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If you have sold or transferred all your shares in **NEW WORLD CHINA LAND LIMITED**, you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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New World China Land Limited
新世界中國地產有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 917)

MAJOR TRANSACTION

IN RELATION TO THE DISPOSALS

A letter from the Board is set out on pages 10 to 25 of this circular.

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DEFINITIONS

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

“affiliates”	a party is an affiliate of another party if it has the ability to control, jointly control or exercise significant influence over the other party in making financial or operation decisions. Parties are also considered to be affiliates if they are subject to common control, joint control or significant influence
“Announcement”	the announcement of the Company dated 2 December 2015 in relation to the Disposals
“Board”	the board of directors of the Company
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Company”	New World China Land Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 917)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration Adjustment”	adjustment which may have to be made to the Huiyang Consideration, Haikou Consideration and Wuhan Consideration, respectively, in accordance with the increase or decrease in the net assets of the Huiyang Targets Group, the Haikou Target Group and attributable net assets of the Wuhan Target Group, respectively as at the Huiyang Completion Date, the Haikou Completion Date and the Wuhan Completion Date, respectively, as compared with the figures as at 30 September 2015
“Director(s)”	the director(s) of the Company
“Disposals”	all or any of the Wuhan Disposal, Huiyang Disposal and Haikou Disposal, as the case may be
“Dragon Fortune”	Dragon Fortune Limited, a limited liability company incorporated in the British Virgin Islands
“Dragon Fortune Group”	Dragon Fortune, its subsidiaries and associated company

DEFINITIONS

“Dragon Joy”	Dragon Joy (China) Limited (龍悦(中國)有限公司), a company incorporated in Hong Kong with limited liability, and a wholly-owned subsidiary of the Vendor as at the date of the Huiyang Sale and Purchase Agreement
“Dragon Joy Sale Share”	the one ordinary share in the share capital of Dragon Joy, representing the entire issued share capital of Dragon Joy
“Evergrande”	Evergrande Real Estate Group Limited (Stock Code: 3333), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange, being the ultimate holding company of the Purchaser
“Exchange Rate”	the mid-point rate of exchange for RMB into HKD as quoted by Bank of China (Hong Kong) Limited on the day immediately preceding the relevant date of payment
“GFA”	gross floor area
“Group”	the Company and its subsidiaries as at the Latest Practicable Date
“Haikou Cheque”	the bank cheque in the amount of RMB2,000 million (or its equivalent amount in HKD calculated based on the mid-point rate of exchange for RMB into HKD as quoted by Bank of China (Hong Kong) Limited on the day immediately preceding the date of issuance of such cheque) dated 5 January 2016 and drawn on the Purchaser’s bank account
“Haikou Completion”	the completion of the sale and purchase of the Haikou Sale Share and Haikou Subject Loan
“Haikou Completion Date”	5 January 2016 (or such other date as shall be agreed between the Vendor and the Purchaser)
“Haikou Conditions Precedent”	the conditions precedent for the Haikou Disposal specified in the Haikou Sale and Purchase Agreement
“Haikou Consideration”	the aggregate consideration for the Haikou Sale Share and Haikou Subject Loan
“Haikou Disposal”	the disposal of the Haikou Sale Share and Haikou Subject Loan by the Vendor to the Purchaser pursuant to the terms and conditions of the Haikou Sale and Purchase Agreement

DEFINITIONS

“Haikou First Instalment”	RMB2,000 million (equivalent to approximately HK\$2,424.2 million), representing the first instalment of the Haikou Consideration
“Haikou Guarantee”	the deed of guarantee dated 2 December 2015 provided by Evergrande in favour of the Vendor to guarantee the performance of the Purchaser’s obligations under the Haikou Sale and Purchase Agreement
“Haikou Longstop Date”	two months from the date of the Haikou Sale and Purchase Agreement, ending on 2 February 2016
“Haikou Project”	the Haikou New World • Meilisha project developed by NWCL Haikou, further details of which are set out under “Information on the Parties” in the Letter from the Board
“Haikou Sale and Purchase Agreement”	the sale and purchase agreement dated 2 December 2015 entered into between the Purchaser and the Vendor in relation to the Haikou Disposal
“Haikou Sale Share”	the one ordinary share of US\$1.00 each in the share capital of Haikou Target, representing the entire issued share capital of Haikou Target
“Haikou Share Charge”	the deed of share charge in form and substance acceptable to the Vendor to be executed and delivered by the Purchaser on the Haikou Completion pursuant to which the Purchaser shall charge the entire issued share capital of the Haikou Target held or to be held by it to the Vendor as security for full settlement of the Haikou Consideration
“Haikou Structure”	the structure of the Haikou Target to be achieved before the Haikou Completion such that the Haikou Target shall indirectly hold the entire equity interest of NWCL Haikou
“Haikou Subject Loan”	the amount of HK\$5,556,800,870 repayable by the Haikou Target to the Vendor and its affiliates as at the date of the Haikou Sale and Purchase Agreement and the Haikou Completion Date
“Haikou Target”	Best Wealth Investments Limited (佳裕投資有限公司), a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of the Vendor as at the date of the Haikou Sale and Purchase Agreement

DEFINITIONS

“Haikou Target Group”	the Haikou Target, Rise Gain Development and NWCL Haikou
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Huiyang Cheque”	the bank cheque in the amount of RMB150 million (or its equivalent amount in HKD calculated based on the mid-point rate of exchange for RMB into HKD as quoted by Bank of China (Hong Kong) Limited on the day immediately preceding the date of issuance of such cheque) dated 5 January 2016 and drawn on the Purchaser’s bank account
“Huiyang Completion”	the completion of the sale and purchase of the Huiyang Sale Shares and the Huiyang Subject Loans
“Huiyang Completion Date”	5 January 2016 (or such other date as shall be agreed between the Vendor and the Purchaser)
“Huiyang Conditions Precedent”	the conditions precedent for the Huiyang Disposal specified in the Huiyang Sale and Purchase Agreement
“Huiyang Consideration”	the aggregate consideration for the Huiyang Sale Shares and the Huiyang Subject Loans
“Huiyang Disposal”	the disposal of the Huiyang Sale Shares and the Huiyang Subject Loans by the Vendor to the Purchaser pursuant to the terms and conditions of the Huiyang Sale and Purchase Agreement
“Huiyang First Instalment”	RMB150 million (equivalent to approximately HK\$181.8 million), representing the first instalment of the Huiyang Consideration
“Huiyang Guarantee”	the deed of guarantee dated 2 December 2015 provided by Evergrande in favour of the Vendor to guarantee the performance of the Purchaser’s obligations under the Huiyang Sale and Purchase Agreement
“Huiyang Longstop Date”	two months from the date of the Huiyang Sale and Purchase Agreement, ending on 2 February 2016
“Huiyang Projects”	primarily the Palm Island Resort project developed by the Dragon Fortune Group, further details of which are set out under “Information on the Parties” in the Letter from the Board

DEFINITIONS

“Huiyang Sale and Purchase Agreement”	the sale and purchase agreement dated 2 December 2015 entered into between the Purchaser and the Vendor in relation to the Huiyang Disposal
“Huiyang Sale Shares”	the Dragon Joy Sale Share, the Superb Capital Sale Share and the White Heron Sale Share
“Huiyang Share Charge”	the deed of share charge in form and substance acceptable to the Vendor to be executed and delivered by the Purchaser on the Huiyang Completion pursuant to which the Purchaser shall charge the entire issued share capital of the Huiyang Targets held or to be held by it to the Vendor as security for the full settlement of the Huiyang Consideration
“Huiyang Subject Loans”	the aggregate amount of HK\$1,080,509,125 repayable by the Huiyang Targets to the Vendor and its affiliates as at the date of the Huiyang Sale and Purchase Agreement and the Huiyang Completion Date
“Huiyang Targets”	Dragon Joy, White Heron and Superb Capital
“Huiyang Targets Group”	the Huiyang Targets, its subsidiaries and associated company (including but not limited to the Dragon Fortune Group) as listed in the Huiyang Sale and Purchase Agreement
“independent third party(ies)”	a third party independent of and not connected with the Company and its connected persons
“Knight Frank”	Knight Frank Petty Limited, a firm of qualified valuer, and an independent third party
“Latest Practicable Date”	18 December 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“NWCL Haikou”	New World China Land (Haikou) Limited* (新世界中國地產(海口)有限公司), a company established in the PRC with limited liability, a wholly-owned subsidiary of Rise Gain Development after the Haikou Structure has been achieved

DEFINITIONS

“NWD”	New World Development Company Limited (新世界發展有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 17), and the holding company of the Company
“Palm Island Resort”	a golf course and residential development at No. 1 Tuhu Golf Road, Danshui Town, Huiyang, Huizhou, Guangdong Province, the PRC
“Parties”	the parties to the Sale and Purchase Agreements, being the Vendor and the Purchaser, and a “Party” shall refer to either the Vendor or the Purchaser, as the case may be
“PRC”	the People’s Republic of China, and for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Shengyu (BVI) Limited, a company incorporated in British Virgin Islands with limited liability, which is an indirect wholly-owned subsidiary of Evergrande
“Rise Gain Development”	Rise Gain Development Limited (昇益發展有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Haikou Target
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreements”	the Wuhan Sale and Purchase Agreement, the Huiyang Sale and Purchase Agreement and the Haikou Sale and Purchase Agreement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shares”	ordinary shares of HK\$0.10 each in the issued share capital of the Company
“Shareholders”	the registered holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“sq m”	square meter(s)
“subsidiary”	has the meaning ascribed to it under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)

DEFINITIONS

“Superb Capital”	Superb Capital Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability, and a wholly-owned subsidiary of the Vendor as at the date of the Huiyang Sale and Purchase Agreement
“Superb Capital Sale Share”	the one ordinary share of US\$1.00 each in the share capital of Superb Capital, representing the entire issued share capital of Superb Capital
“Targets”	Haikou Target, Huiyang Targets and Wuhan Target
“Vendor”	New World Development (China) Limited (新世界發展(中國)有限公司), a company incorporated in Hong Kong with limited liability, which holds the entire issued share capitals of the Targets as at the date of the Sale and Purchase Agreements, and a wholly-owned subsidiary of the Company
“White Heron”	White Heron Limited, a company incorporated in the British Virgin Islands with limited liability, and a wholly-owned subsidiary of the Vendor as at the date of the Huiyang Sale and Purchase Agreement
“White Heron Sale Share”	the one ordinary share of US\$1.00 each in the share capital of White Heron, representing the entire issued share capital of White Heron
“Wuhan Bank Charge”	the charge over the entire issued share capital of the Wuhan Target and three other wholly-owned subsidiaries of the Vendor, granted by the Vendor in favour of a licensed bank in Hong Kong pursuant to certain charge over shares entered into between the Vendor and the bank in 2011 and 2014
“Wuhan Cheque”	the bank cheque in the amount of RMB1,000 million (or its equivalent amount in HKD calculated based on the mid-point rate of exchange for RMB into HKD as quoted by Bank of China (Hong Kong) Limited on the day immediately preceding the date of issuance of such cheque) dated 5 January 2016 and drawn on the Purchaser’s bank account
“Wuhan Completion”	the completion of the sale and purchase of the Wuhan Sale Share and the Wuhan Subject Loan
“Wuhan Completion Date”	5 January 2016 (or such other date as shall be agreed between the Vendor and the Purchaser)

DEFINITIONS

“Wuhan Conditions Precedent”	the conditions precedent for the Wuhan Disposal specified in the Wuhan Sale and Purchase Agreement
“Wuhan Consideration”	the aggregate consideration for the Wuhan Sale Share and the Wuhan Subject Loan
“Wuhan Disposal”	the disposal of the Wuhan Sale Share and the Wuhan Subject Loan by the Vendor to the Purchaser pursuant to the terms and conditions of the Wuhan Sale and Purchase Agreement
“Wuhan First Instalment”	RMB1,000 million (equivalent to approximately HK\$1,212.1 million), representing the first instalment of the Wuhan Consideration
“Wuhan Guarantee”	the deed of guarantee dated 2 December 2015 provided by Evergrande in favour of the Vendor to guarantee the performance of the Purchaser’s obligations under the Wuhan Sale and Purchase Agreement
“Wuhan Longstop Date”	two months from the date of the Wuhan Sale and Purchase Agreement, ending on 2 February 2016
“Wuhan New World”	Wuhan New World Housing Development Limited* (武漢新世界康居發展有限公司), a co-operative joint venture company incorporated in the PRC and which is owned as to 60% by Wuhan Target and 40% by an independent third party
“Wuhan Projects”	the housing projects known as Wuhan Changqing Garden, Wuhan Changqing Nanyuan and Wuhan Xinhua Garden developed by Wuhan New World, further details of which are set out under “Information on the Parties” in the Letter from the Board
“Wuhan Sale and Purchase Agreement”	the sale and purchase agreement dated 2 December 2015 entered into between the Purchaser and the Vendor in relation to the Wuhan Disposal
“Wuhan Sale Share”	the one ordinary share of US\$1.00 each in the share capital of the Wuhan Target, representing the entire issued share capital of the Wuhan Target

DEFINITIONS

“Wuhan Share Charge”	the deed of share charge in form and substance acceptable to the Vendor to be executed and delivered by the Purchaser on the Wuhan Completion pursuant to which the Purchaser shall charge the entire issued share capital of the Wuhan Target held or to be held by it to the Vendor as security for the full settlement of the Wuhan Consideration
“Wuhan Subject Loan”	the amount of HK\$116,414,182 repayable by the Wuhan Target to the Vendor and its affiliates (if any) as at the date of the Wuhan Sale and Purchase Agreement and the Wuhan Completion Date
“Wuhan Target”	Hinto Developments Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of the Vendor as at the date of the Wuhan Sale and Purchase Agreement
“Wuhan Target Group”	the Wuhan Target and Wuhan New World
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	percent

* *For identification purpose*

For the purpose of this circular, HK\$1.00 is equivalent to RMB0.825.

LETTER FROM THE BOARD



New World China Land Limited
新世界中國地產有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 917)

Executive Directors:

Dr. Cheng Kar-shun, Henry *GBS*
(Chairman and Managing Director)
Mr. Cheng Kar-shing, Peter
Dr. Cheng Chi-kong, Adrian
Ms. Cheng Chi-man, Sonia
Mr. Cheng Chi-him, Conrad
Mr. Fong Shing-kwong, Michael
Ms. Ngan Man-ying, Lynda

Independent non-executive Directors:

Dr. Cheng Wai-chee, Christopher *GBS OBE JP*
Hon. Tien Pei-chun, James *GBS JP*
Mr. Lee Luen-wai, John *BBS JP*
Mr. Ip Yuk-keung, Albert

Registered Office:

P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

*Principal place of business
in Hong Kong:*

9th Floor, New World Tower 1
18 Queen's Road Central
Hong Kong

23 December 2015

*To the Shareholders and for information purpose only,
the holders of the outstanding options of the Company*

Dear Sir/Madam,

**MAJOR TRANSACTION
IN RELATION TO THE DISPOSALS**

INTRODUCTION

The Board refers to the Announcement.

On 2 December 2015, the Vendor, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreements for an aggregate consideration of RMB13,500 million (equivalent to approximately HK\$16,363.6 million) (subject to Consideration Adjustment) with the Purchaser, a wholly-owned subsidiary of Evergrande, in respect of the Disposals.

The purposes of this circular are to provide you with, among other things: (i) further information regarding the Disposals; and (ii) other information as required by the Listing Rules.

LETTER FROM THE BOARD

THE DISPOSALS

THE WUHAN SALE AND PURCHASE AGREEMENT

Date

2 December 2015

Parties

- (a) New World Development (China) Limited, as the Vendor; and
- (b) Shengyu (BVI) Limited, as the Purchaser.

Assets to be disposed of

The Wuhan Sale Share and the Wuhan Subject Loan shall be transferred to the Purchaser together with all rights and benefits accrued thereto as at the Wuhan Completion Date.

