THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your 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).

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 ACQUISITION
ACQUISITION OF THE LEADENHALL BUILDING
AND
NOTICE OF SPECIAL GENERAL MEETING

A notice convening a special general meeting of C C Land Holdings Limited to be held on Thursday, 18 May 2017 at 12:05 p.m. (or at the soonest thereafter as the annual general meeting of the Company convened to be held at 11:45 a.m. on the same date and at the same place shall have been concluded or adjourned) at Drawing Room, Mezzanine Floor, Grand Hyatt Hong Kong, 1 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 no later than 12:05 p.m. on Tuesday, 16 May 2017, or not less than 48 hours before the time appointed for the holding of any adjourned meeting (as the case may be). 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.

2 May 2017

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

"Agreement"	the agreement dated 1 March 2017 (United Kingdom time) entered into between the Buyer, the Company, the Sellers and the Oxford Guarantor in relation to the Leadenhall Acquisition
"Announcement"	the announcement of the Company dated 1 March 2017 in relation to, among other things, the Agreement and the transaction contemplated thereunder
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"BL Seller"	Union Property Holdings (London) Limited, a company incorporated in England and Wales
"Board"	the board of Directors
"Buyer"	Green Charm Investments Limited, a company incorporated and registered in the British Virgin Islands with limited liability and indirectly wholly-owned by the Company
"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 Leadenhall Acquisition in accordance with the Agreement
"Completion Balance Sheet"	the consolidated balance sheet for the Target Group as at the Completion Date to be prepared by the Sellers, and agreed by the Buyer and the Sellers or determined, in accordance with the Agreement
"Completion Date"	the date on which Completion takes place in accordance with the Agreement
"Condition"	the condition precedent set out in the section headed "*Condition precedent*" in the "*Letter from the Board*" in this circular
"Director(s)"	the director(s) of the Company
"Enlarged Group"	the Group as enlarged by the Leadenhall Acquisition
"Excluded Companies"	has the meaning as defined in the section headed "*Information on the Leadenhall Building and the Target Group*" in the "*Letter from the Board*" in this circular
"Final Long Stop Date"	28 June 2017 or any other date as agreed by the parties to the Agreement
"First Long Stop Date"	25 May 2017, or any other date as agreed by the parties to the Agreement
"GBP"	British Pound Sterling, the lawful currency of the United Kingdom of Great Britain and Northern Ireland

"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 Group and is (are) independent of and not connected with the Group and its connected person(s)
"Independent Property Valuer"	Knight Frank Petty Limited
"Initial Consideration"	has the meaning as defined in the section headed "*Consideration and payment terms*" in the "*Letter from the Board*" in this circular
"January Acquisition"	the acquisition by the Group of the entire interest of a property located in London, the United Kingdom, which acquisition was completed in January 2017 and details of such acquisition were disclosed in the announcement and circular of the Company dated 27 January 2017 and 9 March 2017 respectively
"Latest Practicable Date"	28 April 2017, being the latest practicable date prior to the printing of this circular for the purposes of ascertaining certain information contained in this circular
"Leadenhall Acquisition"	the acquisition of 100% interests in the Leadenhall Building (through the acquisition of the Sale Shares and the repayment of the shareholder loans of the Target Group) under the Agreement
"Leadenhall Building"	the freehold property known as 122 Leadenhall Street, London EC3V 4PE and the leasehold property being part of the airspace above Leadenhall Street
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Oxford Guarantor"	Oxford Jersey Holding Company Limited, a company incorporated in Jersey and the guarantor for the Oxford Seller under the Agreement
"Oxford Seller"	Oxford Properties European GP Inc., as general partner for Oxford Properties European Holdings Limited Partnership, an Ontario limited partnership
"PRC"	the People's Republic of China, and for the purpose of this circular, excluding Hong Kong, Macau and Taiwan
"Prop Co"	Leadenhall Property Co (Jersey) Ltd, a private company incorporated in Jersey and the registered owner of the Leadenhall Building
"RMB"	Renminbi, the lawful currency of the PRC
"Sale Shares"	has the meaning as defined in the section headed "*Assets to be acquired*" in the "*Letter from the Board*" in this circular

"Sellers"	collectively, the BL Seller and the Oxford Seller, and each of them a "Seller"
"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 18 May 2017 for approving the Agreement and the transactions contemplated thereunder
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company
"Shareholders"	holder(s) of Share(s)
"Stakeholder Account"	has the meaning as defined in the section headed "*Consideration and payment terms*" in the "*Letter from the Board*" in this circular
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Leadenhall Holding Co (Jersey) Ltd, a private company incorporated in Jersey
"Target Completion Date"	25 April 2017, or any other date as agreed between the parties to the Agreement
"Target Group"	the Target Company and the Prop Co, which for the avoidance of doubt does not include the Excluded Companies
"Tax Deed"	the tax deed to be entered into between the Buyer and the Sellers on Completion Date, pursuant to which the Sellers as covenantors covenant to pay the Buyer certain tax liabilities of the Target Group in accordance with the terms of such deed
"US$"	United States dollars, the lawful currency of the United States of America
"%"	per cent

In this circular, GBP has been converted to HK$ at the rate of GBP1 = HK$9.7 for illustration purpose only. No representation is made that any amounts in GBP or HK$ have been, could have been or could be converted at the above rate or at any other rates or at all.

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)

Executive Directors:
Mr. Cheung Chung Kiu *(Chairman)*
Dr. Lam How Mun Peter
(Deputy Chairman & Managing Director)
Mr. Tsang Wai Choi *(Deputy Chairman)*
Mr. Wong Chi Keung *(Deputy Chairman)*
Mr. Leung Chun Cheong
Mr. Leung Wai 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 HM 11
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

2 May 2017

To Shareholders,

Dear Sir or Madam,

ACQUISITION OF THE LEADENHALL BUILDING

1. INTRODUCTION

As disclosed in the Announcement, on 1 March 2017 (United Kingdom time), an indirectly wholly-owned subsidiary of the Company as the buyer and the Company as the buyer's guarantor entered into the Agreement to acquire 100% interests in the Leadenhall Building (through the acquisition of the Sale Shares and the repayment of the shareholder loans of the Target Group).

The purpose of this circular is to provide you with, among other, (i) further details on the Leadenhall Acquisition; (ii) financial information of the Group; (iii) financial information of the Target Group and the Excluded Companies; (iv) unaudited pro forma financial information of the Enlarged Group; (v) property valuation report of the Leadenhall Building; and (vi) other information as required under the Listing Rules.

2. THE AGREEMENT

On 1 March 2017 (United Kingdom time), an indirectly wholly-owned subsidiary of the Company as the buyer and the Company as the buyer's guarantor entered into the Agreement, the material terms of which are summarized below.

2.1 Date

1 March 2017 (United Kingdom time)

2.2 Parties

Buyer:	Green Charm Investments Limited
Buyer's Guarantor:	C C Land Holdings Limited
Sellers:	(i) Union Property Holdings (London) Limited; and (ii) Oxford Properties European GP Inc. as general partner for Oxford Properties European Holdings Limited Partnership
Oxford Guarantor:	Oxford Jersey Holding Company Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Sellers and the Oxford Guarantor and their respective ultimate beneficial owner(s) are Independent Third Parties.

2.3 Assets to be acquired

The Buyer has conditionally agreed to acquire:

(i) from the BL Seller, 64 issued "B" ordinary shares of GBP1 each in the capital of the Target Company and 300 issued "C" ordinary shares of GBP1 each in the capital of the Target Company (together, the "**BL Shares**"), which together represent in essence 50% of the interests in the Target Company; and

(ii) from the Oxford Seller, 64 issued "A" ordinary shares of GBP1 each in the capital of the Target Company (the "**Oxford Shares**", and together with the BL Shares, the "**Sale Shares**"), which represent in essence the other 50% of the interests in the Target Company.

The Sale Shares constitute the entire issued share capital of the Target Company, which is the legal and beneficial owner of the entire issued share capital of Prop Co, which is in turn the legal and beneficial owner of the Leadenhall Building. Accordingly, upon Completion, the Group will hold 100% of the issued shares capital of each of the Target Company and Prop Co.

2.4 Consideration and payment terms

The aggregate amount payable by the Buyer in cash under the Agreement is expected to be approximately GBP1,135 million (equivalent to approximately HK$11,009.5 million), comprising (i) GBP770.7 million (equivalent to approximately HK$7,475.8 million), representing the initial consideration for the Sale Shares (the "**Initial Consideration**") to be paid to the Sellers in equal shares; and (ii) the repayment by the Buyer of the outstanding shareholder loans of the Target Group at Completion, which is estimated by the Sellers (assuming Completion will occur on the Target Completion Date) to be GBP364.3 million (equivalent to approximately HK$3,533.7 million).

The amount of the Initial Consideration represents the Sellers' estimate of the net asset value of the Target Group assuming Completion on the Target Completion Date.

Post-Completion adjustment

The Initial Consideration will be subject to the following post-Completion adjustment:

(a) plus the amount (if any) by which the net asset value of the Target Group as at the Completion Date as set out in the Completion Balance Sheet (the "**Final Consideration**"), exceeds the Initial Consideration; or

(b) alternatively, less the amount (if any) by which the Final Consideration is less than the Initial Consideration.

In addition, the Completion Balance Sheet will include a liability to reflect the amount of rent frees and rent guarantees which the Sellers have agreed to top-up and the net asset value of the Target Group therein will be reduced by such amount. As at the Latest Practicable Date, such amount is estimated to be approximately GBP12.7 million (equivalent to approximately HK$123.2 million), assuming Completion takes place on the Target Completion Date.

Within 30 business days following the Completion Date, the Sellers will prepare (or procure the preparation of) and deliver to the Buyer a draft Completion Balance Sheet. Once the draft Completion Balance Sheet has been agreed or determined, the Buyer or the Sellers (as the case may be) will settle any shortfall or surplus between the Initial Consideration and the Final Consideration within 5 business days from the date on which the Completion Balance Sheet is agreed or determined.

Payment schedule, deposits and releases

The Initial Consideration will be settled in the following manner pursuant to the Agreement:

(i) upon the signing of the Agreement, an amount of GBP287.5 million (equivalent to approximately HK$2,788.8 million) comprising: (a) an initial security amount of GBP30 million (equivalent to approximately HK$291 million) (the "**Initial Security Amount**"); and (b) initial held funds of GBP257.5 million (equivalent to approximately HK$2,497.8 million) (the "**Initial Held Funds**"), has already been paid by the Buyer out of the Group's internal cash resources to the accounts of the BL Seller's solicitors as stakeholder (the "**Stakeholder Account**");

(ii) if the Condition has not been satisfied by:

(1) the date falling 5 business days before the Target Completion Date (or such shorter period as may be agreed by the Buyer and the Sellers in writing), the Initial Security Amount will be released to the Sellers on Target Completion Date;

(2) the date falling 5 business days before the First Long Stop Date (or such shorter period as may be agreed by the Buyer and the Sellers in writing), GBP10 million (equivalent to approximately HK$97 million) from the Initial Held Funds will be designated as an additional security amount (the "**Further Security Amount**");

(3) the Final Long Stop Date, (aa) the Further Security Amount will be released to the Sellers (without prejudice to any other rights or remedies of the Sellers under the Agreement); and (bb) the remainder of the Initial Held Funds of GBP247.5 million (equivalent to approximately HK$2,400.8 million) will be returned to the Buyer;

(iii) if the Condition is fulfilled and Completion takes place, at Completion, the Initial Security Amount (if not released), the Further Security Amount (if not released) and the Initial Held Funds (or the remainder of it where applicable) (together with accrued interest) will be released to the Sellers, and the Buyer will settle the Initial Consideration less GBP287.5 million (equivalent to approximately HK$2,788.8 million).

In summary, a maximum sum of GBP40 million (equivalent to approximately HK$388 million) would be released to the Sellers (without prejudice to any other rights or remedies of the Sellers under the Agreement) on the Final Long Stop Date if the Condition is not fulfilled by then. As at the Latest Practicable Date, since the Condition is yet to be satisfied, the Initial Security Amount was released to the Sellers on Target Completion Date. The Company will comply with its disclosure obligations as appropriate in accordance with the requirements of the Listing Rules if the Condition is not fulfilled by the Final Long Stop Date.

2.5 Condition precedent

Completion is subject to and conditional upon the passing of the resolution by the Shareholders for approving the Agreement and the transactions contemplated thereunder in a general meeting of the Company. As disclosed in the section headed "*SGM*" below, it is expected that the resolution will be passed by the Shareholders at the SGM by virtue of the undertaking given by Mr. Cheung Chung Kiu to procure Fame Seeker Holdings Limited ("**Fame Seeker**") and Thrivetrade Limited ("**Thrivetrade**") (which together hold approximately 50.41% of all issued Shares as at the Latest Practicable Date) to vote in favour of such resolution.

2.6 Completion

Completion will take place on: (a) the date falling 5 business days (or such shorter period as the Buyer and the Sellers may agree) after the date on which the Condition is satisfied; (b) such other date as determined pursuant to a Completion Postponement (as defined in this section below); or (c) any such date as the parties may agree in writing.

If the Condition is satisfied but Completion does not take place as a result of default by either the Buyer or the Sellers of their completion obligations, the non-defaulting party will be entitled to fix a new date for Completion, which will not be less than 10 business days but not more than 20 business days after the date on which the original Completion ought to take place (the "**Completion Postponement**"). If, on the new date scheduled for Completion pursuant to the Completion Postponement, Completion still does not take place, the non-defaulting party may terminate the Agreement.

2.7 Guarantee and undertaking

The Company guarantees the Buyer's performance of all obligations and liabilities (including without limitation payment obligations) under the Agreement and the Tax Deed. The Oxford Guarantor guarantees the Oxford Seller's performance of obligations and liabilities under the Agreement and the Tax Deed.

2.8 Termination and default

If the Condition has not been fulfilled by the Final Long Stop Date or, prior to the Final Long Stop Date, the parties agree in writing that the Condition has become incapable of being fulfilled by the Final Long Stop Date, the Agreement will automatically terminate.

If the Condition is fulfilled but the Sellers default and fail to proceed with Completion, and the Buyer terminates the Agreement, (i) all amounts then held in the Stakeholder Account (together with accrued interest) will be returned to the Buyer; and (ii) any amounts previously released to the Sellers under the Agreement will be paid back to the Buyer. Conversely, if the Condition is fulfilled but the Buyer defaults and fails to proceed with Completion and the Sellers terminate the Agreement, all remaining amounts then held in the Stakeholder Account (i.e. up to a maximum of GBP287.5 million (equivalent to approximately HK$2,788.8 million)) together with accrued interest will be released to the Sellers.

3. BASIS FOR DETERMINATION OF THE CONSIDERATION

The consideration for the Leadenhall Acquisition was determined following arm's length negotiations on normal commercial terms between the parties to the Agreement by reference to the unaudited net asset value of the Target Group as at 31 December 2016 (adjusted for rent-frees and rent guarantees which the Sellers have agreed to top-up, assuming Completion on the Target Completion Date) of approximately GBP770.7 million (equivalent to approximately HK$7,475.8 million), the agreed property value of the Leadenhall Building as at 21 February 2017 of GBP1,150 million (equivalent to approximately HK$11,155 million) and the estimated amount of outstanding shareholder loans of the Target Group of GBP364.3 million (equivalent to approximately HK$3,533.7 million) based on the unaudited financial information as at 31 December 2016 and adjusted for Completion on the Target Completion Date.

At Completion, the Group will settle the balance of GBP847.5 million (equivalent to approximately HK$8,220.7 million) of the consideration under the Agreement in cash. With the completion of the rights issue by the Company on 28 April 2017, the Group had available a replenished working capital of over HK$11.7 billion immediately thereafter. In view of the Group's ample financial resources, the balance of the consideration for the Leadenhall Acquisition could be funded entirely by approximately 70% of the Group's working capital as replenished by the rights issue, or, subject to availability of external borrowing presently being arranged, partly by working capital together with approximately 76% by debt financing, as the Directors may consider appropriate, to maintain a healthy level of working capital for any future investment opportunities in the global property markets that may be available to the Group.

4. INFORMATION ON THE SELLERS AND THE OXFORD GUARANTOR

To the best knowledge and information of the Directors, the BL Seller is principally engaged in investments holding. The ultimate holding company of the BL Seller is The British Land Company PLC, which is a real estate investment trust listed on the London Stock Exchange and is principally engaged in holding commercial property in the United Kingdom for investment.

To the best knowledge and information of the Directors, the Oxford Seller is a general partner for Oxford Properties European Holdings Limited Partnership, which is a member of Oxford Properties Group ("**Oxford Properties**"). Oxford Properties is engaged in real estate investment, development and management activities for Ontario Municipal Employees Pension System ("**OMERS**"), a defined benefit pension plan that invests and administers pensions for members from municipalities, school boards, emergency services and local agencies across Ontario, Canada. The Oxford Guarantor is principally engaged in investment holding and is also a member of Oxford Properties and is indirectly owned by OMERS.

5. INFORMATION ON THE LEADENHALL BUILDING AND THE TARGET GROUP

The Leadenhall Building is a commercial tower with over 46 floors, comprising approximately 610,000 square feet of office and retail space and is fully multi-let with a weighted average unexpired lease term of approximately 13 years with over 10 years on a term-certain basis. The building's tenant base includes a number of major international insurance companies alongside financial institutions, technology and professional service businesses. The current annual rental income of the Leadenhall Building is in the region of approximately GBP 40.2 million (equivalent to approximately HK$389.9 million). The Leadenhall Building was designed by Rogers Stirk Harbour + Partners, and was developed by a joint venture between The British Land Company PLC and Oxford Properties in 2014. The property occupies a site of 0.94 acres (0.38 hectares) and extends to 736 feet in height. The valuation of the Leadenhall Building is approximately GBP1,150 million (equivalent to approximately HK$11,155 million) as at 31 March 2017 based on the valuation performed by the Independent Property Valuer adopting the direct comparison method.

The financial information of the Target Group is as follows:

(1) Target Company

	Year ended 31 March 2016 GBP million *(HK$ million equivalent)* (Unaudited)	Year ended 31 March 2015 GBP million *(HK$ million equivalent)* (Unaudited)
Net loss before tax	0.1 *(1)*	0.1 *(1)*
Net loss after tax	0.1 *(1)*	0.1 *(1)*

	As at 31 March 2016 GBP million *(HK$ million equivalent)* (Unaudited)
Net assets	85.4 *(828.4)*

(2) Prop Co

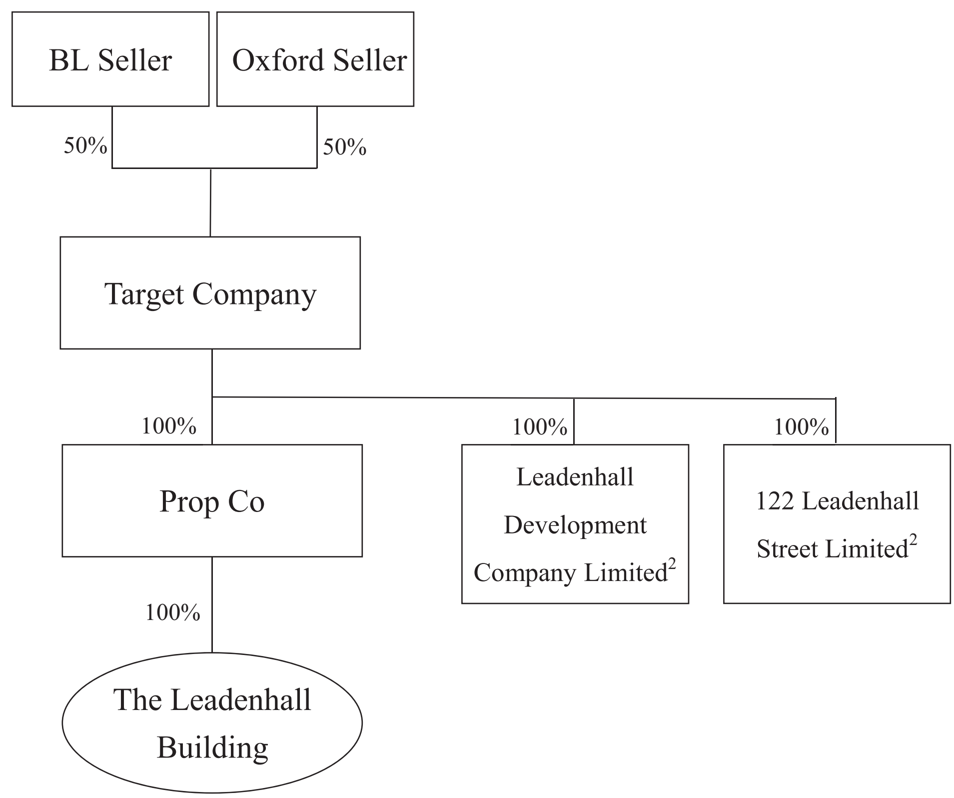
	Year ended 31 March 2016 GBP million *(HK$ million equivalent)* (Unaudited)	Year ended 31 March 2015 GBP million *(HK$ million equivalent)* (Unaudited)
Net profit before tax	140.6 *(1,363.8)*	202.2 *(1,961.3)*
Net profit after tax	140.6 *(1,363.8)*	202.2 *(1,961.3)*

	As at 31 March 2016 GBP million *(HK$ million equivalent)* (Unaudited)
Net assets	498.6 *(4,836.4)*

As at 31 December 2016, the outstanding shareholder loans of the Target Group was approximately GBP372.8 million (equivalent to approximately HK$3,616.2 million) and the net asset value of the Target Group was approximately GBP634.7 million (equivalent to approximately HK$6,156.6 million).

So far as the Directors are aware as informed by the Sellers, the Target Group has been engaged in the holding, directly or indirectly, of the Leadenhall Building (and matters ancillary to this) as an investment property, and immediately prior to the date of the Agreement, the Target Company also held, apart from the Prop Co, two other companies ("**Excluded Companies**") which are not part of the Leadenhall Acquisition: (i) Leadenhall Development Company Limited, which is principally engaged in the provision of development management services to the Prop Co, and the net asset value of Leadenhall Development Company Limited as at 31 March 2017 was approximately GBP0.1 million (equivalent to approximately HK$1 million) and (ii) 122 Leadenhall Street Limited, which is a dormant company. Under the Agreement, the Sellers will procure that the sale by the Target Company of the Excluded Companies will be completed before Completion, and the Sellers will indemnify the Group, amongst other things, against any loss or liabilities that it may suffer in connection with the Excluded Companies subject to certain limitations. As at the Latest Practicable Date, the Directors understand from the Sellers that (i) the disposal of 122 Leadenhall Street Limited has already been completed; and (ii) the disposal of Leadenhall Development Company Limited is expected to complete one business day before Completion.

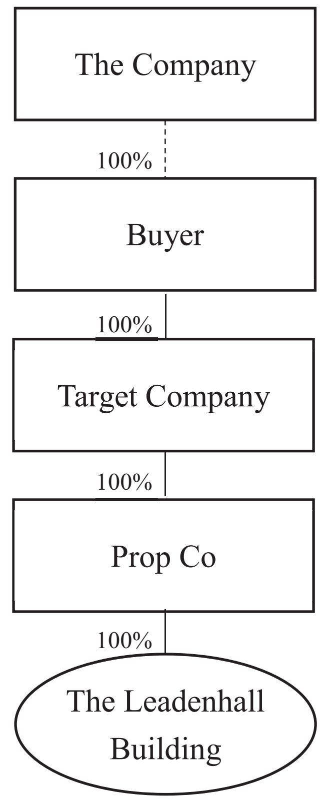
The diagram below shows the shareholding structure of the Target Company immediately before the signing of the Agreement:



Note 1: The Target Group includes the Target Company and Prop Co, which directly holds the Leadenhall Building.

