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C C Land Holdings Limited
中渝置地控股有限公司

(Incorporated in Bermuda with limited liability)

Website: www.ccland.com.hk

(Stock Code: 1224)

MAJOR TRANSACTION

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DEFINITIONS

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

“Agreement”	the agreement dated 19 October 2015 entered into between Marvel Leader and the Purchaser in relation to the Disposal
“Announcement”	the announcement of the Company dated 19 October 2015 in relation to, among other things, the Agreement and the transactions contemplated thereunder
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Benefit East”	Benefit East Investments Limited, a company incorporated in the BVI with limited liability and is indirectly and beneficially owned as to 50% by Sino Land Company Limited, 25% by Chinese Estates Holdings Limited and 25% by the Company
“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
“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”	27 October 2015 or such other date as the parties may agree in writing on which Completion takes place
“Conditions Precedent”	conditions precedent to Completion specified in the Agreement and as described under the paragraph headed “2.5 Conditions Precedent” in the Letter from the Board
“Consideration”	the total consideration for the Disposal
“Consortium Loan”	a series of loans in the aggregate principal amount of HK\$2,104,367,663.67 advanced by a consortium comprising various banks in Hong Kong to Benefit East, with securities provided by Sino Land Company Limited, Chinese Estates Holdings Limited and the Company in proportion to their respective beneficial interests in Benefit East
“CQ Sino Land”	重慶尖置房地產有限公司 (Chongqing Sino Land Company Limited), a company established in the PRC and indirectly wholly-owned by Benefit East
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Share and the Loan Receivables by Marvel Leader to the Purchaser pursuant to the Agreement
“DTZ”	DTZ Debenham Tie Leung Limited, an independent property valuer

DEFINITIONS

“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	independent third party(ies) who is (are) not connected person(s) (as defined under the Listing Rules) of the Company and is (are) independent of and not connected with the Company and its connected person(s)
“Latest Practicable Date”	2 November 2015, being the latest practicable date prior to the printing of this circular for the purposes of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Receivables”	the aggregate amount of the non-interest bearing loans due and owing by Merry Full to Marvel Leader as at the Completion Date, which, as at the date of signing of the Agreement, amounted to HK\$1,004,811,705.40 and is expected to be increased by HK\$526,847,450.36 to HK\$1,531,659,155.76 on the Completion Date (for the repayment of the Consortium Loan and the related interest on the Completion Date)
“Long Stop Date”	a day falling on the expiry of 3 months from the date of signing the Agreement
“Majority Shareholders”	Thrivetrade Limited (a company wholly-owned by Mr. Cheung) and Regulator Holdings Limited, a wholly-owned subsidiary of Yugang International Limited (a company beneficially owned by Mr. Cheung as to 44.06%) which hold 1,070,810,231 Shares and 260,395,559 Shares respectively, representing in aggregate approximately 51.43% of the issued share capital of the Company
“Marvel Leader”	Marvel Leader Investments Limited, a company incorporated in the BVI with limited liability and directly wholly-owned by the Company
“Merry Full”	Merry Full Investments Limited, a company incorporated in the BVI with limited liability and directly wholly-owned by Marvel Leader
“Mr. Cheung”	Mr. Cheung Chung Kiu, Chairman of the Board
“PRC”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, Macau and Taiwan
“Purchaser”	Shengyu (BVI) Limited, a company incorporated in the BVI with limited liability and 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
“RMB”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“Sale Share”	the one (1) share of US\$1.00 each (equivalent to approximately HK\$7.75) in the share capital of Merry Full, representing the entire issued share capital of Merry Full
“SFO”	Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“sqm”	square meters
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Group”	Merry Full, Benefit East, three directly wholly-owned subsidiaries of Benefit East and CQ Sino Land
“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\$1.213 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

5 November 2015

To Shareholders,

Dear Sir or Madam,

MAJOR TRANSACTION

1. INTRODUCTION

Reference is made to the Announcement. On 19 October 2015, Marvel Leader and the Purchaser entered into the Agreement, pursuant to which Marvel Leader conditionally agreed to sell, and the Purchaser conditionally agreed to acquire (a) the Sale Share and (b) the Loan Receivables at a total consideration of HK\$1,750,000,000.

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

LETTER FROM THE BOARD

2. THE AGREEMENT

2.1 Date

19 October 2015

2.2 Parties

- (a) **Vendor:** Marvel Leader
- (b) **Purchaser:** Shengyu (BVI) Limited

The Purchaser is a wholly-owned subsidiary of 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 its controlling shareholder(s) are Independent Third Parties.

2.3 Assets to be disposal of

- (a) the Sale Share; and
- (b) the Loan Receivables.

