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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt about this circular or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares in Beijing Capital Land Ltd., you should at once hand this circular together with the accompanying reply slips and proxy forms to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Securities and Futures Commission, Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.

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# 首創置業股份有限公司

## BEIJING CAPITAL LAND LTD.

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2868)

- (1) CONNECTED TRANSACTION IN RESPECT OF  
THE PROPOSED SUBSCRIPTION OF NEW DOMESTIC SHARES;  
(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;  
(3) APPLICATION FOR WHITEWASH WAIVER; AND  
(4) NOTICE OF EGM AND CLASS MEETINGS

Joint Financial Advisers to the Company in relation to Hong Kong aspects  
of the Domestic Share Subscription

HSBC 

 **CICC**  
中金香港証券

Financial Adviser to the Company in relation to PRC aspects  
of the Domestic Share Subscription

J.P.Morgan  
一創摩根

Independent Financial Adviser to  
the Independent Board Committee and Independent Shareholders

AmCap  
Ample Capital Limited  
豐盛融資有限公司

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A letter from the Board is set out on pages 6 to 26 of this circular. A letter from the Independent Board Committee is set out on pages 27 to 28 of this circular. A letter from the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders, is set out on pages 29 to 59 of this circular.

A notice convening the EGM of the Company to be held at 9:00 a.m. on Monday, 28 September 2015 at F17, Red Goldage, No. 2, Guang Ning Bo Street, Beijing, PRC, is set out on pages EGM-1 to EGM-4 of this circular. A notice of the H Share Class Meeting to be held at 9:30 a.m. (or immediately after the conclusion of the EGM) on Monday, 28 September 2015 at F17, Red Goldage, No. 2, Guang Ning Bo Street, Beijing, PRC is set out on pages HCM-1 to HCM-4 of this circular. A notice of the Domestic Share Class Meeting to be held at 10:00 a.m. (or immediately after the conclusion of the H Share Class Meeting) on Monday, 28 September 2015 at F17, Red Goldage, No. 2, Guang Ning Bo Street, Beijing, PRC is set out on pages DCM-1 to DCM-4 of this circular. The reply slips and proxy forms for use at the EGM and the Class Meetings are also enclosed herein.

Whether or not you are able to attend the EGM and/or the Class Meetings, you are requested to complete the enclosed proxy forms in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for the holders of H Shares only) or the Company's principal place of business in the PRC at F17, Red Goldage, No. 2, Guang Ning Bo Street, Beijing, PRC (for holders of Domestic Shares and Non-H Foreign Shares only), as soon as possible but in any event not later than 5:00 p.m. on Sunday, 20 September 2015 for the reply slips and not later than 24 hours before the respective times appointed for holding the EGM and/or the Class Meetings or any adjournment thereof for the proxy forms. Completion and return of the proxy forms shall not preclude you from attending the EGM and/or the Class Meetings and voting in person at the EGM and/or the Class Meetings or any adjourned meetings should you so desire and in such event, the relevant form(s) of proxy shall be deemed to be revoked. Shareholders who intend to attend the meetings in person or by proxy should complete and return the reply slips in accordance with the instructions printed thereon on or before Sunday, 20 September 2015.

11 September 2015

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## DEFINITIONS

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*Unless the context otherwise requires, capitalised terms used in this circular shall have the meanings as follows:*

“Announcement”	the announcement of the Company dated 10 August 2015
“Articles”	the articles of association of the Company as revised from time to time
“Board”	the board of Directors of the Company
“Capital Group”	Beijing Capital Group Co., Ltd.* (北京首都創業集團有限公司), a state-owned enterprise incorporated in the PRC on 26 October 1994 and under the direct supervision of SASAC, the controlling shareholder of the Company and a connected person of the Company under Rule 14A.07 of the Listing Rules
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Class Meetings”	the Domestic Share Class Meeting and the H Share Class Meeting
“Company”	Beijing Capital Land Ltd. (首創置業股份有限公司), a joint stock company incorporated in the PRC with limited liability and whose H shares are listed on the Main Board of the Stock Exchange (Stock Code: 2868)
“Completion”	the completion of the Domestic Share Subscription
“concert party(ies)”	party or parties acting in concert as defined under the Takeovers Code
“Connected Person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Domestic Shareholder(s)”	holder(s) of the Domestic Shares
“Domestic Shares”	ordinary domestic share(s) with par value of RMB1.00 each in the share capital of the Company

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## DEFINITIONS

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“Domestic Share Class Meeting”	the class meeting of the Domestic Shareholders and Non-H Foreign Shareholders to be held to consider and, if thought fit, approve, among other things, the Domestic Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver
“Domestic Share Subscription”	the proposed subscription of new Domestic Shares by Capital Group pursuant to Domestic Share Subscription Agreement
“Domestic Share Subscription Agreement”	the conditional share subscription agreement entered into between Capital Group and the Company on 10 August 2015, under which, Capital Group conditionally agrees to subscribe for, and the Company conditionally agrees to issue, 1,000,000,000 new Domestic Shares at the subscription price of RMB3.08 (equivalent to approximately HK\$3.90) per new Domestic Share
“EGM”	extraordinary general meeting of the Shareholders to be held to consider and, if thought fit, approve, among other things, the Domestic Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate, the Whitewash Waiver and the proposed amendments to the Articles
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any of its delegates
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“H Shares”	overseas listed foreign share(s) with a par value of RMB1.00 each in the share capital of the Company, listed on the Main Board of the Stock Exchange and traded in Hong Kong dollars
“H Shareholder(s)”	holder(s) of the H Shares

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## DEFINITIONS

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“H Share Class Meeting”	the class meeting of the H Shareholders to be held to consider and, if thought fit, approve other things, the Domestic Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Independent Board Committee”	the independent board committee of the Board, comprising all independent non-executive Directors of the Company, namely Mr. Ng Yuk Keung, Mr. Wang Hong and Mr. Li Wang
“Independent Financial Adviser”	Ample Capital Limited, a licensed corporation to carry out type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO and the independent financial adviser as approved and appointed by the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders with regard to the Domestic Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver
“Independent Shareholders”	Shareholders other than: (i) Capital Group; (ii) its concert parties (including, among others, China Resource Products Limited); and (iii) all other persons (if any) who are involved or interested in the Domestic Share Subscription, the Domestic Share Subscription Agreement and/or the Whitewash Waiver
“Independent Third Party(ies)”	person(s) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, is a third party independent of the Company under the Listing Rules
“Last Trading Day”	7 August 2015, being the last full trading day immediately prior to the date of the Domestic Share Subscription Agreement

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## DEFINITIONS

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“Latest Practicable Date”	9 September 2015, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended and modified from time to time
“Long Stop Date”	31 December 2015 or such other date as may be agreed by the parties to the Domestic Share Subscription Agreement from time to time in writing
“Non-H Foreign Shareholder(s)”	holder(s) of the Non-H Foreign Shares
“Non-H Foreign Share(s)”	ordinary non-H foreign shares with par value of RMB1.00 each in the share capital of the Company
“PRC”	the People’s Republic of China but excluding, for the purposes of this circular, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SASAC”	the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality* (北京市人民政府國有資產監督管理委員會)
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended and modified from time to time
“Shareholder(s)”	holder(s) of the Shares of the Company
“Share(s)”	Domestic Share(s), Non-H Foreign Share(s) and/or H Share(s)
“Specific Mandate”	the specific mandate proposed to be granted by the Independent Shareholders to the Directors at the EGM and Class Meetings to issue the new Domestic Shares
“Stock Exchange” or “HKSE”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

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## DEFINITIONS

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“Whitewash Waiver”	a waiver from the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code, in respect of the obligations of Capital Group to make a mandatory general offer for all the relevant securities of the Company not already owned or agreed to be acquired by Capital Group and its concert parties which would otherwise arise as a result of the allotment and issue of the new Domestic Shares to Capital Group under the Domestic Share Subscription Agreement
“%”	per cent.

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

*For the purpose of this circular, unless the context otherwise requires, conversion of Renminbi into Hong Kong dollars is based on the approximate exchange rate of HK\$1 to RMB0.7892 as at the Last Trading Day. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in Hong Kong dollars or Renminbi have been, could have been or may be converted at such or any other rate or at all.*

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

*References to the singular number include references to the plural and vice versa and references to one gender include every gender.*

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

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LETTER FROM THE BOARD

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首創置業股份有限公司  
BEIJING CAPITAL LAND LTD.

(A joint stock limited company incorporated in the People's Republic of China with limited liability)  
(Stock Code: 2868)

*Executive Directors:*

Wang Hao (*Chairman*)  
Tang Jun (*President*)  
Zhang Shengli

*Non-executive Directors:*

Liu Xiaoguang  
Song Fengjing  
Shen Jianping

*Independent non-executive Directors:*

Ng Yuk Keung  
Wang Hong  
Li Wang

*Registered address:*

Room 6008, Block 1  
No. 26 Qingchun Road  
Huairou District  
Beijing  
PRC

*Place of business in the PRC:*

F17, Red Goldage  
No.2, Guang Ning Bo Street  
Beijing  
PRC

*Place of business in Hong Kong:*

Suites 2906-08, AIA Central,  
1 Connaught Road Central,  
Hong Kong

11 September 2015

*To the Shareholders*

Dear Sir or Madam,

- (1) CONNECTED TRANSACTION IN RESPECT OF  
THE PROPOSED SUBSCRIPTION OF NEW DOMESTIC SHARES;  
(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;  
(3) APPLICATION FOR WHITEWASH WAIVER; AND  
(4) NOTICE OF EGM AND CLASS MEETINGS**

**A. INTRODUCTION**

Reference is made to the Announcement. On 10 August 2015, the Company entered into the Domestic Share Subscription Agreement with Capital Group. According to the terms of the Domestic Share Subscription Agreement, the Company has conditionally agreed to issue and Capital Group has conditionally agreed to subscribe in cash for an aggregate of 1,000,000,000



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## LETTER FROM THE BOARD

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new Domestic Shares at the subscription price of RMB3.08 (equivalent to approximately HK\$3.90) per new Domestic Share, raising gross proceeds of approximately RMB3,080 million (equivalent to approximately HK\$3,903 million). Net proceeds from the issue of the new Domestic Shares are expected to be approximately RMB3,073 million (equivalent to approximately HK\$3,894 million) and are intended to be used to (a) fund land acquisitions to increase its land bank reserves and/or project development; and (b) enhance general working capital. The 1,000,000,000 new Domestic Shares will be issued under a specific mandate to be sought at the EGM and the Class Meetings.

The purpose of this circular is (i) to provide you further information relating to the Domestic Share Subscription, the Domestic Share Subscription Agreement, the Whitewash Waiver, the Specific Mandate and the proposed amendments to the Articles; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders on the Domestic Share Subscription, the Domestic Share Subscription Agreement, the Specific Mandate and Whitewash Waiver; (iii) a letter of advice by Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Domestic Share Subscription, the Domestic Share Subscription Agreement, the Specific Mandate and the Whitewash Waiver; and (iv) to give notice of the EGM and the Class Meetings.

### **B. PROPOSED SUBSCRIPTION OF NEW DOMESTIC SHARES**

#### **1. Domestic Share Subscription Agreement**

The major terms and conditions of the Domestic Share Subscription Agreement are set out as follows:

***Date***

10 August 2015

***Parties***

- (1) The Company as the issuer; and
- (2) Capital Group as the subscriber.

***Number of new Domestic Shares to be subscribed for***

Capital Group will subscribe for an aggregate of 1,000,000,000 new Domestic Shares, with an aggregate nominal value of RMB1,000,000,000. Such new Domestic Shares represent approximately 49.31% of the existing issued share capital of the Company as at the Latest Practicable Date. Assuming there is no change to the issued share capital of the Company other than the issue of the new Domestic Shares pursuant to the Domestic Share Subscription Agreement, immediately after Completion, Capital Group will directly hold an aggregate of 1,649,205,700 Domestic Shares, representing

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## LETTER FROM THE BOARD

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approximately 54.47% of the enlarged total issued share capital of the Company. Such 1,000,000,000 new Domestic Shares will be issued under the Specific Mandate. Same with the Domestic Shares existing in issue, the transfer and subsequent sale of the new Domestic Shares to be issued can be made in accordance with the relevant provisions of the Articles, subject to the applicable PRC laws.

### ***Subscription price***

RMB3.08 (equivalent to approximately HK\$3.90) per new Domestic Share. For the purpose of this circular, all figures in HK\$ are calculated based on the exchange rate of HK\$1 to RMB0.7892 as quoted by The People's Bank of China as at the Last Trading Day.

The subscription price for the Domestic Share Subscription was determined after arm's length negotiations between the Company and Capital Group, with reference to the prevailing market price of the H Shares.

The subscription price of RMB3.08 (equivalent to approximately HK\$3.90) per new Domestic Share represents:

- (1) a premium of approximately 2.36% to the price of approximately HK\$3.81 per H Share based on the closing price as quoted on the Stock Exchange on the Last Trading Day;
- (2) a premium of approximately 6.09% to the average closing price of approximately HK\$3.68 per H Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including the Last Trading Day;
- (3) a premium of approximately 4.14% to the average closing price of approximately HK\$3.75 per H Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day;
- (4) a premium of approximately 19.6% to the closing price of HK\$3.26 per H Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (5) a discount of approximately 31% to the unaudited consolidated net asset value attributable to equity shareholders of the Company as at 30 June 2015 of approximately HK\$5.62 per Share.

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## LETTER FROM THE BOARD

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### *Conditions precedent to the Domestic Share Subscription Agreement*

The Domestic Share Subscription is conditional upon:

- (1) the Independent Shareholders approving (a) the Domestic Share Subscription Agreement and the transactions contemplated thereunder and the Specific Mandate by way of special resolutions and (b) the Whitewash Waiver by way of an ordinary resolution, both by poll at the EGM and the Class Meetings;
- (2) SASAC approving the Domestic Share Subscription;
- (3) the Executive granting the Whitewash Waiver to Capital Group and its concert parties and the satisfaction of all conditions (if any) attached to the Whitewash Waiver; and
- (4) the obtaining of all necessary consents, approvals, licences, permissions, waivers and notices by the Company from relevant government and/or regulatory authorities which are required for the Domestic Share Subscription and the same not having been revoked prior to Completion.

None of the conditions can be waived under the Domestic Share Subscription Agreement. As at the Latest Practicable Date, the conditions above remained to be satisfied.

If any of the conditions precedent under the Domestic Share Subscription Agreement as set out above in the section headed “Conditions precedent to the Domestic Share Subscription Agreement” is not satisfied on or before the Long Stop Date or such other date as agreed by both parties in writing, the Domestic Share Subscription Agreement shall lapse and neither party shall have any claims against the other save for any antecedent breaches.

### *Specific Mandate*

The 1,000,000,000 new Domestic Shares will be issued under a specific mandate to be sought at the EGM and the Class Meetings.

**Shareholders and potential investors should be aware that the proposed Domestic Share Subscription is subject to the satisfaction of the conditions precedent under the Domestic Share Subscription Agreement as set out in the section headed “Conditions precedent to the Domestic Share Subscription Agreement” in this circular, and accordingly, the proposed Domestic Share Subscription may or may not proceed. Accordingly, they are advised to exercise caution when dealing in the securities of the Company.**

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## LETTER FROM THE BOARD

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### 2. Ranking of New Domestic Shares to be issued

The new Domestic Shares to be issued pursuant to the Domestic Share Subscription Agreement will rank, upon issue, *pari passu* in all respects with the existing Domestic Shares in issue at the time of allotment and issue of such new Domestic Shares.

### 3. Shareholding Structure of the Company

The following table illustrates the shareholding structure of the Company as at the Latest Practicable Date and immediately after the completion of the Domestic Share Subscription (assuming no other changes to the issued share capital of the Company prior to Completion):

Share class	As at the Latest Practicable Date		Immediately after the Domestic Share Subscription (Note 4)		
	Number of Shares held	Percentage of total issued Shares	Number of Shares held	Percentage of total issued Shares	
<b>Capital Group and parties acting in concert with it</b>					
Capital Group	Domestic	649,205,700	32.01%	1,649,205,700	54.47%
China Resource Products Limited (Note 1)	Non-H Foreign	<u>275,236,200</u>	<u>13.57%</u>	<u>275,236,200</u>	<u>9.09%</u>
<i>Subtotal</i>		<u>924,441,900</u>	<u>45.58%</u>	<u>1,924,441,900</u>	<u>63.56%</u>
<b>Other Non-H Foreign Shareholders</b>					
Yieldwell International Enterprise Limited (Note 2)	Non-H Foreign	<u>82,762,100</u>	<u>4.08%</u>	<u>82,762,100</u>	<u>2.73%</u>
<i>Subtotal</i>		<u>82,762,100</u>	<u>4.08%</u>	<u>82,762,100</u>	<u>2.73%</u>
Total Domestic and Non-H Foreign Shares		<u>1,007,204,000</u>	<u>49.66%</u>	<u>2,007,204,000</u>	<u>66.29%</u>
<b>H Shareholders</b>					
Reco Pearl Private Limited (Note 3)	H Shares	165,070,000	8.14%	165,070,000	5.45%
Other H Shareholders (Note 4)	H Shares	<u>855,686,000</u>	<u>42.20%</u>	<u>855,686,000</u>	<u>28.26%</u>
Total H Shares		<u>1,020,756,000</u>	<u>50.34%</u>	<u>1,020,756,000</u>	<u>33.71%</u>
<b>Total issued Shares</b>		<u>2,027,960,000</u>	<u>100%</u>	<u>3,027,960,000</u>	<u>100%</u>

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## LETTER FROM THE BOARD

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*Notes:*

1. China Resource Products Limited is a company incorporated in the British Virgin Islands with limited liability. For the purpose of the SFO, Guoda Limited and Beijing Rong Tong Zheng He Investment Management Company Limited\* (北京融通正和投資管理有限公司) are deemed to be interested in the 275,236,200 Non-H Foreign Shares held by China Resource Products Limited as at the Latest Practicable Date, by virtue of China Resources Products Limited being held as to 40% by Guoda Limited, which in turn is wholly-owned by Beijing Rong Tong Zheng He Investment Management Company Limited\* (北京融通正和投資管理有限公司). To the best knowledge of the Company, Guoda Limited and Beijing Rong Tong Zheng He Investment Management Company Limited\* (北京融通正和投資管理有限公司) are Independent Third Parties. In addition, as at the Latest Practicable Date, China Resources Products Limited is also held as to 31.53% by Beijing Sunshine Real Estate Comprehensive Development Company \* (北京陽光房地產綜合開發公司), which in turn is wholly-owned by Capital Group.
2. Yieldwell International Enterprise Limited is a company incorporated in the British Virgin Islands with limited liability. For the purpose of the SFO, Brocade City Holdings Limited and Fexi Holdings Limited are deemed to be interested in the 82,762,100 Non-H Foreign Shares held by Yieldwell International Enterprise Limited as at the Latest Practicable Date, by virtue of Yieldwell International Enterprise Limited being held as to 75.5% by Fexi Holdings Limited which in turn is wholly-owned by Brocade City Holdings Limited, which in turn is wholly-owned by Ngai Shu Susanna. To the best knowledge of the Company, Yieldwell International Enterprise Limited, Fexi Holdings Limited, Brocade City Holdings Limited and Ngai Shu Susanna are Independent Third Parties.
3. Reco Pearl Private Limited is a company incorporated in Singapore with limited liability and is a wholly-owned subsidiary of Recosia China Pte. Ltd., which in turn is a wholly-owned subsidiary of Recosia Pte. Ltd., which in turn is a wholly-owned subsidiary of Government of Singapore Investment Corporation (Realty) Pte. Ltd.. Reco Pearl Private Limited directly holds 165,070,000 H Shares in the Company (representing 8.14% of the Company's total issued share capital as at the Latest Practicable Date) and is a connected person of the Company by virtue of it being a substantial shareholder of the subsidiary(ies) of the Company.
4. The other H Shareholders are public Shareholders.
5. Figures shown above are calculated assuming that no other Shares will be issued or transferred after the Latest Practicable Date until the completion of the Domestic Share Subscription.
6. The Company confirms that it will continue to meet the minimum public float requirements under the Listing Rules immediately after the Domestic Share Subscription.

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## LETTER FROM THE BOARD

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### 4. Use of proceeds

The Company expects to raise gross proceeds of approximately RMB3,080 million (equivalent to approximately HK\$3,903 million) from the proposed Domestic Share Subscription. The net proceeds from the Domestic Share Subscription are expected to be approximately RMB3,073 million (equivalent to approximately HK\$3,894 million). It is the intention of the Company to apply the net proceeds from the Domestic Share Subscription of (a) approximately 80% to fund land acquisitions to increase its land bank reserves and/or project development including the development of existing projects in Wuqing (武清), Tianjin and Xanadu Building No. 5 (禧瑞都5號樓) in Beijing and the development of the Company's existing and potential land resources in Beijing such as in Hujialou shanty town (呼家樓棚戶區), Shijingshan shanty town (石景山棚戶區) and Jinhaihu (金海湖), subject to the market conditions, the availability and securing of land and government policies; and (b) approximately 20% to enhance general working capital of the Company. The net subscription price per new Domestic Share is RMB3.07 (equivalent to HK\$3.89).

The Company intends to use approximately RMB1,342 million (representing approximately 43.7% of the expected net proceeds from the Domestic Share Subscription to fund existing projects pending investment and development, which are three projects in the Beijing-Tianjin area with a total land consolidation area of approximately 934,000 square meters and a total planned GFA of approximately 1,311,000 square meters. The details of the existing projects pending investment and development are set out below:

<b>Project Name</b>	Phase I, Wuqing Project	Xanadu Building No. 5 Project	Shijingshan Project
<b>City</b>	Tianjin	Beijing	Beijing
<b>Location</b>	Wuqing District in Tianjin, the centre of the Beijing- Tianjin corridor	the center of Beijing central business district, north to the CCTV tower	Shijingshan District in Beijing, east to the West 5th Ring
<b>Development Type</b>	Primary land development <sup>(1)</sup>	Secondary property development <sup>(2)</sup>	Shantytown renovation <sup>(3)</sup>
<b>Saleable Land Area subject to Land Consolidation<sup>(1)</sup> (square meters)</b>	774,000 <sup>(4)</sup>	N/A <sup>(5)</sup>	160,000
<b>Planned GFA (square meters)</b>	876,000	35,000	400,000

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## LETTER FROM THE BOARD

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<b>Strategic Positioning</b>	<p>Wuqing District is a key area to develop in the Beijing-Tianjin-Hebei Integration Development Plan. The project location is expected to be developed into a new urban city consisting of a combination of residential, educational and industrial areas, mainly targeting customers in the eastern part and central business district of Beijing.</p>	<p>Project Xanadu Building No. 5 is one of the few remaining enclosed high-end residential and commercial community in the core area of the central business district.</p>	<p>Shijingshan District is one of the six urban core districts in Beijing and has a large development potential due to shortage of land. The project is expected to comprise of the development of high rise residential buildings, offices and commercial buildings on top of the subway station.</p>
<b>Estimated Schedule</b>	<p>The Company has already obtained the authorization for the primary land development in the project. The total saleable primary land area under Phase I, Wuqing Project is 2,000,000 square meters, of which approximately 1,226,000 square meters has completed Land Consolidation and has been sold while the remaining 774,000 square meters is pending Land Consolidation and requires fund to be drawn from the net proceeds of the Domestic Share Subscription. It is expected that the Land Consolidation will be completed and the lands will be ready for secondary development public auction between 2015 to 2017.</p>	<p>The Company has obtained the certificate of land use rights for Xanadu Building No.5 and expects to fund the relocation work of Hujialou Middle School which is located on this land parcel, and expects to complete such relocation by 2016 and commence construction immediately afterwards.</p>	<p>The Company has obtained the authorization for the project and plans to complete the first batch of Land Consolidation and land sale auction in 2016.</p>
<b>Percentage of Net Proceeds planned to be utilised</b>	10.2%	16.9%	16.6%
<b>Net Proceeds planned to be utilised</b>	Approximately RMB313.5 million	Approximately RMB519.3 million	Approximately RMB510.1 million

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## LETTER FROM THE BOARD

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*Notes:*

- 1) Primary land development refers to the situation in which the government engages a primary developer to develop land in accordance with planning conditions. The developer may be required to engage in land requisitioning, demolition, the relocation of occupants, the leveling of the land and the construction of appropriate urban utilities (“Land Consolidation”). For Land Consolidation, no land use right is required.
- 2) For secondary property development projects, the Group is responsible for property development and sales of properties and the Group is not responsible for Land Consolidation and the sale of land.
- 3) Shantytown renovation refers to government programs to demolish and rebuild homes in urban areas and the developer may be required to engage in Land Consolidation. For Land Consolidation, no land use right is required.
- 4) The total saleable primary land area under Phase I, Wuqing Project is 2,000,000 square meters, of which 1,226,000 square meters has completed Land Consolidation and has been sold. Therefore, the remaining saleable land consolidation area is 774,000 square meters and subject to Land Consolidation and requires fund to be drawn from the net proceeds of the Domestic Share Subscription.
- 5) As the Xanadu Building No.5 Project is a secondary property development, the Group is not responsible for the Land Consolidation and the sale of the land.

Apart from the existing projects of the Company, the Company intends to utilise approximately RMB1,116 million (representing approximately 36.3% of the expected net proceeds from the Domestic Share Subscription) for investment and development of potential projects in the near future including (a) Phase I of the Wuqing Project, a secondary property development project in Tianjin; (b) Phase II of the Wuqing Project, a primary land development project in Tianjin; (c) Shijingshan Project, a secondary property development project in Beijing; (d) Hujialou Project, a shantytown renovation project in the core area of central business district in Beijing; (e) Hujialou Project, a secondary property development project in the core area of central business district in Beijing; and (f) Jinhaihu Project, a secondary property development project in Beijing, all of these projects contribute a total land consolidation area of 1,154,000 square meters and a total planned GFA of 3,829,000 square meters. The Company intends to obtain these potential projects through public auction, government authorization and/or other means by leveraging on its own competitive strengths and experience, however, the Company may or may not proceed on these potential projects subject to the market conditions, the availability and securing of land and government policies. As at the Latest Practicable Date, the Company had not signed any contracts and had not made any specific plans for these potential projects.



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## LETTER FROM THE BOARD

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### 5. Reasons for the Domestic Share Subscription

#### *Enhanced support from Capital Group to the Company*

The Company is one of the four major subsidiaries of Capital Group endorsed by the SASAC and is primarily engaged in property development, which will continue to be Capital Group's sole platform engaged in market oriented property development. Capital Group holds strategic land resources and property in Beijing and Tianjin, and such resources can provide support to the Company's future development subsequent to the Domestic Share Subscription and in the event that the Company considers to acquire any such land and/or property within 12 months after Completion, the Company may settle such acquisitions by its cash reserves (including the proceeds from the Domestic Share Subscription). Capital Group will continue to support the development of the Company as a substantial shareholder of the Company and maintaining its controlling interest in the Company for at least the next five years, Capital Group has no intention to dispose any of its interest in the Domestic Shares upon Completion, save and except for any transfer(s) to National Social Security Fund Council as required by the Provisional Measures on the Administration of the Reduction of the State Owned Shares for Raising Social Security Funds (減持國有股籌集社會保障資金管理暫行辦法). The Company can also benefit from the synergy among other business segments under the Capital Group.

In order to focus on the utilization of the proceeds from the Domestic Share Subscription and to avoid further dilution of the Shareholders' interests, the Company has no present intention to (a) allot or issue any Domestic Shares for a period of 12 months after Completion, save and except for any A shares that may be allotted or issued by the Company, subject to prevailing regulatory and market conditions in the PRC; and (b) allot or issue any H Shares for a period of 180 days after Completion. In particular, the period of 180 days in respect of H Shares is consistent with similar arrangements pursuant to market practices for equity capital financing transactions.

#### *Strategic re-positioning of the Company*

The Board believes that the property market in the PRC has generally recovered and the property prices have in general increased, especially in first and second tier cities. The Company will pursue its strategic positioning in the five core cities including Beijing and Tianjin in line with the PRC government's policies for the development of the Beijing-Tianjin-Hebei area.

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## LETTER FROM THE BOARD

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### *Optimizing the Company's capital structure*

To further optimize the capital structure and enhance competitive strengths of the Company, the Board has been proactively considering various capital operation strategies. Before resorting to the Domestic Share Subscription, the Board had considered other relevant strategies such as H Shares new issue placement, rights issue of Domestic Shares and H Shares, public offering of A Shares and debt financing. An analysis of each alternative strategy is as follow:

- (1) **Placement of new H Shares:** The Board considers that such option involves uncertainties as to the timing in obtaining approvals from relevant authorities including the CSRC and the SASAC. The uncertainty may consequently impact the Company's strategy implementation on a timely basis. Aside from the regulatory approvals required, any placement of new H Shares will also be subject to the ability to attract quality investors.
- (2) **Rights issue of Domestic Shares and H Shares:** For similar reasons as set out in (1) above, there are uncertainties as to the timing in obtaining approvals from the relevant authorities for a rights issue of Domestic Shares and H Shares and the uncertainty may consequently impact the Company's strategy implementation on timely basis. A rights issue will also involve transaction costs such as underwriting fees, and pressure on the Company's share price may result, indirectly contributed by, among others, the potential dilution of earnings per share and the need to contribute additional capital by the existing Shareholders to avoid dilution of their respective shareholdings.
- (3) **Public Offering of A Shares:** The preparation for an A Shares public offering will involve relatively more time and given the recent halt in A share initial public offerings, there are uncertainties as to the timing in obtaining approvals from the relevant authorities for an A Shares public offering.
- (4) **Debt financing:** The Company has been strategically covering its cash requirements through debt financing. As at 30 June 2015, the Company had total borrowing and debt of approximately RMB46,061 million with a net gearing ratio of 155.0%, increased from a net gearing ratio of 87.0% as at 31 December 2014 and a net gearing ratio of 58.5% as at 31 December 2013. To better tap into the PRC bond market, the Company has issued domestic bonds with an aggregate amount of RMB3,000,000,000 on 29 May 2015 and proceeds from this issuance will be used to repay bank loans and supplement working capital. The Board believes that it will be in the interest of the Company and its Shareholders as a whole to utilize debt

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## LETTER FROM THE BOARD

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financing at appropriate levels, but further borrowings in the scale of the aggregate subscription price for the Domestic Share Subscription will increase the financial obligations, and the ensuing interest payment will further increase the financial burden and cash flow of the Company. In addition, there are increased risks for further borrowing by the Company given the potential pressure on the credit rating of the Company. The Company is therefore of the view that healthy and sustainable debt financings should be complemented by equity financing.

Having carefully weighed the above alternatives, the Board believes that a subscription of new Domestic Shares by Capital Group is the most efficient and economical approach to raise funds at the current market circumstances and satisfy the proposed uses of proceeds stated in the paragraph headed “4. Use of proceeds” above in this circular. The Domestic Share Subscription demonstrates a strong vote of confidence in the Company by its controlling shareholder. Furthermore, the Company believes that such injection of new equity by its controlling shareholder will optimize its capital structure, enhance its potential for sustainable debt financing and allow flexibility to further tap into the PRC bond market if and when considered appropriate by the Board, where the size of any potential bond issuance by any issuer is determined based on *inter alia*, its equity.

As such, the Directors (other than the members of the Independent Board Committee whose views have been contained in the Circular after having considered the advice from the Independent Financial Adviser) believe that the Domestic Share Subscription by Capital Group is fair and reasonable and on normal commercial terms, and is in the interests of the Group and the Shareholders as a whole. None of the Directors has any material interest in the above transactions and was not required to abstain from voting on the relevant Board resolutions approving the transactions. Nonetheless, Mr. Wang Hao, Mr. Song Fengjing, Mr. Shen Jianping and Mr. Liu Xiaoguang have abstained from voting on the relevant Board resolution(s) for reasons of their directorships in Capital Group or being a former director of Capital Group (Mr. Liu Xiaoguang, a non-executive Director, ceased to be a director of Capital Group in May 2015).

It is the intention of Capital Group that the Company will maintain its existing business after Completion. Capital Group has currently no intention to introduce any major changes to the existing operation of the Company. As at the Latest Practicable Date, Capital Group and its concert parties have no intention to re-deploy the fixed assets, or to discontinue the employment of the employees of the Group other than in the ordinary course of business of the Group.

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## LETTER FROM THE BOARD

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### 6. Recent fund raising activities and use of proceeds

The Company has not conducted any fund raising activities through any issue of equity securities within the 12 months immediately prior to the Latest Practicable Date.

### 7. Proposed amendments to the Articles

The Board proposed to make the following amendments to the Articles, to take effect subject to and upon completion of the Domestic Share Subscription, in order to reflect the latest registered capital and shareholding structure of the Company as a result of the issue of the new Domestic Shares:

- (1) The current provisions in the Articles proposed to be amended state that:–

**(a) Article 3.6**

*As approved by the relevant authorities and HKSE, the Company has issued 513,300,000 overseas listed foreign invested shares at June 2003 after its incorporation and according to the relevant requirements of the State in respect of reduction of state-owned shares, the state-owned shareholder of the Company has sold 51,330,000 state-owned shares to overseas investors upon the issuance of overseas listed foreign invested shares. As approved by the relevant authorities and HKSE, the Company has allotted 102,660,000 overseas listed foreign invested shares at February 2005 and according to the relevant requirements of the State in respect of reduction of state-owned shares, the state-owned shareholder of the Company has sold 10,266,000 state-owned shares to overseas investors upon the issuance of overseas listed foreign invested shares. As approved by the relevant authorities and HKSE, the Company has further allotted 312,000,000 overseas listed foreign invested shares at October 2006 and according to the relevant requirements of the State in respect of reduction of state-owned shares, the state-owned shareholder of the Company has sold 31,200,000 state-owned shares to overseas investors upon the issuance of overseas listed foreign invested shares.*

*The share capital structure of the Company would be: 2,027,960,000 ordinary shares, of which 1,007,204,000 shares would be held by holders of the domestic shares and foreign invested shares, representing 49.66% of the total issueable ordinary shares of the Company, and 1,020,756,000 shares would be held by holders of the overseas listed foreign invested shares, representing 50.34% of the total issueable ordinary shares of the Company.*

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## LETTER FROM THE BOARD

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**(b) Article 3.7**

*Upon the plan for the issue by the Company of overseas listed foreign invested shares and domestic shares being approved by the authorities of the State Council responsible for securities, the Board may implement arrangement, for the respective issue thereof.*

*The plan for the issue of overseas listed foreign invested shares and domestic shares may be implemented respectively by the Company pursuant to the provisions as aforesaid within 15 months upon the approval of the authorities of the State Council responsible for securities.*

*Where the total number of shares to be issued by the Company as determined under the plan includes the number of overseas listed foreign invested shares and the number of domestic shares, the capital shall be raised by one instalment; where the capital cannot be raised by one instalment under special circumstances, it can be raised by separate instalments with the approval of the authorities of the State Council responsible for securities.*

*The registered capital of the Company shall be Renminbi 2,027,960,000 upon completion of the aforesaid issue of overseas listed foreign invested shares.*

*The Company shall apply to the Administration of Industry and Commerce for registration of its registered capital, and shall report the same to the authorities of the State Council responsible for business approval and securities administration respectively.*

- (2) Subject to approval by Shareholders at the EGM and upon completion of the Domestic Share Subscription, the relevant provisions of the Articles set out in (1) above will be replaced in their entirety with the following:–

**(a) Article 3.6**

*As approved by the relevant authorities and HKSE, the Company has issued 513,300,000 overseas listed foreign invested shares at June 2003 after its incorporation and according to the relevant requirements of the State in respect of reduction of state-owned shares, the state-owned shareholder of the Company has sold 51,330,000 state-owned shares to overseas investors upon the issuance of overseas listed foreign invested shares. As approved by the relevant authorities and HKSE, the Company has allotted 102,660,000 overseas listed foreign invested shares at February 2005 and according to the relevant requirements of the State in respect of reduction of state-owned shares, the state-owned shareholder of the Company has sold 10,266,000 state-owned shares to overseas investors upon the issuance of overseas listed foreign invested shares. As*

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## LETTER FROM THE BOARD

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*approved by the relevant authorities and HKSE, the Company has further allotted 312,000,000 overseas listed foreign invested shares at October 2006 and according to the relevant requirements of the State in respect of reduction of state-owned shares, the state-owned shareholder of the Company has sold 31,200,000 state-owned shares to overseas investors upon the issuance of overseas listed foreign invested shares. Pursuant to the approval of the relevant authorities, the Company has allotted 1,000,000,000 new domestic shares to Capital Group at [•] 2015.*

*The share capital structure of the Company would be: ~~23~~,027,960,000 ordinary shares, of which ~~1~~2,007,204,000 shares would be held by holders of the domestic shares and foreign invested shares, representing ~~49.6666~~29% of the total issueable ordinary shares of the Company, and 1,020,756,000 shares would be held by holders of the overseas listed foreign invested shares, representing ~~50.3433~~71% of the total issueable ordinary shares of the Company.*

**(b) Article 3.7**

*Upon the plan for the issue by the Company of overseas listed foreign invested shares and domestic shares being approved by the authorities of the State Council responsible for securities, the Board may implement arrangement, for the respective issue thereof.*

*The plan for the issue of overseas listed foreign invested shares and domestic shares may be implemented respectively by the Company pursuant to the provisions as aforesaid within 15 months upon the approval of the authorities of the State Council responsible for securities.*

*Where the total number of shares to be issued by the Company as determined under the plan includes the number of overseas listed foreign invested shares and the number of domestic shares, the capital shall be raised by one instalment; where the capital cannot be raised by one instalment under special circumstances, it can be raised by separate instalments with the approval of the authorities of the State Council responsible for securities.*

*The registered capital of the Company shall be Renminbi ~~23~~,027,960,000 upon completion of the aforesaid issue of ~~overseas listed foreign invested shares~~ new domestic shares.*

*The Company shall apply to the Administration of Industry and Commerce for registration of its registered capital, and shall report the same to the authorities of the State Council responsible for business approval and securities administration respectively.*

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## LETTER FROM THE BOARD

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### **8. Implications under the Listing Rules**

The Domestic Share Subscription Agreement will be governed by the PRC laws and as the Company's H Shares are listed on the Stock Exchange, the Domestic Share Subscription must also comply with the Listing Rules.

As at the Latest Practicable Date, Capital Group directly holds 649,205,700 Domestic Shares in the Company, representing approximately 32.01% of the Company's total issued share capital. According to the Listing Rules, Capital Group is considered as a substantial shareholder and hence, a connected person of the Company. Accordingly, the Domestic Share Subscription constitutes a connected transaction of the Company and is subject to reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Domestic Share Subscription Agreement and the Specific Mandate will be proposed by way of special resolutions and the Whitewash Waiver will be proposed by way of an ordinary resolution at the EGM and the Class Meetings to be approved by the Independent Shareholders. Capital Group and its concert parties (including, among others, China Resource Products Limited) will (and any other shareholder who is involved or interested in the Domestic Share Subscription, the Specific Mandate and the Whitewash Waiver will be required to) abstain from voting on the resolutions to be proposed at the EGM and the Class Meetings for approving the proposed Domestic Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver. As at the Latest Practicable Date, China Resource Products Limited holds 275,236,200 Non-H Foreign Shares, representing approximately 13.57% of the Company's total issued share capital.

### **9. Implications under the Takeovers Code and application for Whitewash Waiver**

As at the Latest Practicable Date, Capital Group directly holds 649,205,700 Domestic Shares in the Company, representing approximately 32.01% of the Company's total issued share capital. Under the Takeovers Code, China Resource Products Limited is a party acting in concert with Capital Group by virtue of 20% or more of the voting rights of China Resource Products Limited being indirectly owned or controlled by Capital Group and as at the Latest Practicable Date, it holds 275,236,200 Non-H Foreign Shares, representing approximately 13.57% of the Company's total issued share capital. Capital Group and its concert parties collectively hold an aggregate of 924,441,900 Domestic Shares and Non-H Foreign Shares, representing 45.58% of the total issued share capital of the Company as at the Latest Practicable Date.

After completion of the Domestic Share Subscription and assuming no other changes to the issued share capital of the Company prior to Completion, Capital Group and its concert parties will hold approximately 63.56% of the Company's enlarged issued share capital. As the shareholding directly held by Capital Group will increase from 32.01% to



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## LETTER FROM THE BOARD

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54.47% and the shareholding held by Capital Group and its concert parties will increase from 45.58% to 63.56% as a result of the subscription of the new Domestic Shares, pursuant to Rule 26.1 of the Takeovers Code, Capital Group will be required to make a mandatory general offer for all the issued shares in the share capital of the Company not already owned or agreed to be acquired by Capital Group and its concert parties in the absence of the Whitewash Waiver.

Completion of the Domestic Share Subscription is conditional upon, among other things, the Whitewash Waiver being granted by the Executive and approved by the Independent Shareholders taken by way of a poll at the EGM and the Class Meetings. If the Whitewash Waiver is not granted by the Executive or not approved by the Independent Shareholders, the Domestic Share Subscription Agreement will not become unconditional and the Domestic Share Subscription will not proceed.

On 14 August 2015, an application was made on behalf of Capital Group to the Executive for the granting of the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, which if granted by the Executive, will be subject to, among others, the approval of the Independent Shareholders by way of poll at the EGM and the Class Meetings. Capital Group and its concert parties (including, among others, China Resource Products Limited) will (and any other shareholder who is involved or interested in the Domestic Share Subscription, the Specific Mandate and the Whitewash Waiver will be required to) abstain from voting in respect of the resolution(s) to approve the Domestic Share Subscription, the Domestic Share Subscription Agreement and the transaction contemplated thereunder, the Specific Mandate and the Whitewash Waiver at the EGM and the Class Meetings.

Immediately after Completion (if materialised) of the Domestic Share Subscription, whereby the Executive would have had granted the Whitewash Waiver and the Independent Shareholders would have had approved the Domestic Share Subscription Agreement and the transaction contemplated thereunder, and the Whitewash Waiver at the EGM and the Class Meetings, and assuming no other changes to the issued share capital of the Company, the maximum potential holding of voting rights by Capital Group and its concert parties resulting from the Domestic Share Subscription will exceed 50% of the voting rights of the Company and Capital Group and its concert parties may further increase their holding without incurring any further obligations under Rule 26 of the Takeovers Code to make a general offer.

As at the Latest Practicable, other than the 45.58% interest in the total existing issued share capital of the Company owned or controlled by Capital Group and its concert parties (details of which are set out under the section headed “B. PROPOSED SUBSCRIPTION OF NEW DOMESTIC SHARES” in this circular) and all the transactions contemplated under the proposed Domestic Share Subscription and as disclosed in this circular, neither Capital Group nor any of its concert parties:



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## LETTER FROM THE BOARD

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- (i) holds, owns, controls or directs any shares, convertible securities, warrants, options or derivatives in respect of the securities in the Company nor has entered into any outstanding derivatives in respect of the securities in the Company;
- (ii) has secured any irrevocable commitment from any Independent Shareholders to vote in favour of or against the resolutions approving the transactions contemplated under the Domestic Share Subscription Agreement and/or the Whitewash Waiver;
- (iii) has any arrangement as referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) or contracts with any other parties in relation to the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or Capital Group which might be material to the Domestic Share Subscription and/or the Whitewash Waiver;
- (iv) has any agreement or arrangement to which Capital Group or any of its concert parties is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Domestic Share Subscription and/or the Whitewash Waiver; and
- (v) has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

Save for the entering into of the Domestic Share Subscription Agreement, neither Capital Group nor any of its concert parties has acquired any voting rights of the Company or has dealt for value in any shares, convertible securities, warrants, options or derivatives in respect of the securities of the Company in the six-month period prior to the date of the Announcement and up to and including the Latest Practicable Date. Capital Group and its concert parties will not acquire or dispose of any voting rights of the Company after the date of the Announcement until Completion.

The Company has no outstanding warrants, options or securities convertible into Shares of the Company as at the Latest Practicable Date.

### **C. INFORMATION ON THE PARTIES**

#### **Information relating to the Group**

The Company is a joint stock company incorporated in the PRC with limited liability, whose H Shares are listed on the Main Board of the Stock Exchange (Stock Code: 2868). The Group is a large property developer in the PRC, focusing primarily on developing and investing in commercial properties, outlets-backed integrated properties and medium to high-end residential properties, operation of hotels, property consulting services and investment holding.

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## LETTER FROM THE BOARD

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### **Information relating to Capital Group and its concert parties**

Capital Group is a state-owned enterprise incorporated in the PRC and under the direct supervision of SASAC and is primarily engaged in infrastructure, financial securities, real estate and environmental related businesses. Capital Group is the controlling shareholder of the Company and a connected person of the Company under Rule 14A.07 of the Listing Rules.

### **D. EGM AND CLASS MEETINGS**

The EGM and the Class Meetings will be held to consider and, if thought fit, pass resolutions to approve the (i) proposed Domestic Share Subscription Agreement and the transactions contemplated thereunder; (ii) the grant of the Specific Mandate for the issue of Domestic Shares; (iii) the Whitewash Waiver; and (iv) the proposed amendments to the Articles (as the case may be). The voting in relation to the Domestic Share Subscription Agreement, the Specific Mandate, the Whitewash Waiver and the proposed amendments to the Articles at the EGM and the Class Meetings (as the case may be) will be conducted by way of poll. The Domestic Share Subscription Agreement and the Specific Mandate will be proposed by way of special resolutions and the Whitewash Waiver will be proposed by way of an ordinary resolution at the EGM and the Class Meetings to be approved by the Independent Shareholders. The amendments to the Articles will be proposed by way of special resolutions at the EGM to be approved by the Shareholders. One class meeting (being the Domestic Share Class Meeting) for the Domestic Shareholders and the Non-H Foreign Shareholder and one class meeting (being the H Share Class Meeting) for the H Shareholders will be convened to consider the Domestic Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver.

Capital Group and its concert parties (including, among others, China Resource Products Limited) will (and any other shareholder who is involved or interested in the Domestic Share Subscription, the Specific Mandate and the Whitewash Waiver will be required to) abstain from voting on the resolutions to be proposed at the EGM and the Domestic Share Class Meeting for approving the proposed Domestic Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver. Save for Capital Group and its concert parties, to the best knowledge of the Company, none of the Shareholders are required to abstain from voting on the resolutions proposed at the EGM and the Class Meetings.

A notice convening the EGM of the Company to be held at 9:00 a.m. on Monday, 28 September 2015 at F17, Red Goldage, No. 2, Guang Ning Bo Street, Beijing, PRC, is set out on pages EGM-1 to EGM-4 of this circular. A notice of the H Share Class Meeting to be held at 9:30 a.m. (or immediately after the conclusion of the EGM) on Monday, 28 September 2015 at F17, Red Goldage, No. 2, Guang Ning Bo Street, Beijing, PRC is set out on pages HCM-1 to HCM-4 of this circular. A notice of the Domestic Share Class Meeting to be held at 10:00 a.m.

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## LETTER FROM THE BOARD

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(or immediately after the conclusion of the H Share Class Meeting) on Monday, 28 September 2015 at F17, Red Goldage, No. 2, Guang Ning Bo Street, Beijing, PRC is set out on pages DCM-1 to DCM-4 of this circular. The reply slips and proxy forms for use at the EGM and the Class Meetings are also enclosed herein.

Whether or not you are able to attend the EGM and/or the Class Meetings, you are requested to complete the enclosed proxy forms in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for the holders of H Shares only) or the Company's principal place of business in the PRC at F17, Red Goldage, No. 2, Guang Ning Bo Street, Beijing, PRC (for holders of Domestic Shares and Non-H Foreign Shares only), as soon as possible but in any event not later than 5:00 p.m. on Sunday, 20 September, 2015 for the reply slips and not later than 24 hours before the respective times appointed for holding the EGM and/or the Class Meetings or any adjournment thereof for the proxy forms. Completion and return of the proxy forms shall not preclude you from attending the EGM and/or the Class Meetings and voting in person at the EGM and/or the Class Meetings or any adjourned meetings should you so desire and in such event, the relevant form(s) of proxy shall be deemed to be revoked. Shareholders who intend to attend the meetings in person or by proxy should complete and return the reply slips in accordance with the instructions printed thereon on or before Sunday, 20 September 2015.

### **E. RECOMMENDATIONS**

Your attention is drawn to the letter from the Independent Board Committee set out on pages 27 to 28 of this circular. The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, the text of which is set out on pages 29 to 59 of this circular, consider that the Domestic Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver are fair and reasonable and are in the interests of the Company and the Independent Shareholders. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of all the resolution(s) to be proposed at the EGM and the Class Meetings to approve the Domestic Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver.

The Directors (including the independent non-executive Directors) consider that the proposed amendments to the Articles as described in this circular are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends all Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the proposed amendments to the Articles.

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**LETTER FROM THE BOARD**

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**F. FURTHER INFORMATION**

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

Yours faithfully,  
By Order of the Board  
**Beijing Capital Land Ltd.**  
**Tang Jun**  
*President*

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LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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首創置業股份有限公司  
BEIJING CAPITAL LAND LTD.

(A joint stock limited company incorporated in the People's Republic of China with limited liability)  
(Stock Code: 2868)

11 September 2015

*To the Independent Shareholders*

Dear Sir or Madam,

**(1) CONNECTED TRANSACTION IN RESPECT OF  
THE PROPOSED SUBSCRIPTION OF NEW DOMESTIC SHARES;  
(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;  
(3) APPLICATION FOR WHITEWASH WAIVER; AND  
(4) NOTICE OF EGM AND CLASS MEETINGS**

We refer to the circular dated 11 September 2015 issued by the Company of which this letter forms part of (the “**Circular**”). Capitalised terms used in this letter shall have the same meaning as those defined in the Circular unless otherwise specified.