Note 2: These are the Excluded Companies which are not part of the Leadenhall Acquisition. Under the Agreement, the Sellers will procure that the sale by the Target Company of the Excluded Companies will be completed before Completion.

The diagram below shows the shareholding structure of the Target Company immediately after Completion:



Note: The dotted line (- - -) indicates indirect shareholding.

6. INFORMATION ON THE BUYER AND THE GROUP

The Buyer is a company incorporated in the British Virgin Islands with limited liability and is an indirectly wholly-owned subsidiary of the Company. The Buyer is principally engaged in investment holding. The core businesses of the Group are property development and investment, as well as treasury investments.

7. FINANCIAL EFFECTS OF THE TRANSACTION

Following the Completion, the Target Group will become subsidiaries of the Company and the assets, liabilities and financial results of the Target Group will be consolidated into the consolidated financial statements of the Company upon Completion. The unaudited pro forma financial information of the Enlarged Group illustrating the financial impact of the Leadenhall Acquisition is set out in Appendix III to this Circular.

Earnings

The Leadenhall Building is held as an investment property by the Group for the purpose of earning rental income and capital appreciation. Investment property is stated at its fair value, which reflects the market conditions as at the end of the reporting period with any gain or loss arising from changes in the fair value included in the consolidated statement of profit or loss in the period in which they arise. The aggregate rental income to be generated from the Leadenhall Building will be accounted for in the consolidated financial statements of the Company as revenue of the Group.

For illustration purpose, based on the unaudited pro forma consolidated income statement of the Group as enlarged by the Leadenhall Acquisition as set out in Appendix III to this circular, revenue will increase from approximately HK$1,129 million for the year ended 31 December 2016 for the Group to approximately HK$1,393 million for the Group as enlarged by the Leadenhall Acquisition.

Assets and liabilities

Based on the audited consolidated statement of financial position of the Company, the Group as at 31 December 2016 had total assets of approximately HK$14,636 million, total liabilities of approximately HK$1,368 million, net current assets of approximately HK$9,752 million, and had a net cash position. Based on the unaudited pro forma consolidated statement of financial position as set out in Appendix III to this circular, the Group as at 31 December 2016 (if enlarged by the Leadenhall Acquisition) would have total assets of approximately HK$14,786 million, total liabilities of approximately HK$1,440 million, and net current liabilities of approximately HK$1,326 million.

For illustration purpose, based on the aforesaid figures, on a pro forma basis, the net current assets of the Group as at 31 December 2016 (if enlarged by the Leadenhall Acquisition) would be decreased by approximately HK$11,078 million to a net current liabilities position due to the cash payable for the Consideration for the Leadenhall Acquisition.

8. REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The acquisition of the Leadenhall Building is in line with the business strategy of the Group in investing in quality property developments in mature cities globally. The Leadenhall Building is an iconic and award-winning building situated in the prime financial and insurance districts of London. Completed in 2014, the Leadenhall Building is a world class skyscraper and office tower boasting an impressive lease portfolio commanding strong recurring rentals and will be held by the Group as an investment property for long term capital growth. It is expected that the Leadenhall Building will generate a stable and strong recurrent income for the Group and affirm the Group's presence in the international property markets.

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.

9. LISTING RULES IMPLICATIONS

As an applicable percentage ratio exceeds 100%, the Agreement and the transactions contemplated thereunder constitute a very substantial acquisition of the Company and are subject to notification, announcement, circular and shareholders' approval requirements under the Listing Rules.

10. SGM

The SGM will be held for the purpose of considering and, if thought fit, approving the relevant ordinary resolution in respect of the Agreement and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, no Shareholder has a material interest in the Agreement and the transactions contemplated thereunder and therefore no Shareholder is required to abstain from voting at the SGM. As at the Latest Practicable Date, Fame Seeker and Thrivetrade in aggregate holds approximately 50.41% of the issued Shares. On the date of the Agreement, Mr. Cheung Chung Kiu, who is interested in 100% of each of Fame Seeker and Thrivetrade, gave an irrevocable undertaking in favour of the Sellers to procure Fame Seeker and Thrivetrade to vote in favour of the resolution approving the Agreement and the transactions contemplated thereunder.

The SGM will be held at Drawing Room, Mezzanine Floor, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Thursday, 18 May 2017 at 12:05 p.m. (or at the soonest thereafter as the annual general meeting of the Company convened to be held at 11:45 a.m. on the same date and at the same place shall have been concluded or adjourned) at which an ordinary resolution will be proposed to the Shareholders to consider and, if thought fit, approve 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 no later than 12:05 p.m. on Tuesday, 16 May 2017, or not less than 48 hours before the time appointed for any adjourned meeting (as the case may be). 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.

11. RECOMMENDATION

The Board considers that the Agreement 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 Group and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolution set out in the notice of the SGM for the approval of the Agreement and the transactions contemplated thereunder.

12. 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. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three financial years ended 31 December 2014, 2015 and 2016 were set out in the relevant annual reports of the Company uploaded to the Stock Exchange's website (http://www.hkexnews.hk) and the Company's website (http://www.ccland.com.hk).

Please also see below links to the relevant annual reports:

- Annual report of the Company for the year ended 31 December 2016 published on 11 April 2017 (pages 33 to 95):

  http://www.hkexnews.hk/listedco/listconews/sehk/2017/0411/LTN20170411614.pdf

- Annual report of the Company for the year ended 31 December 2015 published on 14 April 2016 (pages 30 to 91):

  http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0414/LTN20160414815.pdf

- Annual report of the Company for the year ended 31 December 2014 published on 15 April 2015 (pages 64 to 133):

  http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0415/LTN20150415835.pdf

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 March 2017, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Enlarged Group had total bank borrowings of approximately HK$5,679,180,000, which were all secured by the Enlarged Group's cash deposits maintained with the bank in the amount of approximately HK$1,406,605,000.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Enlarged 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 March 2017.

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 Enlarged Group, including funds internally generated from its business operations and the available financial facilities, the Enlarged 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 ENLARGED GROUP

The core business of the Enlarged Group will continue to be property development and investment as well as treasury investments. 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 in 2015 and 2016. The Company has already benefited from accelerated returns from these disposal transactions and its cash position has been enhanced.

The Enlarged Group is building a real estate portfolio of investment properties for steady recurring rental income and property development for generating property sales revenue. By maintaining a balanced property portfolio the Enlarged Group aims to generate income as well as to protect against the property market risks in the long run.

The Enlarged Group is currently actively looking for acquisition opportunities, and focuses on investing selectively in tier one cities in China, Hong Kong, and mature cities globally. The Group's financial strength and management structure has enabled it to respond quickly, after much patience, to take advantage of the recent political and financial changes in the world and snapped up two investment properties, namely One Kingdom Street and the Leadenhall Building in London, the United Kingdom which are considered dream acquisitions for the Enlarged Group. Based on the management's experience and expertise in the property business, the Enlarged Group is confident of solid future expansion, thereby creating value for the Shareholders.

As for the treasury investments business, the Enlarged Group will invest its surplus cash in a diversified portfolio of listed equity securities and unlisted investment funds. The Enlarged Group will continuously adopt a prudent and cautious investment strategy and will from time to time assess the portfolio of its investments and make timely and appropriate adjustments to fine-tune its investments holding with a view to generating favourable returns for the Shareholders.

5. MANAGEMENT DISCUSSION AND ANALYSIS

(A) Management discussion and analysis of the Group

The management discussion and analysis of the Group for each of the three years ended 31 December 2014, 2015 and 2016 is set out below. The following discussion should be read in conjunction with the historical financial information of the Group. The financial statements of the Group have been prepared in accordance with the Hong Kong Financial Reporting Standards.

(i) For the year ended 31 December 2016

RESULTS

The Group achieved a consolidated revenue of HK$1,129.4 million, representing a decrease of approximately 83% compared to HK$6,620.2 million in 2015. The Group's net loss for the year was HK$356.8 million (2015: a net profit of HK$1,641.6 million). The loss attributable to shareholders for the year was HK$356.8 million (2015: a profit attributable to shareholders of HK$1,366.7 million). The basic loss per share for the year was HK13.78 cents (2015: a basic earnings per share of HK52.80 cents).

BUSINESS REVIEW

The Group revenue for the year was HK$1,129.4 million, a decrease of 83%, as there were only three property projects for revenue recognition in the year. The full-year results recorded a loss of HK$356.8 million (2015: a profit of HK$1,641.6 million). This was caused by a decline in contributions from property projects, and lower contribution from the property units recognized after delivery in the year as a result of the strategic disposals of property projects in the previous years. In addition, the results were adversely affected by the significant fair value losses accounted for in relation to the Group's investment in equity investments at fair value through profit or loss of HK$195.3 million (2015: fair value gains of HK$168.6 million), and impairment loss on an available-for-sale investment of HK$152.4 million (2015: nil). The results for 2015 recorded a net gain on disposal of subsidiaries (net of tax) of HK$1,416.9 million, against the net gain (net of tax) for the current year of HK$25.5 million.

With a view to maximizing shareholders' value, the Group also disposed of the Xi'an project during the year. In November 2016, the Group entered into agreements to dispose, at a total consideration of approximately HK$621 million (RMB555 million), of all its entire interest in Xi'an Yuansheng Enterprises Limited (西安遠聲實業有限公司) ("**Xi'an Yuansheng**"), which held the project, Zhongyu Metropol, in Xi'an. Zhongyu Metropol has a total completed and planned gross floor area ("**GFA**") of approximately 527,000 square meters ("**sqm**") consisting of residential, commercial, office areas, and car parks. The transaction was completed in November 2016, and provided a gain on disposal in the year of approximately HK$67 million. The Group also entered into an agreement on 21 February 2017 to dispose of, at a total consideration of approximately HK$206.7 million (RMB186 million), all its entire interest in Good Wave International Limited, which held two projects, Radiant Bay and Lagonda Gardens in Sichuan ("**Sichuan Projects**"). The Sichuan Projects have a total completed and planned GFA of approximately 251,000 sqm consisting of residential, commercial areas, and car parks. The transaction was completed in March 2017.

The substantial increase in the Group's share of the results of associate from HK$14.1 million in 2015 to HK$39.3 million in the year under review was attributable to the completion of a property project in Chongqing in which the Group has a minority equity stake.

Following the strategic property disposals since the middle of 2015, the strong cash position realized enabled the Group to look for potential investment opportunities proactively.

The Group participated in a joint venture investing indirectly in a property project, being an 8-storey building, in Sydney, Australia ("**Australian Project**"). The Group has 47% interest in the joint venture company and 34.55% attributable interest in the Australian Project. The investment cost of the Group is approximately HK$122 million. The Australian Project provides an office building with a GFA of approximately 11,100 sqm and 228 car bays. The refurbishment of the building is planned to commence in mid-2017 and its value in terms of long term capital appreciation potential and rental performance will be further enhanced.

Subsequent to the year ended 31 December 2016, the Group committed to acquire two investment properties, namely One Kingdom Street and, the Leadenhall Building in London, the United Kingdom.

London is a world class financial city which attracts investors from all over the world, particularly from the Asian countries. Despite the Brexit referendum in June last year, both leasing as well as investment demands in prime office buildings have remained strong. Devaluation of the pound sterling is one of the major factors to draw interests to this market. Prime fully let office buildings with long weighted average unexpired lease terms have proved to be very popular among investors who are looking for longer term income asset and transactions of this category of properties have been very active since the referendum.

One Kingdom Street is positioned between a railway line, a major arterial road and two bridges with high traffic volume, and is within a few minutes' walking distance from the Paddington Station in Central London. It provides approximately 265,000 square feet of Grade A office accommodation and some car parking spaces. The Paddington area is undergoing major re-development, and with the coming of the Crossrail System, will be an important hub in London's West End. The acquisition consideration is approximately GBP290 million and the Group holds 100% interest in this project. As at 23 March 2017, all of the office space was leased. The rental yield is approximately 5% per annum.

The Leadenhall Building provides approximately 610,000 square feet of top Grade A office accommodation, retail, and ancillary spaces over 46 floors. It is world renowned super iconic and award-winning building situated in the prime financial and insurance districts of central London. The original developer needed 20 years to assimilate the land and finally completed the construction in 2014. The acquisition consideration is approximately GBP1,135 million and the Group will hold 100% interest after the completion of the acquisition. As at 23 March 2017, all of the office space was leased. The rental yield is approximately 3.5% per annum.

Given the list of their reputable tenants and nature of the leases, both these buildings will yield a strong recurring rental income for the Group, as well as potentials for long term capital growth. They will form a solid base for the Group's property investment in the United Kingdom and affirm the Group's presence in the international property markets and help foster the development of the Group in other major global cosmopolitan cities.

The acquisition of these two investment properties is in line with the business strategy of the Group to invest in quality properties in mature cities globally.

Recognized Revenue

The property sales revenue was HK$881.7 million (RMB751.5 million) (2015: HK$6,370.8 million (RMB5,109.2 million)) against a total booked GFA sales of 164,400 sqm (2015: 683,500 sqm). The revenue from property sales and booked GFA represented a decrease of 86% and 76% respectively from those of last year. The average selling price ("**ASP**") was RMB4,570 for 2016 (2015: RMB7,480), representing a decrease of 38.9% when compared with that in 2015. The booked gross profit margin for 2016 was 17% (2015: 25%). The projects contributing to recognized revenue in the year were Zhongyu Metropol in Xi'an, and Radiant Bay and Lagonda Gardens in Sichuan.

Contract Sales

The contract sales for the year was RMB691.1 million (2015: RMB5,089.0 million) against a total of GFA 131,300 sqm at an ASP of RMB5,260 per sqm, a decrease of 21.8% compared to that in 2015. The decrease in contract sales was due to the strategic disposal of projects in 2015 which substantially reduced the number of projects available for sale. The projects from which these contract sales were recorded have been disposed of as at 23 March 2017.

Land Bank

As at 23 March 2017, the Group has nil land bank for property development. The Group is currently actively looking for acquisition opportunities to replenish its land bank in tier one cities in China, Hong Kong, and mature cities globally.

Treasury Investment Business

The treasury investment segment contributed a revenue of HK$247.8 million and recorded a loss of HK$172.1 million (2015: a profit of HK$369.3 million). The dividends and interests earned from investments and loans receivable totalled HK$233.5 million (2015: HK$16.8 million). The realized gains and unrealized losses on equity investments at fair value through profit of loss amounted to HK$14.3 million and HK$195.3 million respectively (2015: realized and unrealized gains on equity investments at fair value through profit of loss of HK$217.7 million and HK$168.6 million respectively). A net loss of HK$48.1 million (2015: HK$3.0 million) was realized on the disposal of available-for-sale investments held by the Group. Impairment loss of HK$152.4 million was recorded (2015: nil) on a listed security classified as available-for-sale investments as a result of significant/prolonged decline in the fair value of the investments.

CORPORATE STRATEGY AND OUTLOOK

It is expected that bank interest rate will go up globally in 2017. This may cool off the hot property market although challenges are still ahead. General conditions are expected to remain favourable in the major economies in 2017. The transaction volume on the core investment market for commercial real estate remained active in 2016. It is expected investment activity in these markets will remain strong in the coming year as a result of capital inflows and foreign investors entering into these markets.

The Group is building a real estate portfolio of investment properties for steady recurring rental income and property development for property sales revenue. It is believed that a balance property portfolio can generate income and protect against the property market risks in the long run.

The Group is currently actively looking for acquisition opportunities, and focuses on investing selectively in tier one cities in China, Hong Kong, and mature cities globally. The cash position amounted to HK$7.5 billion as at 31 December 2016. The Group's financial strength and management structure has enabled it to respond quickly, after much patience, to take advantage of the recent political and financial changes in the world and snapped up two of what the Group considers to be dream acquisitions. Based on the management's experience and expertise in the property business, the Group is confident of solid future expansion, thereby creating value for its shareholders along with importantly a healthy balance sheet.

FINANCIAL REVIEW

Investments

The objectives of the Group's investment policy are to minimize risk while retaining liquidity, and to achieve a competitive rate of return.

The Group invested surplus cash in a diversified portfolio of listed equity securities, perpetual security and unlisted investment funds. At 31 December 2016, the portfolio of investments comprised of listed equity securities, perpetual security and unlisted investment funds with an aggregate carrying value of HK$3,545.0 million (2015: HK$4,245.6 million) which is listed in the table below:

	31 December 2016	**31 December 2015**
	HK$ million	*HK$ million*
Equity investments at fair value through profit or loss		
Listed equity securities	581.3	756.5
Available-for-sale investments		
Listed equity securities	433.4	1,571.1
Perpetual security	930.0	1,305.0
Unlisted investment funds	1,600.3	613.0
	2,963.7	3,489.1
Total	3,545.0	4,245.6

The carrying principal amount of the perpetual security of US$120 million was fully redeemed by China Evergrande Group (formerly known as Evergrande Real Estate Group Limited), a leading PRC property developer listed on the main board of the Stock Exchange in January 2017.

Included in the unlisted investment funds was an investment in December 2016 of approximately HK$835.6 million (RMB752 million). Please refer to the Company's announcement dated 29 December 2016 for details.

In terms of performance, the Group recognized from its portfolio of investments during the year a total fair value losses of HK$347.7 million (2015: fair value gains of HK$168.6 million) in the consolidated statement of profit or loss and HK$406.3 million (2015: fair value gains of HK$390.4 million) in the consolidated statement of other comprehensive income. The realized losses on the portfolio of investments for the year was HK$33.9 million (2015: realized gains of HK$214.7 million), whereas the amount of dividends and interest income from investments and loans receivable for the year was HK$233.5 million (2015: HK$16.8 million). In terms of future prospects of the Group's investments, the performance of the listed equity securities and unlisted investment funds held is to a large extent subject to the corresponding performances of the relevant financial markets which are liable to change rapidly and unpredictably.

The Group will continuously adopt a prudent and cautious investment strategy and will from time to time assess the performance of its portfolio of investments and make timely and appropriate adjustments to fine-tune its investments holding with a view to generating favourable returns for its shareholders.

Liquidity and Financial Resources

The Group continues to maintain a high level of liquidity. At 31 December 2016, cash and cash equivalents balances held at major banks and financial institutions totalled HK$7.5 billion, as compared to HK$3.1 billion at 31 December 2015. On 14 March 2017, the Company announced to raise not less than approximately HK$2,588.2 million, before expenses, and not more than approximately HK$2,651.5 million, before expenses, by way of a rights issue at the subscription price of HK$2 per rights share. The Group's general working capital will be significantly enhanced following the rights issue, which will provide the Group with immediate financial resources to capture any investment opportunities in the global property markets and/or other investments that are presented to the Company from time to time, including the acquisition of Leadenhall Building. Please refer to the Company's announcement dated 14 March 2017 and prospectus dated 3 April 2017 for details.

Total assets as at the end of December 2016 were HK$14.6 billion, of which approximately 76% was current in nature. Net current assets were HK$9.8 billion and accounted for approximately 73% of the net assets of the Group as at 31 December 2016.

As at 23 March 2017, the Group has outstanding consideration receivables from the disposal of property projects of approximately HK$1.95 billion in aggregate.

At 31 December 2016, the Group had a net cash position. The owners' equity was HK$13.3 billion (2015: HK$14.1 billion) and the net assets value per share was HK$5.13 (2015: HK$5.46).

Contingent Liabilities/Financial Guarantees

At 31 December 2016, the Group had the following contingent liabilities/financial guarantees:

(i) Guarantee given to banks in respect of mortgage facilities granted to certain purchasers of the Group's property units in the amount of HK$83.3 million (2015: HK$695.0 million); and

(ii) Guarantees given to a bank in connection with a facility granted to joint ventures in the amount of HK$256.3 million (2015: Nil).

Pledge of Assets

At 31 December 2015, cash and bank balances and time deposits in the aggregate amount of HK$303.5 million has been pledged as security for general banking facilities granted to the Group. The subject security was released upon the full repayment of all bank borrowings as at 31 December 2016.

Foreign Currency Risks

During the year, the revenue from the Group's property business in the PRC is denominated in RMB, and most of its expenses are also denominated in RMB. As a result, the property business is not exposed to material foreign exchange risk. As at 31 December 2016, the Group's outstanding consideration receivables from the disposal of subsidiaries denominated in RMB amounted to RMB961 million. To the extent this portion of consideration receivables may be converted into Hong Kong or other currencies, there is exposure to fluctuations in foreign exchange rates. As at 31 December 2016, the Group has not entered into any currency swaps hedge of RMB against HK$.

As at 23 March 2017, the Group has purchased investment properties in London for investment purposes. For hedging purpose, the Group has entered into a revolving loan banking facility with a limit of GBP800 million with security over an equivalent amount of HK$/US$ cash deposits placed with the bank. The exposure to foreign exchange risk of the GBP is therefore minimal. The Management will monitor the situation closely and will introduce suitable hedging measures for these assets if there are any adverse changes.

EMPLOYEES

As at 31 December 2016, the Group had a total of 152 employees in Hong Kong and China and incurred employee costs in the amount of approximately HK$144 million for the year. The Group remunerates its staff based on their merit, qualifications, performance, competence and the prevailing market wage level. In order to attract, retain and motivate employees, an incentive bonus scheme has been established 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 2016 and 2015, no equity-settled share option expense was charged off to the consolidated statement of profit or loss. Other benefits include contributions of mandatory provident funds, medical insurance, on-the-job training and external seminars organized by professional bodies.

(ii) For the year ended 31 December 2015

RESULTS

The Group achieved a consolidated revenue of HK$6,620.2 million, representing a decrease of approximately 35.7% compared to HK$10,299.9 million in 2014. The Group's net profit increased by 50.6% year on year to a record high level of HK$1,641.6 million. The Group attained a profit attributable to shareholders of HK$1,366.7 million (2014: HK$1,068.3 million). The basic earnings per share for the year was HK52.80 cents (2014: HK41.27 cents) representing an increase of 27.9%.

BUSINESS REVIEW

The property markets in many non-Tier 1 cities in the PRC during the year have remained generally weak despite the various measures adopted by the PRC government to support the industry. This uncertainty presents a particular challenge to the Group. To meet the challenges of a possible prolonged "winter" in the Western China property market, the Group sped up its efforts at inventory clearance in 2015. As a result, the following strategic disposals were completed in the year:

1. In June 2015, the Group entered into an agreement to dispose, at a total consideration of approximately HK$6.9 billion (RMB5.5 billion), of its entire 92% interest in Starthigh International Limited which, through Chongqing Zhong Yu Property Development Company Limited (重慶中渝物業發展有限公司), held a property portfolio with a GFA of approximately 3.4 million sqm in the Yubei and other districts in Chongqing and Yunnan. The transaction was completed in July 2015, and provided a gain on disposal of approximately HK$741.5 million.

2. In July 2015, the Group entered into an agreement to dispose, at a total consideration of approximately HK$2.6 billion (RMB2.1 billion), of all its entire interest in Joyview Group Limited which, through its 51% indirect beneficial interest in Chengdu Guojia Cheer Gain Property Company Limited (成都國嘉志得置業有限公司), held most of the Group's Chengdu projects ("**CDGJ Projects**"). The CDGJ Projects comprised of 7 projects under different stages of development, with a GFA of approximately 1.9 million sqm for mixed uses. The transaction was completed in October 2015, and provided a gain on disposal of approximately HK$800.8 million.

