or lease the real property when the relevant laws and regulations requirement have been complied with; and
 - g. Regarding the contracted to be sold portion of the subject development, the content of the commodity sale and purchase contracts, entered into between CQZY and the purchasers, does not violate the laws and regulations. Such contracts are registered according to the regulations and are legal and effective. CQZY has the rights to receive the considerations of the real property; and
 - h. As the development has not passed the completion and inspection, before the titleship has been transferred, CQZY is entitled to the building ownership of the development. However, for those pre-sold portion, as the commodity sale and purchase contracts have been signed and registered, CQZY 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 March 2015												
35.	Portion of Phase I and III of Academic Heights Nos. 15 and 21 Sixian Road, Shapingba District, Chongqing, the PRC 401147	<p>The real property comprises composite developments (residential/commercial) under construction of residential, commercial buildings, ancillary facilities and car parks. The real property is scheduled to be completed in November 2015.</p> <p>According to the information provided, the total planned gross floor area of the real property will be approximately 207,945 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>124,065</td> </tr> <tr> <td>Commercial</td> <td>30,563</td> </tr> <tr> <td>Other ancillary</td> <td>3,149</td> </tr> <tr> <td>Car park</td> <td>50,168</td> </tr> <tr> <td>Total:</td> <td>207,945</td> </tr> </tbody> </table> <p>As advised by CQZY, the total construction cost incurred up to the valuation date is about RMB307,000,000 and the estimated cost to completion of the real property is about RMB291,000,000.</p> <p>The land use rights of the real property have been granted for a term expiring on 20 July 2059 for township mixed residential uses.</p>	Usage	Gross Floor Area (square metres)	Residential	124,065	Commercial	30,563	Other ancillary	3,149	Car park	50,168	Total:	207,945	As per our on-site inspection, the real property is under construction.	<p>RMB399,800,000</p> <p>(Renminbi Three Hundred Ninety Nine Million and Eight Hundred Thousand)</p> <p>(see Notes (vi) and (ix))</p>
Usage	Gross Floor Area (square metres)															
Residential	124,065															
Commercial	30,563															
Other ancillary	3,149															
Car park	50,168															
Total:	207,945															

Notes:

- (i) According to 2 sets of Real Estate Title Certificate, known as 104D Fang Di Zheng 2009 Zi Di Nos. 10523 and 10524, issued by the Land Resources and Housing Administration Bureau of Chongqing, the land use rights of two parcels of land having a total site area of approximately 87,972 square metres have been granted to CQZY for a term expiring on 20 July 2059 for township mixed residential uses.
- (ii) Pursuant to 2 sets of Construction Land Use Planning Permit, known as De Zi Di Nos. 500106201000170 and 500106201000172, issued by the Urban Planning Board of Chongqing, permission has been given for the planning of construction of real property with a total site area of approximately 87,972.17 square metres and a total gross floor area (above ground) of approximately 243,567.43 square metres.
- (iii) According to 3 sets of Construction Work Planning Permit, known as Jian Zi Di 500106201100067, 500106201300011 and 500106201300012, issued by the Urban Planning Board of Chongqing, the construction of real properties with a total gross floor area of approximately 343,439.23 square metres has been approved.
- (iv) According to 2 sets of Construction Work Commencement Permit, known as Nos. 500106201106130101 and 500106201303140801, issued by Chongqing Municipal Shapingba District Commission of Urban-Rural Development, permissions have been given for commencement of construction of real properties with a total gross floor area of approximately 246,852.36 square metres.