Under the Listing Rules, the Domestic Share Subscription constitutes a connected transaction for the Company and is subject to the approval of the Independent Shareholders at the EGM and Class Meetings.

We have been authorised by the Board to form the Independent Board Committee to consider the Domestic Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver (together the “**Transaction**”) and advise the Independent Shareholders as to the fairness and reasonableness of the Transaction, and to recommend how the Independent Shareholders should vote at the EGM and the Class Meetings.

We wish to draw your attention to the letter from the Board set out on pages 6 to 26 of the Circular and the letter from Ample Capital Limited, the Independent Financial Adviser as approved and appointed by the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders, which contains its advice to us in respect of the Transaction, as set out on pages 29 to 59 of the Circular.

Having considered, among other matters, the factors and reasons considered by, and the opinion of the Independent Financial Adviser as stated in its letter of advice, we consider that the Transaction is fair and reasonable and on normal commercial terms, and the Transaction is in the interests of the Company and the Independent Shareholders.

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**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

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Accordingly, we recommend the Independent Shareholders to vote in favour of all the resolution(s) to be proposed at the EGM and the Class Meetings to approve the Transaction.

Yours faithfully,  
for and on behalf of the  
Independent Board Committee  
**Ng Yuk Keung      Wang Hong      Li Wang**  
*Independent Non-Executive Directors*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the full text of the letter of advice to the Independent Board Committee and the Independent Shareholders from the Independent Financial Adviser dated 11 September 2015 prepared for the purpose of incorporation in this circular.*

**AmCap**  
*Ample Capital Limited*  
*豐盛融資有限公司*

Ample Capital Limited  
Unit A, 14th Floor  
Two Chinachem Plaza  
135 Des Voeux Road Central  
Hong Kong

11 September 2015

*To: the Independent Board Committee and  
the Independent Shareholders of  
Beijing Capital Land Ltd.*

Dear Sirs,

**(1) CONNECTED TRANSACTION IN RESPECT OF THE PROPOSED  
SUBSCRIPTION OF NEW DOMESTIC SHARES; AND  
(2) APPLICATION FOR WHITEWASH WAIVER**

We refer to our engagement as independent financial adviser to the Independent Board Committee and the Independent Shareholders of the Company in connection with the Domestic Share Subscription and the Whitewash Waiver, details of which are set out in the “Letter from the Board” in the circular of the Company dated 11 September 2015 (the “Circular”), of which this letter forms a part. Terms used in this letter have the same meanings as defined in the Circular unless the context requires otherwise.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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On 10 August 2015, the Company entered into the Domestic Share Subscription Agreement with Capital Group. The Company has conditionally agreed to issue and Capital Group has conditionally agreed to subscribe in cash for an aggregate of 1,000,000,000 new Domestic Shares at the subscription price of RMB3.08 (equivalent to approximately HK\$3.90) per new Domestic Share, raising gross proceeds of approximately RMB3,080 million (equivalent to approximately HK\$3,903 million). Net proceeds from the issue of the new Domestic Shares are expected to be approximately RMB3,073 million (equivalent to approximately HK\$3,894 million) and are intended to be used to (a) fund land acquisitions to increase its land bank reserves and/or project development; and (b) enhance general working capital of the Company. The 1,000,000,000 new Domestic Shares, represent approximately 49.31% of the existing issued share capital of the Company as at the Latest Practicable Date, will be issued under a specific mandate to be sought at the EGM and the Class Meetings. The figures in HK\$ are calculated based on the exchange rate of RMB0.7892 to HK\$1.00 as quoted by The People's Bank of China as at the Last Trading Day.

As at the Latest Practicable Date, Capital Group directly holds 649,205,700 Domestic Shares in the Company, representing approximately 32.01% of the Company's total issued share capital. According to the Listing Rules, Capital Group is considered as a substantial shareholder and hence, a connected person of the Company. Accordingly, the Domestic Share Subscription constitutes a connected transaction of the Company and is subject to reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Under the Takeovers Code, China Resource Products Limited is a party acting in concert with Capital Group by virtue of 20% or more of the voting rights of China Resource Products Limited being indirectly owned or controlled by Capital Group and as at the Latest Practicable Date, it holds 275,236,200 Non-H Foreign Shares, representing approximately 13.57% of the Company's total issued share capital. Capital Group and its concert parties under the Takeovers Code collectively hold an aggregate of 924,441,900 Domestic Shares and Non-H Foreign Shares, representing 45.58% of the total issued share capital of the Company as at the Latest Practicable Date.

After completion of the Domestic Share Subscription and assuming no other changes to the issued share capital of the Company prior to Completion, Capital Group and its concert parties will hold approximately 63.56% of the Company's enlarged issued share capital. As the shareholding directly held by Capital Group will increase from 32.01% to 54.47% and the aggregate shareholding held by Capital Group and its concert parties will increase from 45.58% to 63.56% as a result of the issue of the new Domestic Shares, pursuant to Rule 26.1 of the Takeovers Code, Capital Group will be required to make a mandatory general offer for all the issued shares in the share capital of the Company not already owned or agreed to be acquired by Capital Group and its concert parties in the absence of the Whitewash Waiver.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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On 14 August 2015, an application was made on behalf of Capital Group to the Executive for the granting of the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of the issue of the new Domestic Shares pursuant to the Domestic Share Subscription. The Whitewash Waiver, if granted by the Executive, would be subject to, among others, the approval of the Independent Shareholders by way of poll at the EGM and the Class Meetings. The Executive may or may not grant the Whitewash Waiver and in the event that it is not granted, the Domestic Share Subscription Agreement shall lapse and the Domestic Share Subscription will not proceed.

Capital Group and its concert parties (including, among others, China Resource Products Limited) will (and any other shareholder who is involved or interested in the Domestic Share Subscription, the Specific Mandate and the Whitewash Waiver will be required to) abstain from voting in respect of the resolution(s) to approve the Domestic Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver at the EGM and the Class Meetings. The Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise the Independent Shareholders on the Domestic Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver. None of the Directors has any material interest in the above transactions and was not required to abstain from voting on the relevant Board resolutions approving the transactions. Nonetheless, Mr. Wang Hao, Mr. Song Fengjing, Mr. Shen Jianping and Mr. Liu Xiaoguang have abstained from voting on the relevant Board resolution(s) due to existing directorships or former directorship in Capital Group. So the non-executive Directors are not included as members of the Independent Board Committee.

Ample Capital Limited has been appointed by the Company and approved by the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of proposed Domestic Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver are fair and reasonable so far as the interest of the Company and the Independent Shareholders as a whole are concerned and as to how the Independent Shareholders should vote at the EGM.

We are not associated or connected with the Company, Capital Group, or any of their respective substantial shareholder(s) or any party acting, or presumed to be acting, in concert with any of them and, accordingly, are considered eligible to give independent advice on the Domestic Share Subscription and Whitewash Waiver. We have not acted as independent financial adviser to the Company's other transactions in the last two years. We are also not in the same group as the financial or other professional adviser (including a stockbroker) to the Company, Capital Group, or any of their respective substantial shareholder(s) or any party acting, or presumed to be acting, in concert with any of them or who has, or had, a significant connection, financial or otherwise with either the Company or Capital Group, or any of their respective substantial shareholder(s) or any party acting, or presumed to be acting, in concert with any of them in the last two years. Apart from a normal professional fee payable to us in connection with this appointment, no arrangements exist whereby we will receive any fees or benefits from the Company, Capital Group, or any of their respective substantial shareholder(s) or any party acting, or presumed to be acting, in concert with any of them.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### 1. BASIS OF OUR OPINION

In formulating our opinion and recommendations, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the representations made to us by the Directors and the management of the Company (the “Management”). We have reviewed relevant documents including, *inter alia*, (i) Subscription Agreement; (ii) the interim and annual reports of the Company; (iii) the property valuation report by DTZ Debenham Tie Leung Limited dated 11 September 2015; and (iv) other publicly available information of the Company as disclosed on the website of the Stock Exchange.

We have assumed that all statements, information and representations provided by the Directors and the Management, for which they are solely responsible, are true and accurate at the time when they were provided and continue to be so as at the Latest Practicable Date. Shareholders will be notified of material changes as soon as possible, if any, to the information and representations provided and made to us after the Latest Practicable Date and up to the date of the EGM and the Class Meetings. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, the Directors and/or the Management, which have been provided to us. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules and Rule 2 of the Takeover Code.

The Circular, for which the Directors jointly and severally accept full responsibility, includes particulars given in compliance with the Listing Rules and the Takeovers Code for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or in the Circular misleading. The Circular includes particulars given in compliance with the Listing Rules and the Takeovers Code for the purpose of giving information with regard to the Group. We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided, nor have we conducted any independent investigation into the business and affairs of the Group. We have not considered the taxation implication on the Group or the Shareholders as a result of the Domestic Share Subscription, the Domestic Shares, Subscription Agreement, the Specific Mandate and the Whitewash Waiver, and the transactions contemplated therein. Our opinion is necessarily based on the financial, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### 2. BACKGROUND AND REASONS FOR THE DOMESTIC SHARE SUBSCRIPTION

#### 2.1. Background on Capital Group and the Group:

##### 2.1.1. Capital Group:

Capital Group is a state-owned enterprise under the SASAC of the Beijing Municipal Government. Capital Group has four core businesses: (i) real estate, which mainly include the property development business operated by the Group and government policy driven land developments in Beijing and Tianjin; (ii) environmental protection, particularly with respect to water services and waste management, environmental protection and governance (iii) infrastructure, particularly with respect to subway lines and expressway construction; and (iv) financial services and investments, particularly focusing on investment banking, private equity, loan guarantee, and mergers and acquisitions.

##### 2.1.2. The Group:

The Company is one of the four major subsidiaries of Capital Group endorsed by the SASAC and is primarily engaged in property development, which will continue to be Capital Group's sole platform engaged in market oriented property development.

The following table summarises the consolidated financial results of the Group from its operations for each of the two years ended 31 December 2014 and the six months ended 30 June 2014 and 30 June 2015, which are extracted from the Company's annual report for the year ended 31 December 2014 ("2014 Annual Report") and its interim result announcement for the six months ended 30 June 2015 ("2015 Interim Result Announcement") respectively:

	Year ended 31 December 2013 RMB'000 (audited)	Year ended 31 December 2014 RMB'000 (audited)	Six months ended 30 June 2014 RMB'000 (unaudited)	Six months ended 30 June 2015 RMB'000 (unaudited)
Revenue	11,320,840	10,057,967	4,519,333	5,447,244
Operating Profit	2,426,553	2,875,276	1,307,827	1,376,953
Net Profit attributable to equity holders of the Company	1,522,006	1,689,741	661,130	503,293

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For the financial year ended 31 December 2014, the Group's revenue amounted to approximately RMB10,058 million representing a decrease of about 11% compared with that of the financial year ended 31 December 2013. Operating profit and net profit attributable to equity holders of the Company increased approximately 18% and 11% to approximately RMB2,875 million and RMB1,690 million respectively for the financial year ended 31 December 2014 from those of the previous year. For the six months period ended 30 June 2015, (i) the Group's revenue increased about 21% while operating profit maintained at a similar level as compared to those of the six months period ended 30 June 2014; while (ii) the net profit attributable to equity holders of the Company decreased about 24% to approximately RMB503 million as compared with that of the six months period ended 30 June 2014. According to the Management, such decrease is mainly attributable to the decrease in the revenue from projects with higher gross profit margin in Beijing in the first half of 2015.

According to the 2014 Annual Report and the 2015 Interim Result Announcement, the Directors believe that the Chinese economy has entered a period of transformation and started to stabilize after an extended era of high-speed development. 2014 was the first year of the Group's new strategic five-year plan. Centered around the theme of "strategic focus and innovation", the Group focused on and expanded its three main business lines: Residential Properties, "Residence + Outlets" Complex, and Urban Core Complex. The Group continued to improve on its standardized products and centralized procurement. It also accelerated its overall operations and development. The average launch cycle of new projects was shortened to 8.4 months. The Group had established an overall strategy to focus on projects in five core cities, namely Beijing, Tianjin, Shanghai, Chongqing and Chengdu, especially to seize the opportunity created by the economic integration of Beijing and its surrounding provincial areas, namely Tianjin municipality and Hebei province. The Directors believe the property industry in this region will continue to present more opportunities given the fact that (i) the integration of Beijing, Tianjin and Hebei will complement each other in resources, enhance synergies, release greater potential for economic development, and improve regional consumption; (ii) the integration will boost all-round development in regional transportation, infrastructure, cultural and commercial facilities, thus driving housing demand and prices in areas surrounding Beijing and Tianjin; and (iii) industrial properties and other type of property models will play an important role in fostering regional synergy and new urbanization, bringing new development opportunities for property companies.

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During the period from 1 January 2013 to 30 June 2015, the Group had acquired land bank with gross floor area of approximately 8 million square meters, of which approximately 95% are located in the aforesaid five core cities. As stated in the announcement of the Company dated 3 August, 2015 in relation to the sales performance for the seven months ended 31 July 2015, the Group achieved a cumulative contracted sales area amounting to approximately 1,342,000 square meters for the seven months period ended 31 July 2015, representing an increase of 58.8% over the same period last year and the cumulative contracted sales amounting to approximately RMB13.98 billion representing an increase of 66.8% over the same period last year. Over 50% of the sales were attributable to the projects in Beijing and Tianjin.

### **2.2. Reasons for and Benefits of the Domestic Share Subscription**

The Directors believe that the property market in the PRC has generally recovered and property prices have in general increased, especially in first and second tier cities. In this regard, the Group will continue its strategies in acquiring quality projects in the five core cities including Beijing and Tianjin regions which is in line with the PRC Government's policies for the development of the Beijing-Tianjin-Hebei area.

The Company is one of the four major subsidiaries of Capital Group endorsed by the SASAC and is primarily engaged in property development, which will continue to be Capital Group's sole platform engaged in market oriented property development. The shareholding of Capital Group in the Company will increase to more than 50% upon the Completion of the Domestic Share Subscription. Therefore, the Directors expect that there will be closer collaboration between the two parties and Capital Group will have greater motivation to provide support towards the Group's future developments.

The Management noted that Capital Group holds strategic land resources and property in Beijing and Tianjin, such as (i) Light year City Project, a key demonstration project to reinforce economic and social cooperation and facilitate co-development between Beijing and Tianjin. It covers an area of 35 sq. km. with a combination of tourism, culture and education, health care, environmental technology, high-tech services, and high-end commercial and trade activities businesses; and (ii) Daxing Industrial project which comprises 19 land parcels in Daxing District, Beijing, covering an area of 5,152 mu., 10-20 km north of Beijing Capital Second International Airport. The development will become the demonstration base for emerging industries, complemented with an urban business center, a combination of residences, shopping centers, hotels and office buildings.

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The Directors believe that such resources may support the Group's future developments subsequent to the Domestic Share Subscription when those projects become feasible after project planning and other preliminary work. Furthermore, in the event that the Group considers acquiring any such land and/or property within 12 months after Completion, the Group may settle such acquisitions using its cash reserves (including the proceeds from the Domestic Share Subscription).

In 2009, leveraging on Capital Group's infrastructure business and the Group's expertise in primary and secondary land development, the Group secured a land consolidation right in a land parcel situated along Tianjin Wuqing Section of Beijing-Tianjin Expressway which was contracted to be built by Capital Group.

In 2013, the Group had successfully acquired land in Li Ze Financial Business District in Beijing on a subway station. The Group had succeeded in winning the tender over a number of highly competitive industry peers, the Directors attributed the success to (i) Capital Group constructed No. 14 and No. 16 of Beijing subway lines and the Group fully understood the region's potential and possessed first mover advantage; and (ii) its edge in integrated operations accumulated over the years and the synergies with the infrastructure business of Capital Group.

According to the 2015 Interim Result Announcement, in the first half of 2015, the Group acquired projects with a total construction area of 1.89 million square meters in core cities such as Beijing, Tianjin, Chengdu. The Group leveraged its synergy with Capital Group and successfully acquired two core land plots at Yongfeng Industrial Base, Haidian District, with a total construction area of nearly 500,000 square meters. According to the Management, collaborating closely with Capital Group's infrastructure division has greatly enhanced the resource acquisition ability of the Group's real estate business. Apart from infrastructure division, Capital Group's other divisions have also provided support to the Group. The financial services division of Capital Group supported the Group in various financing activities including bank loans and corporate bond issues. Capital Group, together with the Group, has established an internet financing platform to undertake real estate project financing activities. The Group can also leverage on Capital Group's expertise in water services, waste management, air pollution control and dust protection solutions to further improve the quality and standard of its residential and commercial development projects.

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The Group will continuously collaborate closely with Capital Group, so as to gain synergies and competitive advantages in future projects such as acquisition of core strategic land resources in the primary and secondary land development projects in Beijing's central business district area, projects along the subway stations in Beijing, and the second phase of the Wuqing project in Tianjin.

The Directors believe that Capital Group will continue to support the development of the Group as a controlling shareholder of the Company and maintaining its controlling interest in the Company for at least the next five years. The Group can also benefit from the synergy among other business segments under the Capital Group. Capital Group has no intention to dispose any of its interest in the Domestic Shares upon Completion, save and except for any transfer(s) to National Social Security Fund Council as required by the Provisional Measures on the Administration of the Reduction of the State Owned Shares for Raising Social Security Funds (減持國有股籌集社會保障資金管理暫行辦法).

### **2.3. Use of Proceeds**

The Company expects to raise gross proceeds of approximately RMB3,080 million (equivalent to approximately HK\$3,903 million) from the Domestic Share Subscription. The net proceeds from the Domestic Share Subscription are expected to be approximately RMB3,073 million (equivalent to approximately HK\$3,894 million). It is the intention of the Company to apply the net proceeds from the Domestic Share Subscription of (a) approximately 80% to fund land acquisitions to increase its land bank reserves and/or project development including the development of existing projects in Wuqing (武清) in Tianjin and Xanadu Building No.5 (禧瑞都5號樓) in Beijing and the development of the Company's existing and potential land resources in Beijing such as in Hujialou shanty town (呼家樓棚戶區), Shijingshan shanty town (石景山棚戶區) and Jinhaihu (金海湖), subject to the market conditions, the availability and securing of land and government policies; and (b) approximately 20% to enhance general working capital of the Company. The net subscription price per new Domestic Share is RMB3.07 (equivalent to HK\$3.89).

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The Company intends to use approximately RMB1,342 million (representing approximately 43.7% of the expected net proceeds from the Domestic Share Subscription) to fund existing projects pending investment and development, which are three projects in the Beijing-Tianjin area with a total land consolidation area of approximately 934,000 square meters and a total planned GFA of approximately 1,311,000 square meters. The details of the existing projects pending investment and development are set out below:

Project Name	Phase I, Wuqing Project	Xanadu Building No.5 Project	Shijingshan Project
City	Tianjin	Beijing	Beijing
Location	Wuqing District in Tianjin, the centre of the Beijing-Tianjin Corridor	the center of Beijing central business district, north to the CCTV tower	Shijingshan District in Beijing, east to the West 5th Ring
Development Type	Primary land development <sup>(1)</sup>	Secondary property development <sup>(2)</sup>	Shantytown renovation <sup>(3)</sup>
Saleable Land Area subject to Land Consolidation <sup>(1)</sup> (square meters)	774,000 <sup>(4)</sup>	N/A <sup>(5)</sup>	160,000
Planned GFA (square meters)	876,000	35,000	400,000
Strategic Positioning	Wuqing District is a key area to develop in the Beijing-Tianjin-Hebei Integration Development Plan. The project location is expected to be developed into a new urban city consisting of a combination of residential, educational and industrial areas, mainly targeting customers in the eastern part and central business district of Beijing.	Project Xanadu Building No.5 is one of the few remaining enclosed high-end residential and commercial community in the core area of the central business district.	Shijingshan District is one of the six urban core districts in Beijing and has a large development potential due to shortage of land. The project is expected to comprise of the development of high rise residential buildings, offices and commercial buildings on top of the subway station.
Estimated Schedule	The Company has already obtained the authorization for the primary land development in the project. The total saleable primary land area under Phase I, Wuqing Project is 2,000,000 square meters, of which approximately 1,226,000 square meters has completed Land Consolidation and has been sold, while the remaining 774,000 square meters is pending Land Consolidation and requires fund to be drawn from the net proceeds of the Domestic Share Subscription. It is expected that the Land Consolidation will be completed and the lands will be ready for secondary development public auction between 2015 to 2017.	The Company has obtained the certificate of land use rights for Xanadu Building No.5 and expects to fund the relocation work of Hujialou Middle School which is located on this land parcel, and expects to complete such relocation by 2016 and commence construction immediately afterwards.	The Company has obtained the authorization for the project and plans to complete the first batch of Land Consolidation and land sale auction in 2016.
Percentage of Net Proceeds planned to be utilised	10.2%	16.9%	16.6%
Net Proceeds planned to be utilised	Approximately RMB313.5 million	Approximately RMB519.3 million	Approximately RMB510.1 million



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*Notes:*

- 1) Primary land development refers to the situation in which the Government engages a primary developer to develop land in accordance with planning conditions. The developer may be required to engage in land requisitioning, demolition, the relocation of occupants, the leveling of the land and the construction of appropriate urban utilities (“Land Consolidation”). For Land Consolidation, no land use right is required.
- 2) For secondary property development projects, the Group is responsible for property development and sales of properties and the Group is not responsible for Land Consolidation and sale of land.
- 3) Shantytown renovation refers to government programs to demolish and rebuild homes in urban areas and the developer may be required to engage in Land Consolidation. For Land Consolidation, no land use right is required.
- 4) The total saleable primary land area under Phase I, Wuqing Project is 2,000,000 square meters, of which 1,226,000 square meters has completed Land Consolidation and has been sold. Therefore, the remaining saleable land consolidation area is 774,000 square meters and subject to Land Consolidation and requires fund to be drawn from the net proceeds of the Domestic Share Subscription.
- 5) As the Xanadu Building No.5 Project is a secondary property development project, the Group is not responsible for the Land Consolidation and the sale of the land.

Apart from the existing projects of the Company, the Company intends to utilise approximately RMB1,116 million (representing approximately 36.3% of the expected net proceeds from the Domestic Share Subscription) for investment and development of potential projects in the near future including (a) Phase I of the Wuqing Project, a secondary property development project in Tianjin; (b) Phase II of the Wuqing Project, a primary land development project in Tianjin; (c) Shijingshan Project, a secondary property development project in Beijing; (d) Hujialou Project, a shantytown renovation project in the core area of central business district in Beijing; (e) Hujialou Project, a secondary property development project in the core area of central business district in Beijing; and (f) Jinhaihu Project, a secondary property development project in Beijing, all of these projects contribute a total land consolidation area of 1,154,000 square meters and a total planned GFA of 3,829,000 square meters. The Company intends to obtain these potential projects through public auction, government authorization and/or other means by leveraging on its own competitive strengths and experience, however, the Company may or may not proceed on these potential projects subject to the market conditions, the availability and securing of land and government policies. As at the Latest Practicable Date, the Company had not signed any contracts and had not made any specific plans for these potential projects.

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We note that the intended use of proceeds is for the acquisitions of land and/or development of projects in Tianjin and Beijing. Such plans are in line with the Group's strategy of focusing on projects in the five core cities, namely Beijing, Tianjin, Shanghai, Chongqing and Chengdu. According to China Daily dated 12 December 2014, the governments of the three regions and China Railways Corporation plan to invest RMB10 billion in Beijing-Tianjin-Hebei railway transportation. Moreover, based on the meeting held by the Politburo of the Communist Party of China on 30 April 2015 (source: www.gov.cn), the PRC Government (or the "Government") further emphasized the importance of the Beijing-Tianjin-Hebei integration strategy, in particular, the integration of the transportation system and public services of Beijing, Tianjin and Hebei, the environment protection issues and industrial upgrading of the regions. The resolution of "Beijing-Tianjin-Hebei Synergy Development Plans Summary" has been passed in the meeting. Leveraging on Capital Group's infrastructure business and its land resources, the Group is expected to benefit from the all-round development in transportation, infrastructure, cultural and commercial facilities to be brought about by the Government's Beijing-Tianjin-Hebei integration strategy in this region.

### **2.4. Financing alternatives available to the Group**

As stated in the Letter, the Company has not conducted any fund raising activities through any issue of equity securities within the 12 months immediately prior to the Latest Practicable Date. In order to focus on the utilization of the proceeds from the Domestic Share Subscription and to avoid further dilution of the Shareholders' interests, the Company has no present intention to (a) allot or issue any Domestic Shares for a period of 12 months after Completion, save and except for any A shares that may be allotted or issued by the Company, subject to prevailing regulatory and market conditions in the PRC (The Company currently have no A shares, but the Directors do not want to rule out any possibility of A shares issues in the future); and (b) allot or issue any H Shares for a period of 180 days after Completion. In particular, the period of 180 days in respect of H Shares is consistent with similar arrangements pursuant to market practices for equity capital financing transactions.

Apart from the Domestic Share Subscription, the Board had considered other relevant strategies such as H Shares new issue placement, rights issue of Domestic Shares and H Shares, public offering of A Shares and debt financing.

The Board considers that the placement of new H Shares involves uncertainties as to the timing in obtaining approvals from relevant authorities including the CSRC and the SASAC. The uncertainty may consequently impact the Company's strategy implementation on a timely basis. Aside from the regulatory approvals required, any placement of new H Shares will also be subject to the ability to attract quality investors. It considers that the rights issue of Domestic Shares and H Shares will also face similar uncertainties as to the timing in obtaining approvals from the relevant authorities and the uncertainty may

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consequently impact the Company's strategy implementation on timely basis. A rights issue will also involve transaction costs such as underwriting fees and pressure on the Company's share price may result due to the common market practice of discounting of the issue price.

The Management has also considered public offering of A Shares, however, the preparation for an A Shares public offering will involve relatively more time and given the recent halt in A share initial public offerings, there are uncertainties as to the timing in obtaining approvals from the relevant authorities for an A Shares public offering.

Apart from equity financing, the Board has also considered debt financing. On 29 May 2015, the Company has issued domestic bonds with an aggregate amount of RMB3,000,000,000 and proceeds from this issuance will be used to repay bank loans and supplement working capital. As at 30 June 2015, the Company had approximately RMB46,061 million interest-bearing borrowings with a net gearing ratio<sup>(note)</sup> of approximately 155%, increased from a net gearing ratio<sup>(note)</sup> of approximately 87% as at 31 December 2014 and a net gearing ratio<sup>(note)</sup> of approximately 58% as at 31 December 2013. The Board believes that it will be in the interest of the Company and its Shareholders as a whole to utilize debt financing at appropriate levels, but further borrowings in the scale of the aggregate subscription price for the Domestic Share Subscription will increase the financial obligations, and the ensuing interest payment will further increase the financial burden and cash flow of the Company. In addition, there are increased risks for further borrowing by the potential pressure on the credit rating of the Company. The Company is therefore of the view that healthy and sustainable debt financings should be complemented by equity financing.

The Board believes that a subscription of new Domestic Shares by Capital Group is the most efficient and economical approach to raise funds in the current market circumstances and satisfy the proposed uses of proceeds. The Domestic Share Subscription demonstrates a strong vote of confidence in the Company by its controlling shareholder. Furthermore, the Company believes that such injection of new equity by its controlling shareholder will optimize its capital structure, enhance its potential for sustainable debt financing and allow flexibility to further tap into the PRC bond market if and when considered appropriate by the Board, where the size of any potential bond issuance by any issuer is determined based on *inter alia*, its equity.

*Note:* Net gearing ratio = (Total interest-bearing borrowing – Cash at bank and on hand)/Total owners' equity

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### 2.5. Our View on the Domestic Share Subscription

Based on the above and having considered, in particular, that the Domestic Share Subscription:

- (i) is a more efficient and cost effective way of raising the required funds as compared to other equity issuance alternatives (H Shares new issue placement, rights issue of Domestic Shares and H Shares, public offering of A Shares) given that all these alternatives require approval from relevant authorities including CSRC which timing of its approval is uncertain and the uncertainty may consequently impact the Company's strategy implementation on timely basis;
- (ii) will greatly improve the Group's cash reserves which can be used to finance the Group's land and property acquisitions and development in the five core cities including Beijing and Tianjin region; and
- (iii) will help to improve the Group's debt equity ratio and enhance its potential for sustainable debt financing and allow flexibility to further tap into the PRC bond market if and when considered appropriate by the Board;

we are of the view that the Domestic Share Subscription by Capital Group is in the interests of the Group and the Shareholders as a whole.

### 3. DOMESTIC SHARE SUBSCRIPTION AGREEMENT

#### 3.1. Major Terms of the Domestic Share Subscription Agreement

On 10 August 2015, the Company entered into the Domestic Share Subscription Agreement with Capital Group. The Company has conditionally agreed to issue and Capital Group has conditionally agreed to subscribe in cash for an aggregate of 1,000,000,000 new Domestic Shares at the subscription price of RMB3.08 (equivalent to approximately HK\$3.90) per new Domestic Share. Such new Domestic Shares represent approximately 49.31% of the existing issued share capital of the Company as at the Latest Practicable Date. Assuming there is no change to the issued share capital of the Company other than the issue of the new Domestic Shares pursuant to the Domestic Share Subscription Agreement, immediately after Completion, Capital Group will directly hold an aggregate of 1,649,205,700 Domestic Shares, representing approximately 54.47% of the enlarged total issued share capital of the Company. Such 1,000,000,000 new Domestic Shares will be issued under the Specific Mandate and rank, upon issue, *pari passu* in all respects with the existing Domestic Shares in issue at the time of allotment and issue of such new Domestic Shares.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### 3.2. Conditions precedent to the Domestic Share Subscription Agreement

The Domestic Share Subscription is conditional upon:

- (i) the Independent Shareholders approving (i) the Domestic Share Subscription Agreement and the transactions contemplated thereunder and the Specific Mandate by way of special resolutions and (ii) the Whitewash Waiver by way of an ordinary resolution, both by poll at the EGM and the Class Meetings;
- (ii) SASAC approving the Domestic Share Subscription;
- (iii) the Executive granting the Whitewash Waiver to Capital Group and its concert parties and the satisfaction of all conditions (if any) attached to the Whitewash Waiver; and
- (iv) the obtaining of all necessary consents, approvals, licences, permissions, waivers and notices by the Company from relevant government and/or regulatory authorities which are required for the Domestic Share Subscription and the same not having been revoked prior to Completion.

None of the conditions can be waived under the Domestic Share Subscription Agreement.

### 3.3. Subscription Price

The subscription price for the Domestic Share Subscription was determined after arm's length negotiations between the Company and Capital Group, with reference to the prevailing market price of the H Shares.

The subscription price of RMB3.08 (equivalent to approximately HK\$3.90, based on the exchange rate of RMB0.7892 to HK\$1.00 as quoted by The People's Bank of China as at the Last Trading Day) per new Domestic Share represents:

- (i) a premium of approximately 2.36% to the price of approximately HK\$3.81 per H Share based on the closing price as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 6.09% to the average closing price of approximately HK\$3.68 per H Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including the Last Trading Day ("Last 5 Trading Days Average");
- (iii) a premium of approximately 4.14% to the average closing price of approximately HK\$3.75 per H Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day ("Last 10 Trading Days Average");
- (iv) a premium of approximately 19.6% to the closing price of HK\$3.26 per H Share as quoted on the Stock Exchange on the Latest Practicable Date; and

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- (v) a discount of approximately 31% to the unaudited consolidated net asset value attributable to equity shareholders of the Company as at 30 June 2015 of approximately HK\$5.62 per Share<sup>(1)</sup>.

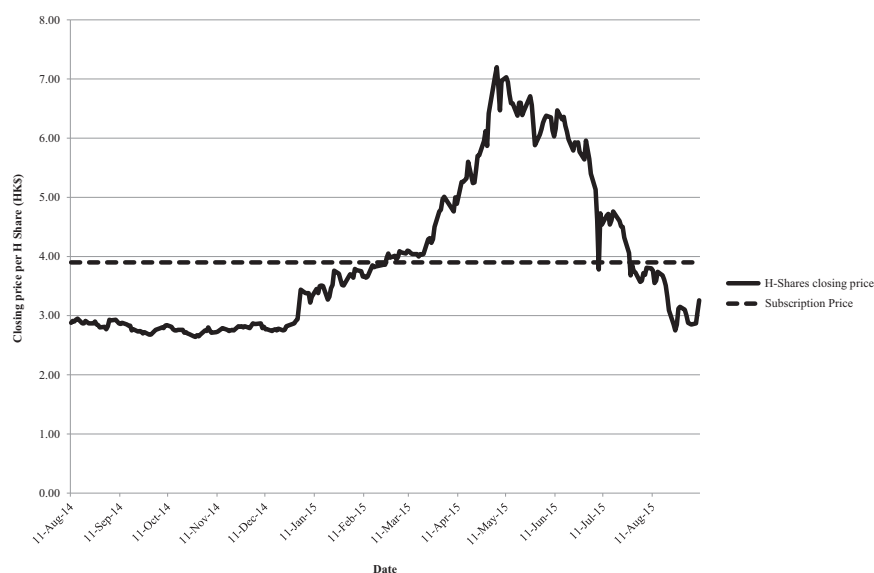
*Note 1:* Based on total equity attributable to equity shareholders of RMB8,999,755,000 (or HK\$11,403,642,930 based on the exchange rate of RMB0.7892 to HK\$1.00 as quoted by The People's Bank of China as at the Last Trading Day) as at 30 June 2015 as disclosed in 2015 Interim Result Announcement and total number issued shares of 2,027,960,000 as at the Latest Practicable Date.

In order to assess the fairness and reasonableness of the Subscription Price, we have compared the Subscription Price with (i) historical prices of H Shares; (ii) net asset value per Share of the Group and net asset value per share of the comparable property companies; and (iii) subscription prices of recent comparable transactions.

### 3.3.1. Historical H Shares price performance

We have reviewed the daily closing price of the H shares as quoted on the Hong Kong Stock Exchange within the one-year period prior to the Last Trading Date (the “Review Period”) and from Last Trading Date to Latest Practicable Date (the “Post Announcement Period”). We consider that such one-year period would be sufficient to smooth out the effects of any short-term fluctuations in the stock market for our analysis and therefore can serve as a benchmark for assessing the Subscription Price. The historical trading pattern of the H Shares during the Review Period and the Post Announcement Period is illustrated as follows:

*Historical H Shares Closing Price*

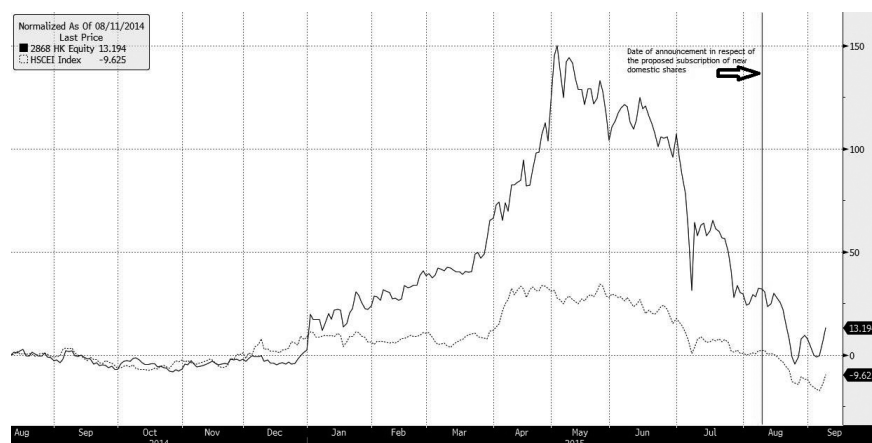


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### *Comparison of relative changes in Historical H Shares Closing Price and Hang Seng Chinese Enterprise Index Performance*



Source: Bloomberg

#### Notes:

- 1) Y-axis represents % change of closing price or index against the closing price or index on the first day of the Review Period
- 2) Normalized as of 11 August 2014.

During the Review Period, the closing prices of the H Shares ranged from HK\$2.68 per H Share to HK\$7.20 per H Share. We note that the Subscription Price of HK\$3.90 per new Domestic Share falls within the above price range and the Subscription Price represents a premium of approximately 46% over the lowest closing price of the H Shares of HK\$2.68 and a discount of approximately 3% as compared to the average closing price of the H Shares of approximately HK\$4.01 during the Review Period.

In late March 2015, CSRC released a circular that detailed how domestic asset managers in China can access Hong Kong listed equities via the Shanghai-Hong Kong stock connect. While the announcement by the CSRC was the catalyst for the market rally, some other factors such as: (i) The National People's Congress announced China's new strategic plans in their meeting in March 2015. These include, *inter alia*, "One-road, one-belt" orders, "Internet+", and "Made in China 2025" initiatives and they appear alongside spending on railways, environmental protection and affordable housing; and (ii) The reserve requirement ratio cut of 1% was announced in April 2015, the largest cut in Chinese banks' reserve requirement ratio since late 2008; setting up an environment ripe for a Chinese equity breakout.

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From 11 August 2014 to 20 March 2015, the Hang Seng China Enterprises Index (“HSCEI”) was in the range of 10,000 to 12,300. HSCEI started rallying from late March 2015, reached its peak of more than 14,800 on 26 May 2015 and then fell below 12,000 in July 2015. Similarly, from 11 August 2014 to 20 March 2015, the stock price of H Shares were trading in the range of HK\$2.68 per H Share to HK\$4.10 per H Share, and increased substantially from late March and reached its peak at HK\$7.20 per H Share in early May and then dropped below HK\$4.00 per H Share in late July 2015. As at the Last Trading Day, HSCEI had already fallen to 11,227.94, a similar level with the first trading day of the Review Period (HSCEI closed at 11,037.88 on 11 August 2014), whereas the H Shares closed at HK\$3.81 per H Share on the Last Trading Day, which represents a premium of about 32% compared with H Shares closing price on 11 August 2014.

During the Post Announcement Period, both HSCEI and H Shares continued to fall. As at the Latest Practicable Date, HSCEI closed at 9,975.53 which represents a discount of about 9.62% compared to HSCEI on 11 August 2014 whereas H Shares closed at HK\$3.26 per H Share which represents a premium of about 13.19% compared to the H Shares closing price of HK\$2.88 per H Share on 11 August 2014 as shown in the chart above.

Although the Subscription Price is lower than the prices of H Shares during 25 February 2015 to 27 July 2015, we note that out of a total of 246 trading days during the Review Period, the Subscription Price is higher than the closing prices of H Shares in 143 trading days (more than 58% of the time during the Review Period). Given the fact that there is no guarantee that H Shares price will rally again in the near future and the Subscription Price represents a discount of only about 3% as compared to the average closing price of the H Shares during the Review Period and a premium of about 20% as compared to the average closing price of the H Shares during the Post Announcement Period. Therefore, we are of the view that the lower of the Subscription Price than the prices of H Shares which moved in line with HSCEI during 25 February 2015 to 27 July 2015 is acceptable.



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### 3.3.2. Comparison of the Subscription Price with the net asset value per Share

We note that the Subscription Price of RMB3.08 (equivalent to approximately HK\$3.90<sup>(1)</sup>) per new Domestic Share represents (i) a discount of approximately 31% to the unaudited consolidated net asset value attributable to equity shareholders of the Company of approximately RMB4.44 (equivalent to HK\$5.62<sup>(1)</sup>) per Share (“NAV per Share”) based on the unaudited consolidated total equity interest attributable to the equity shareholders of approximately RMB9,000 million (or approximately HK\$11,404 million<sup>(1)</sup>) as at 30 June 2015 as disclosed in the Interim Result Announcement 2015 and based on the total number of 2,027,960,000 Shares in issue as at the Latest Practicable Date; or (ii) a discount of approximately 48.86% to the adjusted unaudited consolidated net asset value attributable to equity shareholders of the Company as at 30 June 2015 of approximately HK\$7.63 per Share<sup>(2)</sup>.

The Group is a PRC real estate developer with market capitalization of approximately HK\$7,727 million based on closing price and total issued shares of the Company as at the Last Trading Day, so we have reviewed the trading prices of PRC property developers listed on the Stock Exchange with market capitalization ranging from HK\$5,000 million to HK\$10,000 million (the “Comparable Property Companies”) as at the Last Trading Day. We consider the Comparable Property Companies an exhaustive list of relevant comparable companies based on the said criteria above.

Comparable Property Companies	Market Capitalization HK\$'million	Net Asset Value (“NAV”) <sup>(1)(3)</sup> HK\$'million	No of Shares <sup>(4)</sup>	NAV per share HK\$/share	Closing Price as at Last Trading Day HK\$	Premium/ (Discount) of Closing Price to NAV
CC Land Holdings Ltd. (1224)	5,332	15,414	2,588,223,112	5.96	2.06	-65%
China Merchants Land Ltd. (978)	7,996	6,460	4,905,257,860	1.31	1.63	24%
China New City Commercial Development Ltd. (1321)	5,596	5,555	1,738,000,000	3.20	3.22	1%
China Overseas Grand Oceans Group Ltd. (81)	7,098	12,514	2,282,239,894	5.48	3.11	-43%
China SCE Property Holdings Ltd. (1966)	6,094	8,865	3,423,840,000	2.59	1.78	-31%
China Vast Industrial Urban Development Co., Ltd. (6166)	5,355	3,150	1,637,641,000	1.92	3.27	70%
Fantasia Holdings Group Co., Ltd. (1777)	6,107	11,918	5,761,179,424	2.07	1.06	-49%
Future Land Development Holdings Ltd. (1030)	7,028	9,758	5,668,000,000	1.72	1.24	-28%
Gemdale Properties and Investment Corporation Ltd. (535)	6,438	9,380	15,147,101,032	0.62	0.425	-31%

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Comparable Property Companies	Market Capitalization <i>HK\$ million</i>	Net Asset Value ("NAV") <sup>(1)(3)</sup> <i>HK\$ million</i>	No of Shares <sup>(4)</sup>	NAV per share <i>HK\$/share</i>	Closing Price as at Last Trading Day <i>HK\$</i>	Premium/ (Discount) of Closing Price to NAV
Glorious Property Holdings Ltd. (845)	7,403	18,319	7,792,645,623	2.35	0.95	-60%
Powerlong Real Estate Holdings Ltd. (1238)	5,956	24,575	3,997,303,000	6.15	1.49	-76%
Redco Properties Group Ltd. (1622)	8,976	2,420	1,600,000,000	1.51	5.61	271%
Road King Infrastructure Ltd. (1098)	5,357	13,140	739,936,566	17.76	7.24	-59%
Shanghai Industrial Urban Development Group Ltd. (563)	7,602	12,546	4,811,523,189	2.61	1.58	-40%
Sunshine 100 China Holdings Ltd. (2608)	7,386	7,206	2,375,000,000	3.03	3.11	2%
Tian An China Investments Co. Ltd. (28)	6,585	16,000	1,506,769,491	10.62	4.37	-59%
Times Property Holdings Ltd. (1233)	5,479	7,469	1,722,960,000	4.33	3.18	-27%
Wanda Hotel Development Co. Ltd. (169)	6,200	2,545	4,697,346,488	0.54	1.32	144%
Wuzhou International Holdings Ltd. (1369)	6,887	5,340	4,990,259,914	1.07	1.38	29%
Yida China Holdings Ltd. (3639)	7,313	11,341	2,583,970,000	4.39	2.83	-36%
Yuzhou Properties Co., Ltd. (1628)	6,449	11,391	3,815,999,999	2.99	1.69	-43%
Zhuguang Holdings Group Co. Ltd. (1176)	7,276	3,210	4,818,312,935	0.67	1.51	127%
Minimum						-76%
Maximum						271%
Average						1%
<b>The Company</b>	<b>7,727</b>	<b>11,404<sup>(5)</sup></b>	<b>2,027,960,000</b>	<b>5.62</b>	<b>3.81</b>	<b>-32%</b>

*Sources: Bloomberg and the website of the Stock Exchange*

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### Notes

1. The figures in HK\$ are calculated based on the exchange rate of RMB0.7892 to HK\$1.00 as quoted by The People's Bank of China as at the Last Trading Day.
2. Based on total reassessed net asset value attributable to equity shareholders of RMB12,215 million (or HK\$15,478 million<sup>(1)</sup>) as at 30 June 2015 and total issued shares of 2,027,960,000 as at the Latest Practicable Date. Total reassessed net asset value attributable to equity shareholders equals to total equity attributable to equity shareholders as at 30 June 2015 as disclosed in 2015 Interim Result Announcement adjusted by difference of attributable properties valuation valued by DTZ Debenham Tie Leung Limited based on the property valuation report in Appendix II of this circular (taking into account the property valuation attributable to the Company according to the equity interest attributable to the Company for each property) and attributable book value of properties as at 30 June 2015, net of potential land appreciation tax and corporate income tax as computed by the Management based on relevant tax rates applied in the past.
3. Based on the latest unaudited NAV as disclosed in the interim result announcements of the Comparable Property Companies for the six months ended 30 June 2015.
4. the figures are extracted from the website of the Stock Exchange as at the Last Trading Day
5. Based on 2015 Interim Result Announcement, total equity attributable to equity shareholders equals to RMB8,999,755,000 (or HK\$11,403,642,930<sup>(1)</sup>)

We note that shares of the Comparable Property Companies were traded at premium or discount ranging from 271% (premium) to -76% (discount) as at the Last Trading Day as compared to their respective latest publicly available unaudited NAV per share. The H Shares' Last Trading Day closing price was at a discount of about 32% against its NAV per share or 50.07% against its adjusted NAV per Share, which is within the range of those of the Comparable Property Companies. Although, on average, the shares of the Comparable Property Companies were traded at about 1% premium as at the Last Trading Day to their respective latest publicly available unaudited NAV per share, 14 out of 22 of the shares of the Comparable Property Companies were traded at discounts as at the Last Trading Day over their respective latest publicly available unaudited NAV per share. In this regard, we believe that it is not unusual for a property developer such as the Company to have its shares trading below its NAV per share.

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Given the fact that: (i) The Subscription Price is determined with reference to the prevailing market price of the H Shares prior to the signing of the Domestic Share Subscription Agreement after arm's length negotiation between the Company and Capital Group and such price determination method is in line with the market practices; (ii) the closing price of H Shares as at the Last Trading Day represents a discount of 32% to its NAV per Share and it is not unusual for share price of a property developer to trade below its NAV per share. It is, therefore, reasonable that the Subscription Price of the Company represents a discount of approximately 31% to its NAV per Share or 48.86% to its adjusted NAV per Share.

The Group strategically focuses on property development projects in the five core cities, in particular, Beijing and Tianjin which in aggregate contributed more than 50% of the Group's contracted sales during the seven months ended 31 July 2015. Such focus is in line with the PRC Government's policies for the development of the Beijing-Tianjin-Hebei area. Based on the meeting held by the Politburo of the Communist Party of China on 30 April 2015 (source: [www.gov.cn](http://www.gov.cn)) and according to the "PRC Property Policies Report" issued by China Index Academy, one of the largest independent property research organization in the PRC dated 27 August 2015 (source: [industry.fang.com](http://industry.fang.com)), transformation is expected for Beijing, Tianjin and Hebei into a region with well-coordinated infrastructure and public services such as the integration of transportation system (e.g. extension of Beijing-Tianjin railway), improvement of eco-environment (e.g. air pollution control) as well as industrial upgrading of the regions.

Apart from Beijing and Tianjin, Chongqing, Shanghai and Chengdu are also the Group's cities of focus. Chongqing, Shanghai and Chengdu respectively contributed 7%, 6% and 3% of the Group's contracted sales during the seven months ended 31 July 2015. According to the Property Market Monthly Report (June 2015) issued by China Index Academy, (i) prices of Chongqing commercial residential properties (商品住宅) increased 10.73% in June 2015 from May 2015 or 2.90% from June 2014; (ii) prices of Shanghai commercial residential properties (商品住宅) increased 8.02% in June 2015 from May 2015 or 29.67% from June 2014; and (iii) price of Chengdu commercial residential property (商品住宅) increased 4.85% in June 2015 from May 2015 or decreased 3.57% from June 2014. The upward trend in the property sector in first half of 2015 was mainly attributed to a series of favorable policies by the PRC Government such as (i) the new property policies with relaxed regulations on tax, credit and loans rolled out during the first half of 2015 according to the notices dated 30 March 2015 issued by Ministry of Finance of the PRC (source: [szs.mof.gov.cn](http://szs.mof.gov.cn)) and China Banking Regulatory Commission (source: [www.cbrc.gov.cn](http://www.cbrc.gov.cn)); and (ii) the multiple cuts in interest rate and reserve requirement ratio ("RRR") which helped enhance market liquidity, lowering financing costs and providing more funding sources for property companies.

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According to Property Financial Monthly Report (August 2015) issued by China Index Academy, the Government will continue its monetary easing policy in order to lower financing costs for the society. Based on the notice dated 26 August 2015 issued by monetary policy department of People's Bank of China (source: www.pbc.gov.cn), it is determined to (i) cut the benchmark interest rates for one-year RMB lending of the financial institutions by 0.25 percentage points to 4.6 percent for the loan from 26 August 2015; and (ii) lower the RRR by 0.5 percentage points for the financial institutions from 6 September 2015. According to Xinhua Finance Agency, analysts believe that the interest rates and RRR reduced in this round will further release the liquidity, and the real estate, securities companies, foreign trade and processing, coal & nonferrous metals, infrastructure sectors etc. will benefit from this policy.