3. In September 2015, the Group entered into an agreement to dispose, at a total consideration of approximately HK$542 million (RMB450 million), of all its entire interest in Win Peak Group Limited which, through its 51% indirect beneficial interest in Chongqing Verakin Real Estate Company Limited (重慶同景置業有限公司), held most of the Group's projects in Nan'an District, Bishan County and Shapingba District of Chongqing ("**Verakin Projects**"). The Verakin Projects, with a GFA of approximately 2.3 million sqm, were under different stages of development consisting of residential, commercial, office and car parks. The transaction was completed in October 2015, and provided a gain on disposal of approximately HK$252.9 million.

4. In October 2015, the Group entered into an agreement to dispose, at a total consideration of HK$1.75 billion, of all its entire interest in Merry Full Investments Limited which, through its 25% indirect beneficial interest in Chongqing Sino Land Company Limited (重慶尖置房地產有限公司), held the joint venture project of The Coronation in Chongqing. The Coronation has a total planned construction area of approximately 1.3 million sqm consisting of residential, office, commercial and car parks. The transaction was completed in October 2015, and provided a gain on disposal of approximately HK$205.3 million.

5. In November 2015, the Group entered into an agreement to dispose, at a total consideration of approximately HK$1.3 billion (RMB1.1 billion), of all its entire interest in Full Jolly Investments Limited which, through its 85% indirect beneficial interest in Guiyang Zhongyu Real Estate Development Company Limited(貴陽中渝置地房地產開發有限公司), held all the Group's projects in Guiyang ("**Guiyang Projects**"). The Guiyang Projects have a total completed and planned GFA of approximately 3.0 million sqm consisting of residential, commercial, office and car parks. The transaction was completed in December 2015, and provided a gain on disposal of approximately HK$126.7 million.

6. In December 2015, the Group entered into an agreement to dispose, at a total consideration of approximately HK$708 million (RMB600 million), of all its entire interest in Harbour Crest Holdings Limited which, through Chongqing Juxin Property Development (Group) Company Limited(重慶聚信房地產開發(集團)有限公司), held the project, Phoenix County, in Chongqing. Phoenix County has a total completed and planned GFA of approximately 96,000 sqm consisting of residential, commercial and car parks. The transaction was completed in December 2015, and provided a gain on disposal of approximately HK$177.5 million.

7. In December 2015, the Group entered into an agreement to dispose, at a total consideration of approximately HK$622 million (RMB530 million), of all its entire interest in Wealthy New Limited which, through Chongqing Lucky Boom Realty Company(重慶瑞昌房地產有限公司), held the completed project, Riverside One, Wanzhou, Chongqing. Riverside One has a total GFA of approximately 28,000 sqm consisting of residential, commercial and car parks. The transaction was completed in December 2015, and provided a gain on disposal of approximately HK$0.6 million.

Details of the above-mentioned transactions were already disclosed in the relevant announcements and circulars issued by the Company in 2015. These transactions will generate a total cash inflow equivalent to approximately HK$14.4 billion in aggregate for the Group. As at 23 March 2016, the Group has outstanding consideration receivables of approximately HK$2.9 billion in aggregate.

Recognized Revenue

The property sales revenue was HK$6,370.8 million (RMB5,109.2 million) (2014: HK$10,244.1 million (RMB8,110.9 million)) against a total booked GFA sales of 683,500 sqm (2014: 1,135,500 sqm). The revenue from property sales and booked GFA represented a decrease of 37.8% and 39.8% respectively from those of last year due to the disposals mentioned above. The ASP of recognized sales in 2015 slightly increased by 4.8% from RMB7,140 per sqm in 2014 to RMB7,480 per sqm. The booked gross profit margin for 2015 was 25.8% (2014: 29.1%). The booked gross profit margin in 2015 would be 25.3% (2014: 26.0%) after the provision for impairment of HK$28.4 million made in respect of certain development properties.

In terms of location, the contributions to recognized revenue and booked area in terms of percentage respectively were as follows:

	Recognized Revenue		Booked Area	
	2015	2014	2015	2014
Chongqing	52%	65%	61%	71%
Chengdu	33%	24%	19%	19%
Guiyang	10%	9%	13%	8%
Other districts	5%	2%	7%	2%
Total	100%	100%	100%	100%

In terms of usage, about 75% (2014: 79%) is for residential and the balance for non-residential purposes.

As at 31 December 2015, the unrecognized revenue was approximately RMB681 million, against a pre-sold area of 142,000 sqm. All of them are from projects which are completed or expected to be completed in 2016. The revenue can be recognized only when the relevant property has been completed, occupation permit issued and the finished products delivered to the purchasers.

Contract Sales

The Group's contract sales was RMB5,089.0 million in the year (2014: RMB5,753.7 million). The accumulated GFA pre-sold was 756,400 sqm, and the corresponding ASP was RMB6,730 per sqm, representing a decrease of 11.4% compared to RMB7,600 per sqm in 2014. The decrease in contract sales was due to the disposal of projects during the year which substantially reduced the number of projects available for sale.

Land Bank

As at 23 March 2016, the Group's land bank stood at 850,000 sqm GFA which are located in two cities, Xi'an and Dazhou in Western China. The average accommodation value was RMB700 per sqm.

Treasury Investment Business

The treasury investment segment recorded a profit of HK$369.3 million (2014: HK$172.9 million). The dividends and interests earned from investments totalled HK$16.8 million (2014: HK$22.9 million). The realized and unrealized gains on listed securities amounted to HK$217.7 million and HK$168.6 million respectively (2014: realized losses and unrealized gains on listed securities of HK$4.5 million and HK$60.5 million respectively).

Financial Position

As at 31 December 2015, the Group held cash and bank balances and time deposits amounting to HK$3,142.8 million (2014: HK$9,519.0 million). The Group has a net cash balance of HK$2,342.8 million as at 31 December 2015 (31 December 2014: net borrowings of HK$2,563.0 million, and a gearing ratio of 17.3%). The average borrowing interest rate for the year was 6.81% (2014: 6.58%). As a result of the optimization of the capital structure following the disposal of the properties portfolios in the year, the Group's financing costs in 2016 will be substantially decreased from HK$158.5 million in 2015.

The cash collection ratio for the property business was 103% during the year.

CORPORATE STRATEGY AND OUTLOOK

Looking ahead, China's economy is expected to be steady in 2016. It is expected the government will expand supportive measures if real estate investment remained low despite an improvement in sales. Stable individual income growth and urbanization could provide some support for sales and home prices. In the long term, the Group believes the PRC real estate market will continue to remain stable.

Cash and bank balances and time deposits amounted to HK$3,142.8 million on the balance sheet date (31 December 2014: HK$9,519.0 million). With the proceeds from the disposal transactions noted under the section headed "Business Review" received up to 23 March 2016, the cash balance as at 23 March 2016 increased to a total of approximately HK$7.3 billion. This cash rich position enables the Group to look at potential investment opportunities with a keener eye, and to cherry pick the right ones, which may take the form of equity partnership, joint ventures or otherwise. Such investments will not be limited to second tier cities in Western China, as the Group has been making since 2006, and nor to China for that matter. The Group believes that greener pastures lie in mature projects in first tier cities, or other well developed countries globally.

There is no fixed timetable or urgency for acquisitions. Meanwhile the Group will continue to operate the property development business in the ordinary course of its business. The Group expects its two remaining projects, in Xi'an (Zhongyu Metropol Phases I and II) and Dazhou (Radiant Bay Phase II) respectively to be completed in 2016 with a total completion area of 256,000 sqm, out of which 68% of the residential areas have been pre-sold as at 29 February 2016. After the abovementioned strategic project disposals, the projects to be completed and available for sale in 2016 will be substantially reduced which will adversely affect the recognized revenue and contract sales in 2016 unless new projects are acquired.

FINANCIAL REVIEW

Investments

For the sake of strategic investment with growth potential, and in view of the shrinking interest returns on bank deposits, the Group has identified certain investment opportunities and invested its surplus cash in a diversified portfolio of listed equity securities, perpetual security and unlisted investment funds.

At 31 December 2015, the Group held a diversified portfolio of investments comprising listed equity securities (HK$2,327.6 million), perpetual security (HK$1,305.0 million) and unlisted investment funds (HK$613.0 million) with an aggregate carrying value of HK$4,245.6 million (31 December 2014: HK$1,577.3 million). The increase in the Group's portfolio of investments was mainly attributed to the subscription of perpetual security in the principal amount of US$170 million in December 2015, which was issued by Evergrande Real Estate Group Limited, a leading PRC property developer listed on the main board of the Stock Exchange. The perpetual security has no fixed redemption date and carries an annual interest of 9%, providing not only a steady investment return to the Group but also the flexibility of realizing the perpetual security in cash from disposing of or transferring it to other investors at any time with the prior written consent of the issuer. In terms of performance, the Group recognized from its portfolio of investments during the year fair value gains of HK$168.6 million (2014: HK$60.5 million) in the consolidated statement of profit or loss and HK$390.4 million (2014: HK$133.2 million) in the consolidated statement of other comprehensive income. The realized gains on listed equity securities for the year was HK$217.7 million (2014: realized losses on listed equity securities of HK$4.5 million), whereas the amount of dividends and interest income from investments for the year was HK$16.8 million (2014: HK$37.2 million). In terms of the future prospects of the Group's investments, performance of the listed equity securities and unlisted investment funds held is to a large extent subject to the corresponding performance of the relevant financial markets which may be relatively volatile given the current market conditions. As to the perpetual security held, the Group will continue to enjoy a steady annual investment return until the disposal or transfer of it. The Group will continuously adopt a prudent and cautious investment strategy and will from time to time assess the performance of its portfolio of investments and make timely and appropriate adjustments to fine-tune its investments holding with a view to generating favourable returns for its shareholders.

Liquidity and Financial Resources

Finance and fund utilization activities are subject to effective centralized management and supervision. The Group will continue to maintain the current relationship with major bankers, and will explore other funding channels when needed.

As of 31 December 2015, the Group's financial position is healthy. Cash and bank balances and time deposits amounted to HK$3,142.8 million on the balance sheet date compared to the value of HK$9,519.0 million as at 31 December 2014. The decrease in value was mainly the result of receiving only part of the consideration as per the agreement terms on realizing the properties portfolio in the year, and after the result of early repayment of bank borrowings. An amount of HK$303.5 million (31 December 2014: HK$1,880.8 million) deposit was pledged to banks.

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

	2015		2014	
	HK$'M	*Percentage*	*HK$'M*	*Percentage*
Renminbi	947.2	30.1	8,506.2	89.3
Hong Kong Dollars	2,111.2	67.2	1,010.0	10.6
United States Dollars	84.4	2.7	2.8	0.1
Total	3,142.8	100.0	9,519.0	100.0

The Group's current ratio (current assets over current liabilities) was 4.4 times (31 December 2014: 1.6 times). There was no unutilized banking facility of the Group as at 31 December 2015 (31 December 2014: HK$1,982 million).

Total borrowings amounted to HK$800.0 million (31 December 2014: HK$12,082.0 million). The average borrowing interest rate for the year ended 31 December 2015 was 6.81% (31 December 2014: 6.58%) per annum. Total borrowings as at 31 December 2015 are all secured (31 December 2014: 71%).

The maturity profile of the bank borrowings, and the cash and bank balances and time deposits as at 31 December 2015 were as follows:

Currency of Bank Loans	**RMB**	**HK$**	**US$**	**Total**	**Percentage**
	HK$'M	*HK$'M*	*HK$'M*	*HK$'M*	
Bank borrowings repayable:					
– Within 1 year or on demand	–	450.0	–	450.0	56.3
– In the second year	–	350.0	–	350.0	43.7
Total bank borrowings	–	800.0	–	800.0	100.0
Less: Cash and bank balances and time deposits	(947.2)	(2,111.2)	(84.4)	(3,142.8)	
Net cash position	(947.2)	(1,311.2)	(84.4)	(2,342.8)	

The owners' equity was HK$14.1 billion (31 December 2014: HK$14.8 billion) and the net assets value per share was HK$5.46 (31 December 2014: HK$5.72).

Contingent Liabilities/Financial Guarantees

At 31 December 2015, the Group had contingent liabilities/financial guarantee in respect of guarantees given to banks in respect of mortgage facilities granted to certain purchasers of the Group's property units in the amount of HK$695.0 million (31 December 2014: HK$7,072.7 million).

Pledge of Assets

At 31 December 2015, cash and bank balances and time deposits in the aggregate amount of HK$303.5 million has been pledged as security for general banking facilities granted to the Group.

Exchange Risks

As the 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 Group. In view of the recent fluctuations of RMB exchange rates which may result in certain exchange risk to the Group's outstanding consideration receivables from the disposal of subsidiaries in 2015, the Group entered into a RMB hedging transaction in February 2016 at a favourable price to hedge for the RMB consideration received in March 2016. The directors will continue to closely monitor and manage the Group's exposure to fluctuations in the RMB exchange rates.

EMPLOYEES

As of 31 December 2015, the Group employed approximately a total of 256 employees in China and Hong Kong (31 December 2014: 2,206 employees) and incurred employee costs in the amount of approximately HK$318 million (31 December 2014: HK$377 million). The Group remunerates its staff based on their merits, qualifications, competence and the prevailing market wage level. In order to attract, retain and motivate employees, the 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 years ended 31 December 2015 and 31 December 2014, no equity-settled share option expense was charged off to the consolidated statement of profit or loss. Other benefits include contributions to mandatory provident funds and medical insurance.

(iii) For the year ended 31 December 2014

RESULTS

The Group achieved a record high revenue of approximately HK$10,299.9 million in 2014, up 50.5% year-on-year. Net profit surged by 64.4% year-on-year to a record high of HK$1,090.1 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 Group attained a profit attributable to shareholders for the year ended 31 December 2014 of HK$1,068.3 million (2013: HK$505.4 million), an increase of about 111.4% from that of last year. The basic earnings per share for the year rose by 111.3% to 41.27 HK cents (2013: 19.53 HK cents).

BUSINESS REVIEW

The 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 of the PRC 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 was HK$10,244.1 million (RMB8,110.9 million) (2013: HK$6,798.4 million (RMB5,383.3 million)) against a total booked GFA sales of 1,135,500 sqm (2013: 719,700 sqm). The revenue from property sales and booked GFA represented an increase of 50.7% and 57.8% 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 mainly came from 8 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 ASP and gross profit margins, the ASP of recognized sales in 2014 slightly decreased by 4.5% from RMB7,480 per sqm in 2013 to RMB7,140 per sqm in 2014. However, the Group recorded a higher transaction volume of 44,900 sqm from the sale of office units with a higher ASP, which compensated for the lower ASP for residential apartments delivered in 2014, resulting in slightly similar ASP as in the previous year. The booked gross profit margin for 2014 was 29.1% (2013: 33.7%). A provision for impairment of HK$324.9 million was made in respect of certain development properties in the year (2013: HK$208.9 million). After the provision, the gross profit margin of the Group's property development and investment business in 2014 was 26.2% (2013: 30.9%).

The recognized sales revenues by projects for 2014 are as follows:

Projects	Usage	GFA	Sales Revenue Net of Business Tax	ASP Net of Business Tax	The Group's Interest
		(sqm)	*(RMB'000)*	*(RMB)*	
Chongqing					
L'Ambassadeur Phases I, II, III & IV	Residential	93,200	700,500	7,520/sqm	92%
	Commercial	4,400	70,300	15,820/sqm	
	Car Park	16,100	54,100	133,850/unit	
Riverside One, Wanzhou Phases I, II & III	Residential	172,200	850,100	4,940/sqm	100%
	Commercial	6,000	69,500	11,510/sqm	
	Car Park	29,600	74,100	80,670/unit	
i-City Phases I, II & III	Residential	10,700	80,400	7,520/sqm	92%
	Commercial	4,300	61,000	14,350/sqm	
	Car Park	800	3,100	125,160/unit	
Zhongyu Plaza					
— Tower 6	Office	30,000	443,500	14,790/sqm	74%
— Tower 8	Office	14,900	245,200	16,470/sqm	92%
Phoenix County Phases I, II & III	Residential	98,400	723,700	7,350/sqm	100%
	Commercial	300	5,000	19,320/sqm	
	Car Park	500	1,900	129,730/unit	
Academic Heights Phases I & II	Residential	78,600	372,600	4,740/sqm	92%
	Commercial	500	10,400	21,350/sqm	
Verakin New Park City	Residential	85,900	775,500	9,030/sqm	51%
	Commercial	3,500	53,200	15,140/sqm	
	Car Park	35,700	74,500	74,380/unit	
Bishan Verakin New Park City – Zone B	Residential	100,300	475,300	4,740/sqm	26%
	Commercial	4,500	76,100	16,880/sqm	
Others	Residential/ Commercial/ Car Park	11,900	108,600		
Chengdu					
Brighton Place & Plaza Phases I,II, III & IV	Residential	167,400	1,218,700	7,280/sqm	51%
	Commercial	4,900	179,100	36,410/sqm	
Villa Royale Phases I & II	Residential	16,000	211,200	13,170/sqm	51%
	Car Park	3,800	14,100	140,660/unit	
Sky Villa Phases I & II	Residential	15,300	272,700	17,820/sqm	51%
	Car Park	11,900	40,800	122,040/unit	
Others	Residential	600	3,100	5,090/sqm	
Guiyang					
First City, Guiyang Phase I	Residential	79,600	576,200	7,240/sqm	85%
	Commercial	9,200	144,700	15,670/sqm	
Other districts					
Radiant Bay Phase I	Residential	21,300	100,100	4,710/sqm	100%
Silver Lining	Residential	2,100	16,200	7,750/sqm	64%
	Car Park	1,100	5,400	144,810/unit	
TOTAL		1,135,500	8,110,900		

In terms of location, the contributions to recognized revenue and booked area in terms of percentage respectively were as follows:

	Recognized Revenue		**Booked Area**	
	2014	**2013**	**2014**	**2013**
Chongqing	65%	74%	71%	78%
Chengdu	24%	18%	19%	11%
Guiyang	9%	1%	8%	1%
Other districts	2%	7%	2%	10%
Total	100%	100%	100%	100%

In terms of usage, about 79% (2013: 87%) is for residential and the balance for non-residential purposes.

As at 31 December 2014, the unrecognized revenue was approximately RMB11.3 billion, representing a pre-sold area of 1.3 million sqm, out of which, about RMB9.6 billion are from projects which are completed or expected to be completed in 2015. The revenue can be recognized only when the relevant property has been completed, occupation permit issued and the property delivered to the purchaser.

Eight projects were completed on schedule in 2014. The total GFA completed by the Group in the year amounted to approximately 1,199,500 sqm (2013: 1,171,000 sqm). Details are as follows:

Projects	Usage	GFA *(sqm)*	Percentage of Area Sold as at 31 December 2014	The Group's Interest
Chongqing				
L'Ambassadeur Phase IV	Residential	71,100	99%	92%
	Commercial	17,200		
	Others	13,500		
Zhongyu Plaza				
— Tower 6	Office	34,100	91%	74%
— Towers 8 & 9	Office	106,100	20%	92%
Riverside One, Wanzhou Phase III	Residential	182,600	98%	100%
	Commercial	22,500	58%	
	Others	34,200	85%	
Phoenix County Phase III	Residential	97,400	100%	100%
	Others	22,600		
Academic Heights Phase II	Residential	118,100	69%	92%
	Commercial	3,600		
	Others	42,900		
Verakin New Park City				51%
— Zone O	Residential	21,800	99%	
	Commercial	800		
	Others	9,800		
— Zone M	Residential	64,800	92%	
Bishan Verakin New Park City				26%
— Zone B	Residential	119,300	90%	
	Commercial	11,800	64%	
	Others	22,500		
Chengdu				
Brighton Place & Plaza Phases I, II, III & IV	Residential	169,100	99%	51%
	Commercial	10,500	56%	
	Others	3,200		
TOTAL		1,199,500		

Contract Sales

In the first few months of 2014, the Central Government of the PRC 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 Group recorded decreases in both the contract volume and floor area sold compared with last year.

In 2014, the group launched its first project in Xi'an which recorded satisfactory sales performance.

The total contract sales achieved during the year was RMB5,753.7 million (2013: RMB9,775.7 million) from 26 projects in 6 cities, with a pre-sold area totaling 757,500 sqm (2013: 1,132,400 sqm), representing a decrease of 41.1% and 33.1% respectively when compared with those of last year, and was 47.7% below the annual sales target of RMB11 billion. The overall ASP decreased by 11.9% to RMB7,600 per sqm from RMB8,630 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 139,000 sqm at a value of RMB1,300 million was subscribed for, which will be converted to contract sales in the coming months.

Twenty six projects were launched for presales in 2014. Of this total, five were new projects, namely Residence Serene and Verakin Joyful City in Chongqing, Residence du Lac in Chengdu, Zhongyu Metropol in Xi'an and Florentia Town in Guiyang.

The breakdown of the contract sales in 2014 is as follows:

Projects	Usage	Approximate Contract Sales Area *(sqm)*	Approximate Contract Sales Revenue *(RMB'000)*	Approximate Contract ASP Before Business Tax *(RMB)*
Chongqing				
L'Ambassadeur Phases I, II, III & IV	Residential	8,900	83,000	9,380/sqm
	Commercial	600	18,700	31,820/sqm
	Car Park	15,700	55,600	141,150/unit
Verakin New Park City	Residential	36,100	383,200	10,620/sqm
	Commercial	12,500	300,200	24,030/sqm
	Office	51,700	396,100	7,650/sqm
	Car Park	35,000	77,200	78,750/unit
Bishan Verakin New Park City — Zones A, B & C	Residential	36,800	181,900	4,920/sqm
	Commercial	5,200	98,300	18,800/sqm
Verakin Joyful City Phase I	Residential	31,800	142,100	4,460/sqm
	Commercial	200	5,200	23,740/sqm
Riverside One, Wanzhou Phases II & III	Residential	27,000	122,200	4,530/sqm
	Commercial	2,200	24,100	10,730/sqm
	Car Park	9,600	24,600	81,590/unit
Phoenix County Phases I, II & III	Residential	62,100	539,600	8,690/sqm
	Commercial	1,600	40,300	24,790/sqm
	Car Park	500	2,100	137,270/unit
Academic Heights Phases I, II & III	Residential	45,300	197,600	4,370/sqm
	Commercial	900	20,300	23,170/sqm
Residence Serene Phases I & II	Residential	14,100	100,600	7,130/sqm
	Commercial	100	6,400	54,810/sqm
	Office	1,200	17,800	14,350/sqm
Mansions on the Peak	Residential	700	30,000	42,980/sqm
Others	Residential/ Commercial/ Car park	10,600	51,700	
		410,400	2,918,800	
Chengdu				
Sky Villa Phases II & III	Residential	18,500	317,200	17,160/sqm
	Car Park	1,900	7,900	147,040/unit
Sky Villa Condominiums	Residential	5,700	63,900	11,250/sqm
	Commercial	2,400	107,900	44,820/sqm
Brighton Place & Plaza Phases II, IV & V	Residential	800	6,500	7,880/sqm
	Commercial	3,800	156,200	40,730/sqm
	Office	11,200	104,400	9,310/sqm
Villa Royale Phases I, II, III & V	Residential	14,000	206,500	14,730/sqm
	Car Park	1,900	8,400	150,000/unit
Residence du Paradis Phases I & II	Residential	53,900	324,200	6,020/sqm
	Commercial	1,900	40,400	21,400/sqm
Residence du Lac Phase I	Residential	41,800	262,100	6,280/sqm
	Commercial	2,900	51,900	18,130/sqm
Others	Residential	600	3,200	
		161,300	1,660,700	

Projects	Usage	Approximate Contract Sales Area *(sqm)*	Approximate Contract Sales Revenue *(RMB'000)*	Approximate Contract ASP Before Business Tax *(RMB)*
Guiyang				
First City, Guiyang Phases I, II, III & IV	Residential	51,200	311,300	6,080/sqm
	Commercial	26,400	336,900	12,790/sqm
	Car Park	8,000	3,500	120,620/unit
Florentia Town Phase I	Residential	16,200	77,600	4,790/sqm
	Commercial	1,500	33,600	22,970/sqm
		103,300	762,900	
Xi'an				
Zhongyu Metropol Phases I & II	Residential	43,400	209,600	4,830/sqm
Other Districts				
Silver Lining	Residential	1,400	10,900	8,010/sqm
	Car Park	200	1,100	150,000/unit
Radiant Bay Phases I & II	Residential	37,500	189,700	5,060/sqm
		39,100	201,700	
TOTAL		757,500	5,753,700	

The breakdown of the contract sales for 2014 from Chongqing, Chengdu, Guiyang, Xi'an and other districts were 50%, 29%, 13%, 4% and 4% respectively. The ASPs breakdown by location is as follows:

ASP (RMB per sqm)	2014	2013	Percentage change
Chongqing	7,110	8,330	-14.6%
Chengdu	10,290	9,890	+4.0%
Guiyang	7,390	8,920	-17.2%
Xi'an	4,830	N/A	N/A
Others	5,170	5,160	—
Overall for the Group	7,600	8,630	-11.9%

In terms of usage, about 65% (2013: 66%) were for residential and 35% (2013: 34%) for non-residential properties. The ASPs breakdown by usage is as follow:

ASP (RMB)	2014	2013	Percentage change
Residential (per sqm)	6,880	7,530	-8.6%
Commercial (per sqm)	22,000	20,110	+9.4%
Office (per sqm)	7,810	11,890	-34.3%
Carparks (per unit)	101,150	136,010	-25.6%

Land Bank

The 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 Group decided not to make any new land acquisition in year 2014.

