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COFCO LAND HOLDINGS LIMITED

中糧置地控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 207)

**DISCLOSEABLE AND CONNECTED TRANSACTIONS
ACQUISITION OF MINORITY INTERESTS IN
JETWAY DEVELOPMENTS LIMITED AND
YALONG DEVELOPMENT (HK) COMPANY LIMITED**

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



A letter from the Board is set out on pages 7 to 23 of this circular. A letter from the Independent Board Committee containing its recommendation to the Shareholders is set out on page 24 of this circular. A letter from Somerley, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Shareholders is set out on pages 25 to 51 of this circular.

22 August 2014

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DEFINITIONS

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

“Achieve Bloom”	Achieve Bloom Limited (得茂有限公司), a company incorporated in the BVI with limited liability, a controlling shareholder of the Company which, as at the Latest Practicable Date, held approximately 67.03% of the issued share capital of the Company (excluding the CPS)
“Acquisition Agreements”	the Jetway Acquisition Agreement and the Yalong Development Acquisition Agreement
“Acquisitions”	the Jetway Acquisition and the Yalong Development Acquisition
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or Sunday or days on which a tropical cyclone warning number 8 or above or a “black” rain warning signal is hoisted in Hong Kong at any time between 9 a.m. and 5 p.m.) on which Hong Kong clearing banks are open for the transaction of normal banking business
“COFCO Corporation”	COFCO Corporation (中糧集團有限公司), a state-owned enterprise incorporated in the PRC in September 1952 under the purview of the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會), and a controlling shareholder of the Company
“COFCO (HK)”	COFCO (Hong Kong) Limited (中糧集團(香港)有限公司), a company incorporated in Hong Kong with limited liability, a controlling shareholder of the Company
“Company”	COFCO Land Holdings Limited (中糧置地控股有限公司), a company incorporated under the laws of Bermuda with limited liability on 23 September 1992, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 00207)
“Consideration Shares”	the Jetway Consideration Shares and the Yalong Development Consideration Shares

DEFINITIONS

“Controlling Shareholder(s)”	has the meaning given to it under the Listing Rules and in the context of the Company, means Achieve Bloom, COFCO (HK) and COFCO Corporation
“CPS”	the non-redeemable convertible preference shares of HK\$0.10 each in the share capital of the Company
“Director(s)”	the director(s) of the Company
“General Mandate”	the general and unconditional mandate granted to the Directors at the annual general meeting of the Company held on 4 June 2014, pursuant to which the Directors were authorized to allot, issue and deal with a maximum of 1,695,746,496 new Shares (representing 20% of the issued ordinary share capital of the Company as at 4 June 2014)
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Grow Wealth”	Grow Wealth Limited, a company incorporated in the British Virgin Islands with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors, namely Mr. Lau Hon Chuen, Ambrose, <i>GBS, JP</i> , Mr. Lam Kin Ming, Lawrence and Mr. Wu Kwok Cheung, <i>MH</i> , formed for the purpose of advising the Shareholders in respect of, among other things, the Acquisitions
“Independent Financial Adviser” or “Sommerley”	Sommerley Capital Limited, a corporation licensed to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities as defined under the SFO, being the independent financial adviser to the Independent Board Committee and the Shareholders in respect of, among other things, the Acquisitions

DEFINITIONS

“Issue Price”	HK\$2.00 per Consideration Share
“Jetway Acquisition”	the acquisition of the Jetway Sale Shares and the Jetway Shareholder’s Loan as contemplated under the Jetway Acquisition Agreement
“Jetway Acquisition Agreement”	an acquisition agreement dated 1 August 2014 entered into between the Company and Grow Wealth in relation to the Jetway Acquisition
“Jetway Consideration Shares”	509,460,864 new Shares allotted and issued by the Company in settlement of the consideration under the Jetway Acquisition Agreement
“Jetway Developments”	Jetway Developments Limited (亨達發展有限公司), a company incorporated in Samoa with limited liability, which was owned as to 78% by the Company and 22% by Grow Wealth immediately before completion of the Jetway Acquisition
“Jetway Sale Shares”	22 ordinary shares of US\$1.00 each in Jetway Developments, representing 22% of the issued share capital of Jetway Developments immediately before completion of the Jetway Acquisition Agreement
“Jetway Shareholder’s Loan”	the shareholder’s loan in an amount of HK\$69,904,943 (equivalent to US\$9,020,000) outstanding and owing by Jetway Developments to Grow Wealth immediately before completion of the Jetway Acquisition Agreement
“Last Trading Day”	1 August 2014, being the last trading day for the Shares before the signing of the Acquisition Agreements
“Latest Practicable Date”	20 August 2014, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“percentage ratios”	any of the five ratios set out in Rules 14.07 of the Listing Rules
“PRC”	the People’s Republic of China, which shall, for the purposes of this circular, exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Sanya Hongxia”	Sanya Hongxia Development & Construction Co., Ltd.* (三亞虹霞開發建設有限公司), a company incorporated in the PRC with limited liability, which is owned as to 80% by Yalong Development (Sanya) and 20% by COFCO Hainan Investment Development Co., Ltd.* (中糧海南投資發展有限公司), a wholly-owned subsidiary of COFCO Corporation
“Sanya Yuesheng”	Sanya Yuesheng Development & Construction Co., Ltd.* (三亞悅晟開發建設有限公司), a company incorporated in the PRC with limited liability, which is wholly-owned by Yalong Development (Sanya)
“Savills”	Savills Valuation and Professional Services Limited, an independent property valuer appointed by the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shanghai Top Glory”	Shanghai Top Glory Real Estate Development Co., Ltd. (上海鵬利置業發展有限公司), a company incorporated in the PRC with limited liability and wholly owned by Jetway Developments
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“sq.m.”	square metre(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Wise Ever”	Wise Ever Limited (智恆有限公司), a company incorporated in the British Virgin Islands with limited liability, which is a direct wholly-owned subsidiary of the Company
“Woo + Woo”	Woo + Woo Investments Limited, a company incorporated in the British Virgin Islands with limited liability
“Yalong Coast Park”	Sanya Yalong Tropical Coast Park Management Co., Ltd.* (三亞亞龍灣熱帶海岸公園管理有限公司), a company incorporated in the PRC with limited liability, which is wholly-owned by Yalong Development (Sanya)
“Yalong Development Acquisition”	the acquisition of the Yalong Development Sale Shares and the Yalong Development Shareholder’s Loan as contemplated under the Yalong Development Acquisition Agreement
“Yalong Development Acquisition Agreement”	an acquisition agreement dated 1 August 2014 entered into between the Company and Woo + Woo in relation to the Yalong Development Acquisition
“Yalong Development Consideration Shares”	499,223,228 new Shares allotted and issued by the Company in settlement of the consideration under the Yalong Development Acquisition Agreement
“Yalong Development (HK)”	Yalong Development (HK) Company Limited (亞龍灣開發股份(香港)有限公司), a company incorporated in Hong Kong with limited liability, which is owned as to approximately 67.57% by Wise Ever and approximately 32.43% by Woo + Woo immediately before completion of the Yalong Development Acquisition Agreement
“Yalong Development Sale Shares”	1,005,309 ordinary shares in Yalong Development (HK), representing approximately 32.43% of the issued share capital of Yalong Development (HK)
“Yalong Development (Sanya)”	Yalong Development Company Limited (三亞亞龍灣開發股份有限公司), a company incorporated in the PRC with limited liability, which is owned as to 50.82% by Yalong Development (HK) and the remaining interests by other minority shareholders

DEFINITIONS

“Yalong Development Shareholder’s Loan”	the shareholder’s loan in an amount of HK\$174,014,191 outstanding and owing by Yalong Development (HK) to Woo + Woo immediately before completion of the Yalong Development Acquisition Agreement
“Yalong Property Management”	Sanya Yalong Property Management Co., Ltd.* (三亞亞龍灣物業管理有限公司), a company incorporated in the PRC with limited liability, which is wholly-owned by Yalong Development (Sanya)
“%”	per cent.

In this circular, unless the context otherwise requires, the terms “associate(s)”, “connected person(s)”, “connected transaction(s)”, “controlling shareholder(s)”, “subsidiary(ies)” and “substantial shareholder(s)” shall have the meanings given to such terms in the Listing Rules, as modified by the Stock Exchange from time to time.

For the purpose of this circular, unless the context otherwise requires, conversion of Renminbi into Hong Kong dollars is based on the approximate exchange rate of RMB0.79542 to HK\$1.00. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in Hong Kong dollars or Renminbi have been, could have been or may be converted at such or any other rate or at all.

The English names of Chinese entities marked with “” are translations of their Chinese names and are included in this circular for identification purpose only, and should not be regarded as their official English translation. In the event of any inconsistency, the Chinese name prevails.*

Certain amounts and percentage figures set out in this circular have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables and the currency conversion or percentage equivalents may not be an arithmetic sum of such figures.



COFCO LAND HOLDINGS LIMITED

中糧置地控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 207)

Executive Directors:

Mr. ZHOU Zheng (*Chairman*)

Mr. HAN Shi

Non-executive Directors:

Mr. SHI Zhuowei

Mr. MA Jianping

Mr. MA Wangjun

Ms. JIANG Hua

Independent Non-executive Directors:

Mr. LAU Hon Chuen, *Ambrose, GBS, JP*

Mr. LAM Kin Ming, *Lawrence*

Mr. WU Kwok Cheung, *MH*

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Hong Kong

22 August 2014

To the Shareholders

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTIONS
ACQUISITION OF MINORITY INTERESTS IN
JETWAY DEVELOPMENTS LIMITED AND
YALONG DEVELOPMENT (HK) COMPANY LIMITED**

INTRODUCTION

References are made to the announcements of the Company dated 1 August 2014 and 19 August 2014 in relation to the Acquisitions and completion of the Acquisitions, respectively. On 1 August 2014, the Company entered into (i) the Jetway Acquisition Agreement with Grow Wealth, pursuant to which the Company has agreed to acquire, and Grow Wealth has agreed to sell 22% of the issued share capital of Jetway Developments, and the Jetway Shareholder's Loan; and (ii) the Yalong Development Acquisition Agreement with Woo + Woo, pursuant to which the Company has agreed to acquire, and Woo + Woo has agreed to sell approximately 32.43% of the issued share capital of Yalong

LETTER FROM THE BOARD

Development (HK), and the Yalong Development Shareholder's Loan. All the conditions precedent for the Acquisitions have been fulfilled and the Acquisitions were completed on 19 August 2014.

Immediately before completion of the Acquisitions, Jetway Developments was owned as to 78% and 22% respectively by the Company and Grow Wealth, and thus was a direct non-wholly owned subsidiary of the Company, and Yalong Development (HK) was owned as to approximately 67.57% and 32.43% respectively by Wise Ever, a direct wholly-owned subsidiary of the Company, and Woo + Woo, and thus was an indirect non-wholly owned subsidiary of the Company. Upon completion of the Acquisitions, Jetway Developments had become a direct wholly-owned subsidiary and Yalong Development (HK) had become an indirect wholly-owned subsidiary of the Company.

Upon completion of the Jetway Acquisition, the Company issued 509,460,864 Jetway Consideration Shares to Grow Wealth in settlement of the consideration for the Jetway Acquisition. Upon completion of the Yalong Development Acquisition, the Company issued 499,223,228 Yalong Development Consideration Shares to Woo + Woo in settlement of the consideration for the Yalong Development Acquisition. The 509,460,864 Jetway Consideration Shares and 499,223,228 Yalong Development Consideration Shares issued by the Company to Grow Wealth and Woo + Woo, respectively at the Issue Price of HK\$2.00 per Consideration Share represent approximately 5.37% and 5.26% of the enlarged total issued share capital of the Company upon completion of the Acquisitions. The Consideration Shares were issued under the General Mandate and rank *pari passu* in all respects with the Shares in issue as at the completion date of the Acquisitions. Listing approval for the Consideration Shares has been granted by the Stock Exchange. Dealings in the Consideration Shares on the Stock Exchange commenced on 20 August 2014.

As the applicable percentage ratios of each of the Jetway Acquisition and the Yalong Development Acquisition exceed 5% but are less than 25%, each of the Jetway Acquisition and the Yalong Development Acquisition constituted a discloseable transaction of the Company under Rule 14.07 of the Listing Rules.

Each of Grow Wealth and Woo + Woo was a connected person of the Company under Chapter 14A of the Listing Rules by virtue of their respective shareholdings in Jetway Developments and Yalong Development (HK). As the applicable percentage ratios of each of the Jetway Acquisition and the Yalong Development Acquisition exceed 5%, each of the Jetway Acquisition and the Yalong Development Acquisition constituted a connected transaction of the Company which was subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The purpose of this circular is to provide the Shareholders with details of: (i) the Acquisitions; (ii) the recommendation of the Independent Board Committee to the Shareholders in relation to the Acquisitions; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Shareholders in relation to the Acquisitions; and (iv) the valuation of properties held by Jetway Developments and Yalong Development (HK), being the target companies of the Acquisitions.

LETTER FROM THE BOARD

THE ACQUISITIONS

The Jetway Acquisition Agreement

Date

1 August 2014

Parties

- (1) The Company (as the purchaser); and
- (2) Grow Wealth (as the seller).

Subject matter

The Company agreed to acquire, and Grow Wealth agreed to sell, 22% of the issued share capital of Jetway Developments and the Jetway Shareholder's Loan, subject to the terms and conditions of the Jetway Acquisition Agreement. Immediately before completion of the Jetway Acquisition, the Company was interested in 78% of the issued share capital of Jetway Developments. Upon completion of the Jetway Acquisition, Jetway Developments has become a direct wholly-owned subsidiary of the Company.

Consideration

The consideration for the Jetway Acquisition was HK\$1,018,921,728, which comprised HK\$949,016,785 for the acquisition of the Jetway Sale Shares and HK\$69,904,943 (equivalent to US\$9,020,000) for the acquisition of the Jetway Shareholder's Loan. The consideration was satisfied by the issue and allotment of 509,460,864 Jetway Consideration Shares to Grow Wealth at the Issue Price upon completion of the Jetway Acquisition.

Basis of consideration

The consideration was determined after arm's length negotiation among the parties to the Jetway Acquisition Agreement based on a discount of 27% to the reassessed net asset value of Jetway Developments as at 31 December 2013, plus the amount of the Jetway Shareholder's Loan. The reassessed net asset value of Jetway Developments was determined with reference to (i) the equity attributable to Grow Wealth as at 31 December 2013 based on the unaudited consolidated financial statements of Jetway Developments in an amount of approximately RMB924.6 million; and (ii) the appreciation of properties attributable to Grow Wealth based on a preliminary appraisal by Savills as at 31 December 2013 and post adjustment of the estimated amount of the relevant taxes payable by Jetway Developments in an aggregate amount of approximately RMB109.5 million.

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Completion

All of the conditions precedent as set out in the paragraph headed “Conditions precedent to completion of the Acquisitions” below were fulfilled, and completion of the Jetway Acquisition took place on 19 August 2014. The Company issued 509,460,864 Jetway Consideration Shares to Grow Wealth in settlement of the consideration for the Jetway Acquisition. The 509,460,864 Jetway Consideration Shares issued by the Company to Grow Wealth at the Issue Price of HK\$2.00 per Consideration Share represent approximately 5.37% of the enlarged total issued share capital of the Company upon completion of the Acquisitions.

The Yalong Development Acquisition Agreement

Date

1 August 2014

Parties

- (1) The Company (as the purchaser); and
- (2) Woo + Woo (as the seller).

Subject matter

The Company agreed to acquire, and Woo + Woo agreed to sell, approximately 32.43% of the issued share capital of Yalong Development (HK) and the Yalong Development Shareholder’s Loan, subject to the terms and conditions of the Yalong Development Acquisition Agreement. Immediately before completion of the Yalong Development Acquisition, the Company was indirectly interested in approximately 67.57% of the issued share capital of Yalong Development (HK). Upon completion of the Yalong Development Acquisition, Yalong Development (HK) has become an indirect wholly-owned subsidiary of the Company.

Consideration

The consideration for the Yalong Development Acquisition was HK\$998,446,456, which comprised HK\$824,432,265 for the acquisition of the Yalong Development Sale Shares and HK\$174,014,191 for the acquisition of the Yalong Development Shareholder’s Loan. The consideration was satisfied by the issue and allotment of 499,223,228 Yalong Development Consideration Shares to Woo + Woo at the Issue Price upon completion of the Yalong Development Acquisition.

LETTER FROM THE BOARD

Basis of the consideration

The consideration was determined after arm's length negotiation among the parties to the Yalong Development Acquisition Agreement based on a discount of 27% to the reassessed net asset value of Yalong Development (HK) as at 31 December 2013, plus the amount of the Yalong Development Shareholder's Loans. The reassessed net asset value of Yalong Development (HK) was determined with reference to (i) the equity attributable to Woo + Woo as at 31 December 2013 based on the unaudited consolidated financial statements of Yalong Development (HK) in an amount of approximately RMB416.8 million; and (ii) the appreciation of properties attributable to Woo + Woo based on a preliminary appraisal by Savills as at 31 December 2013 and post adjustment of the estimated amount of the relevant taxes payable by Yalong Development (HK) in an aggregate amount of approximately RMB532.7 million; and (iii) the final dividends for the financial year 2013 declared by Yalong Development (HK) and paid to Woo + Woo in an amount of approximately RMB51.2 million.

Completion

All of the conditions precedent as set out in the paragraph headed "Conditions precedent to completion of the Acquisitions" below were fulfilled, and completion of the Yalong Development Acquisition took place on 19 August 2014. Upon completion of the Yalong Development Acquisition, the Company issued 499,223,228 Yalong Development Consideration Shares to Woo + Woo in settlement of the consideration for the Yalong Development Acquisition. The 499,223,228 Yalong Development Consideration Shares issued by the Company to Woo + Woo at the Issue Price of HK\$2.00 per Consideration Share represent approximately 5.26% of the enlarged total issued share capital of the Company upon completion of the Acquisitions.

CONDITIONS PRECEDENT TO COMPLETION OF THE ACQUISITIONS

Completion of the each of the Jetway Acquisition Agreement and the Yalong Development Acquisition Agreement was conditional on the fulfilment (or, if applicable, the waiver) of the following conditions precedent (as the case may be):

- (a) approval having been obtained from the Shareholders at a special general meeting of the Company, or the Company having obtained a written Shareholders' approval in lieu of convening a general meeting (as may be accepted by the Stock Exchange), for the respective terms of the Acquisition Agreements and the respective Acquisitions (as the case may be);
- (b) approval having been obtained from the Stock Exchange for the listing of, and permission to deal in, the Jetway Consideration Shares and the Yalong Development Consideration Shares respectively on the Main Board of the Stock Exchange;
- (c) the Shares remaining listed on the Stock Exchange and the current listing of the Shares not having been withdrawn and no indication having been received from the Stock Exchange to the effect that such listing may be withdrawn or cancelled;

LETTER FROM THE BOARD

- (d) the warranties given by the Company in the respective Acquisition Agreements remaining true and accurate and not misleading in any material respect if they were repeated at any time prior to completion of the respective Acquisitions by reference to the facts and circumstances then existing;
- (e) the warranties given by Grow Wealth and Woo + Woo (as the case may be) in the respective Acquisition Agreements remaining true and accurate and not misleading in any material respect if they were repeated at any time prior to completion of the respective Acquisitions by reference to the facts and circumstances then existing; and
- (f) each of Grow Wealth and Woo + Woo (as the case may be) having performed and complied with all agreements, obligations and conditions contained in the respective Acquisition Agreements that are required to be performed or complied with by it on or before completion of the transactions contemplated thereunder.

All of the above conditions have been fulfilled and none of them have been waived. Accordingly, the Acquisitions were completed on 19 August 2014. Please refer to the section headed "Shareholding structure of the Group before and after completion of the Acquisitions – after completion of the Acquisitions" for further details.

The respective sellers of the Acquisitions, being Grow Wealth and Woo + Woo, are not connected with each other, and each of the Jetway Acquisition and the Yalong Development Acquisition is independent from each other. The completion of the Jetway Acquisition or the Yalong Development Acquisition (as the case may be) is not subject to or conditional on the completion of the other acquisition.

LOCK-UP UNDERTAKINGS BY GROW WEALTH AND WOO + WOO

Pursuant to the respective Acquisition Agreements, each of Grow Wealth and Woo + Woo has undertaken to the Company that, for a period of twelve (12) months after the respective date of completion of the Jetway Acquisition Agreement and the Yalong Development Acquisition Agreement (as the case may be), it shall not:

- (a) sell, offer to sell, contract or agree to sell, lend, grant or sell any option, warrant, contract or right to purchase, purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Jetway Consideration Shares or Yalong Development Consideration Shares (as the case may be); or
- (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Jetway Consideration Shares or Yalong Development Consideration Shares (as the case may be), or agree to transfer or dispose of or create an encumbrance over,

LETTER FROM THE BOARD

either directly or indirectly, conditionally or unconditionally, any Jetway Consideration Shares or Yalong Development Consideration Shares (as the case may be) or any interest in the foregoing; or

- (c) enter into any transaction with the same economic effect as any transaction specified in paragraphs (a) or (b) above; or
- (d) offer to or agree to or announce any intention to effect any transaction specified in paragraphs (a), (b) or (c) above,

in each case, whether any of the transactions specified in paragraphs (a), (b) or (c) above is to be settled by delivery of the Shares or any other equity securities of the Company, or in cash or otherwise.