2.4 Consideration

The Consideration is HK\$1,750,000,000, which shall be payable in cash or by bank transfer (or by any other method as may be agreed between Marvel Leader and the Purchaser) by or on behalf of the Purchaser to Marvel Leader or as it may direct in the following manner:

- (a) HK\$262,500,000, being 15% of the Consideration, as deposit, shall be payable at or before 3:00 pm on 26 October 2015;
- (b) HK\$262,500,000, being 15% of the Consideration, shall be payable after Completion and 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);
- (c) HK\$350,000,000, being 20% of the Consideration, shall be payable after Completion and within 12 months after the date of signing of the Agreement (or such other date as Marvel Leader and the Purchaser shall agree in writing);
- (d) HK\$350,000,000, being 20% of the Consideration, shall be payable after Completion and within 18 months after the date of signing of the Agreement (or such other date as Marvel Leader and the Purchaser shall agree in writing); and
- (e) HK\$525,000,000, being 30% of the Consideration, shall be payable after Completion and within 24 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

The Consideration was determined following arm's length negotiations on normal commercial terms between Marvel Leader and the Purchaser and by reference to the unaudited consolidated net asset value of the Target Group attributable to Marvel Leader of approximately HK\$65,155,000 as at 31 August 2015, 25% share of the valuation surplus (net of deferred tax) of the preliminary result of the valuation of the properties of the Target Group performed by DTZ of approximately HK\$48,534,000 and the Loan Receivables of approximately HK\$1,531,659,000. Payment arrangement of the Consideration was also determined following arm's length negotiations between Marvel Leader and the Purchaser taking into account the time which would likely be required for proceeding to Completion, the default sum payable as described under the paragraph headed "2.8 Default" below, the identity and standing of the Purchaser's Guarantor, and the guarantee to be provided by the Purchaser's Guarantor as described under the paragraph headed "2.9 Guarantee by the Purchaser's Guarantor" below. The Directors consider that the payment arrangement is on normal commercial terms and in the interest of the Company.

The Directors consider that, taking into account of the effects of the preliminary result of the valuation of the properties of the Target Group performed by DTZ, the Consideration, representing a premium of approximately HK\$104,652,000 or 7% over the net asset value of the Target Group attributable to Marvel Leader of approximately HK\$113,689,000 as adjusted by the 25% share of the valuation surplus (net of deferred tax), and the Loan Receivables of approximately HK\$1,531,659,000, is fair and reasonable.

As at the Latest Practicable Date, Marvel Leader has already received the deposit being 15% of the Consideration pursuant to the Agreement.

2.5 Conditions Precedent

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

- (a) if required under the Listing Rules or by the Stock Exchange, the Company has obtained all necessary approval by its shareholders (by way of obtaining a written shareholders' approval or (if such written approval has not been obtained) by passing an ordinary resolution in a general meeting) approving the Agreement and the transactions contemplated thereunder (where applicable);
- (b) Marvel Leader has obtained all necessary approvals from any third parties in relation to the Disposal (where necessary);
- (c) the Consortium Loan has been repaid in full and all securities provided by Sino Land Company Limited, Chinese Estates Holdings Limited and the Company have been released on or before the Completion Date;
- (d) Marvel Leader has on or before 26 October 2015 obtained, and provided the Purchaser with, a written confirmation from relevant banks agreeing to release Merry Full from all its guarantee obligations in respect of any loans advanced to the Company or Marvel Leader before the Completion Date, or has provided the Purchaser with repayment documentary records and evidence satisfactory to the Purchaser showing repayment of such loans;
- (e) if required under the Listing Rules or by the Stock Exchange, the Purchaser's ultimate holding company has obtained all necessary approval by its shareholders (by way of obtaining a written shareholders' approval or (if such written approval has not been obtained) by passing an ordinary resolution in a general meeting) approving the Agreement and the transactions contemplated thereunder (where applicable);

LETTER FROM THE BOARD

- (f) the Purchaser has obtained all necessary approvals from any third parties in relation to the Disposal (where necessary);
- (g) the Purchaser's ultimate holding company has signed the guarantee as described under the paragraph headed "2.9 Guarantee by the Purchaser's Guarantor" below and if requested by Marvel Leader has provided a legal opinion from the Purchaser's legal adviser as to the sufficient standing of the Purchaser's Guarantor in giving the guarantee;
- (h) all conditions precedent to completion as contained in the Purchaser's agreements with Sino Land Company Limited and Chinese Estates Holdings Limited respectively for the purchase of their interests in Benefit East have been fulfilled and completion may also take place; and
- (i) the Purchaser has paid the deposit of 15% of the Consideration to a designated account on or before 3:00 pm on 26 October 2015.

Upon signing of the Agreement, Marvel Leader and the Purchaser shall use their respective best endeavours to procure the fulfillment of the Conditions Precedent (by Marvel Leader in respect of those set out in sub-paragraphs (a) to (d) and by the Purchaser in respect of those set out in sub-paragraphs (e) to (i)) as soon as practicable and in any event no later than the Completion Date. The Purchaser may waive all or part of the Conditions Precedent set out in sub-paragraphs (c) and (d), and Marvel Leader may waive all or part of the Condition Precedent set out in sub-paragraph (h). If the Conditions Precedent are not all fulfilled or waived on or before the Long Stop Date, the Agreement shall terminate on the Long Stop Date, whereupon Marvel Leader shall return the deposit being 15% of the Consideration to the Purchaser within 5 Business Days (without interest) and either party shall not be liable for the termination save for any antecedent breaches.

As at the Latest Practicable Date, all Conditions Precedent (where applicable) have been fulfilled pursuant to the Agreement, except Condition Precedent set out at sub-paragraph (c) which has been waived by the Purchaser on condition that the Consortium Loan has been repaid in full by Sino Land Company Limited, Chinese Estates Holdings Limited and the Company pursuant to the Agreement on or before the Completion Date, and that (1) the Purchaser has received on or before the Completion Date satisfactory documentary evidence showing repayment of the Consortium Loan; (2) the Purchaser has received on or before the Completion Date either the original or a certified true and complete copy of the banks' confirmation; and (3) Marvel Leader has agreed to procure the relevant bank to deliver the release documents to Benefit East within 7 Business Days from the date of the bank's confirmation letter.