As at 25 March 2015, the Group was in possession of a land bank of 12.3 million sqm GFA (attributable GFA amounting to about 8.5 million sqm) which is sufficient for 5-6 years' of development. The projects are in five cities namely Chongqing, Chengdu, Guiyang, Dazhou and Xi'an. The average GFA land cost is around RMB 1,930 per sqm.

To further consolidate its land bank resources, the Group completed the disposal of its projects in Zhaomu Mountain and Wanzhou District, Chongqing, at the considerations of about RMB1,425.5 million and RMB459 million respectively. The disposal enabled the Group to pool more resources to step up the development of its commercial property portfolio in the Jiazhou Zone in the Yubei District, Chongqing. The disposal for these two projects resulted in a total pre-tax gain of approximately HK$547.4 million.

As at 25 March 2015, the Group's land bank has a well-diversified portfolio. The breakdown by usage is as follows:

Usage	Completed Properties held for Investment GFA *(sqm)*	Properties held for Own Use GFA *(sqm)*	Completed Properties held for Sale GFA *(sqm)*	Land held for Development GFA *(sqm)*		Total GFA *(sqm)*	Percentage of Total GFA
				Total	Attributable		
Commercial	28,000	11,000	164,000	1,717,000	1,283,000	1,920,000	14.1
Residential	2,000		296,000	5,251,000	3,329,000	5,549,000	40.6
Office			98,000	1,568,000	1,198,000	1,666,000	12.2
Hotel & serviced apartment			6,000	234,000	113,000	240,000	1.8
Townhouse & villa			134,000	327,000	222,000	461,000	3.4
Others (Car-park spaces and other auxiliary facilities)	53,000	11,000	501,000	3,247,000	2,382,000	3,812,000	27.9
TOTAL	83,000	22,000	1,199,000	12,344,000	8,527,000	13,648,000	100.0

In terms of usage, about 47% of the land held for development is for residential, hotel and serviced apartments as well as townhouse and villa use and the remaining 53% for office, commercial and other developments. In respect of the total 430,000 sqm completed residential, townhouse and villa properties held for sale, about 51% have been pre-sold and are pending delivery.

The breakdown of the land bank held for development by location is as follows:

Locations	**Total GFA** *(sqm)*	**Attributable GFA** *(sqm)*	**Percentage of Total GFA**
Chongqing	6,328,000	3,961,000	51.2
Sichuan			
— Chengdu	1,998,000	1,019,000	16.2
— Dazhou	247,000	247,000	2.0
Guiyang	3,145,000	2,674,000	25.5
Xi'an	626,000	626,000	5.1
TOTAL	12,344,000	8,527,000	100.0

Around 51% and 16% of the land bank held for development are located in Chongqing and Chengdu respectively, whilst 33% is in Dazhou, Guiyang and Xi'an.

There were 20 projects in different stages of development during the year. The total area under construction as at 31 December 2014 was about 4.8 million sqm which is about 39% of the Group's total land bank.

As at 25 March 2015, details of the Group's land bank held for development are as follows:

Locations/ Project Names	Expected Completion Date	GFA *(sqm)*	The Group's Interest
Chongqing, Yubei District			
— Phoenix County	2015	184,000	100%
— Zhongyu Plaza			
— Hotel portion	2017	80,000	46%
— Others	2015	209,000	92%
— Residence Serene	2015 – 2016	296,000	92%
— Lot #17-1	2017 or after	210,000	92%
— Lot #9	2017 or after	657,000	92%
— Lot #4	2016 or after	752,000	92%
— Lot #3-1	2017 or after	361,000	92%
— Xinpaifang	2017 or after	26,000	92%
— Others	2017 or after	91,000	92%
Chongqing, Jiangbei District	2015 or after	1,029,000	25%
Chongqing, Nan'an District			
— Verakin New Park City	2016 or after	614,000	51%
Chongqing, Shapingba District			
— Academic Heights	2015	206,000	92%
— Verakin Joyful City	2017 or after	676,000	51%
Chongqing, Bishan County, Ludao New District			
— Bishan Verakin New Park City	2015 or after	791,000	26%
Chongqing, Rongchang County			
— Verakin Riviera	2015	146,000	25%
Chengdu, Jinjiang District			
— Sky Villa	2015	215,000	51%
— Sky Villa Condominiums	2015	125,000	51%
Chengdu, Shuangliu County			
— Villa Royale	2015 or after	142,000	51%
Chengdu, Qingyang District			
— Brighton Place & Plaza	2015	186,000	51%
Chengdu, Yizhou Avenue			
— C C Land Plaza	2017 or after	117,000	51%
Chengdu, Huafu Avenue			
— Residence du Lac	2015 or after	398,000	51%
Chengdu, LongQuan Yi District			
— Residence du Paradis	2015 or after	815,000	51%
Sichuan, Dazhou, Tongchuan District			
— Radiant Bay	2015 or after	247,000	100%
Guiyang, Guanshanhu District			
— First City, Guiyang	2015 or after	1,191,000	85%
Guiyang, WuDang District			
— Florentia Town	2017 or after	641,000	85%
Guiyang, Hefei Road			
— Concordia City	2017 or after	1,313,000	85%
Xi'an, Weiyang District			
— Zhongyu Metropol	2016 or after	626,000	100%
TOTAL		12,344,000	

To support its sustainable development, the Group will continue to seize opportunities to expand its land bank at best value and will determine its investment scale based on the sales performance and financial resources on hand.

Investment Property

Chongqing, the Southwest China's economic hub, has established itself as a manufacturing centre for key industries, and an active business center in the upper Yangtze River region. Chongqing achieved a GDP growth rate of 10.9% in 2014 which topped all the provinces in China. Chongqing will benefit from China's new urbanization drive which is expected to increase in population. It had just announced a 1.6 trillion Renminbi funding for the construction of massive infrastructure projects. The broadened economic base will create employment, good opportunities for economic growth, and commercial property developments in the region. The Group stands to benefit greatly from these developments as its base is established in the region.

As at 31 December 2014, the book value of the investment properties of the Group measured at fair value with a total GFA of approximately 83,107 sqm was HK$421.7 million (2013: HK$ 411.3 million) of which HK$5.9 million arose from the increase in fair value during the year under review. The fair value was determined by an independent professional valuer based on its current operation mode adopted by the Group in respect of investment properties and the expected rental income to be generated. The valuation gains on investment properties were mainly a result of the increased value of the commercial portion held by the Group during the year.

The Group's property investment in the core land bank in the Yubei district is developing into one of the most important centers in Chongqing. Four commercial land lots are situated in the core land bank, namely, Lot Nos. 3, 4, 9 and 10, which are being developed into hotels, commercial and residential complexes.

As of 31 December 2014, Lot Nos. 4 & 10 with a total leasable and saleable GFA of about 961,000 sqm was under construction. The portfolio consists of the following projects:

a. the shopping mall and the car park area of "Zhongyu Plaza" in Lot No. 10 is expected to be completed in 2015 with a total leasable and saleable GFA of about 209,000 sqm.

b. construction work has commenced for Lot No.4, which will be developed to be one of the largest and high-end shopping and entertainment centers in Western China with a total leasable and saleable GFA of about 752,000 sqm. The Group has entered into a pre-leasing agreement with Taiwan Shin Kong Mitsukoshi, operator of a chain of department stores in Taiwan and China, to lease a GFA of approximately 250,000 sqm of the project's commercial space. The mode of co-operation is purely based on lease arrangements consisting of rental fee levied on two factors, namely, area occupied and monthly turnover amount. The department store is expected to commence operation in 2016.

It is the intention of the Group to lease out the Group's investment properties, although the possibility of selling some units should attractive offers arise cannot be ruled out. The Group will assess the market environment from time to time to determine the appropriate proportion of the investment properties for lease and sale respectively.

The rental income for investment properties in the year was approximately HK$23.1 million, as compared with approximately HK$20.0 million last year. The rental income was generated from the existing investment properties, representing an annual growth of 15.5%.

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 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 Group has maintained a healthy financial position during the year. As of 31 December 2014, the Group had aggregate cash and bank balances and time deposits amounting to HK$9,519.0 million (2013: HK$9,636.3 million). The Group monitors its capital on the basis of the gearing ratio. The net gearing ratio of the Group as at 31 December 2014 was 17.3% (2013: 10.3%) 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 RMB4,983.6 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 6.58% (2013: 6.73%) per annum which is relatively low in the market.

The cash collection ratio for the property business was 118% 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 and are likely to provide some support to sales. 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. The Group believes that, due to the progress of urbanization, return of strong demand from the increase in disposable income of residents, and the release of demand from upgraders, which are the driving forces for the sustainable growth of the real estate market, there is still room for growth for the real estate industry.

In respect of land acquisitions, the 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 Group continues to ensure that it always has sufficient funding to expand resources land reserves with high potential profitability. The Group believes maintaining a land bank which is sufficient for five to six years' of development is an optimal size to support the future growth of the Group.

Chongqing will benefit from China's new urbanization drive, and is expected to result in population increase. The outlook for the office and retail market is expected to remain stable. The Group will continue to develop and keep its trophy commercial properties for rental purposes.

With more new launches, the contract sales performance is expected to pick up accordingly. The contract sales target for 2015 is RMB8 billion, approximately 39% more than its 2014 contract sales. This will be achieved from the sales of 21 projects in 5 cities. The unrecognized contract sales amounted to RMB11.3 billion representing a pre-sold GFA of 1.3 million sqm. Together with the contract sales for the first two months of 2015, the total unrecognized contract sales to be delivered in 2015 and beyond amounted to RMB12 billion.

Completion of properties in 2015 and 2016 will be 2,584,000 sqm and 1,449,000 sqm respectively with details set out below:

Locations	Projects	Residential Area *(sqm)*	Commercial/ Car park/ Other Area *(sqm)*	Total Area *(sqm)*	The Group's Interests
Year 2015					
Chongqing	Phoenix County Phases II & III	143,000	41,000	184,000	100%
	Zhongyu Plaza	—	209,000	209,000	92%
	Academic Heights Phase III	124,000	82,000	206,000	92%
	Residence Serene Phase I	—	116,000	116,000	92%
	Verakin New Park City –Zone M	128,000	42,000	170,000	51%
	Bishan Verakin New Park City –Zone A	54,000	38,000	92,000	26%
Chengdu	Sky Villa Phase III	157,000	58,000	215,000	51%
	Sky Villa Condominiums	80,000	45,000	125,000	51%
	Brighton Place & Plaza Phases I, II, III, IV & V	—	186,000	186,000	51%
	Residence du Paradis Phase I	162,000	77,000	239,000	51%
	Residence du Lac Phase I	142,000	68,000	210,000	51%
	Villa Royale Phases III, IV & V	75,000	10,000	85,000	51%
Dazhou	Radiant Bay Phases I & II	50,000	—	50,000	100%
Guiyang	First City, Guiyang Phases II, III & IV	155,000	342,000	497,000	85%
TOTAL		1,270,000	1,314,000	2,584,000	

Locations	Projects	Residential Area *(sqm)*	Commercial/ Car park/ Other Area *(sqm)*	Total Area *(sqm)*	The Group's Interests
Year 2016					
Chongqing	Residence Serene Phase II	132,000	48,000	180,000	92%
	Lot No. 4	—	250,000	250,000	92%
	Verakin New Park City				
	–Zone S	—	97,000	97,000	51%
	–Zone U	—	103,000	103,000	51%
	Bishan Verakin New Park City				
	–Zone C	72,000	23,000	95,000	26%
	–Zone D	90,000	29,000	119,000	26%
Chengdu	Residence du Paradis Phase II	186,000	131,000	317,000	51%
Dazhou	Radiant Bay Phase II	36,000	6,000	42,000	100%
Guiyang	First City, Guiyang Phase III	60,000	—	60,000	85%
Xi'an	Zhongyu Metropol Phases I & II	164,000	22,000	186,000	100%
TOTAL		740,000	709,000	1,449,000	

For 2015 and 2016 respectively, 65% and 18% of the target completion residential areas have been pre-sold as at 28 February 2015. The target completion area for year 2015 are 2,584,000 sqm, which is about 115% higher when compared with the 2014 completion area of 1,199,500 sqm.

As at 31 December 2014, the Group has a total of 20 projects under development. Based on the existing development schedule, the Group expects the total area for construction start-up in 2015 to be around 2.6 million sqm. Together with the area under construction of 4.8 million sqm as at 31 December 2014, the total area under development at the end of 2015 is expected to be over 7.4 million sqm — about 60% of the Group's total land bank.

As at 31 December 2014, the outstanding land premium is about RMB542 million. The expected construction cost for 2015 is about RMB7.5 billion.

The 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 Group's financial commitments and enhance returns from its projects in order to accelerate further growth of the Group. The 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 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 Group.

At 31 December 2014, the 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$1,577.3 million (31 December 2013: HK$906.7 million) which is about 3.2% of the total assets of the Group. The 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 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$37.2 million (2013: HK$25.6 million).

Liquidity and Financial Resources

The 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 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 Group's financial position is healthy, ready for future capital expansion while maintaining a sufficiently high level of fixed deposits and bank balances amounting to HK$9,519.0 million (31 December 2013: HK$9,636.3 million) which included HK$1,880.8 million (31 December 2013: HK$781.2 million) of deposit pledged to banks. Of the cash and bank balances, the carrying amount of restricted cash was approximately HK$1,357.3 million (31 December 2013: approximately HK$3,079.1 million). According to the relevant laws and regulations of the PRC, the 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	8,506.2	89.3	8,321.6	86.4
Hong Kong Dollars	1,010.0	10.6	1,302.7	13.5
United States Dollars	2.8	0.1	12.0	0.1
Total	9,519.0	100.0	9,636.3	100.0

As at 31 December 2014 the Group's working capital (current assets less current liabilities) amounted to approximately HK$13,515.3 million (31 December 2013: HK$11,107.0 million). The Group's current ratio (current assets over current liabilities) was 1.6 times (31 December 2013: 1.4 times). The unutilized banking facilities of the Group amounted to HK$1,982 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 Group mainly relies upon internally generated funds as well as bank borrowings to ensure long term stability and healthy development of the Group whilst monitoring the gearing position from time to time to minimize the risks.

Total borrowings amounted to HK$12,082.0 million (31 December 2013: HK$11,094.0 million). The average borrowing interest rate for the year ended 31 December 2014 was 6.58% (31 December 2013: 6.73%) per annum. The total finance costs increased by approximately 77.0 % as compared to last year and amounted to HK$159.8 million (31 December 2013: HK$90.3 million), after capitalization of HK$636.4 million (31 December 2013: HK$643.7 million) into the cost of properties under development. Secured debts accounted for approximately 71% of total borrowings as at 31 December 2014 (31 December 2013: 66%). As at 31 December 2014, the Group was at a net borrowing position of HK$2,563.0 million after netting off total bank borrowings against cash balance (31 December 2013: net borrowing position of HK$1,457.7 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 RMB5.0 billion during the year.

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$**	**US$**	**Total**	**Percentage**
	HK$'M	*HK$'M*	*HK$'M*	*HK$'M*	
Bank borrowings repayable:					
— Within 1 year or on demand	2,317.5	1,835.1	—	4,152.6	34.4
— In the second year	3,560.9	2,911.0	—	6,471.9	53.5
— In the third to fifth years, inclusive	730.3	660.0	—	1,390.3	11.5
— Beyond five years	67.2	—	—	67.2	0.6
Total bank borrowings	6,675.9	5,406.1	—	12,082.0	100.0
Less: Cash and bank balances and time deposits	(8,506.2)	(1,010.0)	(2.8)	(9,519.0)	
Net borrowing position	(1,830.3)	4,396.1	(2.8)	2,563.0	

The owners' equity was HK$14.8 billion (31 December 2013: HK$14.2 billion) and the net assets value per share was HK$5.72 (31 December 2013: HK$5.48).

Contingent Liabilities/Financial Guarantees

At 31 December 2014, the Group had the following contingent liabilities/financial guarantees:

a. Guarantees given to banks in connection with facilities granted to an associate in the amount of HK$526.1 million (31 December 2013: HK$526.1 million).

b. Guarantees given to banks in respect of mortgage facilities granted to certain purchasers of the Group's property units in the amount of HK$7,072.7 million (31 December 2013: HK$7,492.6 million).

Pledge of Assets

At 31 December 2014, the Group has pledged the following assets:

a.	Leasehold properties as security for general banking facilities granted to the Group.	HK$84.3 million
b	Bank balances and time deposits as security for general banking facilities granted to the Group.	HK$1,880.8 million
c.	Properties under development, completed properties held for sales and investment properties pledged to secure banking facilities granted to the Group.	RMB13,169.2 million
d.	100% equity holdings of a subsidiary of the Group in the PRC.	RMB202.1 million

Exchange Risks

As the 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 Group. No currency hedging arrangements were made as at 31 December 2014. The Group will continue to closely monitor and manage its exposure to fluctuation in foreign exchange rates.

EMPLOYEES

As of 31 December 2014, the Group had approximately 2,206 employees in China and Hong Kong (31 December 2013: 1,932 employees) and incurred employee costs in the amount of approximately HK$377 million (31 December 2013: HK$358 million). The 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 Group has also established an incentive bonus scheme to reward employees based on their performance and the 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) Management discussion and analysis of the Target Group

Set out below is the management discussion and analysis of the Target Group for each of the financial years ended 31 March 2014, 2015 and 2016 and for the nine months ended 31 December 2016. The Target Company was incorporated in Jersey and is a property investment holding company. The Target Company's subsidiaries are principally involved in property investment in the United Kingdom.

Business Review

The principal asset of the Target Group is the freehold interest of the Leadenhall Building, which approximately 610,000 square feet of office and retail space and is substantially fully multi-let with a weighted average unexpired lease term of approximately 13 years with over 10 years on a term-certain basis. The building's tenant base includes a number of major international insurance companies alongside financial institutions, technology and professional service businesses. The average rent per square feet per year was approximately GBP66 (equivalent to approximately HK$640).

Financial Review

Revenue

An analysis of Target Group's revenue for the years ended 31 March 2014, 2015 and 2016 and for the nine months ended 31 December 2015 and 2016 is as follow:

	Year ended 31 March			**Nine months ended 31 December**	
	2014	**2015**	**2016**	**2015**	**2016**
	GBP'000	*GBP'000*	*GBP'000*	*GBP'000*	*GBP'000*
				(Unaudited)	
Rental income	—	9,767	27,220	19,630	24,035

Rental income is derived from leasing the Leadenhall Building to tenant. Completed in 2014, the Leadenhall Building started to be leased out and earned rental income from the financial year ended 31 March 2015. The rental income increased as more areas were leased out to tenants after the construction completed of the Leadenhall Building. As at 31 December 2016, the Leadenhall Building was substantially fully multi-let with annualized rental income of approximately GBP 40.2 million.

Fair value gains on the Leadenhall Building

The fair value gains on the investment property for the years ended 31 March 2014, 2015 and 2016 and for the nine months ended 31 December 2015 and 2016 are as follow:

	Year ended 31 March			**Nine months ended 31 December**	
	2014	**2015**	**2016**	**2015**	**2016**
	GBP'000	*GBP'000*	*GBP'000*	*GBP'000*	*GBP'000*
				(Unaudited)	
Fair value gains	128,702	199,147	123,026	113,871	37,815

The fair value was determined by independent professional valuers based on a combination of the residual method or the investment method.

Finance costs

An analysis of the Target Group's finance costs for the years ended 31 March 2014, 2015 and 2016 and for the nine months ended 31 December 2015 and 2016 is as follow:

	Year ended 31 March			Nine months ended 31 December	
	2014	**2015**	**2016**	**2015**	**2016**
	GBP'000	*GBP'000*	*GBP'000*	*GBP'000*	*GBP'000*
				(Unaudited)	
Interest on loans from shareholders	1,802	4,772	5,538	4,108	4,370
Less: Interest capitalized	(1,802)	(1,356)	—	—	—
	—	3,416	5,538	4,108	4,370

Liquidity and Financial Resources

The Target Group is entitled to 100% of the total rental income of the Leadenhall Building and receives rental income in advance from tenants. Our Company would provide continual financial support and adequate funds for the Target Group to meet its liabilities as and when they fall due. Cash and bank balances denominated in GBP amounted to GBP1,178,000, GBP3,539,000, GBP5,322,000 and GBP9,471,000 as at 31 March 2014, 2015 and 2016, and 31 December 2016 respectively. An analysis of the Target Group's borrowings as at 31 March 2014, 2015 and 2016, and 31 December 2016 is as follow:

	As at 31 March			As at 31 December
	2014	**2015**	**2016**	**2016**
	GBP'000	*GBP'000*	*GBP'000*	*GBP'000*
Non interest-bearing loans from shareholders	174,546	174,546	174,546	174,546
Interest-bearing loans from shareholders	138,630	168,748	188,070	195,340
Total loans from shareholders	313,176	343,294	362,616	369,886

As at 31 March 2014, 2015 and 2016, and 31 December 2016, all the loans from shareholders were unsecured, had no fixed terms of repayments, and were denominated in GBP. The interest-bearing loans from shareholders bear interest at a rate of 3% per annum compounded annually.

The Target Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt includes loans, other payables, less cash and bank balances.

	As at 31 March			As at 31 December
	2014	**2015**	**2016**	**2016**
	GBP'000	*GBP'000*	*GBP'000*	*GBP'000*
Loans from shareholders	313,176	343,294	362,616	369,886
Other payables	3,081	3,416	4,258	3,538
Less: cash and bank balances	(1,178)	(3,539)	(5,322)	(9,471)
Net debts	315,079	343,171	361,552	363,953
Total capital	213,411	428,597	578,670	634,676
Total capital plus net debts	528,490	771,768	940,022	998,629
Gearing ratio	60%	44%	38%	36%

Contingent Liabilities

As at 31 March 2014, 2015 and 2016, and 31 December 2016, the Target Group did not have any significant contingent liabilities.

Charge or Pledge of Assets

As at 31 March 2014, 2015 and 2016, and 31 December 2016, no asset of the Target Group was pledged or charged.