The above restrictions shall not restrict a transfer of any Yalong Development Consideration Shares by Woo + Woo during a six-month period following the expiry of the first six (6) months after the date of completion of the Yalong Development Acquisition Agreement (the “**Second Six Month Period**”) by giving at least 5-Business Days prior written notification to the Company and provided that the following conditions are fulfilled:

- (i) the Yalong Development Consideration Shares are proposed to be transferred to a related party of Woo + Woo (“**related party**” being any of Mrs. Woo Yeung Ming Lau, Mr. Woo King Wai David, being the ultimate beneficial owners of Woo + Woo, and their respective associates (bearing the meaning as defined in the Listing Rules) and grandchildren) and such transferee to which the Yalong Development Consideration Shares are to be transferred shall undertake in writing to the Company that, throughout the Second Six Month Period (i) it shall not enter into any transactions specified in paragraphs (a) to (d) above; and (ii) it shall remain as a related party of Woo + Woo;
- (ii) the total number of Yalong Development Consideration Shares so transferred during the Second Six Month Period does not exceed 20% of the Yalong Development Consideration Shares issued to Woo + Woo under the Yalong Development Acquisition Agreement (i.e. 99,844,645 Shares); and
- (iii) Woo + Woo having provided reasonable document proofs relating to the conditions (i) and (ii) above to the reasonable satisfaction of the Company.

The above restrictions shall not restrict a transfer of any Jetway Consideration Shares by Grow Wealth during a six-month period following the expiry of the first six (6) months after the date of completion of the Jetway Acquisition Agreement with the prior written consent of the Company, which may be given after taking into consideration factors including the proposed transferee; the number of Jetway Consideration Shares to be transferred; whether such transfer will have a material effect on the trading of the Shares; and other circumstances of the transfer.

LETTER FROM THE BOARD

INFORMATION ON THE CONSIDERATION SHARES

The Consideration Shares

The Consideration Shares were allotted and issued by the Company pursuant to the General Mandate. The Consideration Shares were issued as fully paid and rank *pari passu* in all respects with the Shares in issue as at the completion date of the Acquisitions.

Application for listing

The Company has applied to the Listing Committee for the listing of, and permission to deal in, the Consideration Shares and the Stock Exchange has granted approval for listing of the Consideration Shares. Dealings in the Consideration Shares on the Stock Exchange commenced on 20 August 2014.

The Issue Price

The Issue Price of HK\$2.00 per Consideration Share represents:

- (a) a premium of approximately 4.71% to the closing price of the Shares of HK\$1.91 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a premium of approximately 3.63% to the average of the closing price of the Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day of approximately HK\$1.93 per Share;
- (c) a premium of approximately 2.56% to the average of the closing price of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day of approximately HK\$1.95 per Share;
- (d) a premium of approximately 4.71% to the average of the closing price of the Shares as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day of approximately HK\$1.91 per Share;
- (e) the closing price of the Shares of HK\$2.00 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (f) a premium of approximately 14.99% to the net asset value per share (including the Shares and the CPS issued by the Company) of the Company as at 31 December 2013.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The Directors consider that the Acquisitions are in the interests of the Company as they will increase the effective interest in the property portfolio of the Group and maximise the profit contribution of Jetway Developments and Yalong Development (HK) to the Group, which will have an effect of increasing the core earnings per share of the Company. The Acquisitions will also give the Company full control of Jetway Developments and Yalong Development (HK), which will enhance the efficiency in implementing business decisions and developing strategies relating to Jetway Developments and Yalong Development (HK).

EFFECT OF THE ALLOTMENT AND ISSUE OF THE CONSIDERATION SHARES ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Details of the shareholding structure of the Company immediately before and after completion of the Acquisitions, taking into account the issue and allotment of the Consideration Shares, are set out below:

	Immediately before completion of the Acquisitions		Immediately after completion of the Acquisitions	
	<i>Number of Shares held</i>	<i>Approximate percentage of total issued ordinary share capital</i>	<i>Number of Shares held</i>	<i>Approximate percentage of total issued ordinary share capital</i>
Achieve Bloom	6,359,043,360	75.00%	6,359,043,360	67.03%
	<i>(Note 1)</i>		<i>(Note 1)</i>	
Director	6,000	0.00%	6,000	0.00%
	<i>(Note 2)</i>		<i>(Note 2)</i>	
Grow Wealth <i>(Note 3)</i>	–	–	509,460,864	5.37%
Woo + Woo <i>(Note 3)</i>	–	–	499,223,228	5.26%
Other public Shareholders	<u>2,119,683,120</u>	<u>25%</u>	<u>2,119,683,120</u>	<u>22.34%</u>
Total	<u>8,478,732,480</u>	<u>100%</u>	<u>9,487,416,572</u>	<u>100%</u>

Notes:

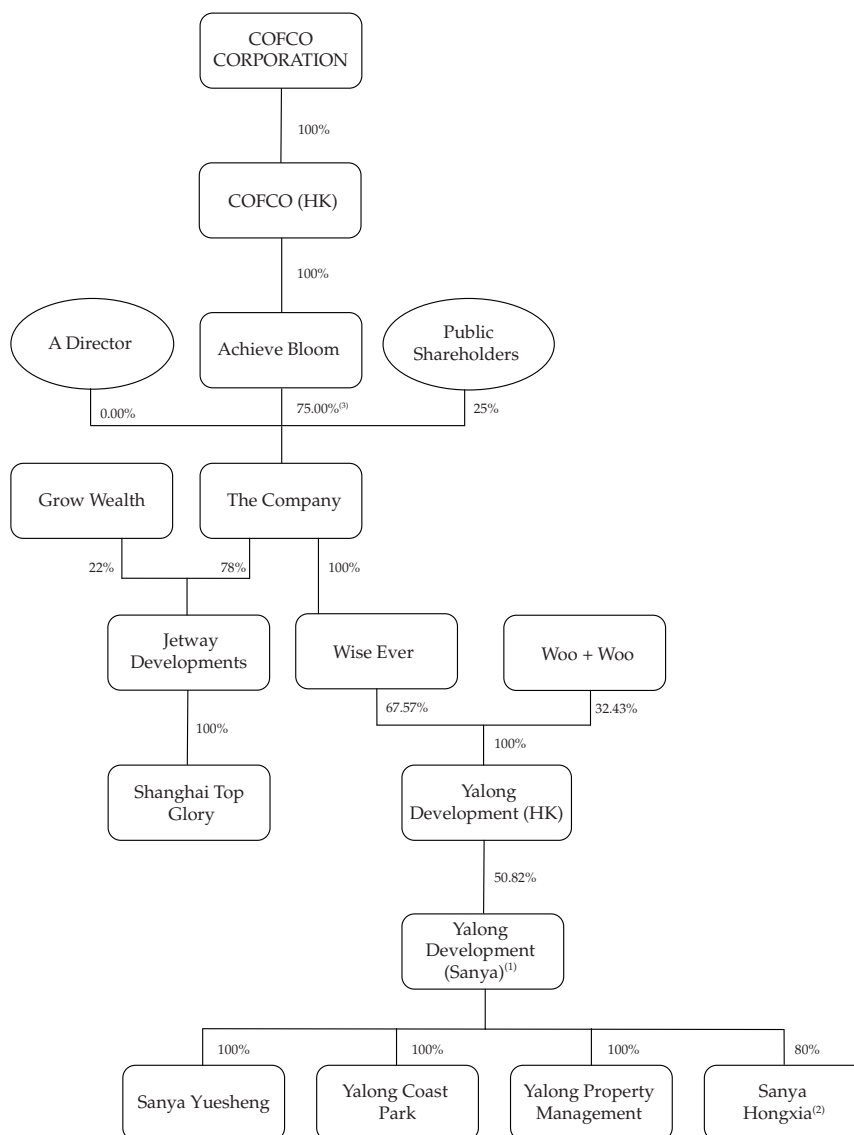
- (1) This represents the number of Shares held by Achieve Bloom, excluding the 1,095,300,778 CPS held by it.
- (2) These Shares were held by Mr. Lam Kin Ming, Lawrence, an independent non-executive Director.
- (3) These Shares held by Grow Wealth and Woo + Woo constitute Shares held by the public pursuant to Rule 8.24 of the Listing Rules.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE OF THE GROUP BEFORE AND AFTER COMPLETION OF THE ACQUISITIONS

The shareholding structure of the Group in respect of the shareholding of the Company in Jetway Developments and Yalong Development (HK), being the target companies of the Acquisitions, immediately before and after completion of the Acquisitions is illustrated as follows:

Before completion of the Acquisitions

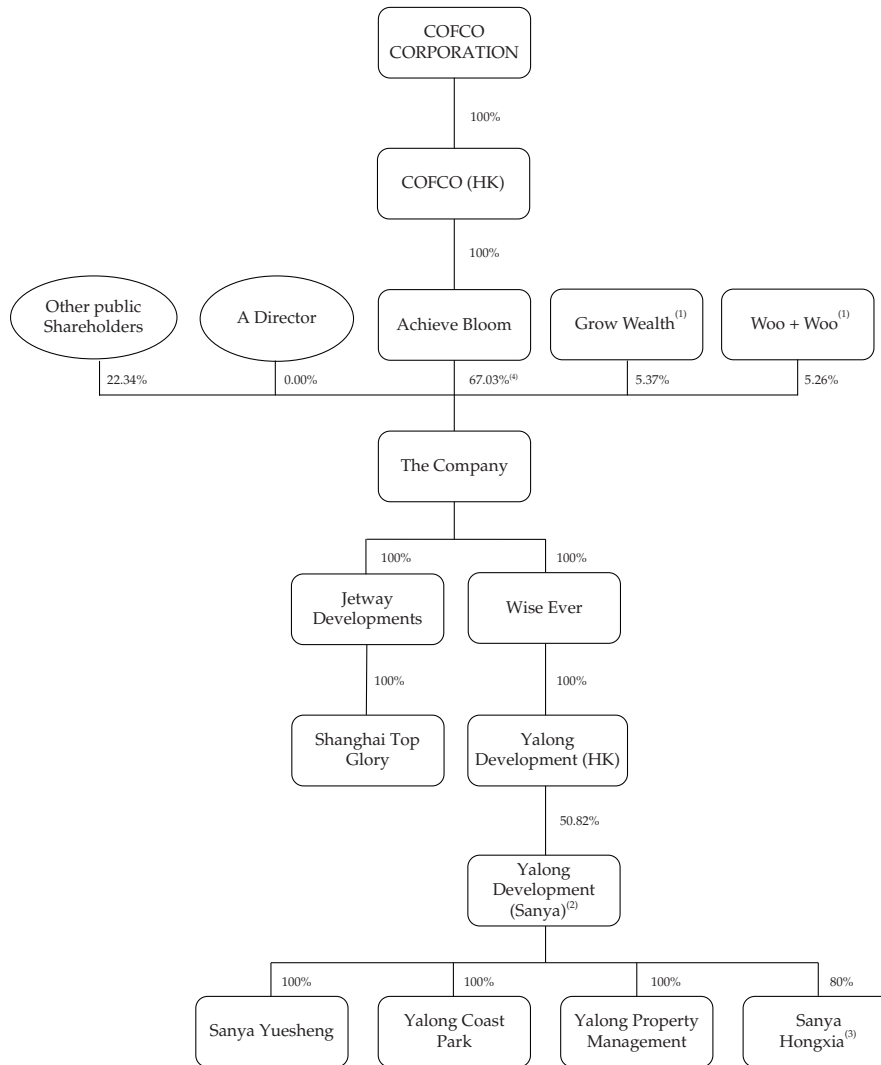


Notes:

- (1) The remaining approximately 49.18% interest in Yalong Development (Sanya) is held by Zhong Gu Group Sanya Trading Co., Ltd.* (中谷集團三亞貿易有限公司), Mingcheng Investment & Consultation Co., Ltd.* (明誠投資諮詢有限公司), both being subsidiaries of COFCO Corporation, and certain other corporate and individual shareholders who are independent third parties as to approximately 4.90%, approximately 1.27% and approximately 43.01%, respectively.
- (2) The remaining 20% interest in Sanya Hongxia is held by COFCO Hainan Investment Development Co., Ltd.* (中糧海南投資發展有限公司), a wholly-owned subsidiary of COFCO Corporation.
- (3) This represents the number of Shares held by Achieve Bloom, excluding the 1,095,300,778 CPS held by it.

LETTER FROM THE BOARD

After completion of the Acquisitions



Notes:

- (1) These Shares held by Grow Wealth and Woo + Woo constitute Shares held by the public.
- (2) The remaining 49.18% interest in Yalong Development (Sanya) is held by Zhong Gu Group Sanya Trading Co., Ltd.* (中谷集團三亞貿易有限公司), Mingcheng Investment & Consultation Co., Ltd.* (明誠投資諮詢有限公司), both being subsidiaries of COFCO Corporation, and certain other corporate and individual shareholders who are independent third parties as to 4.90%, 1.27% and 43.01%, respectively.
- (3) The remaining 20% interest in Sanya Hongxia is held by COFCO Hainan Investment Development Co., Ltd.* (中糧海南投資發展有限公司), a wholly-owned subsidiary of COFCO Corporation.
- (4) This represents the number of Shares held by Achieve Bloom, excluding the 1,095,300,778 CPS held by it.

LETTER FROM THE BOARD

INFORMATION ON THE GROUP

The Company was incorporated in Bermuda and the Shares are listed on the Main Board of the Stock Exchange. The Company is an investment holding company and the Group is principally engaged in the development, operation, sale, leasing and management of mixed-use complexes and commercial properties.

INFORMATION ON GROW WEALTH AND WOO + WOO

Grow Wealth is an investment holding company incorporated in the British Virgin Islands with limited liability, the ultimate beneficial owner of which is Mr. Kwai Kui Man, who is, except for his interest in Grow Wealth and Jetway Developments and his appointment as a director of Shanghai Top Glory, a subsidiary of the Group prior to completion of the Jetway Acquisition, independent from the Group and the Group's connected persons. Grow Wealth has invested in Jetway Developments since 2004 with an acquisition cost of HK\$132,127,043.72 (comprising capital contribution and shareholder's loans) and has been holding such interests as its long-term investments.

Woo + Woo is an investment holding company incorporated in the British Virgin Islands with limited liability, the ultimate beneficial owners of which are Mrs. Woo Yeung Ming Lau and Mr. Woo King Wai David, who are, except for their interest in Woo + Woo and Yalong Development (HK) and their appointment as directors of Yalong Development (HK) and Yalong Development (Sanya), a subsidiary of the Group prior to completion of the Yalong Development Acquisition, independent from the Group and the Group's connected persons. Woo + Woo has invested in Yalong Development (HK) since 1994 with an investment cost of HK\$215,539,652.99 (comprising capital contribution and shareholder's loans) and has been holding such interests as its long-term investments.

INFORMATION ON JETWAY DEVELOPMENTS AND YALONG DEVELOPMENT (HK)

Jetway Developments

Business of Jetway Developments

Jetway Developments is an investment holding company directly holding equity interests in a project company incorporated in the PRC which in turn holds a commercial property project, comprising Ocean One (海景壹號) and Fraser Suites Top Glory Shanghai (上海鵬利輝盛閣公寓) located in the Pudong New Area of Shanghai. Ocean One comprises two blocks of residential apartments for sale, whilst Fraser Suites Top Glory Shanghai comprises three blocks of serviced apartments for leasing. This property project, completed in 2010 and comprising residential spaces, occupied a total site area of 24,316 sq.m., with a total leasable area of 49,670 sq.m. and total saleable GFA of 48,407 sq.m. as at 30 June 2014. As at the same date, it also had 311 car parking spaces available for leasing.

As at 30 June 2014, the aggregate appraised market value of the properties held by Jetway Developments and its subsidiary attributable to Grow Wealth was approximately RMB1,382.9 million. Please refer to the property valuation report set out in Appendix IA to this circular for further details.

Financial Information of Jetway Developments

For each of the two years ended 31 December 2012 and 2013, the unaudited consolidated revenue of Jetway Developments and its subsidiary was approximately RMB1,059.9 million and RMB1,310.6 million, respectively. The unaudited consolidated net asset value of Jetway Developments and its subsidiary as at 31 December 2013 was approximately RMB4,202.7 million.

LETTER FROM THE BOARD

The unaudited consolidated profit before and after tax of Jetway Developments and its subsidiary for the respective periods were as follows:

	For the year ended 31 December	
	2012 (RMB million)	2013 (RMB million)
Profit before tax	1,010.9	1,012.2
Profit after tax	571.0	414.5

The above financial information was extracted from the unaudited consolidated financial statements of Jetway Developments, which represents 100% of the equity interest of Jetway Developments and its subsidiaries. The Company only acquired 22% of the issued share capital of Jetway Developments pursuant to the Jetway Acquisition Agreement.

Yalong Development (HK)

Business of Yalong Development (HK)

Yalong Development (HK) is an investment holding company directly or indirectly holding equity interests in project companies incorporated in the PRC, which in turn hold an integrated tourist project located in Yalong Bay National Resort District mainly comprising the following developments, details of which as at 30 June 2014 are set out below:

- (a) two resort hotels, namely, The St. Regis Sanya Yalong Bay Resort (亞龍灣瑞吉度假酒店) and Cactus Resort Sanya by Gloria (三亞凱萊仙人掌度假酒店), both held by Yalong Development (Sanya). The St. Regis Sanya Yalong Bay Resort was completed in December 2011. It occupied a total site area of 204,032 sq.m., with a total GFA of 90,869 sq.m.. The resort had 373 guest rooms and 28 villas in total. The Cactus Resort Sanya by Gloria was completed in 1998 and was refurbished in 2005. It occupied a total site area of 90,012 sq.m., with a total GFA of 38,500 sq.m. and had 563 guest rooms and suites in total;
- (b) two commercial apartment developments, namely, The Signature (龍溪29) and Princess Palace III (公主郡III期), both held by Sanya Hongxia. The Signature is a harbourside commercial apartment project completed in 2011, comprising a total of 29 villa-styled apartments. It is situated within the hotel area of The St. Regis Sanya Yalong Bay Resort at the Yalong Bay National Resort District. This development occupied a total site area of 123,926 sq.m. with a total GFA of 27,146 sq.m.. Princess Palace III is also a commercial apartment development completed in 2012, which comprises villa-styled commercial apartments and multi-storey commercial apartments located in the Yalong Bay National Resort District, adjacent to the Yalong Bay Golf Club. This development occupied a total site area of 198,075 sq.m., with a total GFA of 78,759 sq.m., comprising villa-styled apartments and multi-storey commercial apartments and 35 car parking spaces;
- (c) a commercial development, namely the Sanya Yalong Bay International Exhibition Centre Complex (三亞亞龍灣國際展覽中心綜合體), held by Sanya Hongxia. It occupied a total site area of 224,382 sq.m. with a planned total GFA of 89,402 sq.m.. This development is expected to comprise commercial apartments, an exhibition centre and car parking spaces. Construction of the development is expected to be completed in the fourth quarter of 2015;

LETTER FROM THE BOARD

- (d) a park, namely, Yalong Bay Mountain Ocean Park (亞龍灣山海世界), held by Yalong Development (Sanya). This development is expected to occupy a total site area of 380,600 sq.m. and contain 300 car parking spaces. Construction of the development is expected to be completed in the second quarter of 2016;
- (e) a self-use property, namely, Yuechuan Plaza (月川大廈), held by Yalong Development (Sanya). It is a seven-storey building situated in the eastern district of Sanya City. Completed in 1993, it had 28 units in total. This development occupied a total site area of 698 sq.m. and a total GFA of 2,445 sq.m.;
- (f) an office building, namely, Administration Centre (行政中心), held by Yalong Development (Sanya). It comprises a five-storey office building completed in 2013. It is situated in proximity to the main highway within the Yalong Bay National Resort District. This development occupied a total site area of 34,364 sq.m., with a total GFA of 31,504 sq.m., comprising office space and 95 car parking spaces; and
- (g) a yacht club, namely, Yalong Bay Yacht Club (亞龍灣遊艇會), held by Yalong Development (Sanya). It is a resort style yacht club located in Yalong Bay National Resort District and was completed in 2011.

As at 30 June 2014, the aggregate appraised market value of the properties held by Yalong Development (HK) and its subsidiaries attributable to Woo + Woo was approximately RMB777.4 million. Please refer to the property valuation report set out in Appendix IB to this circular for further details.

Regulatory compliance

As disclosed in the circular of the Company dated 30 November 2013 in relation to the very substantial acquisition and connected transaction which constituted reverse takeover of the Company (the “**2013 Circular**”), each of Cactus Resort Sanya by Gloria, Princess Palace III and Sanya Yalong Bay International Exhibition Centre Complex was involved in certain non-compliance matters. Please refer to the section headed “Business of the Target Group – Regulatory Compliance” in the 2013 Circular for further details including the underlying reasons for and the potential legal consequences, where applicable, of such non-compliance matters. The latest development of the relevant non-compliance matters as from the date of the 2013 Circular and up to the Latest Practicable Date are summarised below.

- (a) In relation to the construction of Cactus Resort Sanya by Gloria and its subsequent refurbishment, Yalong Development (Sanya) failed to obtain the relevant approvals and permits from the relevant government authorities under the PRC laws and regulations due to loss of the underlying application documents. Further details in relation to the reasons behind such loss was disclosed in the 2013 Circular. As a result, the building ownership certificate in respect of Cactus Resort Sanya by Gloria could not be obtained by Yalong Development (Sanya). Since re-application for the relevant approvals and permits is not possible given the time lapsed, there was no significant change in the status of such non-compliance as from the date of the 2013 Circular and up to the Latest Practicable Date;

LETTER FROM THE BOARD

- (b) In respect of Princess Palace III, the actual GFA of the villa-styled apartments of this development exceeded the permitted GFA under the relevant construction works planning permit. As at the Latest Practicable Date, Sanya Hongxia had already settled the outstanding land premium and successfully obtained the building ownership certificate in respect of the villa-styled apartments of Princess Palace III and no fine or other legal or administrative sanction had been imposed on Sanya Hongxia by any governmental authority in relation to the above; and
- (c) In relation to the Sanya Yalong Bay International Exhibition Centre Complex, Sanya Hongxia has not obtained the construction works commencement permit of the property on the prescribed date of commencement, i.e. 9 May 2013, as stipulated in the Contract for Grant of Land Use Rights. As at the Latest Practicable Date, Sanya Hongxia had completed the required environmental impact assessment and approval procedures for the construction of this development and had not received any liquidated damages or penalty notification in relation to the delay from the relevant PRC authorities.