Wuhan Consideration

The Wuhan Consideration amounts to RMB3,800 million (equivalent to approximately HK\$4,606.1 million) (subject to Consideration Adjustment) and shall be paid by the Purchaser to the Vendor in cash in the following manner:

- (a) RMB1,000 million (equivalent to approximately HK\$1,212.1 million) is payable on the Wuhan Completion Date;
- (b) RMB700 million (equivalent to approximately HK\$848.5 million) is payable within six months after the Wuhan Completion (or any other date as agreed by the Vendor and the Purchaser in writing);
- (c) RMB700 million (equivalent to approximately HK\$848.5 million) is payable within twelve months after the Wuhan Completion (or any other date as agreed by the Vendor and the Purchaser in writing);
- (d) RMB700 million (equivalent to approximately HK\$848.5 million) is payable within eighteen months after the Wuhan Completion (or any other date as agreed by the Vendor and the Purchaser in writing); and
- (e) RMB700 million (equivalent to approximately HK\$848.5 million) is payable within twenty four months after the Wuhan Completion (or any other date as agreed by the Vendor and the Purchaser in writing).

LETTER FROM THE BOARD

Within three business days from the date of signing the Wuhan Sale and Purchase Agreement (or any other date as agreed by the Vendor and the Purchaser in writing), the Purchaser shall deliver the Wuhan Cheque for the Wuhan First Instalment to the Vendor's solicitor to be held in escrow which shall be delivered to and drawn by the Vendor on the Wuhan Completion Date. Any difference between the equivalent amount in HKD of the Wuhan First Instalment based on the mid-point rate of exchange for RMB into HKD as quoted by Bank of China (Hong Kong) Limited on the date prior to the Wuhan Completion Date and the amount on the Wuhan Cheque shall be made up or refunded by the relevant Party as appropriate. As at the Latest Practicable Date, the Wuhan Cheque had been delivered and was being held in escrow by the Vendor's solicitor.

If the Wuhan Completion is postponed in accordance with the Wuhan Sale and Purchase Agreement, or the Wuhan Completion cannot take place on 5 January 2016 for reasons caused by the Vendor, the Wuhan Cheque shall become invalid and shall be returned to the Purchaser who shall issue another bank cheque for the Wuhan First Instalment on the postponed Wuhan Completion Date.

The payment of any part of the Wuhan Consideration in the PRC shall be made in RMB and the payment of the other parts of the Wuhan Consideration may be made in Hong Kong in RMB or its equivalent amount in HKD determined based on the Exchange Rate.

If the Purchaser has not performed or fails to perform its obligations (including but not limited to not performing or failure to perform wholly) to pay the Wuhan Consideration, it shall, at the expiry of a 10-day grace period, pay the Vendor an overdue charge on the relevant overdue amount of the Wuhan Consideration calculated at a rate of 30% per annum (determined based on commercial negotiation between the Parties with emphasis on the deterrent effect of a high default rate) accrued on a daily basis, unless and until the relevant overdue amount of the Wuhan Consideration has been fully paid.

Basis of the Wuhan Consideration

The Wuhan Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor by reference to (i) the valuation of the Wuhan Projects amounting to RMB2,000,604,000 as at 30 June 2015 performed by Knight Frank; (ii) improvement in market conditions from July to November 2015; (iii) attributable underlying net asset value of the Wuhan Target Group (other than its properties held) as at 31 October 2015; and (iv) the carrying interest cost in respect of the settlement of the Wuhan Consideration by instalments. The Wuhan Consideration represented a premium of approximately 354% over the consolidated attributable net assets value of the Wuhan Target Group as at 30 June 2015.

LETTER FROM THE BOARD

Security

As security for the full settlement of the Wuhan Consideration, Evergrande had on the date of the Wuhan Sale and Purchase Agreement executed and delivered the Wuhan Guarantee to the Vendor to guarantee the performance of the Purchaser's obligations under the Wuhan Sale and Purchase Agreement. In addition, the Purchaser agrees to execute and deliver the Wuhan Share Charge to the Vendor at the Wuhan Completion.

Wuhan Conditions Precedent

The Wuhan Completion is subject to the following the Wuhan Conditions Precedent being fulfilled and/or waived (as the case may be):

- (a) all approvals and consents of the respective board of directors of the Vendor, the Company and NWD having been obtained. If required by the Listing Rules or the Stock Exchange, the Company and/or NWD shall, pursuant to the Listing Rules, pass all necessary shareholder's resolutions (in the form of written approval from shareholders or by passing an ordinary resolution at a general meeting (if such written approval is not obtained)) to approve the Wuhan Sale and Purchase Agreement and the transactions contemplated thereunder, comply with the relevant announcement requirements under the Listing Rules, and obtain all other necessary approvals or waivers as required (if applicable);
- (b) the Vendor shall obtain all necessary approvals required to be obtained from third parties (including the consent of certain lender banks of Wuhan New World) in relation to the transaction contemplated under the Wuhan Sale and Purchase Agreement (if necessary);
- (c) the Wuhan Bank Charge in respect of the Wuhan Target having been discharged;
- (d) all approvals and consents of the respective board of directors of the Purchaser and Evergrande having been obtained. If required by the Listing Rules or the Stock Exchange, the ultimate holding company of the Purchaser, i.e. Evergrande, shall, pursuant to the Listing Rules, pass all necessary shareholder's resolutions (in the form of written approval from shareholders or by passing an ordinary resolution at a general meeting (if such written approval is not obtained)) to approve the Wuhan Sale and Purchase Agreement and the transactions contemplated thereunder, comply with the relevant announcement requirements under the Listing Rules, and obtain all other necessary approvals or waivers as required (if applicable); and
- (e) the Purchaser shall obtain all necessary approvals required to be obtained from third parties in relation to the transaction contemplated under the Wuhan Sale and Purchase Agreement (if necessary).

LETTER FROM THE BOARD

The Vendor and the Purchaser shall use their best endeavours to procure that the Wuhan Conditions Precedent for which they are responsible are fulfilled. The Purchaser may waive all or any of the Wuhan Conditions Precedent set out in paragraphs (b) and (c) above and the Vendor may waive the Wuhan Condition Precedent set out in paragraph (e) above, to the extent permitted by law, by written notice to the other Party any time before the Wuhan Completion.

If any of the Wuhan Conditions Precedent is not fulfilled or waived on or before the Wuhan Completion Date, the Vendor and the Purchaser may extend the Wuhan Completion Date to the date when the Wuhan Conditions Precedent are fulfilled, but in any event shall not be later than the Wuhan Longstop Date.

If any of the Wuhan Conditions Precedent is not fulfilled or waived on or before the Wuhan Longstop Date, the Wuhan Sale and Purchase Agreement shall forthwith cease and terminate and neither Party shall have any claim against the other Party, save as to any antecedent breach.

Termination

The Wuhan Sale and Purchase Agreement shall be terminated under the following circumstances:

- (a) the performance of the Wuhan Sale and Purchase Agreement having been completed;
- (b) if required under applicable law;
- (c) the Wuhan Sale and Purchase Agreement not being capable of performance for more than three months as a result of a force majeure event and the Parties having agreed in writing to terminate the Wuhan Sale and Purchase Agreement; or
- (d) the Wuhan Conditions Precedent not having been fulfilled or waived.

Wuhan Completion

The Wuhan Completion shall take place on Wuhan Completion Date. Upon the Wuhan Completion, the Wuhan Target will cease to be a wholly-owned subsidiary of the Vendor and Wuhan New World will cease to be a joint venture of the Group.

FINANCIAL EFFECT OF THE WUHAN DISPOSAL

After the Wuhan Completion, the Wuhan Target will cease to be a subsidiary of the Company and Wuhan New World will cease to be a joint venture of the Group.

The estimated indicative net gain arising from the Wuhan Disposal is expected to be approximately HK\$2,900 million for the Company, and such gain has been determined by reference to the difference between the Wuhan Consideration and the audited consolidated net asset value of the Vendor's attributable interest in the Wuhan Target Group amounting to approximately HK\$1,043 million as at 30 June 2015 and taking into account the estimated tax payable, being the

LETTER FROM THE BOARD

difference between the Wuhan Consideration and the Group's cost of investment in Wuhan New World at 10% in accordance with the relevant tax laws in the PRC. The consolidated net asset value of the Group is expected to increase accordingly. The actual gain to be recorded can only be ascertained when the attributable consolidated net asset value of the Wuhan Target Group and the incidental transaction costs are determined upon the Wuhan Completion.

THE HUIYANG SALE AND PURCHASE AGREEMENT

Date

2 December 2015

Parties

- (a) New World Development (China) Limited, as the Vendor; and
- (b) Shengyu (BVI) Limited, as the Purchaser.

Assets to be disposed of

The Huiyang Sale Shares and the Huiyang Subject Loans shall be transferred to the Purchaser with all rights and benefits accrued thereto as at the Huiyang Completion Date.

Huiyang Consideration

The Huiyang Consideration amounts to RMB1,100 million (equivalent to approximately HK\$1,333.3 million) (subject to Consideration Adjustment) and shall be paid by the Purchaser to the Vendor in cash in the following manner:

- (a) RMB150 million (equivalent to approximately HK\$181.8 million) is payable on the Huiyang Completion Date;
- (b) RMB200 million (equivalent to approximately HK\$242.4 million) is payable within six months after the Huiyang Completion (or any other date as agreed by the Vendor and the Purchaser in writing);
- (c) RMB200 million (equivalent to approximately HK\$242.4 million) is payable within twelve months after the Huiyang Completion (or any other date as agreed by the Vendor and the Purchaser in writing);
- (d) RMB200 million (equivalent to approximately HK\$242.4 million) is payable within eighteen months after the Huiyang Completion (or any other date as agreed by the Vendor and the Purchaser in writing); and
- (e) RMB350 million (equivalent to approximately HK\$424.3 million) is payable within twenty four months after the Huiyang Completion (or any other date as agreed by the Vendor and the Purchaser in writing).

LETTER FROM THE BOARD

Within three business days from the date of signing the Huiyang Sale and Purchase Agreement (or any other date as agreed by the Vendor and the Purchaser in writing), the Purchaser shall deliver the Huiyang Cheque for the Huiyang First Instalment to the Vendor's solicitor to be held in escrow which shall be delivered to and drawn by the Vendor on the Huiyang Completion Date. Any difference between the equivalent amount in HKD of the Huiyang First Instalment based on the mid-point rate of exchange for RMB into HKD as quoted by Bank of China (Hong Kong) Limited on the date prior to the Huiyang Completion Date and the amount on the Huiyang Cheque shall be made up or refunded by the relevant Party as appropriate. As at the Latest Practicable Date, the Huiyang Cheque had been delivered and was being held in escrow by the Vendor's solicitor.

If the Huiyang Completion is postponed in accordance with the Huiyang Sale and Purchase Agreement, or the Huiyang Completion cannot take place on 5 January 2016 for reasons caused by the Vendor, the Huiyang Cheque shall become invalid and shall be returned to the Purchaser who shall issue another bank cheque for the Huiyang First Instalment on the postponed Huiyang Completion Date.

The payment of any part of the Huiyang Consideration in the PRC shall be made in RMB and the payment of the other parts of the Huiyang Consideration may be made in Hong Kong in RMB or its equivalent amount in HKD determined based on the Exchange Rate.

If the Purchaser has not performed or fails to perform its obligations (including but not limited to not performing or failure to perform wholly) to pay the Huiyang Consideration, it shall, at the expiry of a 10-day grace period, pay the Vendor an overdue charge on the relevant overdue amount of the Huiyang Consideration calculated at a rate of 30% per annum (determined based on commercial negotiation between the Parties with emphasis on the deterrent effect of a high default rate) accrued on a daily basis, unless and until the relevant overdue amount of the Huiyang Consideration has been fully paid.

Basis of the Huiyang Consideration

The Huiyang Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor by reference to (i) the valuation of the Huiyang Projects amounting to RMB1,142,000,000 as at 30 June 2015 performed by Knight Frank; (ii) improvement in market conditions from July to November 2015; (iii) underlying net asset value of the Huiyang Targets Group (other than its properties held) as at 31 October 2015; and (iv) the carrying interest cost in respect of the settlement of the Huiyang Consideration by instalments. The Huiyang Consideration represented a premium of approximately 20% over the consolidated net assets value of the Huiyang Targets Group as at 30 June 2015.

LETTER FROM THE BOARD

Security

As security for the full settlement of the Huiyang Consideration, Evergrande had on the date of the Huiyang Sale and Purchase Agreement executed and delivered the Huiyang Guarantee to the Vendor to guarantee the performance of the Purchaser's obligations under the Huiyang Sale and Purchase Agreement. In addition, the Purchaser agrees to execute and deliver the Huiyang Share Charge to the Vendor at the Huiyang Completion.

Huiyang Conditions Precedent

The Huiyang Completion is subject to, among others, the following Huiyang Conditions Precedent being fulfilled and/or waived (as the case may be):

- (a) all approvals and consents of the respective board of directors of the Vendor, the Company and NWD having been obtained. If required by the Listing Rules or the Stock Exchange, the Company and/or NWD shall, pursuant to the Listing Rules, pass all necessary shareholder's resolutions (in the form of written approval from shareholders or by passing an ordinary resolution at a general meeting (if such written approval is not obtained)) to approve the Huiyang Sale and Purchase Agreement and the transactions contemplated thereunder, comply with the relevant announcement requirements under the Listing Rules, and obtain all other necessary approvals or waivers as required (if applicable);
- (b) the Vendor shall obtain all necessary approvals required to be obtained from third parties (including the consent of certain lender banks of certain subsidiaries of the Dragon Fortune Group) in relation to the transaction contemplated under the Huiyang Sale and Purchase Agreement (if necessary);
- (c) all approvals and consents of the respective board of directors of the Purchaser and Evergrande having been obtained. If required by the Listing Rules or the Stock Exchange, the ultimate holding company of the Purchaser, i.e. Evergrande, shall, pursuant to the Listing Rules, pass all necessary shareholder's resolutions (in the form of written approval from shareholders or by passing an ordinary resolution at a general meeting (if such written approval is not obtained)) to approve the Huiyang Sale and Purchase Agreement and the transactions contemplated thereunder, comply with the relevant announcement requirements under the Listing Rules, and obtain all other necessary approvals or waivers as required (if applicable); and
- (d) the Purchaser shall obtain all necessary approvals required to be obtained from third parties in relation to the transaction contemplated under the Huiyang Sale and Purchase Agreement (if necessary).

LETTER FROM THE BOARD

The Vendor and the Purchaser shall use their best endeavours to procure that the Huiyang Conditions Precedent for which they are responsible are fulfilled. Each of the Vendor and the Purchaser has the right to waive certain of the Huiyang Conditions Precedent that the other Party is responsible for fulfilling.

If any of the Huiyang Conditions Precedent is not fulfilled or waived on or before the Huiyang Completion Date, the Vendor and the Purchaser may extend the Huiyang Completion Date to the date when the Huiyang Conditions Precedent are fulfilled, but in any event shall not be later than the Huiyang Longstop Date.

If any of the Huiyang Conditions Precedent is not fulfilled or waived on or before the Huiyang Longstop Date, the Huiyang Sale and Purchase Agreement shall forthwith cease and terminate and neither Party shall have any claim against the other Party, save as to any antecedent breach.

Termination

The Huiyang Sale and Purchase Agreement shall be terminated under the following circumstances:

- (a) the performance of the Huiyang Sale and Purchase Agreement having been completed;
- (b) if required under applicable law;
- (c) the Huiyang Sale and Purchase Agreement not being capable of performance for more than three months as a result of a force majeure event and the Parties having agreed in writing to terminate the Huiyang Sale and Purchase Agreement; or
- (d) the Huiyang Conditions Precedent not having been fulfilled or waived.

Huiyang Completion

The Huiyang Completion shall take place on the Huiyang Completion Date. Upon the Huiyang Completion, each of the Huiyang Targets will cease to be a wholly-owned subsidiary of the Vendor.

FINANCIAL EFFECT OF THE HUIYANG DISPOSAL

After the Huiyang Completion, each of the Huiyang Targets will cease to be a subsidiary of the Company and their consolidated financial results, assets and liabilities will no longer be included in the consolidated financial statements of the Group.

The estimated indicative net gain arising from the Huiyang Disposal is expected to be approximately HK\$77 million for the Company, and such gain has been determined by reference to the difference between the Huiyang Consideration and the audited consolidated net asset value of the Vendor's interest in the Huiyang Targets Group amounting to approximately HK\$1,154 million

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as at 30 June 2015 and taking into account the estimated tax payable, being the difference between the Huiyang Consideration and the Group's cost of investment in members of the Huiyang Targets Group in the PRC at 10% in accordance with the relevant tax laws in the PRC. The consolidated net asset value of the Group is expected to increase accordingly. The actual gain to be recorded can only be ascertained when the consolidated net assets value of the Huiyang Targets Group and the incidental transaction costs are determined upon the Huiyang Completion.