Foreign Currency Risks

The Target Group operates in the United Kingdom, and its revenue and expenses are mainly denominated in GBP, therefore it is not exposed to material foreign exchange risks. The directors expect that any fluctuation of GBP's exchange rate will not have any material adverse effects on the operation of the Target Group. The directors will continue to closely monitor and manage the Target Group's exposure to fluctuations in the GBP exchange rates.

Material investments

During the years ended 31 March 2014, 2015 and 2016, and the nine months ended 31 December 2016, the Target Group did not have any future plans for material investments.

Employees

During the years ended 31 March 2014, 2015 and 2016, and the nine months ended 31 December 2016, the Target Group did not hire any employee, and management of the Leadenhall Building was outsourced to external service providers.

(C) Management discussion and analysis of the Unit Trust acquired under the January Acquisition

Set out below is the management discussion and analysis of the Paddington Central III Unit Trust (the "**Unit Trust**"), a unit trust constituted in Jersey, for each of the financial years ended 31 December 2014, 2015 and 2016.

The principal activity of the Unit Trust was property investment.

Business Review

The principal asset of the Unit Trust is the freehold interest of the land and buildings known as 1 Kingdom Street, London W2 6BD, United Kingdom (the "**Kingdom Street Property**"), which comprises approximately 265,000 square feet spreading over two basement floors plus nine upper storeys of Grade A office accommodation. This investment property is leased to third parties under operating leases, whereby 50% of the rental income was allocated to KS Leasehold S.à r.l. ("**KS Leasehold**") under a profit sharing agreement. As at 31 December 2016, the office areas were fully rented and the average rent per square feet per year was approximately GBP55 (equivalent to approximately HK$542).

Financial Review

Revenue

An analysis of the Unit Trust's revenue for the years ended 31 December 2014, 2015 and 2016 is as follow:

	2014	**2015**	**2016**
	GBP'000	*GBP'000*	*GBP'000*
Gross rental income	7,170	7,223	7,220

Rental income is derived from leasing the Kingdom Street Property to tenants. For the years ended 31 December 2014, 2015 and 2016, since the Kingdom Street Property was almost fully rented and there was no rent review during the period, the revenue was relatively stable. According to the respective tenancy agreements with tenants, rent is usually reviewed every 5 years and the next rent review period will be in 2018 for most of the tenancy agreements.

Fair value changes on the investment property

The fair value gains on the investment property for the years ended 31 December 2014 and 2015 were GBP5,000,000 and GBP15,450,000 respectively, while the fair value loss for the year ended 31 December 2016 was GBP1,530,000. The fair value was determined by an independent professional valuer based on a combination of the income approach and the sales comparison approach.

Liquidity and Financial Resources

The Unit Trust is entitled to 50% of the net rental income of the Kingdom Street Property and the rental income is transferred directly to the unitholders of the Unit Trust as distributions. Our Company would provide continual financial support and adequate funds for the Unit Trust to meet its liabilities as and when they fall due. Cash and bank balances denominated in GBP amounted to GBP4,000, GBP1,000 and GBP7,000 as at 31 December 2014, 2015 and 2016, respectively.

There was no bank and other borrowings as at 31 December 2014, 2015 and 2016.

Contingent Liabilities

As at 31 December 2014, 2015 and 2016, the Unit Trust did not have any significant contingent liabilities.

Pledge of Assets

As at 31 December 2014, 2015 and 2016, investment property in the amount of GBP135,000,000, GBP150,450,000 and GBP148,920,000, respectively, was pledged to secure term financing arrangements with a bank.

Foreign Currency Risks

The Unit Trust operates in the United Kingdom, its revenue and expenses are mainly denominated in GBP, therefore it is not exposed to material foreign exchange risks. The joint trustees of the Unit Trust ("**Trustees**") expect that any fluctuation of GBP's exchange rate will not have any material adverse effects on the operation of the Unit Trust. The Trustees will continue to closely monitor and manage the Unit Trust's exposure to fluctuations in the GBP exchange rates.

Material investments

During the years ended 31 December 2014, 2015 and 2016, the Unit Trust did not have any future plans for material investments.

Employees

During the years ended 31 December 2014, 2015 and 2016, the Unit Trust did not hire any employee, and management of the Kingdom Street Property was outsourced to external service providers.

(D) Management discussion and analysis of KS Leasehold acquired under the January Acquisition

Set out below is the management discussion and analysis of KS Leasehold for each of the financial years ended 31 December 2014, 2015 and 2016.

KS Leasehold was incorporated in Luxembourg and the principal activity of KS Leasehold was property investment.

Business Review

The principal asset of KS Leasehold is the leasehold interest of the Kingdom Street Property, which comprises approximately 265,000 square feet spreading over two basement floors plus nine upper storeys of Grade A office accommodation. This investment property is leased to third parties under operating leases, whereby 50% of the rental income was allocated to the Unit Trust under a profit sharing agreement. As at 31 December 2016, the office areas were fully rented and the average rent per square feet per year was approximately GBP55 (equivalent to approximately HK$542).

Financial Review

Revenue

An analysis of KS Leasehold's revenue for the years ended 31 December 2014, 2015 and 2016 is as follow:

	2014	**2015**	**2016**
	GBP'000	*GBP'000*	*GBP'000*
Gross rental income and property management fee income	10,022	9,989	9,892

Rental income is derived from leasing the Kingdom Street Property to tenants. For the years ended 31 December 2014, 2015 and 2016, since the Kingdom Street Property was almost fully rented and there was no rent review during the period, the revenue was relatively stable. According to the respective tenancy agreements with tenants, rent is usually reviewed every 5 years and the next rent review period will be in 2018 for most of the tenancy agreements.

Fair value changes on the Kingdom Street Property

The fair value gains on the investment property for the years ended 31 December 2014 and 2015 were GBP5,000,000 and GBP14,600,000 respectively, while the fair value loss for the year ended 31 December 2016 was GBP1,470,000. The fair value was determined by an independent professional valuer based on a combination of the income approach and the sales comparison approach.

Finance costs

An analysis of KS Leasehold's finance costs for the years ended 31 December 2014, 2015 and 2016 is as follow:

	2014	**2015**	**2016**
	GBP'000	*GBP'000*	*GBP'000*
Bank loan interest	2,650	2,648	2,650
Other loan interest	2,072	1,717	2,410
	4,722	4,365	5,060

Liquidity and Financial Resources

KS Leasehold is entitled to 50% of the net rental income of the Kingdom Street Property and the tenants are required to pay rental income quarterly in advance. Our Company would provide continual financial support and adequate funds for KS Leasehold to meet its liabilities as and when they fall due. Cash and bank balances denominated in GBP amounted to GBP3,777,000, GBP11,526,000 and GBP10,726,000 as at 31 December 2014, 2015 and 2016, respectively.

Bank and other borrowings denominated in GBP amounted to GBP95,588,000, GBP99,851,000 and GBP100,299,000 as at 31 December 2014, 2015 and 2016, respectively. The effective interest rate of bank borrowing was fixed at 3.61% per annum. And other borrowing of GBP25,752,000, GBP25,804,000 and GBP25,850,000 as at 31 December 2014, 2015 and 2016, respectively, had a fixed effective interest rate of 8% per annum, while the other borrowing of GBP4,142,000 and GBP4,473,000 as at 31 December 2015 and 2016, respectively, was interest free. The maturity profile of the bank and other borrowings as at 31 December 2014, 2015 and 2016 is as follows:

	2014	**2015**	**2016**
	GBP'000	*GBP'000*	*GBP'000*
Borrowings repayable within 1 year:			
— Secured bank borrowings	—	—	69,976
— Unsecured other borrowings	—	4,142	4,473
	—	4,142	74,449
Borrowings repayable in the second to fifth years:			
— Secured bank borrowings	69,836	69,905	—
— Unsecured other borrowings	25,752	25,804	25,850
	95,588	95,709	25,850
Total borrowings	95,588	99,851	100,299

KS Leasehold monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt includes bank and other borrowings, trade payables, other payables, less cash and cash equivalents.

	Year ended 31 December		
	2014	**2015**	**2016**
	GBP'000	*GBP'000*	*GBP'000*
Bank and other borrowings	95,588	99,851	100,299
Trade payables	–	12	717
Other payables	2,360	3,629	2,854
Less: cash and cash equivalents	(3,777)	(11,526)	(10,726)
Net debt	94,171	91,966	93,144
Total capital	33,976	46,858	55,095
Total capital plus net debt	128,147	138,824	148,239
Gearing ratio	73%	66%	63%

Contingent Liabilities

As at 31 December 2014, 2015 and 2016, KS Leasehold did not have any significant contingent liabilities.

Pledge of Assets

As at 31 December 2014, 2015 and 2016, investment property in the amount of GBP129,950,000, GBP144,550,000 and GBP143,080,000, respectively, were pledged to secure term financing arrangements with a bank.

As at 31 December 2015 and 2016, a bank balance of GBP7,500,000 was pledged in favour of the relevant bank as required under the cross currency swap and interest rate swap agreements.

Foreign Currency Risks

KS Leasehold operates in the United Kingdom, its revenue and expenses are mainly denominated in GBP, therefore it is not exposed to material foreign exchange risks. The directors expect that any fluctuation of GBP's exchange rate will not have any material adverse effects on the operation of KS Leasehold. The directors will continue to closely monitor and manage KS Leasehold's exposure to fluctuations in the GBP exchange rates.

Material investments

During the years ended 31 December 2014, 2015 and 2016, KS Leasehold did not have any future plans for material investments.

Employees

During the years ended 31 December 2014, 2015 and 2016, KS Leasehold did not hire any employee, and management of the Kingdom Street Property was outsourced to external service providers.

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

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

2 May 2017

The Directors
C C Land Holdings Limited

Dear Sirs,

We set out below our report on the financial information of Leadenhall Holding Co (Jersey) Limited (the "**Target Company**") and its subsidiaries, namely, Leadenhall Property Co (Jersey) Limited, The Leadenhall Development Company Limited and 122 Leadenhall Street Limited (hereinafter collectively referred to as the "**Target Group**"), comprising the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Target Group for each of the three years ended 31 March 2014, 2015 and 2016, and the nine months ended 31 December 2016 (the "**Relevant Periods**"), and the consolidated statements of financial position of the Target Group as at 31 March 2014, 2015 and 2016, and 31 December 2016, together with the notes thereto (collectively, the "**Financial Information**"), and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Target Group for the nine months ended 31 December 2015 (the "**Interim Comparative Information**"), prepared on the bases of presentation and preparation set out in notes 2.1 and 2.2, respectively, of Section II below, for inclusion in the circular of C C Land Holdings Limited (the "**Company**" or "**C C Land**") dated 2 May 2017 (the "**Circular**") in connection with the acquisition of the entire equity interest in the Target Company, together with the repayment of the related shareholders' loans of the Target Group, by a subsidiary of the Company (the "**Leadenhall Acquisition**").

The Target Company was incorporated in Jersey with limited liability on 10 December 2010. The Target Company's principal activity is as a property investment holding company. As at the end of the Relevant Periods, the Target Company had direct interests in the subsidiaries as set out in note 1 of Section II below. All companies comprising the Target Group have adopted 31 March as their financial year end date.

The statutory financial statements of the Target Company for the year ended 31 March 2014 have been prepared in accordance with United Kingdom Generally Accepted Practice and were audited by Deloitte LLP, chartered accountants registered in the United Kingdom. The statutory financial statements of the Target Company for each of the years ended 31 March 2015 and 2016 have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") as adopted by the European Union and were audited by PricewaterhouseCoopers LLP, chartered accountants registered in the United Kingdom.

The statutory financial statements of the Target Company's subsidiaries have been prepared in accordance with the relevant accounting principles applicable to these companies in the countries in which they were incorporated. Details of their statutory auditors during the Relevant Periods are set out in note 1 of Section II below.

For the purpose of this report, the directors of the Target Company (the "**Target Company Directors**") have prepared the consolidated financial statements of the Target Group (the "**Underlying Financial Statements**") for the Relevant Periods in accordance with IFRSs issued by International Accounting Standards Board ("**IASB**"). The Underlying Financial Statements for each of the years ended 31 March 2014, 2015 and 2016 and the nine months ended 31 December 2016 were audited by Ernst & Young LLP, chartered accountants registered in Jersey.

The Financial Information set out in this report has been prepared from the Underlying Financial Statements with no adjustments made thereon.

TARGET COMPANY DIRECTORS' RESPONSIBILITY

The Target Company Directors are responsible for the preparation of the Underlying Financial Statements, the Financial Information and the Interim Comparative Information that give a true and fair view in accordance with IFRSs, and for such internal control as the Target Company Directors determine is necessary to enable the preparation of the Underlying Financial Statements, the Financial Information and the Interim Comparative Information that are free from material misstatement, whether due to fraud or error.

REPORTING ACCOUNTANTS' RESPONSIBILITY

It is our responsibility to form an independent opinion and a review conclusion on the Financial Information and the Interim Comparative Information, respectively, and to report our opinion and review conclusion thereon to you.

For the purpose of this report, we have examined the Underlying Financial Statements and have carried out procedures on the Financial Information in accordance with Auditing Guideline 3.340 *Prospectuses and the Reporting Accountant* issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

We have also performed a review of the Interim Comparative Information in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists principally of making enquires of management and applying analytical procedures to the financial information and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets and liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an opinion on the Interim Comparative Information.

OPINION IN RESPECT OF THE FINANCIAL INFORMATION

In our opinion, for the purpose of this report and on the bases of presentation and preparation set out in notes 2.1 and 2.2, respectively, of Section II below, the Financial Information gives a true and fair view of the financial position of the Target Group as at 31 March 2014, 2015 and 2016, and 31 December 2016 and of the financial performance and cash flows of the Target Group for each of the Relevant Periods.

REVIEW CONCLUSION IN RESPECT OF THE INTERIM COMPARATIVE INFORMATION

Based on our review, which does not constitute an audit, for the purpose of this report, nothing has come to our attention that causes us to believe that the Interim Comparative Information is not prepared, in all material respects, in accordance with the same basis adopted in respect of the Financial Information.

I. FINANCIAL INFORMATION

(A) CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 March			Nine months ended 31 December	
		2014	**2015**	**2016**	**2015**	**2016**
	Notes	*GBP'000*	*GBP'000*	*GBP'000*	*GBP'000*	*GBP'000*
					(Unaudited)	
REVENUE	5	—	9,767	27,220	19,630	24,035
Cost of sales		(750)	(3,492)	(2,502)	(2,345)	(561)
Gross profit/(loss)		(750)	6,275	24,718	17,285	23,474
Revaluation of investment property	10	128,702	199,147	123,026	113,871	37,815
Finance income		14	32	18	17	14
Finance costs	7	—	(3,416)	(5,538)	(4,108)	(4,370)
Administrative expenses		(331)	(832)	(1,748)	(1,313)	(1,871)
PROFIT BEFORE TAX	6	127,635	201,206	140,476	125,752	55,062
Income tax credit/(expense)	8	(15)	4	1	1	—
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		127,620	201,210	140,477	125,753	55,062

I. FINANCIAL INFORMATION *(continued)*

(B) CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 March			As at 31 December
		2014	**2015**	**2016**	**2016**
	Notes	*GBP'000*	*GBP'000*	*GBP'000*	*GBP'000*
Non-current asset					
Investment property	*10*	529,210	770,510	942,010	1,000,000
Current assets					
Prepayments and other receivables	*11*	1,136	2,204	362	1,205
Cash and bank balances	*12*	1,178	3,539	5,322	9,471
Total current assets		2,314	5,743	5,684	10,676
Current liabilities					
Other payables and accruals	*13*	4,937	4,362	6,408	6,114
Non interest-bearing advances from shareholders	*14*	174,546	174,546	174,546	174,546
Interest-bearing advances from shareholders	*14*	138,630	168,748	188,070	195,340
Total current liabilities		318,113	347,656	369,024	376,000
Net current liabilities		(315,799)	(341,913)	(363,340)	(365,324)
Net assets		213,411	428,597	578,670	634,676
Equity					
Share capital	*15*	—	—	—	—
Share premium	*15*	62,304	76,280	85,876	86,820
Retained earnings		151,107	352,317	492,794	547,856
Total equity		213,411	428,597	578,670	634,676

I. FINANCIAL INFORMATION *(continued)*

(C) CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Issued capital *GBP* *(note 15)*	Share premium account *GBP'000* *(note 15)*	Retained profits *GBP'000*	Total equity *GBP'000*
At 1 April 2013	414	29,102	23,487	52,589
Profit and total comprehensive income for the year	—	—	127,620	127,620
Issue of shares	4	33,202	—	33,202
At 31 March 2014 and 1 April 2014	418	62,304	151,107	213,411
Profit and total comprehensive income for the year	—	—	201,210	201,210
Issue of shares	4	13,976	—	13,976
At 31 March 2015 and 1 April 2015	422	76,280	352,317	428,597
Profit and total comprehensive income for the year	—	—	140,477	140,477
Issue of shares	4	9,596	—	9,596
At 31 March 2016 and 1 April 2016	426	85,876	492,794	578,670
Profit and total comprehensive income for the period	—	—	55,062	55,062
Issue of shares	2	3,944	—	3,944
Dividend paid	—	(3,000)	—	(3,000)
At 31 December 2016	428	86,820	547,856	634,676
(Unaudited) At 1 April 2015	422	76,280	352,317	428,597
Profit and total comprehensive income for the period	—	—	125,753	125,753
Issue of shares	2	5,358	—	5,358
At 31 December 2015	424	81,638	478,070	559,708

I. FINANCIAL INFORMATION *(continued)*

(D) CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 March			Nine months ended 31 December	
		2014	2015	2016	2015	2016
	Notes	*GBP'000*	*GBP'000*	*GBP'000*	*GBP'000*	*GBP'000*
					(Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before tax		127,635	201,206	140,476	125,752	55,062
Adjustments for:						
Non-cash incentives		—	(9,623)	(24,860)	(18,147)	(17,944)
Finance costs	*7*	—	3,416	5,538	4,108	4,370
Finance income	*6*	(14)	(32)	(18)	(17)	(14)
Fair value gains on investment property	*10*	(128,702)	(199,147)	(123,026)	(113,871)	(37,815)
		(1,081)	(4,180)	(1,890)	(2,175)	3,659
Decrease/(increase) in prepayments and other receivables		53	(703)	1,488	198	(24)
Increase/(decrease) in other payables and accruals		(1)	901	1,002	788	529
Cash generated from/(used in) Operations		(1,029)	(3,982)	600	(1,189)	4,164
Tax paid		(27)	—	—	—	—
Net cash flows from/(used in) operating activities		(1,056)	(3,982)	600	(1,189)	4,164
CASH FLOWS FROM INVESTING ACTIVITIES						
Additions to investment property		(91,274)	(34,207)	(22,939)	(19,721)	(2,903)
Interest received		14	32	18	17	14
Increase in prepayments and other receivables		—	—	—	—	(313)
Indirect taxes recovered		6,197	562	179	835	627
Net cash flows used in investing activities		(85,063)	(33,613)	(22,742)	(18,869)	(2,575)

I. FINANCIAL INFORMATION *(continued)*

(D) CONSOLIDATED STATEMENTS OF CASH FLOWS *(continued)*

		Year ended 31 March			Nine months ended 31 December	
		2014	2015	2016	2015	2016
	Note	*GBP'000*	*GBP'000*	*GBP'000*	*GBP'000* (Unaudited)	*GBP'000*
Net cash flows used in investing activities		(85,063)	(33,613)	(22,742)	(18,869)	(2,575)
CASH FLOWS FROM FINANCING ACTIVITIES						
Increase in interest-bearing advances from shareholders		85,946	39,956	23,925	21,995	5,560
Dividend paid		—	—	—	—	(3,000)
Net cash flows from financing activities		85,946	39,956	23,925	21,995	2,560
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(173)	2,361	1,783	1,937	4,149
Cash and cash equivalents at beginning of year/period		1,351	1,178	3,539	3,539	5,322
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	*12*	1,178	3,539	5,322	5,476	9,471
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS						
Cash and bank balances		1,178	3,539	5,322	5,476	9,471

II. NOTES TO FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Target Company is a limited liability company incorporated in Jersey on 10 December 2010 and is a property investment holding company. The registered office of the Target Company is 13-14 Esplanade, St Helier, Jersey, JE1 1BD.

During the Relevant Periods, the Target Company's subsidiaries are principally involved in property investment in the United Kingdom.

As at the end of the Relevant Periods, the Target Company is a 50:50 joint venture between BL Leadenhall (Jersey) Limited ("**BL Leadenhall**"), which is a wholly-owned subsidiary of The British Land Company PLC ("**British Land**"), and Oxford Properties European Holdings Limited Partnership ("**Oxford Partnership**"). On 27 February 2017, BL Leadenhall transferred all its 50% equity interest in the Target Company to Union Property Holdings (London) Limited ("**BL Seller**"), a fellow subsidiary of BL Leadenhall.

As at the end of the Relevant Periods, the Target Company had direct interests in its subsidiaries, all of which are incorporated outside Hong Kong and have substantially similar characteristics to a private company incorporated in Hong Kong, the particulars of which are set out below:

Company name	Place and date of incorporation and place of operation	Nominal value of issued share capital	Percentage of equity directly attributable to the Target Company	Principal activities
Leadenhall Property Co (Jersey) Limited ("**Prop Co**") (a)	Jersey 10 December 2010	GBP400	100	Property holding
The Leadenhall Development Company Limited ("**DevCo**") (a)	England and Wales 2 November 2010	GBP100	100	Property development
122 Leadenhall Street Limited ("**UKCo**") (b)	England and Wales 9 October 2002	GBP100	100	Dormant

Notes:

(a) The statutory financial statements of these entities for the years ended 31 March 2014 prepared under United Kingdom Generally Accepted Practice were audited by Deloitte LLP, and their statutory financial statements for the years ended 31 March 2015 and 2016 prepared under IFRSs as adopted by the European Union were audited by PricewaterhouseCoopers LLP.

(b) No audited financial statements have been prepared for this entity for the years ended 31 March 2014, 2015 and 2016, as it was entitled to exemption from audit under the relevant section of the Companies Act 2006 of the United Kingdom relating to dormant companies.

II. NOTES TO FINANCIAL INFORMATION *(continued)*

2.1 BASIS OF PRESENTATION

As at 31 December 2016, the Target Group had net current liabilities of GBP365,324,000. The Target Group finances its operations principally by obtaining funding from its shareholders and as at 31 December 2016, the aggregate amount of advances from shareholders, including both interest-bearing and non interest-bearing advances, amounting to GBP369,886,000.

The Financial Information has been prepared by the Target Company Directors under the going concern concept because:

(i) the current shareholders of the Target Company have agreed to provide continual financial support and adequate funds for the Target Company and PropCo to meet their liabilities as when they fall due and not to demand repayment of the amounts due to them until such time as the Target Company and PropCo are in a position to repay such amounts without impairing their liquidity positions, in the next twelve months or until the completion of the Leadenhall Acquisition, whichever is earlier; and

(ii) C C Land has also agreed to provide continual financial support and adequate funds to the Target Company and PropCo to meet their liabilities as and when they fall due upon the completion of the Leadenhall Acquisition.

2.2 BASIS OF PREPARATION

The Financial Information has been prepared in accordance with IFRSs issued by the IASB. All IFRSs effective for the accounting period commencing from 1 April 2016, together with the relevant transitional provisions, have been early adopted by the Target Group in the preparation of the Financial Information throughout the Relevant Periods and in the period covered by the Interim Comparative Information.