2.6 Termination

The Agreement shall terminate upon the occurrence of any one of the following events: (i) the Agreement having been performed in full; (ii) as in accordance with applicable law; (iii) 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; or (iv) the Conditions Precedent not having all been fulfilled or waived on or before the Long Stop Date.

2.7 Completion

Completion shall take place on the Completion Date after the fulfillment (or waiver) of all the Conditions Precedent.

Completion of the sale and purchase of the Sale Share and the assignment of the Loan Receivables shall take place simultaneously.

LETTER FROM THE BOARD

If the Conditions Precedent are not all fulfilled (or waived) on the Completion Date, the Purchaser may in writing notify Marvel Leader to terminate the Agreement, and Marvel Leader shall upon receipt of such notice return the deposit being 15% of the Consideration to the Purchaser within 5 Business Days (without interest) and either party shall have no further obligations towards the other party except for any antecedent breaches.

Completion already took place on 27 October 2015 pursuant to the Agreement.

2.8 Default

If Marvel Leader fails or is unable to perform (including without limitation, failing or being unable to fully perform) its obligations pursuant to the Agreement, it shall pay the Purchaser a default sum calculated at a daily rate of 0.03% of such part of the Consideration already paid by the Purchaser for each day of default until performance of the relevant obligations. If the Purchaser fails or is unable to perform (including without limitation, failing or being unable to fully perform) its payment obligations pursuant to the Agreement, it shall pay Marvel Leader a default sum calculated at a daily rate of 0.03% of the relevant part of the Consideration payable but unpaid by the Purchaser for each day of default until payment of the relevant part of the Consideration.

As at the Latest Practicable Date, there has been no default on either party to the Agreement.

2.9 Guarantee by the Purchaser's Guarantor

The Purchaser's Guarantor shall unconditionally and irrevocably guarantee the due and punctual discharge of the Purchaser's payment obligations including default sum (if payable) under the Agreement and/or damages payable to Marvel Leader arising from the Purchaser's default in duly and punctually discharging the above payment obligations, and shall forthwith upon request settle or cause to be settled all such payment obligations without any setoff or withhold.

3. REASONS FOR AND BENEFITS OF THE DISPOSAL

As a measure to combat market challenges from the downturn, the Company has already embarked on a series of strategic disposals of its portfolio of properties, joint investments and investments projects. As a 25% equity interest joint venture project, The Coronation (御龍天峰) has been an investment project earmarked for disposal. Although occupying a prime location in the main city district in Chongqing, due to the size of the project and the long development period spanning over 12 years, the investment return of the project can only be realized in the later stage of the entire development period. Given the likelihood of the depressed property market to continue, income prospects from the project would likely be uncertain.

The Disposal provided the Group with an opportunity to shorten the time to recoup in full the amounts invested in the project and further enhance the Group's cash position for future development. The Directors consider that the terms of the Agreement have been negotiated on an arm's length basis and on normal commercial terms and the terms thereof are fair and reasonable and are in the interests of the Group and the Shareholders as a whole.

4. FINANCIAL EFFECT ON THE DISPOSAL AND USE OF PROCEEDS

Upon Completion, the Company has already ceased to have any interest in Merry Full which has also ceased to be a subsidiary of the Company and its assets and liabilities and its profits and losses will no longer be consolidated into the consolidated financial statements of the Company.

LETTER FROM THE BOARD

The Company expects to realize a gain on Disposal of approximately HK\$153,186,000, being the excess of the Consideration over the aggregation of the net asset value of the Target Group attributable to Marvel Leader of HK\$65,155,000 as at 31 August 2015 and the Loan Receivables of approximately HK\$1,531,659,000.

Exchange reserve in the amount of approximately HK\$113,446,000 in relation to the Target Group is required to be reclassified from other comprehensive income to profit and loss accordingly.

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

5. INFORMATION ON THE PURCHASER

To the best of the Directors' knowledge, the Purchaser is a wholly-owned subsidiary of the Purchaser's Guarantor and its principal business activity is investment holding.

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

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

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

Merry Full is a private limited company incorporated in the BVI on 3 August 2007 with a current issued share capital of US\$1 (equivalent to approximately HK\$7.75) which is directly wholly-owned by Marvel Leader. Merry Full is an investment holding company and the registered and beneficial owner of 25% of the entire issued share capital of Benefit East. The sole business of Merry Full is the ownership of its interest in Benefit East.

Benefit East is a private limited company incorporated in the BVI on 19 July 2007 with a current issued share capital of US\$100 (equivalent to approximately HK\$775) which is indirectly owned as to 50% by Sino Land Company Limited (the shares of which are listed on the main board of the Stock Exchange), 25% by Chinese Estates Holdings Limited (the shares of which are listed on the main board of the Stock Exchange) and 25% by the Company. Benefit East, through its three wholly-owned subsidiaries (all of which are incorporated in Hong Kong and are investment holding companies), indirectly owns the entire interest in CQ Sino Land. The sole business of Benefit East is the ownership of its three wholly-owned subsidiaries which in turn together hold CQ Sino Land.