- (v) According to 3 sets of Commodity Pre-sale Permission Certificate, known as Yu Guo Tu Fang Guan (2013) Yu Zi Di No. (871) and Yu Guo Tu Fang Guan (2014) Yu Zi Di Nos. (024) and (542), permission for pre-sale of real property with a total gross floor area of approximately 48,983.96 square metres has been given.
- (vi) As advised by CQZY, portion of the residential portion of the real property with a total gross floor area of approximately 69,561 square metres were contracted to be sold at a total consideration of approximately RMB301,000,000. The market value of such portion 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 RMB879,500,000.
- (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. CQZY is entitled to the land use rights of the real property;
 - b. Portion of 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, CQZY 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. CQZY also has the rights to transfer, lease or mortgage the land use rights of the subject land;
 - e. CQZY has obtained the construction land planning permit, construction work planning permit and construction work commencement permit and the development complies with relevant laws and regulations. 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; (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. However, as portion of the subject land is subject to mortgage, within the mortgage period, CQZY has to obtain the consent from the mortgagee before transferring that portion of land;
 - f. CQZY has obtained the commodity pre-sale permission certificate of portion of the real property. CQZY has the rights to pre-sale the relevant portion of the real property, and would have the rights to sell or lease the real property when the relevant laws and regulations requirement have been complied with;
 - g. Regarding the contracted to be sold portion of the subject development, the content of the commodity sale and purchase contracts, entered into between CQZY and the purchasers, does not violate the laws and regulations. Such contracts are registered according to the regulations and are legal and effective. CQZY has the rights to receive the considerations of the real property;
 - h. As the development has not passed the completion and inspection, before the titleship has been transferred, CQZY is entitled to the building ownership of the development. However, for those pre-sold portion, as the commodity sale and purchase contracts have been signed and registered, CQZY transfers, leases or mortgages those portions will be subject to restriction; and
 - i. For the sales office portion of the phase I, CQZY has obtained the construction land planning permit, construction work planning permit and construction work commencement permit, the development complies with relevant laws and regulations. As the sales office portion has not passed the completion and inspection, after CQZY obtained all the relevant completion documents and fully settled the relevant fees, CQZY has no legal impediment in obtaining the Real Estate Title Certificate of such portion. After obtaining the Real Estate Title Certificate, CQZY has the rights to occupy, use, gain earnings and dispose of the sales office portion, and has the rights to transfer, lease or mortgage of such portion.
- (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 March 2015												
36.	Land Lot No. 4, Jiazhou Garden, Xinpaifang, Longxi Town, Yubei District, Chongqing, the PRC 401147	<p>The real property comprises a commercial development under construction with commercial and office buildings, ancillary facilities and car parks. The real property is scheduled to be completed in various stages with the latest phase in August 2017.</p> <p>According to the information provided, the total gross floor area of the real property will be approximately 746,054 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>Commercial</td> <td>227,353.22</td> </tr> <tr> <td>Office</td> <td>216,527.15</td> </tr> <tr> <td>Other ancillary</td> <td>74,391.85</td> </tr> <tr> <td>Car park</td> <td><u>227,782.03</u></td> </tr> <tr> <td>Total:</td> <td><u>746,054.25</u></td> </tr> </tbody> </table> <p>As advised by the CQZY, the total construction cost incurred up to the valuation date is about RMB575,000,000 and the estimated cost to completion of the real property is about RMB3,288,000,000.</p> <p>The land use rights of the real property have been granted for a term expiring on 25 May 2063 for township mixed residential uses.</p>	Usage	Gross Floor Area (square metres)	Commercial	227,353.22	Office	216,527.15	Other ancillary	74,391.85	Car park	<u>227,782.03</u>	Total:	<u>746,054.25</u>	As per our on-site inspection, the real property is under construction.	<p>RMB2,470,000,000</p> <p>(Renminbi Two Thousand Four Hundred and Seventy Million)</p> <p>(see Note (vii))</p>
Usage	Gross Floor Area (square metres)															
Commercial	227,353.22															
Office	216,527.15															
Other ancillary	74,391.85															
Car park	<u>227,782.03</u>															
Total:	<u>746,054.25</u>															

Notes:

- (i) According to a Real Estate Title Certificate, known as 201 Fang Di Zheng 2010 Zi Di No. 00305, issued by the Land Resources and Housing Administration Bureau of Chongqing, the land use rights of the real property with a site area of approximately 96,917.17 square metres have been granted to CQZY for a term expiring on 25 May 2063 for township mixed residential uses.
- (ii) Pursuant to a Construction Land Use Planning Permit, known as Di Zi Di No. 500112201300037, issued by the Urban Planning Board of Chongqing, the construction land area of the real property is approximately 75,405 square metres for commercial uses. The permitted gross floor area above ground is approximately 395,625 square metres and the permitted plot ratio is 7 (including below ground).
- (iii) According to 6 sets of Construction Work Planning Permit, known as Jian Zi Di 500112201400571, 500112201400599, 500112201400605, 500112201500003, 500112201500006 and 500112201500009, issued by the Urban Planning Board of Chongqing, the construction of the real property (including various portions of Land Lot No. 4) with a total gross floor area of approximately 478,823.72 square metres has been approved.
- (iv) According to 4 sets of Construction Work Commencement Permit, known as Nos. 500000201409050201, 500000201412290101, 500000201501300101 and 500000201504170101, issued by the Chongqing Municipal Commission of Urban-Rural Development, permissions have been given for commencement of construction of portion of the real property with a total gross floor area of approximately 261,959.72 square metres.

- (v) According to a pre-lease contract entered into between CQZY and 新光三越百貨股份有限公司 (translated as “Shin Kong Mitsukoshi Department Store Company Limited” (“Shin Kong”)) on 4 April 2013, 7 stories of upper-ground and 5 stories of under-ground of the shopping mall portion of Land Lot No. 4 with total area not less than 250,000 square meters is contracted to be leased to Shin Kong. Shin Kong would be granted priority to lease properties on Land Lot No.9 when the development thereon has been completed. The pre-lease contract term is for 20 years with rental base on the higher of (i) basic rent and (ii) turn-over rent. The basic rent for the first five operating years are RMB100 million, RMB130 million, RMB170 million, RMB210 million and RMB260 million respectively.
- (vi) 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. CQZY 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, CQZY 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. CQZY also has the rights to transfer, lease or mortgage the land use rights of the subject land;
 - e. CQZY has obtained the construction land planning permit, construction work planning permit and construction work commencement permit and the development complies with relevant laws and regulations. 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; (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. However, as the subject land is subject to mortgage, within the mortgage period, CQZY has to obtain the consent from the mortgagee before transferring the subject land; and
 - f. Portion of the real property is subject to a tenancy agreement. The content of the tenancy agreement does not violate the laws and regulations, and is legal and effective. In accordance with relevant regulations, the tenancy agreement has to be registered in the real estate management department. Although CQZY has not applied for the registration in respect of the tenancy agreement, according to the PRC Contract Law, the tenancy agreement, which is entered into legally, is effective since it has been entered into. Therefore, the tenancy agreement is still valid and effective.
- (vii) 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 V – Real properties held for future development by CQZY Group in the PRC

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 March 2015
37.	A parcel of land, known as No. C56-5/03, located at District C of Guanyinqiao Group, Yubei District, Chongqing, the PRC 401147	<p>The real property comprises a parcel of land with a site area of approximately 8,572 square metres.</p> <p>According to the information provided by Chongqing Weigang, the permitted gross floor area of the real property is approximately 25,716 square metres.</p> <p>The land use rights of the real property are contracted to be granted for a term of 40 years for commercial and residential uses commencing from 24 December 2014. (see Note (ii))</p>	As per our on-site inspection, the real property is vacant.	No commercial Value (see Note (iv))

Notes:

- (i) According to a Contract of The Grant of The State-owned Construction Land Use Rights, known as Yu De (2013) He Zi (Yu Bei) Di No. 66 (“Contract”), dated 8 February 2013 and entered into between the Chongqing Land Resources and Housing Management Bureau and Chongqing Weigang Property Company Limited (“Chongqing Weigang”), which is a wholly-owned subsidiary of the CQZY, the land use rights of the real property with a total site area of approximately 8,572 square metres were contracted to be granted to Chongqing Weigang for a term of 40 years for commercial and residential uses commencing from the delivery date of the real property to Chongqing Weigang at a consideration of RMB170,000,000. The Contract contains, *inter alia*, the following covenants:
- Total maximum gross floor area: approximately 25,716 square metres;
 - Land use rights term: commercial uses for 40 years and residential uses for 50 years;
 - Delivery date of the real property to Chongqing Weigang: before 30 May 2013;
 - Commencement date of the construction: before 30 May 2014; and
 - Completion date of the construction: before 30 June 2016.
- (ii) According to a Confirmation Letter of State-owned Construction Delivery of Land, known as Yu Bei Jiao (2014) Zi Di No. 021, dated 24 December 2014, the land parcel as mentioned in note (i) above has been delivered to Chongqing Weigang on 24 December 2014 and Chongqing Weigang has agreed and accepted to be responsible for the management.
- (iii) 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:
- Chongqing Weigang has already entered the Contract with the Chongqing Land Resources and Housing Management Bureau and fully settled the land premium;
 - Chongqing Land Resources and Housing Management Bureau has delivered the land on 24 December 2014;
 - Chongqing Weigang obtained the transferee qualification of the land use rights of the real property and will be able to register for the State-owned construction land use rights in respect of the real property. After Chongqing Weigang has obtained the land use rights of the real property, Chongqing Weigang will have the rights to conduct real estate development activities on the real property; and
 - As at the Latest Practicable Date, the real property is not subject to any mortgage or judicial seizure; and
 - Chongqing Weigang holds a valid business licence for operation.
- (iv) Having considered the fact that a long-term land use rights certificate of the real property has not been obtained, we have attributed no commercial value to the real property. However, for reference purpose, we are of the opinion that the market value of the real property as at the valuation date would be RMB173,000,000 assuming all the land premium and other relevant charges (if any) have been fully settled, all the relevant title certificate(s) have been obtained and the real property could be freely transferred.

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 March 2015
38.	Land Lot No. 3-1, Jiazhou Garden, Xinpaifang, Longxi Town, Yubei District, Chongqing, the PRC 401147	<p>The real property comprises a parcel of land with a site area of approximately 47,937 square metres.</p> <p>According to the information provided by CQZY, the permitted gross floor area of the real property is approximately 196,255 square metres.</p> <p>The land use rights of the real property have been granted for a term expiring on 29 May 2063 for township residential use.</p>	As per our on-site inspection, various buildings, completed in about 1999, with a total gross floor area of approximately 8,600 square metres erected on the real property is partly vacant and partly occupied for restaurant uses temporarily.	RMB820,000,000 (Renminbi Eight Hundred and Twenty Million) (see Note (v))

Notes:

- (i) According to a Real Estate Title Certificate, known as 201D Fang Di Zheng 2012 Zi Di No. 00376, issued by the Land Resources and Housing Management Bureau of Chongqing, the land use rights of the real property having a site area of approximately 47,936.97 square metres have been granted to CQZY for a term expiring on 29 May 2063 for township residential uses.
- (ii) Pursuant to a Construction Land Use Planning Permit, known as De Zi Di No. 500112201400500, issued by the Urban Planning Board of Chongqing, permission has been given for the planning of construction of real property with a total site area of approximately 37,672 square metres. The permitted gross floor area is approximately 196,255 square metres.
- (iii) As advised by CQZY, CQZY is planning to request the temporary occupier of the real property to demolish all the buildings and structures on the land site 3 months before the commencement of construction.
- (iv) 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. CQZY is entitled to the land use rights of the real property;
 - b. As at the Latest Practicable Date, the land use rights of the real property is not subject to any mortgage or judicial seizure;
 - c. The real property is sub-divided from a parcel of land, of which CQZY obtained the land use rights according to a state-owned land use rights grant contract (known as (1992) Chong Di He Zi (Bei Xian) Di No.12). Since 1993, CQZY had developed such piece of land in various phases;
 - d. As advised by CQZY, the permitted gross floor area of the real property is approximately 196,255 square metres;
 - e. Within the land use rights term, CQZY is legally entitled to occupy, use, gain earnings and dispose of the real property and has the rights to construct buildings, structures and ancillary facilities on the real property. CQZY also has the rights to transfer, lease or mortgage the land use rights of the real property; and
 - f. In transferring the real property, the following requirements should be complied with: (1) all the land grant fee has been settled and obtained the land use rights certificate; (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.
- (v) 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 March 2015
39.	Land Lot No.17-1, Jiazhou Garden, Xinpaifang, Longxi Town, Yubei District, Chongqing, the PRC 401147	<p>The real property comprises a parcel of land with a site area of approximately 35,710.5 square metres.</p> <p>According to the information provided by CQZY, the permitted gross floor area of the real property is approximately 150,000 square metres.</p> <p>The land use rights of the real property have been granted for a term expiring on 29 May 2063 for township residential uses.</p>	As per our on-site inspection, the real property is vacant.	<p>RMB456,000,000</p> <p>(Renminbi Four Hundred and Fifty Six Million)</p> <p>(see Note (iii))</p>