THE HAIKOU SALE AND PURCHASE AGREEMENT

Date

2 December 2015

Parties

- (a) New World Development (China) Limited, as the Vendor; and
- (b) Shengyu (BVI) Limited, as the Purchaser.

Assets to be disposed of

The Haikou Sale Share and the Haikou Subject Loan shall be transferred to the Purchaser together with all rights and benefits accrued thereto as at the Haikou Completion Date.

Haikou Consideration

The Haikou Consideration amounts to RMB8,600 million (equivalent to approximately HK\$10,424.2 million) (subject to Consideration Adjustment) and shall be paid by the Purchaser to the Vendor in cash in the following manner:

- (a) RMB2,000 million (equivalent to approximately HK\$2,424.2 million) is payable on the Haikou Completion Date;
- (b) RMB1,600 million (equivalent to approximately HK\$1,939.4 million) is payable within six months after the Haikou Completion (or any other date as agreed by the Vendor and the Purchaser in writing);
- (c) RMB1,600 million (equivalent to approximately HK\$1,939.4 million) is payable within twelve months after the Haikou Completion (or any other date as agreed by the Vendor and the Purchaser in writing);
- (d) RMB1,600 million (equivalent to approximately HK\$1,939.4 million) is payable within eighteen months after the Haikou Completion (or any other date as agreed by the Vendor and the Purchaser in writing); and

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- (e) RMB1,800 million (equivalent to approximately HK\$2,181.8 million) is payable within twenty four months after the Haikou Completion (or any other date as agreed by the Vendor and the Purchaser in writing).

Within three business days from the date of signing the Haikou Sale and Purchase Agreement (or any other date as agreed by the Vendor and the Purchaser in writing), the Purchaser shall deliver the Haikou Cheque for the Haikou First Instalment to the Vendor's solicitor to be held in escrow which shall be delivered to and drawn by the Vendor on the Haikou Completion Date. Any difference between the equivalent amount in HKD of the Haikou First Instalment based on the mid-point rate of exchange for RMB into HKD as quoted by Bank of China (Hong Kong) Limited on the date prior to the Haikou Completion Date and the amount on the Haikou Cheque shall be made up or refunded by the relevant Party as appropriate. As at the Latest Practicable Date, the Haikou Cheque had been delivered and was being held in escrow by the Vendor's solicitor.

If the Haikou Completion is postponed in accordance with the Haikou Sale and Purchase Agreement, or the Haikou Completion cannot take place on 5 January 2016 for reasons caused by the Vendor, the Haikou Cheque shall become invalid and shall be returned to the Purchaser who shall issue another bank cheque for the Haikou First Instalment on the postponed Haikou Completion Date.

The payment of any part of the Haikou Consideration in the PRC shall be made in RMB and the payment of the other parts of the Haikou Consideration may be made in Hong Kong in RMB or its equivalent amount in HKD determined based on the Exchange Rate.

If the Purchaser has not performed or fails to perform its obligations (including but not limited to not performing or failure to perform wholly) to pay the Haikou Consideration, it shall, at the expiry of a 10-day grace period, pay the Vendor an overdue charge on the relevant overdue amount of the Haikou Consideration calculated at a rate of 30% per annum (determined based on commercial negotiation between the Parties with emphasis on the deterrent effect of a high default rate) accrued on a daily basis, unless and until the relevant overdue amount of the Haikou Consideration has been fully paid.

Basis of the Haikou Consideration

The Haikou Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor by reference to (i) the valuation of the Haikou Project amounting to RMB6,040,000,000 as at 30 June 2015 performed by Knight Frank; (ii) improvement in market conditions from July to November 2015; (iii) underlying net asset value of the Haikou Target Group (other than its properties held) as at 31 October 2015; and (iv) the carrying interest cost in respect of the settlement of the Haikou Consideration by instalments. The Haikou Consideration represented a premium of approximately 81% over consolidated net assets value of the Haikou Target Group as at 30 June 2015.

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Security

As security for the full settlement of the Haikou Consideration, Evergrande had on the date of the Haikou Sale and Purchase Agreement executed and delivered to the Vendor the Haikou Guarantee to guarantee the performance of the Purchaser's obligations under the Haikou Sale and Purchase Agreement. In addition, the Purchaser agrees to execute and deliver the Haikou Share Charge to the Vendor at the Haikou Completion.

Haikou Conditions Precedent

The Haikou Completion is subject to the following the Haikou Conditions Precedent being fulfilled and/or waived (as the case may be):

- (a) all approvals and consents of the respective board of directors of the Vendor, the Company and NWD having been obtained. If required by the Listing Rules or the Stock Exchange, the Company and/or NWD shall, pursuant to the Listing Rules, pass all necessary shareholder's resolutions (in the form of written approval from shareholders or by passing an ordinary resolution at a general meeting (if such written approval is not obtained)) to approve the Haikou Sale and Purchase Agreement and the transactions contemplated thereunder, comply with the relevant announcement requirements under the Listing Rules, and obtain all other necessary approvals or waivers as required (if applicable);
- (b) the Vendor shall obtain all necessary approvals required to be obtained from third parties (including the consent of certain lender banks of NWCL Haikou) in relation to the transaction contemplated under the Haikou Sale and Purchase Agreement (if necessary);
- (c) the Haikou Structure having been achieved;
- (d) all approvals and consents of the respective board of directors of the Purchaser and Evergrande having been obtained. If required by the Listing Rules or the Stock Exchange, the ultimate holding company of the Purchaser, i.e. Evergrande, shall, pursuant to the Listing Rules, pass all necessary shareholder's resolutions (in the form of written approval from shareholders or by passing an ordinary resolution at a general meeting (if such written approval is not obtained)) to approve the Haikou Sale and Purchase Agreement and the transactions contemplated thereunder, comply with the relevant announcement requirements under the Listing Rules, and obtain all other necessary approvals or waivers as required (if applicable); and
- (e) the Purchaser shall obtain all necessary approvals required to be obtained from third parties in relation to the transaction contemplated under the Haikou Sale and Purchase Agreement (if necessary).

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The Vendor and the Purchaser shall use their best endeavours to procure that the Haikou Conditions Precedent for which they are responsible are fulfilled. The Purchaser may waive all or any of the Haikou Conditions Precedent set out in paragraphs (b) and (c) above in writing and the Vendor may waive the Haikou Condition Precedent set out in paragraph (e) above in writing.

If any of the Haikou Conditions Precedent is not fulfilled or waived on or before the Haikou Completion Date, the Vendor and the Purchaser may extend the Haikou Completion Date to the date when the Haikou Conditions Precedent are fulfilled, but in any event shall not be later than the Haikou Longstop Date.

If any of the Haikou Conditions Precedent is not fulfilled or waived on or before the Haikou Longstop Date, the Haikou Sale and Purchase Agreement shall forthwith cease and terminate and neither Party shall have any claim against the other Party, save as to any antecedent breach.

Termination

The Haikou Sale and Purchase Agreement shall be terminated under the following circumstances:

- (a) the performance of the Haikou Sale and Purchase Agreement having been completed;
- (b) if required under applicable law;
- (c) the Haikou Sale and Purchase Agreement not being capable of performance for more than three months as a result of a force majeure event and the Parties having agreed in writing to terminate the Haikou Sale and Purchase Agreement; or
- (d) the Haikou Conditions Precedent not having been fulfilled or waived.

Haikou Completion

The Haikou Completion shall take place on the Haikou Completion Date. Upon the Haikou Completion, the Haikou Target will cease to be a wholly-owned subsidiary of the Vendor.

FINANCIAL EFFECT OF THE HAIKOU DISPOSAL

After the Haikou Completion, the Haikou Target will cease to be a subsidiary of the Company and its financial results, assets and liabilities of the Haikou Target Group will no longer be included in the consolidated financial statements of the Group.

The estimated indicative net gain arising from the Haikou Disposal is expected to be approximately HK\$3,600 million for the Company, and such gain has been determined by reference to the difference between the Haikou Consideration and the audited consolidated net asset value of the Vendor's interest in the Haikou Target Group amounting to approximately HK\$5,934 million as at 30 June 2015 and taking into account the estimated tax payable, being the difference between the Haikou Consideration and the Group's cost of investment in NWCL Haikou at 10% in accordance

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with the relevant tax laws in the PRC. The consolidated net asset value of the Group is expected to increase accordingly. The actual gain to be recorded can only be ascertained when the consolidated net assets value and incidental transaction costs are determined upon the Haikou Completion.

REASONS FOR AND BENEFITS OF THE DISPOSALS

The Disposals enable the Group to unlock the value in its investment in the property projects held by the Targets with faster churn and to realise cash resources in improving the liquidity and strengthening the financial position of the Group. The Disposals also signifies the Group's strategy of optimizing its project development and investment portfolio by scaling down investment in second and third-tier cities and projects with lower gross profit margin and by focusing more resources in 1st-tier and 1.5-tier cities and mid-sized property projects.

USE OF PROCEEDS

The net proceeds to be received by the Vendor from the Disposals will be applied towards the working capital requirements of the Group.

INFORMATION ON THE PARTIES

The Purchaser

To the best knowledge of the Directors, the Purchaser is an investment company incorporated in the British Virgin Islands and is indirectly wholly-owned by Evergrande. Evergrande is principally engaged in the development of large scale residential properties and integrated commercial properties in the PRC.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner, i.e. Evergrande, are independent of and not connected with the Company or its connected persons.

The Vendor

The Vendor is a company incorporated in Hong Kong and is principally engaged in investment holding. It is a direct wholly-owned subsidiary of the Company.

The Group is principally engaged in property development, property investment as well as rental and hotel operation in the PRC.

Wuhan Target

The Wuhan Target is a company incorporated in the British Virgin Islands and is principally engaged in the holding of 60% interest in Wuhan New World, a co-operative joint venture company incorporated in the PRC. The principal business of Wuhan New World is the development of massive low-cost community housing projects known as Wuhan Changqing Garden, Wuhan Changqing Nanyuan and Wuhan Xinhua Garden in Hankou, Wuhan city, Hubei province, the PRC

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with a total site area of approximately 2,493,000 sq m. The developable GFA of the projects comprises approximately 753,273 sq m for residential development and 418,419 sq m for commercial, retail and ancillary facilities.

As at 30 June 2015, the audited attributable consolidated net asset value of the Wuhan Target Group was approximately HK\$1,043,125,000. For the financial year ended 30 June 2014, the audited consolidated attributable profit before and after tax of the Wuhan Target Group was approximately HK\$261,573,000 and HK\$261,630,000, respectively and that for the financial year ended 30 June 2015 was approximately HK\$160,017,000 and HK\$156,267,000, respectively.

Huiyang Targets

Each of the Huiyang Targets is an investment holding company which together by itself or its subsidiaries hold the entire interests in the Dragon Fortune Group. The Dragon Fortune Group is principally engaged in the operation of the Palm Island Resort project comprising golf club operation and real estate development with a site area of approximately 992,000 sq m and 377,000 sq m, respectively in Huiyang, the PRC. The remaining developable GFA of the real estate development amounts to approximately 415,914 sq m.

As at 30 June 2015, the audited consolidated net asset value of the Huiyang Targets Group in aggregation was approximately HK\$1,154,350,000. For the financial year ended 30 June 2014, the audited consolidated profit before and after tax of the Huiyang Targets Group in aggregation was approximately HK\$61,991,000 and HK\$61,799,000, respectively, and the audited consolidated loss before and after tax for the financial year ended 30 June 2015 was approximately HK\$64,333,000 and HK\$63,832,000, respectively.

Haikou Target

Haikou Target is an investment holding company which through NWCL Haikou holds the entire interest in the Haikou Project located in the coastal area in north western Haidian Island. The Haikou Project comprises residential development of villa, low and high-rise residence and serviced apartment with planned GFA of over two million sq m. Phase II of the Haikou Project with GFA of about 90,000 sq m is under construction and is expected to be completed in 2017.

As at 30 June 2015, the audited consolidated net asset value of the Haikou Target Group was approximately HK\$5,933,642,000. For the financial year ended 30 June 2014, the audited consolidated profit before and after tax of the Haikou Target Group was approximately HK\$120,445,000 and HK\$89,253,000, respectively and the audited consolidated loss before and after tax for the financial year ended 30 June 2015 was approximately HK\$28,501,000 and HK\$32,967,000, respectively.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

Given that the Sale and Purchase Agreements were entered into by the Vendor with the same party, i.e. the Purchaser, the Wuhan Disposal, the Huiyang Disposal and the Haikou Disposal are aggregated pursuant to Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the aggregated Disposals exceeds 25% but is less than 100% for the Company, the Disposals constitute a major transaction for the Company that is subject to the reporting, announcement and shareholders' approval requirements, under Chapter 14 of the Listing Rules.

As no Shareholder is required to abstain from voting if the Company were to convene a general meeting for approving the Disposals, and as the Company has obtained a written Shareholders' approval of the Disposals from NWD, which together with its subsidiaries, beneficially own 6,092,601,173 Shares (representing approximately 69.58% attributable interest in the issued share capital of the Company as at the date of this circular), of which 5,014,011,861 Shares (representing approximately 57.68% interest in the issued share capital of the Company as at the date of this circular) are registered in the name of NWD, pursuant to Rule 14.44 of the Listing Rules, the Company is not required to convene a general meeting to approve the Disposals.

RECOMMENDATION

The Directors (including the independent non-executive Directors) believe that the terms of each of the Sale and Purchase Agreements has been negotiated on an arm's length basis and on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

If a general meeting were to be convened for the approval of the Disposals, the Board would recommend the Shareholders to vote in favour of such resolutions to approve the Disposals at such general meeting.

ADDITIONAL INFORMATION

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

As each of the Wuhan Disposal, Huiyang Disposal and Haikou Disposal is subject to the fulfillment of various conditions precedent which may or may not be fulfilled, there is no assurance that all or any of the Disposals will be completed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

Yours faithfully,
For and on behalf of
New World China Land Limited
Dr. Cheng Kar-shun, Henry
Chairman and Managing Director

1. STATEMENT OF INDEBTEDNESS**Borrowings**

As at the close of business on 31 October 2015, being the Latest Practicable Date for this indebtedness statement, the details of the Group's outstanding borrowings were as follows:

	<i>HK\$'000</i>
Long term bank loans	
Secured	7,978,229
Unsecured	24,220,744
Short term loans	
Secured	609,756
Unsecured	121,951
Loans from fellow subsidiaries, unsecured	2,649,440
Loans from non-controlling interests, unsecured	52,449
Advances from participating interest, unsecured	1,871,057
Fixed rate bonds and notes payable, unsecured	11,687,033
Loans from other financial institutions	
Secured	243,902
unsecured	<u>1,707,317</u>
	51,141,878
Current portion included in current liabilities	<u>(9,561,390)</u>
	<u><u>41,580,488</u></u>

As at the close of business on 31 October 2015, the Group's bank borrowings of approximately HK\$8,831,887,000 was secured by the pledges of certain investment properties, property, plant and equipment, land use rights, properties under development and properties held for development.

Contingent liabilities*(i) Corporate guarantees for banking facilities*

As at the close of business on 31 October 2015, the Group has corporate guarantees of approximately HK\$3,144,819,000 given in respect of bank loan facilities extended to certain joint ventures. As at 31 October 2015, the Group's attributable portion of the outstanding amount under these bank loan facilities granted to the joint ventures was approximately HK\$2,644,142,000.

(ii) *Guarantees in respect of mortgage facilities*

As at the close of business on 31 October 2015, the Group had provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of properties developed by certain subsidiaries of the Group. The outstanding mortgage loans under these guarantees amounted to HK\$4,199,790,000 and the Group's attributable portion of outstanding mortgage loans under these guarantees amounted to HK\$2,918,639,000. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties.

Save as aforesaid and apart from intra-group liabilities, the Group on a consolidated basis did not have any material debt securities issued and outstanding, and authorised or otherwise created but unissued, or term loans or other borrowings or indebtedness in the nature of borrowing or acceptances or hire purchase commitments, or outstanding mortgages and charges, or contingent liabilities or guarantees.