Upon completion of Domestic Share Subscription, Capital Group's equity interest in the Company will increase from 32.01% to 54.47% which will result in closer collaboration between the Group and the Capital Group's infrastructure (construction of subway lines and expressways), financial services and environment protection (water services, waste management, air pollution control and dust protection solutions) businesses. Such resources integration will result in greater synergies and competitive advantages in capturing the opportunities arising from the all-round development in property, transportation and infrastructure to be brought about by the Government's policies. In this regard, we are of the view that the aforementioned level of discount of the Subscription Price to its NAV per Share and its adjusted NAV per Share is acceptable.

### ***3.3.3. Comparable analysis***

To further assess the fairness and reasonableness of the terms of the Domestic Share Subscription Agreement, we conducted a search for comparable transactions initially announced within six months prior to the Last Trading Day by companies listed on the Hong Kong Stock Exchange (the "Comparables") that involved the subscription of new shares by connected persons and application of whitewash waivers made by the subscriber(s). We found in total 9 companies which met these criteria, which represent an exhaustive list for the purpose of this letter.

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We consider that the purpose of limiting a review period of six months prior and up to the Last Trading Day is to compare the Subscription Price with those of the comparable companies in the recent stock market environment. Shareholders should note that the size of shares subscription, businesses, operations and prospects of the Company are not the same as the Comparables. However, given that this analysis is aimed at comparing the respective subscription prices towards their prevailing market price in order to take a market general reference for the recent market practice in relation to average discount rate of other proposed issues of new shares which would trigger mandatory general offers and with whitewash waivers, we consider that our comparable analysis on the Subscription Price is useful for the Independent Shareholders' information and reference. The table below summarises our relevant findings:

Date of announcement	Stock Code	Company	Subscription Price (HK\$)	Premium/	Premium/
				(Discount) over/ to the average closing price of the shares for the last 5 consecutive trading days ("Last 5 Days Average Closing Price")	(Discount) over/ to the closing price of the shares on the last trading day ("Last Day Closing Price")
5 Aug 2015	1103	Shanghai Tonva Petrochemical Co. Ltd.	not less than 0.8	-4.76%	-15.79%
26 Jul 2015	493	GOME Electrical Appliances Holding Ltd	1.39	-4.79%	-3.47%
16 Jul 2015	800	A8 New Media Group Limited	0.57	-12.31%	6.54%
7 Jul 2015	149	China Agri-Products Exchange Limited	0.315	-19.23%	-16.00%
20 May 2015	1522	China City Railway Transportation Technology Holdings Co Ltd	2.081	-36.94%	-37.24%
17 May 2015	1365	China Rundong Auto Group Limited	2.89	-15%	-13.73%
15 Apr 2015	730	Shougang Concord Grand (Group) Limited	0.41	-7.87%	-6.18%
9 Apr 2015	976	Chiho - Tiande Group Limited	9.01	33.88%	55.88%
27 Feb 2015	445	China Fire Safety Enterprise Group Limited	0.4	-40.30%	-39.39%
Maximum				33.88%	55.88%
Minimum				-40.30%	-39.39%
Average				-11.92%	-7.71%
<b>The Company</b>			<b>3.90</b>	<b>2.36%</b>	<b>6.09%</b>

*Source: the website of the Stock Exchange*

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As shown in the above table, the subscription prices of the Comparables (i) ranged from a discount of approximately 40.30% to a premium of approximately 33.88% to their respective Last Day Closing Price; and (ii) ranged from a discount of approximately 39.39% to a premium of approximately 55.88% to their respective Last 5 Days Average Closing Price. We note that (i) approximately 2.36% premium and approximately 6.09% premium of Subscription Price against its respective Last Day Closing Price and Last 5 Days Average Closing Price are within the respective range of those of the Comparables; and (ii) the Subscription Price represents premiums whereas subscription prices of 8 out of the 9 Comparables represent discounts to their respective Last Day Closing Price and subscription prices of 7 out of the 9 Comparables represent discounts to their respective Last 5 Days Average Closing Price.

### 3.4. Our View on the Subscription Price

Based on all of the above and having considered in particular that:

- (i) The Subscription Price of HK\$3.90 per Domestic Share falls within the closing prices range of the H Shares from HK\$2.68 per H Share to HK\$7.20 per H Share during the Review Period. It represents a premium of approximately 46% over the lowest closing price of the H Shares of HK\$2.68 and a discount of approximately 3% over the average closing price of the H Shares of approximately HK\$4.01 during the Review Period. The Subscription Price also represents a premium of approximately 20.2% over the average closing price of the H Shares of approximately HK\$3.25 during Post Announcement Period;
- (ii) although the Subscription Price represents a discount of 31% to the NAV per Share, it is determined with reference to the prevailing market price of the H Shares after arm's length negotiation between the Company and Capital Group and it is not unusual for a real estate developer's shares trading below its NAV per share on the Stock Exchange; and
- (iii) approximately 2.36% premium and approximately 6.09% premium of the Subscription Price against its respective Last Day Closing Price and Last 5 Days Average Closing Price are within the respective range of those of the Comparables. The Subscription Price represents premiums whereas the subscription prices of most of the Comparables represent discounts to their respective Last Day Closing Price and Last 5 Days Average Closing Price.

Accordingly, we are of the view that the Subscription Price is fair and reasonable so far as the Independent Shareholders are concerned.

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**4. POTENTIAL DILUTION EFFECT ON THE INTERESTS OF THE INDEPENDENT SHAREHOLDERS**

For illustrative purposes, set out below is the shareholding structures of the Company (i) as at the Latest Practicable Date; and (ii) immediately after completion of the Domestic Share Subscription (assuming no other changes to the issued share capital of the Company prior to Completion):

	Share class	As at the Latest Practicable Date		Immediately after the Domestic Share Subscription (Note 4)	
		Number of Shares held	Percentage total issued Shares	Number of Shares held	Percentage of total issued Shares
<b>Capital Group and parties acting in concert with it</b>					
Capital Group	Domestic	649,205,700	32.01%	1,649,205,700	54.47%
China Resource Products Limited (Note 1)	Non-H Foreign	<u>275,236,200</u>	<u>13.57%</u>	<u>275,236,200</u>	<u>9.09%</u>
Subtotal		<u>924,441,900</u>	<u>45.58%</u>	<u>1,924,441,900</u>	<u>63.56%</u>
<b>Other Non-H Foreign Shareholders</b>					
Yieldwell International Enterprise Limited (Note 2)	Non- H Foreign	<u>82,762,100</u>	<u>4.08%</u>	<u>82,762,100</u>	<u>2.73%</u>
Subtotal		<u>82,762,100</u>	<u>4.08%</u>	<u>82,762,100</u>	<u>2.73%</u>
Total Domestic and Non-H Foreign Shares		<u>1,007,204,000</u>	<u>49.66%</u>	<u>2,007,204,000</u>	<u>66.29%</u>
<b>H Shareholders</b>					
Reco Pearl Private Limited (Note 3)	H Shares	165,070,000	8.14%	165,070,000	5.45%
Other H Shareholders (Note 4)	H Shares	<u>855,686,000</u>	<u>42.20%</u>	<u>855,686,000</u>	<u>28.26%</u>
Total H Shares		<u>1,020,756,000</u>	<u>50.34%</u>	<u>1,020,756,000</u>	<u>33.71%</u>
<b>Total issued Shares</b>		<u>2,027,960,000</u>	<u>100%</u>	<u>3,027,960,000</u>	<u>100%</u>



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*Notes:*

1. China Resource Products Limited is a company incorporated in the British Virgin Islands with limited liability. For the purpose of the SFO, Guoda Limited and Beijing Rong Tong Zheng He Investment Management Company Limited\* (北京融通正和投資管理有限公司) are deemed to be interested in the 275,236,200 Non-H Foreign Shares held by China Resource Products Limited as at the Latest Practicable Date, by virtue of China Resources Products Limited being held as to 40% by Guoda Limited, which in turn is wholly-owned by Beijing Rong Tong Zheng He Investment Management Company Limited\* (北京融通正和投資管理有限公司). To the best knowledge of the Company, Guoda Limited and Beijing Rong Tong Zheng He Investment Management Company Limited\* (北京融通正和投資管理有限公司) are Independent Third Parties. In addition, as at the Latest Practicable Date, China Resources Products Limited is also held as to 31.53% by Beijing Sunshine Real Estate Comprehensive Development Company\* (北京陽光房地產綜合開發公司), which in turn is wholly-owned by Capital Group.
2. Yieldwell International Enterprise Limited is a company incorporated in the British Virgin Islands with limited liability. For the purpose of the SFO, Brocade City Holdings Limited and Fexi Holdings Limited are deemed to be interested in the 82,762,100 Non-H Foreign Shares held by Yieldwell International Enterprise Limited as at the Latest Practicable Date, by virtue of Yieldwell International Enterprise Limited being held as to 75.5% by Fexi Holdings Limited, which in turn is wholly-owned by Brocade City Holdings Limited, which in turn is wholly-owned by Ngai Shu Susanna. To the best knowledge of the Company, Yieldwell International Enterprise Limited, Fexi Holdings Limited, Brocade City Holdings Limited and Ngai Shu Susanna are Independent Third Parties.
3. Reco Pearl Private Limited is a company incorporated in Singapore with limited liability and is a wholly-owned subsidiary of Recosia China Pte. Ltd., which in turn is a wholly-owned subsidiary of Recosia Pte. Ltd., which in turn is a wholly-owned subsidiary of Government of Singapore Investment Corporation (Realty) Pte. Ltd.. Reco Pearl Private Limited directly holds 165,070,000 H Shares in the Company (representing 8.14% of the Company's total issued share capital as at the Latest Practicable Date) and is a connected person of the Company by virtue of it being a substantial shareholder of the subsidiary(ies) of the Company.
4. The other H Shareholders are public Shareholders.
5. Figures shown above are calculated assuming that no other Shares will be issued or transferred after the Latest Practicable Date until the completion of the Domestic Share Subscription.
6. The Company confirms that it will continue to meet the minimum public float requirements under the Listing Rules immediately after the Domestic Share Subscription.

As stated in the table above, the shareholding interests of the independent Shareholders in the Company would be diluted by approximately 17.98 percentage point immediately after completion of the Domestic Share Subscription, from approximately 54.42% to approximately 36.44%.

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Taking into account that (i) the intended use of proceeds from the Domestic Share Subscription is mainly for the acquisitions of land and/or development of projects in Tianjin and Beijing. Leveraging on Capital Group's infrastructure business and its land resources, the Group is expected to benefit from the all-round development in property, transportation and infrastructure to be brought about by the Government's Beijing-Tianjin-Hebei integration strategy in this region; (ii) the increase in shareholding of Capital Group in the Company from 32.01% to 54.47% upon Completion of Domestic Share Subscription will further enhance the Company's resource integration with Capital Group. The closer collaboration with infrastructure, financial services and environment protection divisions of Capital Group will result in greater synergies and competitive advantages in future projects, such as acquisition of core strategic land resources in the primary and secondary land development projects in Beijing's central business district area, projects along the subway stations in Beijing, and the second phase of the Wuqing project in Tianjin; (iii) the net proceeds from the Domestic Share Subscription will greatly improve the Group's cash reserves which can be used to finance the Group's land and property acquisitions and development in the five core cities including Beijing and Tianjin region; (iv) will help to improve the Group's debt equity ratio and enhance its potential for sustainable debt financing and allow flexibility to further tap into the PRC bond market if and when considered appropriate by the Board; and (v) the terms of the Domestic Share Subscription being fair and reasonable so far as the Independent Shareholders are concerned. We are of the view that the aforementioned level of dilution to the shareholding interests of the Independent Shareholders is acceptable.

### 5. FINANCIAL IMPACT OF THE DOMESTIC SHARE SUBSCRIPTION

It should be noted that the below analyses are for illustrative purpose only and do not purport to represent how the financial position or results of the Group will be upon Completion and the issuance of the new Domestic Shares pursuant to the Domestic Share Subscription.

#### 5.1. Net Asset Value

As advised by the Management, the Subscription is expected to result in (i) an increase in cash by the amount of the net proceeds of approximately RMB3,073 million received under the Domestic Share Subscription; and (ii) an increase by the relevant amount in the issued capital and reserve of the Company.

According to the Company's 2015 Interim Result Announcement, the unaudited consolidated total equity interest attributable to the equity shareholders amounted to approximately RMB9,000 million as at 30 June 2015 and the Company has 2,027,960,000 issued Shares, resulting in the NAV per Share of HK\$5.62.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Upon completion of the issuance of the new Domestic Shares and receipt of the proceeds pursuant to the Domestic Share Subscription, the NAV attributable to the equity shareholders would be at approximately RMB12,073 million and the Company would have 3,027,960,000 issued Shares, resulting in the NAV per Share of HK\$3.99. It is expected that there would be a dilutive effect on the NAV per Share of approximately 29% on a comparison basis. However, taking into account the benefits of the Domestic Share Subscription to the Group as mentioned in the section headed “4. Potential Dilution Effect on the Interests of the Independent Shareholders” of this letter, we are of the view that the dilutive effect on the NAV per Share as a result of the issuance of the Domestic Shares is justifiable.

### **5.2. Earnings**

The Management has confirmed that the Domestic Share Subscription would not have material adverse effect on the earnings of the Group immediately upon the Completion.

### **5.3. Working Capital**

According to the Company’s 2015 Interim Result Announcement, as at 30 June 2015, the Group had cash and bank balances of approximately RMB12,659 million, total current assets of approximately RMB76,478 million (which includes inventories of approximately RMB57,046 million) and total current liabilities of approximately RMB38,553 million. As the Domestic Share Subscription will bring in new capital of approximately RMB3,073 million upon the Completion, it is expected that both the cash position and the current asset position of the Group will be improved.

### **5.4. Gearing**

As at 30 June 2015, the Company had approximately RMB46,061 million interest-bearing borrowings, an increase of approximately RMB13,532 million from RMB32,528 million as at 31 December 2014. The net gearing ratio of the Group as mentioned in the Company’s 2015 Interim Result Announcement is measured as net of the interest-bearing borrowings and cash at bank and on hand divided by total owner’s equity. As at 30 June 2015, the Company had approximately RMB46,061 million interest-bearing borrowings with a net gearing ratio of approximately 155%, an increase from a net gearing ratio of approximately 87% as at 31 December 2014 and a net gearing ratio of approximately 58% as at 31 December 2013.

As advised by the Management, it is expected that upon completion of the Domestic Share Subscription, the total owner’s equity will increase by the amount of net proceeds received thereunder while the Group’s liabilities will not be affected. Accordingly, it is expected that the net gearing ratio of the Group would improve immediately upon the Completion.

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### 6. THE WHITEWASH WAIVER

As at the Latest Practicable Date, Capital Group directly holds 649,205,700 Domestic Shares in the Company, representing approximately 32.01% of the Company's total issued share capital. Under the Takeovers Code, China Resource Products Limited is a party acting in concert with Capital Group by virtue of 20% or more of the voting rights of China Resource Products Limited being indirectly owned or controlled by Capital Group and as at the Latest Practicable Date, it holds 275,236,200 Non-H Foreign Shares, representing approximately 13.57% of the Company's total issued share capital. Capital Group and its concert parties collectively hold an aggregate of 924,441,900 Domestic Shares and Non-H Foreign Shares, representing 45.58% of the total issued share capital of the Company as at the Latest Practicable Date.

After completion of the Domestic Share Subscription and assuming no other changes to the issued share capital of the Company prior to the Completion, Capital Group and its concert parties will hold approximately 63.56% of the Company's enlarged issued share capital. As the shareholding directly held by Capital Group will increase from 32.01% to 54.47% and the shareholding held by Capital Group and its concert parties will increase from 45.58% to 63.56% as a result of the issue of the new Domestic Shares, pursuant to Rule 26.1 of the Takeovers Code, Capital Group will be required to make a mandatory general offer for all the issued shares in the share capital of the Company not already owned or agreed to be acquired by Capital Group and its concert parties in the absence of the Whitewash Waiver.

Completion of the Domestic Share Subscription is conditional upon, among other things, the Whitewash Waiver being granted by the Executive and approved by the Independent Shareholders. An application was made on behalf of Capital Group to the Executive for the granting of the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of the issue of the new Domestic Shares pursuant to the Domestic Share Subscription. The Whitewash Waiver, if granted by the Executive, would be subject to, among others, the approval of the Independent Shareholders by way of poll at the EGM and the Class Meetings. Capital Group and its concert parties (including, among others, China Resource Products Limited) will (and any other shareholder who is involved or interested in the Domestic Share Subscription, the Specific Mandate and the Whitewash Waiver will be required to) abstain from voting in respect of the resolution(s) to approve the Domestic Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver at the EGM and the Class Meetings.

It is one of the conditions under the Domestic Share Subscription Agreement that the Whitewash Waiver be granted by the Executive and approved by the Independent Shareholders by way of poll at the EGM and the Class Meetings. If the Whitewash Waiver is not granted by the Executive or not approved by the Independent Shareholders, the Domestic Share Subscription Agreement will not become unconditional and the Domestic Share Subscription will not proceed.

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Based on (i) the possible benefits of the Domestic Share Subscription in the section headed “2.5. Our View on the Domestic Share Subscription” of this letter; (ii) the terms of the Domestic Share Subscription Agreement being fair and reasonable so far as the Independent Shareholders are concerned; and (iii) the level of dilution to the shareholding interests of the Independent Shareholders being acceptable as mentioned in the section headed “4. Potential Dilution Effect on the Interests of the Independent Shareholders”, we are of the opinion that the Whitewash Waiver is in the interests of the Company and the Independent Shareholders as a whole and is fair and reasonable so far as the Independent Shareholders are concerned.

### 7. OUR OPINION

Having taken into consideration the factors and reasons stated above, we are of the view that (i) the Domestic Share Subscription Agreement and the transaction contemplated therein are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole; (ii) the grant of the Specific Mandate from the Shareholders to allot and issue the new Domestic Shares is fair and reasonable so far as the Company and the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole; and (iii) the Whitewash Waiver is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committees to advise the Independent Shareholders, to vote in favor of the relevant resolutions to be proposed at the EGM and Class Meetings to approve the Domestic Share Subscription, Domestic Share Subscription Agreement, the Specific Mandate and the Whitewash Waiver and the transactions contemplated therein.

Yours faithfully,

For and on behalf of

**Ample Capital Limited**

**Jenny Chan**

*President*

*Investment Banking*

**H. W. Tang**

*President*

*Both H.W.Tang and Jenny Chan are licensed persons registered with SFC and are responsible officers of Ample Capital Limited to carry out type 6 (advising on corporate finance) regulated activity under the SFO and both have over 15 years of experience in corporate finance industry.*

## 1. SUMMARY OF THE FINANCIAL INFORMATION

The following is a summary of the audited consolidated financial information of the Group for the years ended 31 December 2012, 2013 and 2014 as extracted from the published financial statements of the Group in the annual report for the years ended 31 December 2012, 2013 and 2014; and the unaudited consolidated financial information of the Group for the six months period ended 30 June 2015 as extracted from the published financial statements of the Group in the interim results for the six months ended 30 June 2015.

PricewaterhouseCoopers Zhong Tian CPAs Limited Company (which name was subsequently changed to PricewaterhouseCoopers Zhong Tian LLP in July 2013), the auditor of the Company, did not issue any qualified opinion on the financial statements of the Group for the year ended 31 December 2012. PricewaterhouseCoopers Zhong Tian LLP, the auditor of the Company, did not issue any qualified opinion on the financial statements of the Group for each of the years ended 31 December 2013 and 2014.

**Consolidated Income Statement**

ITEMS	Six months	Six months	Year ended	Year ended	Year ended
	ended 30 June 2015 (Unaudited) RMB'000	ended 30 June 2014 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000	31 December 2013 (Audited) RMB'000	31 December 2012 (Audited) RMB'000
<b>I. Total operating income</b>	5,447,244	4,519,333	10,057,967	11,320,840	9,134,054
<b>II. Operating costs</b>					
Less: Operating cost	(4,389,373)	(3,224,685)	(7,056,525)	(7,555,512)	(6,160,338)
Taxes and surcharges	(402,804)	(304,076)	(645,409)	(1,069,222)	(1,006,105)
Selling and distribution expenses	(291,948)	(201,726)	(432,796)	(342,544)	(278,207)
General and administrative expenses	(179,858)	(192,731)	(385,908)	(347,545)	(298,175)
Net financial expenses	57,581	131,869	133,337	(271,730)	93,727
Asset impairment losses	(93,443)	(48,004)	(323,293)	–	(37,857)
Add: Gain from fair value changes	1,081,321	(75,496)	286,143	489,752	359,760
Investment income	148,233	703,343	1,241,760	202,514	85,421
Including: Investment income of associates and jointly controlled entities	69,208	89,691	369,592	99,153	47,171

**APPENDIX I**
**FINANCIAL INFORMATION OF THE GROUP**

ITEMS	Six months	Six months	Year ended	Year ended	Year ended
	ended	ended	31 December	31 December	31 December
	30 June	30 June	31 December	31 December	31 December
	2015	2014	2014	2013	2012
	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>III. Operating profit</b>	1,376,953	1,307,827	2,875,276	2,426,553	1,892,280
Add: Non-operating income	78,724	2,883	115,889	256,023	22,456
Including: Gain from disposal of non-current assets	176	–	667	35	–
Less: Non-operating expenses	(29,099)	(32,686)	(44,984)	(58,384)	(15,750)
Including: Loss from disposal of non-current assets	–	–	–	(5)	(5)
<b>IV. Total profit</b>	1,426,578	1,278,024	2,946,181	2,624,192	1,898,986
Less: Income taxes	(415,512)	(270,235)	(682,452)	(710,469)	(565,323)
<b>V. Net profit</b>	1,011,066	1,007,789	2,263,729	1,913,723	1,333,663
Net profit attributable to the shareholders of the Company	503,293	661,130	1,689,741	1,522,006	1,110,925
Minority interests	507,773	346,659	573,988	391,717	222,738
<b>VI. Earnings per share (Basic and Diluted) (RMB)</b>	0.25	0.33	0.83	0.75	0.55
<b>VII. Dividend</b>	–	–	506,990	446,151	324,474
<b>VIII. Dividend per share (RMB)</b>	–	–	0.25	0.22	0.16

## Consolidated Balance Sheet

ITEMS	30 June	31 December	31 December	31 December
	2015	2014	2013	2012
	(Unaudited) RMB'000	(Audited) RMB'000	(Audited) RMB'000	(Audited) RMB'000
<b>Current assets</b>				
Cash at bank and on hand	12,659,422	13,897,026	11,339,807	8,514,791
Financial assets at fair value through current profit or loss	291,927	162,863	43,728	–
Bills receivable	–	4,113	1,714	–
Trade receivables	704,011	946,333	486,714	34,876
Prepayments	263,271	230,710	133,999	85,017
Interest receivable	1,520	3,564	3,893	545
Dividend receivable	26,813	9,825	97,247	97,247
Other receivables	3,318,314	1,295,407	3,326,858	2,290,597
Inventory	57,045,915	48,768,112	29,646,484	22,960,190
Non-current assets due within one year	–	–	768,512	–
Assets classified as held-for-sale	9,921	202,664	1,902,313	2,863,803
Other current assets	2,156,846	1,823,749	1,130,762	971,513
<b>Total current assets</b>	<b>76,477,960</b>	<b>67,344,366</b>	<b>48,882,031</b>	<b>37,818,579</b>
<b>Non-current assets</b>				
Financial assets available for sale	91,828	63,420	149,258	200,653
Long-term receivables	1,777,033	562,024	292,380	1,290,805
Long-term equity investment	3,353,755	2,451,235	2,283,797	1,699,896
Investment properties	8,712,682	7,225,258	3,488,709	5,674,242
Fixed assets	466,513	439,465	503,635	466,656
Intangible assets	39,038	39,561	52,017	41,651
Goodwill	172,137	172,137	172,137	–
Long-term deferred expenses	94,267	79,236	43,451	1,626
Deferred income tax assets	404,775	302,854	323,273	280,980
Other non-current assets	2,450	–	–	61,400
Derivatives financial assets	29,185	–	–	–
<b>Total non-current assets</b>	<b>15,143,663</b>	<b>11,335,190</b>	<b>7,308,657</b>	<b>9,717,909</b>
<b>Total assets</b>	<b>91,621,623</b>	<b>78,679,556</b>	<b>56,190,688</b>	<b>47,536,488</b>



**APPENDIX I**
**FINANCIAL INFORMATION OF THE GROUP**

ITEMS	30 June	31 December	31 December	31 December
	2015	2014	2013	2012
	(Unaudited)	(Audited)	(Audited)	(Audited)
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Current liabilities</b>				
Short-term borrowings	7,013,943	5,660,075	1,374,915	540,600
Notes payable	33,389	43,845	35,734	16,300
Accounts payable	4,409,671	4,049,518	3,803,396	3,623,716
Advances from customers	13,814,818	11,619,971	7,001,853	7,729,216
Staff remuneration payables	64,317	209,795	137,911	144,427
Taxes payable	1,781,395	2,482,591	2,519,036	1,943,353
Interest payable	254,411	170,041	105,161	108,587
Dividends payable	283,027	1,055,671	288,527	430,895
Other payables	1,510,158	2,554,107	3,583,466	1,789,841
Non-current liabilities due within 1 year	9,388,327	5,919,603	6,737,436	2,940,840
Assets classified as held-for-sale	–	49,169	877,972	1,980,344
Other current liabilities	–	–	–	574,722
<b>Total current liabilities</b>	<b>38,553,456</b>	<b>33,814,386</b>	<b>26,465,407</b>	<b>21,822,841</b>
<b>Non-current liabilities</b>				
Long-term borrowings	23,462,460	17,731,362	10,739,313	10,968,893
Bonds payable	6,195,868	3,217,112	1,977,532	4,108,020
Long-term payables	660,250	1,530,000	–	–
Deferred income tax liabilities	1,243,453	969,718	779,952	633,723
Derivative financial liabilities	–	3,452	–	–
<b>Total non-current liabilities</b>	<b>31,562,031</b>	<b>23,451,644</b>	<b>13,496,797</b>	<b>15,710,636</b>
<b>Total liabilities</b>	<b>70,115,487</b>	<b>57,266,030</b>	<b>39,962,204</b>	<b>37,533,477</b>
<b>Shareholders' equity</b>				
Share capital	2,027,960	2,027,960	2,027,960	2,027,960
Capital reserves	580,758	706,109	832,450	830,472
Other comprehensive income	589,805	581,134	1,285,991	1,394,322
Surplus reserves	360,628	360,628	341,768	341,768
Undistributed profit	5,440,604	5,444,301	4,219,571	3,022,039
Total equity attributable to the shareholders of the Company	8,999,755	9,120,132	8,707,740	7,616,561
Minority interest	12,506,381	12,293,394	7,520,744	2,386,450
<b>Total shareholders' equity</b>	<b>21,506,136</b>	<b>21,413,526</b>	<b>16,228,484</b>	<b>10,003,011</b>
<b>Total liabilities and shareholders' equity</b>	<b>91,621,623</b>	<b>78,679,556</b>	<b>56,190,688</b>	<b>47,536,488</b>

## 2. AUDITED CONSOLIDATED FINANCIAL STATEMENTS

The following is the full text of the audited consolidated financial statements of the Group for the year ended 31 December 2014:

**CONSOLIDATED AND COMPANY BALANCE SHEET**

*As at 31 December 2014*

*(All amounts in thousands of units of RMB unless otherwise stated)*

Item	Note	31 December	31 December	1 January	31 December	31 December	1 January
		2014	2013	2013	2014	2013	2013
		Consolidated	Consolidated	Consolidated	Company	Company	Company
			(Restated)	(Restated)		(Restated)	(Restated)
<b>Current assets</b>							
Cash at bank and on hand	5(1); 15(1)	13,897,026	11,339,807	8,514,791	2,512,139	800,899	400,751
Financial assets at fair value							
through profit or loss	5(2)	162,863	43,728	–	–	–	–
Notes receivable		4,113	1,714	–	–	–	–
Accounts receivable	5(3)(a); 15(2)(a)	946,333	486,714	34,876	160	160	160
Advances to suppliers	5(4)	230,710	133,999	85,017	28,830	4,460	234
Interest receivable		3,564	3,893	545	–	–	–
Dividends receivable	5(5); 15(4)	9,825	97,247	–	–	12,400	12,400
Other receivables	5(3)(b); 15(2)(b)	1,295,407	3,326,858	2,290,597	24,894,317	15,157,523	12,079,717
Inventories	5(6); 15(3)	48,768,112	29,646,484	22,960,190	44,076	44,076	44,076
Current portion of non-current assets	5(15)	–	768,512	–	–	–	–
Assets classified as held for sale	5(7)	202,664	1,902,313	2,863,803	–	–	–
Other current assets	5(8)	1,823,749	1,130,762	971,513	–	–	–
<b>Total current assets</b>		<b>67,344,366</b>	<b>48,882,031</b>	<b>37,818,579</b>	<b>27,479,522</b>	<b>16,019,518</b>	<b>12,537,338</b>
<b>Non-current assets</b>							
Available-for-sale financial assets	5(9); 15(5)	63,420	149,258	200,653	63,420	149,258	162,583
Long-term receivables	5(15); 15(6)	562,024	292,380	1,290,805	308,227	292,380	412,565
Long-term equity investments	5(10); 15(7)	2,451,235	2,283,797	1,699,896	3,876,495	3,754,967	3,063,147
Investment properties	5(12); 15(8)	7,225,258	3,488,709	5,674,242	1,958	1,958	1,958
Fixed assets	5(13); 15(9)	439,465	503,635	466,656	59,951	64,285	68,343
Intangible assets	5(14)	39,561	52,017	41,651	–	–	–
Goodwill	5(16)	172,137	172,137	–	–	–	–
Long-term prepaid expenses		79,236	43,451	1,626	–	–	–
Deferred tax assets	5(31)(c); 15(13)	302,854	323,273	280,980	42,755	42,844	32,609
Other non-current assets		–	–	61,400	–	–	61,400
<b>Total non-current assets</b>		<b>11,335,190</b>	<b>7,308,657</b>	<b>9,717,909</b>	<b>4,352,806</b>	<b>4,305,692</b>	<b>3,802,605</b>
<b>TOTAL ASSETS</b>		<b>78,679,556</b>	<b>56,190,688</b>	<b>47,536,488</b>	<b>31,832,328</b>	<b>20,325,210</b>	<b>16,339,943</b>
<b>Current liabilities</b>							
Short-term borrowings	5(19)	5,660,075	1,374,915	540,600	600,000	–	–
Notes payable		43,845	35,734	16,300	–	–	–
Accounts payable	5(20); 15(10)	4,049,518	3,803,396	3,623,716	17,371	16,282	10,783
Advances from customers	5(21)	11,619,971	7,001,853	7,729,216	807	807	807
Employee benefits payable	5(22)	209,795	137,911	144,427	129,154	82,577	98,076
Taxes payable	5(23); 15(14)	2,482,591	2,519,036	1,943,353	2,010	50,638	33,943
Interest payable		170,041	105,161	108,587	23,491	29,229	22,330
Dividends payable	5(24)	1,055,671	288,527	430,895	–	–	132,627
Other payables	5(25); 15(11)	2,554,107	3,583,466	1,789,841	20,432,695	10,925,860	6,139,692
Current portion of non-current liabilities	5(26)	5,919,603	6,737,436	2,940,840	–	997,755	1,059,000
Liabilities classified as held for sale	5(27)	49,169	877,972	1,980,344	–	–	–
Other current liabilities		–	–	574,722	–	–	–
<b>Total current liabilities</b>		<b>33,814,386</b>	<b>26,465,407</b>	<b>21,822,841</b>	<b>21,205,528</b>	<b>12,103,148</b>	<b>7,497,258</b>

**APPENDIX I**
**FINANCIAL INFORMATION OF THE GROUP**

Item	Note	31 December	31 December	1 January	31 December	31 December	1 January
		2014	2013	2013	2014	2013	2013
		Consolidated	Consolidated	Consolidated	Company	Company	Company
			(Restated)	(Restated)		(Restated)	(Restated)
<b>Non-current liabilities</b>							
Long-term borrowings	5(28); 15(12)	17,731,362	10,739,313	10,968,893	5,910,000	3,210,000	2,468,000
Debentures payable	5(29)	3,217,112	1,977,532	4,108,020	-	-	994,716
Long-term payables	5(30)	1,530,000	-	-	-	-	-
Deferred tax liabilities	5(31)(c); 15(13)(c)	969,718	779,952	633,723	-	-	-
Financial derivative liabilities	5(17)	3,452	-	-	-	-	-
<b>Total non-current liabilities</b>		<u>23,451,644</u>	<u>13,496,797</u>	<u>15,710,636</u>	<u>5,910,000</u>	<u>3,210,000</u>	<u>3,462,716</u>
<b>Total liabilities</b>		<u>57,266,030</u>	<u>39,962,204</u>	<u>37,533,477</u>	<u>27,115,528</u>	<u>15,313,148</u>	<u>10,959,974</u>
<b>Owners' equity</b>							
Paid-in capital	5(32)	2,027,960	2,027,960	2,027,960	2,027,960	2,027,960	2,027,960
Capital surplus	5(33); 15(15)	706,109	832,450	830,472	1,279,308	1,279,308	1,279,308
Other comprehensive income	5(47); 15(16)	581,134	1,285,991	1,394,322	5,819	43,530	53,523
Surplus reserve	5(34)	360,628	341,768	341,768	360,628	341,768	341,768
Undistributed profits	5(35)	5,444,301	4,219,571	3,022,039	1,043,085	1,319,496	1,677,410
Total equity attributable to equity holders of the Company		9,120,132	8,707,740	7,616,561	4,716,800	5,012,062	5,379,969
Non-controlling interest		12,293,394	7,520,744	2,386,450	-	-	-
<b>Total owners' equity</b>		<u>21,413,526</u>	<u>16,228,484</u>	<u>10,003,011</u>	<u>4,716,800</u>	<u>5,012,062</u>	<u>5,379,969</u>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<u><u>78,679,556</u></u>	<u><u>56,190,688</u></u>	<u><u>47,536,488</u></u>	<u><u>31,832,328</u></u>	<u><u>20,325,210</u></u>	<u><u>16,339,943</u></u>

## CONSOLIDATED AND COMPANY INCOME STATEMENTS

For the year ended 31 December 2014

(All amounts in thousands of units of RMB unless otherwise stated)

Item	Note	2014	2013	2014	2013
		Consolidated	Consolidated	Company	Company
<b>Revenue</b>	5(36); 15(17)	10,057,967	11,320,840	57,137	125,644
Less: Cost of sales	5(36); 15(17)	(7,056,525)	(7,555,512)	-	-
Taxes and surcharges	5(37)	(645,409)	(1,069,222)	(11,263)	(16,718)
Selling and distribution expenses	5(38)	(432,796)	(342,544)	-	-
General and administrative expenses	5(38)	(385,908)	(347,545)	(178,094)	(146,278)
Financial income/(expenses) – net	5(39); 15(18)	133,337	(271,730)	(234,725)	(12,826)
Asset impairment losses	5(40)	(323,293)	-	-	-
Add: Gains arising from changes in fair value	5(43)	286,143	489,752	-	-
Investment income	5(44); 15(19)	1,241,760	202,514	571,500	10,951
Including: Share of profit/(loss) of joint ventures and associates					
		369,592	99,153	259,165	(9,091)
<b>Operating profit</b>		2,875,276	2,426,553	204,555	(39,227)
Add: Non-operating income	5(41)	115,889	256,023	170	-
Including: Gains on disposal of non-current assets					
		667	35	-	-
Less: Non-operating expenses	5(42)	(44,984)	(58,384)	(200)	(268)
Including: Losses on disposal of non-current assets					
		-	(5)	-	-
<b>Total profit</b>		2,946,181	2,624,192	204,525	(39,495)
Less: Income tax expenses	5(45); 15(20)	(682,452)	(710,469)	(15,925)	6,055
<b>Net profit</b>		2,263,729	1,913,723	188,600	(33,440)
Attributable to equity holders of the Company		1,689,741	1,522,006	N/A	N/A
Non-controlling interest		573,988	391,717	N/A	N/A
<b>Other comprehensive income for the year, net of tax</b>		(704,857)	(108,331)	(37,711)	(9,993)
Items that may be reclassified to profit or loss		(704,857)	(108,331)	(37,711)	(9,993)
– Changes in fair value of available-for-sale financial assets		(37,711)	(9,993)	(37,711)	(9,993)
– Increase in fair value due to transfer from inventory to investment property		-	9,998	-	-
– Recycling of changes in fair value of investment properties previously recognized in other comprehensive income		(669,720)	(94,029)	-	-
– Currency translation differences		3,141	7,668	-	-
– Cash flow hedges		(567)	-	-	-
– Others		-	(21,975)	-	-
<b>Total comprehensive income for the year</b>		1,558,872	1,805,392	150,889	(43,433)
Attributable to:					
– Owners of the company		984,884	1,413,675	N/A	N/A
– Non-controlling interests		573,988	391,717	N/A	N/A
<b>Earnings per share for profit attributable to the equity holders of the Company</b>	5(46)				
– Basic earnings per share (RMB Yuan)		0.83	0.75	N/A	N/A
– Diluted earnings per share (RMB Yuan)		0.83	0.75	N/A	N/A

**CONSOLIDATED AND COMPANY CASH FLOW STATEMENTS***For the year ended 31 December 2014**(All amounts in thousands of units of RMB unless otherwise stated)*

Item	Note	2014 Consolidated	2013 Consolidated	2014 Company	2013 Company
<b>Cash flows from operating activities</b>					
Cash received from sales of goods or rendering of services		11,883,624	11,035,257	57,137	125,644
Cash received relating to other operating activities		<u>1,214,186</u>	<u>1,709,636</u>	<u>4,087,852</u>	<u>4,701,287</u>
<b>Sub-total of cash inflows</b>		<u>13,097,810</u>	<u>12,744,893</u>	<u>4,144,989</u>	<u>4,826,931</u>
Cash paid for goods and services		(22,409,732)	(14,988,445)	(16,409)	–
Cash paid to and on behalf of employees		(406,035)	(322,281)	(46,433)	(71,717)
Payments of taxes and surcharges		(2,003,010)	(1,200,281)	(84,512)	(4,836)
Cash paid relating to other operating activities		<u>(721,182)</u>	<u>(691,806)</u>	<u>(3,983,837)</u>	<u>(3,606,331)</u>
<b>Sub-total of cash outflows</b>		<u>(25,539,959)</u>	<u>(17,202,813)</u>	<u>(4,131,191)</u>	<u>(3,682,884)</u>
<b>Net cash flows from operating activities</b>	5(48); 15(21)	<u>(12,442,149)</u>	<u>(4,457,920)</u>	13,798	<u>1,144,047</u>
<b>Cash flows from investing activities</b>					
Cash received from disposal of investments		198,526	48,163	198,526	–
Cash received from returns on investments		267,119	772	291,100	772
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		13,211	145,598	104	–
Cash received from disposal of subsidiaries		328,891	914,889	240,000	82,010
Cash received from disposal of associates		20,000	–	–	–
Cash received relating to other investing activities	5(48)(d)	<u>3,248,555</u>	<u>1,152,052</u>	<u>194,587</u>	<u>906,503</u>
<b>Sub-total of cash inflows</b>		<u>4,076,302</u>	<u>2,261,474</u>	<u>924,317</u>	<u>989,285</u>
Cash paid to acquire fixed assets, intangible assets and other long-term assets		(748,818)	(546,662)	(1,216)	(1,140)
Cash paid to acquire investments		(1,005,253)	(429,520)	(231,530)	(539,520)
Net cash paid for disposal of subsidiaries		–	(271,487)	–	–
Net cash paid to acquire subsidiaries and other business units	4(2)	(905,512)	(277,271)	–	(180,000)
Cash paid relating to other investing activities		<u>(331,219)</u>	<u>(364,265)</u>	<u>(919,961)</u>	<u>–</u>
<b>Sub-total of cash outflows</b>		<u>(2,990,802)</u>	<u>(1,889,205)</u>	<u>(1,152,707)</u>	<u>(720,660)</u>
<b>Net cash flows from investing activities</b>		<u>1,085,500</u>	<u>372,269</u>	<u>(228,390)</u>	<u>268,625</u>

**APPENDIX I**
**FINANCIAL INFORMATION OF THE GROUP**

Item	Note	2014 Consolidated	2013 Consolidated	2014 Company	2013 Company
<b>Cash flows from financing activities</b>					
Cash received from capital contributions		4,878,222	4,449,439	-	-
Including: Cash received from capital contributions by non-controlling shareholders of subsidiaries					
Cash received from senior perpetual securities issued by subsidiaries	4(3)	2,728,222	2,437,439	-	-
Cash received from specific asset management plan	4(3)	2,150,000	2,010,000	-	-
Cash received from borrowings		19,028,701	10,809,402	3,790,000	3,210,000
Proceeds from disposal of shares of subsidiaries and non-controlling shareholders	4(5)	1,049,087	892,717	-	-
Cash received from other financing activities		1,530,000	-	470,092	-
<b>Sub-total of cash inflows</b>		<u>26,486,010</u>	<u>16,151,558</u>	<u>4,260,092</u>	<u>3,210,000</u>
Cash repayments of borrowings		(11,132,722)	(7,439,140)	(1,490,000)	(3,527,000)
Cash payments for interest expenses and distribution of dividends or profits		(2,885,824)	(2,033,359)	(839,855)	(691,765)
Cash paid for purchasing share in subsidiaries from non-controlling shareholders	4(5)	(811,252)	(161,267)	-	-
<b>Sub-total of cash outflows</b>		<u>(14,829,798)</u>	<u>(9,633,766)</u>	<u>(2,329,855)</u>	<u>(4,218,765)</u>
<b>Net cash flows from financing activities</b>		<u>11,656,212</u>	<u>6,517,792</u>	<u>1,930,237</u>	<u>(1,008,765)</u>
<b>Effect of foreign exchange rate changes on cash</b>		<u>(28,068)</u>	<u>(20,755)</u>	<u>(4,405)</u>	<u>(3,759)</u>
<b>Net increase in cash</b>	5(48)(b); 15(21)(b)	271,495	2,411,386	1,711,240	400,148
Add: Cash at beginning of year	5(48)(b); 15(21)(b)	<u>10,487,655</u>	<u>8,076,269</u>	<u>800,899</u>	<u>400,751</u>
<b>Cash at end of year</b>	5(48)(b); 15(21)(c)	<u>10,759,150</u>	<u>10,487,655</u>	<u>2,512,139</u>	<u>800,899</u>

## CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the year ended 31 December 2014

(All amounts in thousands of units of RMB unless otherwise stated)

Item	Note	Attributable to equity holders of the Company					Non-controlling interest	Total owners' equity
		Paid-in capital	Capital surplus	Other comprehensive income	Surplus reserves	Undistributed profits		
<b>Balance at 31 December 2012</b>		2,027,960	2,226,409	(1,615)	341,768	3,022,039	2,386,450	10,003,011
Changes in accounting policies	2 (33)	-	(1,395,937)	1,395,937	-	-	-	-
<b>Balance at 1 January 2013</b>		<u>2,027,960</u>	<u>830,472</u>	<u>1,394,322</u>	<u>341,768</u>	<u>3,022,039</u>	<u>2,386,450</u>	<u>10,003,011</u>
<b>Movement for the year end</b>								
<b>31 December 2013</b>								
Comprehensive income								
Net profit		-	-	-	-	1,522,006	391,717	1,913,723
Other comprehensive losses		-	-	(108,331)	-	-	-	(108,331)
Total comprehensive (losses)/income		<u>-</u>	<u>-</u>	<u>(108,331)</u>	<u>-</u>	<u>1,522,006</u>	<u>391,717</u>	<u>1,805,392</u>
Capital contribution and withdrawal by owners, including-								
Capital contribution by owners		-	-	-	-	-	2,000	2,000
Equity transaction with the Non-controlling		-	1,978	-	-	-	352,268	354,246
Senior perpetual bonds issued by subsidiary	4(3)(2)	-	-	-	-	-	2,333,945	2,333,945
Investment absorbed from specific capital management plan issued by subsidiary	4(3)(2)	-	-	-	-	-	2,010,000	2,010,000
Others		-	-	-	-	-	73,132	73,132
Profit distribution to equity owners	5(35)	-	-	-	-	(324,474)	(28,768)	(353,242)
<b>Balance at 31 December 2013</b>		<u>2,027,960</u>	<u>832,450</u>	<u>1,285,991</u>	<u>341,768</u>	<u>4,219,571</u>	<u>7,520,744</u>	<u>16,228,484</u>

**APPENDIX I**
**FINANCIAL INFORMATION OF THE GROUP**

Item	Note	Attributable to equity holders of the Company					Non-controlling interest	Total owners' equity
		Paid-in capital	Capital surplus	Other comprehensive income	Surplus reserves	Undistributed profits		
<b>Balance at 1 January 2014</b>		<u>2,027,960</u>	<u>832,450</u>	<u>1,285,991</u>	<u>341,768</u>	<u>4,219,571</u>	<u>7,520,744</u>	<u>16,228,484</u>
<b>Movement for the year end 31 December 2014</b>								
Comprehensive income								
Net profit		-	-	-	-	1,689,741	573,988	2,263,729
Other comprehensive losses		-	-	(704,857)	-	-	-	(704,857)
<b>Total</b>		<u>-</u>	<u>-</u>	<u>(704,857)</u>	<u>-</u>	<u>1,689,741</u>	<u>573,988</u>	<u>1,558,872</u>
Capital contribution and withdrawal by owners, including-								
Equity transaction with								
Non-controlling interest	4(5)	-	(126,341)	-	-	-	364,176	237,835
Senior perpetual bonds issued by subsidiaries	4(3)(2)	-	-	-	-	-	2,678,768	2,678,768
Investment from specific capital management plan	4(3)(2)	-	-	-	-	-	1,915,125	1,915,125
Others		-	-	-	-	-	30,266	30,266
Withdrawal surplus reserves	5(34)	-	-	-	18,860	(18,860)	-	-
Profit distribution to equity owners	5(35)	-	-	-	-	(446,151)	(789,673)	(1,235,824)
<b>Balance at 31 December 2014</b>		<u>2,027,960</u>	<u>706,109</u>	<u>581,134</u>	<u>360,628</u>	<u>5,444,301</u>	<u>12,293,394</u>	<u>21,413,526</u>



## COMPANY STATEMENT OF CHANGES IN OWNERS' EQUITY

For the year ended 31 December 2014

(All amounts in thousands of units of RMB unless otherwise stated)

Item	Note	Paid-in capital	Capital surplus	Other comprehensive income	Surplus reserves	Undistributed profits	Total owners' equity
<b>Balance at 31 December 2012</b>		2,027,960	1,332,831	-	341,768	1,677,410	5,379,969
Changes in accounting policies		-	(53,523)	53,523	-	-	-
<b>Balance at 1 January 2013</b>		<u>2,027,960</u>	<u>1,279,308</u>	<u>53,523</u>	<u>341,768</u>	<u>1,677,410</u>	<u>5,379,969</u>
<b>Movement for the year end</b>							
<b>31 December 2013</b>							
Comprehensive income							
Net loss		-	-	-	-	(33,440)	(33,440)
Other comprehensive losses		-	-	(9,993)	-	-	(9,993)
Total		<u>-</u>	<u>-</u>	<u>(9,993)</u>	<u>-</u>	<u>(33,440)</u>	<u>(43,433)</u>
Profit distribution to equity owners	5(35)	-	-	-	-	(324,474)	(324,474)
<b>Balance at 31 December 2013</b>		<u>2,027,960</u>	<u>1,279,308</u>	<u>43,530</u>	<u>341,768</u>	<u>1,319,496</u>	<u>5,012,062</u>
<b>Balance at 1 January 2014</b>		<u>2,027,960</u>	<u>1,279,308</u>	<u>43,530</u>	<u>341,768</u>	<u>1,319,496</u>	<u>5,012,062</u>
<b>Movement for the year end</b>							
<b>31 December 2014</b>							
Comprehensive income							
Net profit		-	-	-	-	188,600	188,600
Other comprehensive losses		-	-	(37,711)	-	-	(37,711)
Total		<u>-</u>	<u>-</u>	<u>(37,711)</u>	<u>-</u>	<u>188,600</u>	<u>150,889</u>
Withdrawal surplus reserves		-	-	-	18,860	(18,860)	-
Profit distribution to equity owners	5(35)	-	-	-	-	(446,151)	(446,151)
<b>Balance at 31 December 2014</b>		<u>2,027,960</u>	<u>1,279,308</u>	<u>5,819</u>	<u>360,628</u>	<u>1,043,085</u>	<u>4,716,800</u>

**NOTES TO THE FINANCIAL STATEMENTS**

*For the year ended 31 December 2014*

*(All amounts in thousands of units of RMB otherwise stated)*

**1. General information**

Beijing Capital Land Ltd. (hereinafter “the Company”) was established by seven companies (hereinafter “the promoters” on 23 July 2002, namely Beijing Capital Group Ltd. (hereinafter “Capital Group”), Beijing Sunshine Real Estate Comprehensive Development Company (hereinafter “Sunshine Comprehensive”), Beijing Capital Sunshine Real Estate Development Co., Ltd. (hereinafter “Capital Sunshine”), Beijing Capital Technology Investment Co., Ltd. (hereinafter “Capital Technology”), Beijing Capital Hangyu Economic Development Co., Ltd. (renamed “Beijing Capital Development Co., Ltd.” afterwards, hereinafter “Capital Development”), China Resource Products Limited (hereinafter “China Resource”) and Yieldwell International Enterprise Limited (hereinafter “Yieldwell International”) (hereinafter “the promoters”).

The Company was registered on 5 December 2002 in Beijing with total share capital of RMB1,100,000,000 at RMB1 per share. The Company issued 513,300,000 shares on the Main Board of the Stock Exchange of Hong Kong Limited (“H-shares”) in June 2003. And 51,330,000 state-owned shares and state-owned entities shares were transferred to public by some of the promoters.