Notes:

- (i) According to a Real Estate Title Certificate, known as 201D Fang Di Zheng 2011 Zi Di No. 50240, issued by the Land Resources and Housing Management Bureau of Chongqing, the land use rights of the real property with a site area of approximately 35,710.5 square metres have been granted to CQZY for a term expiring on 29 May 2063 for township residential uses.
- (ii) 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. CQZY is entitled to the land use rights of the real property;
 - b. As at the Latest Practicable Date, the land use rights of the real property is not subject to any mortgage or judicial seizure;
 - c. The real property is sub-divided from a parcel of land, of which CQZY obtained the land use rights according to a state-owned land use rights grant contract (known as (1992) Chong Di He Zi (Bei Xian) Di No.12). Since 1993, CQZY had developed such piece of land in various phases;
 - d. As advised by CQZY, the permitted gross floor area of the real property is approximately 150,000 square metres;
 - e. Within the land use rights term, CQZY is legally entitled to occupy, use, gain earnings and dispose the real property and has the rights to construct buildings, structures and ancillary facilities on the real property. CQZY also has the rights to transfer, lease or mortgage the land use rights of the real property; and
 - f. In transferring the real property, the following requirements should be complied with: (1) all the land grant fee has been settled and obtained the land use rights certificate; (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. However, as portion of the real property is subject to mortgage, within the mortgage period, CQZY has to obtain the consent from the mortgagee before transferring that portion of land.
- (iii) 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 March 2015
40.	Land Lot No. 9, Jiazhou Garden, Xinpaifang, Longxi Town, Yubei District, Chongqing, the PRC 401147	<p>The real property comprises a parcel of land with a site area of approximately 81,339.02 square metres.</p> <p>According to a Construction Land Use Planning Permit, the construction land area of the real property is approximately 70,036 square metres and the permitted gross floor area of the real property is approximately 345,656.6 square metres.</p> <p>The land use rights of the real property have been granted for a term expiring on 25 May 2063 for township mixed residential uses.</p>	As per our on-site inspection, the real property is vacant.	<p>RMB1,560,000,000</p> <p>(Renminbi One Thousand Five Hundred and Sixty Million)</p> <p>(see Note (iv))</p>

Notes:

- (i) According to a Real Estate Title Certificate, known as 201 Fang Di Zheng 2010 Zi Di No. 00281, issued by the Land Resources and Housing Administration Bureau of Chongqing, the land use rights of the real property with a site area of approximately 81,339.02 square metres have been granted to CQZY for a term expiring on 25 May 2063 for township mixed residential uses.
- (ii) Pursuant to a Construction Land Use Planning Permit, known as Di Zi Di No. 500112201300037, issued by the Urban Planning Board of Chongqing, the construction land area of the real property is approximately 70,036 square metres for residential and commercial uses. The permitted gross floor area is approximately 345,656.6 square metres.
- (iii) 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. CQZY is entitled to the land use rights of the real property;
 - b. As at the Latest Practicable Date, the land use rights of the real property is not subject to any mortgage or judicial seizure;
 - c. The real property is sub-divided from a parcel of land, of which CQZY obtained the land use rights according to a state-owned land use rights grant contract (known as (1992) Chong Di He Zi (Bei Xian) Di No.12). Since 1993, CQZY had developed such piece of land in various phases;
 - d. Within the land use rights term, CQZY is legally entitled to occupy, use, gain earnings and dispose the real property and has the rights to construct buildings, structures and ancillary facilities on the real property. CQZY also has the rights to transfer, lease or mortgage the land use rights of the real property; and
 - e. In transferring the real property, the following requirements should be complied with: (1) all the land grant fee has been settled and obtained the land use rights certificate; (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.
- (iv) 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 March 2015
41.	Land Lot Nos. 11-1 and 20, Jiazhou Garden, Xinpaifang, Longxi Town, Yubei District, Chongqing, the PRC 401147	<p>The real property comprises two adjacent parcels of land with a total site area of approximately 19,922.8 square metres.</p> <p>According to the information provided by the CQZY, the permitted gross floor area of the real property is approximately 49,296 square metres.</p> <p>The land use rights of Land Lot No. 11-1 have been granted for a term expiring on 29 May 2063 for residential use, while that of Land Lot No. 20 have been granted for a term of 70 years.</p>	As per our on-site inspection, the real property is vacant.	<p>RMB174,000,000</p> <p>(Renminbi One Hundred and Seventy Four Million)</p> <p>(see Note (iv))</p>

Notes:

- (i) According to a State-owned Land Use Rights Certificate, known as Yu Guo Yong (1994) Zi Di No. 112, issued by the People's Government of Chongqing, the land use rights of a parcel of land with a site area of 2,584.8 square metres have been granted to CQZY for a term of 70 years.
- (ii) According to a State-owned Land Use Rights Certificate, known as Yu Wai Guo Yong (2003) Zi Di No. 074, issued by the People's Government of Chongqing, the land use rights of a parcel of land with site area of 81,127.67 square metres have been granted to CQZY for a term expiring on 29 May 2063 for residential uses. As advised by CQZY, portion of the land parcel has been developed as Phases I and II of Huijing Terrace and the remaining portion with a site area of approximately 17,338 square metres has been included in the valuation.
- (iii) 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:
- CQZY is entitled to the land use rights of the real property;
 - As at the Latest Practicable Date, the land use rights of the real property is not subject to any mortgage or judicial seizure;
 - The real property is sub-divided from a parcel of land, of which CQZY obtained the land use rights according to a state-owned land use rights grant contract (known as (1992) Chong Di He Zi (Bei Xian) Di No.12). Since 1993, CQZY had developed such piece of land in various phases;
 - As advised by CQZY, the permitted gross floor area of the real property is approximately 49,296 square metres;
 - Within the land use rights term, CQZY is legally entitled to occupy, use, gain earnings and dispose the real property and has the rights to construct buildings, structures and ancillary facilities on the real property. CQZY also has the rights to transfer, lease or mortgage the land use rights of the real property; and
 - In transferring the real property, the following requirements should be complied with: (1) all the land grant fee has been settled and obtained the land use rights certificate; (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.
- (iv) 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 March 2015
42.	Land Lot No. 22, Longxi Town, Yubei District, Chongqing, the PRC 401147	<p>The real property comprises a parcel of land with a site area of approximately 5,348.6 square metres.</p> <p>According to the information provided by the CQZY, the permitted gross floor area of the real property is approximately 12,334 square metres.</p> <p>The land use rights of the real property have been granted for a term expiring on 25 May 2062 for residential uses.</p>	As per our on-site inspection, the real property is vacant.	<p>RMB37,400,000</p> <p>(Renminbi Thirty Seven Million and Four Hundred Thousand)</p> <p>(see Note (iv))</p>

Notes:

- (i) According to a Real Estate Title Certificate, known as 201D Fang Di Zheng 2007 Zi Di Nos. 00240, issued by the Land Resources and Housing Administration Bureau of Chongqing, the land use rights of the real property having a total site area of approximately 10,195.6 square metres have been granted to CQZY for a term expiring on 25 May 2062 for residential uses.
- (ii) According to a land compensation contract dated 29 September 2002, portion of the land parcel stated in Note (i) above with a site area of approximately 7.27 mu have been taken back by the Land Resources Administrative Bureau of Yubei District for municipal administration transportation purpose.
- (iii) 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. CQZY is entitled to the land use rights of the real property;
 - b. As at the Latest Practicable Date, the land use rights of the real property is not subject to any mortgage or judicial seizure;
 - c. The real property is sub-divided from a parcel of land, of which CQZY obtained the land use rights according to a state-owned land use rights grant contract (known as (1992) Chong Di He Zi (Bei Xian) Di No.12). Since 1993, CQZY had developed such piece of land in various phases;
 - d. As advised by CQZY, the permitted gross floor area of the real property is approximately 12,334 square metres;
 - e. Within the land use rights term, CQZY is legally entitled to occupy, use, gain earnings and dispose the real property and has the rights to construct buildings, structures and ancillary facilities on the real property. CQZY also has the rights to transfer, lease or mortgage the land use rights of the real property; and
 - f. In transferring the real property, the following requirements should be complied with: (1) all the land grant fee has been settled and obtained the land use rights certificate; (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.
- (iv) 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 March 2015
43.	Land Lot No. 7-1, Jiazhou Garden, Xinpaifang, Longxi Town, Yubei District, Chongqing, the PRC 401147	<p>The real property comprises a parcel of land with a site area of approximately 5,245.88 square metres.</p> <p>According to the information provided by the CQZY, the permitted gross floor area of the real property is approximately 8,161 square metres.</p> <p>The land use rights of the real property have been granted for a term expiring on 25 May 2063 for composite uses.</p>	As per our on-site inspection, the real property is vacant.	<p>RMB32,800,000</p> <p>(Renminbi Thirty Two Million and Eight Hundred Thousand)</p> <p>(see Note (iii))</p>

Notes:

- (i) According to a State-owned Land Use Rights Certificate, known as Yu Wai Guo Yong (2004) Zi Di No. 007, issued by the Land Resources and Housing Administration Bureau of Chongqing, the land use rights of the real property with a site area of 5,245.88 square metres have been granted to CQZY for a term expiring on 25 May 2063 for composite uses.
- (ii) 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. CQZY is entitled to the land use rights of the real property;
 - b. As at the Latest Practicable Date, the land use rights of the real property is not subject to any mortgage or judicial seizure;
 - c. The real property is sub-divided from a parcel of land, of which CQZY obtained the land use rights according to a state-owned land use rights grant contract (known as (1992) Chong Di He Zi (Bei Xian) Di No.12). Since 1993, CQZY had developed such piece of land in various phases;
 - d. As advised by CQZY, the permitted gross floor area of the real property is approximately 8,161 square metres;
 - e. Within the land use rights term, CQZY is legally entitled to occupy, use, gain earnings and dispose the real property and has the rights to construct buildings, structures and ancillary facilities on the real property. CQZY also has the rights to transfer, lease or mortgage the land use rights of the real property; and
 - f. In transferring the real property, the following requirements should be complied with: (1) all the land grant fee has been settled and obtained the land use rights certificate; (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.
- (iii) 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.
- 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

- 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.

Interests in shares of the Company's associated corporation (long positions)

Name of Director	Name of associated corporation	Capacity	Number of shares	Approximate percentage of shares in issue²
Tsang Wai Choi	Starhigh International Limited	Beneficial owner and interest of controlled corporations	1,840 ¹	61.33

Notes:

1. Mr. Tsang's interest in 1,840 Starhigh Shares comprises (a) 240 Starhigh Shares held by Happy Yield, a direct wholly-owned subsidiary of Harvest Top Holdings Limited, which is in turn directly wholly owned by Mr. Tsang; and (b) 1,600 Starhigh Shares which have yet to be subscribed by Happy Yield in accordance with the Investment Agreement, details of which were disclosed in the Company's announcements dated 7 April 2014 and 3 June 2015, and circular dated 13 November 2014.
2. Approximate percentage refers to the aggregate interests of the director in the shares of the relevant associated corporation of the Company expressed as a percentage (rounded to two decimal places) of the issued share capital of the relevant associated corporation 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.