2. WORKING CAPITAL STATEMENT

As at the Latest Practicable Date, the Directors were of the opinion, after due and careful enquiry, and after taking into the account the effect of the Disposals, that the working capital available to the Group is sufficient for its present requirements for at least 12 months from the date of this circular.

3. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

After the Completion, the Company will receive net proceeds from the Disposal amounting to approximately HK\$16,363.6 million. The disposal signifies the Company's strategy of optimizing its property development and investment portfolio has been firmly realized. The strategy calls for focusing resources in first and 1.5-tier cities and high-growth cities, while reducing investment in some projects with prolonged development cycle. The Company believes the move match with the Group's ongoing development strategy in choosing high-end high-quality projects with better gross profit margin, increasing assets churn, and developing more mid-sized property projects. The revenue from the transaction will provide the Company with ample cash reserve for new round of investment in the near future, while improving the overall operating cash flow.

At present the Group has a mature property development and investment portfolio and operating teams in first-tier cities of Beijing, Shanghai, Guangzhou and Shenzhen, and comprehensive property development portfolio in high-growth cities. The transaction could support the Group in penetrating the market in first and 1.5-tier cities and other high-growth cities in which the brand has already been well recognized and respected, strengthening its brand positioning, presenting a clearer portfolio strategy, and improving the average project gross profit margin and assets churn.

Upon completion of the Disposal, the Group has landbank of approximately 18.47 million sq m GFA which is sufficient for five years of development.

The following is the text of a letter, summary of values and valuation report prepared for the purpose of incorporation in this circular received from Knight Frank Petty Limited in connection with the market values of the Targets as at 31 October 2015.



Knight Frank Petty Ltd
4/F, Shui On Centre
6-8 Harbour Road
Wan Chai
Hong Kong
Tel: 2840 1177
Fax: 2840 0600

23 December 2015

Board of Directors of New World China Land Limited
9th Floor
New World Tower I
18 Queen's Road Central
Hong Kong

Dear Sirs

VALUATION OF VARIOUS PROPERTIES IN THE PEOPLE'S REPUBLIC OF CHINA

In accordance with your instructions for us to value various property interests held by New World China Land Limited (the "Company") and/or its subsidiaries, its associated companies and its jointly controlled entities (hereinafter together referred to as the "Group") in the People's Republic of China (the "PRC"), we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of these property interests as at 31 October 2015.

BASIS OF VALUATION

Our valuation is our opinion of the market value of the property 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 wherein the parties had each acted knowledgeably, prudently and without compulsion".

The market value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of special value. The market value of a property is also estimated without regard to costs of sale and purchase, and without offset for any associated taxes.

VALUATION METHODOLOGIES

In valuing property Nos. 1 and 2, we have valued such property interests with reference to sales evidence as available in the market and where appropriate, on the basis of capitalization of the net income shown on the documents handed to us. We have allowed for outgoings and, in appropriate cases, made provisions for reversionary income potential.

In valuing property Nos. 3, 4, 6 and 7, we have valued such property interests on the basis that it will be developed and completed in accordance with the Group's latest development proposals provided to us. We have assumed that approvals for the proposals will be granted without onerous conditions. In arriving at our opinion of value, we have adopted Direct Comparison Approach by making reference to comparable transactions in the locality and have also taken into account the construction costs that will be expended to complete the development to reflect the quality of the completed development.

In valuing property No. 5, we have adopted income approach by making reference to its historical performance of the past years and considered the require rate of return of similar form of investment; where appropriate, we have made reference to sales evidences as available in the market.

TITLE DOCUMENTS AND ENCUMBRANCES

We have been provided with extracts of documents in relation to the titles to the property interests. However, we have not inspected the original documents to ascertain any amendments which may not appear on the copies handed to us. We have relied on the information provided by the Group and its PRC legal advisor, Jun He Law Office regarding the title to the properties.

No allowance has been made in our report for any charges, mortgages or amounts owing on any property interests nor for any expenses or taxation which may be incurred in affecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

SOURCE OF INFORMATION

We have relied to a very considerable extent on the information given by the Group and the legal opinion of the Group's PRC legal adviser. We have no reason to doubt the truth and the accuracy of the information provided by the Group and/or its PRC legal adviser which is material

to the valuation. We have accepted advice given by the Group on such matters as planning approvals or statutory notices, tenure, ownership, completion date of the buildings, joint-venture agreements/contracts, tenancy particulars, development schemes, total and incurred construction costs, floor and site areas and all other relevant matters. Dimension, measurements and areas included in the valuation report attached are based on information provided to us and are therefore only approximations. We have not been able to carry out on-site measurements to verify the correctness of the site and floor areas of the property and we have assumed that the site and the floor areas shown on the documents handed to us are correct. We were also advised by the Group that no material facts have been omitted from the information provided.

INSPECTION AND STRUCTURAL CONDITION

We have inspected the exteriors and, where possible, the interiors of the properties valued and the inspection was carried out by our Gary Lau, Ocean Ruan and Stephen So in December 2015. However, we have not carried out site investigations to determine the suitability of ground conditions and services, etc for any future development. Our valuations are prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during construction period. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defects, we are not, however, able to report that the properties are free from rot, infestation or any other structural defects. No tests were carried out on any of the services.

IDENTITY OF PROPERTY TO BE VALUED

We exercised reasonable care and skill (but will not have an absolute obligation to you) to ensure that the property interests, identified by the property address in your instructions, is the properties inspected by us and contained within our valuation report. If there is ambiguity as to the property address, or the extent of the properties to be valued, this should be drawn to our attention in your instructions or immediately upon receipt of our report.

ENVIRONMENTAL ISSUES

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

COMPLIANCE WITH RELEVANT ORDINANCES AND REGULATIONS

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

REMARKS

In preparing our valuation report, we have complied with the requirements contained within relevant provisions of Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and The HKIS Valuation Standards 2012 Edition published by the Hong Kong Institute of Surveyors.

CURRENCY

Unless otherwise stated, all currency adopted in this report is in Renminbi.

Our summary of values and valuation report are attached.

Yours faithfully
For and on behalf of
Knight Frank Petty Limited
Clement W M Leung
MCIREA MHKIS MRICS RPS (GP)
Executive Director
Head of China Valuation

Remarks: Clement W M Leung, MCIREA MHKIS MRICS RPS (GP), has been a qualified valuer and has about 22 years' experience in the valuation of properties in Hong Kong, Macau and Asia Pacific Region and has 19 years' experience in the valuation of properties in the People's Republic of China.

SUMMARY OF VALUES

Group I — Properties held by Group for investment in the PRC

Property	Market value in existing state as at 31 October 2015	Interest attributable to the Group	Market value in existing state attributable to the Group as at 31 October 2015
1. Retail and Car Parking Portions of Wuhan Changqing Garden and Wuhan Changqing Nanyuan Dongxihu Hankou District Wuhan Hubei Province The PRC	RMB417,800,000	60%	RMB250,680,000
2. Commercial Podium and Car Parking Portions of Wuhan Xin Hua Garden Jiangnan District Wuhan Hubei Province The PRC	RMB261,300,000	60%	RMB156,780,000
Sub-total:	<u>RMB679,100,000</u>		<u>RMB407,460,000</u>

Group II — Properties under development/completed properties held for sale by the Group in the PRC

Property	Market value in existing state as at 31 October 2015	Interest attributable to the Group	Market value in existing state attributable to the Group as at 31 October 2015
3. Portions of Wuhan Changqing Garden and Wuhan Changqing Nanyuan Dongxihu Hankou District Wuhan Hubei Province The PRC	RMB3,071,500,000	60%	RMB1,842,900,000
4. Huiyang Palm Island Resort (Real Estate Portion) No. 1 Tuhu Golf Road Danshui Town Huiyang, Huizhou Guangdong Province The PRC	RMB677,000,000	100%	RMB677,000,000
5. Huiyang Palm Island Resort (Golf Course Portion) No. 1 Tuhu Golf Road Danshui Town Huiyang, Huizhou Guangdong Province The PRC	RMB155,000,000	100%	RMB155,000,000
6. Haikou Meilisha Project Haidiandao Haikou Hainan Province The PRC	RMB6,559,900,000	100%	RMB6,559,900,000
Sub-total:	<u>RMB10,463,400,000</u>		<u>RMB9,234,800,000</u>

Group III — Property held by Group for future development in the PRC

Property	Market value in existing state as at 31 October 2015	Interest attributable to the Group	Market value in existing state attributable to the Group as at 31 October 2015
7. Huiyang Hu Xia Liao Development Hu Xia Liao Section Dan Shui Town Huiyang, Huizhou Guangdong Province The PRC	RMB348,000,000	100%	RMB348,000,000
Sub-total:	<u>RMB348,000,000</u>		<u>RMB348,000,000</u>
Grand Total:	<u><u>RMB11,490,500,000</u></u>		<u><u>RMB9,990,260,000</u></u>

VALUATION REPORT

Group I — Properties held by Group for investment in the PRC

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 October 2015
1. Retail and Car Parking Portions of Wuhan Changqing Garden and Wuhan Changqing Nanyuan Dongxiyu Hankou District Wuhan Hubei Province The PRC	<p>Wuhan Changqing Garden and Wuhan Changqing Nanyuan (the “Development”) is a massive low-cost community housing project which will be developed in various phases. The whole development comprises 9 parcels of adjoining sites with a total site area of approximately 2,493,290 sq m.</p> <p>The property comprises portion of the commercial area with a total gross floor area of approximately 56,806.43 sq m and 862 car parking spaces of the Development completed in 1997 to 2014.</p> <p>Portion of the land use rights of the Development have been granted for terms expiring on 8 October 2075, 8 October 2045 and 1 June 2049 for residential, commercial and other commercial services uses respectively (please see note 2 for details).</p> <p>A relatively small portion of the land use rights of the Development with a site area of 2,115.03 sq m have been allocated for commercial use (please see note 2 for details).</p>	<p>Commercial portion of the property with a total gross floor area of approximately 51,201.48 sq m is subject to various tenancies yielding a total monthly rental of approximately RMB1,627,000.</p> <p>The remaining portion of the property is vacant.</p>	<p>RMB417,800,000</p> <p>(60% interest attributable to the Group: RMB250,680,000)</p>

Notes:

- Pursuant to the Business Licence No. 420100400009569 dated 4 April 2014, Wuhan New World Housing Development Limited, a jointly controlled entity of the Company, was incorporated with a registered capital of RMB96,000,000.
- Pursuant to 37 State-owned Land Use Right Certificates issued by The People’s Government of Wuhan, the land use rights of the Development with a total site area of 729,492.59 sq m were granted and 2,115.03 sq m were allocated to Wuhan New World Housing Development Limited respectively. Details of the State-owned Land Use Right Certificates are as follows:

Certificate No.	Site Area (sq m)	Land Nature	Land Use	Expiry Date	Lot Nos.
Dong Guo Yong (2005) Di J24020140-1-2	1,267.85	Allocated	Commercial and services	N/A	J24020140-1
Dong Guo Yong (2005) Di TD2005-056	123,804.15	Granted	Mixed residential	8 October 2075 for Residential; 8 October 2045 for Commercial	N/A
Dong Guo Yong (2005) Di TD2005-055	156,545.58	Granted	Mixed residential	8 October 2075 for Residential; 8 October 2045 for Commercial	N/A
Dong Guo Yong (2005) Di TD2006-027	3,933.24	Granted	Mixed residential	8 October 2075 for Residential; 8 October 2045 for Commercial	N/A

Certificate No.	Site Area (sq m)	Land Nature	Land Use	Expiry Date	Lot Nos.
Dong Guo Yong (2005) Di TD2006-023	269,155.91	Granted	Mixed residential	8 October 2075 for Residential; 8 October 2045 for Commercial	N/A
Dong Guo Yong (2009) Di J240701001	77,906.57	Granted	Mixed residential	8 October 2075 for Residential; 8 October 2045 for Commercial	J240701001
Dong Guo Yong (2005) Di TD2006-030	6,585.66	Granted	Mixed residential	8 October 2075 for Residential; 8 October 2045 for Commercial	N/A
Dong Guo Yong (2005) Di TD2006-025	15,156.14	Granted	Mixed residential	8 October 2075 for Residential; 8 October 2045 for Commercial	N/A
Dong Guo Yong (2005) Di J240208011	847.18	Allocated	Commercial	N/A	J240208011
Dong Guo Yong Shang (2013) 130907480	1,682.50	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907460	325.33	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907461	48.05	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907462	28.71	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907463	73.90	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907464	72.09	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907465	110.79	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907466	110.98	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907467	96.63	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907468	38.49	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907469	17.37	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907470	17.37	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907471	17.37	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907472	17.37	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907473	17.37	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907474	17.37	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907475	15.63	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907476	13.03	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907477	15.85	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907478	17.17	Granted	Other commercial and services	1 June 2049	J240407001

Certificate No.	Site Area (sq m)	Land Nature	Land Use	Expiry Date	Lot Nos.
Dong Guo Yong Shang (2013) 130907479	48.71	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907481	241.21	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907482	132.43	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907483	320.54	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907484	84.05	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907485	87.10	Granted	Other commercial and services	1 June 2049	J240407001
Wu Guo Yong (2006) Di 917	19,360.93	Granted	Mixed residential	19 October 2076	B01062578
Wu Guo Yong (2006) Di 915	53,314.00	Granted	Mixed residential	19 October 2076	B01062579

3. Pursuant to 8 Building Ownership Certificates issued by Wuhan Housing Administration Bureau, the building ownership to portion of the property with a total gross floor area of 14,488.48 sq m were vested in Wuhan New World Housing Development Limited for office and commercial uses.
4. Pursuant to 507 Commodity Housing Title Proofs, Wuhan New World Housing Development Limited is the legal owner of portion of the property with a total gross floor area of 68,377.85 sq m for residential, commercial, carparking, and other uses.
5. Pursuant to 41 Construction Works Completion Certificates, construction works of portion of the Development with a total gross floor area of 500,830.45 sq m was complete.
6. Land use rights of portion of the property is of allocated nature and we have roughly estimated the land premium required of RMB1,900,000 for converting which from allocated nature to granted nature. During the course of our valuation, we have valued the property by assuming that the aforesaid conversion of land use rights to granted has been completed and have taken into account of the land premium in our valuation.
7. We have been provided with the Group's PRC legal adviser's opinion, which *inter-alia*, contains the followings:
 - (i) Wuhan New World Housing Development Limited has legally obtained the land use rights and building ownership of portion of the property in granted land nature and is the sole owner of such portion of the property. Wuhan New World Housing Development Limited is entitled to transfer, lease, mortgage or handle in other ways of the such portion of the property;
 - (ii) Wuhan New World Housing Development Limited has legally obtained the land use rights and building ownership of portion of the property in allocated land nature and is the sole owner of such portion of the property. After obtaining the permit from the government, Wuhan New World Housing Development Limited is entitled to transfer and lease such portion of the property. However, Wuhan New World Housing Development Limited has to reimburse portion of the rental pertaining to the allocated land use rights to the government;

- (iii) Wuhan New World Housing Development Limited has obtained the State-owned Land Use Right Certificates. There will be no real obstacle for Wuhan New World Housing Development Limited in obtaining the real estate title proof for portion of the property as mentioned in Note (5) after compliance with relevant regulations and procedures; and
- (iv) the property is free from mortgages and other encumbrances.