Financial information of Yalong Development (HK)

For each of the two years ended 31 December 2012 and 2013, the unaudited consolidated revenue of Yalong Development (HK) and its subsidiaries was approximately RMB2,676.6 million and RMB1,808.0 million, respectively. The unaudited consolidated net asset value of Yalong Development (HK) and its subsidiaries (including net asset value attributable to non-controlling interests) as at 31 December 2013 was approximately RMB3,346.2 million.

The unaudited consolidated profit before and after tax of the Yalong Development (HK) and its subsidiaries for the respective periods were as follows:

	For the year ended 31 December	
	2012	2013
	(RMB million)	(RMB million)
Profit before tax	1,168.0	901.2
Profit after tax	744.0	572.6

The above financial information was extracted from the audited consolidated financial statements of Yalong Development (HK), which represent 100% of the equity interest of Yalong Development (HK) and its subsidiaries. The Company only acquired approximately 32.43% of the issued share capital of Yalong Development (HK) pursuant to the Yalong Development Acquisition Agreement.

LETTER FROM THE BOARD

IMPLICATIONS OF THE ACQUISITIONS UNDER THE LISTING RULES

As the applicable percentage ratios of each of the Jetway Acquisition and the Yalong Development Acquisition exceed 5% but are less than 25%, each of the Jetway Acquisition and the Yalong Development Acquisition constituted a discloseable transaction of the Company under Rule 14.07 of the Listing Rules.

Immediately before completion of the Acquisitions, Jetway Developments and Yalong Development (HK) were non-wholly-owned subsidiaries of the Company. Grow Wealth was interested in 22% of the issued share capital of Jetway Developments and Woo + Woo was interested in approximately 32.43% of the issued share capital of Yalong Development (HK). Neither Jetway Developments nor Yalong Development (HK) is an insignificant subsidiary of the Company and thus the exception under Rule 14A.09 of the Listing Rules shall not apply. Therefore, each of Grow Wealth and Woo + Woo was a connected person of the Company under Chapter 14A of the Listing Rules by virtue of their respective shareholding in Jetway Developments and Yalong Development (HK).

As the Consideration Shares were issued as consideration of the Acquisitions, the Company could not benefit from the exemption under Rule 14A.101 of the Listing Rules. As the applicable percentage ratios of each of the Jetway Acquisition and the Yalong Development Acquisition exceed 5%, each of the Jetway Acquisition and Yalong Development Acquisition constituted a connected transaction of the Company which was subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

SHAREHOLDERS' MEETING WAIVER AND VOTING AT THE BOARD MEETINGS

So far as the Company is aware, none of the Shareholders is materially interested in the Acquisitions. As such, no Shareholder would be required to abstain from voting if a general meeting of the Company were to be convened to approve the Acquisitions.

The Company has obtained a written shareholder's approval for the Acquisitions from Achieve Bloom, the Controlling Shareholder of the Company holding 6,359,043,360 Shares (being issued ordinary shares of the Company with voting rights), representing approximately 75% of the issued ordinary share capital of the Company with voting rights as at the date of the Acquisition Agreements.

Pursuant to Rule 14A.37 of the Listing Rules, the Stock Exchange has granted the Company a waiver from the requirement to convene a shareholders' meeting of the Company for approving the Acquisitions, and has accepted the written shareholder's approval for the Acquisitions from Achieve Bloom in lieu of convening such general meeting under Rule 14A.36 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Directors was in any way materially interested in the Acquisitions and therefore none of the Directors had abstained from voting in the board meeting approving the Acquisitions.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the terms and conditions of the Acquisition Agreements have been negotiated among the relevant parties on an arm's length basis, are fair and reasonable and on normal commercial terms, and the Acquisitions are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors would have recommended the Shareholders to approve the Acquisition Agreements and the transactions contemplated thereunder if a physical general meeting were to be held.

The Independent Board Committee has been established to advise the Shareholders as to the fairness and reasonableness of the terms of the Acquisition Agreements and the transactions contemplated thereunder. Having considered the terms and conditions of the Acquisition Agreements and after taking into account the advice of Somerley, the Independent Board Committee considers that the terms and conditions of the Acquisition Agreements are fair and reasonable and on normal commercial terms, and the Acquisitions are in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee would have recommended the Shareholders to approve the Acquisition Agreements and the transactions contemplated thereunder if a physical general meeting were to be held.

ADDITIONAL INFORMATION

The letter from the Independent Board Committee containing its advice and recommendation is set out on page 24 of this circular. The letter from Somerley containing its advice and recommendation is set out on pages 25 to 51 of this circular.

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

Yours faithfully,
For and on behalf of the Board of
COFCO Land Holdings Limited
ZHOU Zheng
Chairman



中糧
COFCO

自然之源 重塑你我

COFCO LAND HOLDINGS LIMITED

中糧置地控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 207)

22 August 2014

To the Shareholders

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTIONS
ACQUISITION OF MINORITY INTERESTS IN
JETWAY DEVELOPMENTS LIMITED AND
YALONG DEVELOPMENT (HK) COMPANY LIMITED**

We refer to the circular dated 22 August 2014 issued by the Company of which this letter forms part of (the “**Circular**”). Capitalised terms used in this letter shall have the same meaning as those defined in the Circular unless otherwise specified.

We have been authorized by the Board to form the Independent Board Committee to consider and advise the Shareholders in respect of the Acquisitions, details of which are set out in the Circular.

We wish to draw your attention to the letter from the Board set out on pages 7 to 23 of the Circular and the letter of advice from Somerley, the Independent Financial Adviser appointed to advise the Independent Board Committee and the Shareholders on the terms of the Acquisition Agreements, set out on pages 25 to 51 of the Circular.

Having considered, among other matters, the factors and reasons considered by, and the opinion of Somerley as stated in its letter of advice, the terms and conditions of the Acquisition Agreements, the business and financial effects of the Acquisitions on the Company, the quality and size of the property portfolio held by Jetway Developments and Yalong Development (HK) and their respective subsidiaries, we consider that the terms and conditions of the Acquisition Agreements are fair and reasonable and on normal commercial terms, and the Acquisitions are in the interests of the Company and the Shareholders as a whole. Accordingly, we would have recommended the Shareholders to approve the Acquisition Agreements and the transactions contemplated thereunder if a physical general meeting were to be held.

Yours faithfully,
for and on behalf of the
Independent Board Committee
COFCO Land Holdings Limited
LAU Hon Chuen, Ambrose, GBS, JP
LAM Kin Ming, Lawrence
WU Kwok Cheung, MH
Independent Non-executive Directors

LETTER FROM SOMERLEY

The following is the full text of a letter of advice from Somerley Capital Limited to the Independent Board Committee in relation to the Acquisitions, which has been prepared for the purpose of inclusion in the Circular.



SOMERLEY CAPITAL LIMITED

20th Floor
China Building
29 Queen's Road Central
Hong Kong

22 August 2014

*To: The independent board committee, the Shareholders and,
for information only, the holders of CPS*

Dear Sirs,

**DISCLOSEABLE AND CONNECTED TRANSACTIONS
ACQUISITION OF MINORITY INTERESTS IN
JETWAY DEVELOPMENTS LIMITED
AND
YALONG DEVELOPMENT (HK) COMPANY LIMITED**

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee in connection with the Acquisitions, details of which are set out in the letter from the board contained in the circular to the Shareholders dated 22 August 2014 (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

On 1 August 2014, the Company agreed to acquire, and Grow Wealth agreed to sell, 22% of the issued share capital of Jetway Developments and the Jetway Shareholder's Loan at a consideration of HK\$1,018,921,728, subject to the terms and conditions of the Jetway Acquisition Agreement. The Company was interested in 78% of the issued share capital of Jetway Developments as at the date of the Jetway Acquisition Agreement.

On the same day, the Company agreed to acquire, and Woo + Woo agreed to sell, approximately 32.43% of the issued share capital of Yalong Development (HK) and the Yalong Development Shareholder's Loan at a consideration of HK\$998,446,456, subject to the terms and conditions of the Yalong Development Acquisition Agreement. The Company was indirectly interested in approximately 67.57% of the issued share capital of Yalong Development (HK) as at the date of the Yalong Development Acquisition Agreement.

As disclosed in the Company's announcement dated 19 August 2014, all the conditions precedent for the Acquisitions have been fulfilled and the Acquisitions were completed on 19 August 2014.

LETTER FROM SOMERLEY

Immediately before completion of the Acquisitions, Jetway Developments and Yalong Development (HK) were non-wholly-owned subsidiaries of the Company which held as to 78% and approximately 67.57% respectively by the Company. Grow Wealth was interested in 22% of the issued share capital of Jetway Developments and Woo + Woo was interested in approximately 32.43% of the issued share capital of Yalong Development (HK). Neither Jetway Developments nor Yalong Development (HK) was an insignificant subsidiary of the Company and thus the exception under Rule 14A.09 of the Listing Rules should not apply. Therefore, each of Grow Wealth and Woo + Woo was a connected person of the Company under Chapter 14A of the Listing Rules by virtue of their respective shareholdings in each of Jetway Developments and Yalong Development (HK). As the Consideration Shares were issued as consideration of the Acquisitions, the Company could not benefit from the exemption under Rule 14A.101. As the applicable percentage ratios of the Jetway Acquisition and the Yalong Development Acquisition exceed 5%, each of the Jetway Acquisition and Yalong Development Acquisition constituted a connected transaction of the Company which was subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the applicable percentage ratios of each of the Jetway Acquisition and Yalong Development Acquisition exceed 5% but are less than 25%, each of the Jetway Acquisition and Yalong Development Acquisition also constituted a discloseable transaction of the Company under Rule 14.07 of the Listing Rules.

So far as the Company is aware, none of the Shareholders is materially interested in the Acquisitions. As such, no Shareholder would be required to abstain from voting if a general meeting of the Company were to be convened to approve the Acquisitions. The Company has obtained a written shareholders' approval for the Acquisitions from Achieve Bloom, a Controlling Shareholder of the Company holding 6,359,043,360 Shares (being issued shares of the Company with voting rights), representing approximately 75% of the issued share capital of the Company with voting rights as at the date of the Acquisition Agreements.

Pursuant to Rule 14A.37 of the Listing Rules, the Stock Exchange has granted the Company a waiver from the requirement to convene a shareholders' meeting of the Company for approving the Acquisitions, and has accepted the written shareholders' approval for the Acquisitions from Achieve Bloom in lieu of convening such general meeting under Rule 14A.36 of the Listing Rules.

The Independent Board Committee, comprising all of the independent non-executive Directors, namely Mr. LAU Hon Chuen, *Ambrose, GBS, JP*, Mr. LAM Kin Ming, *Lawrence* and Mr. WU Kwok Cheung, *MH*, has been established to advise the Shareholders, taking into account our recommendations, as to whether the terms of the Acquisitions are fair and reasonable and whether the Acquisitions are in the interests of the Company and the Shareholders as a whole. The advice of the Independent Board Committee as regards the Acquisitions is contained in its letter included in the Circular. We, Somerley Capital Limited, have been appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Shareholders on the Acquisitions. Details of the Acquisitions are set out in the Circular.

LETTER FROM SOMERLEY

We are not associated or connected with the Company, Grow Wealth, Woo + Woo or their respective substantial shareholders or associates and, accordingly, are considered eligible to give independent advice on the Acquisitions. Apart from normal professional fees payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company, Grow Wealth, Woo + Woo or their respective substantial shareholders or associates.

In formulating our advice and recommendation, we have relied on the information and facts supplied, and the opinions expressed, by the Directors and management of the Company (collectively, the “**Management**”), which we have assumed to be true, accurate and complete. We have reviewed the published information on the Company, including but not limited to, annual reports of the Company for the years ended 31 December 2012 (the “**2012 Annual Report**”) and 31 December 2013 (the “**2013 Annual Report**”), the circular of the Company dated 30 November 2013 in relation to, among others, the 2013 Acquisition (as defined below) and other information contained in the Circular. We have reviewed the trading performance of the Shares on the Stock Exchange. We have sought and received confirmation from the Directors that no material facts have been omitted from the information supplied and opinions expressed by them. We consider that the information we have received is sufficient for us to reach our opinion and advice as set out in this letter. We have no reason to doubt the truth and accuracy of the information provided to us or to believe that any material facts have been omitted or withheld. We have, however, not conducted any independent investigation into the business and affairs of the Group, nor have we carried out any independent verification of the information supplied. We have also assumed that all representations contained or referred to in the Circular are true at the time they were made and at the date of the Circular and Shareholders will be notified of any material changes as soon as possible, if any.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation with regard to the Acquisitions, we have taken into account the following principal factors and reasons:

1. Information on the Group

1.1 *Recent developments of the Group*

COFCO Land Holdings Limited (formerly known as The Hong Kong Parkview Group Limited) was incorporated in Bermuda with limited liability and its ordinary shares are listed on the Main Board of the Stock Exchange. The principal activity of the Company is investment holding. The Company’s subsidiaries are principally involved in investment holding, property investment and development, property management and hotel operations.

In July 2012, Achieve Bloom, an indirect wholly-owned subsidiary of 中糧集團有限公司 (COFCO Corporation), completed the acquisition of approximately 73.5% of the entire issued share capital of the Company and has become a Controlling Shareholder of the Group. On 24 September 2013, the Company announced the acquisition (the “**2013 Acquisition**”) from

LETTER FROM SOMERLEY

COFCO Land Limited, a wholly-owned subsidiary of Achieve Bloom, of a number of companies (the “**2013 Target Group**”) which holds a number of mix-used property projects in the PRC. Completion of the 2013 Acquisition took place on 19 December 2013 and since then, the Company has become the Hong Kong listing platform of COFCO Corporation in the development and operation of high quality mixed-use complexes and commercial properties in China. Jetway Developments and Yalong Development (HK), which were two of the members of the 2013 Target Group, have accordingly become a 78% owned subsidiary and approximately 67.57% owned subsidiary of the Company respectively since completion of the 2013 Acquisition in December 2013.

As at the Latest Practicable Date, the Group holds a portfolio of 12 property projects in Beijing, Shanghai, Sanya, Chengdu, Nanchang, Suzhou and Hong Kong. Those property projects are located in premium core areas of the first- or second-tier cities in mainland China and Hong Kong. The portfolio is diversified with quality assets and in different business areas, including landmark properties such as Beijing COFCO Plaza and Chengdu Joy City, properties located in premium zones of core cities such as Ocean One in Shanghai, The Signature and Princess Palace in Sanya, as well as a number of international high-end luxury hotels.

1.2 Financial performance and position of the Group

As disclosed in the 2013 Annual Report, since the Group and the 2013 Target Group came under common control of Achieve Bloom since 23 July 2012 and Achieve Bloom continued to control the Company after completion of the 2013 Acquisition, the 2013 Acquisition is considered as a combination of businesses under common control and accounted for under merger basis. Also it is stated that, in applying merger accounting, the 2013 Acquisition would be reflected in the consolidated financial statements of the Group as a reverse acquisition of the Company by the 2013 Target Group which is deemed as the accounting acquirer taking into consideration of the requirements under Hong Kong Financial Reporting Standard 3 (Revised) Business Combinations. Accordingly, the Group’s consolidated financial statements have been prepared as a continuation of the consolidated financial statements of the 2013 Target Group and the comparative information presented in these consolidated financial statements is restated to be that of the 2013 Target Group.

LETTER FROM SOMERLEY

Set out below are certain key financial information on the Group as extracted from the consolidated statement of profit or loss for the two years ended 31 December 2013 (the “Period”), details of which are set out in the 2013 Annual Report:

	For the year ended	
	31 December	
	2013	2012
	<i>(audited)</i>	<i>(audited)</i>
	RMB'000	RMB'000
		<i>(restated)</i>
Revenue	3,922,552	4,433,008
– Property and land development	2,517,953	3,228,725
– Property Investment	389,467	357,895
– Property management and related services	203,237	210,996
– Hotel operations and tourism	811,895	635,392
Cost of sales and services	<u>(1,584,452)</u>	<u>(1,871,590)</u>
Gross profit	2,338,100	2,561,418
Profit before tax	4,958,921	2,628,598
Income tax expense	<u>(1,694,830)</u>	<u>(962,050)</u>
Profit for the year	<u><u>3,264,091</u></u>	<u><u>1,666,548</u></u>
<i>Profit for the year attributable to:</i>		
– Owners of the Company	2,007,981	918,840
– Non-controlling interests	1,256,110	747,708

Revenue generated from the property and land development has been the main source of income which represented over 60% of the total revenue of the Group during the Period. The rest of the revenue came from the property investment, property management and related services and hotel operations.

As disclosed in the 2013 Annual Report, the Group’s revenue from properties and land development amounted to approximately RMB2,518.0 million, which accounted for approximately 64.2% of total revenue for the year ended 31 December 2013 (“FY2013”), and represented a decrease of approximately 22% as compared with that for the year ended 31 December 2012 (“FY2012”). Such decrease in revenue was mainly due to a decrease in area sold of multi-storey commercial apartments and villa-styled apartments of Princess Palace III and villa-styled apartments of The Signature. Rental income from investment properties during FY2013 amounted to approximately RMB389.5 million which accounted for around 9.9% of total revenue for FY2013 and represented an increase of approximately 8.8% as compared with that in FY2012. Such increase was mainly attributable to the increase in rental income of Beijing COFCO Plaza, Fraser Suites Top Glory

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Shanghai and Hong Kong Top Glory Tower. Revenue from hotel operations and tourism accounted for approximately 20.7% of total revenue for FY2013 and increased to approximately RMB811.9 million in FY2013 by around 27.8% from approximately RMB635.4 million in FY2012, which was mainly attributable to the growth in revenue of MGM Grand Sanya and St. Regis Sanya Yalong Bay Resort. Revenue from property management and related services accounted for around 5.2% of total revenue during FY2013 and showed a year-on-year decrease of approximately 3.7% from FY2012. Although the gross profit dropped by approximately 8.7% in FY2013, the gross profit margin improved from approximately 57.8% in FY2012 to around 59.6% in FY2013 which was mainly attributable to the slight growth in property sales and leasing and the good performance of the two new hotels in Sanya. As a result of the fair value gain of investment properties in the amount of approximately RMB3,076.1 million recorded in FY2013, the profit for the year surged from approximately RMB1,666.5 million in FY2012 to approximately RMB3,264.1 million in FY2013, represented a yearly growth of approximately 95.9%.

Set out below is the summary of the consolidated statements of financial position of the Group as at 31 December 2012 and 2013 as extracted from the 2013 Annual Report:

	As at 31 December	
	2013	2012
	<i>(audited)</i>	<i>(audited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
		<i>(restated)</i>
Non-current assets		
Investment properties	13,238,730	10,186,577
Property, plant and equipment	3,665,195	3,879,794
Leasehold land and land use rights	589,155	1,011,761
Properties under development	1,231,098	427,050
Other non-current assets	558,650	1,480,510
	19,282,828	16,985,692
Current assets		
Inventories	13,235	14,760
Properties held for sale	852,781	1,529,657
Properties under development for sale	469,356	38,876
Cash and cash equivalents	7,941,122	2,891,403
Other current assets	645,077	3,241,120
	9,921,571	7,715,816
Total assets	29,204,399	24,701,508

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	As at 31 December	
	2013	2012
	<i>(audited)</i>	<i>(audited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
		<i>(restated)</i>
Current liabilities		
Bank and other borrowings	1,860,085	1,380,958
Other current liabilities	4,559,647	9,949,100
	6,419,732	11,330,058
Non-current liabilities		
Bank and other borrowings	2,357,073	2,158,360
Other non-current liabilities	2,363,377	1,824,613
	4,720,450	3,982,973
Total liabilities	11,140,182	15,313,031
Total equity		
Equity attributable to owners of the Company	13,244,741	5,612,973
Non-controlling interests	4,819,476	3,775,504
	18,064,217	9,388,477

As at 31 December 2013, total assets amounted to approximately RMB29,204.4 million and total liabilities amounted to approximately RMB11,140.2 million. Total assets and total liabilities of the Group as at 31 December 2013 went up and down by approximately 18.2% and 27.3% respectively as compared with those as at 31 December 2012. The Group had cash and cash equivalents of approximately RMB7,941.1 million as at 31 December 2013, representing a significant increase of approximately 174.6% from 31 December 2012.

The Group recorded net current assets of approximately RMB3,501.8 million as at 31 December 2013. Total bank and other borrowings increased from approximately RMB3,539.3 million as at 31 December 2012 by approximately 19.2% to approximately RMB4,217.2 million as at 31 December 2013, among which the current portion of bank and other borrowings increased by approximately 34.7% to approximately RMB1,860.1 million over the same period. The current ratio of the Group improved considerably from approximately 0.68 as at 31 December 2012 to approximately 1.55 as at 31 December 2013, mainly attributable the enhanced cash position and reduction of current liabilities.

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As at 31 December 2013, total equity attributable to owners of the Company amounted to approximately RMB13,244.7 million. The total equity attributable to owners of the Company as at 31 December 2013 has increased from that of 2012 as a result of the net profit recorded during FY2013.

2. Information on Jetway Developments and Yalong Development (HK)

2.1 Information on Jetway Developments

2.1.1 Business of Jetway Developments

As stated in the letter from the Board of the Circular, the Company was interested in 78% of the issued share capital of Jetway Developments immediately before completion of the Jetway Acquisition. Jetway Developments is an investment holding company directly holding equity interests in a project company incorporated in the PRC which in turn holds a commercial property project, comprising Ocean One (海景壹號) and Fraser Suites Top Glory Shanghai (上海鵬利輝盛閣公寓) located in the Pudong New Area of Shanghai. Ocean One comprises two blocks of residential apartments for sale, whilst Fraser Suites Top Glory Shanghai comprises three blocks of serviced apartments for leasing. This property project, completed in 2010 and comprising residential spaces, occupied a total site area of 24,316 sq.m., with a total leasable area of 49,670 sq.m. and total saleable GFA of 48,407 sq.m. as at 30 June 2014. As at the same date, it also had 311 car parking spaces available for leasing.