CQ Sino Land is a company established in the PRC in August 2007 with a current registered and paid-up capital of HK\$5,880,000,000 and is indirectly wholly-owned by Benefit East. The principal business of CQ Sino Land is the ownership of the developing project, The Coronation (御龍天峰) in Chongqing, which has a total planned construction area of about 1.3 million sqm consisting of residential, office, commercial and car park area as at 31 August 2015, with 269,000 sqm scheduled for completion in 2016 and 2017. The remaining area is still at the planning stage. The development period of the whole project is expected to span over 12 years.

The market value of The Coronation (御龍天峰) as at 31 August 2015 was valued at RMB5,408 million (equivalent to approximately HK\$6,560 million) by DTZ.

LETTER FROM THE BOARD

A reconciliation of the carrying value of The Coronation (御龍天峰) as at 31 December 2014 and the valuation of The Coronation (御龍天峰) as at 31 August 2015 is as follows:

	<i>RMB</i> <i>(in million)</i>
Carrying value as at 31 December 2014	5,264
Development costs incurred during the period	238
Properties sold during the period	<u>(307)</u>
Carrying value as at 31 August 2015	5,195
Appreciation in value	<u>213</u>
Valuation as at 31 August 2015	<u><u>5,408</u></u>

The financial highlights and operating results of Merry Full after equity accounting for its 25% share of the consolidated results of Benefit East are as follows:

	8 months ended 31 August 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	–	–	–
Loss Before Tax	(6,472)	(13,335)	(4,242)
Net Loss	(6,472)	(13,335)	(4,242)
	As at 31 August 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	1,069,108	1,139,134	1,147,611
Total Liabilities	1,003,953	997,235	986,839
Net Assets	65,155	141,899	160,772

The financial highlights and consolidated operating results of Benefit East are as follows:

	8 months ended 31 August 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	406,615	–	–
Loss Before Tax	(25,888)	(53,105)	(16,574)
Net Loss	(25,888)	(53,105)	(16,574)
	As at 31 August 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	7,029,072	7,393,324	6,829,973
Total Liabilities	6,771,100	6,828,378	6,189,769
Net Assets	257,972	564,946	640,204

LETTER FROM THE BOARD

7. LISTING RULES IMPLICATIONS

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

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

8. RECOMMENDATION

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

9. ADDITIONAL INFORMATION

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

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

1. STATEMENT OF INDEBTEDNESS

As at the close of business on 30 September 2015, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had total bank and other borrowings of approximately HK\$8,706,948,000 comprising secured and unsecured bank and other borrowings of approximately HK\$5,876,948,000 and approximately HK\$2,830,000,000 respectively. The secured bank and other borrowings were secured by the Group's time deposits, properties under development, completed properties held for sale and 100% equity holdings of a subsidiary of the Group with an aggregate carrying value of approximately HK\$13,651,401,000.

As at 30 September 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\$7,012,040,000.

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 30 September 2015.

2. WORKING CAPITAL

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

3. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

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

Excluding the land bank of approximately 1.3 million sqm GFA held by the Target Group, the Group currently has a land bank of approximately 4.0 million sqm GFA which is sufficient for 3 to 4 years' of development and the details of the land bank is analysed by projects as follows:

Property Location	Intended Use	Approximate Total GFA (sqm)	Status of Development	Expected Completion Date (Year)
Phoenix County Chongqing, the PRC	Residential, Commercial and Car Park	110,000	Under construction and commenced pre-sale	2015
Radiant Bay Dazhou, Sichuan Province, the PRC	Residential, Commercial and Car Park	201,000	Under construction and commenced pre-sale	2015 or after
First City, Guiyang Guiyang, Guizhou Province, the PRC	Residential, Commercial, Office and Car Park	1,079,000	Under construction and commenced pre-sale	2015 or after
Florentia Town Guiyang, Guizhou Province, the PRC	Residential, Commercial and Car Park	641,000	Under construction and commenced pre-sale	2017 or after
Concordia City Guiyang, Guizhou Province, the PRC	Residential, Commercial, Office and Car Park	1,313,000	Under construction and commenced pre-sale	2017 or after
Zhongyu Metropolis Xi'an, Shannxi Province, the PRC	Residential, Commercial, Office and Car Park	638,000	Under construction and commenced pre-sale	2016 or after

It remains the Company's current intention to continue engaging in the property business in the PRC. As a measure to combat current market challenges, the Company has embarked on a series of strategic disposals of its portfolio of properties, joint investments and/or investment projects as previously announced. The Company has already benefited from accelerated returns from these disposal transactions and its cash position has been enhanced.