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 October 2015
2. Commercial Podium and Car Parking Portions of Wuhan Xin Hua Garden Jiangnan District, Wuhan Hubei Province The PRC	<p>Wuhan Xin Hua Garden (the “Development”) comprises various parcels of adjoining site with a total site area of approximately 95,825.23 sq m. The Development is developed into a low-cost community housing project in various phases.</p> <p>The property comprises a 3-storey commercial podium of Zone A in Phase I of the Development with a total gross floor area of approximately 36,068.83 sq m. In addition, the property include 680 basement car parking spaces of Phases I to IV of the Development.</p> <p>Portion of the land use rights of the Development with a total site area of approximately 45,038.75 sq m have been allocated for an indefinite term for other commercial services uses, while the remaining portion of the land use rights with a total site area of approximately 50,786.48 sq m is granted for residential use for various terms expiring in 2075 to 2076 (please see note 2 for details).</p>	<p>Level 3 of the commercial portion of the property with a total gross floor area of approximately 9,898.69 sq m is subject to a tenancy expiring in September 2017, yielding a monthly rental of RMB70,927</p> <p>The car parking spaces of the property is currently vacant.</p>	<p>RMB261,300,000</p> <p>(60% interest attributable to the Group: RMB156,780,000)</p>

Notes:

- Pursuant to the Business Licence No. 420100400009569 dated 4 April 2014, Wuhan New World Housing Development Limited, a jointly controlled entity of the Company, was incorporated with a registered capital of RMB96,000,000.
- Pursuant to 7 State-owned Land Use Right Certificates issued by The People’s Government of Wuhan, the land use rights of the Development with a total site area of 50,786.48 sq m were granted and 45,038.75 sq m were allocated to Wuhan New World Housing Development Limited respectively. Details of the State-owned Land Use Rights Certificates are as follows:

Certificate No.	Land Nature	Land Use	Site Area (sq m)	Expiry Date
Wu Guo Yong (2004) Di 398	Allocated	Other commercial services	1,121.98	N/A
Wu Guo Yong (2004) Di 399	Allocated	Other commercial services	1,186.85	N/A
Wu Guo Yong (2004) Di 400	Allocated	Other commercial services	1,186.85	N/A
Wu Guo Yong 2002 Zi Di 310	Allocated	Urban and town mixed residential	41,543.70	N/A
Wu Guo Yong (2006) Di 873	Granted	Urban and town mixed residential	9,570.88	28 September 2076
Wu Guo Yong (2006) Di 874	Granted	Urban and town mixed residential	7,933.10	28 September 2076
Wu Guo Yong (2005) Di 0838	Granted	Urban and town mixed residential	33,282.50	15 August 2075

3. Pursuant to 4 Building Ownership Certificates issued by Wuhan Housing Administration Bureau, the building ownership of the property with a total gross floor area of 46,479.75 sq m was vested in Wuhan New World Housing Development Limited for commercial services and other uses. Details of the Building Ownership Certificates are as follows:

Certificate No.	Gross Floor Area (sq m)	Use	Address	Date of Issuance
Wu Fang Quan Zheng Shi Zi Di 200311475	12,246.04	Commercial services	Unit 1, Level 3	10 October 2003
Wu Fang Quan Zheng Shi Zi Di 200311476	12,246.04	Commercial services	Unit 1, Level 2	10 October 2003
Wu Fang Quan Zheng Shi Zi Di 200311477	11,576.75	Commercial services	Units 1 and 2, Level 1	10 October 2003
Wu Fang Quan Zheng Shi Zi Di 200311478	10,410.92	Others	Basement Level 1	10 October 2003

As advised, the buildings as stated in above-mentioned Building Ownership Certificates are portion of the commercial podium and 162 car parking spaces of the property.

4. Land use rights of portion of the property is of allocated nature and we have roughly estimated the land premium required of RMB14,200,000 for converting which from allocated nature to granted nature. During the course of our valuation, we have valued the property by assuming that the aforesaid conversion of land use rights to granted nature has been completed and have taken into account of the land premium in our valuation.
5. We have been provided with the Group's PRC legal adviser's opinion, which *inter-alia*, contains the followings:
- (i) Wuhan New World Housing Development Limited has legally obtained the allocated or granted land use rights of the property and the building ownership of commercial podium and 162 car parking spaces of the property and is the sole owner of these portions of the property;
 - (ii) Wuhan New World Housing Development Limited is entitled to transfer, lease, mortgage or handle in other ways of such portion of the property in granted nature. Regarding such portion of the property in allocated nature, after obtaining the permit from the government, Wuhan New World Housing Development Limited is entitled to transfer and lease such portion of the property. However, Wuhan New World Housing Development Limited has to reimburse portion of the rental pertaining to the allocated land use rights to the government;
 - (iii) portion of the car parking spaces of Phase II and all the car parking spaces of Phase III and IV of the property are civil defense work and the relevant authorities will not issue the relevant title document. Wuhan New World Housing Development Limited has acquired the Permit for occupation of Civil Defense work for these portions and has the rights to use these portions. In addition, Wuhan New World Housing Development Limited can lease these portions subject to recording at relevant government authorities;
 - (iv) upon completed relevant procedures, there is no material legal impediment for Wuhan New World Housing Development Limited to obtain the relevant title document for the remaining portion of the car parking spaces of Phase II of the property; and
 - (v) the property is free from mortgages and other encumbrances.

Group II — Properties under development/completed properties held for sale by the Group in the PRC

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 October 2015
3. Portions of Wuhan Changqing Garden and Wuhan Changqing Nanyuan Dongxihu Hankou District Wuhan Hubei Province The PRC	<p>Wuhan Changqing Garden and Wuhan Changqing Nanyuan (the “Development”) is a massive low-cost community housing project which will be developed in various phases. The whole development comprises 9 parcels of adjoining sites with a total site area of approximately 2,493,290 sq m.</p> <p>Phases I to V, District 5, 8 and 11 of Changqing Garden, and Phases I, II and III of Changqing Nanyuan of the Development were complete in between 1995 to 2014, and have been for sale since completion. Phase IX Area 6 South District Phase I and North District of Changqing Garden of the Development are currently under development and are scheduled to complete in March 2018, whereas the proposed remaining phases are currently pending for development.</p> <p>The property comprises the unsold completed portion, the portion under development and the proposed remaining phases of the Development. The property comprises the following approximate gross floor areas upon full completion:</p>	<p>Portion of the property is under development and the remaining portion of the property is currently vacant.</p>	<p>RMB3,071,500,000</p> <p style="text-align: center;">(60% interest attributable to the Group: RMB1,842,900,000)</p> <p style="text-align: center;">(please refer to notes (7) and (9))</p>
		<p>Approximate Gross Floor Area (sq m)</p>	
	<p>Unsold Completed Portion of Changqing Garden</p>		
	Residential	468.70	
	Commercial	31,333.80	
	Office	10,860.14	
	Clubhouse	1,413.00	
	Ancillary facilities	<u>10,216.51</u>	
		<u>54,292.15</u>	

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 October 2015
		Approximate Gross Floor Area (sq m)	
	Unsold Completed Portion of Changqing Nanyuan Garden		
	Residential	131.58	
	Commercial	<u>3,147.43</u>	
		<u>3,279.01</u>	
	Changqing Garden Area 6 South District and North District		
	Residential	494,966.89	
	Commercial	10,594.32	
	Ancillary facilities	<u>4,161.47</u>	
		<u>509,722.68</u>	
	Planned Remaining Phases		
	Residential	258,305.87	
	Commercial	367,792.00	
	Office	14,100.00	
	Ancillary facilities	<u>25,933.00</u>	
		<u>666,130.87</u>	

The completed portion of the property also comprises 475 car parking spaces. The portion under development of the property will comprise 3,479 car parking spaces upon completion. The property will also comprise 7,502 car parking spaces upon completion of the planned remaining phases.

Portion of the land use rights of the Development have been granted for terms expiring on 8 October 2075, 8 October 2045 and 1 June 2049 for residential, commercial and other commercial services uses respectively (please see note 2 for details).

A relatively small portion of the land use rights of the development with a total site area of approximately 2,115.03 sq m have been allocated for commercial use (please see note 2 for details).

Notes:

- Pursuant to the Business Licence No. 420100400009569 dated 4 April 2014, Wuhan New World Housing Development Limited, a jointly controlled entity of the Company, was incorporated with a registered capital of RMB96,000,000.
- Pursuant to 37 State-owned Land Use Right Certificates issued by The People's Government of Wuhan, the land use rights of the Development with a total site area of 729,492.59 sq m were granted and 2,115.03 sq m were allocated to Wuhan New World Housing Development Limited. Details of the State-owned Land Use Right Certificates are as follows:

Certificate No.	Site Area (sq m)	Land Nature	Land Use	Expiry Date	Lot Nos.
Dong Guo Yong (2005) Di J24020140-1-2	1,267.85	Allocated	Commercial and services	N/A	J24020140-1
Dong Guo Yong (2005) Di TD2005-056	123,804.15	Granted	Mixed residential	8 October 2075 for Residential; 8 October 2045 for Commercial	N/A
Dong Guo Yong (2005) Di TD2005-055	156,545.58	Granted	Mixed residential	8 October 2075 for Residential; 8 October 2045 for Commercial	N/A
Dong Guo Yong (2005) Di TD2006-027	3,933.24	Granted	Mixed residential	8 October 2075 for Residential; 8 October 2045 for Commercial	N/A
Dong Guo Yong (2005) Di TD2006-023	269,155.91	Granted	Mixed residential	8 October 2075 for Residential; 8 October 2045 for Commercial	N/A
Dong Guo Yong (2009) Di J240701001	77,906.57	Granted	Mixed residential	8 October 2075 for Residential; 8 October 2045 for Commercial	J240701001
Dong Guo Yong (2005) Di TD2006-030	6,585.66	Granted	Mixed residential	8 October 2075 for Residential; 8 October 2045 for Commercial	N/A
Dong Guo Yong (2005) Di TD2006-025	15,156.14	Granted	Mixed residential	8 October 2075 for Residential; 8 October 2045 for Commercial	N/A
Dong Guo Yong (2005) Di J240208011	847.18	Allocated	Commercial	N/A	J240208011
Dong Guo Yong Shang (2013) 130907480	1,682.50	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907460	325.33	Granted	Other commercial and services	1 June 2049	N/A
Dong Guo Yong Shang (2013) 130907461	48.05	Granted	Other commercial and services	1 June 2049	N/A
Dong Guo Yong Shang (2013) 130907462	28.71	Granted	Other commercial and services	1 June 2049	N/A
Dong Guo Yong Shang (2013) 130907463	73.90	Granted	Other commercial and services	1 June 2049	N/A
Dong Guo Yong Shang (2013) 130907464	72.09	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907465	110.79	Granted	Other commercial and services	1 June 2049	N/A
Dong Guo Yong Shang (2013) 130907466	110.98	Granted	Other commercial and services	1 June 2049	N/A

Certificate No.	Site Area (sq m)	Land Nature	Land Use	Expiry Date	Lot Nos.
Dong Guo Yong Shang (2013) 130907467	96.63	Granted	Other commercial and services	1 June 2049	N/A
Dong Guo Yong Shang (2013) 130907468	38.49	Granted	Other commercial and services	1 June 2049	N/A
Dong Guo Yong Shang (2013) 130907469	17.37	Granted	Other commercial and services	1 June 2049	N/A
Dong Guo Yong Shang (2013) 130907470	17.37	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907471	17.37	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907472	17.37	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907473	17.37	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907474	17.37	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907475	15.63	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907476	13.03	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907477	15.85	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907478	17.17	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907479	48.71	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907481	241.21	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907482	132.43	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907483	320.54	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907484	84.05	Granted	Other commercial and services	1 June 2049	J240407001
Dong Guo Yong Shang (2013) 130907485	87.10	Granted	Other commercial and services	1 June 2049	J240407001
Wu Guo Yong (2006) Di 917	19,360.93	Granted	Mixed residential	19 October 2076	B9062578
Wu Guo Yong (2006) Di 915	53,314.00	Granted	Mixed residential	19 October 2076	B01062579

3. Pursuant to 8 Building Ownership Certificates issued by Wuhan Housing Administration Bureau, the building ownership of portion of the property with a total gross floor area of 14,488.48 sq m were vested in Wuhan New World Housing Development Limited for office and commercial uses.
4. Pursuant to 507 Commodity Housing Title Proofs, Wuhan New World Housing Development Limited is the legal owner of portion of the property with a total gross floor area of 68,377.85 sq m for residential, commercial, carparking, and other uses.
5. Pursuant to 41 Construction Works Completion Certificates, the construction works of portion of the Development with a total gross floor area of 500,830.45 sq m was complete.
6. As advised by the Group, the construction cost incurred and the projected outstanding construction cost of the portion of the property under construction as at the valuation date were approximately RMB240,660,000 and RMB4,735,600,000 respectively. Accordingly, we have taken into account the aforesaid cost in our valuation. In our opinion, the gross development value of the proposed developments of portion of the property under construction, assuming they were completed as at the valuation date, was estimated approximately as RMB11,632,700,000.

7. According to the Group's specific terms of instructions, we have taken into account the outstanding land costs of the property of approximately RMB75,500,000 in our valuation.
8. As advised by the Group, portion of the completed portion of the property with a total gross floor area of 1,533.63 sq m have been pre-sold at a total consideration of RMB44,141,500. According to the Company's instruction, the pre-sold units are included in this valuation. We have also taken this into consideration in the course of our valuation.
9. Portion of the property with a gross floor area of approximately 7,040.56 sq m is erected on allocated land and we have roughly estimated the land premium required of RMB2,600,000 for converting which from allocated nature to granted nature. During the course of our valuation, we have valued such portion of the property by assuming that the aforesaid conversion of land use rights to granted has been completed and have taken into account of the land premium in our valuation.
10. We have been provided with the Group's PRC legal adviser's opinion, which *inter-alia*, contains the followings:
 - (i) Wuhan New World Housing Development Limited has legally obtained the land use rights and building ownership of portion of the property in granted land nature and is the sole owner of such portion of the property. Wuhan New World Housing Development Limited is entitled to transfer, lease, mortgage or handle in other ways of the such portion of the property;
 - (ii) Wuhan New World Housing Development Limited has legally obtained the land use rights and building ownership of portion of the property in allocated land nature and is the sole owner of such portion of the property. After obtaining the permit from the government, Wuhan New World Housing Development Limited is entitled to transfer and lease such portion of the property. However, Wuhan New World Housing Development Limited has to reimburse portion of the rental pertaining to the allocated land use rights to the government;
 - (iii) for the buildings as mentioned in Note (10)(ii) erected on allocated land, Wuhan New World Housing Development Limited is entitled to use such portion of the property. After obtaining the permit from the government, Wuhan New World Housing Development Limited is entitled to lease the property. However, Wuhan New World Housing Development Limited has to reimburse portion of the rental pertaining to the allocated land use rights to the government;
 - (iv) Wuhan New World Housing Development Limited has obtained the State-owned Land Use Rights Certificates. There will be no legal obstacle for Wuhan New World Housing Development Limited in obtaining the real estate title proof for portion of the property as mentioned in Note (5) after compliance with relevant regulations and procedures; and
 - (v) the property is free from mortgages and other encumbrances.

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 October 2015
4. Huiyang Palm Island Resort (Real Estate Portion) No. 1 Tuhu Golf Road Danshui Town Huiyang, Huizhou Guangdong Province The PRC	<p>Huiyang Palm Island Resort (the “Development”) is a golf course/ residential development comprising a total site area of approximately 1,259,901.00 sq m.</p> <p>The Development comprises a 27-holes golf course with driving range, an operating hotel with 20-guest rooms and various phases of residential developments. Phases 1, 2, 3, 4, 5 and 6 of the Development were complete in 2001, 2002, 2002, 2004, 2007 and 2014 respectively and have been for sale since completion. The remaining phase of the Development is currently pending for development.</p> <p>The residential portion of the Development comprises an irregular-shaped site with a total site area of 268,233.53 sq m. (Please see note (2) for details)</p>	<p>Portion of Phases 1, 5 and 6 of the property is currently vacant.</p> <p>The remaining phase of the property is pending for development.</p>	<p>RMB677,000,000</p> <p>(100% interest attributable to the Group: RMB677,000,000)</p> <p>(please refer to note (6))</p>
		<p>Approximate Gross Floor Area (sq m)</p>	
	Phases 1 and 5		
	Residential	2,516.24	
	Hotel	<u>1,517.33</u>	
	Sub-total:	4,033.57	
	Phase 6		
	Residential	6,722.54	
	Remaining Phase		
	Residential	<u>253,223.93</u>	
	Grand-total:	<u><u>263,980.04</u></u>	
	<p>The land use rights of the Development have been granted for commercial and residential uses with land use right terms expiring on 1 March 2064 and 1 June 2082.</p>		

Notes:

- Pursuant to the Business Licence No. 441300400055054 dated 11 September 2014, Fortune Leader Overseas Chinese (Daiyawan) Real Estate Development Co., Ltd. (廣盛華僑(大亞灣)房產開發有限公司), a wholly owned subsidiary of the Company, was incorporated with a registered capital of US\$20,820,000.
- Pursuant to 7 State-owned Land Use Right Certificates issued by Huiyang Land Resources Bureau, the land use rights of portion of the Development with a total site area of 193,973.00 sq m were granted to Fortune Leader Overseas Chinese (Daiyawan) Real Estate Development Co., Ltd. Details of the State-owned Land Use Right Certificates are listed as follows:

Certificate No.	Land Use	Expiry Date	Site Area (sq m)	Date of Issuance
Hui Yang Guo Yong (99) Zi Di 13210100414	Commercial and residential	1 March 2064	37,736.57	18 June 1999
Hui Yang Guo Yong (99) Zi Di 13210100415	Commercial and residential	1 March 2064	77,919.00	18 June 1999
Hui Yang Guo Yong (99) Zi Di 13210100417	Commercial and residential	1 March 2064	33,228.40	18 June 1999
Hui Yang Guo Yong (2007) Di 0102164	Commercial and residential	1 March 2064	29,597.00	25 December 2007
Hui Yang Guo Yong (2012) Di 0101784	Commercial and residential	1 June 2082	7,163.00	17 July 2012
Hui Yang Guo Yong (2012) Di 0101783	Commercial and residential	1 June 2082	3,401.63	17 July 2012
Hui Yang Guo Yong (2013) Di 13210100600	Commercial and residential	1 March 2064	4,927.40	5 June 2003

According to the information provided by the Company, portion of the Development with a total site area of approximately 74,260.53 sq m has been sold and thus not being included in the valuation. The aforesaid sold site area of approximately 74,260.53 sq m equals to the difference between the total site area of the whole Development (268,233.53 sq m) and that of the State-owned Land Use Rights Certificates (193,973.00 sq m).