2.1.2 Financial information of Jetway Developments

As disclosed in the letter from the Board of the Circular, for each of the two years ended 31 December 2012 and 2013, the unaudited consolidated revenue of Jetway Developments and its subsidiary (the "Jetway Group") was approximately RMB1,059.9 million and RMB1,310.6 million, respectively. The unaudited consolidated net asset value of Jetway Group as at 31 December 2013 was approximately RMB4,202.7 million.

The unaudited consolidated profit before and after tax of Jetway Group for the respective periods were as follows:

	For the year ended	
	31 December	
	2012	2013
	(RMB million)	(RMB million)
Profit before tax	1,010.9	1,012.2
Profit after tax	571.0	414.5

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The above financial information was extracted from the unaudited consolidated financial statements of Jetway Developments, which represents 100% of the equity interest of Jetway Developments and its subsidiaries. The Company only acquired 22% of the issued share capital of Jetway Developments pursuant to the Jetway Acquisition Agreement.

2.2 *Information on Yalong Development (HK)*

2.2.1 Business of Yalong Development (HK)

It is stated in the letter from the Board of the Circular that the Company, via Wise Ever Limited, was interested in approximately 67.57% of the issued share capital of Yalong Development (HK) immediately before completion of the Yalong Development Acquisition. Yalong Development (HK) is an investment holding company directly or indirectly holding equity interests in project companies incorporated in the PRC, which in turn hold an integrated tourist project located in Yalong Bay National Resort District mainly comprises the following developments, details of which as at 30 June 2014 are set out below:

- i. two resort hotels, namely, The St Regis Sanya Yalong Bay Resort (亞龍灣瑞吉度假酒店) and Cactus Resort Sanya by Gloria (三亞凱萊仙人掌度假酒店), both held by Yalong development (Sanya). The St. Regis Sanya Yalong Bay Resort was completed in December 2011. It occupied a total site area of 204,032 sq.m., with a total GFA of 90,869 sq.m.. The resort had 373 guest rooms and 28 villas in total. The Cactus Resort Sanya by Gloria was completed in 1998 and was refurbished in 2005. It occupied a total site area of 90,012 sq.m., with a total GFA of 38,500 sq.m. and had 563 guest rooms and suites in total;
- ii. two commercial apartment developments, namely, The Signature (龍溪29) and Princess Palace III (公主郡III期), both held by Sanya Hongxia. The Signature is a harbourside commercial apartment project completed in 2011, comprising a total of 29 villa-styled apartments. It is situated within the hotel area of The St. Regis Sanya Yalong Bay Resort at the Yalong Bay National Resort District. This development occupied a total site area of 123,926 sq.m. with a total GFA of 27,146 sq.m.. Princess Palace III is also a commercial apartment development completed in 2012, which comprises villa-styled commercial apartments and multi-storey commercial apartments located in the Yalong Bay National Resort District, adjacent to the Yalong Bay Golf Club. This development occupied a total site area of 198,075 sq.m., with a total GFA of 78,759 sq.m., comprising villa-styled apartments and multi-storey commercial apartments and 35 car parking spaces;

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- iii. a commercial development, namely the Sanya Yalong Bay International Exhibition Centre Complex (三亞亞龍灣國際展覽中心綜合體), held by Sanya Hongxia. It occupied a total site area of 224,382 sq.m. with a planned total GFA of 89,402 sq.m.. This development is expected to comprise commercial apartments, an exhibition centre and car parking spaces. Construction of the development is expected to be completed in the fourth quarter of 2015;
- iv. a park, namely, Yalong Bay Mountain Ocean Park (亞龍灣山海世界), held by Yalong Development (Sanya). This development is expected to occupy a total site area of 380,600 sq.m. and contain 300 car parking spaces. Construction of the development is expected to be completed in the second quarter of 2016;
- v. a self-use property, namely, Yuechuan Plaza (月川大廈), held by Yalong Development (Sanya). It is a seven-storey building situated in the eastern district of Sanya City. Completed in 1993, it had 28 units in total. This development occupied a total site area of 698 sq.m. and a total GFA of 2,445 sq.m.;
- vi. an office building, namely, Administration Centre (行政中心), held by Yalong Development (Sanya). It comprises a five-storey office building completed in 2013. It is situated in proximity to the main highway within the Yalong Bay National Resort District. This development occupied a total site area of 34,364 sq.m., with a total GFA of 31,504 sq.m., comprising office space and 95 car parking spaces; and
- vii. a yacht club, namely, Yalong Bay Yacht Club (亞龍灣遊艇會), held by Yalong Development (Sanya). It is a resort style yacht club located in Yalong Bay National Resort District and was completed in 2011.

2.2.2 Financial information of Yalong Development (HK)

As disclosed in the letter from the Board of the Circular, for each of the two years ended 31 December 2012 and 2013, the unaudited consolidated revenue of Yalong Development (HK) and its subsidiaries (the “**Yalong Development Group**”) was approximately RMB2,676.6 million and RMB1,808.0 million, respectively. The unaudited consolidated net asset value of Yalong Development Group (including net asset value attributable to non-controlling interests) as at 31 December 2013 was approximately RMB3,346.2 million.

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The unaudited consolidated profit before and after tax of the Yalong Development Group for the respective periods was as follows:

	For the year ended	
	31 December	
	2012	2013
	(RMB million)	(RMB million)
Profit before tax	1,168.0	901.2
Profit after tax	744.0	572.6

The above financial information was extracted from the unaudited consolidated financial statements of Yalong Development (HK), which represent 100% of the equity interest of Yalong Development (HK) and its subsidiaries. The Company only acquired approximately 32.43% of the issued share capital of Yalong Development (HK) pursuant to the Yalong Development Acquisition Agreement.

3. Valuation of the properties held by Jetway Group and Yalong Development Group

The property interests of Jetway Group as at 30 June 2014 (the “**Jetway Properties**”) and Yalong Development Group as at 30 June 2014 (the “**Yalong Properties**”) have been valued by Savills Valuation and Professional Services Limited (“**Savills**”), an independent and duly qualified Hong Kong valuer. The full text of the valuation reports and certificate of Properties for the respective market value of the Jetway Properties and the Yalong Properties in existing state as at 30 June 2014 (collectively, the “**Valuation Reports**”) are set out in Appendix IA and Appendix IB to the Circular respectively.

According to the Valuation Reports, and assuming all the properties have obtained the relevant title documents and are freely transferable, the market values in existing state of the Jetway Properties attributable to Grow Wealth, and the Yalong Properties attributable to Woo + Woo, are approximately RMB1,382.9 million and RMB884.9 million respectively as at 30 June 2014 (the “**Valuation**”).

We have reviewed the Valuation Reports and discussed with Savills regarding the methodology of, and bases and assumptions adopted for the valuations and adjustments made to arrive at the Valuation. We noted that Savills has valued the properties which are held by Yalong Development Group for operation in the PRC as ongoing hotel operations in their existing states by using the discounted cashflow approach. Savills has valued them assuming all relevant statutory and/or mandatory permissions, permits, approvals and licenses which are necessary for hotel operations in the PRC are properly in place. In the discounted cashflow approach, Savills has assumed an operation period of 5 years and the details of their key assumptions are shown in the valuation certificate of the Valuation Reports.

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For properties which are held by Jetway Group/Yalong Development Group for investment in the PRC, the valuation has been arrived by making reference to comparable market transactions as available on the market and where appropriate on the basis of capitalisation of the net incomes as shown on the schedules handed to Savills and, in appropriate cases, made provisions for reversionary income potential of the properties.

For properties which are held by Jetway Group/Yalong Development Group for sale and for occupation in the PRC, Savills has valued these properties by making reference to comparable market transactions as available on the market assuming sale with the benefit of vacant possession.

Lastly, Savills has valued the properties held by Yalong Development Group for future development on the basis that they will be developed and completed in accordance with their respective latest development proposals provided to Savills. And Savills has assumed that regulatory and governmental approvals for the proposals have been or will be granted without onerous conditions or delays. In arriving at the valuation of those properties, Savills has adopted the direct comparison approach by making reference to the comparable sales evidence as available in the relevant markets and has also taken into account the costs that will be expended to complete the developments to reflect the quality of the completed developments.

The above valuation methodologies are, in our opinion, commonly used and reasonable approaches in establishing the market values of the Jetway Properties and the Yalong Properties. Furthermore, we have (i) interviewed Savills including as to its expertise and any current or prior relationships with the Group, Grow Wealth or Woo + Woo and core connected persons of either the Group, Grow Wealth or Woo + Woo; (ii) reviewed the terms of engagement (having particular regard to the scope of work, whether the scope of work is appropriate to the opinion required to be given and any limitations on the scope of work which might adversely impact on the degree of assurance given by the Valuation Reports, opinion or statement); and (iii) assessed whether representations made by the Group, Grow Wealth or Woo + Woo to Savills are in accordance with our knowledge, as required under note (1)(d) to the Rules 13.80 of the Listing Rules.

4. Reasons for and benefits of the Acquisitions

As discussed under the section headed “2. Information on Jetway Developments and Yalong Development (HK)” above, each of Jetway Developments and Yalong Development (HK) was a non-wholly-owned subsidiary of the Group immediately before completion of the Acquisitions. The Acquisitions therefore provide the Company not only an opportunity to increase the effective interest in Jetway Developments and Yalong Development (HK) and their respective underlying property projects, but also allow the Group to enhance the efficiency in implementing business decisions and developing strategies relating to Jetway Developments and Yalong Development (HK) and maximise the profit contribution of them to the Group. Having considered, among other things, (i) the reasons for

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and benefits of the Acquisitions as detailed above; and (ii) as further discussed in the sections headed “5. Principal terms of the Acquisition Agreements” and “6. Evaluation of the Issue Price” below, the terms of the Acquisition Agreements, including the Jetway Consideration, the Yalong Development Consideration and the Issue Price, are fair and reasonable, we concur with the view of Directors that the entering into of the Acquisitions are in the interests of the Company.

5. Principal terms of the Acquisition Agreements

5.1 Principal terms of the Jetway Acquisition Agreement

5.1.1 Assets to be acquired

Pursuant to the Jetway Acquisition Agreement, the Company has agreed to acquire, and Grow Wealth has agreed to sell, 22% of the issued share capital of Jetway Developments and the Jetway Shareholder’s Loan, subject to the terms and conditions of the Jetway Acquisition Agreement.

5.1.2 Consideration

The consideration for the Jetway Acquisition was HK\$1,018,921,728 (the “**Jetway Consideration**”), which comprised HK\$949,016,785 for the acquisition of the Jetway Sale Shares and HK\$69,904,943 (equivalent to US\$9,020,000) for the acquisition of the Jetway Shareholder’s Loan. As disclosed in the letter from the Board of the Circular, the Jetway Consideration was determined after arm’s length negotiation among the parties to the Jetway Acquisition Agreement based on the following:

	<i>Approximately</i> RMB million	<i>Approximately</i> HK\$ million
Net asset value of Jetway Group attributable to Grow Wealth as at 31 December 2013 (based on unaudited financial statements of Jetway Group)	924.6	1,162.4
Add: Appreciation of properties attributable to Grow Wealth (based on the valuation by Savills as at 31 December 2013), net of relevant taxes payable by Jetway Group ^(Note 1)	109.5	137.7

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Approximately *Approximately*
RMB million HK\$ million

Reassessed net asset value of the Jetway Group attributable to Grow Wealth (the “ Jetway Reassessed NAV ”) <i>(Note 2)</i>	<u>1,034.1</u>	<u>1,300.1</u>
(i) 27% discount to the Jetway Reassessed NAV	754.9	949.0
(ii) Jetway Shareholder’s Loan	<u>55.6</u>	<u>69.9</u>
Jetway Consideration (i) + (ii)	<u>810.5</u>	<u>1,018.9</u>

Notes:

1. The appreciation of properties is derived from the valuation of the properties held by Jetway Group attributable to Grow Wealth as at 31 December 2013 of approximately RMB1,434.4 million over their respective book cost attributable to Grow Wealth as at 31 December 2013 of approximately RMB1,190.8 million. The relevant tax liability including land appreciation tax, business tax and income tax arising from the future disposal of the residential property project attributable to Grow Wealth of approximately RMB134.1 million have been deducted from the appreciation amount. As advised by the Management, the calculation on appreciation of properties of approximately RMB109.5 million attributable to Grow Wealth has not been reviewed by the Company’s auditors.

2. The calculations of the Jetway Reassessed NAV has been prepared by the Company with reference to the unaudited net asset value of Jetway Group as at 31 December 2013 and the revaluation surplus arising from the change in fair value of the property interests held by Jetway Group as listed in the valuation by Savills as at 31 December 2013.

We concur with the Management that the above adjustments were the relevant type of adjustments in arriving at the Jetway Consideration, as the net asset value of Jetway Group as at 31 December 2013 did not take into account the relevant market valuation of certain property projects held by Jetway Group as at 31 December 2013 and the estimated potential tax payables upon disposal of the residential property project held by Jetway Group. Shareholders however should note that the estimated tax liabilities embedded in the calculation of the Jetway Reassessed NAV may differ from the actual tax payable because of the changes in the final selling prices of Jetway Group’s properties and/or changes in the government tax policies.

On the basis that (i) the Jetway Consideration represents a discount to the sum of the Jetway Shareholder’s Loan and, the Jetway Reassessed NAV which we consider to be commonly used in assessing the fairness of the consideration for property investment and

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development companies; and (ii) the valuation methodologies adopted by Savills in establishing the market values of the properties attributable to Grow Wealth are reasonable and acceptable, we consider that the basis of Jetway Consideration is fair and reasonable.

5.2 *Principal terms of the Yalong Development Acquisition Agreement*

5.2.1 Assets to be acquired

In accordance with the Yalong Development Acquisition Agreement, the Company has agreed to acquire, and Woo + Woo has agreed to sell, approximately 32.43% of the issued share capital of Yalong Development (HK) and the Yalong Development Shareholder's Loan, subject to the terms and conditions of the Yalong Development Acquisition Agreement.

5.2.2 Consideration

The consideration for the Yalong Development Acquisition was HK\$998,446,456 (the "**Yalong Development Consideration**"), which comprised HK\$824,432,265 for the acquisition of the Yalong Development Sale Shares and HK\$174,014,191 for the acquisition of Yalong Development Shareholder's Loan. As stated in the letter from the Board of the Circular, the Yalong Development Consideration was determined after arm's length negotiation among the parties to the Yalong Development Acquisition Agreement based on the following:

	<i>Approximately</i> RMB million	<i>Approximately</i> HK\$ million
Net asset value of Yalong Development Group attributable to Woo + Woo as at 31 December 2013 (based on unaudited financial statements of Yalong Development Group)	416.8	524.0
Add: Appreciation of properties attributable to Woo + Woo (based on the valuation by Savills as at 31 December 2013), net of relevant taxes payable by Yalong Development Group ^(Note 1)	532.7	669.7

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	<i>Approximately</i> RMB million	<i>Approximately</i> HK\$ million
Less: Final dividend for the financial year 2013 declared by Yalong Development (HK) and paid to Woo + Woo ^(Note 2)	(51.2)	(64.4)
Reassessed net asset value of the Yalong Development Group attributable to Woo + Woo (the “ Yalong Reassessed NAV ”) ^(Note 3)	898.3	1,129.3
(i) 27% discount to the Yalong Reassessed NAV	655.8	824.4
(ii) Yalong Development Shareholder’s Loan	138.4	174.0
Yalong Development Consideration (i) + (ii)	794.2	998.4

Notes:

1. The appreciation of properties is derived from the valuation of the properties held by Yalong Development Group attributable to Woo + Woo as at 31 December 2013 of approximately RMB972.9 million over their respective book cost attributable to Woo + Woo as at 31 December 2013 of approximately RMB392.4 million. The relevant tax liability including land appreciation tax, business tax and income tax arising from the future disposal of the residential property projects attributable to Woo + Woo of approximately RMB47.9 million have been deducted from the appreciation amount. As advised by the Management, the calculation on appreciation of properties of approximately RMB532.7 million attributable to Woo + Woo has not been reviewed by the Company’s auditors.

2. As provided by the Company, Yalong Development (HK) had declared a final dividend for the financial year ended 31 December 2013 (the “**Dividend**”) and paid the Dividend to its shareholders on 16 July 2014. Accordingly, Woo + Woo received its share of the Dividend from Yalong Development (HK) of approximately RMB51.2 million (equivalent to approximately HK\$64.4 million).

3. The calculations of the Yalong Reassessed NAV has been prepared by the Company with reference to the unaudited net asset value of Yalong Development Group as at 31 December 2013 and the revaluation surplus arising from the change in fair value of the property interests held by Yalong Development Group as listed in the valuation by Savills as at 31 December 2013.

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Similar to the circumstance in arriving at the Jetway Consideration, the net asset value of Yalong Development Group as at 31 December 2013 did not take into account the relevant market valuation of certain property projects held by Yalong Development Group as at 31 December 2013 and the estimated potential tax payables upon disposal of the residential property project held by Yalong Development Group. Meanwhile, as the Dividend payment by Yalong Development (HK) to its shareholders including Woo + Woo was made after the year-end date of 31 December 2013, it is therefore reasonable to take into account the adjustment in relation to the Dividend payment in arriving at the Yalong Reassessed NAV. Accordingly, we concur with the Management that the above adjustments were the relevant type of adjustments in arriving at the Yalong Development Consideration. Shareholders however should note that the estimated tax liabilities embedded in the calculation of the Yalong Reassessed NAV may differ from the actual tax payable because of the changes in the final selling prices of Yalong Development Group's properties and/or changes in the government tax policies.

On the basis that (i) the Yalong Development Consideration represents a discount to the sum of the Yalong Development Shareholder's Loan and, the Yalong Reassessed NAV which we consider to be commonly used in assessing the fairness of the consideration for property investment and development companies; and (ii) the valuation methodologies adopted by Savills in establishing the market values of the properties attributable to Woo + Woo are reasonable and acceptable, we consider that the basis of Yalong Development Consideration is fair and reasonable.

5.3 Payment terms

Based on the terms for Acquisition Agreements, the Jetway Consideration and the Yalong Development Consideration were satisfied by the issue and allotment of 509,460,864 Jetway Consideration Shares to Grow Wealth and 499,223,228 Yalong Development Consideration Shares to Woo + Woo respectively at the Issue Price upon completion of the respective Acquisition Agreements.

The Consideration Shares represent (i) approximately 11.9% of the entire existing issued share capital of the Company immediately before the issue of the Consideration Shares; (ii) approximately 10.6% of the entire issued share capital of the Company as enlarged immediately after the issue of the Consideration Shares. As advised by the Directors, the Issue Price was determined after arm's length negotiation among the parties to the Acquisition Agreements with reference to the prevailing market price of the Shares.

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The Consideration Shares were allotted and issued by the Company pursuant to the General Mandate. The Consideration Shares were issued as fully paid and rank pari passu in all respects with the Shares in issue as at the completion date of the Acquisitions.

The Company has applied to the Listing Committee for the listing of, and permission to deal in, the Consideration Shares and the Stock Exchange has granted approval for listing of the Consideration Shares. Dealings in the Consideration Shares on the Stock Exchange commenced on 20 August 2014.

5.4 Conditions precedent to completion of the Acquisitions

Completion of each of the Jetway Acquisition Agreement and the Yalong Development Acquisition Agreement was conditional upon the fulfilment (or, if applicable, the waiver of) certain conditions precedent (as the case may be) including but not limited to (i) the approval having been obtained from the Shareholders at a special general meeting of the Company, or the Company having obtained a written Shareholder's approval in lieu of the convening a general meeting (as may be accepted by the Stock Exchange), for the respective terms of the Acquisition Agreements and the respective Acquisitions (as the case may be); and (ii) the approval having been obtained from the Stock Exchange for the listing of, and permission to deal in, the Jetway Consideration Shares and the Yalong Development Consideration Shares respectively on the Main Board of the Stock Exchange. Further details of the conditions precedent to completion of the Acquisitions are set out the section headed "Conditions precedent to completion of the Acquisitions" in the letter from the Board of the Circular.

It is also stated in the letter from the Board of the Circular that the respective sellers of the Acquisitions, being Grow Wealth and Woo + Woo, are not connected with each other, and each of the Jetway Acquisition and the Yalong Development Acquisition is independent from each other. The completion of the Jetway Acquisition Agreement or the Yalong Development Acquisition Agreement (as the case may be) was not subject to or conditional on the completion of the other acquisition.

As disclosed in the letter from the Board of the Circular, all of the above conditions have been fulfilled and none of them have been waived. Accordingly, the Acquisitions were completed on 19 August 2014.

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5.5 *Lock-up undertakings by Grow Wealth and Woo + Woo*

Pursuant to the respective Acquisition Agreements, each of Grow Wealth and Woo + Woo has undertaken to the Company that, for a period of twelve (12) months after the respective date of completion of the Jetway Acquisition Agreement and the Yalong Development Acquisition Agreement (as the case may be), it shall not:

- (a) sell, offer to sell, contract or agree to sell, lend, grant or sell any option, warrant, contract or right to purchase, purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Jetway Consideration Shares or Yalong Development Consideration Shares (as the case may be); or
- (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Jetway Consideration Shares or Yalong Development Consideration Shares (as the case may be), or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Jetway Consideration Shares or Yalong Development Consideration Shares (as the case may be) or any interest in the foregoing; or
- (c) enter into any transaction with the same economic effect as any transaction specified in paragraphs (a) or (b) above; or
- (d) offer to or agree to or announce any intention to effect any transaction specified in paragraphs (a), (b) or (c) above,

in each case, whether any of the transactions specified in paragraphs (a), (b) or (c) above is to be settled by delivery of the Shares or any other equity securities of the Company, or in cash or otherwise.