Save and except that 1,600 Starhigh Shares have yet to be subscribed by Happy Yield (which is wholly-owned by Mr. Tsang) in accordance with the Investment Agreement, as at the Latest Practicable Date, none of the Directors or proposed Director had any direct or indirect interests in any assets which have been 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.

Save and except that Mr. Tsang is a party to the Investment Agreement and the Shareholders' Deed, 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
貴陽中渝雲上房地產開發有限公司 (Guiyang Zhong Yu Yun Shang Real Estate Development Company Limited)	成都同豐投資有限責任公司 (Chengdu Tong Feng Investment Company Limited)	15.0
雲南中渝置地發展有限公司 (Yunnan Zhong Yu Land Development Company Limited)	雲南光華投資集團有限公司 (Yunnan Guang Hua Investment Group Company Limited)	30.0
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

Name of the members of the Group	Name of shareholders	Approximate percentage of issued share capital
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 proposed Directors or their respective associates had any interest in any business that competed or was likely to compete, either directly or indirectly, with the business of the Group.

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

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

- (a) the sale and purchase agreement dated 6 September 2013 (which had 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 sale and purchase of 57% of the project interest in a land plot, 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 the Shimao Property Holdings Limited (as the Purchaser's guarantor), for the sale and purchase 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;
- (d) the Shareholders' Deed;
- (e) 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")) as vendor, an indirectly wholly-owned by the Company 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 the sale and purchase of the entire equity interest in 重慶瑞繁實業有限公司 (Chongqing Rui Fan Enterprises Limited), a 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; 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 Company 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 the date of the SGM:

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

NOTICE OF SGM



C C Land Holdings Limited 中渝置地控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1224)

NOTICE IS HEREBY GIVEN that a special general meeting of C C Land Holdings Limited (the “Company”) will be held at 33/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on Friday, 10 July 2015 at 11:00 a.m. for the purpose of considering and, if thought fit, (with or without amendments) passing the following ordinary resolution:

ORDINARY RESOLUTION

“**THAT** the Agreement (a copy of which is produced to this meeting and marked “A” and initialed by the chairman of this meeting for identification purposes and as defined in the Company’s Circular dated 23 June 2015) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and that the directors of the Company (other than Mr. Tsang Wai Choi) be and are hereby authorised to do all such acts and things, to sign, execute and deliver, for and on behalf of the Company, any agreements, deeds, instruments and any other documents, under hand or under seal, and to do such other things and take all such actions and arrangements as they may deem necessary, desirable, appropriate or expedient to give effect to or in connection with the Agreement and the transactions contemplated thereunder.”

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

Hong Kong, 23 June 2015

Notes:

1. Any member entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote instead of him/her. A member who is the holder of two or more shares of the Company may appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a member of the Company.
2. A form of proxy for use at the meeting is enclosed in the circular of the Company of the same date of this notice. The form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be under its seal or the hand of an officer, attorney or other person duly authorised.
3. The form of proxy and the power of attorney or other authority, if any, under which it is signed or a certified copy thereof must be lodged at the Company’s branch share registrar in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof (as the case may be) and in default the proxy shall not be treated as valid. Completion and return of the form of proxy shall not preclude members from attending and voting in person at the meeting or at any adjournment thereof (as the case may be) should they so wish.
4. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, the vote of that one of the said persons so present whose name stands first on the register of members in respect of such share shall be accepted to the exclusion of the votes of the other joint holders.
5. Unless otherwise specified herein, capitalized terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 23 June 2015.