- Pursuant to 39 Commodity Housing Ownership Proofs issued by Huiyang Real Estate Administration Bureau, it is certificated that the building ownership of portion of the property with a total site area of 10,756.11 sq m was vested in Fortune Leader Overseas Chinese (Daiyawan) Real Estate Development Co., Ltd. Details are summarized as follows:

Certificate No.	Gross Floor Area (sq m)	Address	Date of Issuance
5106	183.03	Unit A, Level 2, No. 26 Zaolin Path	7 December 2007
0097	665.23	Unit 15, Type A, Palm Island	15 June 2001
0507	1,667.98	Unit 1, Zonglu Path	25 December 2001
1110110226	74.60	Unit 1, Level 1, Block 1, Palm Island Resort Vocation House	25 February 2014
1110110228	74.48	Unit 2, Level 1, Block 1, Palm Island Resort Vocation House	25 February 2014
1110110230	76.70	Unit 1, Level 2, Block 1, Palm Island Resort Vocation House	25 February 2014
1110110234	76.57	Unit 2, Level 2, Block 1, Palm Island Resort Vocation House	25 February 2014
1110110236	75.86	Unit 1, Level 1, Block 2, Palm Island Resort Vocation House	25 February 2014
1110110238	74.28	Unit 2, Level 1, Block 2, Palm Island Resort Vocation House	25 February 2014
1110110242	77.96	Unit 1, Level 2, Block 2, Palm Island Resort Vocation House	25 February 2014
1110110243	76.38	Unit 2, Level 2, Block 2, Palm Island Resort Vocation House	25 February 2014

Certificate No.	Gross Floor Area (sq m)	Address	Date of Issuance
1110110244	74.52	Unit 1, Level 1, Block 3, Palm Island Resort Vocation House	25 February 2014
1110110245	76.62	Unit 1, Level 2, Block 3, Palm Island Resort Vocation House	25 February 2014
1110110246	76.49	Unit 2, Level 2, Block 3, Palm Island Resort Vocation House	25 February 2014
1110110247	74.51	Unit 1, Level 1, Block 4, Palm Island Resort Vocation House	25 February 2014
1110110249	74.38	Unit 2, Level 1, Block 4, Palm Island Resort Vocation House	25 February 2014
1110110250	76.61	Unit 1, Level 2, Block 4, Palm Island Resort Vocation House	25 February 2014
1110110251	76.48	Unit 2, Level 2, Block 4, Palm Island Resort Vocation House	25 February 2014
1110110252	75.28	Unit 1, Level 1, Block 5, Palm Island Resort Vocation House	25 February 2014
1110110253	75.87	Unit 2, Level 1, Block 5, Palm Island Resort Vocation House	25 February 2014
1110110254	77.38	Unit 1, Level 2, Block 5, Palm Island Resort Vocation House	25 February 2014
1110110255	77.97	Unit 2, Level 2, Block 5, Palm Island Resort Vocation House	25 February 2014
1110110256	74.39	Unit 2, Level 1, Block 3, Palm Island Resort Vocation House	25 February 2014
1110126840	469.59	Unit 1, Level 1, Block F3, Yelin Path	18 June 2014
1110126841	469.59	Unit 2, Level 1, Block F3, Yelin Path	18 June 2014
1110126842	359.38	Unit 1, Level 3, Block F3, Yelin Path	18 June 2014
1110126843	359.38	Unit 2, Level 3, Block F3, Yelin Path	18 June 2014
1110126844	469.59	Unit 1, Level 1, Block F4, Yelin Path	18 June 2014
1110126846	359.38	Unit 1, Level 3, Block F4, Yelin Path	18 June 2014
1110126848	469.59	Unit 1, Level 1, Block F5, Yelin Path	18 June 2014
1110126850	469.59	Unit 2, Level 1, Block F5, Yelin Path	18 June 2014
1110126851	359.38	Unit 1, Level 3, Block F5, Yelin Path	18 June 2014
1110126852	359.38	Unit 2, Level 3, Block F5, Yelin Path	18 June 2014
1110126857	500.10	Unit 2, Level 1, Block E1, Yelin Path	18 June 2014
1110126858	359.13	Unit 1, Level 3, Block E1, Yelin Path	18 June 2014
1110126859	359.13	Unit 2, Level 3, Block E1, Yelin Path	18 June 2014
1110126861	500.10	Unit 1, Level 1, Block E2, Yelin Path	18 June 2014
1110126862	500.10	Unit 2, Level 1, Block E2, Yelin Path	18 June 2014
1110126863	359.13	Unit 1, Level 3, Block E2, Yelin Path	18 June 2014

4. Portion of the property as specified in State-owned Land Use Right Certificates Nos. Hui Yang Guo Yong (99) Zi Di 13210100414, Hui Yang Guo Yong (99) Zi Di 13210100417 and Hui Yang Guo Yong (2007) Di 0102164 are subject to mortgage.
5. As advised by the Group, the construction cost incurred and the projected outstanding construction cost of the portion under construction of the property as at the valuation date were approximately RMB66,494,000 and RMB1,579,461,000 respectively. Accordingly, we have taken into account the aforesaid cost in our valuation. In our opinion, the gross development value of the proposed developments of portion of the property under construction, assuming they were completed as at the valuation date, was estimated approximately as RMB3,849,000,000.
6. According to the Group's specific terms of instructions, we have taken into account the outstanding land costs of the property of approximately RMB78,000,000 in our valuation.

7. We have been provided with the Group's PRC legal adviser's opinion, which *inter-alia*, contains the followings:

Phases 1, 5 and 6 of the property

- (i) Fortune Leader Overseas Chinese (Daiyawan) Real Estate Development Co., Ltd. has legally obtained the land use rights and building ownership of Phases 1, 5 and 6 of the property. Fortune Leader Overseas Chinese (Daiyawan) Real Estate Development Co., Ltd. is the sole owner of the property;
- (ii) Phases 1, 5 and 6 can be legally transferred, leased, mortgaged or handled in other ways by Fortune Leader Overseas Chinese (Daiyawan) Real Estate Development Co., Ltd. according to relevant laws and regulations;
- (iii) Phases 1, 5 and 6 of the property is free from mortgages and other encumbrances;

Remaining Phase of the property

- (iv) Fortune Leader Overseas Chinese (Daiyawan) Real Estate Development Co., Ltd. has legally obtained the land use rights of the remaining phase of the property. Fortune Leader Overseas Chinese (Daiyawan) Real Estate Development Co., Ltd. is the sole owner of land use right of the property;
- (v) the remaining phase of the property can be legally transferred, leased, mortgaged or handled in other ways by Fortune Leader Overseas Chinese (Daiyawan) Real Estate Development Co., Ltd. subject to relevant laws and regulations and approval from the mortgagee; and
- (vi) the remaining phase of the property is subject to various mortgages.

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 October 2015
5 Huiyang Palm Island Resort (Golf Course Portion) No. 1 Tuhu Golf Road Danshui Town Huiyang, Huizhou Guangdong Province The PRC	<p>Huiyang Palm Island Resort (the “Development”) is a golf course/residential development comprises a total site area of approximately 1,259,901.00 sq m.</p> <p>The Development comprises a 27-holes golf course with driving range, an operating hotel with 20 guest rooms and various phases of residential developments. Phases 1, 2, 3, 4, 5 and 6 of the Development were complete in 2001, 2002, 2002, 2004, 2007 and 2014 respectively and have been for sale since completion. The remaining phase of the Development is currently pending for development.</p> <p>The property comprises the golf course portion of the Development with a total site area of approximately 991,667.00 sq m.</p> <p>The land use rights of the development have been granted for golf course and ancillary facilities uses with a land use rights term expiring on 5 October 2043.</p>	<p>The property is an operating 27-holes golf course and other ancillary facilities.</p>	<p>RMB155,000,000</p> <p>(100% interest attributable to the Group: RMB155,000,000)</p>

Notes:

1. Pursuant to the Business Licence No. 441300400037101 dated 14 September 2014, Fortune Leader Overseas Chinese (Daiyawan) Investment Co., Ltd. (廣盛華僑(大亞灣)投資有限公司), a wholly owned subsidiary of the Company, was incorporated with a registered capital of US\$16,950,000.
2. Pursuant to the State-owned Land Use Right Certificate No. Hui Yang Guo Yong (99) Zi Di 13210100418 issued by The People’s Government of Huiyang dated 22 June 1999, the land use rights of the Development with a site area of 991,667.00 sq m have been granted to Fortune Leader Overseas Chinese (Daiyawan) Investment Co., Ltd. for a land use rights term expiring on 5 October 2043 for golf course and ancillary facilities uses.
3. The property as mentioned in note (2) is subjected to mortgage.

4. We have been provided with the Group's PRC legal adviser's opinion, which *inter-alia*, contains the followings:
- (i) Fortune Leader Overseas Chinese (Daiyawan) Investment Co., Ltd. has legally obtained the land use rights of the property. Fortune Leader Overseas Chinese (Daiyawan) Investment Co., Ltd. is the sole owner of land use rights of the property; and
 - (ii) the property can be legally transferred, leased, mortgaged or handled in other ways by Fortune Leader Overseas Chinese (Daiyawan) Investment Co., Ltd. subject to relevant laws and regulations and approval from the mortgagee.

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 October 2015
6. Haikou Meilisha Project Haidiandao Haikou Hainan Province The PRC	Haikou Meilisha Project (the “Development”) comprises an irregular-shaped site with a total site area of approximately 2,204,909.20 sq m and is planned to develop into a large-scale residential/commercial/office/hotel composite development with ancillary and car parking facilities.	Completed Portion is currently for sale, while the Property Under Construction and Remaining Portion are under development.	RMB6,559,900,000 (100% interest attributable to the Group: RMB6,559,900,000) (please refer to note (15))

The property comprises completed portion erected on Lots No. 02 and 04 (the “Completed Portion”) of the Development, Lots No. 0102, 0301, 0601, 1801 and 1902 which are under constructions (“Property Under Construction”) and the remaining portion of the Development (“Remaining Portion”) which is pending for development.

The Completed Portion comprises the following approximate gross floor areas:

Approximate Gross Floor Area (sq m)	
Residential	50,127.51
Commercial	9,357.33
Ancillary facilities	<u>214.00</u>
	<u><u>59,698.84</u></u>

The Completed Portion also comprises 368 car parking spaces.

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 October 2015
	Property Under Construction and the Remaining Portion will comprises following approximate planned gross floor area upon completion:		
		Approximate Planned Gross Floor Area (sq m)	
	Residential	1,535,117.13	
	Commercial	90,757.42	
	Hotel	174,686.00	
	Clubhouse	12,129.00	
	Ancillary facilities	<u>77,377.24</u>	
		<u>1,890,066.79</u>	
	Property under construction and Remaining Portion will provide 16,045 car parking spaces.		
	Land use rights of the property have been granted for 70 years for residential use, 40 years for commercial use, 50 years for park and green land, public facilities, government agency and organisation use and medical and charitable uses expiring on 14 November 2075, 14 November 2045 and 14 November 2055 respectively (Please see note 2 for details).		

Notes:

- Pursuant to the Business Licence No. 460100400001591 dated 27 July 2015, New World China Land (Haikou) Limited, a wholly owned subsidiary of the Company, was incorporated with a registered capital of US\$750,000,000.
- Pursuant to the State-owned Land Use Right Grant Contract No. Shi Tu Huan Zi Yong Pi Zi (2005) 10 dated 14 November 2005 entered into between Haikou Land Environmental Resources Bureau and New World China Land (Haikou) Limited, it is stipulated that the foundation and whole development shall be completed within 6 years and 10 years respectively, upon New World China Land (Haikou) Limited has agreed the detailed planning approval of the granted land;
- Pursuant to three Supplementary Agreements of State-owned Land Use Right Grant Contract Nos. Shi Tu Huan Zi Yong Pi Zi (2005) 10-1 to 10-3 dated 27 June 2011, 27 August 2012 and 2013 respectively entered into between Haikou Land Resources Bureau and New World China Land (Haikou) Limited, it is stipulated that the construction works of Lot Nos. 0101, 0102, 0201, 0301, 0302, 0401, 0402, 0403, 0404, 1401, 1501, 1601, 1602, 1701, 1702 and 1801 of the property shall be commenced within one year of the signing of the agreement and the construction works shall be completed within 3 years of the signing of the agreement;

4. Pursuant to 52 State-owned Land Use Right Certificates issued by Department of Land Environment and Resources of Hainan Province, the land use rights of portion of the Development with a total site area of 1,807,209.92 sq m were granted to New World China Land (Haikou) Limited for various uses. Details of the State-owned Land Use Right Certificates are as follows:

Certificate No.	Site Area (sq m)	Land Use	Land Use Term		Lot No.
			Expiry Date	Date of Issuance	
Hai Kou Shi Guo Yong (2013) Di 009627	42,018.16	Medical and charitable	14 November 2055	28 October 2013	0101
Hai Kou Shi Guo Yong (2012) Di 007484	74,967.37	Residential	14 November 2075	8 October 2012	0102
Hai Kou Shi Guo Yong (2011) Di 006974	47,076.38	Residential	14 November 2075	12 August 2011	0201
Hai Kou Shi Guo Yong (2012) Di 007481	70,355.47	Residential	14 November 2075	8 October 2012	0301
Hai Kou Shi Guo Yong (2011) Di 006975	7,813.14	Commercial	14 November 2045	12 August 2011	0402
Hai Kou Shi Guo Yong (2011) Di 006972	94,763.03	Residential	14 November 2075	12 August 2011	0403
Hai Kou Shi Guo Yong (2015) Di 001423	49,525.61	Residential	14 November 2075	3 February 2015	0601
Hai Kou Shi Guo Yong (2015) Di 004373	90,554.24	Residential	14 November 2075	13 May 2015	0602
Hai Kou Shi Guo Yong (2015) Di 004380	2,534.52	Park and green land	14 November 2055	13 May 2015	0603
Hai Kou Shi Guo Yong (2015) Di 005211	6,696.17	Park and green land	14 November 2055	29 June 2015	0604
Hai Kou Shi Guo Yong (2015) Di 005186	2,857.36	Park and green land	14 November 2055	29 June 2015	0605
Hai Kou Shi Guo Yong (2015) Di 005200	852.43	Public facilities	14 November 2055	29 June 2015	0606
Hai Kou Shi Guo Yong (2015) Di 005180	9,783.42	Park and green land	14 November 2055	29 June 2015	0607
Hai Kou Shi Guo Yong (2015) Di 001420	80,626.65	Residential	14 November 2075	3 February 2015	0701
Hai Kou Shi Guo Yong (2015) Di 005198	3,750.81	Park and green land	14 November 2055	29 June 2015	0702
Hai Kou Shi Guo Yong (2015) Di 005195	20,143.29	Park and green land	14 November 2055	29 June 2015	0703
Hai Kou Shi Guo Yong (2015) Di 005205	11,829.98	Residential	14 November 2075	29 June 2015	0801
Hai Kou Shi Guo Yong (2015) Di 005212	45,785.23	Residential	14 November 2075	29 June 2015	0801
Hai Kou Shi Guo Yong (2015) Di 005206	60,365.02	Residential	14 November 2075	29 June 2015	0802
Hai Kou Shi Guo Yong (2015) Di 005188	49,688.03	Residential	14 November 2075	29 June 2015	0803
Hai Kou Shi Guo Yong (2015) Di 005209	3,487.49	Park and green land	14 November 2055	29 June 2015	0804
Hai Kou Shi Guo Yong (2015) Di 004337	7,551.88	Park and green land	14 November 2055	13 May 2015	0804
Hai Kou Shi Guo Yong (2015) Di 005208	6,584.74	Park and green land	14 November 2055	29 June 2015	0805