The above restrictions shall not restrict a transfer of any Yalong Development Consideration Shares by Woo + Woo during a six-month period following the expiry of the first six (6) months after the date of completion of the Yalong Development Acquisition Agreement (the “**Second Six Month Period**”) by giving at least 5-Business Days prior written notification to the Company and provided that the following conditions are fulfilled:

- (i) the Yalong Development Consideration Shares are proposed to be transferred to a related party of Woo + Woo (“**related party**” being any of Mrs. Woo Yeung Ming Lau, Mr. Woo King Wai David, being

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the ultimate beneficial owners of Woo + Woo, and their respective associates (under the meaning as defined in the Listing Rules) and grandchildren) and such transferee to which the Yalong Development Consideration Shares are to be transferred shall undertake in writing to the Company that, throughout the Second Six Month Period (i) it shall not enter into any transactions specified in paragraphs (a) to (d) above; and (ii) it shall remain as a related party of Woo + Woo;

- (ii) the total number of Yalong Development Consideration Shares so transferred during the Second Six Month Period does not exceed 20% of the Yalong Development Consideration Shares issued to Woo + Woo and/or its nominee(s) under the Yalong Development Acquisition Agreement (i.e. 99,844,645 Shares); and
- (iii) Woo + Woo having provided reasonable document proofs relating to the conditions (i) and (ii) above to the reasonable satisfaction of the Company.

The above restrictions shall not restrict a transfer of any Jetway Consideration Shares by Grow Wealth during a six-month period following the expiry of the first six (6) months after the date of completion of the Jetway Acquisition Agreement with the prior written consent of the Company, which may be given after taking into consideration factors including the proposed transferee; the number of Jetway Consideration Shares to be transferred; whether such transfer will have a material effect on the trading of the Shares; and other circumstances of the transfer.

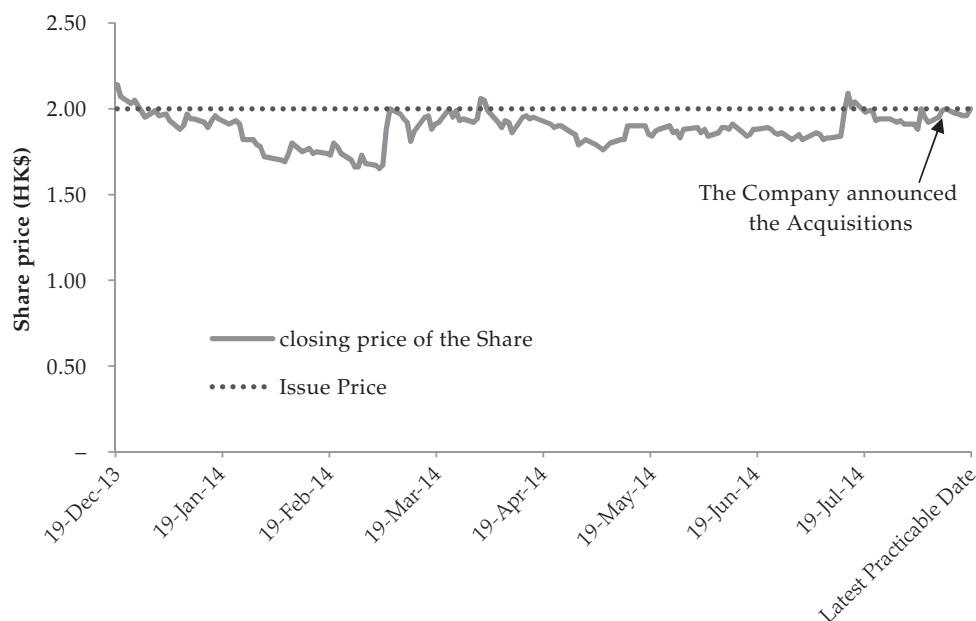
6. Evaluation of the Issue Price

6.1 *Historical price performance of the Shares*

We note that prior to the 2013 Acquisition, the Group's underlying assets had remained largely the same before and after the takeover by Achieve Bloom in July 2012. The net asset value per Share of the Company were HK\$0.31, HK\$0.37, HK\$0.35, HK\$0.34, HK\$0.35 and HK\$0.36 as at 31 March 2011, 30 September 2011, 31 March 2012, 30 September 2012, 31 December 2012 and 30 June 2013 respectively, whilst the closing price of the Shares were traded at substantial premium of 162% to 1,803% over the net asset value per Share during the aforesaid period. Such premium ranged from 162% to 320% before the change in control of the Company announced on 16 July 2012 and 320% to 1,803% thereafter. In September 2013, the Company announced the 2013 Acquisition pursuant to which the Company acquired a portfolio of high quality mixed-use complexes and commercial properties in China from COFCO Corporation. Following the 2013 Acquisition being approved in the special general meeting on 18 December 2013, on 19 December 2013, being the date of announcement regarding completion of the 2013 Acquisition, the closing price of the Shares dropped significantly by around 34% to HK\$2.14

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per Share from the closing price of HK\$3.24 per Share on the prior trading day. Since the completion of the 2013 Acquisition on 19 December 2013, we note that closing price of the Shares gradually went down and traded at levels close to the net asset value per Share of approximately HK\$1.74 (including the Shares and the CPS issued by the Company) of the Company as at 31 December 2013. In view of the abovementioned Share price performance before and after completion of the 2013 Acquisition and the fact that completion of the 2013 Acquisition has brought about substantial changes on the operating scale and financial position of the Group, we are of the view that trading price of the Shares following completion of the 2013 Acquisition are more reflective of the Group's latest position and accordingly, are considered more relevant and appropriate for our analysis. Set out below is a chart reflecting movements in the closing prices of the Shares from 19 December 2013 (being the completion date of the 2013 Acquisition) to the Latest Practicable Date (both dates inclusive, the "Review Period"):



Source: Website of the Stock Exchange

From the chart above, the closing prices of the Shares were ranged from HK\$1.65 to HK\$2.14 per Share during the period from 19 December 2013 to 1 August 2014 (being the Last Trading Day before the publication of the announcement of the Company dated 1 August 2014 regarding the Acquisitions) (both dates inclusive, the "Pre-Announcement Period"), with an average of HK\$1.88 per Share.

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The Issue Price per Consideration Share of HK\$ 2.00 is higher than the average closing price of the Shares of HK\$1.88 during the whole Pre-Announcement Period and, in particular, represents:

- (a) a premium of approximately 4.71% to the closing price of the Shares of HK\$1.91 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a premium of approximately 3.63% to the average of the closing price of the Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day of approximately HK\$1.93 per Share;
- (c) a premium of approximately 2.56% to the average of the closing price of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day of approximately HK\$1.95 per Share;
- (d) a premium of approximately 4.71% to the average of the closing price of the Shares as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day of approximately HK\$1.91 per Share;
- (e) a premium of approximately 14.99% to the net asset value per Share (including the Shares and the CPS issued by the Company) of the Company as at 31 December 2013; and
- (f) the closing price of the Shares of HK\$2.00 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

6.2 *Comparison with comparable companies*

As discussed above, revenue generated from the property and land development has been the main source of income which represented over 60% of the total revenue of the Group during the Period. The rest of the revenue came from the property investment, hotel operations, and, to a lesser extent, property management and related services. Therefore, for comparison purposes, we have identified 42 companies ("**Comparable Companies**") listed on the Stock Exchange which (i) are principally engaged in businesses similar to the Group that are the property developments, property investment and hotel operation in the PRC, in the latest financial year as set out in their respective published annual report; and (ii) at least 50% of their respective revenue was generated from property developments in the PRC for the latest reported financial year. We consider the Comparable Companies an exhaustive list of relevant comparable companies based on the said criteria above.

For asset-based companies such as property development companies listed in Hong Kong, price-to-book ratio ("**P/B Ratio(s)**") analysis is a commonly used approach for valuation. Meanwhile, earnings of property development companies are likely to fluctuate widely depending on the

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timing of completion and sales of the property development projects which may lead to possible distortions on the results of a price-to-earnings ratio analysis. Accordingly, we consider the P/B Ratio analysis a more appropriate approach to assess the valuation of the properties companies. The table below illustrates the level of P/B Ratio of each of the Comparable Companies and the Company.

Stock code	Company name	Share price (Note 1)	Market capitalisation HK\$ million (Note 1)	Net assets attributable to owners HK\$ million (Note 1)	P/B Ratio times (Note 2)
3383	Agile Property Holdings Limited	6.260	21,796	37,172	0.6
2868	Beijing Capital Land Limited (Note 3)	2.910	5,901	10,508	0.6
588	Beijing North Star Company Limited (Note 4)	2.210	10,755	19,791	0.5
832	Central China Real Estate Limited	2.140	5,212	7,856	0.7
1	Cheung Kong (Holdings) Limited (Note 5)	147.600	341,866	378,575	0.9
3883	China Aoyuan Property Group Limited	1.420	3,953	9,138	0.4
1838	China Properties Group Limited	1.790	3,238	42,732	0.1
1109	China Resources Land Limited	18.560	108,227	86,460	1.3
1668	China South City Holdings Limited	3.940	30,177	19,970	1.5
2349	China Water Property Group Limited	0.475	883	1,767	0.5
298	Chuang's China Investments Limited	0.570	910	2,558	0.4
1124	Coastal Greenland Limited	0.260	1,088	4,933	0.2
3333	Evergrande Real Estate Group Limited	3.250	47,917	61,506	0.8
1777	Fantasia Holdings Group Company Limited	0.910	5,239	10,578	0.5
817	Franshion Properties (China) Limited	2.130	19,514	35,674	0.5
337	Greenland Hong Kong Holdings Limited	3.760	4,295	7,114	0.6
3900	Greentown China Holdings Limited	8.030	17,344	31,579	0.5
754	Hopson Development Holdings Limited	7.950	17,839	52,746	0.3
173	K. Wah International Holdings Limited	5.370	14,813	27,619	0.5
1638	Kaisa Group Holdings Limited	2.780	14,112	23,144	0.6
1813	KWG Property Holding Limited	5.820	17,147	22,554	0.8
1125	Lai Fung Holdings Limited	0.181	2,914	12,251	0.2
846	Mingfa Group (International) Company Limited	2.040	12,431	12,980	1.0
1107	Modern Land (China) Company Limited	1.340	2,144	3,130	0.7
95	New Heritage Holdings Limited	2.700	3,737	973	3.8
917	New World China Land Limited	4.730	41,078	54,349	0.8
119	Poly Property Group Company Limited	3.580	13,048	29,617	0.4
563	Shanghai Industrial Urban Development Group Limited	1.600	7,698	12,619	0.6
755	Shanghai Zendai Property Limited	0.118	1,756	6,226	0.3
604	Shenzhen Investment Limited (Note 6)	2.670	14,372	25,338	0.6
813	Shimao Property Holdings Limited	17.180	59,659	52,838	1.1
272	Shui On Land Limited	2.060	16,484	45,766	0.4
3377	Sino-Ocean Land Holdings Limited (Note 7)	4.360	32,524	50,706	0.6

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Stock code	Company name	Share price (Note 1)	Market capitalisation HK\$ million (Note 1)	Net assets attributable to owners HK\$ million (Note 1)	P/B Ratio times (Note 2)
59	Skyfame Realty (Holdings) Limited	0.830	1,840	2,342	0.8
1207	SRE Group Limited	0.240	1,360	9,231	0.1
2608	Sunshine 100 China Holdings Limited	3.540	7,080	2,522	2.8
258	Tomson Group Limited	2.260	3,449	11,436	0.3
3688	Top Spring International Holdings Limited	2.460	2,855	5,646	0.5
1369	Wuzhou International Holdings Limited	1.680	7,822	4,428	1.8
123	Yuexiu Property Company Limited	1.740	16,224	30,602	0.5
1628	Yuzhou Properties Company Limited	1.760	6,083	9,319	0.7
672	Zhong An Real Estate Limited	1.280	3,031	7,452	0.4
				Maximum	3.8
				Minimum	0.1
				Average	0.7
	The Company	2.00 (Note 8)	16,957 (Note 9)	16,765 (Note 10)	1.0 (Note 11)

Source: Website of the Stock Exchange

Notes:

1. The closing share price and market capitalisation of the Comparable Companies as at the Latest Practicable Date are sourced from the website of the Stock Exchange and the Shanghai Stock Exchange. The market capitalisation of the Comparable Companies is calculated based on their respectively closing share price and number of issued shares as at the Latest Practicable Date. The audited/unaudited consolidated net asset value attributable to owners are extracted from the latest annual/interim reports of the Comparable Companies.
2. The historical P/B Ratios of the Comparable Companies are calculated based on their latest audited/unaudited consolidated net asset values attributable to owners and their market capitalisations as at the Latest Practicable Date.
3. As disclosed in the annual report of Beijing Capital Land limited (“**Beijing Capital Land**”) for the year ended 31 December 2013, it had 649,205,700 domestic shares and 357,998,300 non-H foreign shares in issue as at 31 December 2013. As at the Latest Practicable Date, Beijing Capital Land has 1,020,756,000 H shares in issue which are listed on the Stock Exchange.
4. As at the Latest Practicable Date, Beijing North Star Company Limited (“**Beijing North Star**”) has 707,020,000 H shares in issue which are listed on the Stock Exchange and 2,660,000,000 A shares in issue which are listed on the Shanghai Stock Exchange (stock code: 601588). The closing price of A shares of Beijing North Star is RMB2.73 as at the Latest Practicable Date.

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5. As stated in the annual report of Cheung Kong (Holdings) Limited for the year ended 31 March 2014, approximately 85% of the group's revenue (including the revenue generated by the joint-ventures) was generated from property sales for the year ended 31 March 2014, and approximately 51% of the total revenue of the group (including the revenue generated by the joint-ventures) was generated in the PRC. The annual report of Cheung Kong (Holdings) Limited for the year ended 31 March 2014 did not give the geographical breakdown of each operating segment.
6. As disclosed in the announcement of Shenzhen Investments Limited ("SIL") dated 8 January 2014 and 8 May 2014 and its circular dated 12 May 2014, SIL acquired several property projects in the PRC from a connected person and the acquisition consideration was settled by the issue of new shares by SIL to that connected person at the issue price which was at a discount to SIL's then net assets value per share.
7. As disclosed in the announcement of Sino-Ocean Land Holdings Limited ("**Sino-Ocean**") dated 27 September 2013 and its circular dated 28 October 2013, Sino-Ocean acquired the remaining interests in several property projects in the PRC from a connected person and the acquisition consideration was settled by part of the proceeds from the subscription of new shares of Sino-Ocean by connected persons (including the connected person who disposed of its interests in the aforesaid property projects) at the subscription price which was at a discount to Sino-Ocean's then net assets value per share.
8. Being the Issue Price of HK\$2.00 per Consideration Share.
9. Theoretical market capitalisation of the Company being the Issue Price times 8,478,732,480 Shares in issue immediately before completion of the Acquisitions.
10. Being the consolidated net asset value attributable to owners of the Company as at 31 December 2013 which is extracted from 2013 Annual Report.
11. The P/B Ratio of the Company is calculated based on (i) its theoretical market capitalisation; and (ii) consolidated net asset value attributable to owners of the Company as at 31 December 2013.
12. For the purpose of this table, the translation of RMB into HK\$ is based on the average exchange rate of RMB0.79 to HK\$1.00 for the purpose of illustration only.

As at the Latest Practicable Date, the historical P/B Ratios of the Comparable Companies ranged from around 0.1 times to around 3.8 times with an average of around 0.7 times. The P/B Ratios represented by the Issue Price over the audited net asset value per share attributable to owners of the Company as at 31 December 2013 of approximately 1.0 times is higher than the average of the P/B Ratios of the Comparable Companies, and considered to be favourable in this respect.

Having considered the above, in particular, that (i) the Issue Price represents a premium over the average closing price of the Share for during the Pre-Announcement and the net asset value per Share (including the Shares and CPS issued by the Company) as at 31 December 2013; and (ii) the P/B Ratios of the Company calculated based on the Issue Price is higher than the average of the P/B Ratios of the Comparable Companies, we are of the view that the Issue Price is fair and reasonable so far as the Company and the Shareholders as a whole are concerned.

7. Effect on the shareholding structure of the Company

Upon completion of the Acquisitions, Jetway Consideration and Yalong Development Consideration were satisfied by the issue and allotment of 509,460,864 Jetway Consideration Shares to Grow Wealth and 499,223,228 Yalong Development Consideration Shares to Woo + Woo respectively. As shown in the letter from the Board, the shareholding in the Company held by existing Shareholders was diluted from 100% immediately before completion of the Acquisitions to approximately 89.4% upon completion of the issue of the Consideration Shares.

However, taking into account that (i) the benefits of the Acquisitions as detailed under the section headed "4. Reasons for and benefits of the Acquisitions" above; and (ii) the terms of the Acquisition Agreements and the Issue Price are fair and reasonable so far as the Shareholders are concerned, we are of the view that dilution effect to the shareholding interests of the existing Shareholders as a result of the Acquisitions is commercially acceptable.

8. Financial effects of the Acquisitions on the Group

8.1 Earnings

Following completion of the Acquisitions, the financial results of Jetway Group and Yalong Development Group have been fully consolidated into the financial statements of the Company. Given the profitability of Jetway Group and Yalong Development Group for the year ended 31 December 2013, we concur with the view the Directors that the Acquisitions will contribute to earnings base of the Group but the extent of such contribution will depend on the future performance of Jetway Group and Yalong Development Group.

The Management advised us that there has been no significant effect on the Group's consolidated statement of profit or loss resulting from the Acquisitions immediately upon completion of the Acquisitions.

8.2 Net asset value

Since the assets and liabilities of Jetway Group and Yalong Development Group have been fully consolidated into the financial statements of the Company upon completion of the Acquisitions, the equity attributable to the owners of the Company has been enhanced upon completion of the Acquisitions.

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8.3 *Cash flow*

Since the Jetway Consideration and the Yalong Development Consideration were satisfied by the allotment and issue of the Consideration Shares by the Company, there has been no material impact on the cash flow of the Group other than the professional fees and other expenses incurred by the Company in connection with the Acquisitions.

Based on the above, we are of the view that the Acquisitions did not have material adverse effect on the Group's earnings, net assets and cash flow immediately upon completion of the Acquisitions.

OPINION AND RECOMMENDATION

Having taken into account the principal factors and reasons set out above, we are of the view that the terms of the Acquisition Agreements are on normal commercial terms and fair and reasonable so far as the Shareholders are concerned. We also consider that the entering into of the Acquisition Agreements is in the ordinary and usual course of business of the Company and is in the interests of the Company and its Shareholders as a whole. In addition, we are of the opinion that issue of the Consideration Shares at the Issue Price pursuant to the Acquisition Agreements is commercially acceptable to the Company and the Shareholders as a whole. The Stock Exchange has granted the Company a waiver from the requirement to convene a shareholders' meeting of the Company for approving the Acquisitions pursuant to Rule 14A.37 of the Listing Rules, and has accepted the written shareholders' approval for the Acquisitions from Achieve Bloom in lieu of convening such general meeting under Rule 14A.36 of the Listing Rules. We would have advised the Independent Board Committee to recommend, and ourselves recommended, the Shareholders to vote in favour of the ordinary resolution(s) to approve the Acquisitions if a physical general meeting were to be held.

Yours faithfully,
for and on behalf of
SOMERLEY CAPITAL LIMITED
Lyan Tam
Director

The following is the text of a letter, summary of values and valuation certificates prepared for the purpose of incorporation in this circular received from Savills Valuation and Professional Services Limited, an independent valuer, in connection with their opinion of values of the properties held by Jetway Developments and its subsidiaries as at 30 June 2014.



Savills Valuation and
Professional Services Limited
23/F Two Exchange Square
Central, Hong Kong

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The Directors
COFCO Land Holdings Limited
33rd Floor
Top Glory Tower
No. 262 Gloucester Road
Causeway Bay
Hong Kong

22 August 2014

Dear Sirs,

We refer to your instructions for us to value the properties situated in the People's Republic of China (the "**PRC**") in which Jetway Developments Limited ("**Jetway Developments**") and its subsidiaries have interests. We understand that COFCO Land Holdings Limited (the "**Company**") and/or its subsidiaries (hereinafter together referred to as the "**Group**") is considering a transaction in relation to the acquisition of 22% of the total issued share capital of Jetway Developments from Grow Wealth Limited ("**Grow Wealth**"). We confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the properties as at 30 June 2014 (the "**date of valuation**") for incorporation in a circular.

BASIS OF VALUATION

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

Our valuation is prepared in compliance with both Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and in accordance with The HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors.

PROPERTY CATEGORIZATION AND VALUATION METHODOLOGY

For the property in Group I, which is held by the Group for investment in the PRC, we have valued such property by making reference to comparable market transactions as available on the market and where appropriate on the basis of capitalization of the net incomes as shown on the schedules handed to us and, in appropriate cases, made provisions for reversionary income potential of the property.

For the property in Group II, which is held by the Group for sale in the PRC, we have valued such property by making reference to comparable market transactions as available on the market assuming sale with the benefit of vacant possession.

For the property in Group III, which is leased by the Group in the PRC, we have assigned no commercial value to such property due to either the prohibition against assignment and sub-letting or otherwise the lack of substantial profit rents.

TITLE INVESTIGATIONS

We have been provided with copies of title documents relating to the properties. However, we have not searched the original documents to verify the ownership or to ascertain the existence of any amendments which may not appear on the copies handed to us. In the course of our valuation, we have relied to a very considerable extent on the information given by the Group and its legal adviser on PRC laws, Haiwen & Partners, regarding the titles to the properties.