The Company's existing operation has continued facing the effect of the weakened sentiment in the western China markets including Chongqing. The generally worse-than-expected "golden September" performance has further put on more pressure for developers to increase their efforts to reduce their stocks and achieve their annual sales targets in the fourth quarter. The Directors are of the view that China's economy is expected to continue slowing down in the foreseeable future and its effect on the property market is expected to be more prominent in non-tier one cities, where the average per capita income is still significantly below leading cities in China. Therefore despite efforts by the Central Government this year to boost the property market, the Directors consider that it remains to be seen as to when the market may absorb excess capacity and that further property market consolidation is expected to continue in major cities in western China. From an operational perspective, the Directors expect more diversified and active steps to speed up destocking in those cities including Chongqing and other major cities in western China where the Company's existing property business is located, will continue to be adopted by most property developers in the foreseeable future. Whilst the Company has no intention to dispose of its existing business, the Directors are reviewing opportunities to accelerate returns from any slow moving inventory in its property portfolio, and will continually evaluate the performance of the Company's business operation. If opportunities arise which compare favourably with the current market outlook, and which will generate reasonable and faster returns to Shareholders, the Company will consider taking advantage of such opportunities in the interests of Shareholders.

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

The following is the text of a letter and a valuation certificate prepared for the purpose of incorporation in this Circular received from DTZ Debenham Tie Leung Limited, an independent property valuer, in connection with its opinion of market value of the property held by C C Land Holdings Limited as at 31 August 2015.



16/F
Jardine House
1 Connaught Place
Central
Hong Kong

5 November 2015

The Directors
C C Land Holdings Limited
Rooms 3308-10, 33rd Floor
China Resources Building
26 Harbour Road
Wanchai, Hong Kong

Dear Sirs,

Instructions, Purpose & Valuation Date

We refer to your instructions of C C Land Holdings Limited (the “Company”) to prepare property valuation for the property located in the People’s Republic of China (“the PRC”) held by 重慶尖置房地產有限公司 (Chongqing Sino Land Company Limited) (“CQ Sino Land”), an indirectly and beneficially owned 25% interest associate of the Company. 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 in existing state of the property as at 31 August 2015 (the “Valuation Date”) for public disclosure purpose.

Definition of Market Value

Our valuation of the property represents its market value. The definition of Market Value adopted in The HKIS Valuation Standards 2012 Edition follows the International Valuation Standards published by the International Valuation Standards Council (“IVSC”). Market Value is defined by the IVSC as “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 and where the parties had each acted knowledgeably, prudently and without compulsion”.

Valuation Basis & Assumptions

Our valuation excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

We have valued the property, which is situated in the PRC, on the bases that transferable land use rights of the property for specific term at nominal land use fees have been granted and that any premium payable has already been fully settled. We have relied on the information and advice given by CQ Sino Land, the Company and its legal adviser, 重慶百君律師事務所 (Exceedon & Partners), regarding the title to the property and the interest in the property in the PRC. We have also assumed that the grantees or the users of the property have free and uninterrupted rights to use, occupy, let or assign the property for the whole of the unexpired terms as granted.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoing of an onerous nature which could affect its value.

In valuing the property, we have complied with the requirements set out in The HKIS Valuation Standards 2012 Edition published by the Hong Kong Institute of Surveyors. We have also complied with all the requirements contained in Para. 46 of Schedule 3 of the Companies Ordinance, Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited.

Valuation Methodology

In valuing the property held by CQ Sino Land under development, we have valued on the basis that the property will be developed and completed in accordance with CQ Sino Land's latest development proposal provided to us. We have assumed that all consents, approvals and licences from relevant government authorities for the development proposal have been or will be obtained without onerous conditions or delays. We have also assumed that the design and construction of the development are in compliance with the local planning and other relevant regulations and have been or will be approved by the relevant authorities. In arriving at our opinion of value, we have adopted the Direct Comparison Approach by making reference to comparable sales evidence as available in the relevant market and have also taken into account the expended construction costs and the costs that will be expended to complete the development to reflect the quality of the completed development. The "market value as if completed" represents our opinion of the aggregate selling prices of the development assuming that it was completed as at the valuation date.

Title Investigation

We have been provided with copies of documents relating to the title to the property in the PRC. However, we have not searched the original documents to verify ownership or any amendments which may not appear on the copies handed to us. We have not been able to cause title search for the property in the PRC but we have made reference to the copies of the title documents which have been made available to us by CQ Sino Land and the Company. All documents have been used for reference only and all dimensions, measurements and areas are approximate.

Source of Information

We have relied to a considerable extent on the information given by CQ Sino Land, the Company and its legal adviser, 重慶百君律師事務所 (Exceedon & Partners). We have accepted advice given to us on such matters as planning approvals, statutory notices, easements, tenure, identification of the property, particulars of occupancy, development proposal, estimated total and expended development costs, pre-sale status, outstanding land premium, site and floor plans, site and floor areas, interest attributable to the Company and all other relevant matters.

Dimensions, measurements and areas stated in the valuation certificate attached are based on the information contained in the documents provided to us and are therefore only approximations. We have no reason to doubt the truth and accuracy of the information provided to us by CQ Sino Land and the Company which are material to the valuation. We were also advised by CQ Sino Land and the Company that no material facts have been omitted from the information supplied.

We would point out that the copies of documents provided to us are mainly compiled in Chinese characters and the transliteration into English represents our understanding of the contents. We would therefore advise you to make reference to the original Chinese edition of the documents and consult your legal adviser regarding the legality and interpretation of the documents.

Site Inspection

Cynthia Wang, Valuer of our Chongqing Office, inspected the exterior and, where possible, the interior of the property on 8 October 2015. However, we have not carried out any on-site investigations to determine the suitability of the soil conditions and the services etc. for any future development. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the construction period. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report that the property is free of rot, infestation or any other structural defects. Unless otherwise stated, we have not been able to carry out on-site measurements to verify the site and floor areas of the property and we have assumed that the area shown on the documents handed to us are correct.