In 27 January 2005 and 26 October 2006, the Company placed 456,126,000 H-shares (RMB1 per share) in total, of which, 414,660,000 shares were newly issued and 41,466,000 state-owned shares and state-owned entities shares were transferred to public by some of the promoters.

The parent company and the ultimate parent company of the Company is Capital Group, a state owned enterprise corporated in Beijing.

The Company and its subsidiaries (hereinafter “the Group”) are principally engaged in the real estate development and investment, commercial real estate operation, hotel operation, property consulting services and investment holding.

These consolidated financial statements were approved by the Board of Directors on 9 February 2015.

## 2. Summary of significant accounting policies and accounting estimates

### **(1). Basis of preparation**

The financial statements were prepared in accordance with the Basic Standard and specific standards of the Accounting Standards for Business Enterprises issued by the Ministry of Finance on 15 February 2006, and the Application Guidance for Accounting Standards for Business Enterprises, Interpretations of Accounting Standards for Business Enterprises and other relevant regulations issued thereafter (hereinafter collectively referred to as the “Accounting Standards for Business Enterprises” or “CAS”).

The financial statements were prepared in basis of going concern.

### **(2). Statement of compliance with the Accounting Standards for Business Enterprises**

The financial statements of the Company for the year ended 31 December 2014 are in compliance with the Accounting Standards for Business Enterprises, and truly and completely present the financial position of the Consolidated and the Company as at 31 December 2014 and of their financial performance, cash flows and other information for the year ended 31 December 2014.

### **(3). Accounting year**

The accounting year starts on 1 January and ends on 31 December.

### **(4). Functional currency**

The functional currency of the Company’s and most of its subsidiaries is Renminbi (RMB), while the functional currency of a subsidiary incorporated in France, including Datang Weiye Holdings (France) Co., Ltd. (“Datang Weiye France”) is Euro (EUR), and the functional currency of Juda International Holdings Limited (“Juda International”) was changed from Hong Kong Dollar (HKD) to Renminbi (RMB) on 31 December 2014, adapting to new strategy and business environment.

### **(5). Business combinations**

#### **(a) Business combinations involving enterprises under common control**

The consideration paid and net assets obtained by the acquirer in a business combination are measured at the carrying amount. The difference between the carrying amount of the net assets obtained and the carrying amount of the

consideration paid for the combination is recognized in the capital surplus (share premium). If the capital surplus (share premium) is not sufficient to absorb the difference, the remaining balance is recognized in retained earnings.

Costs directly attributable to the combination shall be recognized in profit or loss for the year when occurred.

Transaction costs in the issue of equity securities and debt securities attributable to the combination shall be recognized initial amount of equity securities and debt securities.

*(b) Business combinations involving enterprises not under common control*

The consideration paid and identifiable net assets obtained by the acquirer in a business combination are measured at fair value on the acquisition date. Where the cost of the combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognized as goodwill; where the cost of combination is lower than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognized in profit or loss for the current period.

In a business combination involving entities not under common control achieved in stages. In the individual financial statement, the initial cost shall be the summation of the book value of the previously held equity interest in the acquiree before the acquisition date and the additional investment cost on the acquisition date. In the consolidated financial statements, the previously held equity interest in the acquiree is remeasured to fair value on the acquisition date and the difference between the fair value and the net book value is recognized as investment income for the year. If other comprehensive income was recognized regarding the equity Interest previously held in the acquiree before the acquisition date, the relevant other comprehensive income is transferred to investment income in the year in which the acquisition occurs. Difference between the consideration paid by the Group as the acquirer, including equity interest of the acquiree held before the acquisition date, and the Group's interest in the fair value of the identifiable net assets of the acquiree, is recognized as good will if it is an excess.

Costs directly attributable to the combination are recognized in profit or loss in the year in which they are incurred.

**(6). Preparation of consolidated financial statements**

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries.

Subsidiaries are consolidated from the date on which the Group obtains control and are de-consolidated from the date that such control ceases. For a subsidiary that is acquired in a business combination involving enterprises under common control, it is included in the consolidated financial statements from the date when it, together with the Company, comes under common control of the ultimate controlling party. The portion of the net profits realized before the combination date is presented separately in the consolidated income statement.

In preparing the consolidated financial statements, where the accounting policies and the accounting periods are inconsistent between the Company and subsidiaries, the financial statements of subsidiaries are adjusted in accordance with the accounting policies and accounting period of the Company. For subsidiaries acquired from a business combination involving enterprises not under common control, the individual financial statements of the subsidiaries are adjusted based on the fair value of the identifiable net assets on the acquisition date.

All significant inter-group balances, transactions and unrealized profits are eliminated in the consolidated financial statements. The portion of a subsidiary's equity and the portion of a subsidiary's net profits and losses for the year not attributable to the Company are recognized as non-controlling interests and presented separately in the consolidated financial statements within equity and net profits respectively. Unrealized inter profit or loss in transactions where the Company sells assets to its subsidiaries are fully eliminated to the net profits attributable to equity holders of the Company. Unrealized inter profit or loss in transactions where a subsidiary sells assets to the Company are eliminated between the net profits attributable to equity holders of the Company and the profit or loss of the non-controlling interest in proportion to the Company's allocation to the subsidiary. Unrealized inter profit or loss in transactions between subsidiaries selling assets are eliminated between the net profits attributable to equity holders of the Company and the profit or loss of non-controlling interest in proportion to the Company's allocation to the selling side.

A transaction will be adjusted from the perspective of the Group in condition that assertions are different when accounting entities are the Group and the Company or its subsidiaries.

**(7). Cash**

Cash comprise cash on hand and deposits that can be readily drawn on demand.

**(8). Foreign currency translation**

*(a) Foreign currency transactions*

Foreign currency transactions are translated into RMB using the spot exchange rates at the dates of the transactions.

At the balance sheet date, monetary items denominated in foreign currencies are translated into RMB using the spot exchange rates on the balance sheet date. Exchange differences arising from these translations are recognized in profit or loss for the current period, except for those attributable to foreign currency borrowings that have been taken out specifically for the acquisition or construction of qualifying assets, which are capitalized as part of the cost of those assets. Nonmonetary items denominated in foreign currencies that are measured at historical costs are translated at the balance sheet date using the spot exchange rates at the date of the transactions. The effect of exchange rate changes on cash is presented separately in the cash flow statement.

*(b) Translation of foreign currency financial statements*

The asset and liability items in the balance sheets for overseas operations are translated at the spot exchange rates on the balance sheet date. Among the owners' equity items, the items other than "undistributed profits" are translated at the spot exchange rates on the transaction dates. The income and expense items in the income statements of overseas operations are translated at the spot exchange rates on the transaction dates. The differences arising from the above translation are presented separately in the owners' equity. The cash flows of overseas operations are translated at the spot exchange rates on the dates of the cash flows. The effect of exchange rate changes on cash is presented separately in the cash flow statement.

**(9). Financial instruments**

**(a) Financial assets**

**(i) Classification of financial assets**

Financial assets are classified into the following categories at initial recognition: financial assets at fair value through profit or loss, receivables, available-for-sale financial assets and held-to-maturity investments. The classification of financial assets depends on the Group's intention and ability to hold the financial assets. The financial assets of the Group are mainly comprised of financial assets at fair value through profit or loss, receivables and available-for-sale financial assets.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for the purpose of selling in the short term.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market (note 5(3)).

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories at initial recognition. Available-for-sale financial assets are included in other current assets on the balance sheet if management intends to dispose of them within 12 months of the balance sheet date.

**(ii) Recognition and measurement**

Financial assets are recognized at fair value on the balance sheet when the Group becomes a party to the contractual provisions of the financial instrument. Transaction costs that are attributable to the acquisition of the financial assets are included in their initial recognition amounts.

Available-for-sale financial assets are subsequently measured at fair value, and they are measured at cost when they do not have a quoted market price in an active market and whose fair value cannot be reliably measured. Receivables are measured at amortized cost using the effective interest method.

Gain or loss arising from change in fair value of available-for-sale financial assets is recognized directly in equity, except for impairment losses and exchange gain or loss arising from translation of foreign monetary financial assets. When such financial assets are derecognized, the cumulative gain or loss previously recognized directly into equity is recycled into profit or loss for the current period.

(iii) Impairment of financial assets

The Group assesses the carrying amounts of financial assets other than those at fair value through profit or loss at each balance sheet date. If there is objective evidence that a financial asset is impaired, the Group shall make a provision for impairment.

Objective evidence indicating impairment of financial assets refers to the matter that actually occurs after the initial recognition of financial assets, it will affect estimated future cash flows of financial assets, and its impact can be reliably measured by the Group.

When an impairment loss on a financial asset carried at amortized cost has occurred, the amount of loss is measured at the difference between the asset's carrying amount and the present value of its estimated future cash flows (excluding future credit losses that have not been incurred). If there is objective evidence that the value of the financial asset recovered and the recovery is related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed and the amount of reversal is recognized in profit or loss.

Objective evidence of impairment on available-for-sale equity investments includes that the fair value of those equity instruments is exposed to significant or prolonged decline. The Group assesses the carrying amounts of available-for-sale equity instruments separately at each balance sheet date. If the fair value of the equity instrument declines beyond 50% compared with the initial investment cost or the decline lasts more than one year (included), the impairment occurs; if the fair value of the equity instrument declines more than 20% (included) but not beyond 50%, the Group will take other relevant factors into consideration, such as price fluctuations to judge whether the impairment occurs.



In the case of a significant or prolonged decline in the fair value of an available-for-sale financial asset, the cumulative loss arising from the decline in fair value that had been recognized directly in equity is removed from equity and recognized in impairment loss. For an investment in an equity instrument classified as available-for-sale on which impairment losses have been recognized, the increase in its fair value in a subsequent period is recognized in equity directly.

In the case of decline in the fair value of an available-for-sale financial asset, the difference between its book value and the present value of the cash flow from the similar financial asset under present market yields shall be recognized in profit or loss. Occurred impairment will not be reversed in future period.

(iv) Derecognition of financial assets

A financial asset is derecognized when any of the below criteria is met: (i) the contractual rights to receive the cash flows from the financial asset expire; (ii) the financial asset has been transferred and the Group transfers substantially all the risks and rewards of ownership of the financial asset to the transferee; or (iii) the financial asset has been transferred and the Group has not retained control of the financial asset, although the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received along with the cumulative changes in fair value that had been recognized directly in equity, is recognized in profit or loss.

(b) *Financial liabilities*

Financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities. The Group's financial liabilities are majorly derivative financial liabilities and other financial liabilities (including payables, borrowings and debentures payable).

Forward foreign exchange contract recognized by cash flow hedging instruments is accounted by derivative financial liabilities. The changes of other forward foreign exchange contracts are recognized in profit or loss at fair value.

Payables include accounts payables and other payables which are initially recognized at fair value and recorded at amortized cost using effective interest rate in subsequent measurement.

Borrowings and debentures payable are initially recognized at fair value less trading expenses and recorded at amortized cost using effective interest rate in subsequent measurement.

Other financial liabilities with repayment period within 1 year (including 1 year) are stated as current liabilities; other financial liabilities with repayment period over 1 year but repayment date within 1 year from balance sheet date are stated as current portion of non-current liabilities; others are stated as non-current liabilities.

A financial liability is derecognized or partly derecognized when the current obligation is discharged or partly discharged. The difference between the carrying amount of the financial liability or the derecognized part of the financial liability and the consideration paid is recognized in profit or loss.

*(c) Determination of fair value of financial instrument*

The fair value of a financial instrument that is traded in an active market is determined at the quoted price in the active market. The fair value of a financial instrument that is not traded in an active market is determined by using a valuation technique. The Group uses the valuation technique when it is applicable under current conditions and there are enough available data and other information to support and the technique should maximize the use of relevant observable. Unobservable inputs are used under the circumstance that the relevant observable inputs cannot be obtained or not feasible. Those inputs should be consistent with the inputs a market participant would use when pricing the asset or liability.

*(d) Offsetting of financial assets and liabilities*

Financial assets and liabilities should be presented separately in balance sheet without offsetting. A financial asset and a financial liability should be offset when, and only when, both of the following conditions are satisfied: (i) The Group currently has a legally enforceable right to set off the recognized amounts and the legal enforceable right is now executable. (ii) The Group intends either to settle on a net basis, or to liquidate the financial asset and settle the financial liability simultaneously.

**(10). Hedging activities**

The Group sets forward foreign exchange contract as hedging instrument to avoid foreign exchange risks. Changes in cash flow of the hedging instrument are expected to offset the changes in cash flow of hedged items. The Group accounts the hedging by using cash flow hedge.

Fair value of the hedging derivatives would be classified as a non-current asset or liability when the maturity of the hedged item is more than 12 months.

The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items (whether the offset results are between 80% and 125%). The Group adopts ratio analysis to assess subsequent effectiveness of cash flow hedge.

Gain or loss on the cash flow hedging instrument relating to the effective portion is recognized in other comprehensive income. Amount of the effective portion is the lower of the absolute value of the two items below:

- (1) Accumulated gain or loss on the hedging instrument from hedging date;
- (2) Accumulated changes in present value of expected future cash flow of hedged transactions from hedging date.

Gain or loss relating to the ineffective portion is recognized in the income statement.

When a transaction that is hedged influences the income statement, the gain or loss on the hedging instrument recognized in other comprehensive income is transferred out and recognized in income statement. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset, the gain or loss previously deferred in equity is transferred from equity and included in the initial measurement of the cost of the asset.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and will be recognized in the income statement, when the forecast transaction is ultimately occur. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was accounted in equity is immediately transferred to the income statement.

#### ***(11). Receivables***

Receivables comprise accounts receivable and other receivables. Accounts receivable arising from sale of goods or rendering of services are initially recognized at fair value of the contractual payments from the buyers or service recipients.

Receivables that are individually significant are subject to separate impairment assessment. If there is objective evidence that the group will not be able to collect the full amount under the original terms, a provision for impairment of that receivable is recognized at the difference between the carrying amount of that receivable and the present value of its estimated future cash flows.

Receivables with amounts that are not individually significant along with those receivables that have been individually assessed for impairment and have not been found impaired are classified into certain groupings based on their credit risk characteristics. The provision for doubtful debts is determined based on the historical actual loss ratio for the groupings of receivables with similar credit risk characteristics, taking into consideration of the current circumstances.

**(12). Inventories**

*(a) Classification*

Inventories include properties under development, properties held for sale, work in progress, finished goods and low-cost consumables, and are measured at the lower of cost and net realizable value.

*(b) Measurement of inventories*

Inventories are initially recognized at the actual costs. The costs of properties under development and properties held for sale comprise land cost, construction cost, capitalized borrowing costs, and other direct and indirect fees incurred during the development period. On completion, the properties are transferred to completed properties held for sale at the actual costs. For land use rights that are developed for subsequent sales, the cost paid for land use rights are classified and accounted for as part of the costs of properties.

Public ancillary facilities comprise government-approved public ancillary projects, i.e. roads. The relevant costs are recognized under the properties under development, and are recorded by each cost items, the cost paid for land use rights are classified and accounted for as part of properties under development.

*(c) Measurement of net realizable value and provisions of inventories*

Provisions are determined at the excess amount of the carrying value of the inventories over their net realizable value. Net realizable value is determined based on the estimated selling price in the ordinary course of business, less the estimated costs to completion and estimated selling expenses and related taxes.

*(d) The Group adopts the perpetual inventory system.*

- (e) Low-cost consumables are amortized using the one-off amortization method.

**(13). Long-term equity investments**

Long-term equity investments comprise the Company's long-term equity investments in its subsidiaries, the Group's long-term equity investments in its joint ventures and associates.

Subsidiaries are the investees over which the Company is able to exercise control. Joint ventures are joint arrangements of which the net asset is attribute to the Group based on the legal forms, terms of contract and other facts and the investees over which the Group is able to exercise joint control together with other ventures. Associates are the investees that the Group has significant influence on their financial and operating policies.

Investments in subsidiaries are presented in the Company's financial statements using the cost method, and are adjusted for preparing the consolidated financial statements using the equity method. Investments in joint ventures and associates are accounted for using the equity method.

When the accounting policies and the accounting periods are inconsistent between the Company and investees, the financial statements of investees are adjusted in accordance with the accounting policies and accounting periods of the Company and recognize the investment income accordingly.

**(a) Measurement of investment cost**

For long-term equity investments acquired through a business combination: for long-term equity investments acquired through business combination involving enterprises under common control, the investment cost shall be the acquirer's share of the carrying amount of owners' equity of the acquiree on the combination date; for long-term equity investment acquired through a business combination involving enterprises not under common control, the investment cost shall be the combination cost.

For long-term equity investments acquired not through a business combination: for long-term equity investment acquired by payment in cash, the initial investment cost shall be the purchase price actually paid; for long-term equity investments acquired by issuing equity instruments, the initial investment cost shall be the fair value of the equity instruments issued.

(b) *Subsequent measurement and recognition of investment income and loss*

For long-term equity investments accounted for using the cost method, they are measured at the initial investment costs, and cash dividends or profit distribution declared by the investees are recognized as investment income in profit or loss.

For long-term equity investments accounted for using the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets on the acquisition date, the long-term equity investment is measured at the initial investment cost; where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets on the acquisition date, the difference is included in profit or loss and the cost of the long-term equity investment is adjusted upwards accordingly.

For long-term equity investments accounted for using the equity method, the Group recognizes the investment income or losses according to its share of net profit or loss of the investee. The Group discontinues recognizing its share of net losses of an investee after the carrying amount of the long-term equity investment together with any long-term interests that, in substance, form part of the investor's net investment in the investee are reduced to zero. However, if the Group has obligations for additional losses and the criteria with respect to recognition of provisions under the accounting standards on contingencies are satisfied, the Group continues recognizing the investment losses and the losses are recognized as estimate debts. For changes in owners' equity of the investee other than those arising from its net profit or loss, other comprehensive income and profit distribution, the Group adjusts the carrying amount of long-term equity investments and records its proportionate share directly into capital surplus. The carrying amount of the investment is reduced by the Group's share of the profit distribution or cash dividends declared by the investee. The unrealized profits or losses arising from the intra-group transactions amongst the Group and its investees are eliminated in proportion to the Group's equity interest in the investees, and then based on which the investment gains or losses are recognized. For the loss on the intra-group transaction amongst the Group and its investees attributable to asset impairment, any unrealized loss is not eliminated.

(c) *Definitions of control, joint control and significant influence*

Control is the power over the investee when the investor is exposed, or has rights, to variable returns from its involvement with the investees, and has the ability to affect those returns through its power over the investees.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

*(d) Impairment of long-term equity investment*

The carrying amounts of long-term equity investments in subsidiaries, joint ventures and associates are reduced to the recoverable amounts when the recoverable amounts are below their carrying amounts (Note 2 (20)).

For other long-term equity investments which are not quoted in an active market and whose fair values cannot be reliably measured, the amount of the impairment loss is measured as the difference between the carrying amount of the investment and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. And the impairment cannot be reversed once it is recognized.

***(14). Joint operations***

Joint operations are operations with a contractual arrangement, whereby the Group and other parties jointly enjoy related assets and are responsible to related liabilities. Under joint operations, the assets and liabilities which belong to joint operations and are related to profit shares should be recognized separately or shared by proportion; Revenues were recognized from selling the Group's share in joint operations or selling products of joint operations; expenses were recognized separately or shared by proportion in the joint operations.

***(15). Investment properties***

Investment properties, including land use rights that have already been leased out, buildings that are held for the purpose of leasing and buildings that is being constructed or developed for the purpose of leasing in future, are measured initially at cost. Subsequent expenditures incurred in relation to an investment property is included in the cost of the investment property when it is probable that the associated economic benefits will flow to the Group and their cost can be reliably measured; otherwise, the expenditures are recognized in profit or loss in the year in which they are incurred.

The Group adopts the fair value model for subsequent measurement of investment properties. Investment properties are measured at fair value model when the following conditions are met:

- (a) There is an active property market where the investment property locates.
- (b) The Group can obtain the market price and the relevant information regarding the same type of or similar property market, so as to reasonably estimate the fair value of the investment property.

Depreciation or amortization will no longer be provided for investment properties measured at fair value. Investment properties will be valued as at the balance sheet date and its carrying amount will be adjusted accordingly. The difference between the fair value and the carrying amount will be charged to the current profit and loss account of the Group.

When objective evidence indicates that the purpose of the real estate has changed and the Group converts investment property to owner-occupied property or real estate inventory, the property's carrying amount is stated at the fair value on the conversion date. The difference between the fair value and the original carrying amount is recognized in profit or loss for the current period. When any owner-occupied property or real estate inventory is converted to investment properties to be measured through the fair value model, the value of the investment property shall be calculated under the fair value on the conversion date. When the fair value on the conversion date is less than its carrying amount, the difference will be charged to the current profit and loss account. When the fair value on the conversion date is more than its carrying amount, the difference will be charged to other comprehensive income.

Where fair value of investment properties under construction is not reliably measurable but is expected to be reliably obtained after the construction is completed (including those investment properties under construction acquired initially by the Group), the property is measured at cost until the earlier of the date construction is completed or the date at which fair value becomes reliably measurable.

For investment properties under construction measured at cost, land use rights are amortized by using the estimated useful life and net residual rate. The amortization is capitalized.

An investment property is derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The net amount of proceeds from sale, transfer, scrapping or damage of an investment property subtract its carrying amount and related taxes and expenses is recognized in profit or loss for the current period.



The carrying amount of an investment property measured at cost is reduced to the recoverable amount if the recoverable amount is below the carrying amount (Note 2 (20)).

**(16). Fixed assets**

*(a) Recognition and initial measurement*

Fixed assets comprise buildings, machinery and equipment, motor vehicles, and office equipment. Fixed assets are recognized when it is probable that the associated economic benefits will flow to the Group and the related cost can be reliably measured. Fixed assets purchased or constructed by the Group are initially measured at cost at the time of acquisition.

Subsequent expenditures incurred for a fixed asset are included in the cost of the fixed asset when it is probable that the associated economic benefits will flow to the Group and the related cost can be reliably measured. The carrying amount of the replaced part is derecognized. All the other subsequent expenditures are recognized in profit or loss in the year in which they are incurred.

*(b) Depreciation methods of fixed assets*

Fixed assets are depreciated using the straight-line method to allocate the cost of the assets to their estimated residual values over their estimated useful lives. For the fixed assets that have been provided for impairment loss, the related depreciation charge is prospectively determined based upon the adjusted carrying amounts over their remaining useful lives.

The estimated useful lives, the estimated rate of residual value and the annual depreciation rate are as follows:

	Estimated useful lives	Estimated rate of residual value	Annual depreciation rate
Buildings	10-40 year	0% to 10%	2.3% to 10.0%
Machinery and equipment	5-20 year	0% to 10%	4.5% to 20.0%
Motor vehicles	5-10 year	0% to 10%	9.0% to 20.0%
Office equipment	3-10 year	0% to 10%	9.0% to 33.3%

The estimated useful lives, the estimated residual value of a fixed asset and the depreciation method applied to the asset are reviewed, and adjusted as appropriate at least each year end.

(c) When recoverable amount of fixed asset is lower than its carrying amount, the carrying amount should be written down to the recoverable amount (Note 2(20)).

(d) *Disposal of fixed assets*

A fixed asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The amount of proceeds from disposal on sale, transfer, scrapping or damage of a fixed asset subtract its carrying amount and related taxes and expenses is recognized in profit or loss for the current period.

**(17). Borrowing costs**

The borrowing costs that are directly attributable to the acquisition and construction of investment properties or real estate projects that need a substantially long period of time for its intended use commence to be capitalized and recognized as part of the cost of the asset when expenditures for the asset and borrowing costs have been incurred, and the activities relating to the acquisition and construction that are necessary to prepare the asset for its intended use have commenced. The capitalization of borrowing costs ceases, when the investment properties under acquisition or construction becomes ready for its intended use, the properties under development become ready for sale (generally after Completion Certification granted), the borrowing costs incurred thereafter are recognized in profit or loss for the current period. Capitalization of borrowing costs is suspended during periods in which the acquisition or construction of the asset is interrupted abnormally and the interruption lasts for more than 3 months, until the acquisition or construction is resumed.

For borrowings that specified for acquisition and construction of investment properties and real estate projects and qualified for capitalization, the capitalization amount is measured as current actual interests of the specified borrowings subtract interest revenue earned from unused borrowings deposited at bank or investment income earned from temporary investment activities with unused borrowings.

For general borrowings that occupied by the acquisition and for construction of investment properties and real estate projects qualified for capitalization, the capitalization amount should be the weighted average exceeds of accumulated capital expenditures for capitalization over the amount of specialized borrowings multiplied by the weighted average effective interest rate. The effective interest rate is the rate used to discount the estimated future or the applicable shorter period cash flows of the borrowings to the initial measurement of the borrowings.

**(18). Intangible assets**

Intangible assets are land use rights and are measured at cost. The cost of land use rights obtained for construction of real estate projects and investment properties is recognized in inventory development costs.

**(a) Land use rights**

Land use rights are amortized over the useful life of 50 years. If the purchase costs of land use rights and the buildings located thereon cannot be reliably allocated between the land use rights and the buildings, all of the purchase costs are recognized as fixed assets.

**(b) Periodical review of useful life and amortization method**

For an intangible asset with a finite useful life, review and adjustment on its useful life and amortization method are performed at each year end.

**(c) Impairment of intangible assets**

When the recoverable amount of an intangible asset is less than its carrying amount, the carrying amount should be written down to the recoverable amount (Note 2 (20)).

**(19). Long-term prepaid expenses**

Long-term prepaid expenses include expenditures that have been incurred but should be recognized as expenses over more than one year in the current and subsequent periods. Long-term prepaid expenses are amortized on the straight-line basis over the expected beneficial period and are presented at actual expenditure subtract accumulated amortization.

**(20). Impairment of long-term assets**

Fixed assets, intangible assets with finite useful lives, investment properties measured using the cost model and long-term equity investments in subsidiaries, joint ventures and associates are tested for impairment if there is any indication that an asset may be impaired at the balance sheet date. If the result of the impairment test indicates that the recoverable amount of the asset is less than its carrying amount, a provision for impairment and an impairment loss are recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. Provision for asset impairment is determined and recognized on the individual asset basis. If it is not possible to

estimate the recoverable amount of an individual asset, the recoverable amount of a group of assets to which the asset belongs to is determined. A group of assets is the smallest group of assets that is able to generate cash inflows independently.

Goodwill that is separately presented in the financial statements is tested at least annually for impairment, irrespective of whether there is any indication that it may be impaired. In conducting the test, the carrying value of goodwill is allocated to the related asset groups or groups of asset groups which are expected to benefit from the synergies of the business combination. If the result of the test indicates that the recoverable amount of an asset group or group of asset groups, including the allocated goodwill, is lower than its carrying amount, the corresponding impairment loss is recognized. The impairment loss is first deducted from the carrying amount of goodwill that is allocated to the asset group or group of asset groups, and then deducted from the carrying amounts of other assets within the asset groups or groups of asset groups in proportion to the carrying amounts of assets other than goodwill.

Once the above asset impairment loss is recognized, it will not be reversed for the value recovered in the subsequent periods.

**(21). Employee benefits**

Employee benefits are all forms of considerations given in exchange for services rendered by employees or compensation paid in order to terminate the employment relationship. Employee benefits mainly include short-term employee benefits, demission benefits, termination benefits and other long-term employee benefits, etc.

*(a) Short-term employee benefits*

Short-term employee benefits mainly include wages or salaries, bonuses, allowances and subsidies, staff welfare, social security contributions, housing funds, labor union funds and employee education funds. When an employee has rendered service to the Group during an accounting period, the Group shall recognize short-term employee benefits as liabilities and charge to the cost of an asset or as an expense at the same time. Non-monetary benefits are measured in accordance with fair value.

*(b) Demission benefits*

Demission benefits are classified as defined contribution plan and defined benefit plans. Defined contribution is demission benefits plan in which the Group is not obliged to make further payment after paying a certain amount to individual funds. Defined benefit plans is other demission benefits plan except

for defined contribution plan. During the period, demission benefits mainly include basic social pension security and unemployed insurance, both of which are defined contribution plan.

#### Basic social pension security

Employees of the Group participate in the basic social pension plan set up and administered by the government authorities. Basic pensions are provided monthly according to stipulated proportions and basis, which are paid to local labor and social security institutions. After retirement of employees, local labor and social security institutions will pay related pensions to employees accordingly. When an employee has rendered service to the Group during an accounting period, the Group shall compute and recognize liabilities according to the above stipulation and charge to the cost of an asset or as an expense at the same time.

The Group provides a pension scheme, which is established under the rules and regulations of the Mandatory Provident Fund Scheme Ordinance (“MPF Scheme”), for all employees in Hong Kong. The statutory contribution requirements to the MPF Scheme are minimum 5% of eligible employees’ relevant aggregate income and maximum HKD1,500 (HKD1,250 before 1 June 2014) monthly. The assets of this pension scheme are held separately from those of the Group in independently administered funds.

#### Supplementary pension security plan

Qualified employees of the Group can voluntarily join the supplementary pension security plan. Supplementary pensions are provided monthly based on employees’ social security basis published in April and proportions of 5% from the Group and 5% from employee, which are paid to trustee. After retirement of employees, trustee will pay related pensions to employees accordingly. When an employee has rendered service to the Group during an accounting period, the Group shall compute and recognize liabilities according to the above stipulation and charge to the cost of an asset or as an expense at the same time.

#### (c) *Termination benefits*

Termination benefits are payables when employment is terminated by the Group before the employment contract expire, or compensation provided as an offer to encourage employees to accept voluntary redundancy. The Group recognizes termination benefits as liabilities and charges to profit or losses at the

earlier of the following dates: (i) when the Group can no longer withdraw the offer of termination plan; and (ii) when the Group recognizes costs for restructuring which involving the payment of termination benefits.

**(22). Equity instruments**

Financial instruments issued by the Group are classified as equity instruments when both of the following conditions are satisfied:

- (a) The financial instruments have no contractual obligation to pay in cash or other financial assets to other parties nor to exchange financial assets or liabilities under potential adverse condition with other parties;
- (b) The financial instruments should and can be settled via equity instruments of the Group. For non-derivative instruments, the instruments have no contractual obligation to be settled by delivering fixed number of equity instruments of the Group. For derivative instruments, they can only be settled through the exchange of fixed number of the Group's equity instruments with fixed amount of cash or other financial assets.

The amounts issued by the subsidiaries and classified as equity instruments in the consolidated financial statements of the Group are presented as "Non-controlling interest".

**(23). Distribution of dividends**

The amount of dividends proposed to distribute is recognized as a liability in the current period in which it is approved by general meeting of shareholders.

**(24). Provisions**

Provisions for product warranties, pending litigations etc. are recognised when the Group has a present obligation, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Factors surrounding a contingency, such as the risks, uncertainties and the time value of money, are taken into account as a whole in reaching the best estimate of a provision. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows. The increase in the discounted amount of the provision arising from passage of time is recognised as interest expense.

The carrying amount of provisions is reviewed at each balance sheet date and adjusted to reflect the current best estimate.

**(25). Revenue recognition**

The amount of revenue is determined in accordance with the fair value of the consideration received or receivable from the sales of goods and the rendering of services in the ordinary course of the Group's business activities. Revenue is shown net off rebates, discounts and returns.

Revenue is recognized when the economic benefits associated with the transaction will flow to the Group, the related revenue can be reliably measured, and the specific revenue recognition criteria have been met for each type of the Group's business activities as described below:

*(a) Sales of goods*

- (i) Revenue of sales of development properties is recognized when all the following conditions have been satisfied:
  - properties are completed and accepted after check;
  - a legally binding sales contract has been signed;
  - all the significant risks and rewards of ownership of the development properties have been transferred to the buyer;
  - the Company does not retain the management rights, which is normally associated with owner, on the development properties sold and has no control over the development properties sold. The Company does not meet the other criteria required when recognizing revenue mentioned above.
- (ii) The Group produces chemical products and sells to distributors around the country. The Group transports the chemical products to the agreed delivery place according to the contract. With the distributor's receiving confirmation, the Group recognizes revenue. Distributors have the right to sell chemical products on their own and take the risk of price fluctuation or damage of the chemical products.

(b) *Rendering of services*

The Group provides service to external parties. The related revenue is recognized using the percentage of completion method, with the stage of completion being determined based on proportion of costs incurred to date to the estimated total costs.

(c) *Transfer of asset use rights*

Interest income is recognized on a time-proportion basis using the effective interest method.

Income from an operating lease is recognized on a straight-line basis over the year of the lease.

**(26). Government grants**

Government grants are the gratuitous monetary assets or non-monetary assets that the Group receives from the government, including tax returns and financial subsidies.

Government grants are recognized when there is reasonable assurance that the grants will be received and the Group is able to comply with the conditions attaching to them. Monetary assets of the government grants are measured as the amount received or receivable. Non-monetary assets of the government grants are measured as fair value or notional value if the fair value cannot be obtained reliably.

A government grant related to an asset is the government grants acquired by the Group that specified for acquisition and construction or in other ways to form long-term assets. For government grants related to income are government grants other than government grants related to assets.

Government grants related to assets are recognized as deferred revenue and will be amortized on a straight-line basis in profit or loss over the useful life of the related assets. Government grants recognized at notional value are directly recognized in the income statement.

Government grants related to income which are used to compensate expenses or losses in subsequent periods, are recognized as deferred revenue and realized in profit or loss for the year such expenses or losses occurred; the ones which are to compensate expenses or losses occurred in previous periods are directly recognized in the income statement.



***(27). Deferred tax assets and deferred tax liabilities***

Deferred tax assets and deferred tax liabilities are calculated and recognized based on the differences arising between the tax bases of assets and liabilities and their carrying amounts (temporary differences). Deferred tax asset is recognized for the deductible losses that can be carried forward to subsequent years for deduction of the taxable profit in accordance with the tax laws. No deferred tax liability is recognized for a temporary difference arising from the initial recognition of goodwill. No deferred tax asset or deferred tax liability is recognized for the temporary differences resulting from the initial recognition of assets or liabilities due to a transaction other than a business combination, which affects neither accounting profit nor taxable profit (or deductible loss). At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available to offset the deductible temporary differences, deductible losses, and deductible tax amounts.

Deferred tax liabilities are recognized for temporary differences arising from investments in subsidiaries, joint ventures and associates, except where the Group is able to control the timing of the reversal of the temporary difference, and it is probable that the temporary difference will not be reversed in the foreseeable future. When it is probable that the temporary differences arising from investments in subsidiaries, joint ventures and associates will be reversed in the foreseeable future and that the taxable profit will be available in the future to offset the deductible temporary differences, the corresponding deferred tax assets are recognized.

Deferred tax assets and liabilities are offset if all the following conditions are met:

- they related to income taxes levied by the same tax authority; and
- that tax payer within the Group has a legally enforceable right to offset current tax assets and current tax liabilities.

***(28). Leases***

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. An operating lease is a lease other than a finance lease.

The Group does not have finance leases. Lease payments under an operating lease are recognized in the asset cost or in profit or loss on a straight-line basis over the year of the lease.

***(29). Maintenance and quality guarantee funds***

Maintenance fund is collected from property buyers according to related regulations on behalf of housing administration bureau, by certain percentage of selling price of property, the fund will be delivered to housing administration bureau upon registration of property ownership. Maintenance fund is recognized in “other payables” when received and is specially for the repair and update for the common parts and equipment and public facilities of the real estate.

Quality guarantee fund is reserved by certain percentage of the project payment and when the properties are completed it will be repaid to constructor, in condition that there’s no quality issue in agreed warranty period. Reserved quality guarantee fund is recognized in “payables” and is paid after the agreed warranty period.

***(30). Held for sale and discontinued operations***

A non-current asset or a component of the group satisfying the following conditions is classified as held for sale: (1) the non-current asset or the component in current conditions can be sold immediately according to usual trading terms; (2) the Group has made a resolution and has been approved for disposal of the non-current asset or the component; (3) an irrevocable contract with the transferee has been signed and; (4) the transfer will be completed within one year.

Non-current assets, except for financial assets and deferred tax assets, that meet the recognition criteria for held for sale are measured at the lower of the fair value less costs to sell and the carrying amount. Any excess of the original carrying amount over the fair value less costs to sell is recognized as an asset impairment loss.

Non-current assets classified as held for sale, the assets and liabilities in the disposal groups are classified as current assets and current liabilities.

A discontinued operation is a component of the Group that either has been disposed of or is classified as held for sale, and can be distinguished from other components within the Group in business operation and in preparation of financial statements: (1) the component represents a separate major line of business or geographical area of operations; (2) is part of a single coordinated plan to disposal of a separate major line of business or geographical area of operations; (3) is a subsidiary acquired exclusively for the purpose of resale.

***(31). Segment information***

The Group identifies operating segments based on the internal organization, management requirements and internal reporting system and the reportable segments is determined and segment information is disclosed based on the operating segments.

An operating segment is a component of the Group that satisfies all of the following conditions: (1) the component is able to earn revenues and incur expenses from its operation activities; (2) whose operating results are regularly reviewed by the Group's management to make decisions about resources to be allocated to the segment and to assess its performance, and (3) for which the information on financial position, operating results and cash flows is available to the Group. If two or more operating segments have similar economic characteristics and satisfy certain conditions, they could be aggregated into one single operating segment.

***(32). Purchase shares in subsidiaries from non-controlling shareholders and partial disposal of interest in a subsidiary without loss of control***

The transaction with non-controlling interest to partially or wholly acquire interests in a subsidiary after obtaining the control rights over the subsidiary, the assets and liabilities of the subsidiary are measured consistently following their value at the acquisition or merger date in the consolidated financial statements. The difference between additions in long-term investment due to the interest purchase and additions of shared net assets of the subsidiary calculated by the additional share proportion, should be recorded in capital surplus (share premium). In case share premium is not sufficient to offset the difference, retained earnings should be adjusted.

The transaction with non-controlling interest to dispose long-term equity investment in a subsidiary without losing control rights over the subsidiary, the difference between the proceeds from disposal of interests and the decrease of the shared net assets of the subsidiary is adjusted to capital surplus (share premium). In case share premium is not sufficient to offset the difference, retained earnings will be adjusted.

***(33). Changes in significant accounting policies***

The Ministry of Finance issued CAS No. 39 – Fair value measurement, CAS No. 40 – Joint venture arrangements, CAS No. 41 – Disclosure of equity in other entity and amended CAS No. 2 – Long-term equity investment, CAS No. 9 – Employee benefits, CAS No. 30 – Financial statement presentation, CAS No. 33 – Consolidated financial statements and CAS No. 37 – Financial instrument presentation in 2014. These new and amended standards are required to adopt after 1 July 2014 except that CAS No. 37 – Financial instrument presentation is required to adopt for the year ended 31 December 2014.

The Group has decided to adopt these new and amended standards in preparing the financial statements for the year ended 31 December 2014. The impacts of the adoption on the Group's financial statements are as follows:

*Details and reasons for changes*

- (i) According to CAS No. 30 – Presentation of financial statements, the name of account “Financial assets held for trading” has been changed to “Financial assets at fair value through profit or loss”; “Other comprehensive income” is listed as an individual item in balance sheet; “Assets and component classified as held for sale” are listed as individual items in current assets and current liabilities in balance sheet; comparative figures are restated accordingly. Affected accounts are listed below:

<b>Items</b>	<b>31 December 2013</b>	<b>1 January 2013</b>
Assets classified as held for sale	1,902,313	2,863,803
Cash at bank and on hand	(5,573)	(101,982)
Other current assets	(1,896,740)	(880,961)
Advances to suppliers	–	(103,156)
Other receivables	–	(816,654)
Inventories	–	(961,050)
Liabilities classified as held for sale	877,972	1,980,344
Accounts payable	(60,768)	(2,191)
Employee benefits payable	–	(793)
Taxes payable	(20,470)	(46,842)
Other payables	–	(1,136,572)
Interest payable	(1,734)	–
Current portion of non-current liabilities	(12,500)	–
Other current liabilities	(782,500)	(793,946)
Capital surplus	(1,279,938)	(1,395,937)
Other comprehensive income	1,285,991	1,394,322
Foreign currency translation differences of financial statements	(6,053)	1,615

- (ii) Certain disclosures of financial statements in relation to fair value are prepared in accordance with the CAS No.39 – Fair value measurement. There is no need to adjust relevant information in comparative financial statements.

- (iii) Certain disclosures of financial statements in relation to equity in other entity are prepared in accordance with CAS No.41 – Disclosure of equity in other entity.

***(34). Critical accounting estimates and judgments***

The Group continually evaluates the critical accounting estimates and key judgments applied based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

*(a) Critical accounting estimates and key assumptions*

The critical accounting estimates and key assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as following:

(i) Property development cost

Critical estimates and judgments on budget cost and development progress are required in determining property development cost. The budget cost and development progress of the project is reviewed by the Group on a regular basis and adjusted as appropriate. Should the actual cost differs from the budget cost, such difference will impact the relevant property development cost.

(ii) Taxes

The Group is subject to various taxes for the business of property development. There are many transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgment is required in determining the provision for land appreciation tax (“LAT”). Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax provisions in the year in which such determination is made.

(iii) Impairment of assets

The Group tests annually whether assets have suffered any impairment in accordance with the accounting policy stated in note 2(20), If there is objective evidence that the carrying amount of assets is in excess of its recoverable amount, a provision for impairment and an impairment loss are recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount.

(iv) Provisions for doubtful debts of receivables

The Group tests annually whether receivables suffer any impairment in accordance with the accounting policy stated in note 2(11). If there is objective evidence that the Group will not be able to collect the full amount under the original terms, a provision for impairment of that receivable is made.

(v) Deferred tax assets

Judgment for whether deductible temporary differences and deductible losses can be reversed in the future period is required from the Group in recognizing deferred tax assets. For deductible temporary losses, the Group recognizes deferred tax assets to the extent that it is probable that taxable profit will be available in the future to offset the deductible losses.

(vi) Fair value of investment properties

The Group adopts fair value model for subsequent measurement of investment properties and obtains independent valuations for its investment properties at least annually from an independent professional valuer as a third party. The fair value is determined in accordance with the methods below:

Current prices (open market quotations) in an active market for the same or similar investment properties;

When such information above is not available, then use recent trading prices in an active market of the same or similar investment property, and take the factors of situations, dates and locations of transactions, etc. into consideration;

Calculation based on the discounted of future estimated rental income and other related cash flows.

(vii) Provision for the decline in value of inventories

The Group measures the inventories at the lower of cost and net realizable value at the balance sheet date. The calculation of net realizable value needs assumptions and estimates. If the management changes the estimated selling price and the estimated costs and expenses to completion, the estimated net realizable value would be affected; such difference will impact the provisions of inventories which have been recognized.

(viii) Accounting estimates on impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment. These calculations require accounting estimation. The group's goodwill is mainly generated from an acquisition for a Hong Kong stock exchange listed company. The group applies the market value of shares of the listed company at balance sheet date to evaluate the recoverable amount of the asset groups and groups of asset groups.

(ix) Deferred income tax liabilities

The Group needs to estimate the possibility of the dividend distribution or share transfer of the non-resident enterprises, when recognizing deferred income tax liabilities for taxable temporary differences of withholding income tax.

(b) *Critical judgments on application of accounting policy – revenue recognition*

According to the accounting policy stated in note 2(25), the assessment of when an entity has transferred the significant risks and rewards of ownership to buyers requires the judgment according to the circumstances of the transaction. In most cases, the transfer point of risks and rewards of ownership coincides with the date when the buyer check and accept the property or when the buyer is regarded as checking and accepting the property.

As disclosed in note 10, the Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. These guarantees will be relieved when relevant property ownership certificates are mortgaged to banks by the purchasers. The Group believes that significant risks and rewards associated to the ownership of the properties have been transferred to the purchasers when the buyer check and accept the property or when the buyer is regarded as checking and accepting the property.

### 3. Taxation

The types and rates of taxes applicable to the Group are set out below:

Type	Tax rate	Taxable base
Enterprise income tax	25%	Taxable income of subsidiaries located in the PRC
	5%-10%	Income from taxable dividends of non-resident enterprises and investments disposal in mainland China
Business tax	5%	Taxable turnover amount
LAT	30%-60%	Taxable value added amount through sales of properties
Value added tax(a)	6%	Value added tax payable
City maintenance and construction tax	5%-7%	Business tax payable
Education surcharge	3%	Business tax payable
Property tax	1.2%	Taxable residual value of properties

- (a) According to the announcement about the pilot program of changing Business tax to value added tax (VAT) (Tax 2011(No. 110)) and The announcement about implementing the tax policy of changing Business tax to VAT among transportation industry and part of modern services industry (Tax 2013 (No. 37)) issued by Ministry of Finance and State Administration of Taxation (SAT), Business tax applied to technical services and advisory services of the Company with a tax rate of 5% before 1 August 2013, and after the date VAT applied to these services with a tax rate of 6%.



#### 4. Business combination and consolidated financial statement

##### (1). Significant subsidiaries

###### 1. Subsidiaries incorporated by promoters at establishment of the Company

Name	Place of registration	Place of main operation	Principal activities	Registered capital		Attributable interest held				Attributable vote held			
				31 December 2014	31 December 2013	31 December 2014		31 December 2013		31 December 2014		31 December 2013	
				USD	USD	Direct %	In-direct %	Direct %	In-direct %	Direct %	In-direct %	Direct %	In-direct %
(1) Central Plaza Real Estate Development Co., Ltd. ("Central Company")	Beijing, the PRC	Beijing, the PRC	Property Development and Investment	USD11,258,000	USD11,258,000	75	25	75	25	75	25	75	25
(2) Beijing Rongjin Real Estate Development Co., Ltd. ("Rongjin Company")	Beijing, the PRC	Beijing, the PRC	Property Development and Investment	USD6,360,000	USD6,360,000	10	49.5	10	49.5	10	49.5	10	49.5
(3) Beijing Sunshine Jindu Properties Co., Ltd. ("Jindu Company")	Beijing, the PRC	Beijing, the PRC	Property Development and sales	RMB370,000,000	RMB370,000,000	100	-	100	-	100	-	100	-
(4) Central Plaza Development Ltd. ("Central Plaza") (i)	B.V.I	Hong Kong	Investment Holding	USD1	USD1	100	-	100	-	100	-	100	-
(5) International Financial Center Property, Ltd. ("IFC")	B.V.I	Hong Kong	Investment Holding	USD1	USD1	100	-	100	-	100	-	100	-

- (i). As at 31 December 2014, Central Plaza, a subsidiary of the Group, has issued cooperate bonds and mid-term notes amounted to RMB5,250,000,000 (note 5(29)).

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## 2. Subsidiaries obtained from business combinations involving enterprises not under common control

Name	Place of registration	Place of main operation	Principal activities	Registered capital		Attributable interest held				Attributable vote held			
				31 December 2014	31 December 2013	31 December 2014		31 December 2013		31 December 2014		31 December 2013	
					%	Direct %	In-direct %	Direct %	In-direct %	Direct %	In-direct %	Direct %	In-direct %
(1) S.C. Real Estate Development Co., Ltd. ("S.C.")	Beijing, the PRC	Beijing, the PRC	Property Development and sales	RMB640,000,000	RMB640,000,000	100	-	100	-	100	-	100	-
(2) Beijing HYHL Real Estate Development Co., Ltd.	Beijing, the PRC	Beijing, the PRC	Property Development and sales	USD10,000,000	USD10,000,000	-	100	-	100	-	100	-	100
(3) Beijing Anhua Shiji Real Estate Development Co., Ltd. ("Anhua Shiji")	Beijing, the PRC	Beijing, the PRC	Property Development and sales	USD30,000,000	USD30,000,000	55	45	55	45	60	40	60	40
(4) Tianjin Banshan Renjia Real Estate Co., Ltd. ("Tianjin Banshan")	Tianjin, the PRC	Tianjin, the PRC	Property Development and sales	USD74,000,000	USD74,000,000	-	100	-	55	-	100	-	60
(5) Beijing Sunshine City Real Estate Development Co., Ltd. ("Sunshine City")	Beijing, the PRC	Beijing, the PRC	Property Development and sales	USD20,000,000	USD20,000,000	50	50	50	50	60	40	60	40
(6) Chongqing Xinshi Real Estate Development Co., Ltd. ("Chongqing Xinshi") (i)	Chongqing, the PRC	Chongqing, the PRC	Property Development and sales	USD95,000,000	USD95,000,000	-	100	-	50	-	100	-	50
(7) Beijing Xinbocheng Real Estate Development Co., Ltd. ("Xinbocheng")	Beijing, the PRC	Beijing, the PRC	Property Development and sales	RMB89,000,000	RMB89,000,000	-	100	-	100	-	100	-	100
(8) Qingdao Yangguang Binhai Properties Co., Ltd.	Qingdao, the PRC	Qingdao, the PRC	Property Development and sales	RMB50,000,000	RMB50,000,000	-	100	-	100	-	100	-	100
(9) Qingdao Qianqianshu Investment Properties Co., Ltd.	Qingdao, the PRC	Qingdao, the PRC	Property Development and sales	RMB20,000,000	RMB20,000,000	-	100	-	100	-	100	-	100
(10) Yantai Yangguang Lidu Real Estate Development Co., Ltd.	Yantai, the PRC	Yantai, the PRC	Property Development and sales	RMB50,000,000	RMB50,000,000	-	100	-	100	-	100	-	100
(11) Yantai Yangguang Lizhen Real Estate Development Co., Ltd.	Yantai, the PRC	Yantai, the PRC	Property Development and sales	RMB75,000,000	RMB75,000,000	-	100	-	100	-	100	-	100
(12) Yantai Yangguang Xinye Real Estate Development Co., Ltd.	Yantai, the PRC	Yantai, the PRC	Property Development and sales	RMB75,000,000	RMB75,000,000	-	100	-	100	-	100	-	100
(13) Zhejiang Huisheng Real Estate Co., Ltd.	Huzhou, the PRC	Huzhou, the PRC	Property Development and sales	USD20,000,000	USD20,000,000	-	100	-	100	-	100	-	100
(14) Zhejiang Outlets Property Real Estate Co., Ltd.	Huzhou, the PRC	Huzhou, the PRC	Property Development and sales	USD40,000,000	USD40,000,000	-	100	-	100	-	100	-	100
(15) Tianjin Shengtai Cheng Jiaming Ronghe Development Co., Ltd.	Tianjin, the PRC	Tianjin, the PRC	Property Development and sales	RMB60,000,000	RMB60,000,000	-	100	-	100	-	100	-	100
(16) Juda International (ii)	Cayman Islands	Hong Kong	Investment Holding	HK\$2,000,000	HK\$2,000,000	-	65.1	-	65.1	-	65.1	-	65.1
(17) Nice world chemical industry (xiamen) Co. Ltd. ("NWCI") (ii)	Xiamen, the PRC	Xiamen, the PRC	Manufacture and sale of chemicals	USD8,000,000	USD8,000,000	-	65.1	-	65.1	-	65.1	-	65.1
(18) Xi'an Capital Xinkai Real Estate Co., Ltd. ("Xi'an Xinkai") (note 4(2))	Xi'an, the PRC	Xi'an, the PRC	Property Development and sales	USD165,000,000	-	-	100	-	40	-	100	-	40
(19) Huzhou Capital Rongcheng Real Estate Co., Ltd. ("Huzhou Rongcheng") (note 4(2))	Huzhou, the PRC	Huzhou, the PRC	Property Development and sales	RMB60,000,000	-	-	55	-	55	-	55	-	55
(20) Beijing Xingtai Jicheng Real Estate Co., Ltd. ("Xingtai Jicheng") (note 4(2))	Beijing, the PRC	Beijing, the PRC	Property Development and sales	RMB45,000,000	-	-	100	-	-	-	100	-	-
(21) Beijing Yongyuan Jintai Investment Management Co., Ltd. ("Yongyuan Jintai") (note 4(2))	Beijing, the PRC	Beijing, the PRC	Investment management	RMB5,000,000	-	100	-	-	-	100	-	-	-

- (i) As at 31 December 2013, the Group held 50% equity interests in Chongqing Xinshi, and according to the Articles of Chongqing Xinshi, the Group has the right to control significant financial and operating decisions without the agreement of other shareholders. Therefore the Group took control over Chongqing Xinshi. In December 2014, the Group acquired the rest 50% equity interests, since then Chongqing Xinshi became the Group's wholly-owned subsidiary (Note 4(5)).
- (ii) Juda International is listed on the main board of Stock Exchange of Hong Kong Limited (stock code: 1329), a significant subsidiary of which is NWCI (note 5(7)(a)).