VALUATION CONSIDERATIONS AND ASSUMPTIONS

In valuing the properties, unless otherwise stated, we have assumed that transferable land use rights in respect of the properties for respective specific terms at nominal land use fees have been granted and that any land grant premium payables have already been paid. Unless otherwise stated, we have also assumed that the Group has enforceable titles to these properties and has free and uninterrupted right to use, occupy or assign the properties for the whole of the respective unexpired terms as granted.

In the course of our valuation, we have relied to a considerable extent on information given by the Group and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, particulars of occupancy, floor and site areas, and all other relevant matters. Dimensions, measurements and areas included in the valuation certificates are based on information contained in the documents provided to us and are therefore only approximations. We have not been able to carry out detailed on-site measurements to verify the correctness of the site and the floor areas of the properties and we have assumed that the site and the floor areas shown on the documents handed to us are correct. We have no reason to doubt the truth and

accuracy of the information provided to us by the Group which is material to the valuation. We were also advised by the Group that no material facts have been omitted from the information provided. We consider that we have been provided with sufficient information to reach an informed view.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on any property or for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that all properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

SITE INSPECTION

We have inspected the exterior and, where possible, the interior of the properties. During the course of our inspection, we did not note any serious defects. Moreover, no structural survey has been made, we are therefore unable to report that the properties are free of rot, infestation, or any other structural defects. No test has been carried out to any of the services. However, we have not carried out any site investigations to determine the suitability of the ground conditions and the services etc, for any future development. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the construction period.

Site inspections of the properties were carried out in June 2014 by our Mr. Nick Cheung (Senior Manager). Mr. Nick Cheung is a professional member of The Royal Institution of Chartered Surveyors and a corporate member of The Hong Kong Institute of Surveyors.

REMARKS

Unless otherwise stated, all money amounts are stated in Renminbi (“RMB”).

We enclose herewith our summary of values and valuation certificates.

Yours faithfully,
For and on behalf of
Savills Valuation and Professional Services Limited
Anthony C K Lau
MRICS MHKIS RPS(GP)
Director

Note: Mr. Anthony C K Lau is a chartered estate surveyor and has over 21 years’ experience in the valuation of properties in the PRC and Hong Kong.

SUMMARY OF VALUES

No.	Property	Market value in existing state as at 30 June 2014	Interest attributable to Grow Wealth	Market value in existing state attributable to Grow Wealth as at 30 June 2014
Group I – Property held by the Group for investment in the PRC				
1.	Fraser Suites Top Glory Shanghai, Nong 600, Yincheng Middle Road, Lujiazui Financial and Trade Zone, Pudong New District, Shanghai, PRC	RMB5,195,000,000	22%	RMB1,142,900,000
	Sub-total:	RMB5,195,000,000		RMB1,142,900,000
Group II – Property held by the Group for sale in the PRC				
2.	Portion of Ocean One, Nong 600, Yincheng Middle Road, Lujiazui Financial and Trade Zone, Pudong New District, Shanghai, PRC	RMB1,091,000,000	22%	RMB240,020,000
	Sub-total:	RMB1,091,000,000		RMB240,020,000
Group III – Property leased by the Group in the PRC				
3.	Units 70-1F and 601-ACEG, No. 585 Tianmu Middle Road, Zhabei District, Shanghai, PRC			No commercial value
	Sub-total:			Nil
	Grand-total:	RMB6,286,000,000		RMB1,382,920,000

VALUATION CERTIFICATE

Group I – Property held by the Group for investment in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2014
1.	Fraser Suites Top Glory Shanghai, Nong 600, Yincheng Middle Road, Lujiazui Financial and Trade Zone, Pudong New District, Shanghai, PRC	<p data-bbox="568 417 831 655">Fraser Suites Top Glory, Shanghai and Ocean One (the “Development”) is a luxury residential and serviced apartment development erected on a parcel of land with a site area of approximately 24,316.00 sq.m..</p> <p data-bbox="568 683 831 1108">The Development is located in the Lujiazui Financial and Trade Zone of Pudong New District in Shanghai. Developments in the vicinity are dominated by mid- to high-rise commercial and residential developments. It takes about 5-minute drive to the Lujiazui metro station and about 45-minute drive to the Shanghai Pudong International Airport.</p> <p data-bbox="568 1136 831 1400">The Development comprises 2 residential buildings and 3 serviced apartment buildings, clubhouse and basement car park with a total gross floor area of approximately 99,066.02 sq.m.. It was completed in 2010.</p> <p data-bbox="568 1427 831 1747">The property comprises Block Nos. 5, 6 and 7 of the Development with a total gross floor area of approximately 49,212.01 sq.m.. The property also includes the civil defence area in Basement Garages A, B and C with a total gross floor area of approximately 17,268.29 sq.m..</p> <p data-bbox="568 1774 831 1906">The land use rights of the property have been granted for a term expiring on 22 April 2069 for residential use.</p>	<p data-bbox="871 417 1129 917">As at the date of valuation, portion of the property with a total lettable floor area of approximately 39,925.00 sq.m. was subject to 153 tenancies by independent third parties for serviced apartment use with the latest one due to expire on 31 July 2015 at a total monthly income of approximately RMB8,690,000 (excluding management fees and other outgoings) whilst the remaining portion of the property was vacant.</p>	<p data-bbox="1185 417 1369 444">RMB5,195,000,000</p> <p data-bbox="1185 472 1369 570">(22% interest attributable to Grow Wealth: RMB1,142,900,000)</p>

Notes:

1. Pursuant to the Certificate of Real Estate Ownership – Hu Fang Di Pu Zi (2011) Di No. 043560 dated 20 July 2011, the building ownership of the property with a total gross floor area of approximately 49,212.01 sq.m. is vested in Shanghai Top Glory Real Estate Development Co., Ltd. (上海鵬利置業發展有限公司) (“**Shanghai Top Glory**”), an indirect 78%-owned subsidiary of the Company, as at the date of valuation, for apartment use and the corresponding land use rights of a parcel of land with a site area of 24,316.00 sq.m. have been granted to Shanghai Top Glory for a term expiring on 22 April 2069 for residential use.

As advised by the Company, the property interest attributable to Grow Wealth is 22%.
2. As advised by the Group, the total lettable floor area of Fraser Suites Top Glory Shanghai is approximately 49,669.68 sq.m. as at the date of valuation.
3. We have been provided with a legal opinion on the title to the property issued by the Company’s PRC legal adviser, which contains, inter alia, the following information:
 - i. Shanghai Top Glory is the legal owner of Block Nos. 5, 6 and 7 of the Development and is entitled to occupy, use, transfer, lease, mortgage or by other legal means to dispose of such property within the residue of the land use term;
 - ii. Block Nos. 6 and 7 of the property are subject to two mortgages whilst the remaining portion of the property is free from any mortgages, ownership disputes, seizures from court or other judicial compulsory measures; and
 - iii. Shanghai Top Glory has obtained the Utilization of Shanghai Civil Air Defence Property and Normal Basement Registration Certificate and is the legal user of the civil defence property.
4. Following completion of the acquisition of 22% interest in Jetway Developments, the Company will own 100% interest in the property.

Group II – Property held by the Group for sale in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2014
2.	Portion of Ocean One, Nong 600, Yincheng Middle Road, Lujiazui Financial and Trade Zone, Pudong New District, Shanghai, PRC	Fraser Suites Top Glory, Shanghai and Ocean One (the “Development”) is a luxury residential and serviced apartment development erected on a parcel of land with a site area of approximately 24,316.00 sq.m..	As at the date of valuation, the property was vacant.	RMB1,091,000,000 (22% interest attributable to Grow Wealth: RMB240,020,000)
		<p>The Development is located in the Lujiazui Financial and Trade Zone of Pudong New District in Shanghai. Developments in the vicinity are dominated by mid- to high-rise commercial and residential developments. It takes about 5-minute drive to the Lujiazui metro station and about 45-minute drive to the Shanghai Pudong International Airport.</p>		
		<p>The Development comprises 2 residential buildings and 3 serviced apartment buildings, clubhouse and basement car park with a total gross floor area of approximately 99,066.02 sq.m.. It was completed in 2010.</p>		
		<p>The property comprises the unsold portion of Block Nos. 1 and 2 of the Development with a total gross floor area of approximately 6,652.23 sq.m. and the unsold portion of Block No. 8 with a gross floor area of approximately 632.17 sq.m..</p>		
		<p>The land use rights of the property have been granted for a term expiring on 22 April 2069 for residential use.</p>		

Notes:

1. Pursuant to the following Certificates of Real Estate Ownership, the building ownership of Block Nos. 1, 2 and 8 of the Development with a total gross floor area of approximately 48,458.99 sq.m. is vested in Shanghai Top Glory Real Estate Development Co., Ltd. (上海鵬利置業發展有限公司) (“**Shanghai Top Glory**”), an indirect 78%-owned subsidiary of the Company, as at the date of valuation, for apartment use and the corresponding land use rights of a parcel of land with a site area of 24,316.00 sq.m. have been granted to Shanghai Top Glory for a term expiring on 22 April 2069 for residential use. Details of the certificates are as follows:

Certificate No.	Date of Issue	Block No.	Gross Floor Area (sq.m.)
Hu Fang Di Pu Zi (2011) Di No. 043562	20 July 2011	Block No. 8	22,224.01
Hu Fang Di Pu Zi (2014) Di No. 029905	25 April 2014	Block Nos. 1 and 2	<u>26,234.87</u>
		Total:	<u>48,458.99</u>

As advised by the Company, the property comprises portion of the buildings as stated in the Certificates of Real Estate Ownership mentioned above.

As advised by the Company, the property interest attributable to Grow Wealth is 22%.

2. As advised by the Group, the property was subject to an outstanding construction cost of approximately RMB25,600,000 to be payable by the Group as at the date of valuation. We have taken into account the aforesaid amount in our valuation.
3. As advised by the Group, a portion of the property with a total gross floor area of approximately 2,184.35 sq.m. has been contracted to be sold under various sale and purchase agreements at a total consideration of approximately RMB303,466,224. Accordingly, we have taken into account the aforesaid amount in our valuation.
4. We have been provided with a legal opinion on the title to the property issued by the Company’s PRC legal adviser, which contains, inter-alia, the following information:
- i. Shanghai Top Glory has obtained the Certificate of Real Estate Ownership of Block Nos. 1, 2 and 8 and is entitled to sell the unsold portion of Block Nos. 1, 2 and 8 in accordance with the PRC laws; and
 - ii. the property is free from any mortgages, ownership disputes, seizures or other judicial compulsory measures.
5. Following completion of the acquisition of 22% interest in Jetway Developments, the Company will own 100% interest in the property.

Group III – Property leased by the Group in the PRC

No.	Property	Description and tenancy details	Particulars of occupancy	Market value in existing state as at 30 June 2014
3.	Units 70-1F and 601-ACEG, No. 585 Tianmu Middle Road, Zhabei District, Shanghai, PRC	<p>The property comprises two office units with a total gross floor area of approximately 1,854.04 sq.m. which was completed in 2000.</p> <p>The property is leased by Shanghai Top Glory Real Estate Development Co., Ltd. (上海鵬利置業發展有限公司) (“Shanghai Top Glory”), an indirect 78%-owned subsidiary of the Company, as at the date of valuation, from Shanghai Xinmei Industrial Co., Ltd. (上海新梅實業有限公司) (the “lessor”), an independent third party, for a term expiring on 30 September 2014.</p>	As at the date of valuation, the property was occupied by the Group for office use.	No commercial value

Notes:

1. The property is leased by Shanghai Top Glory from the lessor for a term commencing on 13 November 2012 and expiring on 30 September 2014 at a daily rental of RMB2.2 per sq.m..
2. We have been provided with a legal opinion on the legality of the lease agreement to the property issued by the Company’s PRC legal adviser, which contains, inter-alia, the following information:
 - i. the lease is legally binding; and
 - ii. Shanghai Top Glory has the rights to occupy and use the property during the term of the lease; and
 - iii. the lease has been registered.

The following is the text of a letter, summary of values and valuation certificates prepared for the purpose of incorporation in this circular received from Savills Valuation and Professional Services Limited, an independent valuer, in connection with their opinion of values of the properties held by Yalong Development (HK) and its subsidiaries as at 30 June 2014.



Savills Valuation and
Professional Services Limited
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The Directors
COFCO Land Holdings Limited
33rd Floor
Top Glory Tower
No. 262 Gloucester Road
Causeway Bay
Hong Kong

22 August 2014

Dear Sirs,

We refer to your instructions for us to value the properties situated in the People's Republic of China (the "PRC") in which Yalong Development (HK) Company Limited ("Yalong Development (HK)") and/or its subsidiaries have interests. We understand that COFCO Land Holdings Limited (the "Company") and/or its subsidiaries (hereinafter together referred to as the "Group") is considering a transaction in relation to the acquisition of 32.43% of the issued share capital of Yalong Development (HK) from Woo + Woo Investments Limited ("Woo + Woo"). We confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the properties as at 30 June 2014 (the "date of valuation") for incorporation in a circular.

BASIS OF VALUATION

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

Our valuation is prepared in compliance with both Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and in accordance with The HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors.

PROPERTY CATEGORIZATION AND VALUATION METHODOLOGY

For the properties in Group I, which are held by the Group for operations in the PRC, we have valued such properties as ongoing hotel operations in their existing states. We have adopted discounted cash flow (“DCF”) approach. We have valued them assuming all relevant statutory and/or mandatory permissions, permits, approvals and licenses which are necessary for hotel operations in the PRC are properly in place. In the DCF, we have assumed an operation period of 5 years and the details of our key assumptions are shown in the valuation certificate.

For the properties in Group II, which are held by the Group for investment in the PRC, we have valued such properties by making reference to comparable market transactions as available on the market and where appropriate on the basis of capitalization of the net incomes as shown on the schedules handed to us and, in appropriate cases, made provisions for reversionary income potential of the properties.

For the properties in Groups III and IV, which are held by the Group for sale and for occupation in the PRC respectively, we have valued these properties by making reference to comparable market transactions as available on the market assuming sale with the benefit of vacant possession.

For the properties in Group V which are held by the Group for future development, we have valued these properties on the basis that they will be developed and completed in accordance with the Group’s latest development proposals provided to us. We have assumed that regulatory and governmental approvals for the proposals have been or will be granted without onerous conditions or delays. In arriving at our opinion of value, we have adopted the direct comparison approach by making reference to the comparable sales evidence as available in the relevant markets and have also taken into account the costs that will be expended to complete the developments to reflect the quality of the completed developments.

For the properties in Group VI which are leased by the Group in the PRC, we have assigned no commercial value to these properties due to either the prohibition against assignment and sub-letting or otherwise the lack of substantial profit rents.

TITLE INVESTIGATIONS

We have been provided with copies of title documents relating to the properties. However, we have not searched the original documents to verify the ownership or to ascertain the existence of any amendments which may not appear on the copies handed to us. In the course of our valuation, we have relied to a very considerable extent on the information given by the Group and its legal adviser on PRC laws, Haiwen & Partners, regarding the titles to the properties.

VALUATION CONSIDERATIONS AND ASSUMPTIONS

In valuing the properties, unless otherwise stated, we have assumed that transferable land use rights in respect of the properties for respective specific terms at nominal land use fees have been granted and that any land grant premium payables have already been paid. Unless otherwise stated, we have also assumed that the Group has enforceable titles to these properties and has free and uninterrupted right to use, occupy or assign the properties for the whole of the respective unexpired terms as granted.

In the course of our valuation, we have relied to a considerable extent on information given by the Group and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, particulars of occupancy, trading accounts, development proposals, floor and site areas, and all other relevant matters. Dimensions, measurements and areas included in the valuation certificates are based on information contained in the documents provided to us and are therefore only approximations. We have not been able to carry out detailed on-site measurements to verify the correctness of the site and the floor areas of the properties and we have assumed that the site and the floor areas shown on the documents handed to us are correct. We have no reason to doubt the truth and accuracy of the information provided to us by the Group which is material to the valuation. We were also advised by the Group that no material facts have been omitted from the information provided. We consider that we have been provided with sufficient information to reach an informed view.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on any property or for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that all properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

SITE INSPECTION

We have inspected the exterior and, where possible, the interior of the properties. During the course of our inspection, we did not note any serious defects. Moreover, no structural survey has been made, we are therefore unable to report that the properties are free of rot, infestation, or any other structural defects. No test has been carried out to any of the services. However, we have not carried out any site investigations to determine the suitability of the ground conditions and the services etc, for any future development. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the construction period.

Site inspections of the properties were carried out in May 2014 by our Ms. Gracy Zhou (Senior Manager) and a valuation assistant. Ms. Gracy Zhou is a China Registered Real Estate Appraiser.

REMARKS

Unless otherwise stated, all money amounts are stated in Renminbi (“RMB”).

We enclose herewith our summary of values and valuation certificates.

Yours faithfully,
For and on behalf of
Savills Valuation and Professional Services Limited
Anthony C K Lau
MRICS MHKIS RPS(GP)
Director

Note: Mr. Anthony C K Lau is a chartered estate surveyor and has over 21 years’ experience in the valuation of properties in the PRC and Hong Kong.

SUMMARY OF VALUES

No.	Property	Market value in existing state as at 30 June 2014	Interest attributable to Woo + Woo	Market value in existing state attributable to Woo + Woo as at 30 June 2014
Group I – Properties held by the Group for operation in the PRC				
1.	The St. Regis Sanya Yalong Bay Resort, Gangcheng Road, Yalong Bay National Tourism & Resort Area, Jiyang Town, Sanya, Hainan Province, PRC	RMB2,545,000,000	16%	RMB407,200,000
2.	Cactus Resort Sanya by Gloria, Longtan Road, Yalong Bay National Tourism & Resort Area, Jiyang Town, Sanya, Hainan Province, PRC			No commercial value
	Sub-total:	RMB2,545,000,000		RMB407,200,000
Group II – Properties held by the Group for investment in the PRC				
3.	Yuechuan Plaza, West Hedong Road, Hedong District, Sanya, Hainan Province, PRC	RMB15,690,000	16%	RMB2,510,400
4.	Clubhouse I, Princess Palace I, Yalong Avenue, Yalong Bay National Tourism & Resort Area, Jiyang Town, Sanya, Hainan Province, PRC	RMB88,200,000	16%	RMB14,112,000
	Sub-total:	RMB103,890,000		RMB16,622,400

APPENDIX IB	PROPERTY VALUATION OF YALONG DEVELOPMENT (HK)
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No.	Property	Market value in existing state as at 30 June 2014	Interest attributable to Woo + Woo	Market value in existing state attributable to Woo + Woo as at 30 June 2014
Group III – Properties held by the Group for sale in the PRC				
5.	The pre-sold and undelivered portion of Princess Palace III, Yalong Avenue, Yalong Bay National Tourism & Resort Area, Jiyang Town, Sanya, Hainan Province, PRC	RMB6,670,000	13%	RMB867,100
6.	The unsold portion of The Signature, Yalong Bay National Tourism & Resort Area, Jiyang Town, Sanya, Hainan Province, PRC	RMB628,500,000	13%	RMB81,705,000
	Sub-total:	RMB635,170,000		RMB82,572,100
Group IV – Properties held by the Group for occupation in the PRC				
7.	Basement of Blocks A and B, Ninghai Garden, Foreign Trade Road, Hexi District, Sanya, Hainan Province, PRC	RMB6,100,000	16%	RMB976,000
8.	Clubhouse II, Princess Palace I, Yalong Avenue, Yalong Bay National Tourism & Resort Area, Jiyang Town, Sanya, Hainan Province, PRC	RMB17,400,000	16%	RMB2,784,000
9.	Administration Centre, Yalong Avenue, Yalong Bay National Tourism & Resort Area, Jiyang Town, Sanya, Hainan Province, PRC	RMB289,000,000	16%	RMB46,240,000
	Sub-total:	RMB312,500,000		RMB50,000,000

No.	Property	Market value in existing state as at 30 June 2014	Interest attributable to Woo + Woo	Market value in existing state attributable to Woo + Woo as at 30 June 2014
Group V – Properties held by the Group for future development in the PRC				
10.	Yalong Bay Mountain Ocean Park, Binhai Road, Yalong Bay National Tourism & Resort Area, Jiyang Town, Sanya, Hainan Province, PRC	RMB639,000,000	16%	RMB102,240,000
11.	Land Lot Nos. C-02 and C-03, Sanya Yalong Bay International Exhibition, Centre Complex, Yefeng Road, Yalong Bay National Tourism & Resort Area, Jiyang Town, Sanya, Hainan Province, PRC	RMB913,650,000	13%	RMB118,774,500
	Sub-total:	RMB1,552,650,000		RMB221,014,500
Group VI – Properties leased by the Group in the PRC				
12.	Unit 2712, Nanyang Building, Binhai Avenue, Haikou, Hainan Province, PRC			No commercial value
13.	Various parcels of land located at the junction of Longtan Road and Binhai Road, Yalong Bay National Tourism & Resort Area, Jiyang Town, Yalong Bay, Sanya, Hainan Province, PRC			No commercial value
	Sub-total:			Nil
	Grand-total:	RMB5,149,210,000		RMB777,409,500

VALUATION CERTIFICATE

Group I – Properties held by the Group for operation in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2014
1.	The St. Regis Sanya Yalong Bay Resort, Gangcheng Road, Yalong Bay National Tourism & Resort Area, Jiyang Town, Sanya, Hainan Province, PRC	<p>The property comprises an 8-storey hotel together with 28 villas erected on a parcel of land with a site area of approximately 204,032.28 sq.m.. It was completed in 2011.</p> <p>The property is located within the Yalong Bay National Tourism & Resort Area of Sanya, Hainan Province. Developments in the vicinity are dominated by low-density resort-oriented developments. It takes about 25-minute drive to the city centre of Sanya and about 40-minute drive to the Sanya Fenghuang International Airport.</p> <p>The property accommodates 373 guest rooms and 28 villas with other facilities such as meeting and function rooms, restaurants, spa, gymnasium, a private beach, swimming pool and business centre.</p> <p>As advised by the Group, the total gross floor area of the property is approximately 90,869.00 sq.m..</p> <p>The land use rights of the property have been granted for a term expiring on 11 October 2056 for tourism resort use.</p>	As at the date of valuation, the property was operated by the Group as a hotel.	RMB2,545,000,000 (16% interest attributable to Woo + Woo: RMB407,200,000)

Notes:

1. Pursuant to the Certificate of Real Estate Ownership – San Tu Fang (2006) Zi Di No. 5280 dated 16 October 2006, the land use rights of a parcel of land with a site area of approximately 204,032.28 sq.m. have been granted to Yalong Development Company Limited (三亞亞龍灣開發股份有限公司) (“**Yalong Development (Sanya)**”), an indirectly owned subsidiary which has 34% effective interest attributable to the Company, as at the date of valuation, for a term of 50 years expiring on 11 October 2056 for tourism resort use.