Currency

Unless otherwise stated, all money amounts stated herein are in Renminbi (“RMB”), the official currency of the PRC.

Remark

Please note that DTZ Debenham Tie Leung Limited is also appointed by Sinoland China Investment Holdings Limited and Chinese Estates Holdings Limited (stock code 127) to prepare valuations of the same property for accounting reference purpose and public disclosure purpose respectively. DTZ Debenham Tie Leung Limited has sought consent from the Company (stock code 1224) for us to carry out the valuations for Sinoland China Investment Holdings Limited and Chinese Estates Holdings Limited. The Company, Sinoland China Investment Holdings Limited and Chinese Estates Holdings Limited understand that our valuations are carried out on an impartial basis without bias to any party concerned.

The valuation certificate is attached.

Yours faithfully,
For and on behalf of
DTZ Debenham Tie Leung Limited

Philip C.Y. Tsang
Registered Professional Surveyor (General Practice)
Registered China Real Estate Appraiser
MSc, MHKIS
Director, Valuation & Advisory Services

Note: Mr. Philip C.Y. Tsang is a Registered Professional Surveyor who has over 22 years of experience in the valuation of properties in the PRC.

VALUATION CERTIFICATE

Property held under development by CQ Sino Land in the PRC

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 August 2015																		
The unsold portions of a proposed development project, The Coronation, Chongqing situated at No.1 Zhongxin Section and Jie Dao Qiao Bei Village, Huaxin Street, Jiangbei District, Chongqing the PRC 中國 重慶市 江北區 華新街 街道橋北村及 中興段1號 計劃發展項目 重慶 – 御龍天峰 之未售部分	<p>The property occupies an irregular-shaped site with a total site area of 205,068.70 sqm.</p> <p>The property is situated at the northwest corner of Beibing First Road and Yufeng Road. Developments in the vicinity comprise mainly residential buildings and commercial buildings such as Longfor Chunsen Land (龍湖•春森彼岸), Zhaoshang Jiangwancheng (招商江灣城), Chunjiang Famous City (春江名都), etc. The property is served by public bus routes and Metro Line 3.</p> <p>According to the development proposal provided by CQ Sino Land, the property comprises the unsold portions of the proposed development with a total planned gross floor area of 1,336,479.42 sqm, which will be developed into various phases, comprising residential, apartment, commercial, office, clubhouse, school and car parks with details as follows:</p>	<p>Portion of the property has been newly completed in 2015 and portion is currently under development and is scheduled for completion in 2016 and 2017.</p> <p>The remaining area is still at planning stage and is scheduled for full completion in 2021.</p>	<p>RMB5,408,000,000</p> <p>(25% interest attributable to the Company: RMB1,352,000,000)</p>																		
	<table border="1"> <thead> <tr> <th>Type</th> <th>Planned Gross Floor Area (sqm)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>706,935.16</td> </tr> <tr> <td>Apartment</td> <td>108,668.00</td> </tr> <tr> <td>Commercial</td> <td>54,060.00</td> </tr> <tr> <td>Office</td> <td>80,000.00</td> </tr> <tr> <td>Kindergarten, school, clubhouse and others</td> <td><u>47,950.59</u></td> </tr> <tr> <td>Total gross floor area above ground</td> <td>997,613.75</td> </tr> <tr> <td>Car parks (underground) and others</td> <td><u>338,865.67</u></td> </tr> <tr> <td>Total gross floor area:</td> <td><u>1,336,479.42</u></td> </tr> </tbody> </table>	Type	Planned Gross Floor Area (sqm)	Residential	706,935.16	Apartment	108,668.00	Commercial	54,060.00	Office	80,000.00	Kindergarten, school, clubhouse and others	<u>47,950.59</u>	Total gross floor area above ground	997,613.75	Car parks (underground) and others	<u>338,865.67</u>	Total gross floor area:	<u>1,336,479.42</u>		
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	<p>The land use rights of various portions of the property have been granted for mixed and urban residential uses due to expire on 2 February 2048 for commercial use and 2 February 2058 for residential and education uses respectively.</p>																				

Notes:

- (1) According to 5 Real Estate Title Certificates issued by Chongqing Housing and Land Resources Administrative Bureau, the land use rights of the subject site are vested in 重慶尖置房地產有限公司 (Chongqing Sino Land Company Limited) (“CQ Sino Land”), an indirectly and beneficially owned 25% interest associate of C C Land Holdings Limited (the “Company”) with the details as follows:

(i)	Location	:	No.1 Zhongxin Section and Jie Dao Qiao Bei Village, Huaxin Street, Jiangbei District
(ii)	Land Use	:	Mixed and urban residential uses
(iii)	Land Use Term	:	Due to expire on 2 February 2048 for commercial use and 2 February 2058 for residential and education uses
(iv)	Site Area	:	77,379.90 sqm (Phase 1) for mixed use 58,183.90 sqm (Phase 2) for urban residential use 25,489.00 sqm (Phase 3) for urban residential use 24,114.40 sqm (Phase 4) for urban residential use 19,901.50 sqm (Phase 5) for commercial, urban residential, and education use Total 205,068.70 sqm