### 3. Subsidiaries obtained through incorporation or by other means

Name	Place of registration	Place of main operation	Principal activities	Registered capital		Attributable interest held				Attributable vote held			
				31 December 2014	31 December 2013	31 December 2014		31 December 2013		31 December 2014		31 December 2013	
				Direct %	In-direct %	Direct %	In-direct %	Direct %	In-direct %	Direct %	In-direct %		
(1) Beijing Capital Xinzi Real Estate Ltd. ("Beijing Xinzi")	Beijing, the PRC	Beijing, the PRC	Property Development and sales	RMB496,590,000	RMB496,590,000	100	-	100	-	100	-	100	-
(2) Beijing Shangboya Investment Consultant Co., Ltd. ("Shangboya")	Beijing, the PRC	Beijing, the PRC	Investment Management	RMB30,000,000	RMB30,000,000	100	-	100	-	100	-	100	-
(3) Beijing Shangbodi Investment Consultant Co., Ltd. ("Shangbodi")	Beijing, the PRC	Beijing, the PRC	Investment Management	RMB30,000,000	RMB30,000,000	51	-	51	-	51	-	51	-
(4) Tianjin Xinchuang Land Ltd. ("Tianjin Xinchuang")	Tianjin, the PRC	Tianjin, the PRC	Property Development and sales	USD25,000,000	USD25,000,000	-	100	-	100	-	100	-	100
(5) Chengdu Capital Xinzi Real Estate Development Ltd ("Chengdu Xinzi")	Chengdu, the PRC	Chengdu, the PRC	Property Development and sales	USD30,000,000	USD30,000,000	-	100	-	100	-	100	-	100
(6) Jiangsu Capital Real Estate Development Ltd. ("Jiangsu Capital")	Wuxi, the PRC	Wuxi, the PRC	Property Development and sales	USD12,500,000	USD12,500,000	60	40	60	40	60	40	60	40
(7) Beijing Capital Land Chengdu Co., Ltd. ("Capital Chengdu")	Chengdu, the PRC	Chengdu, the PRC	Investment Management	RMB150,000,000	RMB150,000,000	100	-	100	-	100	-	100	-
(8) Chengdu Capital Yidu Real Estate Development Co., Ltd. ("Chengdu Yidu")	Chengdu, the PRC	Chengdu, the PRC	Property Development and sales	USD100,000,000	USD100,000,000	-	55	-	55	-	60	-	60
(9) Tianjin Capital Xinyuan Real Estate Development Co., Ltd. ("Tianjin Xinyuan")	Tianjin, the PRC	Tianjin, the PRC	Property Development and sales	USD95,000,000	USD95,000,000	-	55	-	55	-	60	-	60
(10) Tianjin Capital Xingang Real Estate Development Co., Ltd. ("Tianjin Xingang")	Tianjin, the PRC	Tianjin, the PRC	Property Development and sales	USD95,000,000	USD95,000,000	-	55	-	55	-	60	-	60
(11) Wuxi Xindong Real Estate Development Co., Ltd. ("Wuxi Xindong")	Wuxi, the PRC	Wuxi, the PRC	Property Development and sales	RMB100,000,000	RMB100,000,000	100	-	100	-	100	-	100	-
(12) Central Plaza Xinrong Hotel Management Co., Ltd. ("Central Plaza Xinrong")	Beijing, the PRC	Beijing, the PRC	Hotel services and Management	USD6,062,000	USD6,062,000	75	25	75	25	75	25	75	25
(13) Beijing Chuangxin Jianye Real Estate Investment Ltd. ("Chuangxin Jianye")	Beijing, the PRC	Beijing, the PRC	Investment Management	RMB50,000,000	RMB50,000,000	100	-	100	-	100	-	100	-
(14) Jingjin Tongcheng (Tianjin) Investment Co., Ltd. ("Jingjin Tongcheng")	Tianjin, the PRC	Tianjin, the PRC	Property Development and sales	RMB250,000,000	RMB250,000,000	-	90	-	90	-	90	-	90
(15) Outlets Property Investment Fang Shan Ltd.	Beijing, the PRC	Beijing, the PRC	Property Development and sales	USD127,000,000	USD127,000,000	-	100	-	100	-	100	-	100

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Name	Place of registration	Place of main operation	Principal activities	Registered capital		Attributable interest held				Attributable vote held			
				31 December 2014	31 December 2013	31 December 2014		31 December 2013		31 December 2014		31 December 2013	
						Direct %	In-direct %	Direct %	In-direct %	Direct %	In-direct %	Direct %	In-direct %
(16) Beijing Capital Zhongbei Real Estate Development Co., Ltd.	Beijing, the PRC	Beijing, the PRC	Property Development and sales	RMB100,000,000	RMB100,000,000	-	100	-	100	-	100	-	100
(17) BECL Investment Holding Ltd. ("BECL")	Hong Kong	Hong Kong	Investment Holding	USD9,900,000	USD9,900,000	100	-	100	-	100	-	100	-
(18) Beijing Anshunyan Real Estate Development Co., Ltd.	Beijing, the PRC	Beijing, the PRC	Property Development and sales	RMB50,000,000	RMB50,000,000	-	95	-	95	-	95	-	95
(19) Zhengjiang Xianji Real Estate Development Co., Ltd.	Zhenjiang, the PRC	Zhenjiang, the PRC	Property Development and sales	USD40,000,000	USD40,000,000	-	100	-	100	-	100	-	100
(20) Zhejiang Shouxin Real Estate Development Co., Ltd.	Huzhou, the PRC	Huzhou, the PRC	Property Development and sales	USD24,500,000	USD24,500,000	-	100	-	100	-	100	-	100
(21) Zhejiang Hualong Real Estate Development Co., Ltd.	Huzhou, the PRC	Huzhou, the PRC	Property Development and sales	USD67,000,000	USD67,000,000	-	100	-	100	-	100	-	100
(22) Beijing Ruiyuanfengji Real Estate Development Co., Ltd. ("Ruiyuanfengji")	Beijing, the PRC	Beijing, the PRC	Property Development	RMB10,000,000	RMB10,000,000	100	-	100	-	100	-	100	-
(23) Capital Transhun Real Estate Development Co., Ltd.	Beijing, the PRC	Beijing, the PRC	Property Development	RMB100,000,000	RMB100,000,000	-	100	-	100	-	100	-	100
(24) Nanjing Ningchun Real Estate Development Co., Ltd.	Nanjing, the PRC	Nanjing, the PRC	Infrastructure Investment	RMB100,000,000	RMB100,000,000	-	100	-	100	-	100	-	100
(25) Hainan Outlets Real Estate Development Co., Ltd.	Wanning, the PRC	Wanning, the PRC	Property Development	USD14,000,000	USD14,000,000	-	55	-	55	-	55	-	55
(26) Jiangyin Yuyue Real Estate Development Co., Ltd.	Jiangyin, the PRC	Jiangyin, the PRC	Property Development	USD49,000,000	USD49,000,000	-	100	-	100	-	100	-	100
(27) Sanya Shengxing Weiye Real Estate Development Co., Ltd. ("Sanya Shengxing") (i)	Sanya, the PRC	Sanya, the PRC	Property Development and sales	N/A	RMB100,000,000	N/A	N/A	-	100	N/A	N/A	-	100
(28) Qingdao Xinli Weiye Real Estate Development Co., Ltd.	Qingdao, the PRC	Qingdao, the PRC	Property Development and sales	RMB90,000,000	RMB90,000,000	-	100	-	100	-	100	-	100
(29) Capital Guoxin Asset Management Co., Ltd. ("Capital Guoxin")	Beijing, the PRC	Beijing, the PRC	Asset Management	RMB100,000,000	RMB100,000,000	100	-	100	-	100	-	100	-
(30) Capital Qinglv Real Estate (Kunshan) Co., Ltd. ("Capital Qinglv")	Kunshan, the PRC	Kunshan, the PRC	Property Development and sales	RMB300,000,000	RMB300,000,000	-	51	-	51	-	51	-	51
(31) Hainan Outlets Tourism Development Co., Ltd. ("Hainan Outlets Tourism")	Wanning, the PRC	Wanning, the PRC	Development, construction and property management	USD9,000,000	USD9,000,000	-	55	-	55	-	55	-	55
(32) Capital Outlets (Kunshan) Real Estate Development Co., Ltd.	Kunshan, the PRC	Kunshan, the PRC	Property Development and sales	RMB300,000,000	RMB300,000,000	-	100	-	100	-	100	-	100
(33) Shenyang Capital Xinyun Real Estate Co., Ltd.	Shenyang, the PRC	Shenyang, the PRC	Property Development and sales	RMB20,000,000	RMB20,000,000	-	100	-	100	-	100	-	100
(34) Datang Weiye Holdings	France	France	Real Estate Business	EUR25,000,000	EUR25,000,000	-	100	-	100	-	100	-	100
(35) Hainan Capital Outlets Real Estate Co., Ltd.	Wanning, the PRC	Wanning, the PRC	Property Development and sales	RMB20,000,000	RMB20,000,000	-	100	-	100	-	100	-	100
(36) Beijing Jinrui Wealth Investment Management Co., Ltd.	Beijing, the PRC	Beijing, the PRC	Investment Management	RMB50,000,000	RMB50,000,000	-	100	-	100	-	100	-	100
(37) Capital Dongxing (Kunshan) Real Estate Development Co., Ltd.	Kunshan, the PRC	Kunshan, the PRC	Property Development and sales	RMB300,000,000	RMB20,000,000	-	100	-	100	-	100	-	100
(38) Tianjin Tongcheng Real Estate Co., Ltd.	Tianjin, the PRC	Tianjin, the PRC	Property Development and sales	RMB50,000,000	RMB50,000,000	-	100	-	100	-	100	-	100
(39) Beijing Zhongzhi Dingfu Real Estate Co., Ltd. ("Beijing Zhongzhidingfu")	Beijing, the PRC	Beijing, the PRC	Investment Management	RMB100,000,000	RMB100,000,000	100	-	100	-	100	-	100	-

# APPENDIX I

# FINANCIAL INFORMATION OF THE GROUP

Name	Place of registration	Place of main operation	Principal activities	Registered capital		Attributable interest held				Attributable vote held			
				31 December 2014	31 December 2013	31 December 2014		31 December 2013		31 December 2014		31 December 2013	
						Direct %	In-direct %	Direct %	In-direct %	Direct %	In-direct %	Direct %	In-direct %
(40) Beijing Tiancheng Yongtai Real Estate Co., Ltd. ("Tiancheng Yongtai")	Beijing, the PRC	Beijing, the PRC	Property Development and sales	RMB2,246,290,000	RMB2,246,290,000	-	68.5	-	68.5	-	60	-	60
(41) Beijing Tiancheng Yongyuan Real Estate Co., Ltd. ("Tiancheng Yongyuan") (ii)	Beijing, the PRC	Beijing, the PRC	Property Development and sales	RMB1,997,109,000	RMB1,997,109,000	-	50	-	100	-	60	-	100
(42) Tianjin Xingtai Jixing Real Estate Co., Ltd.	Tianjin, the PRC	Tianjin, the PRC	Property Development	RMB50,000,000	RMB50,000,000	-	100	-	100	-	100	-	100
(43) Qingdao Guoxin Yicheng Investment Co., Ltd. ("Qingdao Guoxin Yicheng") (note 4(5))	Qingdao, the PRC	Qingdao, the PRC	Investment Holding	RMB10,000,000	RMB10,000,000	-	100	-	51	-	100	-	51
(44) Beijing Chuangrui Xiangan Real Estate Co., Ltd.	Beijing, the PRC	Beijing, the PRC	Property Development and sales	RMB30,000,000	RMB30,000,000	-	100	-	100	-	100	-	100
(45) Shanghai Songchaung Real Estate Co., Ltd.	Shanghai, the PRC	Shanghai, the PRC	Property Development	RMB50,000,000	RMB50,000,000	-	100	-	100	-	100	-	100
(46) Specific Assets Management Plan for Capital Lize Project Beijing of Minsheng Royal Asset Management Co., Ltd. (the "Specific Asset Management Plan") (iii)	Beijing, the PRC	Beijing, the PRC	Investment Holding	RMB2,200,000,000	RMB2,200,000,000	9	-	9	-	N/A	-	N/A	-
(47) Beijing Yikaiyou Real Estate Co., Ltd. (iv)	Beijing, the PRC	Beijing, the PRC	Property Development	RMB20,000,000	N/A	-	100	N/A	N/A	-	100	N/A	N/A
(48) Shanghai Capital Zhengheng Real Estate Co., Ltd. (iv)	Shanghai, the PRC	Shanghai, the PRC	Property Development	RMB10,000,000	N/A	100	-	N/A	N/A	100	-	N/A	N/A
(49) Beijing Guijiamao Real Estate Co., Ltd. (iv)	Beijing, the PRC	Beijing, the PRC	Property Development	RMB30,000,000	N/A	-	100	N/A	N/A	-	100	N/A	N/A
(50) Tianjin Xingtai Jihong Real Estate Co., Ltd. (iv)	Tianjin, the PRC	Tianjin, the PRC	Property Development	RMB30,000,000	N/A	-	100	N/A	N/A	-	100	N/A	N/A
(51) Beijing Lianchuang Shengye Real Estate Development Co., Ltd. ("Lianchuang Shengye") (v)	Beijing, the PRC	Beijing, the PRC	Property Development	RMB10,000,000	N/A	-	100	N/A	N/A	-	100	N/A	N/A
(52) Chengdu Capital Zhenghua Real Estate Co., Ltd. ("Chengdu Zhenghua") (iv)	Chengdu, the PRC	Chengdu, the PRC	Property Development and sales	RMB30,000,000	N/A	-	100	N/A	N/A	-	100	N/A	N/A
(53) Shanghai Capital Shoujia Real Estate Co., Ltd. ("Shanghai Shoujia") (iv)	Shanghai, the PRC	Shanghai, the PRC	Property Development and sales	RMB50,000,000	N/A	-	100	N/A	N/A	-	100	N/A	N/A
(54) Beijing Chuangrui Hua'an Real Estate Co., Ltd. ("Chuangrui Huaan") (iv)	Beijing, the PRC	Beijing, the PRC	Property Development	RMB30,000,000	N/A	-	100	N/A	N/A	-	100	N/A	N/A
(55) Lehui Shenghuo (Beijing) Technology Service Co., Ltd. ("Lehui Shenghuo") (iv)	Beijing, the PRC	Beijing, the PRC	Client Service and property management	RMB5,000,000	N/A	100	-	N/A	N/A	100	-	N/A	N/A

(i) The registration of Sanya Shengxing was canceled after the approval of Business Administration.

(ii) As at 31 December 2014, the Group held 50% equity interest of Tiancheng Yongyuan. According to the articles of Tiancheng Yongyuan, the Group has the right to control significant financial and operation policies of Tiancheng Yongyuan. Therefore Tiancheng Yongyuan is accounted as a subsidiary of the Group.

- (iii) The Group holds 9% interest in the Specific Asset Management Plan as a secondary priority investor. Based on the Agreement of the Plan, the Group shares or undertakes the majority of income or risk of the plan, thus the Group has control over the Specific Asset Management Plan.
- (iv) These companies were newly set up by the Group this year.
- (v) The Group entered into an equity transfer agreement with a third party to purchase 100% share of Lianchuang Shengye in Year 2014. Lianchuang Shengye has no other business except for holding the Land No.2 in Beijing Shunyi District. The transaction was accounted as purchasing assets.

**(2). Business combination involving entities not under common control**

Detailed information of business combination involving entities not under common control in 2014 are set out below:

*1. Xi'an Xinkai*

In August 2014, the Group entered into an equity interest transfer agreement with Reco Ziyang Investment Ltd. (“Reco Ziyang”) to acquire 60% equity interests in Xi'an Xinkai. Xi'an Xinkai is principally engaged in the real estate development. The transaction was completed in September 2014.

The Group treats this purchasing of subsidiaries as business combination. The purchasing date of this transaction is 28 September 2014, the date on which the Group obtained control over Xi'an Xinkai.

Details of net assets acquired and goodwill recognized are as follows:

	<b>Amount</b>
Combination costs –	
Consideration paid in cash	937,600
Fair value of initial 40% equity	689,040
Total combination costs	<u>1,626,640</u>
 Less: Fair value of the Identifiable net assets acquired	 <u>(1,722,599)</u>
 Excess of the fair value of the identifiable net assets acquired over the total consideration <i>(note 5(41))</i>	 <u>(95,959)</u>
	<b>Amount</b>
 Fair value of initial 40% equity	 689,040
Less: Book value of initial 40% equity <i>(note 5(10))</i>	<u>(512,345)</u>
 Gains from deemed disposal <i>(note 5(44))</i>	 <u>176,695</u>

The Group maintained a long-term strategic partnership with Reco Ziyang, and the price was decided based on the fair value of the transferred equity, considering the respective operation strategies, which result in the negative goodwill above.

Assets, liabilities and related cash flows of Xi'an Xinkai at acquisition date are as follows:

	Fair value At acquisition date	Book value At acquisition date	31 December 2013
Cash at bank or on hand	219,989	219,989	471,119
Accounts receivable	10,698	10,698	19,990
Advances to suppliers	56,439	56,439	116,650
Other receivables	1,750,579	1,750,579	1,531,067
Inventories	1,890,940	1,347,063	1,826,284
Fixed assets	243	243	340
Less: Accounts payables	169,393	169,393	235,176
Advances from customers	650,677	650,677	1,316,560
Employee benefit payable	–	–	5,426
Taxes payable	36,403	36,403	45,614
Dividends payable	590,155	590,155	218,555
Other payables	32,242	32,242	130,859
Current portion of non-current assets	511,500	511,500	48,000
Long-term borrowings	56,500	56,500	432,000
Deferred tax liabilities	<u>159,419</u>	<u>23,450</u>	<u>23,677</u>
Net assets	<u>1,722,599</u>	<u>1,314,691</u>	<u>1,509,583</u>
Net assets acquired	<u>1,722,599</u>		
Consideration paid in cash	937,600		
Less: Cash balance of the subsidiary acquired	<u>(219,989)</u>		
Net cash paid in acquisition	<u><u>717,611</u></u>		

The Group adopts valuation techniques to determine the fair value of the assets and liabilities of Xi'an Xinkai at acquisition date. Valuation methods of main assets and critical assumptions are as follows:



The inventories are valued through hypothetical development method. The assessed value equals to the hypothetical total project value at completion with subsequent expenditures deducted, such as costs to be paid and relevant taxes. The key assumption is as follows:

Properties with contracted sales amounts are taking reference to contract price; the unsold properties are evaluated by market comparison approach taking reference to expected sales price.

The revenue, net profit and cash flow of Xi'an Xinkai for the period from acquisition date to 31 December 2014 are as follows:

	<b>Amount</b>
Revenue	419,944
Net profit	100,198
Net cash in-flows of operational activities	(202,550)
Net cash in-flows	<u>(137,113)</u>

## 2. *Huzhou Rongcheng*

In February 2012, the Group established Huzhou Rongcheng and held 55% equity interests, but according to the Articles of Huzhou Rongcheng, the Group and other shareholders jointly control Huzhou Rongcheng, therefore it has been recognized as a joint venture.

In July 2014, Huzhou Rongcheng revised the Article of Association. According to the revised terms, the Group obtained majority voting rights for the financial and operation policies of Huzhou Rongcheng, and thus taken control of Huzhou Rongcheng.

The Group treats this purchasing of subsidiaries as business combination.

Details of net assets acquired and goodwill recognized are as follows:

	<b>Amount</b>
Combination costs –	–
Consideration paid in cash	–
Fair value of initial 55% equity	36,386
Total combination costs	<u>36,386</u>
<i>Less:</i> Fair value of the identifiable net assets acquired	<u>(36,386)</u>
Excess of the fair value of the identifiable net assets acquired over the total consideration	<u>–</u>
	<b>Amount</b>
Fair value of initial 55% equity	36,386
<i>Less:</i> Book value of initial 55% equity ( <i>note 5(10)</i> )	<u>(23,274)</u>
Gain from deemed disposal ( <i>note 5(44)</i> )	<u>13,112</u>

Assets, liabilities and related cash flows of Huzhou Rongcheng at acquisition date are as follows:

	Fair value At acquisition date	Book value At acquisition date	31 December 2013
Cash at bank and on hand	8,687	8,687	65,533
Advances to suppliers	45,790	45,790	32,630
Other receivables	46,944	46,944	87,209
Inventories	526,451	501,584	435,313
Fixed assets	10	8	13
Deferred tax assets	4,165	4,165	3,858
Less: Accounts payables	660	660	48,454
Advances from customers	415,583	415,583	250,395
Employee benefit payable	–	–	121
Taxes payable	–	–	6,073
Other payables	71,431	71,431	2,088
Deferred tax liabilities	6,217	–	–
Current portion of non-current assets	<u>72,000</u>	<u>72,000</u>	<u>269,000</u>
Net assets	66,156	47,504	48,425
Less: Non-controlling interests	<u>(29,770)</u>		
Net assets acquired	<u>36,386</u>		
Consideration paid in cash	–		
Less: Cash balance of the subsidiary acquired	<u>(8,687)</u>		
Net cash paid in acquisition	<u><u>(8,687)</u></u>		

The Group adopts valuation techniques to determine the fair value of the assets and liabilities of Huzhou Rongcheng at the acquisition date. Valuation methods of main assets and critical assumptions are as follows:

The inventories are valued through hypothetical development method. The assessed value equals to the hypothetical total project value at completion with subsequent expenditures deducted, such as costs to be paid and relevant taxes. The key assumption is as follows:

Properties with contracted sales amounts are taking reference to contract price; the unsold properties are evaluated by market comparison approach taking reference to expected sales price.

The revenue, net profit and cash flow of Huzhou Rongcheng for the period from acquisition date to 31 December 2014 are as follows:

	<b>Amount</b>
Revenue	403,028
Net profit	25,735
Net cash in-flows of operational activities	77,111
Net cash in-flows	<u>(5,127)</u>

### 3. *Yongyuan Jintai & Xingtai Jicheng*

In August 2014, the Group signed an equity interests transfer agreement with Kunshan Chuangbo Fund, a joint venture of the Group, to acquire 100% equity interests in Yongyuan Jintai and thus acquired 100% equity interests in Xingtai Jicheng wholly-owned by Yongyuan Jintai.

Xingtai Jicheng is principally engaged in the real estate development. The transaction was completed in November 2014.

The Group treats this purchasing of the subsidiaries as business combination. The purchasing date of this transaction is 30 November 2014, the date on which the Group obtained control over Yongyuan Jintai and Xingtai Jicheng.

Details of net assets acquired and goodwill recognized are as follows:

	<b>Amount</b>
Combination costs –	
Consideration paid in cash	216,530
Total combination costs	<u>216,530</u>
<i>Less:</i> Fair value of the identifiable net assets acquired	<u>(216,530)</u>
Excess of the fair value of the identifiable net assets acquired over the total consideration	<u><u>–</u></u>

Assets, liabilities and related cash flows of Yongyuan Jintai and Xingtai Jicheng at acquisition date are as follows:

	Fair value At acquisition date	Book value At acquisition date	31 December 2013
Cash at bank and on hand	19,942	19,942	157,635
Accounts receivable	163	163	–
Advances to suppliers	40,722	40,722	168,591
Other receivables	540,491	540,491	1,502,804
Inventories	742,039	501,938	1,565,564
Fixed assets	171	171	38
Less: Accounts payables	313	313	156,265
Advances from customers	986,169	986,169	1,675,068
Employee benefit payable	–	–	116
Taxes payable	4,531	4,531	21,463
Other payables	75,959	75,959	10,609
Long-term borrowings	–	–	1,472,800
Deferred tax liabilities	<u>60,026</u>	<u>–</u>	<u>–</u>
Net assets	216,530	36,455	58,311
Less: Non-controlling interests	<u>–</u>	<u>–</u>	<u>–</u>
Net assets acquired	<u>216,530</u>		
Consideration paid in cash	216,530		
Less: Cash balance of the subsidiary acquired	<u>(19,942)</u>		
Net cash paid in acquisition	<u><u>196,588</u></u>		

The Group adopts valuation techniques to determine the fair value of the assets and liabilities of Yongyuan Jintai and Xingtai Jicheng at acquisition date. Valuation methods of main assets and critical assumptions are as follows:

The inventories are valued through hypothetical development method. The assessed value equals to the hypothetical total project value at completion with subsequent expenditures deducted, such as costs to be paid and relevant taxes. The key assumption is as follows:

Properties with contracted sales amounts are taking reference to contract price; the unsold properties are evaluated by market comparison approach taking reference to expected sales price.

The revenue, net profit and cash flows of Yongyuan Jintai & Xingtai Jicheng for the period from the date of combination to 31 December 2014 are as follows:

	<b>Amount</b>
Revenue	6,576
Net profit	1,688
Net cash in-flows of operational activities	161,291
Net cash in-flows	<u>37,383</u>

**(3). Subsidiaries with significant Non-controlling interests**

*1. Non-controlling interests from common equity interests*

		Non- controlling interest in 2014	Dividends to Non- controlling interest in 2014	Non- controlling interest as at 31/12/2014
Tianjin Xinyuan	45%	5,776	–	338,785
Tianjin Xingang	45%	(116,405)	–	208,296
Chengdu Yidu	45%	69,154	4,500	502,057
Tiancheng Yongtai	31.5%	(773)	–	836,302
Tiancheng Yongyuan (note 4(1)(3)(ii))	50%	(415)	–	993,895
Total	–	<u>(42,663)</u>	<u>4,500</u>	<u>2,879,335</u>

a. The financial information of subsidiaries above in this year

	Financial information as at 31 December 2014					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Tianjin Xinyuan	941,870	201	942,071	189,216	–	189,216
Tianjin Xingang	2,706,029	145	2,706,174	2,103,294	140,000	2,243,294
Chengdu Yidu	1,560,277	90	1,560,367	444,685	–	444,685
Tiancheng Yongtai	1,919,800	481,512	2,401,312	164,143	–	164,143
Tiancheng Yongyuan	<u>6,892</u>	<u>2,088,565</u>	<u>2,095,457</u>	<u>107,667</u>	<u>–</u>	<u>107,667</u>

	Financial information as at 31 December 2013					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Tianjin Xinyuan	1,388,039	278	1,388,317	648,297	–	648,297
Tianjin Xingang	6,353,259	11,852	6,365,111	5,213,553	430,000	5,643,553
Chengdu Yidu	2,433,786	173	2,433,959	1,461,952	–	1,461,952
Tiancheng Yongtai	2,240,014	2,414	2,242,428	2,804	–	2,804
Tiancheng Yongyuan	<u>1,990,991</u>	<u>2,301</u>	<u>1,993,292</u>	<u>2,901</u>	<u>–</u>	<u>2,901</u>

The financial information above are amounts before inter-group elimination.

	Operating results for 2014				Cash flows
	Revenue	Total profit/ (loss)	Net profit/ (loss)	Total comprehensive income	from operating activities
Tianjin Xinyuan	12,959	17,452	12,836	12,836	(127,482)
Tianjin Xingang	424,055	(258,678)	(258,678)	(258,678)	(3,163,872)
Chengdu Yidu	1,131,732	204,900	153,675	153,675	18,711
Tiancheng Yongtai	–	(3,273)	(2,454)	(2,454)	(45,816)
Tiancheng Yongyuan	–	(3,466)	(2,600)	(2,600)	(38,126)

	Operating results for 2013				Cash flows
	Revenue	Total profit/ (loss)	Net profit/ (loss)	Total comprehensive income	from operating activities
Tianjin Xinyuan	428,993	91,729	68,797	68,797	(9,184)
Tianjin Xingang	1,294,016	94,431	70,823	70,823	2,352,600
Chengdu Yidu	1,987,483	311,804	233,853	233,853	291,013
Tiancheng Yongtai	–	(9,402)	(7,051)	(7,051)	(2,186,945)
Tiancheng Yongyuan	–	(9,204)	(6,903)	(6,903)	(1,944,460)

The financial information above are amounts before inter-group elimination.



## b. The cash flow information of subsidiaries above in this year

## Cash Flow for the year ended 31 December 2014

	Cash flows from operating activities	Cash flows from investment activities	Cash flows from financing activities	Cash and cash equivalents at beginning of the year	Cash and cash equivalents at end of the year
Tianjin Xinyuan	(127,482)	(18)	102	144,063	16,665
Tianjin Xingang	(3,163,872)	(163)	(134,416)	4,911,788	1,613,337
Chengdu Yidu	18,711	(38)	(42,861)	102,147	77,959
Tiancheng Yongtai	(45,816)	(130)	25	50,646	4,725
Tiancheng Yongyuan	<u>(38,126)</u>	<u>-</u>	<u>-</u>	<u>44,834</u>	<u>6,708</u>

## Cash Flow for the year ended 31 December 2013

	Cash flows from operating activities	Cash flows from investment activities	Cash flows from financing activities	Cash and cash equivalents at beginning of the year	Cash and cash equivalents at end of the year
Tianjin Xinyuan	(9,184)	(255)	2,584	150,918	144,063
Tianjin Xingang	2,352,600	(8)	143,970	2,415,226	4,911,788
Chengdu Yidu	291,013	1,264	(431,130)	241,000	102,147
Tiancheng Yongtai	(2,186,945)	(9,084)	2,246,675	-	50,646
Tiancheng Yongyuan	<u>(1,944,460)</u>	<u>(8,000)</u>	<u>1,997,294</u>	<u>-</u>	<u>44,834</u>

The financial information above are amounts before inter-group elimination.

## 2. Issued equity instruments of the Group

	Attributed to Non-controlling interest in 2014	Dividends distributed in 2014	Non-controlling interest as at 31 December 2014
Senior perpetual securities issued by subsidiary (a)	206,727	253,732	5,012,713
Minsheng Jiayin Assets Management Plan (b) (c)	<u>254,839</u>	<u>254,839</u>	<u>3,925,125</u>
Total	<u><u>461,566</u></u>	<u><u>508,571</u></u>	<u><u>8,937,838</u></u>

- (a) By the end of 31 December 2014, Central Plaza issued a total amount of USD850,000,000 Senior Perpetual Securities. The securities were guaranteed by certain subsidiaries of the Group including IFC. Pursuant to the terms of Perpetual Securities the Group has no contractual obligation to repay its principal or to pay any distribution. The Perpetual Securities do not meet the definition of financial liabilities and should be classified as equity instruments.

Central Plaza as the issuer may elect to defer distribution with no time limitation, the investments can be recognized as dividends to equity owners only if Central Plaza or the Company announce or pay dividend. Including:

In April 2013, Central Plaza issued USD400,000,000 (equivalent to RMB2,506,000,000) Senior Perpetual Securities at a distribution rate of 8.375% per annum. According to the terms of Perpetual Securities, the amount of non-controlling interests amounted to RMB2,333,945,000 was recognized after deducting the inevitable dividend payable in the foreseeable future.

In November 2014, Central Plaza issued USD450,000,000 (equivalent to RMB2,759,625,000) Perpetual Securities under the Medium Term Note and Perpetual Securities Programme at a distribution rate of 7.125% per annum. After deducting the issuance costs, the Group received RMB2,728,222,000 and recognized non-controlling interests amounted to RMB2,678,768,000 net of the inevitable dividend payable in the foreseeable future.

- (b) In December 2013, Minsheng Jiayin Asset Management Co., Ltd (hereinafter “Minsheng Jiayin”) established specific Asset Management Plan with the scale amounted to RMB2,200,000,000. Among the amount raised except for the secondary priority shares held by the Company, Minsheng Jiayin held senior priority units amounted to RMB1,760,000,000, and Beijing Financial Street International Hotel (“Financial Street”) held secondary priority units amounted to RMB250,000,000. Since this Asset Management Plan is a Special Purpose Equity (“SPE”) by the Group for financing, it should be consolidated in the financial statement as an SPE.

The Group has the right to pay investors after the Specific Asset Management Plan is established, however, the Group may elect to defer distribution, with no limitation to the times distribution can be deferred only if the Company or assigned subsidiary of the Group does not announce the dividends.

According to the terms of this Specific Asset Management Plan, the Group has no contracted obligation to pay the principal or interests to the investors, thus the investment received complies with the definition of equity instruments and should be classified as non-controlling interest. The Group recognized non-controlling interests amounted to RMB2,010,000,000 at the consolidation level. It may be classified as distribution if the Group announced relative dividends. Subsequent distribution declared will be treated as dividend to shareholders.

- (c) By the end of 31 December 2014, Minsheng Jiayin established Specific Assets Management Plans which raised a total amount of RMB2,150,000,000. According to the terms of Investment Agreements, the raised funds are subject to no fixed repayment terms. Unless the Company or its assigned subsidiary announces dividend, the Group may elect to defer the distribution with no times limits.

According to the terms of Investment Agreement, the Group has no contracted obligation to pay the principal or interests to other investors under the Specific Assets Management Plans, therefore the investment from the specific capital management plan complied with the definition of equity instrument and was recognized as non-controlling interest in the consolidated level. Subsequent distribution declared will be treated as dividend shareholders, including:

In June 2014, Minsheng Jiayin raised a total amount of RMB1,500,000,000. According to the terms of Investment Agreement, non-controlling interests amounted to RMB1,335,000,000 was recognized after deducting the inevitable dividend payable in the foreseeable future;

In December 2014, Minsheng Jiayin raised a total amount of RMB650,000,000. According to the terms of Investment Agreement, non-controlling interests amounted to RMB580,125,000 was recognized after deducting the inevitable dividend payable in the foreseeable future.

**(4). Loss of control caused by disposal of equity interests in subsidiaries**

*1. Beijing Taihao Shengyuan Real Estate Co., Ltd.*

The Group originally held 100% equity interests in Beijing Taihao Shengyuan Real Estate Co., Ltd., (hereinafter “Taihao Shengyuan”), which was incorporated in Beijing, the PRC in February 2014, and the principal activities are property development and sales. In June 2014, the Group disposed of its entire equity interest in Taihao Shengyuan to Zhuhai Hengqin Shouchuang Real Estate Zizhufang Equity Investment Fund (Limited Partnership) (hereinafter “Zhuhai Hengqin Zizhufang Fund”) which was established by Zhuhai Hengqin Shouju Chuangxin Equity Investment Fund Co., Ltd. (hereinafter “Zhuhai

Hengqin Fund management company”) as a general partner. After the transaction, the Group and other independent third-party shareholders jointly control Zhuhai Hengqin Zizhufang Fund and its subsidiary, ie., Taihao Shengyuan.

- (i) The proceeds and cash flows from the disposal are as follows:

	<b>Amount</b>
Proceeds from disposal	20,000
Cash received from disposal	20,000
<i>Less:</i> Cash held by Taihao Shengyuan	<u>(19,329)</u>
Net cash received from disposal	<u><u>671</u></u>

- (ii) Net assets of the disposal are as follows:

	<b>Disposal date</b>	<b>31 December 2013</b>
Current assets	739,349	N/A
Non-current assets	170	N/A
Current liabilities	(720,000)	N/A
Non-current liabilities	<u>–</u>	<u>N/A</u>
Net assets	<u><u>19,519</u></u>	<u><u>N/A</u></u>

- (iii) The revenue, expense and loss of Taihao Shengyuan for the period from the incorporated date to the disposal date are as follows:

	<b>Amount</b>
Revenue	–
<i>Less:</i> Cost and expenses	<u>641</u>
Total loss	641
<i>Less:</i> Income tax expenses	<u>(160)</u>
Net loss	<u><u>481</u></u>

(iv) Loss on disposal is calculated as follows:

	<b>Amount</b>
Proceeds from disposal	20,000
<i>Less: Net assets of Taihao Shengyuan at the disposal date</i>	<u>(19,519)</u>
Investment income generated from disposal	<u><u>481</u></u>

2. *Beijing Litong Shangyi Investment Company Limited*

The Group originally held 100% equity interest in Beijing Litong Investment Company Limited (“Beijing Shangyi”), which is incorporated in Beijing, the PRC, and its principal activities are property development and sales. In June 2014, the Group disposed of its entire equity interests in Beijing Shangyi to a third party.

(i) The proceeds and cash flows from the disposal are as follows:

	<b>Amount</b>
Proceeds from disposal	150,680
<i>Less: Cash received in previous years</i>	(60,272)
Cash received from disposal	90,408
<i>Less: Cash held by Beijing Shangyi</i>	<u>(12,975)</u>
Net cash received from disposal	<u><u>77,433</u></u>

(ii) Net assets of Beijing Shangyi disposed are as follows:

	<b>Disposal date</b>	<b>31 December 2013</b>
Current assets	34,199	5,573
Non-current assets	1,906,846	1,886,819
Current liabilities	(646,363)	(608,148)
Non-current liabilities	<u>(941,232)</u>	<u>(953,732)</u>
Net assets	<u><u>353,450</u></u>	<u><u>330,512</u></u>

- (iii) The revenue, cost and loss of Beijing Shangyi for the period from 1 January 2014 to the disposal date are as follows:

	<b>Amount</b>
Revenue	–
Less: Cost and expenses	<u>22,938</u>
Total Loss	22,938
Less: Income tax expenses	<u>–</u>
Net Loss	<u><u>22,938</u></u>

- (iv) Gain on disposal is calculated as follows:

	<b>Amount</b>
Proceeds from disposal	150,680
Less: Net assets of Beijing Shangyi on disposal date	(353,450)
Reversal from other comprehensive income	<u>513,695</u>
Investment income generated from disposal	<u><u>310,925</u></u>

3. *Beijing Wan'an Huixin Investment and Management Co., Ltd., Beijing Jinfu Hongxiang Investment and Management Co., Ltd. and their project companies*

The Group originally held 100% equity interest in Beijing Wan'an Huixin Investment and Management Co., Ltd. (hereinafter "Wan'an Huixin"), and Beijing Jinfu Hongxiang Investment and Management Co., Ltd (hereinafter "Jinfu Hongxiang"). Wan'an Huixin and Jinfu Hongxiang originally held 60% and 40% equity interest in Beijing Huayuan Shengxing Real Estate Co.,Ltd. (hereinafter "Huayuan Shengxing") respectively. Wan'an Huixin, Jinfu Hongxiang and Huayuan Shengxing were incorporated in Beijing, the PRC in October 2013, August 2013, and January 2014 respectively, with principal activities in investment management and property development and sales respectively. In June 2014, the Group disposed of its entire equity interests in the Wan'an Huixin, Jinfu Hongxiang and indirectly 100% equity interests in Huayuan Shengxing to a third party.

- (i) The proceeds and cash flows from the disposal are as follows:

	<b>Amount</b>
Proceeds from disposal	240,183
Cash received from disposal	240,183
<i>Less:</i> Cash held by Wan'an Huixin, Jinfu Hongxiang and Huayuan Shengxing on disposal date	<u>(191)</u>
Net cash received from disposal	<u><u>239,992</u></u>

- (ii) Net assets of disposals of Wan'an Huixin, Beijing Jinfu Hongxiang and Huayuan Shengxing are as follows:

	<b>Disposal date</b>	<b>31 December 2013</b>
Current assets	258,991	194
Non-current assets	50,000	–
Current liabilities	(380,165)	–
Non-current liabilities	<u>–</u>	<u>–</u>
Net assets	<u><u>(71,174)</u></u>	<u><u>194</u></u>

- (iii) The revenue, expense and loss of Wan'an Huixin, Jinfu Hongxiang, Huayuan Shengxing for the period from 1 January 2014 to the disposal date are as follows:

	<b>Amount</b>
Revenue	–
<i>Less:</i> Cost and Expenses	<u>71,368</u>
Total Loss	71,368
<i>Less:</i> Income tax expenses	<u>–</u>
Net Loss	<u><u>71,368</u></u>

(iv) Gain on disposal is calculated as follows:

	<b>Amount</b>
Proceeds from disposal	240,183
Less: Net assets of Wan'an Huixin, Jinfu Hongxiang, and Huayuan Shengxing on disposal date	<u>71,174</u>
Investment income generated from disposal	<u><u>311,357</u></u>

**(5). Transaction with non-controlling shareholders**

*1. Tiancheng Yongyuan*

In 2014, the Group entered into an agreement with Reco Yanshan Private Limited (hereinafter "Reco Yanshan") that transferred 50% of initial 100% equity of Tiancheng Yongyuan to Reco Yanshan (note 4(1)(3)(ii)).

	<b>Amount</b>
Proceeds from disposal	1,049,087
Net equity disposal on the subsidiary	<u>(994,311)</u>
Increase in capital surplus	<u><u>54,776</u></u>



2. *Chongqing Xinshi*

In 2014, the Group entered into an equity transfer agreement with GIC to purchase 50% equity interests of Chongqing Xinshi held by GIC, at a total consideration of RMB581,774,000. The Group recognized in according to the difference between the newly acquired long-term equity investment and the entitled net assets calculated continuously from the date of acquisition. Chongqing Xinshi became a wholly owned subsidiary of the Group after the transaction.

	<b>Amount</b>
Consideration paid	(581,744)
Net equity of the subsidiary calculated by the additional share proportion from acquisition date	<u>359,522</u>
Decrease in Capital surplus	<u><u>(222,222)</u></u>

3. *Tianjin Banshan*

In 2014, the Group entered into an equity transfer agreement with GIC to purchase 45% equity interests of Tianjin Banshan an held by GIC, at a total consideration of RMB224,619,000. The Group recognized a increase in capital surplus according to the difference between the newly acquired long-term equity investment and the entitled net assets calculated continuously from the date of acquisition. Tianjin Banshan is wholly owned by the Group after the transaction.

	<b>Amount</b>
Consideration paid	(224,619)
Net equity of the subsidiary calculated by the additional share proportion from acquisition date	<u>266,230</u>
Increase in capital surplus	<u><u>41,611</u></u>

4. *Qingdao Guoxin Yicheng*

In 2014, the Group entered into an equity transfer agreement with Jinkaili (Beijing) Investment Co., Ltd. to purchase 49% equity interests of Qingdao Guoxin Yicheng held by Jinkaili, at a total consideration of RMB4,889,000. The Group recognized an increase in capital surplus according to the difference between the newly acquired long-term equity investment and the entitled net assets calculated continuously from the date of acquisition. Qingdao Guoxin Yicheng is wholly owned by the Group after the transaction.

	<b>Amount</b>
Consideration paid	(4,889)
Net assets share of the subsidiary calculated by the additional share proportion from acquisition date	<u>4,383</u>
Decrease in capital surplus	<u><u>(506)</u></u>

5. **Notes to the consolidated financial statements***(1). Cash at bank and on hand*

	<b>31 December 2014</b>	<b>31 December 2013</b>
Cash on hand	1,490	1,397
Bank deposits	13,761,295	11,250,970
Other cash balances	<u>134,241</u>	<u>87,440</u>
Total	<u><u>13,897,026</u></u>	<u><u>11,339,807</u></u>

As at 31 December 2014, bank deposits includes supervised advance from customers, security deposits for certain mortgage loans to customers, certain loan and bond interests amounted to RMB3,064,686,000 (31 December 2013: RMB770,285,000). The Group has reclassified the above amount to restricted bank deposits. Including: as at 31 December 2014, the carrying amount of supervised advance from customers was RMB478,360,000 (31 December 2013: RMB327,807,000). According to the requirements of some local authorities (such as Beijing, Tianjin etc.) in the PRC, real estate developers need to open supervised bank account when applying for pre-sale permit for new commercial property. All the advances received from property customers should be transferred to such account. Which are supervised by regulator and all cash payment from such account should

coincide with the construction progress in order to ensure the cash being used for property construction on a priority basis. As at 31 December 2014, the carrying amount of security deposits for bond interests was RMB154,934,000 (31 December 2013: RMB152,186,000). As at 31 December 2014, the secured deposits for loan is amounted to RMB2,375,663,000 (31 December 2013: RMB238,666,000).

As at 31 December 2014, other cash balances amounted to RMB134,241,000 are deposit for bank acceptance bill (31 December 2013: RMB87,440,000). The Group has classified such amount to restricted bank deposits.

**(2). Financial assets at fair value through profit or loss**

	31 December 2014	31 December 2013
Beijing Urban Construction Design & Development Group Co.,Ltd. (“Chengjian Sheji”)(a) – Listed company in Hong Kong	162,863	–
Derivatives(b)	<u>–</u>	<u>43,728</u>
Total	<u><u>162,863</u></u>	<u><u>43,728</u></u>

(a) As at 31 December 2014, the carrying value of investment held by the Group in Chengjian Sheji was RMB162,863,000 (as at 31 December 2013: nil).

(b) In March 2013, the Group entered into a currency swap contract to swap the three-year loans amounting to RMB2,000,000,000 with a fixed rate of 7.6% to three-year loans amounting to USD326,531,000 with a fixed rate of 6.1%. The currency swap contract is not in compliance with the requirement of hedge accounting. The swap contract was terminated in June 2014.

**(3). Accounts receivable and other receivables**

*(a) Accounts receivable*

	31 December 2014	31 December 2013
Accounts receivable	953,333	493,714
Less: provision for doubtful debts	<u>(7,000)</u>	<u>(7,000)</u>
Accounts receivable – net	<u><u>946,333</u></u>	<u><u>486,714</u></u>

Most sales of the Group are in the form of cash and advanced payment. Other sales are collected subject to the agreed terms on sales contract.

The aging of accounts receivable is analyzed as follows:

	<b>31 December 2014</b>	<b>31 December 2013</b>
Within 1 year	671,505	476,078
1 to 2 years	273,438	424
2 to 3 years	129	9,937
Over 3 years	<u>8,261</u>	<u>7,275</u>
<b>Total</b>	<b><u>953,333</u></b>	<b><u>493,714</u></b>

As at 31 December 2014, accounts receivable amounted to RMB1,261,000 (31 December 2013: RMB275,000) is overdue but not impaired with the aging of over 3 years. Accounts receivable amounted to RMB7,000,000 (31 December 2013: RMB7,000,000) with the aging of three years is overdue and fully impaired at the amount of RMB7,000,000 (31 December 2013: RMB7,000,000).

The accounts receivable classified by their categories are analyzed as follows:

<b>Client category</b>	<b>31 December 2014</b>	<b>31 December 2013</b>
Primary land development(i)	733,004	349,940
Properties sale	192,470	114,266
Others	<u>27,859</u>	<u>29,508</u>
<b>Total</b>	<b><u>953,333</u></b>	<b><u>493,714</u></b>

(i) The amount is due from Land Reserve Centers of Tianjin arising from primary land development cooperated by the Group and Land Reserve Centers of Tianjin in Wuqing District.