The Financial Information has been prepared under the historical cost convention, except for investment property which has been measured at fair value. The Financial Information is presented in British Pound ("**GBP**") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The Financial Information includes the financial statements of the Target Company and its subsidiaries for the years ended 31 March 2014, 2015 and 2016 and the nine months ended 31 December 2016. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Target Company. Control is achieved when the Target Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Target Group the current ability to direct the relevant activities of the investee).

When the Target Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Target Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Target Group's voting rights and potential voting rights.

II. NOTES TO FINANCIAL INFORMATION *(continued)*

2.2 BASIS OF PREPARATION *(continued)*

Basis of consolidation *(continued)*

The financial statements of the subsidiary are prepared for the same reporting period as the Target Company, using consistent accounting policies. The results of subsidiary are consolidated from the date on which the Target Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Target Group. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Target Group are eliminated in full on consolidation.

The Target Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Target Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Target Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Target Group had directly disposed of the related assets or liabilities.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs

The Target Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in the Financial Information.

Amendments to IFRS 2	*Classification and Measurement of Share-based Payment Transactions*[2]
Amendments to IFRS 4	*Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*[2]
IFRS 9	*Financial Instruments*[2]
Amendments to IFRS 10 and IAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
IFRS 15	*Revenue from Contracts with Customers*[2]
Amendments to IFRS 15	*Clarifications to IFRS 15 Revenue from Contracts with Customers*[2]
IFRS 16	*Leases*[3]
Amendments to IAS 7	*Disclosure Initiative*[1]
Amendments to IAS 12	*Recognition on Deferred Tax Assets for unrealised losses*[1]
Amendments to IAS 40	*Transfers of Investment Property*[2]

1 Effective for annual periods beginning on or after 1 April 2017
2 Effective for annual periods beginning on or after 1 April 2018
3 Effective for annual periods beginning on or after 1 April 2019
4 No mandatory effective date is determined but available for adoption

The Target Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application.

II. NOTES TO FINANCIAL INFORMATION *(continued)*

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Related parties

A party is considered to be related to the Target Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Target Group;

(ii) has significant influence over the Target Group; or

(iii) is a member of the key management personnel of the Target Group or of a parent of the Target Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Target Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Target Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Target Group or an entity related to the Target Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Target Group or to the parent of the Target Group.

Fair value measurement

The Target Group measures its investment property at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Target Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Target Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

II. NOTES TO FINANCIAL INFORMATION *(continued)*

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Fair value measurement *(continued)*

All assets and liabilities for which fair value is measured or disclosed in the Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Financial Information on a recurring basis, the Target Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Investment property

Investment property is an interest in land and buildings (including the leasehold interest under an operating lease for a property which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment property is included in profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of the retirement or disposal.

Leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Target Group is the lessor, assets leased by the Target Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to profit or loss on the straight-line basis over the lease terms.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as loans and receivables. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Target Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

II. NOTES TO FINANCIAL INFORMATION *(continued)*

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial assets *(continued)*

Subsequent measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in profit or loss. The loss arising from impairment is recognised in profit or loss in other expenses.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Target Group's statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- the Target Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Target Group has transferred substantially all the risks and rewards of the asset, or (b) Target Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Target Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Target Group continues to recognise the transferred asset to the extent of the Target Group's continuing involvement. In that case, the Target Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Target Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Target Group could be required to repay.

Impairment of financial assets

The Target Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

II. NOTES TO FINANCIAL INFORMATION *(continued)*

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Impairment of financial assets *(continued)*

For financial assets carried at amortised cost, the Target Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Target Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Target Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings.

The Target Group's financial liabilities include trade and other payables, and loans from shareholders. Financial liabilities are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, they are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

II. NOTES TO FINANCIAL INFORMATION *(continued)*

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Target Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

II. NOTES TO FINANCIAL INFORMATION *(continued)*

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Income tax *(continued)*

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Cash and cash equivalents

For the purpose of the consolidated statements of cash flows, cash and cash equivalents comprise cash on hand and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts.

For the purpose of the consolidated statements of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Target Group and when the revenue can be reliably measured, on the following bases:

(a) rental income, on a time proportion basis over the lease terms; and

(b) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Dividends are recognised as a liability when they are declared and approved by the board of directors of the Target Company.

II. NOTES TO FINANCIAL INFORMATION *(continued)*

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Provision

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Target Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Financial Information.

Operating lease commitment – as lessor

The Target Group has entered into property leases on its investment property. The Target Group has determined, based on an evaluation of terms and conditions of the lease arrangements, that it retains all the significant risks and rewards of ownership of this property which is leased out on operating leases.

Classification between investment property and owner-occupied property

The Target Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Target Group considers whether a property generates cash flows largely independently of the other assets held by the Target Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Target Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

II. NOTES TO FINANCIAL INFORMATION *(continued)*

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Estimation of fair value of investment property

In the absence of current prices in an active market for similar properties, the Target Group considers information from a variety of sources, including:

(a) current prices in an active market for properties of a different nature, condition or location or subject to different leases or other contracts, adjusted to reflect those differences;

(b) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and

(c) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The principal assumptions for the Target Group's estimation of the fair value include those related to current market rents for similar properties in the same location and condition, appropriate discount rates, expected future market rents and future maintenance costs.

5. REVENUE

Revenue represents rental income earned from an investment property during the Relevant Periods.

6. PROFIT BEFORE TAX

The Target Group's profit before tax is arrived at after charging/(crediting):

	Year ended 31 March			Nine months ended 31 December	
	2014	**2015**	**2016**	**2015**	**2016**
	GBP'000	*GBP'000*	*GBP'000*	*GBP'000* (Unaudited)	*GBP'000*
Interest income	(14)	(32)	(18)	(17)	(14)
Direct operating expenses arising from rental earning property	—	2,133	1,533	1,597	639
Auditor's remuneration	20	5	10	6	11

II. NOTES TO FINANCIAL INFORMATION *(continued)*

7. FINANCE COSTS

	Year ended 31 March			Nine months ended 31 December	
	2014	**2015**	**2016**	**2015**	**2016**
	GBP'000	*GBP'000*	*GBP'000*	*GBP'000* (Unaudited)	*GBP'000*
An analysis of finance costs is as follows:					
Interest on loan from BL Leadenhall	901	2,386	2,769	2,054	2,185
Interest on loan from Oxford Partnership	901	2,386	2,769	2,054	2,185
	1,802	4,772	5,538	4,108	4,370
Less: Interest capitalised *(note 10)*	(1,802)	(1,356)	—	—	—
	—	3,416	5,538	4,108	4,370

8. INCOME TAX EXPENSE/(CREDIT)

The Target Company is not subject to any corporate income tax in the United Kingdom and Jersey. Taxes on profits of the Target Company's subsidiaries assessable in the United Kingdom during the Relevant Periods have been calculated at the rate of 20%.

	Year ended 31 March			Nine months ended 31 December	
	2014	**2015**	**2016**	**2015**	**2016**
	GBP'000	*GBP'000*	*GBP'000*	*GBP'000* (Unaudited)	*GBP'000*
Total tax charge/(credit) for the year/period	15	(4)	(1)	(1)	—

II. NOTES TO FINANCIAL INFORMATION *(continued)*

8. INCOME TAX EXPENSE/(CREDIT) *(continued)*

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the tax charge/(credit) at the effective tax rate is as follows:

	Year ended 31 March			Nine months ended 31 December	
	2014	**2015**	**2016**	**2015**	**2016**
	GBP'000	*GBP'000*	*GBP'000*	*GBP'000* (Unaudited)	*GBP'000*
Profit before tax	127,635	201,206	140,476	125,752	55,062
Tax at the United Kingdom statutory tax rate of 20%	25,527	40,241	28,095	25,151	11,013
Income not subject to tax	(25,740)	(41,997)	(27,160)	(25,297)	(9,963)
Expenses not deductible for tax	55	27	205	184	59
Tax losses not recognised	81	854	—	—	—
Tax losses utilised from previous periods	—	—	(558)	(17)	(552)
Others	92	871	(583)	(22)	(557)
Tax charge/(credit) at the Target Group's effective tax rate	15	(4)	(1)	(1)	—

9. DIVIDEND

	Year ended 31 March			Nine months ended 31 December	
	2014	**2015**	**2016**	**2015**	**2016**
	GBP'000	*GBP'000*	*GBP'000*	*GBP'000* (Unaudited)	*GBP'000*
Interim dividend	—	—	—	—	3,000

During the nine months ended 31 December 2016, the board of directors of the Target Company declared and approved the distribution of an interim dividend of GBP3,000,000 to its shareholders.

II. NOTES TO FINANCIAL INFORMATION *(continued)*

10. INVESTMENT PROPERTY

	As at 31 March 2014	2015	2016	As at 31 December 2016
	GBP'000	*GBP'000*	*GBP'000*	*GBP'000*
Carrying amount at beginning of year/period	317,510	529,210	770,510	942,010
Additions	81,196	29,353	20,716	2,250
Interest capitalised *(note 7)*	1,802	1,356	—	—
Lease incentives	—	11,444	27,758	17,925
Net gain from fair value adjustments	128,702	199,147	123,026	37,815
Carrying amount at end of year/period	529,210	770,510	942,010	1,000,000

The Target Group's investment property consists of one commercial property in the United Kingdom. The investment property was revalued on 31 March 2014, 2015 and 2016 by Knight Frank LLP, a firm of independent professionally qualified valuers and on 31 December 2016 by Jones Lang LaSalle Limited, a firm of independent professionally qualified valuers, at GBP529,210,000, GBP770,510,000, GBP942,010,000 and GBP1,000,000,000, respectively. Management of the Target Group reviews the valuations performed by the independent valuers for financial reporting purposes and raises any queries on the values or valuation inputs. At each financial year/period end, management of the Target Group assesses property valuation movements when compared to the prior year valuation report and holds discussions with the independent valuers with regards to the inputs used in the valuation.

The investment property is leased to certain related parties and third parties under operating leases, further summary details of which are included in note 18 to the Financial Information.

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Target Group's investment property:

	Fair value measurement using significant unobservable inputs (Level 3)			
	As at 31 March 2014	2015	2016	As at 31 December 2016
	GBP'000	*GBP'000*	*GBP'000*	*GBP'000*
Recurring fair value measurement for:				
Commercial property	529,210	770,510	942,010	1,000,000

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

II. NOTES TO FINANCIAL INFORMATION *(continued)*

10. INVESTMENT PROPERTY *(continued)*

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

	GBP'000
Carrying amount at 1 April 2013	317,510
Additions	81,196
Interest capitalised	1,802
Net gain from a fair value adjustment	128,702
Carrying amount at 31 March 2014 and 1 April 2014	529,210
Additions	29,353
Interest capitalised	1,356
Lease incentives	11,444
Net gain from a fair value adjustment	199,147
Carrying amount at 31 March 2015 and 1 April 2015	770,510
Additions	20,716
Lease incentives	27,758
Net gain from a fair value adjustment	123,026
Carrying amount at 31 March 2016 and 1 April 2016	942,010
Additions	2,250
Lease incentives	17,925
Net gain from a fair value adjustment	37,815
Carrying amount at 31 December 2016	1,000,000

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment property:

	Valuation method	Significant unobservable inputs	Value/Range
As at 31 March 2014			
Commercial property	Residual method	Capitalisation rate (Pre-let)	5.00%
		Capitalisation rate (Unlet)	5.25%
		Estimated rental value (per square feet per annum)	GBP56 to GBP75
As at 31 March 2015			
Commercial property	Investment method	Equivalent yield rate	4.26%
		Estimated rental value (per square feet per annum)	GBP56 to GBP90
As at 31 March 2016			
Commercial property	Investment method	Equivalent yield rate	3.94%
		Estimated rental value (per square feet per annum)	GBP58 to GBP105
As at 31 December 2016			
Commercial property	Investment method	Equivalent yield rate	4.18%
		Estimated rental value (per square feet per annum)	GBP67.5 to GBP107.5

II. NOTES TO FINANCIAL INFORMATION *(continued)*

10. INVESTMENT PROPERTY *(continued)*

The fair value of the investment property at the end of each of the Relevant Periods was based on either the residual method or the investment method which applies capitalisation yields to current and estimated future rental streams net of income voids arising from vacancies or rent-free periods and associated running costs. These capitalisation yields and rental values are based on comparable properties and leasing transactions in the market, using the valuers' professional judgement and market observation. Other factors taken into account in the valuations include the tenure of the property, tenancy details and ground and structural conditions.

A significant increase/(decrease) in the estimated rental value in isolation would result in a significantly higher/(lower) fair value of the investment property. A significant increase/(decrease) in the capitalisation rate or equivalent yield rate in isolation would result in a significant decrease/(increase) in the fair value of the investment property. Generally, a change in the assumption made for the estimated rental value is accompanied by an opposite change in the capitalisation rate or equivalent yield rate.

11. PREPAYMENTS AND OTHER RECEIVABLES

	As at 31 March			As at 31 December
	2014	**2015**	**2016**	**2016**
	GBP'000	*GBP'000*	*GBP'000*	*GBP'000*
Prepayments	—	674	218	285
Other receivables	1,136	1,530	144	920
	1,136	2,204	362	1,205

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

12. CASH AND BANK BALANCES

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximate to their fair values.

13. OTHER PAYABLES AND ACCRUALS

	As at 31 March			As at 31 December
	2014	**2015**	**2016**	**2016**
	GBP'000	*GBP'000*	*GBP'000*	*GBP'000*
Interest payable to BL Leadenhall	1,528	1,708	2,121	1,479
Interest payable to Oxford Partnership	1,528	1,708	2,121	1,479
Deferred income	—	133	1,334	2,094
Other payables	25	—	16	580
Accruals	1,856	813	816	482
	4,937	4,362	6,408	6,114

Financial liabilities included in other payables and accruals are non interest-bearing and are expected to be settled within one year, except for the interest payable to shareholders which is interest-bearing at a rate of 3% per annum compounded annually and have no fixed terms of repayment.

II. NOTES TO FINANCIAL INFORMATION *(continued)*

14. LOANS FROM SHAREHOLDERS

		As at 31 March			As at 31 December
		2014	2015	2016	2016
	Notes	*GBP'000*	*GBP'000*	*GBP'000*	*GBP'000*
Non interest-bearing advances:	*(a)*				
BL Leadenhall		87,273	87,273	87,273	87,273
Oxford Partnership		87,273	87,273	87,273	87,273
		174,546	174,546	174,546	174,546
Interest-bearing advances:	*(b)*				
BL Leadenhall		69,315	84,374	94,035	97,670
Oxford Partnership		69,315	84,374	94,035	97,670
		138,630	168,748	188,070	195,340
		313,176	343,294	362,616	369,886

Notes:

(a) These advances are unsecured, interest-free and have no fixed terms of repayment.

(b) These advances are unsecured, bear interest at a rate of 3% per annum compounded annually and have no fixed terms of repayment. Part of the advances are converted into shares during the Relevant Periods and further details of which are disclosed in note 15 to the Financial Information.

15. SHARE CAPITAL AND SHARE PREMIUM

	As at 31 March			As at 31 December
	2014	2015	2016	2016
	GBP	*GBP*	*GBP*	*GBP*
Issued and fully paid:				
Ordinary A shares of GBP1.00 each	59	61	63	64
Ordinary B shares of GBP1.00 each	59	61	63	64
Ordinary C shares of GBP1.00 each	300	300	300	300
	418	422	426	428

The A shares and the B shares each carry the respective voting rights and rights to appoint and remove directors and in all other respects, the A shares and the B shares are identical and rank pari passu. The C shares carry no votes and the holders of the C shares have no right to attend, speak or vote at any general meeting of the Target Company (but are entitled to receive notice thereof).

II. NOTES TO FINANCIAL INFORMATION *(continued)*

15. SHARE CAPITAL AND SHARE PREMIUM *(continued)*

A summary of movements in the Target Company's share capital during the Relevant Periods is as follows:

	Notes	**Number of shares in issue**	**Share capital** *GBP*	**Share premium** *GBP'000*	**Total** *GBP'000*
Ordinary A shares of GBP1.00 each:					
At 1 April 2013		57	57	14,551	14,551
Issue of shares	*(i)*	2	2	16,601	16,601
At 31 March 2014 and 1 April 2014		59	59	31,152	31,152
Issue of shares	*(ii)*	2	2	6,988	6,988
At 31 March 2015 and 1 April 2015		61	61	38,140	38,140
Issue of shares	*(iii)*	2	2	4,798	4,798
At 31 March 2016 and 1 April 2016		63	63	42,938	42,938
Issue of shares	*(iv)*	1	1	1,972	1,972
Dividend paid		—	—	(1,500)	(1,500)
At 31 December 2016		64	64	43,410	43,410
Ordinary B shares of GBP1.00 each:					
At 1 April 2013		57	57	14,551	14,551
Issue of shares	*(i)*	2	2	16,601	16,601
At 31 March 2014 and 1 April 2014		59	59	31,152	31,152
Issue of shares	*(ii)*	2	2	6,988	6,988
At 31 March 2015 and 1 April 2015		61	61	38,140	38,140
Issue of shares	*(iii)*	2	2	4,798	4,798
At 31 March 2016 and 1 April 2016		63	63	42,938	42,938
Issue of shares	*(iv)*	1	1	1,972	1,972
Dividend paid		—	—	(1,500)	(1,500)
At 31 December 2016		64	64	43,410	43,410

II. NOTES TO FINANCIAL INFORMATION *(continued)*

15. SHARE CAPITAL AND SHARE PREMIUM *(continued)*

Notes:

(i) During the year ended 31 March 2014, GBP33,202,000 of interest-bearing advances were converted to equity in two tranches through the issue of two A and two B shares in the Target Company to each of BL Leadenhall and Oxford Partnership.

(ii) During the year ended 31 March 2015, GBP13,976,000 of interest-bearing advances were converted to equity in two tranches through the issue of two A and two B shares in the Target Company to each of BL Leadenhall and Oxford Partnership.

(iii) During the year ended 31 March 2016, GBP9,596,000 of interest-bearing advances were converted to equity in two tranches through the issue of two A and two B shares in the Target Company to each of BL Leadenhall and Oxford Partnership.

(iv) During the nine months ended 31 December 2016, GBP3,944,000 of interest-bearing advances were converted to equity in two tranches through the issue of one A and one B shares in the Target Company to each of BL Leadenhall and Oxford Partnership.

16. CONTINGENT LIABILITIES

At the end of each of the Relevant Periods, the Target Group did not have any significant contingent liabilities.

17. CAPITAL COMMITMENTS

At the end of each of the Relevant Periods, the Target Group had the following capital commitments:

		As at 31 March		As at 31 December
	2014	**2015**	**2016**	**2016**
	GBP'000	*GBP'000*	*GBP'000*	*GBP'000*
Contracted, but not provided for:				
Investment property	60,000	25,000	5,000	5,000

At the end of each of the Relevant Periods, the Target Company did not have any significant commitments.

II. NOTES TO FINANCIAL INFORMATION *(continued)*

18. OPERATING LEASE ARRANGEMENTS

As lessor

The Target Group leases its investment property (note 10) under operating lease arrangements, with leases negotiated for a term of one to twenty years. The Target Group normally offers rent-free periods to tenants ranging from three to forty eight months. The terms of the lease provide for periodic rent adjustments according to the then prevailing market conditions.

At the end of each of the Relevant Periods, the Target Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	As at 31 March			As at 31 December
	2014	2015	2016	2016
	GBP'000	*GBP'000*	*GBP'000*	*GBP'000*
Within one year	—	1,584	8,510	21,324
In the second to fifth years, inclusive	—	59,500	128,329	145,921
After five years	—	210,261	275,464	252,196
	—	271,345	412,303	419,441

19. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in the Financial Information, the Target Group had the following transactions with related parties during the Relevant Periods and the nine months ended 31 December 2015:

	Year ended 31 March			Nine months ended 31 December	
	2014	2015	2016	2015	2016
	GBP'000	*GBP'000*	*GBP'000*	*GBP'000* (Unaudited)	*GBP'000*
BL Leadenhall:					
Loan interest expenses incurred	901	2,386	2,769	2,054	2,185
Oxford Partnership and its affiliate:					
Asset advisory fees incurred	—	91	308	212	327
Loan interest expenses incurred	901	2,386	2,769	2,054	2,185
Rental income earned	—	2	895	511	1,153
British Land and its affiliate:					
Assets management fees incurred	—	365	1,235	851	1,314
Administrative fees incurred	150	150	150	113	113
Marketing costs incurred/(recovered)	750	1,359	969	748	(78)
Rental income earned	—	10	14	11	11
Service fees incurred	—	1,856	763	997	114

The above transactions were conducted at terms and conditions mutually agreed between the relevant parties.

II. NOTES TO FINANCIAL INFORMATION *(continued)*

19. RELATED PARTY TRANSACTIONS *(continued)*

(b) Outstanding balances with related parties

Details of the Target Group's balances with its shareholders as at the end of each of the Relevant Periods are disclosed in notes 13 and 14 to the Financial Information.

20. FINANCIAL INSTRUMENTS BY CATEGORY

All financial assets and liabilities of the Target Group as at the end of each of the Relevant Periods are loans and receivables, and financial liabilities at amortised cost, respectively.

The carrying amounts and fair values of the Target Group's financial instruments reasonably approximate to their fair values.

21. FAIR VALUE MEASUREMENT

Management has assessed that the fair values of cash and cash equivalents, trade receivables, financial assets included in prepayments and other receivables, loans from shareholders, trade payables and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Target Group's principal financial instruments include advances from shareholders and cash and bank balances. The main purpose of these financial instruments is to raise finance for the Target Group's operations.

Management meets periodically to analyse and formulate measures to manage the Target Group's exposure to financial risks, including principally liquidity risk. The Target Group had no significant exposures to credit risk, interest rate risk, foreign currency risk and equity price risk. Generally the Target Group employs a conservative strategy regarding its risk management.

Liquidity risk

The Target Group's objective is to maintain a balance between continuity of funding and flexibility through the use of advances provided by the shareholders.

The Target Group had not experienced any difficulty in obtaining continual financial support from the shareholders in the past, and hence the Target Company Directors are of the opinion that liquidity risk of the Target Group is not significant.

The Target Group's financial liabilities as at the end of each of the Relevant Periods were payable within one year or on demand.

II. NOTES TO FINANCIAL INFORMATION *(continued)*

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Interest rate risk

The Target Group has no external debt and the interest rate on advances from shareholders is determined by the shareholders in accordance with the shareholders' agreement entered into by the shareholders.

Credit risk

The carrying amount of financial assets recorded in the consolidated statement of financial position represents the Target Group's maximum exposure to credit risk. Cash and cash equivalents at the end of each of the Relevant Periods represent cash and bank balances and there were no deposits.

The Target Group's exposure to credit risk in respect of its trade and other receivables are disclosed in the corresponding notes to the Financial Information.

Capital management

The primary objectives of the Target Group's capital management are to safeguard the Target Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Target Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Target Group may adjust the dividend payment to shareholders, return capital to shareholder or issue new shares. The Target Group is not subject to any externally imposed capital requirements.

II. NOTES TO FINANCIAL INFORMATION *(continued)*

23. STATEMENTS OF FINANCIAL POSITION OF THE TARGET COMPANY

Information about the statement of financial position of the Target Company at the end of the reporting period is as follows:

		As at 31 March		As at 31 December
	2014	**2015**	**2016**	**2016**
	GBP'000	*GBP'000*	*GBP'000*	*GBP'000*
NON-CURRENT ASSET				
Investments in subsidiaries	5,454	5,454	5,454	5,454
CURRENT ASSETS				
Due from subsidiaries	56,200	70,176	79,677	83,234
Prepayments and other receivables	—	—	—	314
Cash and bank balances	347	242	242	242
Total current assets	56,547	70,418	79,919	83,790
CURRENT LIABILITIES				
Other payables and accruals	25	25	18	18
Total current liabilities	25	25	18	18
NET CURRENT ASSETS	56,522	70,393	79,901	83,772
Net assets	61,976	75,847	85,355	89,226
EQUITY				
Equity attributable to owners of the parent				
Issued capital	—	—	—	—
Share premium	62,304	76,280	85,876	89,820
Accumulated losses	(328)	(433)	(521)	(594)
Total equity	61,976	75,847	85,355	89,226

III. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the Relevant Periods, the Target Group entered into two share sale and purchase agreements to carve out UKCo and DevCo from the Target Group and their details are as follows:

(a) On 1 March 2017, the Target Company entered into a share sale and purchase agreement with BL Seller to dispose its 100% equity interest in UKCo. The consideration is GBP100, being the value of the paid up share capital of UKCo and was satisfied in cash. This disposal was completed on 1 March 2017.