- (2) According to Grant Contract of State-owned Land Use Rights Yu Di (2008) He Zi (Jiangbei) No. 19 dated 2 February 2008, the details of the site is summarized below:

Grantor	:	Chongqing Housing and Land Resources Administrative Bureau
Grantee	:	CQ Sino Land
Location	:	No.1 Zhongxin Section and Jie Dao Qiao Bei Village, Huaxin Street, Jiangbei District
Land use	:	Residential and School
Site area	:	205,086 sqm
Land use term	:	Commercial: 40 years; Residential: 50 years, Industry: 50 years, commencing from the date of the contract.
Total permitted gross floor area	:	Not more than 1,029,879 sqm
Site coverage	:	Subject to planning approval Residential: Not more than 35%, School: Not more than 30%
Building Covenants	:	Commence before 31 March 2008 and complete before 31 March 2011
Land grant fee	:	RMB4,180,000,000

According to a letter dated 26 August 2010, the commencement date and completion dates of the building covenants have been amended to 30 July 2010 and 30 July 2013 respectively. According to the legal opinion, the building covenants are lapsed. As at the Valuation Date, Chongqing Housing and Land Resources Administrative Bureau has not resumed the land use rights of the property. CQ Sino Land may continue to possess the land use rights of the property and develop the property and may apply for extension of project completion time to Chongqing Housing and Land Resources Administrative Bureau.

- (3) According to Planning Permit for Construction Use of Land No. 500105200800355 issued by Chongqing Planning Administration Bureau on 6 May 2008, with the details as follows:

Developer	:	CQ Sino Land
Project Name	:	Project of No.1 Zhongxin Section and Jie Dao Qiao Bei Village, Huaxin Street
Location	:	No.1 Zhongxin Section and Jie Dao Qiao Bei Village, Huaxin Street
Site Area	:	205,121 sqm
Construction scale	:	1,029,874 sqm

- (4) According to 2 Planning Permits for Construction Works issued by The Planning and Management Bureau of Chongqing, the construction works of Phase 1 Districts A1 and A2 of the property with a total construction scale of 189,430.63 sqm.
- (5) According to 2 Planning Permits for Commencement of Construction Works issued by The Urban Construction Committee of Jiangbei District of Chongqing, the construction works of Phase 1 Districts A1 and A2 of the property with a total construction scale of 189,430.63 sqm.
- (6) According to Chongqing Construction Completion Examination Record Registration Form No. (2015) 0024 issued by The Urban Construction Committee of Jiangbei District of Chongqing on 15 June 2015, Phase 1 District A1 of the Property with a construction scale of 88,297.55 sqm.
- (7) According to 3 Chongqing Building Area Survey Reports issued by 重慶欣榮土地房屋勘测技術研究所 (Chongqing Xinrong Land and Building Survey Technology Institute), measurements of Blocks 13, 16 and 17 of the property have a total gross floor area of 37,531.46 sqm.
- (8) According to 5 Pre-sale Permits issued by Chengdu Urban-Rural Building Management Bureau, Phase 1 of the property with a total pre-sale area of 189,430.63 sqm.
- (9) According to the information provided by CQ Sino Land, the development cost incurred of Phases 1A District 2, 1BC, 2, 3, 4, the kindergarten and the school as at 31 August 2015 was approximately RMB530,000,000. The estimated development cost to complete the proposed development was approximately RMB5,440,000,000. In the course of our valuation, we have taken into account such costs.
- (10) According to CQ Sino Land, portion of the residential with gross floor area of 74,968.04 sqm has been pre-sold at a total consideration of RMB594,449,156. We have taken into account such pre-sold portion in our valuation.
- (11) According to CQ Sino Land, as at the Valuation Date, RMB73,186,941 of the land premium has yet to be settled. In the course of our valuation, we have taken into account the outstanding land premium.
- (12) The market value as if completed of the proposed development as at 31 August 2015 was approximately RMB15,215,000,000.
- (13) According to Business Licence No. 0234536 dated 10 December 2007, CQ Sino Land was established as a limited company with a registered capital of HKD760,000,000 for a valid operation period from 22 August 2007.
- (14) We have been provided with a legal opinion on the property prepared by the PRC legal adviser of the Company, which contains, *inter alia*, the following information:
- (i) CQ Sino Land is in possession of a proper legal title to the property;
 - (ii) Except for an additional land premium of RMB73,186,941, all land premium stated in the Grant Contract of State-owned Land Use Rights of the subject land plots have been paid and settled;
 - (iii) The Real Estate Title Certificates of the property are valid, legal and enforceable under the PRC laws;
 - (iv) Chongqing Housing and Land Resources Administrative Bureau has not resumed the land use rights of the property. CQ Sino Land may continue to possess the land use rights of the property and develop the property and may apply for extension of project completion time to Chongqing Housing and Land Resources Administrative Bureau;

- (v) CQ Sino Land has obtained the relevant certificates and approval from the government in respect of the construction of portions of the property;
 - (vi) CQ Sino Land has obtained the relevant certificates and approval from the government in respect of the pre-sale of portions of the property;
 - (vii) CQ Sino Land is entitled to occupy, use, transfer, lease, mortgage or dispose of the land use rights of the property; and
 - (viii) CQ Sino Land is an indirectly and beneficially owned 25% interest associate of the Company.
- (15) The status of the title and grant of major approvals and licences in according with the information provided by CQ Sino Land and the PRC Legal opinion is as follows:-