Certificate No.	Site Area (sq m)	Land Use	Land Use Term	Date of Issuance	Lot No.
			Expiry Date		
Hai Kou Shi Guo Yong (2015) Di 005204	62,048.57	Park and green land	14 November 2055	29 June 2015	0805
Hai Kou Shi Guo Yong (2015) Di 002878	16,484.96	Park and green land	14 November 2055	31 March 2015	0901
Hai Kou Shi Guo Yong (2015) Di 002957	32,307.24	Residential	14 November 2075	31 March 2015	0902
Hai Kou Shi Guo Yong (2015) Di 002965	65,261.56	Residential	14 November 2075	31 March 2015	0903
Hai Kou Shi Guo Yong (2015) Di 004292	15,372.58	Park and green land	14 November 2055	13 May 2015	0904
Hai Kou Shi Guo Yong (2015) Di 004320	5,018.77	Park and green land	14 November 2055	13 May 2015	0904
Hai Kou Shi Guo Yong (2015) Di 004334	123,799.32	Park and green land	14 November 2055	13 May 2015	0905
Hai Kou Shi Guo Yong (2015) Di 004330	6,832.78	Park and green land	14 November 2055	13 May 2015	0905
Hai Kou Shi Guo Yong (2015) Di 005193	10,297.95	Commercial	14 November 2045	29 June 2015	1001
Hai Kou Shi Guo Yong (2015) Di 005192	54,342.13	Science and educational	14 November 2055	29 June 2015	1002
Hai Kou Shi Guo Yong (2015) Di 005207	37,531.88	Residential	14 November 2075	29 June 2015	1003
Hai Kou Shi Guo Yong (2015) Di 001416	31,860.00	Residential	14 November 2075	3 February 2015	1101
Hai Kou Shi Guo Yong (2015) Di 001421	39,254.27	Residential	14 November 2075	3 February 2015	1201
Hai Kou Shi Guo Yong (2015) Di 001438	18,791.29	Residential	14 November 2075	3 February 2015	1301
Hai Kou Shi Guo Yong (2015) Di 001425	21,909.97	Science and educational	14 November 2055	3 February 2015	1302
Hai Kou Shi Guo Yong (2015) Di 001414	4,715.48	Commercial	14 November 2045	3 February 2015	1303
Hai Kou Shi Guo Yong (2013) Di 009558	47,664.72	Residential	14 November 2075	28 October 2013	1401
Hai Kou Shi Guo Yong (2013) Di 009563	57,620.57	Residential	14 November 2075	28 October 2013	1501
Hai Kou Shi Guo Yong (2013) Di 009560	72,057.68	Residential	14 November 2075	28 October 2013	1601
Hai Kou Shi Guo Yong (2013) Di 009624	7,756.05	Science and educational	14 November 2055	28 October 2013	1602
Hai Kou Shi Guo Yong (2013) Di 009552	38,566.66	Park and green land	14 November 2055	28 October 2013	1701
Hai Kou Shi Guo Yong (2013) Di 009621	15,242.79	Park and green land	14 November 2055	28 October 2013	1702
Hai Kou Shi Guo Yong (2013) Di 009556	38,896.10	Residential	14 November 2075	28 October 2013	1801
Hai Kou Shi Guo Yong (2015) Di 001441	15,385.32	Cultural and entertainment	14 November 2055	3 February 2015	1901
Hai Kou Shi Guo Yong (2015) Di 006060	70,250.03	Wholesale and retail	14 November 2045	29 July 2015	1902

Certificate No.	Site Area <i>(sq m)</i>	Land Use	Land Use Term Expiry Date	Date of Issuance	Lot No.
Hai Kou Shi Guo Yong (2015) Di 001413	45,970.25	Hotel and catering	14 November 2045	3 February 2015	1903
Hai Kou Shi Guo Yong (2015) Di 002966	15,263.27	Public facilities	14 November 2055	31 March 2015	1905
Hai Kou Shi Guo Yong (2015) Di 001419	18,895.43	Public facilities	14 November 2055	3 February 2015	1906
Hai Kou Shi Guo Yong (2015) Di 006670	28,201.88	Park and green land	14 November 2055	19 August 2015	1907

5. Pursuant to 72 Building Ownership Certificates, the building ownership of portion of the property with a total gross floor area of 59,605.33 sq m were vested in New World China Land (Haikou) Limited for residential use.
6. Pursuant to 5 Construction Engineering Planning Permits issued by Haikou Planning Bureau, portion of the property was permitted to be constructed. Details of Construction Engineering Permits are stated as follows:

Permit No.	Date of Issuance	Gross Floor Area <i>(sq m)</i>
Jian Zi Di 46100201400163	11 November 2014	91,867.87 (above ground) 29,225.17 (below ground)
Jian Zi Di 4610020150076	20 July 2015	69,216.73 (above ground) 14,182.72 (below ground)
Jian Zi Di 46100201500161	10 November 2015	35,884.15 (above ground) 10,848.86 (below ground)
Jian Zi Di 46100201400159	3 November 2014	129,034.31 (above ground) 68,148.34 (below ground)
Jian Zi Di 46100201400165	13 November 2014	66,791.74 (above ground) 62,209.84 (below ground)

7. Pursuant to the Construction Works Completion Certificate No. Hai Fang Jian Jun Bei Zi (2014) Di 029, the construction works of portion of the property with a gross floor area of 79,845.33 sq m was complete.
8. Pursuant to 6 Commodity Housing Pre-sale Permits issued by Hai Kou Housing and Urban Rural Development Bureau, portion of the property with a gross floor area of 101,342.73 sq m was permitted to pre-sell.

9. Pursuant to 4 Construction Works Commencement Permits issued by Haikou Housing and Urban-Rural Bureau, the construction works of portion of the property was permitted to be commenced. Details of Construction Works Commencement Permits are stated as follows:

Permit No.	Date of Issuance	Gross Floor Area (sq m)
460100201501300101	30 January 2015	50,505.25
460100201501300201	30 January 2015	70,527.79
460100201503190201	19 March 2015	197,182.65
160100201503190301	19 March 2015	129,001.58

10. Portion of the land use rights with a total site area of 74,967.37 sq m together with the construction works above were subject to a mortgage.
11. According to the information provided by the Company, portion of the land of the Development with a total site area of approximately 93,033 sq m were planned for constructing first type public facilities. After completing the construction, such portion should be handed over to Haikou government.
12. According to the information provided by the Company, portion of the land with a total site area of approximately 1,500 sq m and a total gross floor area of approximately 38,863 sq m were planned for constructing second type public facilities. After completing the construction, such portion of the property should be handed over to Haikou government.
13. According to the information provided by the Company, after completion of six roads and a park, green land of the street, two 20 m width green land of Yanhuandao Road and seaside, such portion of the property should be open to public without any charges.
14. As advised by the Group, the construction cost incurred and the projected outstanding construction cost of Property Under Construction and Remaining Portion as at the valuation date were approximately RMB687,300,000 and RMB9,649,400,000 respectively. Accordingly, we have taken into account the aforesaid cost in our valuation. In our opinion, the gross development value of the proposed developments of Property Under Construction and Remaining Portion, assuming they were completed as at the valuation date, was estimated approximately as RMB24,085,800,000.
15. As advised by the Group, there is an outstanding monetary fine for idled land at an amount of RMB12,147,990 and the said amount has not yet settled as at the date of valuation. Accordingly, we have taken into account the aforesaid cost in our valuation.
16. As advised by the Group, portion of the property with a total gross floor area of 26,718.58 sq m have been pre-sold at a total consideration of RMB267,986,357. According to the Company's instruction, the pre-sold units are included in this valuation. We have also taken this into consideration in the course of our valuation.
17. During the course of our valuation, we have not given any commercial value to portions of the property as mentioned in notes (11) to (13).
18. We have been provided with the Group's PRC legal adviser's opinion, which *inter-alia*, contains the followings:
- (i) portion of the land with a total site area of approximately 93,033 sq m were planned for constructing first type public facilities. After completing the construction, such portion of the property should be handed over to Haikou government;

- (ii) portion of the land with a total site area of approximately 38,863 sq m and a total gross floor area of approximately 1,500 sq m were planned for constructing second type public facilities. After completing the construction, such portion of the property should be handed over to Haikou government;
- (iii) after the completion of six roads and a park, green land of the street, two 20 m width green land of Yanhuandao Road and seaside, such portion of the property should be open to public without any charges;
- (iv) save and except for the portions as mentioned in notes (18)(i) and (ii), New World China Land (Haikou) Limited has legally obtained the remaining portions of the land use rights of the property and is the sole owner of such portion of the property;
- (v) New World China Land (Haikou) Limited is entitled to transfer, lease, mortgage or in other ways dispose of the non-mortgaged portion of the land use rights of the property except for the portions as mentioned in notes (18)(i), (ii) and (iii);
- (vi) Portion of the property located at Lot 0102 of the Property is subject to mortgage;
- (vii) New World China Land (Haikou) Limited has to obtain the mortgagee's prior written consent before transferring, leasing or in other ways disposing of the mortgaged portion of the property except for the portions as mentioned in notes (18)(i), (ii) and (iii);
- (viii) New World China Land (Haikou) Limited has obtained the Construction Engineering Planning Permit and Construction Works Commencement Permit for portion of the property;
- (ix) New World China Land (Haikou) Limited has obtained the Construction Engineering Planning Permit and other related permits for another portion of the property. New World China Land (Haikou) Limited is entitled to construct such portion of the property after obtaining the Construction Works Commencement Permit for such portion of the property;
- (x) after construction of the buildings of the property have been completed according to the relative State-owned Land Use Right Certificates, Construction Engineering Planning Permit and Construction Works Commencement Permit, there will be no legal obstacle for New World China Land (Haikou) Limited in obtaining the real estate title proof after compliance with relevant regulations and procedures for such portion of the property;
- (xi) According to the relevant rules of Idled Land Handling Measures (2012 Amendment), for land which has not been developed for more than two years from the date of contracted construction commencement date as stated in the land use right grant contract; the maximum penalty is that the land being resumed by the government.

Nevertheless, for land which has not been developed for more than one year but less than two years, subject to the approval from the people's government after the report of the idle land from relevant Land Resources Bureau, a monetary fine equivalent to 20% of the land price for idled land as penalty can be charged.

Lot 0101 of the property has been confirmed as idle land according to the decision issued from the government. The relevant monetary fine on the issue is RMB12,147,990 and the Company is currently negotiating with the government on the aforesaid monetary fine. Decision from the provincial government on the said negotiation is currently pending. Since the idle period will not exceed two years, as at the date of valuation, the Land Resources Bureau of Haikou has not issued the relevant Decision on Resumption of State-owned Land Use Rights. The Company is obliged to reimburse New World China Land (Haikou) Limited for the monetary fine to be paid upon the negotiation with the provincial government becomes conclusive.

Based on the above-mentioned, Lot 0101 will not be resumed by the government as at the date of valuation and the current status of Lot 0101 should not be classified to be resumable by the government until and unless the government considered New World China Land (Haikou) Limited failed to comply with the pending decision and the period of idled Lot 0101 exceeds two years.

Provided that New World China Land (Haikou) Limited develops such portion of the property in accordance with the handling measures as stipulated in the decision notice from the government, and settles respective monetary fine for idled land, land use rights of Lot 0101 will not be resumed as idled land.

- (xii) Construction works of Lots 1401, 1501, 1601 and 1602 of the property has not been commenced and contravened the idle land covenants of relevant Supplementary Agreement of the Land Grant Contract and relevant laws and regulations. Nevertheless, since the relevant Supplementary Agreement was signed in 2013 without specification on the date and thus idle period will not exceed two years as at the date of the valuation. Currently, no relevant documents concerning the idle issue has been received including, Confirmation of Idled Land, (閒置土地認定書), Decision on Monetary Fine for Idled Land (徵繳土地閒置費決定書) and Decision on Resumption of State-owned Land Use Rights (收回國有建設用地使用權決定書). New World China Land (Haikou) Limited is currently applying planning approval on the Lots 1401, 1501, 1601 and 1602.

Provided that New World China Land (Haikou) Limited duly develops such portion of the property before the expiration of the two years period as above-mentioned, land use rights of the such portion of the property will not be resumed as idled land.

- (xiii) The Company has obtained Construction Engineering Planning Permits and Construction Works Commencement Permits for Lot 0301 and begun to develop the lot. The PRC legal advisor is of the view that it is practically unlikely that the government will forfeit the land.

Group V — Property held by Group for future development in the PRC

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 October 2015
7. Huiyang Hu Xia Liao Development Hu Xia Liao Section Danshui Town Huiyang, Huizhou Guangdong Province The PRC	Huiyang Hu Xia Liao Development (the “Development”) comprises a parcel of irregular-shaped site with a site area of approximately 108,478.00 sq m and is proposed to develop into a residential development. The property is currently pending for development and has a planned gross floor area of approximately 162,717.00 sq m upon completion. The land use rights of the property have been granted for residential use for a land use rights term expiring on 28 February 2080.	The property is currently vacant and pending for development.	RMB348,000,000 (100% interest attributable to the Group: RMB348,000,000)

Notes:

1. Pursuant to the Business Licence No. 441381000039595 dated 18 January 2010, Huizhou Guangxin Property Development Limited, a wholly owned subsidiary of the Company, was incorporated with a registered capital of RMB1,000,000.
2. Pursuant to the State-owned Land Use Right Certificate No. Hui Yang Guo Yong (2010) Di 0101342 issued by The People’s Government of Huiyang dated 2 August 2010, the land use rights of the property with a site area of 108,478 sq m were granted to Huizhou Guangxin Property Development Limited for a land use rights term expiring on 28 February 2080 for residential use.
3. As advised by the Group, the construction cost incurred and the projected outstanding construction cost of the property as at the valuation date were approximately RMB85,000 and RMB732,100,000 respectively. Accordingly, we have taken into account the aforesaid cost in our valuation. In our opinion, the gross development value of the proposed development of the property, assuming they were completed as at the valuation date, was estimated approximately as RMB1,708,500,000.
4. We have been provided with the Group’s PRC legal adviser’s opinion, which *inter-alia*, contains the followings:
 - (i) Huizhou Guangxin Property Development Limited has legally obtained the land use rights of the property. Huizhou Guangxin Property Development Limited is the sole owner of the land use rights of the property;
 - (ii) the property can be legally transferred, leased, mortgaged or handled in other ways by Huizhou Guangxin Property Development Limited according to relevant laws and regulations; and
 - (iii) the property is free from mortgages and other encumbrances.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

Directors and chief executives of the Company

As at Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and/or debentures (as the case may be) of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Director or chief executive is taken or deemed to have under such provisions of the SFO) or which were required to be entered into the register required to be kept by the Company under section 352 of the SFO or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules, were as follows:

(I) *Interests and short positions in the Shares, underlying Shares and debentures of the Company*

(a) *Long position in issued Shares*

Name of Director	Number of Shares			Total	Percentage to the issued share capital as at the Latest Practicable Date
	Personal interests	Family interests	Corporate interests		
Mr. Cheng Kar-shing, Peter	755,961	—	—	755,961	0.01
Mr. Fong Shing-kwong, Michael	1,856,895	—	—	1,856,895	0.02
Dr. Cheng Wai-chee, Christopher	387,448	—	—	387,448	0.00
Hon. Tien Pei-chun, James	387,448	—	—	387,448	0.00
Mr. Lee Luen-wai, John	387,448	—	—	387,448	0.00

(b) *Long position in underlying Shares*

Under the share option scheme of the Company adopted on 26 November 2002, share options were granted to the undermentioned Directors which entitle them to subscribe for Shares and accordingly they are regarded as interested in the underlying Shares. Details of the share options held by them as at the Latest Practicable Date were as follows:

Name of Director	Date of grant	Exercisable period <i>Note</i>	Number of share options	Exercise price per Share <i>HK\$</i>
Dr. Cheng Kar-shun, Henry	18 January 2011	1	2,077,922	3.036
Mr. Cheng Kar-shing, Peter	18 January 2011	1	831,169	3.036
Dr. Cheng Chi-kong, Adrian	18 January 2011	2	935,066	3.036
Mr. Fong Shing-kwong, Michael	18 January 2011	2	277,481	3.036
Ms. Ngan Man-ying, Lynda	18 January 2011	1	1,038,961	3.036
Dr. Cheng Wai-chee, Christopher	18 January 2011	1	311,688	3.036
Hon. Tien Pei-chun, James	18 January 2011	1	311,688	3.036
Mr. Lee Luen-wai, John	18 January 2011	1	311,688	3.036

Notes:

1. Divided into 5 tranches, exercisable from 19 February 2011, 19 February 2012, 19 February 2013, 19 February 2014 and 19 February 2015, respectively to 18 February 2016.
2. Divided into 3 tranches, exercisable from 19 February 2013, 19 February 2014 and 19 February 2015, respectively to 18 February 2016.