As advised by the Company, the property interest attributable to Woo + Woo is 16%.

2. Pursuant to the Completion and Acceptance Certificate for Construction Works of Hainan Province (海南省建築工程竣工驗收備案證) – No. (2011) 079, the property with a total gross floor area of approximately 90,869.00 sq.m. was certified to be completed on 31 December 2011.
3. As advised by the Group, there was an outstanding construction cost in the sum of approximately RMB234,000,000 to be payable by the Group as at the date of valuation. We have taken into account the aforesaid amount in our valuation.
4. We have been provided with a legal opinion on the title to the property issued by the Company’s PRC legal adviser, which contains, inter alia, the following information:
 - i. Yalong Development (Sanya) is the legal land user of the property and is entitled to occupy, use and receive earnings from the land of the property within the residue of the land use term;
 - ii. Yalong Development (Sanya) has obtained the Completion and Acceptance Certificate for the Construction Works of the property. There exist no substantial legal impediments for Yalong Development (Sanya) to obtain Certificate of Real Estate Ownership of the building of the property if Yalong Development (Sanya) applies for the title proof registration in accordance with the prescribed procedures of the PRC laws; and
 - iii. the property is subject to a mortgage.
5. Following completion of the acquisition of 32.43% interest in Yalong Development (HK), the Company will have an attributable interest of approximately 51% in the property.
6. In undertaking our valuation of the property, our adopted key assumptions are summarized as follows:

i.	Average daily room rate (“ ADR ”)	RMB2,600 for Year 1
ii.	Annual growth in ADR	Stabilised at 4%
iii.	Occupancy rate on available room basis	About 50% for Year 1
iv.	Discount rate	9%
v.	Capitalization rate	5%

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2014
2.	Cactus Resort Sanya by Gloria, Longtan Road, Yalong Bay National Tourism & Resort Area, Jiyang Town, Sanya, Hainan Province, PRC	<p>The property comprises a 5-storey hotel erected on two parcels of land with a total site area of approximately 90,011.66 sq.m.. It was completed in 1998 and refurbished in 2005.</p> <p>The property is located within the Yalong Bay National Tourism & Resort Area of Sanya, Hainan Province. Developments in the vicinity are dominated by low-density resort-oriented developments. It takes about 25-minute drive to the city centre of Sanya and about 40-minute drive to the Sanya Fenghuang International Airport.</p> <p>The hotel accommodates 563 guest rooms with other facilities such as restaurants, spa, swimming pool and business centre.</p> <p>As advised by the Group, the total gross floor area of the property is approximately 38,500.00 sq.m..</p> <p>The land use rights of the property have been granted for terms expiring on 21 February 2042 and 28 February 2045 for commercial services use.</p>	As at the date of valuation, the property was operated by the Group as a hotel.	No commercial value (See Note 2)

Notes:

1. Pursuant to two Certificates of Real Estate Ownership – San Tu Fang (2012) Zi Di Nos. 008783 and 008806 both dated 27 September 2012, the land use rights of two parcels of land with a total site area of approximately 90,011.66 sq.m. have been granted to Yalong Development Company Limited (三亞亞龍灣開發股份有限公司) (“**Yalong Development (Sanya)**”), an indirectly owned subsidiary which has 34% effective interest attributable to the Company, as at the date of valuation, for terms expiring on 21 February 2042 and 28 February 2045 for commercial services use.

As advised by the Company, the property interest attributable to Woo + Woo is 16%.

2. We have ascribed no commercial value to the property as Yalong Development (Sanya) cannot acquire the realty title certificate (不動產權屬證明書) due to failure to complete relevant approval procedures for the construction, refurbishment and extension of the property. For reference purpose, if the property can be freely transferable in the market, the market value of the property as at the date of valuation was RMB672,000,000 of which 16% interest attributable to Woo + Woo was RMB107,520,000.
3. We have been provided with a legal opinion on the title to the property issued by the Company’s PRC legal adviser, which contains, inter alia, the following information:
 - i. Yalong Development (Sanya) is the legal land user of the property and is entitled to occupy, use and receive earnings from the land of the property within the residue of the land use term;
 - ii. Yalong Development (Sanya) has not obtained the realty title certificate of the property and has failed to complete relevant approval procedures for the construction, refurbishment and extension of the property; and
 - iii. the property is free from any mortgages, ownership disputes, seizures or other judicial compulsory measures.

Group II – Properties held by the Group for investment in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2014
3.	Yuechuan Plaza, West Hedong Road, Hedong District, Sanya, Hainan Province, PRC	<p>The property comprises a 7-storey building erected on a parcel of land with a site area of approximately 698.48 sq.m.. It was completed in 1993.</p> <p>The property is located in the Hedong District of Sanya, Hainan Province. Developments in the vicinity are dominated by residential and commercial developments of various ages. It takes about 5-minute drive to the city centre of Sanya and about 30-minute drive to the Sanya Fenghuang International Airport.</p> <p>As advised by the Group, the total gross floor area of the property is approximately 2,444.67 sq.m..</p> <p>The land use rights of the property have been granted for a term expiring on 28 August 2042 for mixed residential use.</p>	<p>As at the date of valuation, portion of the property with a total gross floor area of approximately 1,690.00 sq.m. was subject to a tenancy by an independent third party for residential use due to expire on 31 January 2015 at a total monthly rental of approximately RMB25,500 (excluding management fees and other outgoings) whilst the remaining portion of the property was vacant.</p>	<p>RMB15,690,000</p> <p>(16% interest attributable to Woo + Woo: RMB2,510,400)</p>

Notes:

- Pursuant to the Certificate of Real Estate Ownership – San Tu Fang (2010) Zi Di No. 00721 dated 20 January 2010, the building ownership of the property with a total gross floor area of approximately 2,444.67 sq.m. is vested in Yalong Development Company Limited (三亞亞龍灣開發股份有限公司) (“**Yalong Development (Sanya)**”), an indirectly owned subsidiary which has 34% effective interest attributable to the Company, as at the date of valuation, and the corresponding land use rights of a parcel of land with a site area of 698.48 sq.m. have been granted to Yalong Development (Sanya) for a term expiring on 28 August 2042 for mixed residential use.

As advised by the Company, the property interest attributable to the Woo + Woo is 16%.

- We have been provided with a legal opinion on the title to the property issued by the Company’s PRC legal adviser, which contains, inter alia, the following information:
 - Yalong Development (Sanya) is the legal owner of the property and is entitled to occupy, use, transfer, lease, mortgage or by other legal means to dispose of the property within the residue of the land use term; and
 - the property is free from any mortgages, ownership disputes, seizures or other judicial compulsory measures.
- Following completion of the acquisition of 32.43% interest in Yalong Development (HK), the Company will have an attributable interest of approximately 51% in the property.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2014
4.	Clubhouse I, Princess Palace I, Yalong Avenue, Yalong Bay National Tourism & Resort Area, Jiyang Town, Sanya, Hainan Province, PRC	Princess Palace I (the “Development”) is a large-scale resort-oriented development erected on a parcel of land with a site area of approximately 572,897.66 sq.m.. It was completed in 2008.	As at the date of valuation, the property was vacant.	RMB88,200,000 (16% interest attributable to Woo + Woo: RMB14,112,000)
		The property is located within the Yalong Bay National Tourism & Resort Area of Sanya, Hainan Province. Developments in the vicinity are dominated by low-density resort-oriented developments. It takes about 25-minute drive to the city centre of Sanya and about 40-minute drive to the Sanya Fenghuang International Airport.		
		The property comprises a 3-storey clubhouse of the Development with a total gross floor area of approximately 7,829.14 sq.m..		
		The land use rights of the property have been granted for a term expiring on 22 January 2048 for tourism composite use.		

Notes:

1. Pursuant to the State-owned Land Use Rights Certificate – San Tu Fang (1998) Zi Di No. 0074 dated 22 January 1998, the land use rights of a parcel of land with a site area of approximately 572,897.66 sq.m. have been granted to Yalong Development Company Limited (三亞亞龍灣開發股份有限公司) (“**Yalong Development (Sanya)**”), an indirectly owned subsidiary which has 34% effective interest attributable to the Company, as at the date of valuation, for a term expiring on 22 January 2048 for tourism composite use.

As advised by the Company, the property interest attributable to the Woo + Woo is 16%.

2. Pursuant to the Completion and Acceptance Certificate for the Construction Works of Hainan Province (海南省建築工程竣工驗收備案證) No. [2009] 062, the construction works of the property with a total gross floor area of approximately 7,829.14 sq.m. were certified for completion on 17 July 2008.
3. We have been provided with a legal opinion on the title to the property issued by the Company’s PRC legal adviser which contains, inter-alia, the following information:
 - i. Yalong Development (Sanya) has obtained the Completion and Acceptance Certificate for the Construction Works of the property. There exist no legal impediments for Yalong Development (Sanya) to obtain Certificate of Real Estate Ownership for the property if Yalong Development (Sanya) applies for the title proof registration in accordance with the prescribed procedures of the PRC laws; and
 - ii. the property is free from any mortgages, ownership disputes, seizures or other judicial compulsory measures.
4. Following completion of the acquisition of 32.43% interest in Yalong Development (HK), the Company will have an attributable interest of approximately 51% in the property.

Group III – Properties held by the Group for sale in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2014
5.	The pre-sold and undelivered portion of Princess Palace III, Yalong Avenue, Yalong Bay National Tourism & Resort Area, Jiyang Town, Sanya, Hainan Province, PRC	<p>Princess Palace III (the “Development”) is a large-scale commercial apartment development and is erected on a parcel of land with a site area of approximately 198,074.99 sq.m.. It was completed in 2012.</p> <p>The total gross floor area of the Development is approximately 78,758.97 sq.m..</p> <p>The property is located within the Yalong Bay National Tourism & Resort Area of Sanya, Hainan Province. Developments in the vicinity are dominated by low-density resort-oriented developments. It takes about 25-minute drive to the city centre of Sanya and about 40-minute drive to the Sanya Fenghuang International Airport.</p> <p>The property comprises 2 pre-sold apartment units of Block Nos. 18 and 21 of the Development with a total gross floor area of approximately 202.83 sq.m..</p> <p>The land use rights of the property have been granted for a term expiring on 31 March 2045 for commercial services use.</p>	As at the date of valuation, the property was vacant.	<p>RMB6,670,000</p> <p>(13% interest attributable to Woo + Woo: RMB867,100)</p>

Notes:

1. Pursuant to seven Certificates of Real Estate Ownership – San Tu Fang (2012) Zi Di Nos. 009295, 009303, 009304, 009311 and 009314 and San Tu Fang (2013) Zi Di Nos. 14516 and 14543 dated 8 November 2012 and 26 November 2013 respectively, the building ownership of Block Nos. 3, 11, 18, 19, 21, V19 and V33 of the Development with a total gross floor area of 9,808.72 sq.m. is vested in Sanya Hongxia Development & Construction Co., Ltd. (三亞虹霞開發建設有限公司) (“**Sanya Hongxia**”), an indirectly owned subsidiary which has 27% effective interest attributable to the Company, as at the date of valuation, and the corresponding land use rights of the apportionate parcels of land with a total site area of approximately 19,342.70 sq.m. have been granted to Sanya Hongxia for a term expiring on 31 March 2045 for commercial services use.

As advised by the Group, the property comprises portion of the buildings and land parcels as stated in the Certificates of Real Estate Ownership mentioned above.

As advised by the Company, the property interest attributable to Woo + Woo is 13%.

2. As advised by the Group, the property was subject to an outstanding construction cost in the sum of approximately RMB179,000 to be payable by the Group as at the date of valuation. We have taken into account the aforesaid amount in our valuation.
3. As advised by the Group, the land premium of the Development has been fully settled.
4. As advised by the Group, the property with a total gross floor area of approximately 202.83 sq.m. has been contracted to be sold under two sale and purchase agreements at a total consideration of approximately RMB6,853,144. Accordingly, we have taken into account the aforesaid amount in our valuation.

As advised by the Group, the property has not been delivered to the purchasers.

5. We have been provided with a legal opinion on the title to the property issued by the Group’s PRC legal adviser which contains, inter-alia, the following information:
 - i. Sanya Hongxia is the legal land user of the property and is entitled to occupy, use and receive earnings from the land of the property within the residue of the land use term;
 - ii. Sanya Hongxia has obtained the Certificates of Real Estate Ownership of the property and is entitled to sell the unsold portion of the property in accordance with the PRC laws; and
 - iii. the property is free from any mortgages, ownership disputes, seizures from court or other judicial compulsory measures.
6. Following completion of the acquisition of 32.43% interest in Yalong Development (HK), the Company will have an attributable interest of approximately 41% in the property.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2014
6.	The unsold portion of The Signature, Yalong Bay National Tourism & Resort Area, Jiyang Town, Sanya, Hainan Province, PRC	The Signature (the “Development”) comprises a large-scale commercial apartment development and is erected on a parcel of land with a site area of 123,925.51 sq.m.. It was completed in 2011.	As at the date of valuation, the property was vacant.	RMB628,500,000 (13% interest attributable to Woo + Woo: RMB81,705,000)
		As advised by the Group, the total gross floor area of the Development is approximately 27,146.36 sq.m..		
		The property is located within the Yalong Bay National Tourism & Resort Area of Sanya, Hainan Province. Developments in the vicinity are dominated by low-density resort-oriented developments. It takes about 25-minute drive to the city centre of Sanya and about 40-minute drive to the Sanya Fenghuang International Airport.		
		The property comprises 10 unsold commercial apartment units of the Development with a gross floor area of approximately 7,150.06 sq.m. plus the below-ground gross floor area of approximately 1,810.10 sq.m..		
		The land use rights of the property have been granted for a term expiring on 11 October 2056 for commercial services use.		

Notes:

1. Pursuant to 29 Certificates of Real Estate Ownership – San Tu Fong (2012) Zi Di Nos. 006136 to Di 006144, Di 006147 to Di 006166 all dated 31 July 2012, the land use rights of the Development with a total site area of 123,925.51 sq.m. have been granted to Sanya Hongxia Development & Construction Co., Ltd. (三亞虹霞開發建設有限公司) (“**Sanya Hongxia**”), an indirectly owned subsidiary which has 27% effective interest attributable to the Company, as at the date of valuation, for a term expiring on 11 October 2056 for commercial services use.

As advised by the Company, the property interest attributable to Woo + Woo is 13%.

2. As advised by the Group, the property was subject to an outstanding construction cost in the sum of approximately RMB17,000,000 to be payable by the Group as at the date of valuation. We have taken into account the aforesaid amount in our valuation.
3. As advised by the Group, portion of the property with a total gross floor area of approximately 1,809.41 sq.m. (including below-ground gross floor area of approximately 192.50 sq.m.) has been contracted to be sold under various sale and purchase agreements at a total consideration of approximately RMB158,203,781. Accordingly, we have taken into account the aforesaid amount in our valuation.
4. We have been provided with a legal opinion on the title to the property issued by the Company’s PRC legal adviser which contains, inter-alia, the following information:
 - i. Sanya Hongxia is the legal land user of the property and is entitled to occupy, use and receive earnings from the land of the property within the residue of the land use term;
 - ii. Sanya Hongxia has obtained the Certificate of Real Estate Ownership of the property and is entitled to sell the property in accordance with the PRC laws; and
 - iii. the property is free from any mortgages, ownership disputes, seizures or other judicial compulsory measures.
5. Following completion of the acquisition of 32.43% interest in Yalong Development (HK), the Company will have an attributable interest of approximately 41% in the property.

Group IV – Properties held by the Group for owner-occupation in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2014
7.	Basement of Blocks A and B, Ninghai Garden, Foreign Trade Road, Hexi District, Sanya, Hainan Province, PRC	<p>Ninghai Garden (the “Development”) comprises two 19-storey residential buildings completed in 2005.</p> <p>The property is located in the Hedong District of Sanya, Hainan Province. Developments in the vicinity are dominated by residential and commercial developments of various ages. It takes about 5-minute drive to the city centre of Sanya and about 30-minute drive to the Sanya Fenghuang International Airport.</p> <p>The property comprises portion of the basement car parks of the Development with a total gross floor area of approximately 1,782.97 sq.m. plus a civil-defence area with a total gross area of approximately 872.00 sq.m..</p> <p>The land use rights of the property have been granted for a term expiring on 19 November 2052 for residential use.</p>	As at the date of valuation, the property was occupied by the Group as a garage.	<p>RMB6,100,000</p> <p>(16% interest attributable to Woo + Woo: RMB976,000)</p>

Notes:

1. Pursuant to the Certificate of Real Estate Ownership – San Tu Fang (2010) Zi Di No. 13883 dated 20 December 2010, the building ownership of the property with a total gross floor area approximately 1,782.97sq.m. is vested in Yalong Development Company Limited (三亞亞龍灣開發股份有限公司) (“**Yalong Development (Sanya)**”), an indirectly owned subsidiary which has 34% effective interest attributable to the Company, as at the date of valuation, and the corresponding land use rights of a parcel of land with a site area of 309.43 sq.m. have been granted to Yalong Development (Sanya) for a term expiring on 19 November 2052 for residential use.

As advised by the Company, the property interest attributable to Woo + Woo is 16%.

2. Pursuant to the Utilization of Civil Air Defence Property During Peacetime Certificate – No. Sy-02-2010-025, the area of the civil-defence is approximately 872.00 sq.m.
3. We have been provided with a legal opinion on the title to the property issued by the Company’s PRC legal adviser, which contains, inter alia, the following information:
 - i. Yalong Development (Sanya) is the legal owner of the property (excluding the civil defence property) and is entitled to occupy, use, transfer, lease, mortgage or by other legal means to dispose of such property within the residue of the land use term;
 - ii. the property is free from any mortgages, ownership disputes, seizures or other judicial compulsory measures; and
 - iii. Yalong Development (Sanya) has obtained the Utilization of Civil Air Defence Property During Peacetime Certificate and is the legal user of the civil defence property.
4. Following completion of the acquisition of 32.43% interest in Yalong Development (HK), the Company will have an attributable interest of approximately 51% in the property.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2014
8.	Clubhouse II, Princess Palace I, Yalong Avenue, Yalong Bay National Tourism & Resort Area, Jiyang Town, Sanya, Hainan Province, PRC	<p>The property comprises a 3-storey clubhouse and is erected on a parcel of land with a site area of approximately 3,295.24 sq.m.. It was completed in 2008.</p> <p>The property is located within the Yalong Bay National Tourism & Resort Area of Sanya, Hainan Province. Developments in the vicinity are dominated by low-density resort-oriented developments. It takes about 25-minute drive to the city centre of Sanya and about 40-minute drive to the Sanya Fenghuang International Airport.</p> <p>The property has a total gross floor area of approximately 1,930.87 sq.m..</p> <p>The land use rights of the property have been granted for a term expiring on 22 January 2048 for commercial services use.</p>	As at the date of valuation, portion of the property with a total gross floor area of approximately 150.00 sq.m. was subject to a tenancy due to expire on 31 December 2019 at a total monthly rental of approximately RMB1,125 whilst the remaining portion of the property was occupied by the Group as a clubhouse.	RMB17,400,000 (16% interest attributable to Woo + Woo: RMB2,784,000)

Notes:

- Pursuant to the Certificate of Real Estate Ownership – San Tu Fang (2008) Zi Di No. 9200 dated 9 November 2008, the building ownership of the property with a total gross floor area approximately 1,930.87 sq.m. is vested in Yalong Development Company Limited (三亞亞龍灣開發股份有限公司) (“**Yalong Development (Sanya)**”), an indirectly owned subsidiary which has 34% effective interest attributable to the Company, as at the date of valuation, and the corresponding land use rights of a parcel of land with a site area of 3,295.24 sq.m. have been granted to Yalong Development (Sanya) for a term expiring on 22 January 2048 for commercial services use.

As advised by the Company, the property interest attributable to Woo + Woo is 16%.