## (b) Other receivables

	31 December 2014	31 December 2013
Receivables due from Joint ventures (note 8(5)(d))	23,999	103,195
Receivables due from Associates (note 8(5)(d))	84,827	140,447
Land deposit and other guarantee deposits	528,473	362,330
Receivables from primary land development(i)	9,752	1,940,853
Consideration receivables from disposal of subsidiaries	20,503	31,298
Consideration receivable from disposal of an Associate	17,511	17,511
Others	<u>652,133</u>	<u>773,015</u>
Total	<u>1,337,198</u>	<u>3,368,649</u>
Less: provisions for doubtful debts	<u>(41,791)</u>	<u>(41,791)</u>
Other receivables – net	<u>1,295,407</u>	<u>3,326,858</u>

(i) The amount receivables from Land Reserve Centers of Beijing is RMB9,752,000 (31 December 2013: RMB1,940,853,000).

Analysis of other receivables and related provisions for doubtful debts are as follows:

	31 December 2014				31 December 2013			
	Amount	% of total balance %	Provision	% of the provision %	Amount	% of total balance %	Provision	% of the provision %
Within 1 year	796,936	60	–	–	1,903,899	57	–	–
1 to 2 years	365,842	27	–	–	1,322,170	39	–	–
2 to 3 years	41,374	3	–	–	93,740	3	(8,309)	9
Over 3 years	<u>133,046</u>	<u>10</u>	<u>(41,791)</u>	<u>31</u>	<u>48,840</u>	<u>1</u>	<u>(33,482)</u>	<u>69</u>
Total	<u>1,337,198</u>	<u>100</u>	<u>(41,791)</u>	<u>3</u>	<u>3,368,649</u>	<u>100</u>	<u>(41,791)</u>	<u>1</u>

Analysis of other receivables categories are as follows:

	31 December 2014				31 December 2013			
	Amount	% of total balance	Provision	% of the provision	Amount	% of total balance	Provision	% of the provision
		%		%		%		%
Significant individual amount	778,910	58	-	-	2,851,728	85	-	-
Others	558,288	42	(41,791)	7	516,921	15	(41,791)	8
Total	<u>1,337,198</u>	<u>100</u>	<u>(41,791)</u>	<u>3</u>	<u>3,368,649</u>	<u>100</u>	<u>(41,791)</u>	<u>1</u>

**(4). Advances to suppliers**

The advances to suppliers are analyzed as follows:

	31 December 2014	31 December 2013
Prepaid sales commissions	101,692	29,351
Advances to suppliers for land, construction costs and project costs	129,018	58,313
Advances to suppliers for materials and equipment	<u>-</u>	<u>46,335</u>
Total	<u>230,710</u>	<u>133,999</u>

The aging analysis of the advances to suppliers are as follows:

	As at 31 December 2014		As at 31 December 2013	
	Amount	% of total balance	Amount	% of total balance
		%		%
Within 1 year	205,545	89	112,916	84
Over 1 year	<u>25,165</u>	<u>11</u>	<u>21,083</u>	<u>16</u>
Total	<u>230,710</u>	<u>100</u>	<u>133,999</u>	<u>100</u>

**(5). Dividends receivable**

	31 December 2013		Additions	Reductions	31 December 2014	
Xi'an Xinkai	87,422		153,600	(241,022)		–
Tianjin Tonghua Qiangyu Investment and Management Co., Ltd ("Tonghua Qiangyu")	–		24,000	(24,000)		–
Tianjin Xinming Real Estate Co., Ltd. ("Tianjin Xinming")	9,825		–	–		9,825
Total	<u>97,247</u>		<u>177,600</u>	<u>(265,022)</u>		<u>9,825</u>

**(6). Inventories**

(a) Inventories are classified as follows:

	As at 31 December 2014			As at 31 December 2013		
	Book balance	Provision for inventory	Book value	Book balance	Provisions for inventory	Book value
Properties under development	42,376,968	(258,855)	42,118,113	24,700,215	–	24,700,215
Properties held for sale	6,481,797	(49,539)	6,432,258	4,672,386	–	4,672,386
Land under development	211,392	–	211,392	241,397	–	241,397
Low value consumables	6,349	–	6,349	7,669	–	7,669
Chemical raw materials, work in progress and finished goods	–	–	–	24,817	–	24,817
Total	<u>49,076,506</u>	<u>(308,394)</u>	<u>48,768,112</u>	<u>29,646,484</u>	<u>–</u>	<u>29,646,484</u>

(b) The movement of inventories are as follows:

	31 December 2013	Additions	Reductions	31 December 2014
Costs				
Properties under development	24,700,215	29,887,653	(12,210,900)	42,376,968
Properties held for sale	4,672,386	8,509,744	(6,700,333)	6,481,797
Land under development	241,397	145,423	(175,428)	211,392
Low value consumables	7,669	–	(1,320)	6,349
Chemical raw materials, work in progress and finished goods	24,817	113,360	(138,177)	–
Total	<u>29,646,484</u>	<u>38,656,180</u>	<u>(19,226,158)</u>	<u>49,076,506</u>

(c) Analysis of provisions of inventories is as follows:

	31 December 2013	Additions	Reductions	31 December 2014
Properties under development	–	258,855	–	258,855
Properties held for sale	–	49,539	–	49,539
Total	<u>–</u>	<u>308,394</u>	<u>–</u>	<u>308,394</u>

In 2014, the properties held for sale with the carrying amount of RMB6,875,761,000 (2013: RMB7,397,686,000) has been recognized as cost of sales.

As at 31 December 2014, the financed costs capitalized in the properties under development amounted to RMB3,013,171,000 (31 December 2013: RMB1,610,817,000). In 2014, the capitalization rate is 7.68% (2013: 8.07%).



As at 31 December 2014, certain land use rights and buildings in properties under development of the Group with a carrying amount of RMB473,270,000 (31 December 2013: nil) have been mortgaged as security for short-term borrowings of RMB497,900,000 (31 December 2013: nil) (note 5(19)(b)).

As at 31 December 2014, certain land use rights in properties under development of the Group with a carrying amount of RMB3,367,583,000 (31 December 2013: Nil) have been mortgaged as security for short-term borrowings of RMB760,000,000 (31 December 2013: Nil) and guaranteed by the Company (note 5(19)(b)).

As at 31 December 2014, certain land use rights in properties under development of the Group with a carrying amount of RMB2,001,237,000 (31 December 2013: nil) have been mortgaged as security for short-term borrowings of RMB900,000,000 (31 December 2013: nil) and pledged by equity of the Group and guaranteed by the Company (note 5(19)(b)).

As at 31 December 2014, certain land use rights and buildings in properties under development of the Group with a carrying amount of RMB850,000,000 (31 December 2013: Nil) have been mortgaged as security for short-term borrowings of RMB400,000,000 (31 December 2013: nil) and pledged by security deposits of RMB200,000,000 (note 5(19)(b)).

As at 31 December 2014, certain buildings in properties held for sale of the Group with a carrying amount of RMB968,902,000 (31 December 2013: RMB187,350,000) have been mortgaged as security for long-term borrowings of RMB521,900,000 (31 December 2013: RMB135,000,000) (note 5(28)(c)).

As at 31 December 2014, certain land use rights in properties under development of the Group with a carrying amount of RMB3,835,991,000 (31 December 2013: RMB3,050,592,000) have been mortgaged as security for long-term borrowings of RMB1,499,160,000 (31 December 2013: RMB1,452,200,000) (note 5(28)(c)).

As at 31 December 2014, certain land use rights in properties under development of the Group with a carrying amount of RMB103,108,000 (31 December 2013: RMB1,899,557,000) and income from related real estate development project have been mortgaged as security for long-term borrowings of RMB118,600,000 (31 December 2013: RMB813,457,000) (note 5(28)(c)).

As at 31 December 2014, certain land use right and buildings in properties under development with a carrying amount of RMB1,264,801,000 (31 December 2013: nil) have been mortgaged as security for long-term borrowings of RMB1,287,502,000 (31 December 2013: RMB150,000,000) (note 5(28)(c)).

As at 31 December 2014, certain land use rights in properties under development with a carrying amount of RMB4,247,508,085(31 December 2013: RMB756,192,000) have been mortgaged as security for long-term borrowings of RMB1,937,000,000 (31 December 2013: RMB883,000,000) and guaranteed by the Company (note 5(28)(f)).

As at 31 December 2014, certain buildings in properties under development with a carrying amount of RMB756,513,000(31 December 2013: RMB708,602,000) have been mortgaged as security for long-term borrowings of RMB457,000,000 (31 December 2013: RMB500,000,000) and guaranteed by the Company (note 5(28)(f)).

As at 31 December 2014, certain land use rights and buildings in properties under development with a carrying amount of RMB3,717,374,000(31 December 2013: RMB635,351,000) have been mortgaged as security for long-term borrowings of RMB3,038,100,000 (31 December 2013: RMB502,100,000) and guaranteed by the Group (note 5(28)(f)).

As at 31 December 2014, certain land use rights in properties under development with a carrying amount of RMB328,555,000 (31 December 2013: RMB63,230,000) have been mortgaged as security for long-term borrowings of RMB98,000,000 (31 December 2013: RMB190,000,000) and guaranteed by the Company (note 5(28)(f)).

As at 31 December 2014, certain land use right in properties under development with a carrying amount of RMB583,427,000 (31 December 2013: RMB868,871,000) and corresponding income rights have been pledged as security for long-term borrowings of RMB540,000,000 (31 December 2013: RMB864,538,000) and guaranteed by the Company (note 5(28)(h)).

Analysis of land use rights of inventories by region and age are as follows:

	<b>31 December 2014</b>	<b>31 December 2013</b>
Mainland		
10-50 years	9,291,336	7,491,579
Above 50 years	<u>18,359,858</u>	<u>3,747,704</u>
Total	<u><u>27,651,194</u></u>	<u><u>11,239,283</u></u>

*(7). Assets classified as held for sale*

	<b>31 December 2014</b>	<b>31 December 2013</b>
Cash at bank and on hand(a)	61,051	5,573
Advances to suppliers(a)	5,330	–
Other receivables(a)	3,566	–
Inventories(a)	44,725	–
Fixed assets(a)	43,937	161
Intangible assets(a)	9,242	–
Investment properties(a)	–	1,886,658
Accounts receivable(a)	4,975	–
Long-term equity investments(b)	9,921	9,921
Long-term deferred expenses(a)	18,500	–
Other non-current assets(a)	<u>1,417</u>	<u>–</u>
<b>Total</b>	<b><u>202,664</u></b>	<b><u>1,902,313</u></b>

(a) In December 2014, the Group entered into an agreement to dispose 100% equity interests in Leadwin Asia Group Limited to a third party. The transaction hasn't been completed by the end of 31 December 2014. The assets of the above disposed subsidiary met the definition of held for sale and were listed on the balance sheet separately.

In December 2013, the Group entered into an agreement to dispose 100% equity interests in Beijing Shangyi. The transaction was completed in June 2014. As at 31 December 2013, the assets of the above disposed subsidiary met the definition of held for sale and were listed on the balance sheet separately.

(b) The Group entered into an equity transfer agreement on 10% share of Hainan Dalecheng Real Estate Development Holding Ltd. (hereinafter "Hainan Dalecheng") with consideration of RMB20,000,000 (note 5(25)). As such transaction has not been completed by the end of 2014, the Group classified the book value of RMB9,921,000 as held for sale assets.

**(8). Other current assets**

	<b>31 December 2014</b>	<b>31 December 2013</b>
Prepaid taxes	1,819,354	1,113,762
Others	<u>4,395</u>	<u>17,000</u>
Total	<u><u>1,823,749</u></u>	<u><u>1,130,762</u></u>

**(9). Available-for-sale financial assets**

	<b>31 December 2014</b>	<b>31 December 2013</b>
Available-for-sale equity instruments		
– At fair value (a)	<u>13,420</u>	<u>99,258</u>
Available-for-sale equity instruments		
– At cost (b)	<u>50,000</u>	<u>50,000</u>
Less: Impairment provision	<u>–</u>	<u>–</u>
Less: Available-for-sale financial assets included in other current assets	<u>–</u>	<u>–</u>
Total	<u><u>63,420</u></u>	<u><u>149,258</u></u>

(a) Available-for-sale financial assets measured at fair value

	<b>31 December 2014</b>	<b>31 December 2013</b>
Listed equity instruments		
– in Mainland China	<u><u>13,420</u></u>	<u><u>99,258</u></u>

As at 31 December 2014, the carrying amount of the investment in Yangguang Xinye Real Estate Co., Ltd. (hereinafter “Yangguang Xinye”), a listed company in mainland China, is RMB13,420,000 (31 December 2013: RMB99,258,000). Yangguang Xinye was registered in Nanning, the PRC and engaged in real estate development, leasing of private owned merchandise housing and related advisory services. The ordinary shares of Yangguang Xinye held by the Group is amounted to RMB2,652,210, accounting for 0.36% of the total ordinary shares issued.

- (b) Available-for-sale financial asset measured in cost is mainly the non-listed equity investment held by the Group without active quoted market price and the reasonable estimate for its fair value fluctuated largely while possibility of the estimation cannot be ensured reasonably, hence its fair value cannot be measured reliably. The Group has no dispose plans.

As at 31 December 2014, the Group holds 0.99% of the total shares of CDB Siyuan (Beijing) Investment Fund Ltd. (hereinafter “CDB Siyuan”). therefore the Group doesn’t have significant influence on CDB Siyuan. The largest exposure equals the book value of the shares the Group holds on 31 December 2014, i.e., RMB50,000,000.

The Group does not have a significant influence on above investees which as a result are recorded as available-for-sale financial instruments.

**(10). Long-term equity investments**

	<b>31 December 2014</b>	<b>31 December 2013</b>
Joint ventures		
– Non-listed companies (a)	1,464,960	749,228
Associates		
– Non-listed companies (b)	<u>986,275</u>	<u>1,534,569</u>
Subtotal	2,451,235	2,283,797
Less: Provision for impairment of long-term equity investments	<u>–</u>	<u>–</u>
Net	<u><u>2,451,235</u></u>	<u><u>2,283,797</u></u>

There is no significant restriction on sale of the long-term equity investments of the Group and collection of the investment income.

## (a) Joint ventures

Investments in joint ventures are as follows:

Accounting Method	Investment costs	31 December 2013	Changes in this year					31 December 2014	Equity interest held %	Voting rights held %	Provision for impairment	Impairment provided in current year
			Increase or decrease in investment	Share of net profit/ (losses)	Share of other comprehensive Income	Cash dividend declared	Other equity movement					
Shenyang Jitian Real Estate Co., Ltd. ("Shenyang Jitian")	USD20,000,000	129,597	-	(1,096)	-	-	-	128,501	50	50	-	-
Huzhou Capital Rongcheng Real Estate Co., Ltd. ("Huzhou Rongcheng") (note 4(2))	RMB55,000,000	23,780	(23,274)	(506)	-	-	-	-	N/A	N/A	-	-
Beijing Capital Chaoyang Investment Co., Ltd. ("Chaoyang Investment")	RMB50,000,000	4,287	-	(197)	-	-	-	4,090	50	50	-	-
Beijing Wanzhu Real Estate Co., Ltd. ("Beijing Wanzhu")(i)	RMB25,500,000	20,646	-	32,503	-	-	-	53,149	30	30	-	-
Capital Jiaming New Town Investment Co., Ltd. ("Capital Jiaming")(ii)	RMB175,000,000	168,401	-	(659)	-	-	-	167,742	35	35	-	-
Tianjin Haileybury International School ("International School")(iii)	RMB4,500,000	1,779	-	(1,779)	-	-	-	-	45	40	-	-
Tonghua Qiangyu(iv)	RMB4,000,000	5,540	-	27,202	-	(24,000)	-	8,742	40	40	-	-
Kunshan Chuangbo Fund(v)	RMB162,970,000	160,586	(345,166)	184,580	-	-	-	-	16.4	40	-	-
Zhuhai Hengqin Fund Management company(vi)	RMB4,000,000	3,934	-	(2)	-	-	-	3,932	40	40	-	-
Zhuhai Hengqin Fund(vii)	RMB240,000,000	230,678	-	10,469	-	-	-	241,147	28.24	40	-	-
Zhuhai Hengqin Zizhufang Fund(viii)	RMB81,000,000	-	81,000	(136)	-	-	-	80,864	10	40	-	-
Zhuhai Hengqin Ruiyuan Jialing Fund(ix)	RMB456,000,000	-	456,000	(30)	-	-	-	455,970	46.9	40	-	-
Liuji Real Estate Co., Ltd. ("Liuji Real Estate")(x)	RMB320,000,000	-	320,000	823	-	-	-	320,823	40	40	-	-
Total		749,228	488,560	251,172	-	(24,000)	-	1,464,960				

(i) In June 2012, the Group acquired 30% equity interests in Beijing Wanzhu by capital injection. However, according to the Articles of Association of Beijing Wanzhu, the Group and other shareholders jointly control Beijing Wanzhu, therefore it is recognized as a joint venture.

(ii) The Group acquired 35% equity interest in Capital Jiaming by capital injection. However, according to the Articles of Association, the Group and other shareholders jointly control Capital Jiaming, therefore it is recognized as a joint venture.

(iii) The net assets of International School are negative due to continuous losses in the past years. As the Group does not have the obligation to bear the additional losses beyond the share, the Group recognizes the carrying value of the long-term equity investment at zero other than negative. In 2014, the unrecognized investment losses amounted to RMB4,333,000 (2013: nil). As at 31 December 2014, the accumulated investment losses that are not recognized amounted to RMB4,333,000 (31 December 2013: nil).

- (iv) The Company holds 40% equity interests in Tonghua Qiangyu. According to the Articles of Association of Tonghua Qiangyu, the Company and other shareholders share the control over Tonghua Qiangyu, therefore it is recognized as a joint venture.
- (v) Kunshan Chuangbo Fund was a limited partnership established by Kunshan Chuangbo Shengtuo Fund Management Company, a wholly owned subsidiary of Tonghua Qiangyu, as the general partner. The Company holds 16.4% of the subordinated units in Kunshan Chuangbo Fund, and 40% voting rights in the investment strategy committee. In November 2014, Kunshan Chuangbo Fund liquidated its assets. The Group has retrieved all its subordinated investments and earnings.
- (vi) The Company holds 40% equity interests in Zhuhai Hengqin Fund Management Company. According to the Articles of Association of Zhuhai Hengqin Fund Management Company, the Company and other shareholders share the control over Zhuhai Hengqin Fund Management Company, therefore it is recognized as a joint venture.
- (vii) Zhuhai Hengqin Fund is a limited partnership established by Zhuhai Hengqin Fund Management Company as general partner. The Company holds 28.24% of the intermediate units in Zhuhai Hengqin Fund. The Fund holds 100% equity interests in Chongqing Shouyong Real Estate Co., Ltd. (hereinafter "Shouyong Real Estate"). Zhuhai Hengqin Fund is a structured entity not in combination, with total scale of 850,000,000 shares and total amount of RMB850,000,000. The Group's most significant risk exposure in the Fund is the book value of investment at balance sheet date amounting to RMB240,000,000. The Group has no duty or purpose to offer financial support to the Fund. According to the partnership agreement, the Group jointly control the investment and operational strategy of Zhuhai Hengqin Fund and Shouyong Real Estate with other shareholders, therefore it is classified as a joint venture. According to the partnership agreement of Zhuhai Hengqin Fund, the fund has an estimated duration of five years. The fund derives its revenue from the interest income of the shareholder loans provided by Zhuhai Hengqin Fund to Shouyong Real Estate, the profits of the real estate development projects held by Shouyong Real Estate and the proceeds from disposal of equity interests in Shouyong Real Estate. Zhuhai Hengqin Fund Management Company has the right to determine the distribution plan of Zhuhai Hengqin Fund as the executive partner. At the clearing dates and the settlement date of the fund, the distribution order is as follows: senior limited partners and intermediate limited partners have 10% expected fixed earnings; senior limited partners enjoy distributing initial investment and expected earnings firstly, after which distribute initial investment and expected earnings to intermediate limited partners and subordinated limited partners; then distribute initial investment to general partners; finally, if Zhuhai Hengqin Fund has excess distributable earnings after the above distributions, the fund should distribute the income to the partners based on the agreed portion of the partnership agreement.
- (viii) Zhuhai Hengqin Zizhufang Fund is a limited partnership established by Zhuhai Hengqin Fund Management Company as general partner. The Company holds 10% of the intermediate units in Zhuhai Hengqin Fund. The Fund holds 100% equity interests in Chongqing Shouyong Real Estate Co., Ltd. (hereinafter "Shouyong Real Estate"). Zhuhai Hengqin Zizhufang Fund is a structured entity not in combination, with total scale of 810,000,000 shares and total amount of RMB810,000,000. The Group's most significant

risk exposure in the Fund is the book value of investment at balance sheet date amounting to RMB81,000,000. The Group has no duty or purpose to offer financial support to the Fund. According to the partnership agreement of Zhuhai Hengqin Zizhufang Fund, the fund has an estimated duration of five years. The fund derives its revenue from the interest income of the shareholder loans provided by Zhuhai Hengqin Zizhufang Fund to Taihao Shengyuan, the profits of the real estate development projects held by Taihao Shengyuan, and the proceeds from disposal of equity interests in Taihao Shengyuan. Zhuhai Hengqin Fund Management Company has the right to determine the distribution plan of Zhuhai Hengqin Zizhufang Fund as the executive partner. At the clearing dates and the settlement date of the fund, the distribution order is as follows: priority limited partners can have 10.04% expected fixed earnings; intermediate limited partners can have 10% expected fixed earnings; priority limited partners enjoy distributing initial investment and expected earnings firstly, after which distribute initial investment and expected earnings to intermediate limited partners, and distribute initial investment to subordinated limited partners; then distribute initial investment to general partners; finally, if Zhuhai Hengqin Zizhufang Fund has excess distributable earnings after the above distributions, the fund should distribute the excess earnings to the partners based on the agreed portion of the partnership agreement.

- (ix) Zhuhai Hengqin Ruiyuan Jialing Fund is a limited partnership established by Zhuhai Hengqin Fund Management Company as general partner. The Company holds 20.73% of the intermediate units in Zhuhai Hengqin Ruiyuan Jialing Fund. Zhuhai Hengqin Ruiyuan Jialing Fund holds 100% equity interests in Chongqin Shouhui Real Estate Co., Ltd.(hereinafter "Shouhui Real Estate"). Zhuhai Hengqin Ruiyuan Fund is a structured entity not in combination, with total scale of 2,200,000,000 shares and total amount of RMB2,200,000,000. The Group's most significant risk exposure in the Fund is the book value of investment at balance sheet date amounting to RMB456,000,000. The Group has no duty or purpose to offer financial support to the Fund. According to the partnership agreement, the Group jointly controls the investment and operational strategy of Zhuhai Hengqin Ruiyuan Jialing Fund and Shouhui Real Estate with other shareholders, thus it has been classified as joint venture. According to the partnership agreement of Zhuhai Hengqin Ruiyuan Jialing Fund, the fund has an estimated duration of five years. The fund derives its revenue from the interest income of the shareholder loans provided by Zhuhai Hengqin Fund to Shouyong Real Estate, the profits of the real estate development projects held by Shouyong Real Estate, and the proceeds from transfer of equity interests in Shouyong Real Estate. Zhuhai Hengqin Fund Management Company has the right to determine the distribution plan of Zhuhai Hengqin Fund as the executive partner. At the clearing dates and the settlement date of the fund, the distribution order is as follows: senior limited partners and intermediate limited partners can have 10% expected fixed earnings; senior limited partners enjoy distributing initial investment and expected earnings firstly, after which distribute initial investment and expected earnings to intermediate limited partners and subordinated limited partners; then distribute initial investment to general partners; finally, if Zhuhai Hengqin Fund has excess distributable earnings after the above distributions, the fund should distribute the income to the partners based on the agreed portion of the partnership agreement.

As at 31 December 2014, as senior partners have not complete their capital contribution, the Group holds 46.9% of the actual contribution.



- (x) The Group holds 40% equity interests in Liujin Real Estate. According to the Articles of Association of Tonghua Qiangyu, the Company and other shareholders share the control over Liujin Real Estate, therefore it is recognized as a joint venture.

(b) *Associates*

Long-term investments in associates are as follows:

Accounting Method	Investment costs	Changes in this Period							31 December 2014	Equity interest held %	Voting rights held %	Provision for impairment	Impairment provided in current year
		31 December 2013	Increase or decrease in investment	Share of net profit/ (losses)	Share of other comprehensive Income	Cash dividend declared	Other equity movement	31 December 2014					
Beijing GoldenNet Property Investment Adviser ("GoldenNet")(i)	RMB700,000	6,949	-	(45)	-	-	-	6,904	14	14	-	-	
Beijing Sunshine city Commercial Investment Co. Ltd. ("Sunshine City")	RMB25,267,000	155,120	-	4,457	-	-	-	159,577	35	35	-	-	
Shenyang Capital Real Estate Co. Ltd. ("Shenyang Xinzi")	USD27,750,000	230,780	-	28,641	-	-	760	260,181	30	30	-	-	
Tianjin Xinqing Real Estate Co. Ltd. ("Tianjin Xinqing")	USD38,000,000	260,616	-	3,912	-	-	202	264,730	40	40	-	-	
Tianjin Xinming	USD38,000,000	270,520	-	7,829	-	-	14	278,363	40	40	-	-	
Financial Street(ii)	USD3,384,000	-	-	-	-	-	-	-	59.5	33	-	-	
Xi'an Xinkai (note 4(2))	USD66,000,000	592,065	(512,345)	75,625	-	(153,600)	(1,745)	-	N/A	N/A	-	-	
Beijing outlets Chuangxin business management Co. Ltd ("Outlets Chuangxin")	RMB3,800,000	602	-	(1)	-	-	-	601	38	38	-	-	
Capital Qinglv Culture Tourism (Kunshan) Co., Ltd. ("Capital Qinglv Culture")	RMB4,900,000	17,917	-	(1,998)	-	-	-	15,919	49	49	-	-	
Speed Plus Investments Limited ("Speed Plus")(iii)	USD37	-	-	-	-	-	-	-	37	37	-	-	
King Future Limited ("King Future")(iv)	USD4	-	-	-	-	-	-	-	N/A	N/A	-	-	
		<u>1,534,569</u>	<u>(512,345)</u>	<u>118,420</u>	<u>-</u>	<u>(153,600)</u>	<u>(769)</u>	<u>986,275</u>					

- (i) The Company has significant influence on the board of the directors, which is responsible for determining the financial policies in the ordinary course of business; therefore this company is classified as an associate.

- (ii) According to the Articles of Association, the Group holds 59.5% equity interests in Financial Street both directly and indirectly and enjoys 34% profit of Financial Street. The Group has minority seats in the board of directors, which is responsible for the financial decisions in the ordinary course of business, and therefore this company is classified as an associate.

The net assets of Financial Street are negative due to continuous losses in the past years. As the Group does not have the obligation to bear the additional losses beyond the share, the Group recognizes the carrying value of the long-term equity investment at zero other than negative. In 2014, the un-recognized investment loss amounted to RMB9,650,000 (2013: RMB21,049,000). As at 31 December 2014, the accumulated investment losses that are not recognized amounted to RMB51,803,000 (31 December 2013: RMB42,153,000).

- (iii) The net assets of Speed Plus are negative due to continuous losses in the past years. As the Group does not have the obligation to bear the additional losses beyond the share that the Group should have assumed, the Group recognizes the carrying value of the long-term equity investment at zero other than negative. In 2014, the un-recognized investment loss amounted to RMB39,000 (2013: nil). As at 31 December 2014, the accumulated investment losses that are not recognized amounted to RMB39,000 (31 December 2013: nil).
- (iv) In 2014, a subsidiary of the Group entered into an agreement with a third party that dispose 40% equity interests in King Future.

**(11). Investment in joint ventures and associates**

*(a) Basic information of significant Joint ventures and Associates*

	Business type	Place of main operation	Place of registration	Legal representative	Nature of business	Strategic to the Group's operation	Registered capital	Shared Interest	Voting right
Joint ventures –									
Shenyang Jitian	Limited Company	Shenyang	Shenyang	Hu Weimin	Real Estate Development and Sales	Yes	USD 20,000,000	50%	50%
Capital Jiaming	Limited Company	Beijing	Beijing	Hu Weimin	Land Primary Development and Sales	Yes	RMB 175,000,000	35%	35%
Zhuhai Hengqin Fund	Limited Partnership	Zhuhai	Zhuhai	N/A	Investment Management	Yes	RMB 850,000,000	28.24%	40%
Zhuhai Hengqin Zizhufang Fund	Limited Partnership	Zhuhai	Zhuhai	N/A	Investment Management	Yes	RMB 810,000,000	10%	40%
Ruiyuan Jialing Fund	Limited Partnership	Zhuhai	Zhuhai	N/A	Investment Management	Yes	RMB 972,280,000	20.73%	40%
Liujin Real Estate	Limited Company	Beijing	Beijing	Sun Baojie	Land Primary Development and Sales	Yes	RMB 800,000,000	40%	40%
Associates–									
Yangguangyuan	Limited Company	Beijing	Beijing	Yang Ning	Investment Management	No	RMB 72,190,000	35%	35%
Shenyang Xinzi	Limited Company	Shenyang	Shenyang	Cao Yue	Real Estate Development and Sales	Yes	USD 92,500,000	30%	30%
Tianjin Xinqing	Limited Company	Tianjin	Tianjin	Qin Yi	Real Estate Development and Sales	Yes	USD 95,000,000	40%	40%
Tianjin Xinming	Limited Company	Tianjin	Tianjin	Wang Wei	Real Estate Development and Sales	Yes	USD 95,000,000	40%	40%

## (b) Key financial information of significant joint ventures

	Shenyang Jitian		Capital Jiaming		Kunshan Chuangbo Fund		Zhuhai Hengqin Fund		Zhuhai Hengqin Zizhufang Fund		Zhuhai Hengqin Ruiyuan Jialing Fund		Liuji Real Estate	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013	31 December 2014	31 December 2013	31 December 2014	31 December 2013	31 December 2014	31 December 2013	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	Cash at bank and on hand	7,846	7,504	126,682	233,526	N/A	323,343	297,620	286,008	484,580	N/A	354	N/A	821,727
Other current assets	1,564,374	1,475,741	1,542,920	1,097,247	N/A	3,343,805	2,254,023	1,148,129	2,014,638	N/A	951,780	N/A	7,370	N/A
Current assets	1,572,220	1,483,245	1,669,602	1,330,773	N/A	3,667,148	2,551,643	1,434,137	2,499,218	N/A	952,134	N/A	829,097	N/A
Non-current assets	9,752	9,201	5,350	4,809	N/A	464	133	6,067	408	N/A	20,000	N/A	594	N/A
Accounts payable	24,545	23,673	-	-	N/A	169,043	193,191	60,446	28,679	N/A	-	N/A	-	N/A
Other liabilities	1,297,006	1,206,159	192,941	80,245	N/A	1,914,505	1,276,112	277,363	1,182,305	N/A	-	N/A	36,649	N/A
Current liabilities	1,321,551	1,229,832	192,941	80,245	N/A	2,083,548	1,469,303	337,809	1,210,984	N/A	-	N/A	36,649	N/A
Non-current liabilities	-	-	998,000	769,443	N/A	643,100	245,000	300,000	480,000	N/A	-	N/A	-	N/A
Net assets	260,421	262,614	484,011	485,894	N/A	940,964	837,473	802,395	808,642	N/A	972,134	N/A	793,042	N/A
Interest in joint ventures	50%	50%	35%	35%	N/A	16.40%	28.24%	28.24%	10%	N/A	46.90%	N/A	40%	N/A
Equity attributable to the shareholder (i)	130,211	131,307	169,404	170,063	N/A	154,318	236,502	226,596	80,864	N/A	455,970	N/A	317,217	N/A
Reconciliation items (ii)	(1,710)	(1,710)	(1,662)	(1,662)	N/A	6,268	4,645	4,082	-	N/A	-	N/A	3,606	N/A
Provision for impairment	-	-	-	-	-	-	-	-	-	N/A	-	N/A	-	N/A
Long-term equity investments	128,501	129,597	167,742	168,401	N/A	160,586	241,147	230,678	80,864	N/A	455,970	N/A	320,823	N/A
Revenue	8,784	(1,703)	-	-	133,558	-	-	N/A	-	N/A	-	N/A	-	N/A
Depreciation and amortization	(210)	(240)	(104)	-	(60)	(34)	(18)	N/A	-	N/A	-	N/A	-	N/A
Interest income	23	-	-	-	427	52,723	50,813	N/A	563	N/A	12	N/A	543	N/A
Interest expense	(16)	5	-	181	(13,159)	-	(3)	N/A	(193)	N/A	-	N/A	-	N/A
Total (losses)/profit	(2,918)	(1,559)	(2,511)	(5,756)	515,049	(8,238)	49,475	N/A	(1,759)	N/A	64	N/A	2,746	N/A
Income taxes	727	386	628	-	-	(6,301)	(12,397)	N/A	400	N/A	-	N/A	(687)	N/A
Net (losses)/profit	(2,191)	(1,173)	(1,883)	(5,756)	515,049	(14,539)	37,078	N/A	(1,359)	N/A	64	N/A	2,059	N/A
Other comprehensive income	-	-	-	-	-	-	-	N/A	-	N/A	-	N/A	-	N/A
Total comprehensive (loss)/income	(2,191)	(1,173)	(1,883)	(5,756)	515,049	(14,539)	37,078	N/A	(1,359)	N/A	64	N/A	2,059	N/A
Dividends from joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(i) The accounting policies of joint ventures are the same with the Group. The Group, based on the amount assigned to the Company in the consolidated financial statements of joint ventures, calculates asset share in proportion to the number of shares owned. The amount in the consolidated financial statements of joint ventures has taken the fair value of identifiable asset and liability of the investee joint venture into consideration.

(ii) Adjustments include the elimination of unrealized profit between the Group and the joint ventures.

## (c) Key financial information of significant associates

The key financial information of the significant associates of the Group are as follows:

	Yangguangyuan		Shenyang Xinzi		Tianjin Xinqing		Tianjin Xinming		Xi'an Xinkai	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013	31 December 2014	31 December 2013	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Cash at bank and on hand	1,332	6,658	54,049	52,205	4,461	20,537	26,788	88,028	N/A	471,119
Other current assets	383,539	380,593	1,396,959	1,774,131	688,146	957,422	900,161	1,025,873	N/A	3,493,764
Current assets	384,871	387,251	1,451,008	1,826,336	692,607	977,959	926,949	1,113,901	N/A	3,964,883
Non-current assets	819,362	803,340	114	301	1	6	1	1	N/A	340
Accounts payable	15,554	15,047	221,504	166,441	19,185	106,283	41,702	104,850	N/A	235,176
Other financial liabilities	-	4,000	-	-	-	-	-	-	N/A	48,000
Other liabilities	30,390	20,168	73,295	599,344	10,412	218,451	183,407	169,684	N/A	1,717,014
Current liabilities	45,944	39,215	294,799	765,785	29,597	324,734	225,109	274,534	N/A	2,000,190
Non-current liabilities	700,769	706,589	279,000	279,000	-	-	-	157,100	N/A	455,450
Net assets	457,520	444,787	877,323	781,852	663,011	653,231	701,841	682,268	N/A	1,509,583
Interest in joint ventures	35%	35%	30%	30%	40%	40%	40%	40%	N/A	40%
Equity attributable to the shareholder (i)	160,132	155,675	263,197	234,556	265,204	261,292	280,736	272,907	N/A	603,833
Reconciliation items (ii)	(555)	(555)	(3,016)	(3,776)	(474)	(676)	(2,373)	(2,387)	N/A	(11,768)
Provision for impairment	-	-	-	-	-	-	-	-	N/A	-
Long-term equity investments	159,577	155,120	260,181	230,780	264,730	260,616	278,363	270,520	N/A	592,065
Revenue	50,721	50,120	676,277	612,510	123,143	608,794	237,150	502,195	1,160,532	1,284,990
Depreciation and amortization	(15,870)	(15,408)	(216)	(232)	(4)	(4)	-	-	(140)	(210)
Interest income	-	-	128	197	119	757	285	415	3,242	-
Interest expenses	(39,554)	(37,037)	(38)	(66)	(26)	(982)	(65)	(117)	(1,560)	(355)
Total profit	20,005	31,433	127,294	119,651	13,041	2,152	26,097	1,364	250,963	312,636
Income taxes	(7,270)	12,046	(31,824)	(29,913)	(3,260)	(538)	(6,524)	(341)	(61,900)	(78,881)
Net profit	12,735	43,478	95,470	89,738	9,781	1,614	19,573	1,023	189,063	233,755
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	12,735	43,478	95,470	89,738	9,781	1,614	19,573	1,023	189,063	233,755
Dividends from associates	-	-	-	-	-	-	-	-	153,600	-

(i) The accounting policies of associates are the same with the Group. The Group, based on the amount assigned to the Company in the consolidated financial statements of associates, calculates asset share in proportion to the number of shares owned. The amount in the consolidated financial statements of associates has taken the fair value of identifiable net asset and liability of the investee associates into consideration.

(ii) Adjustments include the eliminations of unrealized profit between the Group and the associates.

*(d) Summary information of insignificant joint ventures and associates*

	<b>2014</b>	<b>2013</b>
Joint ventures:		
Total amount of investment book value in as at 31 December	69,913	59,966
Total amount of accounts below in proportion to equity held		
Net income(i)	162,053	(54,886)
Other comprehensive income(i)	–	–
Total amount of comprehensive income	–	–
Associates:		
Total amount of investment book value as at 31 December	23,424	25,468
Total amount of accounts below in proportion to equity held		
Net income(i)	(38,976)	(65,293)
Other comprehensive income(i)	–	–
Total amount of comprehensive income	<u>–</u>	<u>–</u>

- (i) The accounting policies of joint ventures and associates are the same with the Group. Net income and other comprehensive income have taken into consideration the fair value of identifiable assets and liabilities when investment is obtained and the influence of uniform accounting policy.

***(12). Investment properties***

	<b>31 December 2014</b>	<b>31 December 2013</b>
Investment properties measured at cost (a)	3,574,184	524,791
Investment properties subsequently measured at fair value model (b)	3,651,074	2,963,918
Less: Provision for impairment of investment properties	<u>–</u>	<u>–</u>
Total	<u><u>7,225,258</u></u>	<u><u>3,488,709</u></u>

(a) *Investment properties measured at cost*

	<b>Buildings</b>	<b>Land use Rights</b>	<b>Total</b>
Cost			
31 December 2013	314,931	246,107	561,038
Additions	280,512	303,957	584,469
Transferred from inventories(i)	271,747	2,521,485	2,793,232
Measured at fair value this year	<u>(278,983)</u>	<u>(41,763)</u>	<u>(320,746)</u>
<b>31 December 2014</b>	<u>588,207</u>	<u>3,029,786</u>	<u>3,617,993</u>
Accumulated depreciation and amortization			
31 December 2013	–	(36,247)	(36,247)
Depreciation and amortization	<u>–</u>	<u>(7,562)</u>	<u>(7,562)</u>
<b>31 December 2014</b>	<u>–</u>	<u>(43,809)</u>	<u>(43,809)</u>
Provision for impairment			
31 December 2013	–	–	–
Increase	–	–	–
Decrease	<u>–</u>	<u>–</u>	<u>–</u>
<b>31 December 2014</b>	<u>–</u>	<u>–</u>	<u>–</u>
Net book value			
<b>31 December 2014</b>	<u>588,207</u>	<u>2,985,977</u>	<u>3,574,184</u>
31 December 2013	<u>314,931</u>	<u>209,860</u>	<u>524,791</u>

- (i) In 2014, some subsidiaries adopt a resolution that turns properties under development to operating lease held for long-term. The initial cost of the investment property is the book value in the transaction date amounted to RMB2,793,232,000.

As at 31 December 2014, investment properties listed above are still under construction of which the fair value cannot be reliably determined, but is expected that will be measured reliably after the completion. Therefore the Group measured such investment properties at cost, and the amortization of the land use rights amount to RMB7,562,000 has been capitalized by 31 December 2014 (31 December 2013: RMB4,319,000).

The Group does not hold properties under short-term, mid-term or long-term lease contracts.

Land use right in the investment properties is analyzed by location and age as follows:

	<b>31 December 2014</b>	<b>31 December 2013</b>
Mainland China		
10-50 years	2,985,977	209,860
above 50 years	<u>          —</u>	<u>          —</u>
Hong Kong		
10-50 years	—	—
above 50 years	<u>          —</u>	<u>          —</u>

*(b) Investment properties subsequently measured at fair value model*

	<b>Buildings and Land use right</b>
Cost	
31 December 2013	2,075,382
Transferred from cost model	320,746
Additions	24,087
Disposals	<u>(6,142)</u>
<b>31 December 2014</b>	<u>2,414,073</u>
Changes in fair value	
31 December 2013	888,536
Gains on changes in fair value <i>(note 5(43))</i>	351,867
Decrease	<u>(3,402)</u>
<b>31 December 2014</b>	<u>1,237,001</u>
Carrying amount	
<b>31 December 2014</b>	<u><u>3,651,074</u></u>
31 December 2013	<u><u>2,963,918</u></u>

As at 31 December 2014, certain investment properties amounted to RMB1,657,193,000 (31 December 2013: RMB1,642,527,000) have been pledged for long-term borrowings of RMB570,000,000 (31 December 2013: RMB612,500,000) (note 5(28)(c)).

As at 31 December 2014, certain investment properties amounted to RMB984,402,000 (31 December 2013: RMB769,030,000) have been pledged for long-term borrowings of RMB160,000,000, which is also guaranteed by the Company (31 December 2013: RMB200,000,000) (note 5(28)(f)).



**(13). Fixed Assets**

	<b>Buildings</b>	<b>Motor vehicles</b>	<b>Office equipment</b>	<b>Machinery and equipment</b>	<b>Total</b>
<b>Cost</b>					
31 December 2013	707,411	59,336	44,077	72,480	883,304
Increase	16,714	5,430	11,836	281	34,261
– Purchase	16,714	5,338	11,504	281	33,837
– Business combination	–	92	332	–	424
Decrease	(33,699)	(3,193)	(804)	(72,761)	(110,457)
– Dispose and retirement	(27)	(2,496)	(416)	(199)	(3,138)
– Classified as held for sale (note 5(7))	<u>(33,672)</u>	<u>(697)</u>	<u>(388)</u>	<u>(72,562)</u>	<u>(107,319)</u>
<b>31 December 2014</b>	<u>690,426</u>	<u>61,573</u>	<u>55,109</u>	<u>–</u>	<u>807,108</u>
<b>Accumulated depreciation</b>					
31 December 2013	(270,287)	(39,729)	(35,383)	(34,270)	(379,669)
Increase	(21,120)	(7,510)	(6,890)	(3,677)	(39,197)
– Accrue ment	(21,120)	(7,510)	(6,890)	(3,677)	(39,197)
Decrease	9,733	2,794	749	37,947	51,223
– Dispose and retirement	–	2,329	411	–	2,740
– Classified as held for sale (note 5(7))	<u>9,733</u>	<u>465</u>	<u>338</u>	<u>37,947</u>	<u>48,483</u>
<b>31 December 2014</b>	<u>(281,674)</u>	<u>(44,445)</u>	<u>(41,524)</u>	<u>–</u>	<u>(367,643)</u>
<b>Provision for impairment</b>					
31 December 2013					
Increase (note 5(18))	–	–	–	(14,899)	(14,899)
– Classified as held for sale (note 5(7))	<u>–</u>	<u>–</u>	<u>–</u>	<u>14,899</u>	<u>14,899</u>
<b>31 December 2014</b>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
<b>Net book value</b>					
<b>31 December 2014</b>	<u>408,752</u>	<u>17,128</u>	<u>13,585</u>	<u>–</u>	<u>439,465</u>
31 December 2013	<u>437,124</u>	<u>19,607</u>	<u>8,694</u>	<u>38,210</u>	<u>503,635</u>

As at 31 December 2014, certain buildings with net value of RMB335,774,000 (cost of RMB601,431,000) (31 December 2013: RMB353,536,000, cost of RMB601,431,000) have been pledged for long-term borrowings of RMB635,000,000 (31 December 2013: RMB327,408,000) (note 5(28)(f)), which are also guaranteed by the Company.

In 2014, depreciation expense charged in cost of sales amounted to RMB17,761,000 and in administrative expenses amounted to RMB21,436,000 (2013: RMB25,825,000 and RMB15,426,000).

**(14). Intangible Assets**

	Original cost	31 December 2013	Increase	Amortization	Classified as held for sale	31 December 2014	Accumulated amortization
Land use rights	68,907	52,017	-	(3,214)	(9,242)	39,561	(13,439)
Less: Provision for impairment	-	-	-	-	-	-	-
Total	<u>68,907</u>	<u>52,017</u>	<u>-</u>	<u>(3,214)</u>	<u>(9,242)</u>	<u>39,561</u>	<u>(13,439)</u>

In 2014, the amortization of intangible assets amounted to RMB3,214,000 (2013: RMB1,046,000); in which, RMB3,214,000 (2013: RMB1,046,000) has been recognized in the income statement.

As at 31 December 2014, long-term borrowings of RMB635,000,000 (31 December 2013: RMB327,408,000) (note 5(28)(f)) is secured by the mortgage of certain land use rights with net value of RMB39,561,000 (cost of RMB52,283,000) (31 December 2013: net value of RMB40,605,000, cost of RMB52,283,000).

The land use rights analyzed by location and terms are as follows:

	31 December 2014	31 December 2013
Mainland China		
10-50 years	<u>39,561</u>	<u>52,017</u>

**(15). Long-term receivables**

	<b>31 December 2014</b>	<b>31 December 2013</b>
Receivables due from associates ( <i>note 8(5)(b)</i> )	308,227	292,380
Debt investments( <i>a</i> )	238,745	–
Receivables for primary land development	–	768,512
Others	<u>15,052</u>	<u>–</u>
Subtotal	562,024	1,060,892
Less: Long-term receivables due within one year	<u>–</u>	<u>(768,512)</u>
Total	<u><u>562,024</u></u>	<u><u>292,380</u></u>

(a) The balance is the principle and interest of the AUD debt investment in Australia real estate project. Of which principle amounted to AUD15,100,000 (equivalent to RMB75,763,000) and the interest will be matured on 31 August 2016 with an expected annual interest rate of 19%, principle amounted to AUD29,395,000 (equivalent to RMB147,486,000) and the interest will be matured on 31 January 2018 with an expected annual interest rate of 20%.

**(16). Goodwill**

	<b>31 December 2013</b>	<b>Additions</b>	<b>Disposals</b>	<b>31 December 2014</b>
Goodwill				
Juda International	172,137	–	–	172,137
Less: provision for impairment	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Net	<u><u>172,137</u></u>	<u><u>–</u></u>	<u><u>–</u></u>	<u><u>172,137</u></u>

Goodwill listed above was generated from the acquisition of Juda International, as a result of expected economic effect of integrating and expanding the domestic and foreign financial platform of the Group and Juda International. The goodwill is mainly attribute to listing platform of Juda International and its business. As at 31 December 2014, according to the recoverable amount of Juda International's assets group, there is no need to make provision for goodwill listed above. Of which, the recoverable amount is calculated based on the market value of listed companies of Juda International.

*(17). Derivative financial assets*

	31 December 2014	31 December 2013
Financial derivative liabilities		
Forward foreign exchange contracts		
– cash flow hedges	<u>3,452</u>	<u>–</u>
Total	<u><u>3,452</u></u>	<u><u>–</u></u>

To hedge the risk of two AUD debt investments (note 5(15)(a)), the Group entered into AUD forward contract amounted to AUD21,700,000 with maturity date on 1 August 2018 and AUD forward contract amounted to AUD52,080,000 with maturity date on 31 January 2018.

*(18). Provisions for impairment of assets*

	31 December 2013	Additions	Reductions		31 December 2014
			Through reversal	Through realization	
Provisions for					
doubtful debts	48,791	–	–	–	48,791
including:					
accounts receivable	7,000	–	–	–	7,000
other receivables	41,791	–	–	–	41,791
Provisions for					
inventories	–	308,394	–	–	308,394
Provisions for held for					
sale assets	<u>–</u>	<u>14,899</u>	<u>–</u>	<u>–</u>	<u>14,899</u>
Total	<u><u>48,791</u></u>	<u><u>323,293</u></u>	<u><u>–</u></u>	<u><u>–</u></u>	<u><u>372,084</u></u>

*(19). Short-term borrowings*

	Currency	31 December 2014	31 December 2013
Trust loans(a)	RMB	550,000	996,000
Bank loans(b)	RMB	4,886,900	83,976
	USD	211,105	294,939
	HKD	<u>12,070</u>	<u>–</u>
Total		<u>5,660,075</u>	<u>1,374,915</u>

*(a) Trust loans*

As at 31 December 2014, short-term borrowings of RMB400,000,000 (31 December 2013: nil) are secured by the pledge of 100% equity of the subsidiary of the Company and guaranteed by the Company.

As at 31 December 2014, short-term borrowings of RMB150,000,000 (31 December 2013: nil) are guaranteed by the Company.

*(b) Bank loans*

As at 31 December 2014, short-term borrowings of RMB200,000,000 (31 December 2013: nil) are unsecured loan of the Company.

As at 31 December 2014, short-term borrowings denominated in HKD equivalent to RMB12,070,000 (31 December 2013: nil) are unsecured loan of the Group.

As at 31 December 2014, short-term borrowings of RMB29,000,000 (31 December 2013: nil) are guaranteed by the Company.

As at 31 December 2014, short-term borrowings of RMB400,000,000 (31 December 2013: nil) are secured by the mortgage of certain land use rights and buildings in properties under development of the Group and by the pledge of security deposits.

As at 31 December 2014, short-term borrowings of RMB760,000,000 (31 December 2013: nil) are guaranteed by the Company and secured by the mortgage of certain land use rights.