(b) On 1 March 2017, the Target Company entered into a share sale and purchase agreement with Oxford Jersey Holding Company Limited ("**Oxford Guarantor**"), an affiliate of Oxford Partnership, and BL Seller to dispose of its 100% equity interest in DevCo. The aggregate consideration shall be an amount equal to the net asset value of DevCo, being the sum of GBP86,000, to be satisfied in cash. This disposal is expected to be completed before the completion of the Leadenhall Acquisition.

Details of the aggregate results and the aggregate assets and liabilities of UKCo and DevCo included in the Financial Information during the Relevant Periods are summarised below:

Results

	Year ended 31 March			Nine months ended 31 December	
	2014	**2015**	**2016**	**2015**	**2016**
	GBP'000	*GBP'000*	*GBP'000*	*GBP'000*	*GBP'000*
				(Unaudited)	
Revenue	—	—	—	—	—
Finance income	8	25	7	9	10
Administrative expenses	(165)	(152)	(120)	(92)	(138)
Loss for the year/period	(157)	(127)	(113)	(83)	(128)

Assets and liabilities

	As at 31 March			As at 31 December
	2014	**2015**	**2016**	**2016**
	GBP'000	*GBP'000*	*GBP'000*	*GBP'000*
Assets:				
Prepayments and other receivables	4	107	—	—
Cash and bank balances	821	2,419	1,510	1,268
	825	2,526	1,510	1,268
Liabilities:				
Other payables and accruals	63	740	537	431

IV. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Target Company or its subsidiaries in respect of any period subsequent to 31 December 2016.

Yours faithfully,

Ernst & Young
Certified Public Accountants
Hong Kong

The information set out in this appendix does not form part of the accountants' report prepared by the reporting accountants of the Company, Ernst & Young, Certified Public Accountants, Hong Kong, set out in Appendix II to this Circular and is included herein for information only.

A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

(1) INTRODUCTION

The following is an illustrative unaudited pro forma consolidated financial information (the "**Unaudited Pro Forma Financial Information**") of C C Land Holdings Limited (the "**Company**" or "**C C Land**" and together with its subsidiaries, the "**Group**"), as enlarged by the proposed acquisition of the entire equity interest in Leadenhall Holding Co (Jersey) Limited (the "**Target Company**", and together with its subsidiary, Leadenhall Property Co (Jersey) Ltd, the "**Leadenhall Group**") and the repayment of shareholders' loans of the Leadenhall Group by the Group (the "**Leadenhall Acquisition**"). The Group as enlarged by the Leadenhall Acquisition are hereafter collectively referred to as the "Enlarged Group". The Unaudited Pro Forma Financial Information comprises the unaudited pro forma consolidated statement of financial position, the unaudited pro forma consolidated statement of profit or loss and the unaudited pro forma consolidated statement of cash flows of the Enlarged Group, which have been prepared by the directors of the Company (the "**Directors**") in accordance with rule 4.29 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 Leadenhall Acquisition to the Group.

The Unaudited Pro Forma Financial Information presented below is prepared to illustrate: (a) the financial position of the Enlarged Group as if the Leadenhall Acquisition had been completed on 31 December 2016 and (b) the results and cash flows of the Enlarged Group for the year ended 31 December 2016 as if the Leadenhall Acquisition had been completed on 1 January 2016.

The Unaudited Pro Forma Financial Information has been prepared by the Directors for illustrative purposes only, based on their judgments, estimations and assumptions, and because of its hypothetical nature, it may not give a true picture of the financial position of the Enlarged Group had the Leadenhall Acquisition been completed on 31 December 2016 or any future date or the results and cash flows of the Enlarged Group for the year ended 31 December 2016 had the Leadenhall Acquisition been completed on 1 January 2016 or any future date.

The Unaudited Pro Forma Financial Information has been prepared based on the audited consolidated statement of financial position of the Group as at 31 December 2016, 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 2016, which have been extracted from the published 2016 annual report of the Company, and the audited consolidated statement of financial position of the Target Company and its subsidiaries, namely, Leadenhall Property Co (Jersey) Limited ("**PropCo**"), The Leadenhall Development Company Limited ("**DevCo**") and 122 Leadenhall Street Limited ("**UKCo**") (the "**Target Group**") as at 31 December 2016, the audited consolidated statement of profit or loss and the audited consolidated statement of cash flows of the Target Group for the year ended 31 March 2016, which have been extracted from the accountants' report of the Target Group as set out in Appendix II to this Circular, after giving effect to the unaudited pro forma adjustments as described in the accompanying notes.

The Unaudited Pro Forma Financial Information should be read in conjunction with other financial information included elsewhere in Company's circular dated 2 May 2017 (the "**Circular**").

(2) UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE ENLARGED GROUP

	The Group as at 31 December 2016	The Target Group as at 31 December 2016	Pro forma adjustments				Unaudited pro forma Enlarged Group as at 31 December 2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 3*	*Note 4*	*Note 5*	*Note 7*	*Note 8*
NON-CURRENT ASSETS							
Property and equipment	103,837	—	—	—	—	—	103,837
Investment property	—	9,700,000	—	—	1,455,000	—	11,155,000
Golf club membership	10,540	—	—	—	—	—	10,540
Investments in joint ventures	319,907	—	—	—	—	—	319,907
Investments in associates	142,666	—	—	—	—	—	142,666
Available-for-sale investments	2,963,697	—	—	—	—	—	2,963,697
Total non-current assets	3,540,647	9,700,000	—	—	1,455,000	—	14,695,647
CURRENT ASSETS							
Properties under development	246,595	—	—	—	—	—	246,595
Completed properties held for sale	306,947	—	—	—	—	—	306,947
Loan and interest receivables	237,522	—	—	—	—	—	237,522
Prepayments, deposits and other receivables	1,982,375	11,689	—	—	—	—	1,994,064
Equity investments at fair value through profit or loss	581,295	—	—	—	—	—	581,295
Prepaid income tax and land appreciation tax	22,328	—	—	—	—	—	22,328
Deposits with brokerage companies	168,989	—	—	—	—	—	168,989
Restricted bank balances	38,926	—	—	—	—	—	38,926
Cash and cash equivalents	7,510,847	91,869	—	(12,300)	(11,096,723)	—	(3,506,307)
Total current assets	11,095,824	103,558	—	(12,300)	(11,096,723)	—	90,359
CURRENT LIABILITIES							
Trade payables	116,352	—	—	—	—	—	116,352
Other payables and accruals	222,704	59,306	(28,693)	(4,181)	—	45,778	294,914
Non interest-bearing advances from shareholders	—	1,693,096	—	—	(1,693,096)	—	—
Interest-bearing advances from shareholders	—	1,894,798	28,693	—	(1,923,491)	—	—
Interest-bearing bank and other borrowings	112,208	—	—	—	—	—	112,208
Tax payable	892,523	—	—	—	—	—	892,523
Total current liabilities	1,343,787	3,647,200	—	(4,181)	(3,616,587)	45,778	1,415,997
NET CURRENT ASSETS/ (LIABILITIES)	9,752,037	(3,543,642)	—	(8,119)	(7,480,136)	(45,778)	(1,325,638)
TOTAL ASSETS LESS CURRENT LIABILITIES	13,292,684	6,156,358	—	(8,119)	(6,025,136)	(45,778)	13,370,009

(2) UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE ENLARGED GROUP *(continued)*

	The Group as at 31 December 2016	The Target Group as at 31 December 2016	Pro forma adjustments				Unaudited pro forma Enlarged Group as at 31 December 2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 3*	*Note 4*	*Note 5*	*Note 7*	*Note 8*
NON-CURRENT LIABILITY							
Deferred tax liabilities	23,896	—	—	—	—	—	23,896
Total non-current liability	23,896	—	—	—	—	—	23,896
Net assets	13,268,788	6,156,358	—	(8,119)	(6,025,136)	(45,778)	13,346,113
EQUITY							
Equity attributable to owners of the parent							
Issued capital	258,822	—	—	—	—	—	258,822
Reserves	13,009,966	6,156,358	—	(8,119)	(6,025,136)	(45,778)	13,087,291
Total equity	13,268,788	6,156,358	—	(8,119)	(6,025,136)	(45,778)	13,346,113

(3) UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS OF THE ENLARGED GROUP

	The Group for the year ended 31 December 2016	The Target Group for the year ended 31 March 2016	Pro forma adjustments					Unaudited pro forma Enlarged Group for the year ended 31 December 2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 3*	*Note 4*	*Note 5*	*Note 6*	*Note 7*	
REVENUE	1,129,416	264,034	—	—	—	—	—	1,393,450
Cost of sales	(733,438)	(24,269)	—	—	—	—	—	(757,707)
Gross profit	395,978	239,765	—	—	—	—	—	635,743
Other income and gains	143,038	—	175	(68)	123,103	—	—	266,248
Fair value gains on investment property	—	1,193,352	—	—	—	—	—	1,193,352
Selling and distribution expenses	(20,007)	—	—	—	—	—	—	(20,007)
Administrative expenses	(201,955)	(16,956)	—	1,164	—	—	(45,778)	(263,525)
Other expenses	(602,494)	—	—	—	—	—	—	(602,494)
Finance income	—	175	(175)	—	—	—	—	—
Finance costs	(10,641)	(53,719)	—	—	—	53,719	—	(10,641)
Share of profits and losses of:								
Joint ventures	(33,078)	—	—	—	—	—	—	(33,078)
Associates	39,270	—	—	—	—	—	—	39,270
PROFIT/(LOSS) BEFORE TAX	(289,889)	1,362,617	—	1,096	123,103	53,719	(45,778)	1,204,868
Income tax expenses	(66,867)	10	—	—	—	—	—	(66,857)
PROFIT/(LOSS) FOR THE YEAR	(356,756)	1,362,627	—	1,096	123,103	53,719	(45,778)	1,138,011

(4) UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF THE ENLARGED GROUP

	The Group for the year ended 31 December 2016	The Target Group for the year ended 31 March 2016	Pro forma adjustments				Unaudited pro forma Enlarged Group for the year ended 31 December 2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 4*	*Note 5*	*Note 6*	*Note 7*	
CASH FLOWS FROM OPERATING ACTIVITIES							
Profit/(loss) before tax	(289,889)	1,362,617	1,096	123,103	53,719	(45,778)	1,204,868
Adjustments for:							
Non-cash lease incentives	—	(241,142)	—	—	—	—	(241,142)
Gain on bargain purchase	—	—	—	(123,103)	—	—	(123,103)
Fair value gains on investment property	—	(1,193,352)	—	—	—	—	(1,193,352)
Write-down of completed properties held for sale to net realisable value	3,305	—	—	—	—	—	3,305
Write-down of properties under development to net realizable value	1,910	—	—	—	—	—	1,910
Depreciation	3,938	—	—	—	—	—	3,938
Impairment of an available-for-sale investment	152,420	—	—	—	—	—	152,420
Finance costs	10,641	53,719	—	—	(53,719)	—	10,641
Share of profits and losses of joint ventures	33,078	—	—	—	—	—	33,078
Share of profits and losses of associates	(39,270)	—	—	—	—	—	(39,270)
Bank interest income	(29,967)	(175)	68	—	—	—	(30,074)
Other interest income	(54,927)	—	—	—	—	—	(54,927)
Fair value losses on equity investments at fair value through profit or loss, net	195,271	—	—	—	—	—	195,271
Losses on disposal of available-for-sale investments, net	48,142	—	—	—	—	—	48,142
Gain on disposal of items of property and equipment	(186)	—	—	—	—	—	(186)
Compensation to an acquirer of a subsidiary disposed of in the prior year	95,377	—	—	—	—	—	95,377
Gain on disposal of subsidiaries, net	(57,566)	—	—	—	—	—	(57,566)
	72,277	(18,333)	1,164	—	—	(45,778)	9,330

(4) UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF THE ENLARGED GROUP *(continued)*

	The Group for the year ended 31 December 2016	The Target Group for the year ended 31 March 2016	Pro forma adjustments				Unaudited pro forma Enlarged Group for the year ended 31 December 2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 4*	*Note 5*	*Note 6*	*Note 7*	
Increase in properties under development	(305,147)	—	—	—	—	—	(305,147)
Decrease in completed properties held for sale	728,223	—	—	—	—	—	728,223
Increase in loans and interest receivables	(237,522)	—	—	—	—	—	(237,522)
Decrease in prepayments, deposits and other receivables	15,846	14,434	(1,038)	—	—	—	29,242
Increase in equity investments at fair value through profit or loss	(20,110)	—	—	—	—	—	(20,110)
Increase in deposits with brokerage companies	(165,073)	—	—	—	—	—	(165,073)
Increase in restricted bank balances	(89,284)	—	—	—	—	—	(89,284)
Increase/(decrease) in trade and other payables and accruals	(113,271)	9,719	1,969	—	—	45,778	(55,805)
Cash from/(used in) operations	(114,061)	5,820	2,095	—	—	—	(106,146)
Tax paid, net	(192,134)	—	—	—	—	—	(192,134)
Interest paid	(16,372)	—	—	—	—	—	(16,372)
Net cash flows from/(used in) operating activities	(322,567)	5,820	2,095	—	—	—	(314,652)

(4) UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF THE ENLARGED GROUP *(continued)*

	The Group for the year ended 31 December 2016	The Target Group for the year ended 31 March 2016	Pro forma adjustments				Unaudited pro forma Enlarged Group for the year ended 31 December 2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 4*	*Note 5*	*Note 6*	*Note 7*	
CASH FLOWS FROM INVESTING ACTIVITIES							
Additions to investment property	—	(222,508)	6,790	—	—	—	(215,718)
Loans to a joint venture	(229,291)	—	—	—	—	—	(229,291)
Decrease in balances with associates	73,812	—	—	—	—	—	73,812
Decrease in pledged time deposits	300,073	—	—	—	—	—	300,073
Purchases of items of property and equipment	(87,720)	—	—	—	—	—	(87,720)
Purchases of unlisted equity investments	(1,089,470)	—	—	—	—	—	(1,089,470)
Purchases of listed equity investments	(115,115)	—	—	—	—	—	(115,115)
Interest received from bank deposits	29,967	175	(68)	—	—	—	30,074
Compensation to an acquirer of a subsidiary disposed of in the prior year	(95,377)	—	—	—	—	—	(95,377)
Proceeds from disposal of items of property and equipment	188	—	—	—	—	—	188
Proceeds from disposal of subsidiaries	5,962,599	—	—	—	—	—	5,962,599
Proceeds from disposal of available-for-sale investments	1,171,388	—	—	—	—	—	1,171,388
Indirect taxes recovered	—	1,736	—	—	—	—	1,736
Net cash flows from/(used in) investing activities	5,921,054	(220,597)	6,722	—	—	—	5,707,179
CASH FLOWS FROM FINANCING ACTIVITIES							
Increase in advances from shareholders	—	232,073	—	(232,073)	—	—	—
Dividends paid	(142,352)	—	—	—	—	—	(142,352)
New bank and other borrowings	112,208	—	—	—	—	—	112,208
Repayment of bank and other borrowings	(800,000)	—	—	—	—	—	(800,000)
Net cash flows from/(used in) financing activities	(830,144)	232,073	—	(232,073)	—	—	(830,144)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	4,768,343	17,296	8,817	(232,073)	—	—	4,562,383
Cash and cash equivalents at beginning of year	2,774,285	34,328	(23,464)	(11,096,723)	—	—	(8,311,574)
Effect of foreign exchange rate changes, net	(31,781)	—	—	—	—	—	(31,781)
CASH AND CASH EQUIVALENTS AT END OF YEAR	7,510,847	51,624	(14,647)	(11,328,796)	—	—	(3,780,972)

(4) UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF THE ENLARGED GROUP *(continued)*

	The Group for the year ended 31 December 2016	The Target Group for the year ended 31 March 2016	Pro forma adjustments				Unaudited pro forma Enlarged Group for the year ended 31 December 2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 4*	*Note 5*	*Note 6*	*Note 7*	
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS							
Cash and bank balances	7,011,812	51,624	(14,647)	(11,328,796)	—	—	(4,280,007)
Non-pledged time deposits with original maturity of less than three months when required	499,035	—	—	—	—	—	499,035
Cash and cash equivalents as stated in the consolidated statement of cash flows	7,510,847	51,624	(14,647)	(11,328,796)	—	—	(3,780,972)

(5) NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

1. The financial information of the Group is extracted from the 2016 annual report of the Company for the year ended 31 December 2016.

2. The audited consolidated statement of financial position of the Target Group as at 31 December 2016, the audited consolidated statement of profit or loss and the audited consolidated statement of cash flows of the Target Group for the year ended 31 March 2016 are extracted from the accountants' report of the Target Group as set out in Appendix II to this Circular, being translated to HK$ at the rate of GBP1=HK$9.7.

3. For the purpose of the Unaudited Pro Forma Financial Information, certain reclassification adjustments in the consolidated statement of financial position and the consolidated statement of profit or loss of the Target Group have been made to conform with the Group's financial information presentation.

4. As at 31 December 2016, the Target Company held, apart from 100% equity interest in PropCo, two other wholly-owned subsidiaries: DevCo and UKCo (collectively, the "**Excluded Companies**"). Pursuant to the sale and purchase agreement dated 1 March 2017 in respect of the Leadenhall Acquisition (the "**Agreement**"), the Sellers will procure that the sale by the Target Company of the Excluded Companies will be completed before the completion of the Leadenhall Acquisition. Accordingly, for the purpose of the Unaudited Pro Forma Financial Information, adjustments have been made to exclude the financial information of the Excluded Companies as if the disposal of the Excluded Companies has been completed as at 31 December 2016 or 1 January 2016, as appropriate. UKCo was a dormant company with issued capital and total assets of GBP100 (equivalent to HK$970) and hence these adjustments made are mainly attributable to DevCo.

5. In accordance with the Agreement, the aggregate cash consideration for the Leadenhall Acquisition payable by the Group is GBP1,135,000,000 (equivalent to approximately HK$11,009,500,000) (the "**Total Consideration**"), subject to adjustment, which consists of (i) GBP770,700,000 (equivalent to HK$7,475,790,000) for the initial consideration of 100% equity interest in the Target Company (the "**Initial Consideration**") and (ii) GBP364,300,000 (equivalent to HK$3,533,710,000) for the repayment by the Group of the outstanding shareholders' loans of the Leadenhall Group at completion ("**Debt Consideration**"). Pursuant to the Agreement, the Initial Consideration and the Debt Consideration represent the Sellers' estimates of the net asset value and aggregate shareholders' loans of the Leadenhall Group on the target completion date and is subject to adjustment upon completion, except that the value of the investment property of the Leadenhall Group is fixed at GBP1,150,000,000 (equivalent to HK$11,155,000,000) (the "**Agreed Value**"). In addition, pursuant to the Agreement, the Sellers also agreed to deduct an amount in relation to any initial rent free periods which are unexpired at the completion date under any of the leases existing as at the completion date and which is estimated by the Sellers at GBP12,691,000 (equivalent to HK$123,103,000) (the "**Rent Top-up**").

(5) NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP *(continued)*

5. *(continued)*

For the purpose of the Unaudited Pro Forma Financial Information, the Debt Consideration is assumed to be equal to the aggregate shareholders' loans of GBP372,844,000 (equivalent to HK$3,616,587,000) as at 31 December 2016 and the Initial Consideration is assumed to be equal to the net assets value of the Leadenhall Group as at 31 December 2016, after taking into account (i) the disposal of the Excluded Companies as mentioned in note 4 above and (ii) revaluing the investment property of the Leadenhall Group to the Agreed Value, which is also equal to the valuation as at 31 March 2017 as prepared by Knight Frank Petty Limited, an independent property valuer.

Based on the above assumptions, for the purpose of the Unaudited Pro Forma Financial Information, the Total Consideration for the Leadenhall Acquisition is assumed to be as follow:

	GBP'000	*HK$'000*
Debt Consideration	372,844	3,616,587
Initial Consideration	783,839	7,603,239
Less: Rent Top-up	(12,691)	(123,103)
Total Consideration	1,143,992	11,096,723

The Debt Consideration and the Initial Consideration to be recognised by the Group on completion are subject to the finalisation and agreement of the net asset value of the Leadenhall Group on the date of completion, after taking into account (i) the disposal of the Excluded Companies as mentioned in note 4 above and (ii) revaluing the investment property of the Leadenhall Group to the Agreed Value, and any difference in the Debt Consideration will be adjusted to the Initial Consideration.

Upon completion of the Leadenhall Acquisition, the identifiable assets and liabilities of Leadenhall Group will be accounted for in the consolidated financial statements of the Enlarged Group at their fair values under the acquisition method in accordance with Hong Kong Financial Reporting Standard 3 *Business Combinations* ("**HKFRS 3**") issued by the Hong Kong Institute of Certified Public Accountants.

(5) NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP *(continued)*

5. *(continued)*

For the purpose of the Unaudited Pro Forma Financial Information, it is assumed that the fair values of the identifiable assets and liabilities of the Leadenhall Group upon completion approximate to their carrying amounts as at 31 December 2016, after taking into account (i) the disposal of the Excluded Companies as mentioned in note 4 above and (ii) revaluing the investment property of the Leadenhall Group to the Agreed Value, which is also equal to the valuation as at 31 March 2017. Accordingly, the gain on bargain purchase arising from the Leadenhall Acquisition is calculated as follow:

	HK$'000
Total Consideration	11,096,723
Less: Fair value of net assets and shareholders' loans acquired	(11,219,826)
Gain on bargain purchase	(123,103)

The fair value of net assets acquired is subject to changes upon completion of the Leadenhall Acquisition because in accordance with HKFRS 3, the fair values of all identifiable assets and liabilities of the Leadenhall Group shall be assessed on the date of completion. Accordingly, the gain on bargain purchase may be materially different from the calculation above.

6. The adjustment represents the reversal of interest expenses incurred for the shareholders' loans of the Leadenhall Group as the shareholders' loans are assumed to have been settled by the Group upon completion of the Leadenhall Acquisition on 1 January 2016.

7. For the purpose of the Unaudited Pro Forma Financial Information, the transaction expenses, such as professional services fees, that are directly attributable to the Leadenhall Acquisition are estimated to be HK$45,778,000.

8. Notwithstanding that a negative cash and bank balances of HK$3,506,307,000 was shown on the unaudited pro forma consolidated statement of financial position of the Enlarged Group, the Directors, after taken into account the Group's proposed rights issue as disclosed in the Company's announcement dated 14 March 2017 and the existing banking facilities available to the Enlarged Group, considered that the Group will have sufficient funds to finance the Leadenhall Acquisition.

9. No other adjustment has been made to the Unaudited Pro Forma Financial Information to reflect any trading results or other transactions of the Group and the Leadenhall Group entered into subsequent to 31 December 2016.

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

The following is the text of a report, prepared for the sole purpose of inclusion in this Circular, received from the reporting accountants of the Company, Ernst & Young, Certified Public Accountants, Hong Kong, in respect of the unaudited pro forma financial information of the Enlarged Group as set out in Section A of Appendix III to this Circular.