- We have been provided with a legal opinion on the title to the property issued by the Company’s PRC legal adviser, which contains, inter alia, the following information:
 - Yalong Development (Sanya) is the owner of the property and is entitled to occupy, use, transfer, lease, mortgage or by other legal means to dispose of the property within the residue of the land use term; and
 - the property is free from any mortgages, ownership disputes, seizures or other judicial compulsory measures.
- Following completion of the acquisition of 32.43% interest in Yalong Development (HK), the Company will have an attributable interest of approximately 51% in the property.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2014
9.	Administration Centre, Yalong Avenue, Yalong Bay National Tourism & Resort Area, Jiyang Town, Sanya, Hainan Province, PRC	<p>The property comprises two 5-storey commercial/residential buildings and is erected on a parcel of land with a site area of approximately 34,364.31 sq.m.. It was completed in 2013.</p> <p>The property is located within the Yalong Bay National Tourism & Resort Area of Sanya, Hainan Province. Developments in the vicinity are dominated by low-density resort-oriented developments. It takes about 25-minute drive to the city centre of Sanya and about 40-minute drive to the Sanya Fenghuang International Airport.</p> <p>The property has a total gross floor area of approximately 31,504.14 sq.m. plus a civil-defence area of approximately 2,350.00 sq.m..</p> <p>The land use rights of the property have been granted for a term expiring on 5 August 2059 for organization use.</p>	As at the date of valuation, the property was occupied by the Group as an office.	RMB289,000,000 (16% interest attributable to Woo + Woo: RMB46,240,000)

Notes:

1. Pursuant to the State-owned Land Use Grant Contract dated 5 August 2009, the land use rights of a parcel of land with a site area of approximately 35,049.63 sq.m. have been granted to Yalong Development Company Limited (三亞亞龍灣開發股份有限公司) (“**Yalong Development (Sanya)**”), an indirect owned subsidiary which has 34% effective interest attributable to the Company as at the date of valuation, for office use at a land grant fee of RMB358,006,980.

As advised by the Company, the property interest attributable to Woo + Woo is 16%.

2. Pursuant to two Certificates of Real Estate Ownership – San Tu Fang (2013) Zi Di No. 14670 and 14671 dated 27 November 2013, the building ownership of the property with a total gross floor area of approximately 31,504.14 sq.m. and the corresponding land use rights are vested in Yalong Development (Sanya).
3. As advised by the Group, the property was subject to an outstanding construction cost in the sum of approximately RMB7,091,757.45 to be payable by the Group as at the date of valuation. We have taken into account the aforesaid amount in our valuation.
4. Pursuant to the Utilization of Civil Air Defence Property During Peacetime Certificate – No. Sy-03-2013-018, the area of the civil-defence is approximately 2,350.00 sq.m.
5. We have been provided with a legal opinion on the title to the property issued by the Company’s PRC legal adviser, which contains, inter-alia, the following information:
 - i. Yalong Development (Sanya) is the owner of the property and is entitled to occupy, use, transfer, lease, mortgage or by other legal means to dispose of the property within the residue of the land use term;
 - ii. the property is free from any mortgages, ownership disputes, seizures from court or other judicial compulsory measures; and
 - iii. Yalong Development (Sanya) has obtained the Utilization of Civil Air Defence Property During Peacetime Certificate and is the legal user of the civil defence property.
6. Following completion of the acquisition of 32.43% interest in Yalong Development (HK), the Company will have an attributable interest of approximately 51% in the property.

Group V – Properties held by the Group for future development in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2014
10.	Yalong Bay Mountain Ocean Park, Binhai Road, Yalong Bay National Tourism & Resort Area, Jiyang Town, Sanya, Hainan Province, PRC	<p>The property comprises a portion of nine parcels of land with a total site area of approximately 380,600.00 sq.m..</p> <p>The property is located within the Yalong Bay National Tourism & Resort Area of Sanya, Hainan Province. Developments in the vicinity are dominated by low-density resort-oriented developments. It takes about 25-minute drive to the city centre of Sanya and about 40-minute drive to the Sanya Fenghuang International Airport.</p> <p>As advised by the Group, the property is proposed to be developed into a park and will have a maximum permitted gross floor area of approximately 19,429.24 sq.m. (excluding the renovated below-ground Totem Plaza (currently known as Butterfly Park Yalong Bay Centre and Square) with a total gross floor area of approximately 9,500.00 sq.m.) plus the area of civil-defence of approximately 4,967.00 sq.m..</p> <p>The land use rights of the property have been granted for various terms (refer to Note 1 for details).</p>	<p>As at the date of valuation, portion of the property with a total gross floor area of approximately 9,500.00 sq.m. was owner-occupied by Butterfly Park Yalong Bay Centre and Square whilst the remaining portion of the property was land designated as green belt and public facilities.</p>	<p>RMB639,000,000</p> <p>(16% interest attributable to Woo + Woo: RMB102,240,000)</p>

Notes:

1. Pursuant to the following Certificates of Real Estate Ownership, the land use rights of nine parcels of land of the property with a total site area of approximately 491,174.03 sq.m. have been granted to Yalong Development Company Limited (三亞亞龍灣開發股份有限公司) (“Yalong Development (Sanya)”), an indirectly owned subsidiary which has 34% effective interest attributable to the Company, as at the date of valuation for commercial services use. Details of certificates are as follows:

No.	Certificate No.	Site Area (sq.m.)	Date of Issue	Land Use Term Expiry Date
(i)	San Tu Fang (2012) Zi Di 008787	17,082.26	27 September 2012	25 December 2062
(ii)	San Tu Fang (2012) Zi Di 11135	9,189.30	5 November 2012	Allocated land
(iii)	San Tu Fang (2012) Zi Di 11159	61,917.70	29 October 2012	Allocated land
(iv)	San Tu Fang (2012) Zi Di 008791	12,037.65	27 September 2012	25 December 2062
(v)	San Tu Fang (2012) Zi Di 008792	9,711.51	27 September 2012	25 December 2062
(vi)	San Tu Fang (2012) Zi Di 008797	190,088.82	27 September 2012	28 February 2045
(vii)	San Tu Fang (2012) Zi Di 008803	86,162.50	27 September 2012	28 February 2045
(viii)	San Tu Fang (2012) Zi Di 008806	84,212.80	27 September 2012	28 February 2045
(ix)	San Tu Fang (2012) Zi Di 008867	20,771.49	29 September 2012	1 February 2045
Total		491,174.03		

As advised by the Group, the property comprises a portion of the land parcels as stated in the Certificates of Real Estate Ownership mentioned above.

As advised by the Company, the property interest attributable to the Woo + Woo is 16%.

2. Pursuant to the Construction Works Planning Permit (Temporary) – [2014] No. 77 dated 20 May 2014, the approved construction scale of the property is approximately 19,429.24 sq.m. (excluding the renovated below-ground Totem Plaza with a total gross floor area of approximately 9,500.00 sq.m.).
3. Pursuant to the Utilization of Civil-defence Property During Peacetime Certificate – No. Sy-03-2008-011, the area of civil-defence is approximately 4,967.00 sq.m..
4. We have ascribed no commercial value to the land parcels of the property as mentioned in (ii) and (iii) of Note 1 as they cannot be freely transferrable in the market.
5. We have been provided with a legal opinion on the title to the property issued by the Company’s PRC legal adviser, which contains, inter alia, the following information:
- Yalong Development (Sanya) is the legal land user of the land of the property as mentioned in (i) and (iv) to (ix) of Note 1 and is entitled to occupy, use and receive earnings from the aforesaid land of the property within the residue of the land use term or the residue of the 40-year commercial, tourism and entertainment land use term commencing on the date of issue of relevant certificate, whichever is shorter;
 - the property is not deemed as idle land under PRC laws;
 - Yalong Development (Sanya) has no rights to develop the allocated land under Certificates of Real Estate Ownership – San Yu Fang (2012) Zi Di Nos. 11135 and 11159 prior to obtaining approval from relevant people’s government;
 - the land use rights of the property is free from any mortgages, ownership disputes, seizures or other judicial compulsory measures; and
 - Yalong Development (Sanya) has obtained the Utilization of Civil Air Defence Property During Peacetime Certificate and is the legal user of the civil defence property.
6. Following completion of the acquisition of 32.43% interest in Yalong Development (HK), the Company will have an attributable interest of approximately 51% in the property.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2014								
11.	Land Lot Nos. C-02 and C-03, Sanya Yalong Bay International Exhibition Centre Complex, Yefeng Road, Yalong Bay National Tourism & Resort Area, Jiyang Town, Sanya, Hainan Province, PRC	The property comprises two parcels of land with a total site area of approximately 224,382.09 sq.m.. Details of the land parcels as follows:	As at the date of valuation, the property was vacant.	RMB913,650,000 (13% interest attributable to Woo + Woo: RMB118,774,500)								
		<table border="1"> <thead> <tr> <th>Land</th> <th>Site Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>C-02</td> <td>197,511.98</td> </tr> <tr> <td>C-03</td> <td>26,870.11</td> </tr> <tr> <td>Total:</td> <td><u>224,382.09</u></td> </tr> </tbody> </table>	Land	Site Area (sq.m.)	C-02	197,511.98	C-03	26,870.11	Total:	<u>224,382.09</u>		
Land	Site Area (sq.m.)											
C-02	197,511.98											
C-03	26,870.11											
Total:	<u>224,382.09</u>											

The property is located within the Yalong Bay National Tourism & Resort Area of Sanya, Hainan Province. Developments in the vicinity are dominated by low-density resort-oriented developments. It takes about 25-minute drive to the city centre of Sanya and about 40-minute drive to the Sanya Fenghuang International Airport.

According to the development proposal provided by the Group, the property will be developed into a residential zone containing apartments, villas and exhibition centre. Upon completion, the property will have a maximum permitted gross floor area of approximately 89,402.00 sq.m..

The land use rights of the property have been granted for two concurrent terms expiring on 9 February 2053 and 9 February 2063 for accommodation and food & beverage (resort reception facilities land) and exhibition uses respectively.

Notes:

1. Pursuant to the State-owned Land Use Grant Contract dated 9 September 2012, the land use rights of a parcel of land with a site area of approximately 224,382.09 sq.m. have been granted to Sanya Hongxia Development & Construction Co., Ltd. (三亞虹霞開發建設有限公司) (“**Sanya Hongxia**”), an indirect owned subsidiary which has 27% effective interest attributable to the Company as at the date of valuation, for resort & vacation and exhibition uses at a land grant fee of RMB406,000,000.

As advised by the Company, the property interest attributable to Woo + Woo is 13%.

2. Pursuant to two Certificates of Real Estate Ownership – San Tu Fang (2012) Zi Di Nos. 009552 and 009551 both dated 19 December 2012, the land use right of the property with a total site area of 224,382.09 sq.m. have been granted to Sanya Hongxia for two concurrent terms expiring on 9 February 2053 and 9 February 2063 for accommodation and food & beverage (resort reception facilities land) and exhibition uses respectively.
3. We have been provided with a legal opinion on the title to the property issued by the Company’s PRC legal adviser, which contains, inter-alia, the following information:
 - i. Sanya Hongxia is the legal land user of the property and is entitled to occupy, use and receive earnings from the land of the property within the residue of the land use term;
 - ii. Sanya Hongxia has not obtained the construction works commencement permit of the property on the prescribed date of commencement as stipulated in the Contract for Grant of Land Use Rights (“**land grant contract**”), i.e. 9 May 2013. As per the land grant contract, a daily fine equivalent to 0.1% of the land grant premium under the land grant contract may be imposed on Sanya Hongxia for each day of the delay in commencement of construction works. In addition, if such delay exceeds one year, a surcharge on idle land equivalent to no more than 20% of the land grant premium may be levied. As advised by the Company, such delay was caused by the government authority’s adjustment of planning conditions, and the possibility of levying such administrative surcharge by government authority is believed to be minimum; and
 - iii. the land use rights of the property is free from any mortgages, ownership disputes, seizures or other judicial compulsory measures.
4. Following completion of the acquisition of 32.43% interest in Yalong Development (HK), the Company will have an attributable interest of approximately 41% in the property.

Group VI – Properties leased by the Group in the PRC

No.	Property	Description and tenancy details	Particulars of occupancy	Market value in existing state as at 30 June 2014
12.	Unit 2712, Nanyang Building, Binhai Avenue, Haikou, Hainan Province, PRC	<p>Nanyang Building (the “Building”) comprises a 29-storey commercial building. It was completed in 2000.</p> <p>The property comprises an office unit on Level 27 of the Building with a gross floor area of approximately 102.51 sq.m..</p> <p>The property is leased by Yalong Development Company Limited (三亞亞龍灣開發股份有限公司) (“Yalong Development (Sanya)”), an indirectly owned subsidiary which has 34% effective interest attributable to the Company, as at the date of valuation, from Hainan Haidao Construction Co., Ltd. (海南海島建設股份有限公司) (the “lessor”), an independent third party, for a term expiring on 31 March 2016.</p>	As at the date of valuation, the property was occupied by the Group for office use.	No commercial value

Notes:

1. The property is leased by Yalong Development (Sanya) from the lessor for a term commencing on 1 April 2014 and expiring on 31 March 2016 at a monthly rental of RMB2,530.00 (excluding management fee).
2. We have been provided with a legal opinion on the legality of the lease agreement to the property issued by the Company’s PRC legal adviser, which contains, inter-alia, the following information:
 - i. the lease is legally binding;
 - ii. Yalong Development (Sanya) has the rights to occupy and use the property during the term of the lease; and
 - iii. the lease has not been registered and the non-registration of the lease does not affect its validity.

No.	Property	Description and tenancy details	Particulars of occupancy	Market value in existing state as at 30 June 2014
13.	Various parcels of land located at the junction of Longtan Road and Binhai Road, Yalong Bay National Tourism & Resort Area, Jiyang Town, Yalong Bay, Sanya, Hainan Province, PRC	<p>The property comprises various parcels of land (including water areas and adjoining environment) with a total site area of approximately 286.67 mu (191,113.30 sq.m.).</p> <p>The property is leased by Yalong Development Company Limited (三亞亞龍灣開發股份有限公司) (“Yalong Development (Sanya)”), an indirectly owned subsidiary which has 34% effective interest attributable to the Company, as at the date of valuation, from Villagers Committee of Liupen Village, Jiyang Town, Sanya (三亞市吉陽鎮六盆村民委員會) (the “lessor”), an independent third party, for a term expiring on 30 April 2037.</p>	As at the date of valuation, the property was occupied by the Group for business operation use.	No commercial value

Notes:

1. The property is leased by Yalong Development (Sanya) from the lessor for a term commencing on 1 May 2012 and expiring on 30 April 2037 at a total rental of RMB1,600,000 for the entire period.
2. We have been provided with a legal opinion on the legality of the lease agreement to the property issued by the Company’s PRC legal adviser, which contains, inter-alia, the following information:
 - i. the lease is legally binding; and
 - ii. Yalong Development (Sanya) has the rights to occupy and use the property during the term of the lease.

A. 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 Group. 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.

B. DISCLOSURE OF INTERESTS

1. Interests of Directors

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which are (i) 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 he/she is taken or deemed to have under such provisions of the SFO); (ii) required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix 10 to the Listing Rules (the “**Model Code**”), to be notified to the Company and the Stock Exchange, were as follows:

Long Positions in the shares, underlying shares and debentures of the Company and its associated corporations

Name of Director/ Chief Executive	Company/ Name of associated corporation	Capacity	Number of issued ordinary shares held (Note 1)	Number of underlying shares held	Approximate percentage of the issued share capital (%)
Ma Jianping	China Foods Limited	Beneficial owner	-	920,000 (Note 2)	0.0329% (Note 4)
Han Shi	China Agri-Industries Holdings Limited	Beneficial owner	153,400	-	0.0029% (Note 5)
Ma Wangjun	China Agri-Industries Holdings Limited	Beneficial owner	-	583,000 (Note 3)	0.0111% (Note 5)
Lam Kin Ming, Lawrence	The Company	Beneficial owner	6,000	-	0.00006% (Note 6)

Notes:

- Long positions in the shares of the Company or its associated corporations, other than equity derivatives such as share options, warrants or convertible bonds.
- Long positions in the underlying shares of China Foods Limited under share options granted to Mr. Ma Jianping pursuant to the share option scheme of China Foods Limited.

3. Long positions in the underlying shares of China Agri-Industries Holdings Limited under share options granted to Mr. Ma Wangjun pursuant to the share option scheme of China Agri-Industries Holdings Limited.
4. The percentage (rounded to four decimal places) was calculated based on the total number of shares of China Foods Limited in issue as at the Latest Practicable Date, i.e. 2,797,223,396 shares.
5. The percentages (rounded to four decimal places) were calculated based on the total number of shares of China Agri-Industries Holdings Limited in issue as at the Latest Practicable Date, i.e. 5,249,880,788 shares.
6. The percentage (rounded to five decimal places) was calculated based on the total number of Shares in issue as at the Latest Practicable Date, i.e. 9,487,416,572 Shares.

Save for those disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are (i) 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 he/she is taken or was deemed to have under such provisions of the SFO); (ii) required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

2. Interests of substantial shareholders

So far as it is known to the Directors of the Company, as at the Latest Practicable Date, the following persons (not being a Director or chief executive of the Company) had an interest or short position in the Shares or the underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Long position(s) in the Shares and underlying shares of the Company

Name of Shareholder	Capacity	Number of Shares/CPS (Note 1)	Approximate percentage of the Company's issued share capital (%)
Achieve Bloom	Beneficial owner	6,359,043,360 Shares (Note 2)	67.03% (Note 3)
		1,095,300,778 CPS (Note 4)	100% (Note 5)
COFCO (HK)	Interest of controlled corporation	6,359,043,360 Shares (Note 6)	67.03% (Note 3)
		1,095,300,778 CPS (Note 6)	100% (Note 5)
COFCO Corporation	Interest of controlled corporation	6,359,043,360 Shares (Note 7)	67.03% (Note 3)
		1,095,300,778 CPS (Note 7)	100% (Note 5)
GIC Private Limited	Investment manager	775,000,000 Shares (Note 8)	8.17% (Note 3)
Grow Wealth	Beneficial owner	509,460,864 Shares (Note 9)	5.37% (Note 3)
KWAI Kui Man	Interest of controlled corporation	509,460,864 Shares	5.37% (Note 3)
Woo + Woo	Beneficial owner	499,223,228 Shares (Note 10)	5.26% (Note 3)
WOO YEUNG Ming Lau	Interest of controlled corporation	499,223,228 Shares	5.26% (Note 3)

Notes:

1. Long position in the Shares and underlying shares of the Company.
2. 6,359,043,360 Shares were held by Achieve Bloom directly as beneficial owner as at the Latest Practicable Date.
3. The percentages (rounded to two decimal places) were calculated based on the total number of Shares in issue as at the Latest Practicable Date, i.e. 9,487,416,572 Shares, and assuming that 1,095,300,778 CPS were not fully converted into 1,095,300,778 Shares.
4. 1,095,300,778 CPS were held by Achieve Bloom directly as beneficial owner as at the Latest Practicable Date.
5. The percentages were calculated based on the total number of CPS in issue as at the Latest Practicable Date, i.e. 1,095,300,778 CPS.
6. COFCO (HK), through its wholly owned subsidiary, Achieve Bloom, was deemed to be interested in the Shares and CPS held by Achieve Bloom.
7. COFCO Corporation, through its wholly owned subsidiary, COFCO (HK), was deemed to be interested in the Shares and CPS held by Achieve Bloom.
8. 775,000,000 Shares were held by GIC Private Limited as investment manager as at the Latest Practicable Date.
9. 509,460,864 Shares were held by Grow Wealth as beneficial owner as at the Latest Practicable Date.
10. 499,223,228 Shares were held by Woo + Woo as beneficial owner as at the Latest Practicable Date.

As shown in the table above, Achieve Bloom and COFCO Corporation are companies with interests which fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO. As at the Latest Practicable Date, Mr. Ma Jianping, Mr. Ma Wangjun, Mr. Zhou Zheng and Mr. Han Shi were directors of Achieve Bloom, while Ms. Jiang Hua was a director of COFCO Corporation.

Save as disclosed above, the Directors of the Company were not aware, as at the Latest Practicable Date, of any person (not being a Director or chief executive of the Company) who had an interest (or long position in the Shares or underlying shares) which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

C. DIRECTORS' SERVICE CONTRACTS

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

D. DIRECTORS' INTERESTS IN ASSETS OR CONTRACTS OR ARRANGEMENT

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have since 31 December 2013, being the date to which the latest published audited consolidated financial statements of the Group were made up, been acquired or disposed of by, or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors were materially interested, directly or indirectly, in any subsisting contract or arrangement entered into by any member of the Group which was significant in relation to the business of the Group.

E. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective associates was interested in any business, apart from the business of the Group, which competed or was likely to compete, either directly or indirectly, with that of the Group.

F. EXPERT'S CONSENT AND QUALIFICATIONS

Each of Somerley, Savills and Haiwen & Partners had given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter(s), report(s), opinion(s) and/or valuation certificate(s) and the references to their names included herein in the form and context in which it is respectively included.

The following are the qualifications of the experts who have given opinions or advices which are contained in this circular:

Name	Qualifications
Somerley	a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities as defined under the SFO
Savills	independent property valuer
Haiwen & Partners	PRC legal counsel

Each of Somerley, Savills and Haiwen & Partners confirmed that as at the Latest Practicable Date, it did not have any beneficial shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did it have any direct or indirect interests in any assets which have since 31 December 2013 (being the date to which the latest published audited consolidated financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

G. MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, save as disclosed in the profit warning announcement issued by the Company and dated 25 June 2014 which provides that the Group is expected to record a significant decline in profit for the six months ended 30 June 2014 as compared to that for the corresponding period in the previous year mainly due to the expected lesser increase in the fair value of the Group's investment properties at the relevant time, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2013, being the date to which the latest audited consolidated financial statements of the Group were made up.

H. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours, Monday to Friday (other than public holidays) at the principal place of business of the Company at 33/F, Top Glory Tower, 262 Gloucester Road, Causeway Bay, Hong Kong from the date of this circular up to and including 5 September 2014:

- (a) the Acquisition Agreements;
- (b) the letter of recommendation from the Independent Board Committee, the text of which is set out on page 24 of this circular;
- (c) the letter from Somerley, the text of which is set out on pages 25 to 51 of this circular;
- (d) the property valuation reports from Savills, the texts of which are set out in Appendix IA and Appendix IB to this circular;
- (e) the PRC legal opinions from Haiwen & Partners;
- (f) the consent letters referred to in the paragraph headed "Expert's consent and qualifications" in this Appendix; and
- (g) this circular.

I. MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text, in the event of inconsistency.