(c) *Long position in debentures*

The following Directors have interest in the debentures issued by the Company. Details of the debentures held by them as at the Latest Practicable Date were as follows:

Name of Director	Amount of debentures issued by the Company				Percentage to the total debentures in issue as at the Latest Practicable Date
	Personal interests <i>RMB</i>	Family interests <i>RMB</i>	Corporate interests <i>RMB</i>	Total <i>RMB</i>	
Mr. Cheng Kar-shing, Peter	—	12,256,000 ¹	16,000,000 ²	28,256,000	0.30
Mr. Fong Shing-kwong, Michael	12,256,000 ¹	—	—	12,256,000	0.13
Mr. Ip Yuk-keung, Albert	—	3,064,000 ¹	—	3,064,000	0.03

Notes:

1. These debentures were issued in USD and had been translated into RMB using the rate of USD1=RMB6.128.
2. These debentures are beneficially owned by a company which is wholly-owned by Mr. Cheng Kar-shing, Peter.

(II) *Interests and short positions in the shares, underlying shares and debentures of the associated corporations of the Company*(a) *Long position in the shares of the associated corporations of the Company*

	Number of shares			Total	Percentage to the relevant issued share capital at the Latest Practicable Date
	Personal interests	Family interests	Corporate interests		
NWD					
(Ordinary shares)					
Dr. Cheng Kar-shun, Henry	—	600,000	—	600,000	0.01
Mr. Cheng Kar-shing, Peter	—	506,545	—	506,545	0.01
Mr. Fong Shing-kwong, Michael	213,182	—	—	213,182	0.00
NWS Holdings Limited					
(Ordinary shares of HK\$1.00 each)					
Dr. Cheng Kar-shun, Henry	18,349,571	—	12,000,000 ¹	30,349,571	0.80
Mr. Cheng Kar-shing, Peter	295,838	—	5,973,374 ²	6,269,212	0.17
Mr. Fong Shing-kwong, Michael	2,351,732	—	—	2,351,732	0.06
Dr. Cheng Wai-chee, Christopher	2,729,136	—	—	2,729,136	0.07
New World Department Store China Limited					
(Ordinary shares of HK\$0.10 each)					
Ms. Cheng Chi-man, Sonia	92,000	—	—	92,000	0.01
Sun Legend Investments Limited					
(Ordinary shares)					
Mr. Cheng Kar-shing, Peter	—	—	500 ³	500	50.00

Notes:

1. These shares are beneficially owned by a company which is wholly-owned by Dr. Cheng Kar-shun, Henry.
2. These shares are beneficially owned by a company which is wholly-owned by Mr. Cheng Kar-shing, Peter.
3. These shares are beneficially owned by a controlled corporation of Mr. Cheng Kar-shing, Peter.

(b) *Long position in underlying shares in the associated corporations of the Company*

(i) NWD

Under the share option scheme of the holding company, NWD, the following Directors have personal interests in share options to subscribe for shares in NWD and are accordingly regarded as interested in the underlying shares of NWD. Details of the share options of NWD held by them as at the Latest Practicable Date were as follows:

Name of Director	Date of grant	Exercisable period <i>Note</i>	Number of share options	Exercise price per share <i>HK\$</i>
Dr. Cheng Kar-shun, Henry	19 March 2012	1	10,664,813	9.161
Mr. Cheng Kar-shing, Peter	19 March 2012	1	533,238	9.161
Dr. Cheng Chi-kong, Adrian	19 March 2012	1	3,732,683	9.161
Ms. Cheng Chi-man, Sonia	19 March 2012	1	3,199,441	9.161
Mr. Fong Shing-kwong, Michael	19 March 2012	2	918,748	9.161
Mr. Lee Luen-wai, John	19 March 2012	1	533,238	9.161

Notes:

1. Divided into 4 tranches, exercisable from 19 March 2012, 19 March 2013, 19 March 2014 and 19 March 2015, respectively to 18 March 2016.
2. Divided into 2 tranches, exercisable from 19 March 2014 and 19 March 2015, respectively to 18 March 2016.

(ii) NWS Holdings Limited

Under the share option scheme of a fellow subsidiary, NWS Holdings Limited (“NWS”), the following Directors have personal interests in share options to subscribe for shares in NWS and are accordingly regarded as interested in the underlying shares of NWS. Details of the share options of NWS held by them as at the Latest Practicable Date were as follows:

Name of Director	Date of grant	Exercisable period	Number of share options	Exercise price per share <i>HK\$</i>
Dr. Cheng Kar-shun, Henry	9 March 2015	<i>Note</i>	7,401,080	14.158
Dr. Cheng Wai-chee, Christopher	9 March 2015	<i>Note</i>	1,400,204	14.158

Note: 60% of the share options are exercisable from 9 May 2015 to 8 March 2020 while the remaining 40% of the share options are divided into two tranches, exercisable from 9 March 2016 and 9 March 2017, respectively to 8 March 2020.

(c) *Long position in debentures*

(i) Fita International Limited

The following Director has interest in the debentures issued by Fita International Limited (“**Fita**”), a wholly-owned subsidiary of NWD. Details of the debentures held by him as at the Latest Practicable Date were as follows:

Name of Director	Amount of debentures in USD issued by Fita				Percentage to the total debentures in issue as at the Latest Practicable Date
	Personal interests	Family interests	Corporate interests	Total	
Mr. Lee Luen-wai, John	1,000,000	1,000,000	—	2,000,000	0.27

(ii) NWD (MTN) Limited

The following Director has interest in the debentures issued by NWD (MTN) Limited (“**MTN**”), a wholly-owned subsidiary of NWD. Details of the debentures held by him as at the Latest Practicable Date were as follows:

Name of Director	Amount of debentures in USD issued by MTN				Percentage to the total debentures in issue as at the Latest Practicable Date
	Personal Interests	Family interests	Corporate interests	Total	
Mr. Fong Shing-kwong, Michael	1,000,000	—	—	1,000,000	0.04

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules.

(III) Directors' interests in competing business

As at the Latest Practicable Date, the following Directors have interests in the following businesses (“**Competing Businesses**”) which are considered to compete or are likely to compete, either directly or indirectly, with the business of the Group other than those business where the Directors were appointed as directors to represent the interests of the Company and/or the Group pursuant to the Listing Rules:

Name of Director	Name of entity which businesses are considered to compete or likely to compete with the business of the Group	Description of businesses of the entity which are considered to compete or likely to compete with the business of the Group	Nature of interest of the Director in the entity
Dr. Cheng Kar-shun, Henry	Chow Tai Fook (Holding) Limited (“ CTFH ”) group of companies	Property investment and development as well as hotel operation	Director
	NWD group of companies	Property development and investment as well as hotel operation in PRC	Director
	Supreme Harvest Development Limited group of companies	Property investment and development in Shanghai	Director
Mr. Cheng Kar-shing, Peter	CTFH group of companies	Property investment and development as well as hotel operation	Director
	NWD group of companies	Property development and investment as well as hotel operation in PRC	Director
Dr. Cheng Chi-kong, Adrian	CTFH group of companies	Property investment and development as well as hotel operation	Director
	Cheung Hung Development (Holdings) Limited (“ Cheung Hung ”) group of companies	Property investment and development	Director
Ms. Cheng Chi-man, Sonia	NWD group of companies	Property development and investment as well as hotel operation in PRC	Director
Mr. Cheng Chi-him, Conrad	Cheung Hung group of companies	Property investment and development	Director

Name of Director	Name of entity which businesses are considered to compete or likely to compete with the business of the Group	Description of businesses of the entity which are considered to compete or likely to compete with the business of the Group	Nature of interest of the Director in the entity
Mr. Fong Shing-kwong, Michael	NWD group of companies	Property development and investment as well as hotel operation in PRC	Director
	Cheung Hung group of companies	Property investment and development	Director
	Ceneric (Holdings) Limited	Property development	Shareholder
Ms. Ngan Man-ying, Lynda	NWD group of companies	Property development and investment as well as hotel operation in PRC	Director
Mr. Lee Luen-wai, John	Lippo Limited	Property investment, development and management	Director
	Lippo China Resources Limited	Property investment, development and management	Director
	Hongkong Chinese Limited	Property investment, development and management	Director
Hon. Tien Pei-chun, James	廈門中駿天峰房地產有限公司 (Xiamen Zhongjun Tianfeng Real Estate Co., Ltd., being its unofficial English name)	Real estate development and operation	Director and shareholder
	德志房地產(上海)有限公司 (Tak Chi Property (Shanghai) Ltd., being its unofficial English name)	Property leasing, management, consultancy and related services	Shareholder
	上海中駿創富房地產有限公司 (Shanghai Zhongjun Chuangfu Real Estate Co., Ltd., being its unofficial English name)	Development, construction, leasing and sale of office and commercial premises, facility operation and management, property management and car park management	Director

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and their respective close associates had interest in any business apart from the Group's businesses which competes or is likely to compete, either directly or indirectly, with the business of the Group.

The Company does not rely on any of the Competing Businesses in the carrying on of the Company's business. The Directors are of the view that the Company is capable of carrying on its business independently of, and at arm's length from the Competing Businesses.

(IV) Other Directors' interests

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been acquired, disposed of or leased to or which are proposed to be acquired, disposed of or leased to any member of the Group respectively, since 30 June 2015, the date to which the latest published audited consolidated financial statements of the Group were made up.

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

As at the Latest Practicable Date, the following Directors were also directors of the following companies, each of which had an interest or short position in the 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:

Name of Director	Name of substantial shareholder
Dr. Cheng Kar-shun, Henry	Cheng Yu Tung Family (Holdings) Limited ("CYTF") Cheng Yu Tung Family (Holdings II) Limited ("CYTF II") Chow Tai Fook Capital Limited ("CTFC") CTFH Chow Tai Fook Enterprises Limited ("CTF") NWD
Mr. Cheng Kar-shing, Peter	CYTF CYTF II CTFC CTFH CTF NWD
Dr. Cheng Chi-kong, Adrian	CTFH CTF NWD
Ms. Cheng Chi-man, Sonia	NWD
Mr. Lee Luen-wai, John	NWD

Substantial Shareholders

As at the Latest Practicable Date, so far as is known to the Directors, the interests of substantial shareholders (as defined in the Listing Rules) in the Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Long position in the issued Shares

Name	Number of Shares			Percentage to the issued share capital as at the Latest Practicable Date
	Beneficial interests	Corporate interests	Total	
CYTF Note 1	—	6,092,601,173	6,092,601,173	70.09
CYTF II Note 1	—	6,092,601,173	6,092,601,173	70.09
CTFC Note 1	—	6,092,601,173	6,092,601,173	70.09
CTFH Note 1	—	6,092,601,173	6,092,601,173	70.09
CTF Note 2	—	6,092,601,173	6,092,601,173	70.09
NWD Note 3	5,721,977,644	370,623,529	6,092,601,173	70.09

Notes:

1. CYTF and CYTF II hold 48.98% and 46.65% interest in CTFC, respectively. CTFC in turn owns 78.58% interest in CTFH which holds the entire interests in CTF. Therefore, CYTF, CYTF II, CTFC and CTFH are deemed to have interests in the Shares in which CTF is deemed to be interested by virtue of its interests in NWD as mentioned in note 2 below.
2. CTF and its subsidiaries have interests in more than one-third of the issued shares of NWD and is accordingly deemed to have an interest in the Shares in which NWD is interested or deemed to be interested.
3. The number of Shares held under the corporate interests of NWD includes 255,041,727 Shares held by Easywin Enterprises Corporation Limited, its wholly-owned subsidiary, 22,508,064 Shares held by Great Worth Holdings Limited, its 60.90% owned subsidiary, and 93,073,738 Shares held by High Earnings Holdings Limited, its 61.32% owned subsidiary.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into a service contract with any member of the Group, other than service contracts expiring or terminable by the relevant member of the Group within one year without payment of compensation other than statutory compensation.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 30 June 2015, being the date to which the latest published audited financial statements of the Group were made up.

5. EXPERT'S CONSENT AND QUALIFICATIONS

Knight Frank, an independent qualified valuer, has given its opinion or advice as set out in Appendix II to this circular.

As at the Latest Practicable Date, Knight Frank did not have any shareholding in any member of the Group nor did it have the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, and it did not have any direct or indirect interest in any assets which had been, since 30 June 2015 (being the date to which the latest published audited accounts of the Group were made up), acquired or disposed of by, or leased to, or were proposed to be acquired or disposed of by, or leased to, any member of the Group.

Knight Frank has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and reports and references to its name in the form and context in which it appears.

6. LITIGATION

No member of the Company and its subsidiaries is at present engaged in any litigation or arbitration of material importance to the Company and its subsidiaries and no litigation or claim of material importance to the Company and its subsidiaries is known to the Directors or the Company to be pending or threatened by or against any member of the Company and its subsidiaries.

7. MISCELLANEOUS

- (a) The registered office of the Company is situated at P.O. Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands.
- (b) The place of business of the Company in Hong Kong is at 9/F., New World Tower 1, 18 Queen's Road Central, Hong Kong.
- (c) The Hong Kong share registrar and transfer office of the Company is Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) The secretary to the Board is Ms. Ngan Man-ying, Lynda, who is a Practising Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants of the United Kingdom.

8. MATERIAL CONTRACTS

The following material contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Group after the date of two years before the date of this circular and up to the Latest Practicable Date:

- (a) a subscription agreement dated 30 October 2014 among BOCI Asia Limited, The Hongkong and Shanghai Banking Corporation Limited, Citigroup Global Markets Limited and Merrill Lynch International and the Company relating to the establishment by the Company of an US\$1,500,000,000 medium term note programme and the issue by the Company of US\$900,000,000 5.375% notes due 2019;
- (b) a sale and purchase agreement dated 3 July 2015 between the Vendor and CTF whereby the Vendor conditionally agreed to sell and CTF conditionally agreed to acquire the entire issued share capital of, and the outstanding shareholder's loans owing from, New World Hotel Management (BVI) Limited for a consideration of HK\$1,963,000,000; and
- (c) the Sale and Purchase Agreements.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business in Hong Kong of the Company at 9th Floor, New World Tower 1, 18 Queen's Road Central, Hong Kong from 9:30 a.m. to 5:30 p.m., Monday to Friday (other than public holidays), from the date of this circular up to and including 6 January 2016:

- (a) the memorandum and articles of association of the Company;
- (b) the property valuation report from Knight Frank, the texts of which are set out in Appendix II to this circular;
- (c) the material contracts referred to in the paragraph headed "Material Contracts" in this Appendix;
- (d) the Haikou Sale and Purchase Agreement;
- (e) the Huiyang Sale and Purchase Agreement;
- (f) the Wuhan Sale and Purchase Agreement;
- (g) the annual reports of the Company for each of the three years ended 30 June 2015;
- (h) the Company's interim report for the six months ended 31 December 2014;

- (i) the consent letters referred to in the paragraph headed “Expert’s Consent and Qualifications” in this Appendix; and
- (j) this circular.