EY安永

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

2 May 2017

The Board of Directors
C C Land Holdings Limited

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of the Enlarged Group by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 31 December 2016, the unaudited pro forma consolidated statement of profit or loss and the pro forma consolidated statement of cash flows for the year ended 31 December 2016 and related notes set out in section A of Appendix III of the circular dated 2 May 2017 (the "**Circular**") issued by the Company (the "**Unaudited Pro Forma Financial Information**") in connection with the acquisition of the 100% equity interest in Leadenhall Holding Co (Jersey) Ltd (the "**Target Company**") and Leadenhall Property Co (Jersey) Ltd, (collectively, "**Leadenhall Group**") (the "**Leadenhall Acquisition**"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in section A of Appendix III to the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Leadenhall Acquisition on the Group's financial position as at 31 December 2016 and the Group's financial performance and cash flows for the year ended 31 December 2016 as if the Leadenhall Acquisition had taken place on 31 December 2016 and 1 January 2016, 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 Company's published annual report for the year ended 31 December 2016. Information about the Target Company and its subsidiaries, namely, Leadenhall Property Co (Jersey) Limited, The Leadenhall Development Company Limited and 122 Leadenhall Street Limited (the "**Target Group**") financial position as at 31 December 2016, financial performance and cash flows for the year ended 31 March 2016 has been extracted by the Directors from the financial information of the Target Group on which their accountants' reports have been 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 ("**AG**") 7 *Preparation of Unaudited Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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 Unaudited Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants 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 Leadenhall Acquisition on unadjusted financial information of the Group as if the Leadenhall Acquisition 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 Leadenhall Acquisition 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 Leadenhall Acquisition, 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 transaction 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 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 the letter and the valuation report received from Knight Frank Petty Limited, an independent property valuer, prepared for the purpose of incorporation in this circular, in connection with its valuation of the property interests to be acquired by the Group as at 31 March 2017.

Knight Frank 萊坊

4th Floor, Shui On Centre
6-8 Harbour Road
Wan Chai, Hong Kong

2 May 2017

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

Dear Sirs

VALUATION IN RESPECT OF THE LEADENHALL BUILDING, 122 LEADENHALL STREET, LONDON, EC3V 4PE, THE UNITED KINGDOM (THE "PROPERTY")

In accordance with the instructions to us to value the property interests to be acquired by C C Land Holdings Limited (hereinafter referred to as the "**Company**") and its subsidiaries (hereinafter together referred to as the "**Group**"), we confirm that we have carried out external inspection, made relevant enquiries and carried out searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property in its existing state as at 31 March 2017 (the "**Valuation Date**") for public disclosure purposes.

BASIS OF VALUATION

In arriving at our opinion of the market value, we followed "The HKIS Valuation Standards (2012 Edition)" issued by The Hong Kong Institute of Surveyors ("**HKIS**"), "The RICS Valuation – Professional Standards 2014" issued by the Royal Institution of Chartered Surveyors ("**RICS**") and "International Valuation Standards 2017" issued by the International Valuation Standards Council ("**IVSC**"). Under the said standards, Market Value is defined 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".

The 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.

The market value is also the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

Our valuation complies with the requirements as set out in "The HKIS Valuation Standards (2012 Edition)" issued by HKIS, "The RICS Valuation – Professional Standards" issued by RICS and Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

VALUATION METHODOLOGY

In forming our opinion of value of the Property held for investment purpose, we have adopted the Direct Comparison Method by making reference to comparable sale transactions as available in the relevant market. We have made our assessment on the basis of a collation and analysis of appropriate comparable sale transactions, together with evidence of demand within the vicinity of the subject property. With the benefit of such transactions we have then applied these to the subject property, taking into account size, location, terms, covenant and other material factors. We have also made reference to the capitalisation of the rental income derived from the existing tenancies with due provision for the reversionary income potential of the Property.

VALUATION ASSUMPTIONS AND CONDITIONS

Our valuation is subject to the following assumptions and conditions:—

Title Documents and Encumbrances

In our valuation, we have assumed a good and marketable title and that all documentation is satisfactorily drawn. We have also assumed that the Property is not subject to any unusual or onerous covenants, restrictions, encumbrances or outgoings.

Disposal Costs and Liabilities

No allowance has been made in our report for any charges, mortgages or amounts owing on the Property nor for any expenses or taxation which may be incurred in effecting a sale.

Source of Information

We have relied to a very considerable extent on information given by the Group. We have accepted advice given to us on such matters as planning approval, statutory notice, easement, tenure, site area, floor areas, number of carparking spaces and all other relevant matters. We have not verified the correctness of any information, including their translation supplied to us concerning the Property, whether in writing or verbally by yourselves, your representatives or by your legal or professional advisers or by any (or any apparent) occupier of the Property or contained on the register of title. We assume that this information is complete and correct.

Inspection

We have inspected the exterior of the Property on 10 March 2017. The inspection was undertaken by Knight Frank valuation team in London, the United Kingdom. Nevertheless, we have assumed in our valuation that the Property was in satisfactory exterior and interior decorative order without any unauthorised extension or structural alterations or illegal uses as at the Valuation Date, unless otherwise stated.

Identity of the Property Interest to be Valued

We have exercised reasonable care and skill to ensure that the Property is the Property inspected by us and contained within our valuation report. If there is ambiguity as to the property address, or the extent of the property to be valued, this should be drawn to our attention in your instructions or immediately upon receipt of our report.

Property Insurance

We have valued the Property on the assumption that, in all respects, it is insurable against all usual risks including terrorism, flooding and rising water table at normal, commercially acceptable premiums.

Areas and Age

In our valuations, we have relied upon floor areas provided to us. We have also assumed that the site areas, floor areas, measurements and dimensions shown on the documents handed to us are correct and in approximations only. Where the age of the building is estimated, this is for guidance only.

Structural and Services Condition

We have not undertaken any structural surveys, tested the services or arranged for any investigations to be carried out to determine whether any deleterious materials have been used in the construction of the subject property. Our valuation has therefore been undertaken on the basis that the subject property was in satisfactory repair and condition and contains no deleterious materials and that services function satisfactorily.

Ground Condition

We have assumed there to be no unidentified adverse ground or soil conditions and that the load bearing qualities of the site of the subject property are sufficient to support the building constructed or to be constructed thereon; and that the services are suitable for any existing or future development. Our valuation is therefore prepared on the basis that no extraordinary expenses or delays will be incurred in this respect.

Environmental Issues

We are not environmental specialists and therefore we have not carried out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor have we undertaken searches of public archives to seek evidence of past activities that might identify potential for contamination. In the absence of appropriate investigations and where there is no apparent reason to suspect potential for contamination, our valuation is prepared on the assumption that the Property is unaffected. Where contamination is suspected or confirmed, but adequate investigation has not been carried out and made available to us, then the valuation will be qualified.

Compliance with Relevant Ordinances and Regulations

We have assumed that the Property was constructed, occupied and used in full compliance with, and without contravention of any Ordinances, statutory requirement and notices except only where otherwise stated. We have further assumed that, for any use of the Property upon which this report is based, any and all required licences, permits, certificates, consents, approvals and authorisation have been obtained, except only where otherwise stated.

Exchange Rate

Unless otherwise stated, all money amounts stated in our valuations are in Great Britain Pound ("**GBP**" or "**£**"). The exchange rate adopted in our valuations is GBP1 = HK$9.7 which was the approximate exchange rate prevailing as at the Valuation Date.

Limitations on Liability

In accordance with our standard practice, we must state that this valuation is for the use of the party to whom it is addressed and no responsibility is accepted to any third party for the whole or any part of its contents. We do not accept liability to any third party or for any direct or indirect consequential losses or loss of profits as a result of this valuation.

Knight Frank has prepared the valuation based on information and data available to us as at the Valuation Date. It must be recognised that the real estate market is subject to market fluctuations, while changes in policy direction and social environment could be immediate and have sweeping impact on the real estate market. It should therefore be noted that any market violation, policy and social changes or other unexpected incidents after the Valuation Date may affect the value of the Property.

We enclose herewith our valuation report.

Yours faithfully
For and on behalf of
Knight Frank Petty Limited

Thomas H M Lam
FRICS MHKIS RPS(GP) RICS Registered Valuer
Senior Director, Head of Valuation & Consultancy

Notes: Thomas H M Lam is a qualified valuer who has 17 years' experiences in various property markets including China, Hong Kong, Macao, Asia Pacific region and the United Kingdom for various aspects including market research, asset valuation and real estate consultancy.

VALUATION CERTIFICATE

The Property Interests to be acquired by the Group

Property Interest	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 March 2017
The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4PE, the United Kingdom (“**the Property**”)	The Leadenhall Building is a 46 storey tower designed by Rogers Stirk Harbour & Partners architects that was completed in 2014. The property provides about 610,000 sq ft of Grade A office and retail accommodation and rises to 224 m (736 ft). The property occupies a site of approximately 38,352 sq ft (3,563 sq m). The Leadenhall Building is situated within the “Tower Cluster” with a number of existing and proposed towers in close proximity as well as a number of landmark buildings. Developed by British Land and Oxford Properties, the Property is a newly constructed London landmark as it provides the highest office floors in London and an envious vantage point over Central London. The Property is located in a few minutes’ walk from the new Crossrail station at Liverpool Street, which connects Central Line and Circle Line. The traveling time to both Gatwick Airport and Heathrow Airport is about 45 minutes by rail. The office floor plates range from 21,000 sq ft at the base of the building to 6,000 sq ft at the top of the tower and are of rectangular open layout. Access to the main reception area is via 6 escalators located within the public realm. The offices are then accessed via 3 banks of lifts giving access to lower, mid and high rise levels. There are 22 car parking spaces on site, with a number of motorcycle and bike spaces included at basement level 1. The entrance to the Property is on Leadenhall Street.	As at the Valuation Date, the Property was leased to a total of 21 tenants on 52 leases at overall occupancy about 99.5%. The total contracted rent is £40,233,724 per annum with lease expiries and lease breaks between 2020 and 2034.	£1,150,000,000 (Great Britain Pounds One Billion One Hundred and Fifty Million)

Notes:

(1) The valuation is prepared by Knight Frank valuation team in London. This project is handled by Guy Schiess, MRICS (Membership No 1134900), who is a Chartered Commercial Property Surveyor and RICS Registered Valuer in the United Kingdom.

(2) The Property is not located within a Conservation Area and does not comprise any listed buildings.

(3) Our valuation reflects an initial yield of 3.50% on a gross basis.

(4) The Property has been valued on the basis of its existing use as an office building with retail podium. The total office area and retail area are about 580,000 sq ft and 20,000 sq ft respectively. There is also storage/ancillary area which is about 10,000 sq ft.

(5) At the date of inspection, the Property appeared to be in a generally reasonable state of repair commensurate with its age and use. No urgent or significant defected or items of disrepair were noted which would be likely to give rise to substantial expenditure in the foreseeable future or which fall outside the scope of the normal annual maintenance programme. We would comment that the property is in good repair although there were well documented issues regarding the bolts which we understand have been fully resolved.

(6) We have been provided with the legal opinion prepared by a U.K. legal advisor, which contains, inter alia, the following:—

(i) the Property comprises the freehold interest registered at the Land Registry with title number LN115071 and held by Leadenhall Property Co (Jersey) Limited.

(ii) The Property abuts a road maintainable at public expense to the extent of its frontage onto Leadenhall Street and Undershaft. It is confirmed that the existing owner of the Property has not experienced any difficulty in accessing the Property directly from the public highway. We have therefore assumed that there are no third party interests between the boundary of the Property and the adopted highways and that accordingly the Property has unfettered vehicular and pedestrian access.

(iii) The existing owner of the Property has a good and marketable title to the Property. Therefore, we have assumed a good and marketable title and that all documentation is satisfactorily drawn, for our valuation.

1. RESPONSIBILITY STATEMENT

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

2. INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ASSOCIATED CORPORATIONS

Save as disclosed below, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests and short positions 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 (a) 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 (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (c) 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**")	–	2,249,284,465 [1&2]	–	2,249,284,465	57.94
Lam How Mun Peter	486,753	–	43,667,369	44,154,122	1.14
Tsang Wai Choi	3,394,242	–	–	3,394,242	0.09
Leung Chun Cheong	667,000	–	1,521,900	2,188,900	0.06
Leung Wai Fai	–	–	3,043,800	3,043,800	0.08

Notes:

1. 1,606,215,346 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.

   350,873,560 of such Shares were held through Fame Seeker Holdings Limited ("**Fame Seeker**"), a company wholly-owned by Mr. Cheung. Accordingly, Mr. Cheung was deemed to be interested in the same number of Shares held through Fame Seeker.

2. 292,195,559 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	3.2229	17,755,500
	03-09-2010 to 02-09-2020	3.2624	21,853,469
	01-01-2011 to 02-09-2020	3.2624	4,058,400
Leung Chun Cheong	03-09-2010 to 02-09-2020	3.2624	1,521,900
Leung Wai Fai	03-09-2010 to 02-09-2020	3.2624	3,043,800

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.

Mr. Cheung and Mr. Leung Yu Ming Steven are directors of Yugang. Mr. Cheung is also a director of each of Thrivetrade, Fame Seeker, Regulator, Yugang-BVI, CIL and Palin.

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 2016 (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 Enlarged Group, or were proposed to be acquired or disposed of by or leased to any member of the Enlarged 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 Enlarged Group.

3. QUALIFICATIONS AND CONSENTS OF THE EXPERTS

The following is the qualifications of the experts who have been named in this circular or have given their opinion or advice contained in this circular:

Name	Qualification
Ernst & Young	Certified Public Accountants
Knight Frank Petty Limited	Independent property valuer

Each of the experts named above 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.

As at the Latest Practicable Date, each of the experts named above did not have any 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.

As at the Latest Practicable Date, each of the experts named above had no interest, direct or indirect in any assets which have been since 31 December 2016 (being the date to which the latest published audited accounts of the Enlarged Group were made up) acquired or disposed of by or leased to any member of the Enlarged Group, or are proposed to be acquired or disposed of by or leased to any member of the Enlarged Group.

4. COMPETING INTEREST

As at the Latest Practicable Date, Mr. Cheung was an executive director of Y. T. Realty Group Limited ("**YT**") (whose shares are listed on the Main Board of the Stock Exchange) and was deemed to be interested in 34.14% of the shareholding in YT. YT is an investment holding company and the principal activities of its subsidiaries include property investment and property trading. As at the Latest Practicable Date, Mr. Cheung also had personal interests in private companies engaged in property investment and property management services businesses. As such, Mr. Cheung is regarded as being interested in a business which may compete with the business of the Group. In addition, Mr. Tsang Wai Choi, an executive director of the Company, had personal interests in private companies engaged in property development and investment and related businesses. He is also regarded as being interested in a business which may compete with the business of the Group.

The Directors are aware of their fiduciary duties to the Company and that they must, in the performance of their duties as directors, avoid actual and potential conflicts of interest and duty, and not to profit themselves to the detriment of the Company. Further, there are provisions in the Bye-laws prohibiting a Director from voting, or being counted in the quorum, on any resolution of the Board approving any contract or arrangement or any other proposal in which the Director or any of his/her associate(s) is materially interested in except for certain permitted matters. The Directors are therefore of the view that the Company is capable of carrying on the Group's business independently of, and at arm's length from, such business in which Mr. Cheung or Mr. Tsang is regarded as being interested and which may compete with the business of the Group.

As at the Latest Practicable Date, to the best knowledge of the Directors and save as disclosed above, 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.

5. 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).

6. 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 Enlarged Group within the two years immediately preceding the Latest Practicable Date:

(a) the agreement dated 2 June 2015 entered into between Marvel Leader Investments Limited, (as vendor, a company directly wholly-owned by the Company, "**Marvel Leader**"), Shengyu (BVI) Limited (as purchaser) and Evergrande Real Estate Group Limited (now known as China Evergrande Group, as purchaser's guarantor), for the disposal of 92% of the entire issued share capital of Starthigh International Limited ("**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;

(b) 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;

(c) 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 total consideration of RMB450,000,000;

(d) the agreement dated 19 October 2015 entered into between Marvel Leader (as vendor) and Shengyu (BVI) Limited (as purchaser), for the disposal of the entire issued share capital of Merry Full Investments Limited (a company indirectly wholly-owned by the Company, "**Merry Full**") and the assignment of the loans due and owing by Merry Full to Marvel Leader, at a total consideration of HK$1,750,000,000;

(e) the agreement dated 17 November 2015 entered into between Marvel Leader (as vendor) and Masterson Global Limited (as purchaser), for the disposal of the entire issued share capital of Full Jolly Investments Limited (a company indirectly wholly-owned by the Company, "**Full Jolly**") and the assignment of the loans due and owing by Full Jolly to Marvel Leader, at a total consideration of RMB1,100,000,000;

(f) the agreement dated 4 December 2015 entered into between Marvel Leader (as vendor) and Super Twins Limited (as purchaser), for the disposal of the entire issued share capital of Harbour Crest Holdings Limited (a company indirectly wholly-owned by the Company, "**Harbour Crest**") and the assignment of the loans due and owing by Harbour Crest to Marvel Leader, at a total consideration of RMB600,000,000;

(g) the agreement dated 14 December 2015 entered into between Marvel Leader (as vendor) and Noble Tend Limited (as purchaser), for the disposal of the entire issued share capital of Wealthy New Limited (a company indirectly wholly-owned by the Company, "**Wealthy New**") and the assignment of the loans due and owing by Wealthy New to Marvel Leader, at a consideration of RMB530,000,000;

(h) the subscription agreement dated 23 December 2015 entered into between, among others, Super Honorable Limited (a company indirectly wholly-owned by the Company) and Evergrande Real Estate Group Limited (now known as China Evergrande Group, the "**Issuer**") for the subscription of perpetual security in the principal amount of USD170,000,000;

(i) the first disposal agreement dated 14 November 2016 entered into between Marvel Leader (as vendor) and Shengyu (BVI) Limited (as purchaser), for the disposal of the entire issued share capital of Billion Sino Investments Limited (a company indirectly wholly-owned by the Company, "**Billion Sino**") and the assignment of the loans due and owing by Billion Sino to Marvel Leader, at a consideration of RMB344,500,000;

(j) the second disposal agreement dated 14 November 2016 entered into between 四川中渝置地有限公司 (CC Land Holdings (Sichuan) Limited, as vendor, a company indirectly wholly-owned by the Company, "**CC Sichuan**") and 恒大地產集團西安有限公司 (Evergrande Real Estate Group Xian Company Limited, as purchaser), for the disposal of the entire equity interest of 西安中渝置地有限公司 (Xian Zhongyu Real Estate Company Limited, a company indirectly wholly-owned by the Company, "**Xian Zhongyu**") and the repayment to CC Sichuan of the loans due from and owing by Xian Zhongyu to CC Sichuan, at a consideration of RMB210,500,000;

(k) the agreement dated 5 December 2016 entered into between 西藏滙星悅景企業管理服務有限公司 (Tibet Huixing Yuejing Corporate Management Services Limited) (a company indirectly wholly-owned by the Company, "**Huixing Yuejing**"), 深圳泰智基金管理有限公司 (Shenzhen Taizhi Capital Management Co., Ltd) (as the fund manager) and 中信銀行股份有限公司廣州分行 (China CITIC Bank Corporation Limited Guangzhou Branch) (as the fund custodian), pursuant to the same terms of which, Huixing Yuejing subscribed a total of 1,000,000,000 units of Class B of 泰智睿豐契約型私募投資基金 (Taizhi Ruifeng Contractual Privately-Offered Fund) in the aggregate principal amount of RMB1,000,000,000;

(l) the units acquisition agreement dated 27 January 2017 entered into between Fortune Point Holdings Limited, City Planner Investments Limited (both indirectly wholly-owned by the Company, as buyers), and KS Freehold S.à r.l. and Cityhold Participations S.à r.l., (as sellers) and Kingdom Trustee 1 Limited and Kingdom Trustee 2 Limited (the joint trustees of the Paddington Central III Unit Trust (the "**Unit Trust**"), a unit trust constituted in Jersey) in relation to an acquisition of the legal and beneficial title to the 19,515,571 issued units in the Unit Trust free from all encumbrances, at a total consideration of GBP147,824,795 (equivalent to approximately HK$1,456,074,000);

(m) the shares acquisition agreement dated 27 January 2017 entered into between Cityhold Sterling S.à r.l. (as seller) and Fortune Point Holdings Limited (as buyer), pursuant to which the buyer agreed to purchase and the seller agreed to sell the legal and beneficial title to the 5,000,000 shares in a private limited liability company incorporated and registered in the Grand Duchy of Luxembourg, KS Leasehold S.à r.l., free from all encumbrances, at a total consideration of GBP142,203,326 (equivalent to approximately HK$1,400,703,000);

(n) the Agreement; and

(o) the underwriting agreement dated 14 March 2017 entered into between the Company and Haitong International Securities Company Limited as the underwriter in relation to a rights issue by the Company of rights shares at the subscription price of HK$2 per rights share on the basis of one rights share for every two shares held by qualifying shareholders of the Company on a specific record date to raise not less than approximately HK$2,588.2 million and not more than approximately HK$2,651.5 million, before expenses.

7. LITIGATION

As at the Latest Practicable Date, none of the members of the Enlarged Group was engaged in any litigation or claims 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 Enlarged Group.

8. 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 2016, being the date to which the latest published audited accounts of the Group were made up.

9. 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.

10. 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 Rooms 1503-11, 15/F, China United Centre, 28 Marble Road, North Point, Hong Kong up to and including 18 May 2017:

(a) this circular;

(b) the report prepared by Ernst & Young on the financial information of the Target Group, as set out in Appendix II to this circular;

(c) the report on the unaudited pro forma financial information of the Enlarged Group as set out in Appendix III to this circular;

(d) the property valuation report prepared by Knight Frank Petty Limited, the text of which is set out in Appendix IV to this circular;

(e) the written consents referred to in the section headed *"3. Qualifications and consents of the experts"* in this Appendix;

(f) the material contracts referred to in the section headed *"6. Material contracts"* in this Appendix;

(g) the consolidated audited financial statements of the Company for each of the years ended 31 December 2014, 2015 and 2016; and

(h) the memorandum of association and the bye-laws of the Company.

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)

NOTICE IS HEREBY GIVEN that a special general meeting (the "**SGM**") of C C Land Holdings Limited (the "**Company**") will be held at Drawing Room, Mezzanine Floor, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Thursday, 18 May 2017 at 12:05 p.m. (or at the soonest thereafter as the annual general meeting of the Company convened to be held at 11:45 a.m. on the same date and at the same place shall have been concluded or adjourned) for the purpose of considering and, if thought fit, passing (with or without amendments) the following as an ordinary resolution of the Company:

ORDINARY RESOLUTION

"**THAT** the Agreement (as defined in the Company's circular dated 2 May 2017 of which this notice forms part, and a copy of the Agreement is produced to this meeting and marked "A" and initialed by the chairman of this meeting for identification purposes) and all transactions and ancillary matters contemplated thereunder be and are hereby approved, confirmed and ratified."

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

Hong Kong, 2 May 2017

Notes:

1. Any member entitled to attend and vote at the SGM 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 or any adjournment thereof 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 no later than 12:05 p.m. on Tuesday, 16 May 2017, or not less than 48 hours before the time appointed for any adjourned meeting (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 SGM or at any adjournment thereof (as the case may be) should they so wish.

4. For determining the right of members to attend and vote at the SGM, members should ensure that all transfer documents and accompanying share certificates are lodged for registration with Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m., Friday, 12 May 2017 being the last Share registration date for the purpose of the SGM.

5. 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.

6. 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 2 May 2017.