As at 31 December 2014, short-term borrowings of RMB2,100,000,000 (31 December 2013: nil) are secured by the pledge of certain bank deposit of the subsidiary of the Company.

As at 31 December 2014, short-term borrowings of RMB497,900,000 (31 December 2013: nil) are secured by the mortgage of certain land use rights in properties under development and buildings of the Group.

As at 31 December 2014, short-term borrowings denominated in USD equivalent to RMB211,105,000 (31 December 2013: RMB212,021,000) are secured by the pledge of certain bank deposit of the Group.

As at 31 December 2014, short-term borrowings of RMB900,000,000 (31 December 2013: nil) are secured by the mortgage of certain land use rights in properties under development of the Group and by the pledge of 100% equity of the subsidiary of the Company with guaranteed provided by the Company.

In 2014, the weighted average interest of short-term borrowings is 8.99% (2013: 10.01%).

**(20). Accounts payable**

The aging analysis of accounts payable is as follows:

	<b>31 December 2014</b>	<b>31 December 2013</b>
Within 1 year	2,154,123	2,471,665
Over 1 year	<u>1,895,395</u>	<u>1,331,731</u>
Total	<u><u>4,049,518</u></u>	<u><u>3,803,396</u></u>

**(21). Advances from customers**

	<b>31 December 2014</b>	<b>31 December 2013</b>
Advances from sales of properties under development (i)	11,606,650	6,983,944
Hotel advances	<u>13,321</u>	<u>17,909</u>
Total	<u><u>11,619,971</u></u>	<u><u>7,001,853</u></u>

- (i) Advances from sales of properties under development are amounts proceed from customers. As such properties are not available for use at the end of the year, corresponding revenue was not recognized.

**(22). Employee benefits payable**

	<b>31 December 2014</b>	<b>31 December 2013</b>
Short-term employee benefits payable	207,097	135,170
Defined contribution plans payable	<u>2,698</u>	<u>2,741</u>
Total	<u><u>209,795</u></u>	<u><u>137,911</u></u>

**(a) Short-term employee benefits payable**

	<b>31 December 2013</b>	<b>Increase</b>	<b>Decrease</b>	<b>31 December 2014</b>
Wages and salaries, bonuses, allowances and subsidies	49,775	343,345	(315,917)	77,203
Staff welfare	126	1,526	(1,175)	477
Social security contributions	1,221	14,669	(14,627)	1,263
Including: Medical insurance premiums	946	12,422	(12,348)	1,020
Work injury insurance	87	1,059	(1,047)	99
Maternity insurance	188	1,188	(1,232)	144
Housing funds	982	18,379	(18,484)	877
Labour union funds and employee education funds	7,460	3,394	(3,512)	7,342
Profit-sharing plan	45,963	50,000	-	95,963
Director's emoluments	28,486	11,150	(17,020)	22,616
Other	<u>1,157</u>	<u>2,047</u>	<u>(1,848)</u>	<u>1,356</u>
Total	<u><u>135,170</u></u>	<u><u>444,510</u></u>	<u><u>(372,583)</u></u>	<u><u>207,097</u></u>

As at 31 December 2014, there is no default payment in employee benefits, and the balance will be paid in 2015.

*(b) Defined contribution plans payable*

	31 December 2013	Increase	Decrease	31 December 2014
Basic social pension security	2,264	29,996	(29,903)	2,357
Annuity	335	1,524	(1,634)	225
Unemployment security	142	1,889	(1,915)	116
Total	<u>2,741</u>	<u>33,409</u>	<u>(33,452)</u>	<u>2,698</u>

*(23). Taxes payable*

	31 December 2014	31 December 2013
Enterprise income tax payable	769,103	594,130
Land appreciation tax payable	1,484,184	1,627,007
Business tax payable	205,854	252,582
Others	<u>23,450</u>	<u>45,317</u>
Total	<u>2,482,591</u>	<u>2,519,036</u>

*(24). Dividends payable*

	31 December 2014	31 December 2013
Reco Ziyang	802,124	262,833
Beijing Jiayuan Hongye Investment and Management Co., Ltd.	–	21,753
Beijing Zhongnan Xingye Investment Co., Ltd.	–	3,941
Dividend of senior perpetual securities	98,422	–
Dividend of Minsheng Jiayin Asset Management Plan	<u>155,125</u>	<u>–</u>
Total	<u>1,055,671</u>	<u>288,527</u>



*(25). Other payables*

	<b>31 December 2014</b>	<b>31 December 2013</b>
Payables to associates <i>(note 8(5)(e))</i>	409,958	2,085,570
Payables to joint ventures <i>(note 8(5)(e))</i>	933,347	232,978
Collection of deeds tax and maintenance funds on behalf of government	224,246	144,557
Tender bond	45,570	46,475
Loans due to Non-controlling shareholders of subsidiaries <i>(i) (note 8(5)(e))</i>	56,714	170,780
Deposits from customers	54,038	77,734
Payables for operations	263,933	110,503
Advances from equity disposal <i>(ii)</i>	163,574	470,000
Others	<u>402,727</u>	<u>244,869</u>
Total	<u><u>2,554,107</u></u>	<u><u>3,583,466</u></u>

*(i)* As at 31 December 2014, loans borrowed from non-controlling shareholders of subsidiaries are loan provided by Reco Ziyang to Chengdu Xinzi. Of which, loan provided by Reco Ziyang to Chengdu Xinzi amounted to RMB56,714,000, which is interest free, unsecured, and with no maturity date;

*(ii)* The balance includes the advances from disposal of 10% in Hainan Dalecheng's equity interests (note 5(7)(b)) and disposal of NWCI's equity interests and shareholder's loan amounted to RMB143,574,000.

**(26). Current portion of non-current liabilities**

	Currency	31 December 2014	31 December 2013
Long-term borrowings due within one year(a)	RMB	3,930,900	4,300,857
	USD	–	288,993
Debentures payable due within one year(b)	RMB	<u>1,988,703</u>	<u>2,147,586</u>
Total		<u><u>5,919,603</u></u>	<u><u>6,737,436</u></u>

(a) Long-term borrowings due within one year of the Group is disclosed in note 5(28).

(b) Bonds payable due within one year is disclosed in note 5(29).

**(27). Liabilities classified as held for sale (note 5(7))**

	31 December 2014	31 December 2013
Short-term borrowings	40,000	–
Accounts payable	176	60,768
Taxes payable	3,116	20,470
Interest payable	–	1,734
Current portion of non-current liabilities	–	12,500
Deferred taxes liabilities	3,081	–
Long-term borrowings	–	782,500
Other payables	<u>2,796</u>	<u>–</u>
Total	<u><u>49,169</u></u>	<u><u>877,972</u></u>

*(28). Long-term borrowings*

	Currency	31 December 2014	31 December 2013
Unsecured loans (a)	RMB	150,000	–
Secured loans:			
– Guaranteed (b)	RMB	378,000	2,308,000
	USD	–	106,707
– Mortgaged (c)	RMB	3,997,162	3,150,657
	USD	–	177,408
– Pledged (d)	RMB	336,000	210,000
– Trust (e)	RMB	3,777,000	2,750,000
– Guaranteed, mortgaged (f)	RMB	7,545,100	2,578,100
– Guaranteed, pledged (g)	RMB	939,000	925,000
	USD	–	258,753
– Guaranteed, mortgage, pledged (h)	RMB	540,000	864,538
– Debt investment plan (i)	RMB	<u>4,000,000</u>	<u>2,000,000</u>
Subtotal		<u>21,662,262</u>	<u>15,329,163</u>
<i>Less: Long-term borrowings due within one year including:</i>			
Unsecured loans (a)	RMB	–	–
Secured loans:			
– Guaranteed (b)	RMB	(20,000)	(2,308,000)
	USD	–	(106,707)
– Mortgaged (c)	RMB	(958,800)	(1,212,957)
	USD	–	(177,408)
– Pledged (d)	RMB	(176,000)	–
– Trust (e)	RMB	(830,000)	(20,000)
– Guaranteed, mortgaged (f)	RMB	(1,326,100)	(459,900)
– Guaranteed, pledged (g)	RMB	(180,000)	(130,000)
	USD	–	(4,878)
– Guaranteed, mortgaged, pledged (h)	RMB	<u>(440,000)</u>	<u>(170,000)</u>
Subtotal		<u>(3,930,900)</u>	<u>(4,589,850)</u>
Net long-term borrowings		<u>17,731,362</u>	<u>10,739,313</u>

As at 31 December 2014, long-term borrowings include:

(a) *Unsecured loans*

As at 31 December 2014, bank borrowings of RMB150,000,000 (31 December 2013: nil) are unsecured loan of the Company.

(b) *Guaranteed loans*

As at 31 December 2014, the guaranteed loans of RMB and USD were equivalent to RMB378,000,000 (31 December 2013: RMB2,414,707,000) guaranteed by the Company. Principal is due for repayment by installment before April 2017. Among the loans above, as RMB20,000,000 should be repaid on or before 31 December 2015, such amount was classified as long-term borrowings due within one year in financial statement.

(c) *Mortgaged loans*

As at 31 December 2014, bank borrowing of RMB1,499,160,000 (31 December 2013: RMB1,452,200,000) were secured by the mortgage of certain land use rights in properties under development of the Group (note 5(6)). Of which, the interests of principal of RMB248,318,000 are payable quarterly, interests of principal of RMB1,250,842,000 are payable monthly, and the principal is due for repayment by installment before October 2021. Among the loans above, RMB370,500,000 should be repaid on or before 19 November 2015, such amount was classified as long-term borrowings due within one year in financial statement.

As at 31 December 2014, bank borrowing of RMB570,000,000 (31 December 2013: RMB600,000,000) were secured by the mortgage of certain buildings and land use rights in investment properties of the Group (note 5(12)). Of which, interests of principal of RMB455,500,000 are payable quarterly, interests of principal of RMB114,500,000 are payable monthly. The principal is due for repayment by installment on or before 15 December 2020. Among the loans above, as RMB60,000,000 should be repaid on or before 31 December 2015, such amount was classified as long-term borrowings due within one year in financial statement.

As at 31 December 2014, bank borrowing of RMB118,600,000 (31 December 2013: RMB813,457,000) were secured by the mortgage of certain land use rights in properties under development and the related income rights of the Group (note 5(6)). The principal is due for repayment by installment on or before July 2015. Such amount was classified as long-term borrowings due within one year in financial statement.

As at 31 December 2014, bank borrowing of RMB521,900,000 (31 December 2013: RMB135,000,000) were secured by the mortgage of certain buildings of the Group (note 5(6)). Of which, interests of principal of RMB220,000,000 are payable quarterly, interests of principal of RMB301,900,000 are payable monthly. The principal is due for repayment by installment on or before October 2021. Among the loans above, as RMB117,200,000 should be repaid on or before 31 December 2015, such amount was classified as long-term borrowings due within one year in financial statement.

As at 31 December 2014, bank borrowing of RMB1,287,502,000 (31 December 2013: RMB150,000,000) were secured by the mortgage of certain buildings and land use rights under development of the Group (note 5(6)). Of which, interests of principal of RMB2,000,000 are payable quarterly, interests of principal of RMB1,285,502,000 are payable monthly. The principal is due for repayment by installment before October 2021. Among the loans above, as RMB292,500,000 should be repaid before 31 December 2015, such amount was classified as long-term borrowings due within one year in financial statement.

*(d) Pledged loans*

As at 31 December 2014, bank borrowings of RMB336,000,000 (31 December 2013: RMB210,000,000) were secured by the pledge of security deposits of the Group and its subsidiaries. The principal is due for repayment by installment before 17 December 2016. As RMB176,000,000 should be repaid on or before 31 December 2015, such amount was classified as long-term borrowings due within one year.

*(e) Trust loans*

As at 31 December 2014, trust loans of RMB780,000,000 (31 December 2013: RMB800,000,000) were guaranteed by Capital Group and the Company. Interest rate is fixed at 8.00%. And interests are payable quarterly. The principal will be due for repayment in December 2016. As RMB20,000,000 should be repaid before 31 December 2015, such amount was classified as long-term borrowings due within one year.

As at 31 December 2014, trust loans of RMB597,000,000 (31 December 2013: nil) were unsecured loans by the Company. Interest rate is fixed at 9.50%. And interests are payable quarterly. The principal will be due for repayment by installment before 22 October 2016.

As at 31 December 2014, trust loans of RMB1,400,000,000 (31 December 2013: RMB950,000,000) were guaranteed by the Company. Of which, RMB600,000,000 is due for repayment on 28 February 2015, with fixed interest rate of 8.50% and interests payable quarterly, and RMB800,000,000 is due for repayment on 24 September 2016, with fixed interest rate of 9.00% and interests payable quarterly. As RMB810,000,000 should be repaid on or before 31 December 2015, such amount was classified as long-term borrowings due within one year.

As at 31 December 2014, trust loans of RMB1,000,000,000 (31 December 2013: RMB1,000,000,000) were guaranteed by Capital Group. Interest rate is fixed at 8.20%. Interest are payable quarterly. The principal will be due for repayment on 28 March 2016.

*(f) Guaranteed and mortgaged loans*

As at 31 December 2014, the guaranteed and mortgaged loans of the Group amounted to RMB7,545,100,000 (31 December 2013: RMB2,578,100,000). Of which, RMB3,038,100,000 (31 December 2013: RMB502,100,000) is guaranteed by the Company for its subsidiaries and secured by residential properties and land use rights in properties under development (note 5(6)) of the Group; RMB1,937,000,000 (31 December 2013: RMB883,000,000) is guaranteed by the Company for its subsidiaries and secured by land use rights in properties under development (note 5(6)) of the Group; RMB457,000,000 (31 December 2013: RMB500,000,000) is guaranteed by the Company and secured by certain residential properties in properties under development (note 5(6)) of the Group. RMB160,000,000 (31 December 2013: RMB200,000,000) is guaranteed by the Company and secured by certain investment properties (note 5(12)) of the Group; RMB635,000,000 (31 December 2013: nil) is guaranteed by the company and secured by residential properties and land use rights (note 5(13)) in intangible assets (note 5(14)); RMB98,000,000 (31 December 2013: RMB190,000,000) is guaranteed by the Group and secured by certain land use rights in properties under development (note 5(6)) of the Group; RMB1,220,000,000 (31 December 2013: nil) is guaranteed by Capital Group for its subsidiaries and secured by certain land use rights in properties under development (note 5(6)) of the Group, and the principle should be repaid by installment on or before 30 June 2024. Among the loans above, as RMB1,326,100,000 is due for repayment on or before 30 June 2015, such amount was classified as long-term borrowings due within one year.

*(g) Guaranteed and pledged loans*

As at 31 December 2014, the guaranteed and pledged loans of the Group were amounted to RMB939,000,000 (31 December 2013: RMB1,183,753,000). Of which, RMB650,000,000 (31 December 2013: RMB1,008,752,400) is guaranteed by the Company and secured by the pledge of equity of the Group. RMB72,500,000 (31 December 2013: RMB87,500,000) is guaranteed by the Company, RMB72,500,000 (31 December 2013: RMB87,500,000) is guaranteed by the rights and gains of primary land development projects. RMB144,000,000 (31 December 2013: nil) is secured by guarantee of the Company and pledge of the security deposits of the Group. Among loans above, as RMB180,000,000 is due for repayment on or before 31 December 2015, such amount was classified as long-term borrowings due within one year. Other principal is due for repayment by installment before March 2017.

*(h) Guaranteed, mortgaged and pledged loans*

As at 31 December 2014, the guaranteed, mortgaged and pledged loans of the Group amounted to RMB540,000,000 (31 December 2013: RMB864,538,000). Of which, RMB220,000,000 is guaranteed by the Company and secured by the mortgage of buildings and land use rights in properties under development (note 5(6)) of the Group, and secured by the pledge of rights for its gains; RMB320,000,000 is guaranteed by the Company and secured by the mortgage of land use rights in properties under development of the Group, and secured by the pledge of gains from development project and project insurance. Among the loans above, as RMB440,000,000 is due for repayment before 31 October 2015, such amount was classified as long-term borrowings due within one year. Other principal is due for repayment by installment before July 2016.

*(i) Debt investment plan*

As at 31 December 2014, the Group received RMB4,000,000,000 (31 December 2013: RMB2,000,000,000) through a debt investment plan. The loan was guaranteed by Capital Group. Interests are payable quarterly with a fixed rate of 9.5% and the principal will be due for repayment by installment before October 2019.

In 2014, the weighted average interest rate of long-term borrowings is 7.41% (2013: 8.40%).

**(29). Debentures payable**

	31 December 2013	Issue in current year	amortization of premium/ discount	Redemption in current year	Transferred into current portions of debentures payable	31 December 2014	Interest at book value
Corporate bonds	1,977,532	-	11,171	-	(1,988,703)	-	152,000
Medium term notes	-	3,212,917	4,195	-	-	3,217,112	166,042
Total	1,977,532	3,212,917	15,366	-	(1,988,703)	3,217,112	318,042

Information about bonds are as follow:

	Book value	Date of issue	Duration	Release amount
2 billion RMB bonds	2,000,000	29/11/2012	3 years	1,966,049
2 billion medium term note	2,000,000	17/02/2014	3 years	1,965,029
250 million medium term note	250,000	17/02/2014	5 years	245,627
1 billion medium term note	1,000,000	04/04/2014	Matured at 16/02/2017	1,002,261

- (a) On 29 November 2012, Central Plaza, a subsidiary of the Company issued corporate bonds amounted to RMB2,000,000,000. The Company received proceeds amounted to RMB1,966,065,000 net of issuance costs, and RMB152,000,000 among the proceeds are security deposits for bond interests. The bond carries a fixed annual interest rate of 7.6% with a maturity period of 3 years, and the interest will be paid every six months. The principal and the interests for the last period will be fully repayable on the maturity date. IFC and some subsidiaries provided unconditional and irrevocable joint guarantees and the Company entered into a Keepwell Deed for the bonds. Pursuant to the Keepwell Deed, the Company commits to assist Central Plaza to remain solvent and going concern at all times, to assist both Central Plaza and IFC to have sufficient liquidity to ensure timely payment of any amounts payable in respect of the Bonds and the Guarantee in accordance with the Terms and Conditions of the Bonds and other obligations under the Keepwell Deed. Principal shall be repaid in 28 November 2015 therefore is reclassified as current portions of non-current liability.



- (b) On 10 February, 2014, the Board of Directors of the Company announced the establishment of medium-term notes and perpetual securities program. Under the plan, Central Plaza may issue and offer to professional and institutional investors and issuers of securities, the principal limit up to USD1,000,000,000 (or the equivalent in other currencies currency units). Securities will be issued in different batches release date and different terms. IFC and part of its subsidiaries provided guarantees and the Company entered into a Keepwell Deed for the medium-term notes. Pursuant to the Keepwell Deed, the Company will undertake to cause Central Plaza to remain solvent and a going concern at all times, and guarantee each of Central Plaza and IFC have sufficient liquidity to ensure timely repayment in respect of the bonds and the guarantee in accordance with the terms and conditions of the bonds and other obligations under the Keepwell Deed.

On 17 February 2014, Central Plaza issued corporate bonds amounted to RMB2,000,000,000. The Company received proceeds amounted to RMB1,965,029,000 net of issuance costs. The bond carries a fixed annual interest rate of 5.75% with a maturity period of 3 years, and the interest will be paid every six months. The principal will be repaid together with interest of the last period.

On 17 February 2014, Central Plaza issued corporate bonds amounted to RMB250,000,000. The Company received proceeds amounted to RMB245,627,000 net of issuance costs. The bond carries a fixed annual interest rate of 6.875% with a maturity period of 5 years, and the interest will be paid every six months. The principle will be repaid together with the interest of the last period.

On 4 April 2014, Central Plaza issued corporate bonds amounted to RMB1,000,000,000. The Company received proceeds amounted to RMB1,002,261,000 net of issuance costs. The bond carries a fixed annual interest rate of 5.75% and the maturity date is 16 February 2017. The interest will be paid every six months. The principle will be repaid together with the interest of the last period.

**(30). Long-term payables**

	31 December 2014	31 December 2013
Donghai Securities Co., Ltd. ("Donghai Securities")(a)	880,000	–
CITIC Prudential Asset Management Co., Ltd. ("CITIC Prudential")(b)	<u>650,000</u>	<u>–</u>
Total	<u><u>1,530,000</u></u>	<u><u>–</u></u>

(a) As at 31 December 2014, the amount is the principal of borrowings due to Donghai Securities, which is a two-years loan with an annual interest rate of 9.3%.

(b) As at 31 December 2014, the amount is the principal of borrowings due to the CITIC Prudential, which is a three-years borrowing with an annual interest rate of 10%, guaranteed by the Company and pledged by equity interests of subsidiaries of the Group.

**(31). Deferred tax assets and deferred tax liabilities****(a) Deferred tax assets before offsetting**

	<u>As 31 December 2014</u>		<u>As at 31 December 2013</u>	
	Deferred tax assets	Deductible temporary differences	Deferred tax assets	Deductible temporary differences
Provision for asset impairment	10,078	40,314	10,078	40,314
Accrued salaries and other cost and expenses	65,420	261,680	117,246	468,982
Accumulated losses	166,931	667,722	70,596	282,383
Internal unrealized profits elimination	<u>150,207</u>	<u>600,828</u>	<u>165,019</u>	<u>660,077</u>
Total	<u><u>392,636</u></u>	<u><u>1,570,544</u></u>	<u><u>362,939</u></u>	<u><u>1,451,756</u></u>

	<u>As 31 December 2014</u>		<u>As at 31 December 2013</u>	
	<b>Deferred tax assets</b>	<b>Deductible temporary differences</b>	<b>Deferred tax assets</b>	<b>Deductible temporary differences</b>
Including:				
Amount of reversal expected within 1 year (including 1 year)	130,799	523,196	199,815	799,260
Amount of reversal expected beyond 1 year	<u>261,837</u>	<u>1,047,348</u>	<u>163,124</u>	<u>652,496</u>

As at 31 December 2014, the Group has not recognized deferred tax in respect of deductible losses amounting to RMB1,291,109,000 (31 December 2013: RMB890,842,000), which will be expired as follows:

	<b>31 December 2014</b>	<b>31 December 2013</b>
2014	–	80,793
2015	55,147	55,147
2016	239,400	239,400
2017	257,604	257,604
2018	257,898	257,898
2019	<u>481,060</u>	<u>–</u>
Total	<u>1,291,109</u>	<u>890,842</u>

As at 31 December 2014, the Group has not recognized deferred tax in respect of deductible asset impairment losses amounting to RMB331,769,000 (31 December 2013: RMB8,477,000).

(b) *Deferred tax liabilities before offsetting*

	<u>As 31 December 2014</u>		<u>As at 31 December 2013</u>	
	<b>Deferred tax liabilities</b>	<b>Taxable temporary differences</b>	<b>Deferred tax liabilities</b>	<b>Taxable temporary differences</b>
Withholding income tax	8,220	88,530	12,118	127,889
Change in fair value of available-for-sale financial assets	2,005	8,023	14,575	58,304
Business combination not under common control	249,400	997,600	45,740	182,960
Changes in fair value of investment properties recognized in profit or loss	275,058	1,100,232	197,768	791,072
Capitalized interest	335,921	1,343,681	137,281	549,114
Changes in fair value of investment properties recognized in other comprehensive income ( <i>note 5(47)</i> )	<u>188,896</u>	<u>755,584</u>	<u>412,136</u>	<u>1,648,544</u>
<b>Total</b>	<b><u>1,059,500</u></b>	<b><u>4,293,650</u></b>	<b><u>819,618</u></b>	<b><u>3,357,883</u></b>
Including:				
Amount of reversal expected within 1 year (including 1 year)	317,352	1,269,408	290,225	1,160,900
Amount of reversal expected beyond 1 year	<u>742,148</u>	<u>3,024,242</u>	<u>529,393</u>	<u>2,196,983</u>

(c) The net balances of deferred tax assets and liabilities after offsetting are as follows:

	31 December 2014	31 December 2013
Deferred tax assets, net	<u>302,854</u>	<u>323,273</u>
Deferred tax liabilities, net	<u>969,718</u>	<u>779,952</u>

**(32). Share capital**

	Number of shares (in thousand)	Share capital (RMB' 000)
Registered, issued and fully paid: as at 31 December 2014	<u>2,027,960</u>	<u>2,027,960</u>
Registered, issued and fully paid: as at 31 December 2013	<u>2,027,960</u>	<u>2,027,960</u>

**(33). Capital surplus**

	31 December 2013	Additions	Reductions	31 December 2014
Share premium (note 4(5))	796,476	96,387	(222,728)	670,135
Compensation on LAT granted by promoters	<u>35,974</u>	<u>–</u>	<u>–</u>	<u>35,974</u>
Total	<u>832,450</u>	<u>96,387</u>	<u>(222,728)</u>	<u>706,109</u>

	31 December 2012	Additions	Reductions	31 December 2013
Share premium	794,498	56,169	(54,191)	796,476
Compensation on LAT granted by promoters	<u>35,974</u>	<u>–</u>	<u>–</u>	<u>35,974</u>
Total	<u>830,472</u>	<u>56,169</u>	<u>(54,191)</u>	<u>832,450</u>

**(34). Surplus reserve**

	31 December 2013	Additions	Reductions	31 December 2014
Statutory surplus reserve	<u>341,768</u>	<u>18,860</u>	<u>–</u>	<u>360,628</u>

	31 December 2012	Additions	Reductions	31 December 2013
Statutory surplus reserve	<u>341,768</u>	<u>–</u>	<u>–</u>	<u>341,768</u>

In accordance with the Company Law and the Company's Articles of Association, the Company should appropriate 10% of net profit for the year to the statutory surplus reserve, and the Company can cease appropriation when the statutory surplus reserve accumulated to more than 50% of the registered capital. The statutory surplus reserve can be used to make up for the loss or increase the paid in capital after approval from the appropriate authorities. The Company appropriated surplus reserve of RMB18,860,000 (2013: nil) for the 2014.

The Company appropriates for the discretionary surplus reserve after the shareholders' meeting approves the proposal from the Board of Directors. The discretionary surplus reserve can be used to make up for the loss or increase the paid in capital after approval from the appropriate authorities. The Company did not appropriate discretionary surplus reserve for the 2014 (2013: nil).

**(35). Undistributed profits**

	<b>2014</b>	<b>2013</b>
Dividends proposed but not paid		
by the end of the year	506,990	446,151
Dividends proposed during the year	<u>446,151</u>	<u>324,474</u>

As at 31 December 2014, included in the undistributed profits, subsidiaries' surplus reserve attributable to the parent company amounted to RMB1,013,783,000 (31 December 2013: RMB810,913,000). In 2014, surplus reserve accrued by the subsidiaries attributable to the parent company is RMB202,870,000 (2013: RMB86,939,000).

In accordance with the resolution at the General Meeting of Shareholders held on 17 April 2013, the Company declared a cash dividend of RMB0.16 per share to the shareholder for the year of 2012, which amounted to RMB324,474,000 based on the Company's total number of issued shares of 2,027,960,000.

In accordance with the resolution at the General Meeting of Shareholders held on 14 March 2014, the Company declared a cash dividend of RMB0.22 per share to the shareholders for the year 2013, which amounted to RMB446,151,000 based on the Company's total number of issued shares of 2,027,960,000.

On 9 February 2015, the Board proposed distributing dividend RMB0.25 per share to the shareholders for the year 2014, which amounted to RMB506,990,000, which will be submitted for the scrutiny of the Annual Shareholders' Meeting on 31 March 2015.

**(36). Revenue and cost of sales**

	<b>2014</b>	<b>2013</b>
Revenue from main operations (a)	9,849,381	11,086,164
Revenue from other operations (b)	<u>208,586</u>	<u>234,676</u>
Total	<u>10,057,967</u>	<u>11,320,840</u>

	2014	2013
Cost of sales from main operations (a)	6,956,717	7,491,132
Cost of sales from other operations (b)	<u>99,808</u>	<u>64,380</u>
Total	<u><u>7,056,525</u></u>	<u><u>7,555,512</u></u>

## (a) Revenue and cost of sales from main operations

	2014		2013	
	Main operating revenue	Main operating costs	Main operating revenue	Main operating costs
Sale of properties and related consulting services	9,194,660	6,700,333	10,603,569	7,251,446
Land development	472,644	175,428	349,940	146,240
Rental revenue of outlets	92,417	–	34,037	–
Hotel services	<u>89,660</u>	<u>80,956</u>	<u>98,618</u>	<u>93,446</u>
Total	<u><u>9,849,381</u></u>	<u><u>6,956,717</u></u>	<u><u>11,086,164</u></u>	<u><u>7,491,132</u></u>

## (b) Revenue and cost of sales from other operations

	2014		2013	
	Other operating revenue	Other operating costs	Other operating revenue	Other operating costs
Sales of investment properties	12,136	6,142	141,281	45,490
Sales of Chemical products	109,491	93,452	19,487	18,587
Other businesses	<u>86,959</u>	<u>214</u>	<u>73,908</u>	<u>303</u>
Total	<u><u>208,586</u></u>	<u><u>99,808</u></u>	<u><u>234,676</u></u>	<u><u>64,380</u></u>



**(37). Tax and surcharges**

	<b>2014</b>	<b>2013</b>
Business tax	501,858	589,059
VAT	63,723	405,942
Business tax surcharges	<u>79,828</u>	<u>74,221</u>
 Total	 <u><u>645,409</u></u>	 <u><u>1,069,222</u></u>

**(38). Expenses by nature**

Operating costs, sales expenses and management expenses in the income statement classified by nature are as follows:

	<b>2014</b>	<b>2013</b>
Wages, social security and welfare (i)	257,868	287,241
Administrative office expenses	80,184	65,308
Tax expenses	27,109	18,861
Depreciation and amortization	52,371	44,284
Travel and entertainment expenses	25,036	28,421
Intermediary service fee	61,409	56,615
Auditor's remuneration	10,573	8,923
Audit service related expenses	2,914	683
Marketing and commission fee	379,103	305,897
Costs of properties sold	6,796,208	7,332,863
Cost of sales in hotel services	41,633	44,817
Cost of sales of Chemical products	87,410	17,739
Others	<u>53,411</u>	<u>33,949</u>
 Total	 <u><u>7,875,229</u></u>	 <u><u>8,245,601</u></u>

(i) Including the basic social pension security for the year 2014 amount to 16,185,000 (2013: 20,692,000).

*(39). Financial (income)/expense – net*

	2014	2013												
Interest expenses	2,015,090	1,484,980												
<table> <tbody> <tr> <td>Including: Bank loans</td> <td style="text-align: right;">863,378</td> <td style="text-align: right;">766,999</td> </tr> <tr> <td>Trust loans</td> <td style="text-align: right;">353,694</td> <td style="text-align: right;">386,125</td> </tr> <tr> <td>Bonds payables</td> <td style="text-align: right;">411,139</td> <td style="text-align: right;">284,389</td> </tr> <tr> <td>Other loans</td> <td style="text-align: right;">386,879</td> <td style="text-align: right;">47,467</td> </tr> </tbody> </table>			Including: Bank loans	863,378	766,999	Trust loans	353,694	386,125	Bonds payables	411,139	284,389	Other loans	386,879	47,467
Including: Bank loans	863,378	766,999												
Trust loans	353,694	386,125												
Bonds payables	411,139	284,389												
Other loans	386,879	47,467												
Less: Amount capitalized	<u>(1,878,702)</u>	<u>(906,879)</u>												
Interest expense-net	136,388	578,101												
Interest income	(307,050)	(335,683)												
Exchange gains or losses – net	29,906	20,849												
Others	<u>7,419</u>	<u>8,463</u>												
Net	<u><u>(133,337)</u></u>	<u><u>271,730</u></u>												

Interest expenses analyzed by the maturity bank and other borrowings are as follows:

	2014		2013	
	Bank borrowings	Other borrowings	Bank borrowings	Other borrowings
Wholly repayable				
within five years	793,510	1,151,712	707,211	717,981
Not wholly repayable				
within five years	<u>69,868</u>	<u>–</u>	<u>59,788</u>	<u>–</u>
Total	<u><u>863,378</u></u>	<u><u>1,151,712</u></u>	<u><u>766,999</u></u>	<u><u>717,981</u></u>

**(40). Asset impairment**

	<b>2014</b>	<b>2013</b>
Provision accrual for inventory impairment (note 5(6))	308,394	–
Impairment of inventories held for sale	<u>14,899</u>	<u>–</u>
Total	<u><u>323,293</u></u>	<u><u>–</u></u>

**(41). Non-operating income**

	<b>2014</b>	<b>2013</b>
Excess of the fair value of the identifiable net assets acquired over the total consideration (note 4(2))	95,959	–
Government grants	11,821	254,018
Gains on disposal of fixed assets	677	35
Others	<u>7,432</u>	<u>1,970</u>
Total	<u><u>115,889</u></u>	<u><u>256,023</u></u>

**(42). Non-operating expense**

	<b>2014</b>	<b>2013</b>
Default fine (i)	39,625	44,977
Losses on disposal of fixed assets	–	5
Donations	525	238
Delaying payment fine	684	–
Others	<u>4,150</u>	<u>13,164</u>
Total	<u><u>44,984</u></u>	<u><u>58,384</u></u>

- (i) In 2014, the default fine is the provision of a subsidiary of the Group since the ownership certificates of the sold properties cannot be applied in time according to the pre-sale contracts.

**(43). (Losses)/gains on changes in fair value**

	<b>2014</b>	<b>2013</b>
Financial assets at fair value through profit or loss	(19,753)	58,440
Derivative instrument (i)	(3,264)	–
Investment properties subsequently measured at fair value model (note 5(12)(b))	351,867	431,312
Realized fair value losses in properties sold	<u>(42,707)</u>	<u>–</u>
 Total	 <u><u>286,143</u></u>	 <u><u>489,752</u></u>

(i) The derivative instruments is the forward contracts hedging the currency risk of the AUD investment, which is accounted by cash flow hedging (note 5(17)), the losses on changes in fair value amounted to RMB21,000 in 2014 (2013: nil) represent the ineffective portion of such cash flow hedging.

**(44). Investment income**

	<b>2014</b>	<b>2013</b>
Share of net profit or loss of investees under equity method (note 5(10))	369,592	99,153
Gains from disposal of subsidiaries (note 4(4))	622,763	73,088
Gains from deemed disposal in the business combinations (note 4(2))	189,807	–
Gains from disposal of joint ventures and associates	20,000	2,366
Gains from disposal of available-for-sale financial assets	46,419	9,865
Dividend income from available-for-sale financial assets	2,104	772
Losses of termination of investment	(9,364)	–
Others	<u>439</u>	<u>17,270</u>
 Total	 <u><u>1,241,760</u></u>	 <u><u>202,514</u></u>

**(45). Income tax expenses**

No provision for Hong Kong profits tax has been made as the Group has no assessable profits in Hong Kong for the 2014 (2013: nil).

PRC income tax is computed according to the relevant laws and regulations in the PRC. The applicable PRC income tax rate is 25% (2013: 25%).

Withholding income tax should be charged against income from taxable dividends of non-resident enterprises in mainland China and investments disposal in mainland China with the tax rate of 5%-10% according to the relevant laws and regulations in the PRC.

The amount of taxation charged to the consolidated income statement represents:

	<b>2014</b>	<b>2013</b>
Current income tax	436,219	560,182
Deferred income tax	<u>246,233</u>	<u>150,287</u>
Total	<u><u>682,452</u></u>	<u><u>710,469</u></u>

Reconciliations from income tax calculated based on the applicable tax rates and total profit presented in the consolidated financial statements to the income tax expenses are listed below:

	<b>2014</b>	<b>2013</b>
Total profit	<u>2,946,181</u>	<u>2,624,192</u>
Income tax expenses calculated at applicable tax rates (25%)	736,545	656,048
Share of net profit or loss of joint ventures and associates under equity method	(92,398)	(24,788)
Profit not subject to tax	(71,968)	(2,591)
Utilisation of unrecognised tax losses by disposal of subsidiaries	(83,092)	–

	2014	2013
Distribution eligible for tax deduction (i)	(63,710)	–
Deductible losses for which no deferred income tax asset was recognized	120,265	64,474
Impairment provision for which no deferred income tax asset was recognized	80,823	–
Withholding income tax at different tax rate	10,683	8,242
Expenses, costs and losses not deductible for tax purposes	15,671	10,653
Tax differences of investees at different rate	29,633	–
Other	<u>–</u>	<u>(1,569)</u>
Income tax expenses	<u>682,452</u>	<u>710,469</u>

(i) Such amount represents tax deductible interest expenses on equity instruments issued by subsidiaries.

**(46). Earnings per share**

Basic earnings per share is calculated by dividing the consolidated net profit attributable to equity holders of the parent company by the weighted average number of ordinary shares outstanding during the year:

	2014	2013
Consolidated net profit attributable to equity holders of the parent company	1,689,741	1,522,006
Weighted average number of ordinary shares outstanding (thousands)	<u>2,027,960</u>	<u>2,027,960</u>
Basic earnings per share (RMB cents per share)	<u>83</u>	<u>75</u>
Including:		
– Basic earnings per share relating to continuing operations	<u>83</u>	<u>75</u>

Diluted earnings per share are equal to the basic earnings per share since the Company has no dilutive potential ordinary shares during the year.

**(47). Other comprehensive income**

	Other comprehensive income in balance sheet			Other comprehensive income in income statement of 2014				
	31 December 2013	Attribute to the Company after taxes	31 December 2014	Amount before taxes	Less: Transfer in profit or loss previously recognized in other comprehensive income	Less: Income taxes	Attribute to the Company after taxes	Attribute to the non-controlling interests after taxes
Other comprehensive income cannot be reclassified into profit or loss thereafter: Share of other comprehensive income in the investees cannot be reclassified into profit or loss at equity method	-	-	-	-	-	-	-	-
Other comprehensive income may be reclassified into profit or loss thereafter: Share of other comprehensive income in the investees will be reclassified into profit or loss at equity method	-	-	-	-	-	-	-	-
- Changes in fair value of available-for-sale financial assets	43,530	(37,711)	5,819	(50,281)	-	12,570	(37,711)	-
- Transfer out changes in fair value of investment properties previously recognized in other comprehensive income (a)	1,236,408	(669,720)	566,688	-	(892,960)	223,240	(669,720)	-
- Changes in fair value of derivative financial liabilities	-	(567)	(567)	(757)	-	190	(567)	-
- Difference on translation of foreign currency financial statements	6,053	3,141	9,194	3,141	-	-	3,141	-
	<u>1,285,991</u>	<u>(704,857)</u>	<u>581,134</u>	<u>(47,897)</u>	<u>(892,960)</u>	<u>236,000</u>	<u>(704,857)</u>	<u>-</u>
	Other comprehensive income in balance sheet			Other comprehensive income in income statement of 2013				
	31 December 2012	Attribute to the Company after taxes	31 December 2013	Amount before taxes	Less: Transfer in profit or loss previously recognized in other comprehensive income	Less: Income taxes	Attribute to the Company after taxes	Attribute to the non-controlling interests after taxes
Other comprehensive income cannot be reclassified into profit or loss thereafter: Share of other comprehensive income in the investees cannot be reclassified into profit or loss at equity method	-	-	-	-	-	-	-	-
Other comprehensive income may be reclassified into profit or loss thereafter: Share of other comprehensive income in the investees will be reclassified into profit or loss at equity method	-	-	-	-	-	-	-	-
- Changes in fair value of available-for-sale financial assets	53,523	(9,993)	43,530	(13,324)	-	3,331	(9,993)	-
- Transfer out changes in fair value of investment properties previously recognized in other comprehensive income (a)	1,320,439	(84,031)	1,236,408	13,331	(125,372)	28,010	(84,031)	-
- Others	21,975	(21,975)	-	-	(29,300)	7,325	(21,975)	-
- Difference on translation of foreign currency financial statements	(1,615)	7,668	6,053	7,668	-	-	7,668	-
	<u>1,394,322</u>	<u>(108,331)</u>	<u>1,285,991</u>	<u>7,675</u>	<u>(154,672)</u>	<u>38,666</u>	<u>(108,331)</u>	<u>-</u>

(a) In 2014, some of the inventories have been disposed or sold, and the fair value gains initially recognized in other comprehensive income amounted to RMB669,720,000 (2013: RMB84,031,000) was accordingly transferred into income statement fair value gains.

**(48). Notes to consolidated cash flow statements****(a) Reconciliation from net profit to cash flows from operating activities**

	<b>2014</b>	<b>2013</b>
Net profit	2,263,729	1,913,723
Add: Provisions for asset impairment (note 5(40))	323,293	–
Depreciation of fixed assets (note 5(13))	39,197	41,417
Amortization of intangible assets (note 5(14))	3,214	1,046
Amortization of long-term prepaid expenses	9,960	1,821
Gains on disposal of fixed assets, intangible assets and other long-term assets	(677)	(30)
Gains on disposal of investment properties	(5,994)	(95,791)
Interest (income)/expenses	(27,779)	331,333
Investment income (note 5(44))	(1,241,760)	(202,514)
Difference between combination costs and fair value of identifiable net assets acquired (note 5(41))	(95,959)	–
Decrease/(increase) in deferred tax assets	26,227	(46,703)
Increase in deferred tax liabilities	151,935	175,516
Increase in inventories	(15,715,279)	(7,513,597)
Gains on changes in fair value	(328,850)	(489,752)
Increase in restricted cash	(204,205)	(87,982)
Decrease in operating receivables	(773,757)	(586,650)
Increase in operating payables	<u>3,134,556</u>	<u>2,100,243</u>
Net cash flows from operating activities	<u><u>(12,442,149)</u></u>	<u><u>(4,457,920)</u></u>

**(b) Net increase in cash**

	<b>2014</b>	<b>2013</b>
Cash at end of the year	10,759,150	10,487,655
Less: Cash at beginning of the year	<u>(10,487,655)</u>	<u>(8,076,269)</u>
Net increase in cash	<u><u>271,495</u></u>	<u><u>2,411,386</u></u>



*(c) Cash*

	<b>31 December 2014</b>	<b>31 December 2013</b>
Cash at bank and on hand ( <i>note 5(1)</i> )	13,897,026	11,339,807
Non-current assets and assets of disposal group classified as held for sale ( <i>note 5(7)</i> )	61,051	5,573
Less: Restricted cash at bank	<u>(3,198,927)</u>	<u>(857,725)</u>
Cash at end of the year	<u><u>10,759,150</u></u>	<u><u>10,487,655</u></u>

*(d) Cash received relating to other investing activities*

	<b>2014</b>	<b>2013</b>
Recovered receivables and interests from primary land development	2,743,098	–
Receivables and interests from Qinhuangdao Real Estate	154,009	–
Advances disposal of NWCI ( <i>note 5(25)</i> )	143,574	–
Receivables and interests from Financial Street	–	261,800
Principles and interests from Beijing Wanzhu	–	205,095
Loans to Xingtai Jicheng	–	573,545
Others	<u>207,874</u>	<u>111,612</u>
Total	<u><u>3,248,555</u></u>	<u><u>1,152,052</u></u>

*(e) Disposal of subsidiaries*

In 2014, cash flow information of disposal of subsidiaries is disclosed in note 4(4).

**6. Equity of structured entity not in financial statement**

Refer to note 5(10).

## 7. Segment information

The reportable segments of the Group are the business units that provide different products or service, or operate in different areas. Different businesses or areas require different marketing strategies, the Group, therefore, separately manages the production and operation of each reportable segment and values their operating results respectively, in order to make decisions about resources to be allocated to these segments and to assess their performance.

The Group identified six reportable segments as follows:

- Beijing segment, which is mainly engaged in the property development and sales in Beijing region.
- Tianjin segment, which is mainly engaged in the property development and sales in Tianjin region.
- Chengyu segment, which is mainly engaged in the property development and sales in Chengyu region.
- Other segment, which is mainly engaged in the property development and sales in other regions, including Wuxi, Shenyang, Xi'an, Shanghai, Jiangsu, Zhejiang, Hainan and so on.
- Investment property segment, which is mainly engaged in the investment property operations.
- Hotel segment, which is mainly engaged in hotel business and providing corresponding services.

Inter-segment transfer prices are measured by reference to sales to third parties. Expenses indirectly attributable to each segment are allocated to the segments based on the proportion of each segment's revenue.

**(1). Segment information for 2014 and as at 31 December 2014 are as follows:**

	Property development and sales				Investment			Elimination	Total
	Beijing	Tianjin	Chengyu	Others	properties	Hotel	Unallocated		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue from external customers	1,637,789	2,056,737	3,105,973	2,961,901	92,417	89,660	113,490	-	10,057,967
Inter-segment revenue	-	-	-	11,321	-	-	-	(11,321)	-
Main operating cost	(898,199)	(1,313,961)	(2,349,620)	(2,220,064)	-	(80,957)	(93,916)	-	(6,956,717)
Interest income	283,416	11,911	2,497	46,876	54,461	164	616,016	(708,291)	307,050
Interest expenses	(28,358)	(1,109)	(1,480)	(13,417)	(45,591)	(21,005)	(733,719)	708,291	(136,388)
Share of profit of associates and joint ventures	254,033	1,779	-	9,741	4,457	-	99,582	-	369,592
Asset impairment loss	-	(244,326)	-	(64,068)	-	-	(14,899)	-	(323,293)
Depreciation and amortization	(8,281)	(1,040)	(347)	(3,032)	(8,808)	(25,766)	(5,097)	-	(52,371)
Total profit/(loss)	1,095,704	471,749	478,539	507,988	434,338	(16,078)	3,764	(29,823)	2,946,181
Income tax expenses	(134,694)	(182,400)	(120,203)	(113,040)	(84,696)	-	(11,723)	(35,696)	(682,452)
Net profit/(loss)	961,010	289,349	358,336	394,948	349,642	(16,078)	(7,959)	(65,519)	2,263,729
Total of non-current assets (except deferred tax assets and financial assets)	843,900	147,607	673	519,808	7,225,258	329,410	269,162	(818,137)	8,517,681
Total assets	66,107,727	21,083,362	6,819,859	33,970,021	10,901,873	1,195,221	31,564,554	(92,963,061)	78,679,556
Total liabilities	(56,384,654)	(17,668,980)	(4,257,887)	(28,329,872)	(2,381,409)	(1,130,583)	(29,378,018)	82,265,373	(57,266,030)
Long-term equity investments on associates and joint ventures	1,343,962	-	-	559,013	159,577	-	388,683	-	2,451,235
Increase to non-current assets other than long-term equity investments	3,294	2,232	148	-	3,756,019	162	4,919	-	3,766,774

The business and operations of the Company and most of its principal subsidiaries are located in China. In 2014, no revenue is generated from overseas transaction or from a single significant customer.

As at 31 December 2014, the Group's non-current assets (excluding financial assets and deferred tax assets) that located in other countries is amounted to RMB7,568,000.

## (2). Segment information for 2013 and as at 31 December 2013 are as follows:

	Property development and sales				Investment				Total
	Beijing	Tianjin	Chengyu	Others	properties	Hotel	Unallocated	Elimination	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue from external customers	2,593,048	2,925,187	3,837,100	1,632,961	175,318	98,618	58,608	-	11,320,840
Inter-segment revenue	-	-	-	3,268	-	-	-	(3,268)	-
Main operating cost	(1,490,481)	(2,376,047)	(2,844,587)	(686,571)	-	(93,446)	-	-	(7,491,132)
Interest income	59,175	12,145	10,819	5,987	10,955	131	799,369	(562,898)	335,683
Interest expenses	(487,378)	(93,764)	(95,738)	(11,707)	(17,118)	(22,813)	(412,481)	562,898	(578,101)
Share of (loss)/profit of associates and joint ventures	(16,196)	1,055	-	107,509	6,785	-	-	-	99,153
Depreciation and amortization	(7,277)	(1,291)	(572)	(2,944)	(380)	(25,127)	(6,693)	-	(44,284)
Total profit/(loss)	897,057	593,883	678,207	495,980	174,527	(23,290)	(41,888)	(150,284)	2,624,192
Income tax expenses	(160,721)	(126,355)	(169,224)	(111,923)	(43,632)	-	(16,226)	(82,388)	(710,469)
Net profit/(loss)	736,336	467,528	508,983	384,057	130,895	(23,290)	(58,114)	(232,672)	1,913,723
Total non-current assets (Excluding financial assets and deferred tax assets)	1,590,344	146,688	894	1,173,284	602,924	346,859	441,636	249,700	4,552,329
Total assets	29,548,925	14,893,787	6,606,762	16,793,775	2,473,673	535,957	49,561,959	(64,224,152)	56,190,686
Total liabilities	(19,242,822)	(11,599,352)	(4,029,533)	(13,280,237)	(2,012,763)	(518,796)	(42,588,535)	53,309,834	(39,962,204)
Long-term equity investments in associates and joint ventures	624,798	531,138	-	972,741	155,120	-	-	-	2,283,797
Increase to non-current assets other than long-term equity investments	41,458	1,269	97	4,509	(2,177,803)	(100)	10,847	-	(2,119,723)

In 2013, no revenue is generated from overseas transaction or a single significant customer.

As at 31 December 2013, the Group's non-current assets (excluding financial assets and deferred tax assets) that located in other countries is amounted to RMB323,000.

## 8. Related parties and related party transactions

### (1). The parent company and subsidiaries

The general information and other related information of the subsidiaries are set out in note 4.

#### (a) General information of the parent company:

	Place of registration	Nature of business
Capital Group	Beijing, The PRC	Infrastructure, financial securities, industrial technology, commercial trade, tourist hotel, etc.

The Company's ultimate controlling party is Capital Group.