Real Estate Title Certificate	Yes
Grant Contract of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes (Partly)
Permit for Commencement of Construction Works	Yes (Partly)
Construction Completion Examination Record Registration Form	Yes (Partly)
Building Area Survey Report	Yes (Partly)
Pre-sale Permit	Yes (Partly)
Business Licence	Yes

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests and short positions of each of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation(s) (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules (“Model Code”), to be notified to the Company and the Stock Exchange, were as follows:

Interests in shares of the Company (long positions)

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

Notes:

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

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

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

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

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

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

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

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

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

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

Notes:

1. 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.
2. 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.
3. 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.
4. 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 issued voting shares (including any options in respect of such capital) 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

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 issued voting shares (including any options in respect of such capital) 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
DTZ	property valuer

DTZ 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.

DTZ 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.

DTZ has no direct or indirect interest in any assets which have since 31 December 2014 (being the date to which the latest published audited accounts of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

5. COMPETING INTEREST

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

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

6. SERVICE CONTRACTS

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

7. MATERIAL CONTRACTS

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

- (a) the agreement dated 13 November 2013 entered into between Marvel Leader (as vendor), Shimao Property Holdings (BVI) Limited (as purchaser), the Company (as Marvel Leader’s guarantor) and Shimao Property Holdings Limited (as purchaser’s guarantor), for the disposal of the entire issued capital of Ho Yeung Group Limited (a company indirectly wholly-owned by the Company (“Ho Yeung”)), and the assignment of all benefits and interests of and in the loans due and owing by Ho Yeung to Marvel Leader, at a total consideration of RMB1,425,480,000;
- (b) the investment agreement dated 7 April 2014 entered into between Marvel Leader (whose obligations and liabilities thereunder were assumed by Shengyu (BVI) Limited by way of novation on 17 July 2015 and pursuant to the agreement described in sub-paragraph (d) below), Starthigh and Mr. Tsang for the disposal of 240 shares in Starthigh by Marvel Leader and the allotment of 1,600 shares by Starthigh, to Mr. Tsang or his nominee, at a total consideration of HK\$717,600,000; and the shareholders’ deed dated 17 December 2014 in respect of Starthigh entered into among Marvel Leader (whose obligations and liabilities thereunder were assumed by Shengyu (BVI) Limited by way of novation on 17 July 2015 and pursuant to the agreement described in sub-paragraph (d) below), Mr. Tsang, Happy Yield Holdings Limited and Starthigh;

- (c) the agreement dated 24 November 2014 entered into between 重慶瑞昌房地產有限公司 (Chongqing Lucky Boom Realty Company (“CQ Lucky Boom”)), indirectly wholly-owned by the Company, as vendor and 重慶市驛鑫房地產開發有限公司 (Chongqing Yi Xin Real Estate Development Limited) as purchaser, for the disposal of the entire equity interest in 重慶瑞繁實業有限公司 (Chongqing Rui Fan Enterprises Limited), a company directly wholly-owned by CQ Lucky Boom and indirectly wholly-owned by the Company, and the assignment of the shareholder’s loan in the sum of RMB13,874,831.57, at a total consideration of RMB459,000,000;
- (d) the agreement dated 2 June 2015 entered into between Marvel Leader (as vendor), Shengyu (BVI) Limited (as purchaser) and Evergrande Real Estate Group Limited (as purchaser’s guarantor), for the disposal of 92% of the entire issued share capital of Starthigh and the assignment of all benefits and interests of and in the loans due and owing by Starthigh to Marvel Leader, at a total consideration of RMB5,500,000,000;
- (e) the agreement dated 24 July 2015 entered into between Marvel Leader (as vendor), the Company (as vendor’s guarantor), Ease Success Holdings Limited (as purchaser), Sunac China Holdings Limited (as purchaser’s guarantor), 四川中渝置地有限公司 (CC Land Holdings (Sichuan) Limited, as debtor) and 成都國嘉志得置業有限公司 (Chengdu Guojia Cheer Gain Property Company Limited, as target company), for the disposal of the entire issued share capital of Joyview Group Limited (a company indirectly wholly-owned by the Company, “Joyview”) and the assignment of all benefits and interests of and in the loans due and owing by Joyview to Marvel Leader, at a total consideration of RMB2,755,553,457.92;
- (f) the agreement dated 4 September 2015 entered into between Marvel Leader (as vendor) and Colour Gold Limited (as purchaser), for the disposal of the entire issued share capital of Win Peak Group Limited (a company indirectly wholly-owned by the Company), at a consideration of RMB450,000,000; and
- (g) the Agreement.

8. LITIGATION

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

9. MATERIAL ADVERSE CHANGE

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

10. MISCELLANEOUS

- (a) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (b) The head office and principal place of business of the Company in Hong Kong is at Rooms 3308-10, 33rd Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.
- (c) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Secretaries Limited situated at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) The Company Secretary of the Company is Cheung Fung Yee, who is an associate of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators.
- (e) The English texts of this circular shall prevail over their respective Chinese texts in case of inconsistency.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the Company's branch office in Hong Kong at 15/F, China United Centre, 28 Marble Road, North Point, Hong Kong up to and including 19 November 2015:

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