#### (b) Registered capital and changes in registered capital of the parent company:

	31 December 2013	Increase	Decrease	31 December 2014
Capital Group	<u>3,300,000</u>	<u>-</u>	<u>-</u>	<u>3,300,000</u>

#### (c) The proportions of equity interests and voting rights in the Company held by the parent company:

	31 December 2014			31 December 2013		
	Direct interest held	Indirect interest held	Voting rights	Direct interest held	Indirect interest held	Voting rights
	%	%	%	%	%	%
Capital Group	<u>32.01</u>	<u>-</u>	<u>32.01</u>	<u>15.34</u>	<u>16.67</u>	<u>32.01</u>

On 8 May 2014, 8.48%, 5.85% and 2.34% shares of the Company respectively held by Capital Technology, Capital Development and Capital Sunshine, which are the promoters of the Company transferred the shares of the Company, were transferred to Capital Group. After the transfer, Capital Group holds 32.01% shares of the Company directly.

**(2). Information of Joint ventures and Associates**

Refer to note 5(11).

**(3). Information of other related parties**

<b>Name of related entities</b>	<b>Relationship with the Company</b>
Sunshine Comprehensive	Promoter
Reco Ziyang	Non-controlling interests of subsidiaries
Reco Yanshan	Non-controlling interests of subsidiaries
Shouhui Real Estate	Subsidiary of joint venture of the company
Taihao Shengyuan	Subsidiary of joint venture of the company
Shouyong Real Estate	Subsidiary of joint venture of the company

**(4). Related party transactions**

The Board considers all transactions with related parties are on normal commercial terms, and prices of related party transactions were agreed by the Group and its related parties.

**(a) Providing consulting services**

	<b>2014</b>	<b>2013</b>
Tianjin Xinming	5,000	–
Tianjin Xinqing	–	4,500
Xi'an Xinkai	19,000	22,000
Shenyang Xinzi	–	30,000
Xingtai Jicheng	<u>2,655</u>	<u>2,655</u>
<b>Total</b>	<u><u>26,655</u></u>	<u><u>59,155</u></u>

*(b) (Receive)/Provide funding*

	<b>2014</b>	<b>2013</b>
Capital Jiaming	(3,362)	(130,241)
Financial Street	–	(261,800)
Tianjin Xinming	(30,240)	(264,250)
Tianjin Xinqing	559,860	(247,450)
Xi'an Xinkai	(666,039)	(550,650)
Shenyang Xinzi	199,250	(89,650)
Shenyang Jitian	(26,691)	(14,000)
Xingtai Jifeng	(1,333,000)	95,175
Xingtai Jicheng	1,292,646	(573,545)
Golden Net	(134)	(3,704)
Huzhou Rongcheng	118,433	(34,000)
Beijing Wanzhu	–	(205,095)
Speed Plus	18,313	–
International School	5,000	(33)
Capital Qinglv Culture	10,000	(20,000)
Shouyong Real Estate	122,873	(120,473)
Taihao Shengyuan	(289,552)	–
Shouhui Real Estate	(540,092)	–
Tonghua Qiangyu	<u>(31,433)</u>	<u>–</u>
Total	<u><u>(594,168)</u></u>	<u><u>(2,419,716)</u></u>

*(c) Commission fee*

	<b>2014</b>	<b>2013</b>
GoldenNet	<u><u>126,001</u></u>	<u><u>116,258</u></u>

The Group entrust GoldenNet as sales agent of certain projects. The commission fee payable was charged by certain percentage based on property sales price.

*(d) Interest income*

	<b>2014</b>	<b>2013</b>
Beijing Wanzhu	–	1,682
Financial Street	15,847	21,045
Capital Jiaming	–	1,055
Qinhuangdao Real Estate	13,803	12,255
Xingtai Jifeng	–	15,588
Tonghua Qiangyu	<u>408</u>	<u>–</u>
Total	<u><u>30,058</u></u>	<u><u>51,625</u></u>

*(e) Guarantees*

	<b>31 December 2014</b>	<b>31 December 2013</b>
Capital Group for the Company	5,000,000	4,000,000
Capital Group for subsidiaries	<u><u>1,220,000</u></u>	<u><u>–</u></u>

In 2013, Capital Group provided irrevocable guarantee for the long-term borrowing from Xiamen International Trust Co., Ltd, amounted to RMB1,000,000,000. The guarantee maturity date is March 2018.

In 2013, Capital Group provided irrevocable guarantee for the long-term borrowings from China Life Insurance Company Limited, Beijing Branch amounted to RMB2,000,000,000. The guarantee maturity date is December 2018.

In 2014, Capital Group provided irrevocable guarantee for the long-term borrowing from PICC Investment Holding Co., Ltd, amounted to RMB2,000,000,000. The guarantee maturity date is October 2019.



In 2014, Capital Group, provided irrevocable guarantee for the long-term borrowings for Capital Chaoyang, a wholly-owned subsidiary of the Company, from Shenzhen Ping An Bank Co., Ltd, Shenzhen Branch, amounted to RMB1,220,000,000. The guarantee maturity date is August 2022.

	<b>31 December 2014</b>	<b>31 December 2013</b>
The Company for subsidiaries	18,100,600	9,978,763
Subsidiaries for subsidiaries	<u>10,753,115</u>	<u>5,190,512</u>

As at 31 December 2014 and 31 December 2013, the guarantees above are provided by the Company or certain subsidiaries for short-term borrowings (note 5(19)), long-term borrowings (note 5(28)), debentures payable (note 5(29)), long-term payables (note 5(30)) and equity instruments (note 4(3)).

(f) *Key management compensation*

	<b>2014</b>	<b>2013</b>
Remuneration of key management personnel	32,341	30,152
Other	<u>506</u>	<u>496</u>
Total	<u>32,847</u>	<u>30,648</u>

(g) In 2013, Zhuhai Hengqin Zizhufang Fund was established by Zhuhai Hengqin Fund Management Company as general partner. The Group holds 10% of the intermediate units in Zhuhai Hengqin Zizhufang Fund which has been classified as joint ventures of the Company (note 5(10)(a)(viii)). The Group transferred 100% shares of Taihao Shengyuan to Zhuhai Hengqin Zizhufang Fund in June 2014 (note 4(4)).

(h) In 2014, the Group transferred its 100% equity and shareholder loans of Bantex, a subsidiary of the Company, to Reco Yanshan. Accordingly, 50% equity of Tiancheng Yongyuan held by Bantex was transferred to Reco Yanshan in the meantime (Note 4 (5)).

(i) In 2014, the Group entered into an equity interest transfer agreement with Reco Ziyang to acquire 60% equity interests in Xi'an Xinkai. Xi'an Xinkai becomes wholly owned by the Group after the transaction (note 4(2)).

- (j) In 2014, the Group entered into an equity interest transfer agreement with Reco Ziyang to acquire 50% equity interests in Chongqing Xinshi and 45% equity interests in Tianjin Banshan. Chongqing Xinshi and Tianjin Banshan become wholly owned by the Group after the transaction (note 4(5)).

(5). **Related party balances**

- (a) *Advances to suppliers*

	<b>31 December 2014</b>	<b>31 December 2013</b>
GoldenNet	<u>35,378</u>	<u>19,298</u>

- (b) *Long-term receivables (note 5 (15))*

	<b>31 December 2014</b>	<b>31 December 2013</b>
Financial Street	<u>308,227</u>	<u>292,380</u>

- (i) As at 31 December 2014, the receivable includes principal and interests from Financial Street, an associate of the Group. From 1 January 2013, the receivable began to charge interest at the interest rate of bank borrowings with the same period. Since the receivable has no fixed maturity date and the Group expected that the receivable will not be collected within one year, the receivable is classified as long-term receivable.

- (c) *Dividends receivable (note 5(5))*

Dividends receivable of the Group is disclosed in note 5(5).

*(d) Other receivables (note 5(3)(b))*

	<b>31 December 2014</b>	<b>31 December 2013</b>
Taihao Shengyuan	448	–
Speed Plus	18,313	–
GoldenNet	104	241
Chaoyang Investment	8,020	8,020
Qinhuangdao Real Estate	–	140,206
Shouyong Real Estate	2,400	–
Capital Jiaming	8,164	–
Tianjin Xinqing	66,410	–
International School	4,967	–
Xingtai Jifeng	<u>–</u>	<u>95,175</u>
 Total	 <u>108,826</u>	 <u>243,642</u>

Above payables due to related parties are interest free, unpledged and unguaranteed, and have no fixed maturity dates.

*(e) Other payables (note 5(25))*

	<b>31 December 2014</b>	<b>31 December 2013</b>
Capital Jiaming	62,565	51,039
Tianjin Xinming	386,490	356,250
Xi'an Xinkai	–	1,003,150
Reco Ziyang	56,714	56,714
Shenyang Xinzi	13,000	212,250
Tianjin Xinqing	–	493,450
Shenyang Jitian	40,691	14,000
Capital Qinglv Culture	10,000	20,000
Financial Street Hotel	377	377
Huzhou Rongcheng	–	47,433
International School	–	33
Shouyong Real Estate	–	120,473
Taihao Shengyuan(i)	290,000	–
Shouhui Real Estate(ii)	540,092	–
Golden Net	<u>90</u>	<u>93</u>
 Total	 <u>1,400,019</u>	 <u>2,375,262</u>

- (i) As at 31 December 2014, borrowings from Taihao Shengyuan to the Group amounted to 290,000,000 with annual interest rate of 12%, unpledged and unguaranteed, and with no fixed maturity dates.
- (ii) As at 31 December 2014, borrowings from Shouhui Real Estate to the Group amounted to 526,000,000 with annual interest rate of 12%, unpledged and unguaranteed, and with no fixed maturity dates.

Except for above payables, payables due to related parties are interest free, unpledged and unguaranteed, and have no fixed maturity dates.

(f) *Accounts payable*

	<b>31 December 2014</b>	<b>31 December 2013</b>
GoldenNet	<u>20,616</u>	<u>24,224</u>

(g) *Dividends payable*

Dividends payable of the Group is disclosed in note 5(24).

(h) *Interest payable*

	<b>31 December 2014</b>	<b>31 December 2013</b>
Reco Ziyang	<u>13,273</u>	<u>13,273</u>

(i) *Remuneration payable to the Board (note 5(22))*

	<b>31 December 2014</b>	<b>31 December 2013</b>
Remuneration	<u>22,616</u>	<u>28,486</u>

*(j) Remuneration payable to Directors*

Directors' emoluments for the year ended 31 December 2014 are as follows:

Name	Allowance	Salary	Others	Basic pension insurance	The long-term incentive fund scheme	Total
Liu Xiaoguang	-	2,780	-	-	-	2,780
Tang Jun (President)	-	3,610	499	67	4,840	9,016
Zhang Juxing(i)	-	1,588	365	62	385	2,400
Zhang Shengli (Executive director)(ii)	132	33	6	-	-	171
Wang Hao	570	-	-	-	-	570
Song Fengjing(ii)	44	-	-	-	-	44
Shen Jianping	570	-	-	-	-	570
Zhang Shengli (Non-executive director)(i)	526	-	-	-	-	526
Li Zhaojie(i)	249	-	-	-	-	249
Wu Yuqiang	270	-	-	-	-	270
Wang Hong	270	-	-	-	-	270
Li Wang(ii)	21	-	-	-	-	21
Liu Yongzheng	170	-	-	-	-	170
Fan Shubin	170	-	-	-	-	170
Jiang Hebin	-	678	140	67	207	1,092

*(i) Retired on 4 December 2014*

*(ii) Appointed on 5 December 2014*

Directors' emoluments for the year ended 31 December 2013 are as follows:

Name	Allowance	Salary	Others	Basic pension insurance	The long-term incentive fund scheme	Total
Liu Xiaoguang	–	2,780	–	–	–	2,780
Tang Jun (President)	–	3,610	494	62	3,480	7,646
Zhang Juxing	–	1,720	394	62	700	2,876
Feng Chunqin	442	–	–	–	–	442
Cao Guijie	442	–	–	–	–	442
Wang Hao	128	–	–	–	–	128
Shen Jianping	128	–	–	–	–	128
Zhang Shengli	570	–	–	–	–	570
Li Zhaojie	270	–	–	–	–	270
Wu Yuqiang	270	–	–	–	–	270
Wang Hong	270	–	–	–	–	270
Liu Yongzheng	170	–	–	–	–	170
Fan Shubin	170	–	–	–	–	170
Jiang Hebin	–	744	136	62	200	1,142

(k) *The five individuals whose emoluments are the highest*

The five individuals whose emoluments were the highest in the Group for the year include 2 directors (2013: 3) whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining 3 individuals (2013: 2) during the year are as follows:

	31 December 2014	31 December 2013
Basic salaries, bonus, basic pension insurance, the long-term incentive fund scheme and other allowances	<u>10,447</u>	<u>4,222</u>

	Number of individuals	
	2014	2013
Emolument bands:		
RMB0 – 3,000,000	–	1
RMB3,000,001 – 4,000,000	3	1
RMB4,000,001 – 5,000,000	<u>–</u>	<u>–</u>

The emoluments above include the long-term incentive fund scheme.

(1) *Long-term incentive fund scheme*

At the Extraordinary General Meeting on 27 September 2007, “the Long-term Incentive Fund Scheme” (the “Scheme”) was approved. According to the Scheme, the Company appropriated RMB50,000,000 (2013: RMB36,000,000) for the long-term incentive fund scheme in 2014. The allocation of the incentive fund is in accordance with the Scheme, with 10% for members of the Board of Directors and Supervisors, and 90% for senior management as well as core management and technical staff. Among the long-term incentive fund scheme, the amount for senior management accounts for 60% of the total fund.

## 9. Commitments

(1) *Capital commitments*

- (a) Capital expenditures contracted for but not yet necessary to be recognized in the balance sheet by the Group at the balance sheet date are as follows:

	31 December 2014	31 December 2013
Authorised but not contracted	27,047,391	13,514,746
Contracted but not paid	<u>11,666,102</u>	<u>6,021,144</u>

- (b) The Group’s shares of capital commitment in relation to joint ventures are as follows:

	31 December 2014	31 December 2013
Authorized but not contracted	1,046,753	2,438,543
Contracted but not paid	<u>677,322</u>	<u>488,337</u>

**(2). Operating lease commitments**

The future minimum lease payments due under the signed irrevocable operating leases contracts are summarized as follows:

	<b>31 December 2014</b>	<b>31 December 2013</b>
Within 1 year	9,675	3,075
Between 1 and 2 years	9,764	3,269
Between 2 and 3 years	<u>4,547</u>	<u>999</u>
Total	<u><u>23,986</u></u>	<u><u>7,343</u></u>

**(3). Investment commitments**

	<b>31 December 2014</b>	<b>31 December 2013</b>
Capital Qinglv Culture	<u>–</u>	<u>29,000</u>
Total	<u><u>–</u></u>	<u><u>29,000</u></u>

**10. Financial guarantees**

The Group has arranged bank financing for certain customers and has provided guarantees to secure obligations of these customers for repayments.

The Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. These guarantees will be expired when relevant property ownership certificates are lodged with the various banks by the purchasers. As at 31 December 2014, outstanding guarantees amounted to RMB6,528,320,000 (31 December 2013: RMB3,198,457,000).

As at 31 December 2014, expect for the guarantees (note 8(4)(e)) provided by the Company or certain subsidiaries for short-term borrowings, long-term borrowings, debentures payable Long-term payables and equity instruments, the Group has no other material external guarantee. The Group believes that the guarantees above will not have a significant impact on its financial position.



## 11. Financial instrument and risk

The Group's activities expose it to a variety of financial risks, including market risk (primarily currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

### (1). Market risk

#### (a) Foreign exchange risk

The Group's major operational activities are carried out in Mainland China and a majority of the transactions are dominated in RMB. However, the Group is still subject to foreign exchange risk arising from future commercial transactions, recognized assets and liabilities (most of the Group's foreign currency transactions and balances are dominated in United States dollars ("USD") and Hong Kong dollars ("HKD")) and net investment overseas. The Group's headquarter is responsible for monitoring the amount of assets and liabilities, and transactions denominated in foreign currencies. The management of the Group may consider entering into forward exchange contracts or currency swap contracts to mitigate the foreign exchange risk.

The group has certain investments in overseas, whose net assets are exposed to foreign exchange risk. The Group's headquarter monitors the overseas investment scale to mitigate its exposure to foreign exchange risk at the extreme extend.

As at 31 December 2014 and 31 December 2013, the carrying amounts in RMB equivalent of the Group's assets and liabilities denominated in foreign currencies are summarized below:

	31 December 2014				Total
	USD	HKD	AUD	EUR	
Cash at bank and on hand	773,842	320,831	3,303	35,902	1,133,878
Financial assets					
at fair value through					
profit or loss	–	162,863	–	–	162,863
Long-term receivables	–	–	253,797	–	253,797
Short-term borrowings	211,106	12,070	–	–	223,176
Interest payable	3,860	37	–	–	3,897

	31 December 2013			Total
	USD	HKD	EUR	
Cash at bank and on hand	709,882	29,728	20,772	760,382
Financial assets at fair value				
through profit or loss	43,728	–	–	43,728
Long-term borrowings	253,875	–	–	253,875
Non-current liability due				
within one year	288,993	–	–	288,993
Short-term borrowings	294,939	–	–	294,939
Interest payable	4,234	–	–	4,234

As at 31 December 2014, for all USD dominated financial assets and liabilities, if RMB had increased/decreased by 5% against USD with all other variables held constant, post-tax profit for the year would have been decreased/increased by approximately RMB20,958,000 (31 December 2013: increase/decrease by approximately RMB3,316,000).

As at 31 December 2014, for all HKD dominated financial assets and liabilities, if RMB had increased/decreased by 5% against HKD with all other variables held constant, post-tax profit for the year would have been decreased/increased by approximately RMB17,685,000 (31 December 2013: decrease/increase by approximately RMB1,115,000).

As at 31 December 2014, for all AUD dominated financial assets and liabilities, if RMB had increased/decreased by 5% against AUD with all other variables held constant, post-tax profit for the year would have been increased/decreased by approximately RMB223,000 (31 December 2013: nil).

*(b) Interest rate risk*

The Group has exposed to interest rate risk due to the fluctuation of the prevailing market interest rate on borrowings which carry at prevailing market interest rates. Borrowings issued at floating interest rates expose the Group to cash flow interest-risk, and borrowings issued at fixed rates expose the Group to fair value interest-rate risk. The Group determines the contracts proportions of fixed rate and floating rate depending on the market conditions. As at 31 December 2014, the Group's long-term interest bearing borrowings were mainly RMB-denominated with floating rates, amounting to RMB10,263,162,000 (31 December 2013: RMB10,723,477,000).

Increases in interest rates will increase the cost of new borrowing and the interest expenses of to the Group's outstanding floating rate borrowings, and therefore could have a material adverse impact on the Group's financial position. The Group's finance department of its headquarters continuously monitors the interest rate position of the Group and makes decisions with reference to the latest market conditions. The management of the Group may enter into interest rate swap agreements to mitigate its exposure to interest rate risk.

As at 31 December 2014, if interest rates on the floating rate borrowings increased/decreased 5 basis points with all other variables held constant, the financial expenses of the Group would increase/decrease by approximately RMB51,316,000 (31 December 2013: approximately RMB53,617,000).

(c) *Price risk*

The Group is exposed to equity securities price risk because parts of investments held by the Group and financial assets at fair value through profit or loss are classified as available-for-sale financial assets. The management of the Group monitors market conditions and price fluctuations of securities investments. Since the cost of available-for-sale financial assets is low, the price risk of the Group is low.

**(2). Credit risk**

The Group manages its credit risk on a classified basis. Credit risk mainly arises from cash at bank (note 5(1)), accounts receivable (note 5(3)(a)), and other receivables (note 5(3)(b)).

The Group expects that there is no significant credit risk associated with cash at bank since they are deposited at state-owned banks and other medium or large size listed banks and does not expect that there will be any significant losses from non-performance by these counterparties.

In addition, the Group has policies to limit the credit risk exposure on accounts receivable, and other receivables. The Group assesses the credit quality and sets credit limits on its customers by taking into account their financial position, the availability of guarantee from third parties, their credit history and other factors such as current market conditions. The credit history of the customers is regularly monitored by the Group. In respect of customers with a poor credit history, the Group will use written payment reminders, reduce or cancel credit periods, to ensure the overall credit risk of the Group is limited to a controllable range.

The Group has arranged bank financing for certain purchasers of property units and provided guarantees to secure obligations of such purchasers for repayments (note 10). If a purchaser fails on the payment of its mortgage during the term of the guarantee, the bank holding the mortgage may demand the Group to repay the outstanding amount under the loan and any accrued interest thereon. Under such circumstances, the Group is able to sell the property to recover any amounts paid by the Group to the bank. In this regard, the management considers that the Group's credit risk is significantly reduced.

**(3). Liquidity risk**

Cash flow forecasting is performed by each subsidiary of the Group and aggregated by the Group's finance department in its headquarters. The Group's finance department at its headquarters monitors rolling forecasts of the Group's short-term and long-term liquidity requirements to ensure it has sufficient cash and securities that are readily convertible to cash to meet operational needs, while maintaining sufficient headroom on its undrawn committed borrowing facilities from major financial institution so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities to meet the short-term and long-term liquidity requirements.

The financial liabilities of the Group at the balance sheet date are analyzed by their maturity date below at their undiscounted contractual cash flows:

	31 December 2014				Total
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	
Financial liabilities–					
Short-term borrowings	5,868,652	–	–	–	5,868,652
Accounts payable	7,873,182	–	–	–	7,873,182
Debentures payables	187,755	187,755	3,276,181	–	3,651,691
Long-term borrowings	1,063,097	8,302,615	9,735,450	2,454,457	21,555,619
Current portion of non-current liabilities	6,230,330	–	–	–	6,230,330
Long-term payables	<u>146,840</u>	<u>1,025,722</u>	<u>676,712</u>	<u>–</u>	<u>1,849,274</u>
Total	<u>21,369,856</u>	<u>9,516,092</u>	<u>13,688,343</u>	<u>2,454,457</u>	<u>47,028,748</u>

As at the balance sheet date, the financial derivative liabilities classified by undiscounted contract cash flow:

- (a) On 7 September 2016, sell AUD21,700,000 and buy RMB111,260,240.
- (b) On 31 January 2018, sell AUD52,080,000 and buy RMB264,306,000.

	31 December 2013				Total
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	
Financial liabilities–					
Short-term borrowings	1,453,831	–	–	–	1,453,831
Accounts payable	7,884,278	–	–	–	7,884,278
Debentures payables	150,292	2,103,530	–	–	2,253,822
Long-term borrowings	780,974	3,541,133	8,255,765	509,026	13,086,898
Current portion of non-current liabilities	<u>7,090,953</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>7,090,953</u>
Total	<u>17,360,328</u>	<u>5,644,663</u>	<u>8,255,765</u>	<u>509,026</u>	<u>31,769,782</u>

Bank and other borrowings are analyzed by repayment terms as follows:

	31 December 2014			31 December 2013		
	Bank borrowings	Other borrowings	Debentures Payable	Bank borrowings	Other borrowings	Debentures Payable
Wholly repayable within five years	20,912,837	4,383,715	5,205,814	12,520,577	3,919,044	4,125,118
Not wholly repayable within five years	<u>2,082,500</u>	<u>–</u>	<u>–</u>	<u>450,000</u>	<u>–</u>	<u>–</u>
Total	<u>22,995,337</u>	<u>4,383,715</u>	<u>5,205,814</u>	<u>12,970,577</u>	<u>3,919,044</u>	<u>4,125,118</u>

The Group makes temporary guarantee to the banks which provide mortgage loans to the customers of the Group. The warranty liability could be lifted after the customers obtain owners certification or other related documents, and complete the registration of mortgage on houses. As at 31 December 2014 and 31 December 2013, the balance of such guarantee refers to note 10.

**12. Fair value estimates**

The level of fair value measurement result is determined by the lowest level of the input value, which is of great significance to the overall fair value measurement.

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

**(1). Assets/(liabilities) measured at fair value on an ongoing basis**

As at 31 December 2014, the financial assets and liabilities measured at fair value on an ongoing basis by three levels are analyzed below:

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value				
through profit or loss –				
Trading financial assets	162,863	–	–	162,863
Available-for-sale financial assets –				
Available-for-sale equity				
instruments	13,420	–	–	13,420
Total financial assets	176,283	–	–	176,283
Non-financial assets				
Investment properties				
North region	–	–	2,147,374	2,147,374
Central region	–	–	923,000	923,000
South region	–	–	580,700	580,700
Total non-financial assets	–	–	3,651,074	3,651,074
Financial derivative liabilities	–	(3,452)	–	(3,452)
Total	<u>176,283</u>	<u>(3,452)</u>	<u>3,651,074</u>	<u>3,823,905</u>

As at 31 December 2013, the financial assets measured at fair value on an ongoing basis by three levels are analyzed below:

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value				
through profit or loss –				
Trading financial assets	–	43,728	–	43,728
Available-for-sale financial assets –				
Available-for-sale equity				
instruments	99,258	–	–	99,258
Total financial assets	99,258	43,728	–	142,986
Non-financial assets				
Investment properties				
North region	–	–	1,957,918	1,957,918
Central region	–	–	516,000	516,000
South region	–	–	490,000	490,000
Total non-financial assets	–	–	2,963,918	2,963,918
Total assets	99,258	43,728	2,963,918	3,106,904

The Group recognizes transfers into and transfers out of fair value hierarchy levels as of the date of the event that caused the transfer. There were no transfers between level 1, 2 and 3 during the year.

The fair value of financial instruments traded in active markets is based on quoted market prices in active markets. The fair value of financial instruments that are not traded in an active market is determined by valuation techniques. Specific valuation techniques mainly include discounted cash flow analysis and so on. The inputs in those valuation techniques mainly include risk-free rate, benchmark interest rate and exchange rate.

The Group obtains independent valuations for its investment properties from an independent professional valuer as a third party. The valuations were based on income capitalization which largely used unobservable inputs such as market rent, discount rate and so on.

The change of level 3 assets is below:

	North region	Investment properties Central region	South region	Total
As at 1 January 2014	1,957,918	516,000	490,000	2,963,918
Additions	–	–	24,087	24,087
Disposals	(9,544)	–	–	(9,544)
Transfer from investment properties at cost	–	320,746	–	320,746
Gains or losses recognized in profit or losses	199,000	86,254	66,613	351,867
As at 31 December 2014	<u>2,147,374</u>	<u>923,000</u>	<u>580,700</u>	<u>3,651,074</u>
Realized gains or losses recognized in current profit or losses				
– Investment Income	–	–	–	–
– Other operating income (note 5 (36))	(12,136)	–	–	(12,316)
Unrealized gains or losses recognized in current profit or losses				
– Profit or losses from change in fair value	<u>199,000</u>	<u>86,254</u>	<u>66,613</u>	<u>351,867</u>

	North region	Investment properties Central region	South region	Total
As at 1 January 2013	4,838,834	–	–	4,838,834
Additions	122,170	–	–	122,170
Disposals	(114,874)	–	–	(114,874)
Transfer from investment properties at cost	–	365,233	405,887	771,120
Transfer from inventories	144,669	–	–	144,669
Transfer to inventories	(1,493,644)	–	–	(1,493,644)
Transfer to investment properties held for sale	(1,749,000)	–	–	(1,749,000)
Gains or losses recognized in profit or losses	196,432	150,767	84,113	431,312
Gains or losses recognized in other comprehensive income	13,331	–	–	13,331
As at 31 December 2013	<u>1,957,918</u>	<u>516,000</u>	<u>490,000</u>	<u>2,963,918</u>

Profit or loss in the income statement is recognized in profit or loss arising from fair value changes, investment revenue, asset impairment loss, etc.



As at 31 December 2014, the gains recognized in profit or losses of assets in level 3 held by the Group is RMB375,867,000.

The Group's finance department is in charge of assets' valuation and employ the independent valuer to evaluate the fair value of investment properties. The finance department verifies all valuation results, take charge of relative accounting treatment and prepare disclosure information of fair value according to verified valuation results.

Information about fair value measurements using significant unobservable inputs:

Investment Properties	Fair value as at 31 December 2014	Valuation techniques	Title	Unobservable inputs	
				Range of unobservable inputs	Relationship of unobservable inputs of fair value
North region	2,147,374	Income approach	Discount rate	6% to 8%	The higher discount rate is, the lower fair value
			Market rents	RMB40 to RMB625 per square meter per month	The higher market rent is, the higher fair value
Central region	923,000	Income approach	Discount rate	7% to 8%	The higher discount rate is, the lower fair value
			Market rents	RMB34 to RMB68 per square meter per month	The higher market rent is, the higher fair value
South region	580,700	Income approach	Discount rate	7.5% to 9%	The higher discount rate is, the lower fair value
			Market rents	RMB53.8 to RMB310.9 per square meter per month	The higher market rent is, the higher fair value

**(2). Assets measured at fair value not on an ongoing basis**

The non-current assets held for sale are stated at the lower of carrying amount and fair value less costs to sell. As at 31 December 2014, the non-current assets held for sale which are stated at carrying amount by the Group was RMB202,664,000 (31 December 2013: RMB1,902,313,000).

**(3). Assets and liabilities not measured at fair value but disclosed on fair value**

Financial assets and liabilities measured at amortized cost mainly include receivables, short-term borrowings, payables, long-term borrowings, debentures payables and long-term payables.

Except for the financial assets and liabilities listed below, the carrying amount of financial assets and liabilities not measured at fair value is a reasonable approximation of their fair value:

	Investment properties			
	31 December 2014		31 December 2013	
	Carrying amount	Fair value	Carrying amount	Fair value
Long-term borrowings	11,949,100	12,697,885	5,948,100	6,079,972
Debentures payable	<u>3,217,112</u>	<u>3,235,935</u>	<u>1,977,532</u>	<u>2,025,823</u>
Total	<u>15,166,212</u>	<u>15,933,820</u>	<u>7,925,632</u>	<u>8,105,795</u>

The fair value of long-term borrowings and debentures payables that are not traded in an active market is determined by using valuation techniques, such as discounted contracted cash flow analysis, by using discount rate which is comparable credit rate and almost the same cash flows in the same situation in the market. The fair value belongs to Level 3.

### 13. Capital management

The Group's objectives of managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Same with others in the industry, the group monitors capital on the basis of the net gearing ratio. This ratio is calculated as net debt divided by net capital. Net debt is calculated as total borrowings (including "Short-term borrowings", "Long-term borrowings" and "Notes payable" as shown in the consolidated balance sheet) less Cash at bank and on hand. Net capital is same as shareholder's equity shown in the consolidated balance sheet.

As at 31 December 2014, the Group's strategy was to maintain the net gearing ratio within 100%. The net gearing ratios as at 31 December 2014 and 31 December 2013 were as follows:

	<b>31 December 2014</b>	<b>31 December 2013</b>
Total borrowings, including	32,528,152	20,829,196
Short-term borrowings	11,579,678	8,112,351
Long-term borrowings	17,731,362	10,739,313
Debentures payable	<u>3,217,112</u>	<u>1,977,532</u>
 Total	 32,528,152	 20,829,196
 Less: Cash at bank and on hand	 <u>(13,897,026)</u>	 <u>(11,339,807)</u>
 Net borrowings	 <u>18,631,126</u>	 <u>9,489,389</u>
 Shareholders' equity	 <u>21,413,526</u>	 <u>16,228,484</u>
 Net gearing ratio	 <u>87%</u>	 <u>58%</u>

#### 14. Events after the balance sheet date

In 2014, the Group entered into an equity transfer agreement with Juda International to transfer 100% equity interest in Xi'an Xinkai. The consideration is to be settled by the subscription of convertible preference shares ("CPS") issued by Juda International. In January 2015, all the conditions in equity transfer agreement is met, and the transactions of transfer of Xi'an Xin Kai's equity and the subscription of CPS have completed.

## 15. Notes to the company financial statements

*(1). Cash at bank and on hand*

	<b>31 December 2014</b>	<b>31 December 2013</b>
Cash on hand	50	25
Bank deposit	<u>2,512,089</u>	<u>800,874</u>
Total	<u><u>2,512,139</u></u>	<u><u>800,899</u></u>

As at 31 December 2014 and 31 December 2013, there is no restricted bank deposits.

*(2). Accounts receivable and other receivables**(a) Accounts receivable*

	<b>31 December 2014</b>	<b>31 December 2013</b>
Accounts receivable	160	160
<i>Less: provision for doubtful debts</i>	<u>—</u>	<u>—</u>
Accounts receivable – net	<u><u>160</u></u>	<u><u>160</u></u>

The aging of accounts receivable is analyzed as follows:

	<b>31 December 2014</b>	<b>31 December 2013</b>
Over 3 years	<u><u>160</u></u>	<u><u>160</u></u>

## (b) Other receivables

	31 December 2014	31 December 2013
Amounts due from subsidiaries (i)	24,879,221	14,789,694
Amounts due from joint ventures	10,868	103,195
Guarantee funds	10,000	10,026
Others	<u>18,228</u>	<u>278,608</u>
Total	<u>24,918,317</u>	<u>15,181,523</u>
Less: provisions for doubtful debts	<u>(24,000)</u>	<u>(24,000)</u>
Other receivables – net	<u><u>24,894,317</u></u>	<u><u>15,157,523</u></u>

- (i) As at 31 December 2014, RMB609,346,000 (31 December 2013: RMB1,993,528,000) is the loan from the Company to subsidiary with interest rate of 6.60%, unsecured and unguaranteed. RMB177,000,000 (31 December 2013: nil) with the interest rate at 8%, unsecured and unguaranteed. Other receivables due from subsidiaries except for the loans above are interest free, unsecured and unguaranteed and have no fixed maturity date.

The Company has not recognized or written off doubtful debt provision for other receivables for the 2014.

The analysis of other receivables and the related provisions are as follows:

	31 December 2014				31 December 2013			
	Amount	% of total balance	Provision	% of the provision	Amount	% of total balance	Provision	% of the provision
Within 1 year	24,893,569	100	-	-	15,148,725	100	-	-
1 to 2 years	748	-	-	-	8,020	-	-	-
2 to 3 years	-	-	-	-	178	-	-	-
Over 3 years	<u>24,000</u>	-	<u>(24,000)</u>	100	<u>24,600</u>	-	<u>(24,000)</u>	98
Total	<u><u>24,918,317</u></u>	<u>100</u>	<u>(24,000)</u>	<u>-</u>	<u><u>15,181,523</u></u>	<u>100</u>	<u>(24,000)</u>	<u>-</u>

**(3). Inventories**

Inventories are classified as below:

	31 December 2014			31 December 2013		
	Book balance	Provisions for inventory	Book value	Book balance	Provisions for inventory	Book value
Properties held for sale	44,076	–	44,076	44,076	–	44,076

**(4). Dividends receivables**

	31 December 2014	Additions	Reductions	31 December 2014
Xi'an Xinkai	12,400	–	(12,400)	–
Tonghua Qiangyu	–	24,000	(24,000)	–

**(5). Available-for-sale financial assets**

As at 31 December 2014 and 31 December 2013, the information about the available-for-sale financial assets refers to note 5(9).

**(6). Long-term receivables**

	31 December 2014	31 December 2013
Financial Street	308,227	292,380

**(7). Long-term equity investments**

	31 December 2014	31 December 2013
Subsidiaries (a)		
– unlisted companies	3,403,044	3,171,514
Joint ventures (b)		
– unlisted companies	306,970	421,384
Associates (c)		
– unlisted companies	166,481	162,069
Total	3,876,495	3,754,967

There is no restriction on sale of the long-term equity investment of the Company and collection of the investment income.

(a) *Subsidiaries*

	Attributable		31 December 2013	Additions	Disposals	31 December 2014
	interest held	Attributable vote held				
Capital Chaoyang	100%	100%	734,095	–	–	734,095
Rongjin Company	10%	10%	21,968	–	–	21,968
Central Company	75%	75%	79,433	–	–	79,433
Central Plaza Xinrong	75%	75%	90,437	–	–	90,437
IFC	100%	100%	20,480	–	–	20,480
Central Plaza	100%	100%	39,466	–	–	39,466
Jindu Company	100%	100%	369,970	–	–	369,970
Beijing Xinzi	100%	100%	642,625	–	–	642,625
Anhua Shiji	55%	60%	136,303	–	–	136,303
Shangboya	100%	100%	30,000	–	–	30,000
Shangbodi	51%	51%	15,300	–	–	15,300
Jiangsu Capital	60%	60%	60,375	–	–	60,375
Capital Chengdu	100%	100%	150,000	–	–	150,000
Sunshine City	50%	60%	82,766	–	–	82,766
Wuxi Xindong	100%	100%	100,000	–	–	100,000
Capital (Chengdu) Investment Co., Ltd.	100%	100%	5,000	–	–	5,000
Capital (Tianjin) Real Estate Management Co., Ltd.	100%	100%	5,000	–	–	5,000
Beijing Ruiyuan Fengxiang Real Estate Development Co., Ltd.	100%	100%	10,000	–	–	10,000
Ruiyuan Fengji	100%	100%	10,000	–	–	10,000
Chuangxin Jianye	100%	100%	50,000	–	–	50,000
Beijing Xinyuan Chengye Consultant Co., Ltd.	100%	100%	1,000	–	–	1,000
Capital Nanjing Investment Co., Ltd.	100%	100%	5,000	–	–	5,000
Capital Guoxin	100%	100%	100,000	–	–	100,000
Haikou Capital Xinye Investment Co., Ltd.	100%	100%	10,000	–	–	10,000
BECL	100%	100%	67,296	–	–	67,296
Shanghai Zhengheng	100%	100%	–	10,000	–	10,000
Beijing Chuangyuan Botao Architectural Design & Consulting Co., Ltd.	100%	100%	5,000	–	–	5,000
Beijing Xinyuan Huafu Investment Co., Ltd.	100%	100%	5,000	–	–	5,000
Beijing Hengyuan Yinxing Investment Co., Ltd.	100%	100%	5,000	–	–	5,000
Beijing Dongqi Jin zhao Infrastructure Investment Co., Ltd.	100%	100%	30,000	–	–	30,000
Beijing Zhongzhi Dingfu	100%	100%	100,000	–	–	100,000
Specific Assets Management Plan	9%	N/A	190,000	–	–	190,000
Yongyuan Jintai	100%	100%	–	216,530	–	216,530
Lehui Shenghuo	100%	100%	–	5,000	–	5,000
Total			<u>3,171,514</u>	<u>231,530</u>	<u>–</u>	<u>3,403,044</u>

*(b) Joint ventures*

## Long-term equity investment in joint ventures:

Accounting method	Investment costs	Change in the year							Equity interest held %	Voting rights held %	Provision for impairment	Impairment provided in current year	
		31 December 2013	Increase or decrease in investment	Share of net profit/ (losses)	Share of other comprehensive income	Cash dividend declared	Other equity movement	31 December 2014					
Beijing Wanzhu	Equity method	RMB25,500,000	20,646	-	32,503	-	-	-	53,149	30	30	-	-
Tonghua Qiangyu	Equity method	RMB4,000,000	5,540	-	27,202	-	(24,000)	-	8,742	40	40	-	-
Kunshan Chuangbo Fund	Equity method	RMB162,970,000	160,586	(345,166)	184,580	-	-	-	-	16.4	40	-	-
Zhuhai Hengqin Fund Management Company	Equity method	RMB4,000,000	3,934	-	(2)	-	-	-	3,932	40	40	-	-
Zhuhai Hengqin Fund	Equity method	RMB240,000,000	230,678	-	10,469	-	-	-	241,147	28.24	40	-	-
			421,384	(345,166)	254,752	-	(24,000)	-	306,970			-	-

The key financial information of joint ventures is disclosed in note 5(10)(a).

*(c) Associates*

## Long-term equity investment in associates:

Accounting method	Investment costs	Change in the year							Equity interest held	Voting rights held	Provision for impairment	Impairment provided in current year	
		31 December 2013	Increase or decrease in investment	Share of net profit/ (losses)	Share of other comprehensive income	Cash dividend declared	Other equity movement	31 December 2014					
Golden net	Equity method	RMB700,000	6,949	-	(45)	-	-	-	6,904	14	14	-	-
Yuangguangyuan	Equity method	RMB25,267,000	155,120	-	4,457	-	-	-	159,577	35	35	-	-
			162,069	-	4,412	-	-	-	166,481			-	-

The key financial information of associates is disclosed in note 5(10)(b).

**(8). Investment properties**

	31 December 2014	31 December 2013
Investment properties subsequently measured at fair value model(a)	<u>1,958</u>	<u>1,958</u>



(a) *Investment properties subsequently measured at fair value model*

	<b>Buildings and land use rights</b>
Cost	
31 December 2013	1,958
Additions	–
Disposals	<u>–</u>
<b>31 December 2014</b>	<u>1,958</u>
Changes in fair value	
31 December 2013	–
Changes in fair value	–
Disposal	<u>–</u>
<b>31 December 2014</b>	<u>–</u>
Book value	
<b>31 December 2014</b>	<u><u>1,958</u></u>
31 December 2013	<u><u>1,958</u></u>

**(9). Fixed assets**

	Buildings	Office Equipment	Motor Vehicles	Total
Cost				
31 December 2013	72,925	11,594	19,150	103,669
Increase	–	787	429	1,216
Decrease	–	(74)	(355)	(429)
<b>31 December 2014</b>	<u>72,925</u>	<u>12,307</u>	<u>19,224</u>	<u>104,456</u>
Accumulated depreciation				
31 December 2013	(13,838)	(9,701)	(15,845)	(39,384)
Increase	(1,741)	(1,409)	(2,296)	(5,446)
– Accrue ment	(1,741)	(1,409)	(2,296)	(5,446)
Decrease	–	–	325	325
– Dispose and retirement	–	–	325	325
<b>31 December 2014</b>	<u>(15,579)</u>	<u>(11,110)</u>	<u>(17,816)</u>	<u>(44,505)</u>
Provision for impairment				
31 December 2013	–	–	–	–
Increase	–	–	–	–
Decrease	–	–	–	–
<b>31 December 2014</b>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Book value				
<b>31 December 2014</b>	<u>57,346</u>	<u>1,197</u>	<u>1,408</u>	<u>59,951</u>
31 December 2013	<u>59,087</u>	<u>1,893</u>	<u>3,305</u>	<u>64,285</u>

For the 2014, depreciation expense amounted to RMB5,446,000 (2013: RMB5,198,000) and all charged in administrative expenses.

**(10). Accounts payable**

The aging of accounts payable based on their recording dates is analyzed as follows:

	<b>31 December 2014</b>	<b>31 December 2013</b>
Less than 1 year	6,589	5,500
Over 1 year	<u>10,782</u>	<u>10,782</u>
Total	<u><u>17,371</u></u>	<u><u>16,282</u></u>

**(11). Other payables**

	<b>31 December 2014</b>	<b>31 December 2013</b>
Payables to subsidiaries	19,890,974	10,742,564
Payables to associates (i)	470,092	–
Others	<u>71,630</u>	<u>183,296</u>
Total	<u><u>20,432,696</u></u>	<u><u>10,925,860</u></u>

- (i) As at 31 December 2014, borrowings from Shouhui Real Estate to the Company amounted to 456,000,000 with annual interest rate of 12%.

**(12). Long-term borrowings**

	Currency	31 December 2014	31 December 2013
Credit loans	RMB	150,000	–
Secured loans, including:			
– Pledged	RMB	160,000	210,000
– Guaranteed	RMB	4,000,000	2,000,000
– Trust	RMB	1,600,000	1,000,000
– Guaranteed/Mortgaged	RMB	–	–
Subtotal		<u>5,910,000</u>	<u>3,210,000</u>
<i>Less: Long-term borrowings</i>			
due within one year,			
including:			
Credit loans	RMB	–	–
Secured loans, including		–	–
– Pledged	RMB	–	–
– Trust	RMB	–	–
– Guaranteed/Mortgaged	RMB	–	–
Subtotal		<u>–</u>	<u>–</u>
Net long-term borrowings		<u><u>5,910,000</u></u>	<u><u>3,210,000</u></u>

**(13). Deferred tax assets and deferred tax liabilities****(a) Deferred tax assets**

	31 December 2014		31 December 2013	
	Deferred tax assets	Deductible temporary differences	Deferred tax assets	Deductible temporary differences
Provision for asset impairment	6,000	24,000	6,000	24,000
Accrued salaries and other costs and expenses	38,760	155,040	37,052	148,208
Accumulated losses	–	–	14,367	57,466
Total	<u>44,760</u>	<u>179,040</u>	<u>57,419</u>	<u>229,674</u>

*(b) Deferred tax liabilities*

	31 December 2014		31 December 2013	
	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences
Changes in fair value of available-for-sale financial assets	<u>2,005</u>	<u>8,023</u>	<u>14,575</u>	<u>58,304</u>

*(c)* The net balances of deferred tax assets and liabilities after offsetting are as follows:

	31 December 2014	31 December 2013
Deferred tax assets, net	<u>42,755</u>	<u>42,844</u>
Deferred tax liabilities, net	<u>–</u>	<u>–</u>

*(14). Taxes payable*

	31 December 2014	31 December 2013
Land appreciation tax payable	20	20
Business tax payable	1,990	42,784
Others	<u>–</u>	<u>7,834</u>
Total	<u>2,010</u>	<u>50,638</u>

**(15). Capital surplus**

	31 December 2013	Additions	Reductions	31 December 2014
Share premium	1,243,334	–	–	1,243,334
Compensation on LAT granted by promoters	<u>35,974</u>	<u>–</u>	<u>–</u>	<u>35,974</u>
Total	<u>1,279,308</u>	<u>–</u>	<u>–</u>	<u>1,279,308</u>

	31 December 2012	Additions	Reductions	31 December 2013
Share premium	1,243,334	–	–	1,243,334
Compensation on LAT granted by promoters	<u>35,974</u>	<u>–</u>	<u>–</u>	<u>35,974</u>
Total	<u>1,279,308</u>	<u>–</u>	<u>–</u>	<u>1,279,308</u>

**(16). Other comprehensive income**

	<u>Other comprehensive income in balance sheet</u>			<u>Other comprehensive income in income statement of 2014</u>				
	31 December 2013	Attribute to the Company after taxes	31 December 2014	Amount before taxes	Less: Transfer in profit or loss previously recognized in other comprehensive income	Less: Income taxes	Attribute to the Company after taxes	Attribute to the non- controlling interests after taxes
Other comprehensive income will be reclassified subsequently to profit or loss:								
Changes in fair value of available-for-sale financial assets	43,530	(37,711)	5,819	(50,281)	–	12,570	(37,711)	–
	<u>43,530</u>	<u>(37,711)</u>	<u>5,819</u>	<u>(50,281)</u>	<u>–</u>	<u>12,570</u>	<u>(37,711)</u>	<u>–</u>

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	Other comprehensive income in balance sheet			Other comprehensive income in income statement of 2013				
	31 December 2012	Attribute to the Company after taxes	31 December 2013	Amount before taxes	Less: Transfer in profit or loss previously recognized in other comprehensive income	Less: Income taxes	Attribute to the Company after taxes	Attribute to the non- controlling interests after taxes
Other comprehensive income will be reclassified subsequently to profit or loss:								
Changes in fair value of available-for-sale financial assets	53,523	(9,993)	43,530	(13,324)	-	3,331	(9,993)	-
	<u>53,523</u>	<u>(9,993)</u>	<u>43,530</u>	<u>(13,324)</u>	<u>-</u>	<u>3,331</u>	<u>(9,993)</u>	<u>-</u>

**(17). Revenue and cost of sales**

	2014	2013
Revenue from main operations (a)	<u>57,137</u>	<u>125,644</u>
Cost of sales from main operations (a)	<u>-</u>	<u>-</u>

**(a) Revenue and cost of sales from main operations**

	2014		2013	
	Main operating revenue	Main operating costs	Main operating revenue	Main operating costs
Consulting services	<u>57,137</u>	<u>-</u>	<u>125,644</u>	<u>-</u>

*(18). Financial expense – net*

	2014	2013
Interest expenses	390,210	244,602
Including: Bank loans	39,103	88,797
Trust loans	98,097	63,322
Bonds payables	48,106	68,039
Other loans	204,904	24,444
Interest expenses – net	390,210	244,602
Interest income	(162,534)	(239,475)
Exchange gains or losses – net	4,404	3,760
Other	2,645	3,939
Net	<u>234,725</u>	<u>12,826</u>

Interest expenses analyzed by the repayment terms of bank and other borrowings are as follows:

	2014		2013	
	Bank borrowings	Other borrowings	Bank borrowings	Other borrowings
Wholly repayable within five years	39,103	351,107	88,797	155,805
Not wholly repayable within five years	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Total	<u>39,103</u>	<u>351,107</u>	<u>88,797</u>	<u>155,805</u>



**(19). Investment income**

	<b>2014</b>	<b>2013</b>
Share of profit/(loss) of investees under equity method	259,164	(9,091)
Gains from disposal of subsidiaries	240,000	2,000
Gains from disposal of available-for-sale financial assets	46,419	–
Dividend income from available-for-sale financial assets	1,937	772
Dividend distribution from subsidiaries	23,980	–
Others	<u>–</u>	<u>17,270</u>
Total	<u><u>571,500</u></u>	<u><u>10,951</u></u>

The Company has no significant limitation on realization of investment income.

Investment income from listed investments and non-listed investments for the 2014 amount to RMB48,356,000 and RMB523,144,000 respectively (2013: RMB772,000 and RMB10,179,000).

**(20). Income tax expenses**

	<b>2014</b>	<b>2013</b>
Current income tax	3,266	851
Deferred income tax	<u>12,659</u>	<u>(6,906)</u>
Total	<u><u>15,925</u></u>	<u><u>(6,055)</u></u>

The reconciliation from income tax calculated based on the applicable tax rates and total profit presented in the financial statements to the income tax expenses is listed below:

	<b>2014</b>	<b>2013</b>
Total profit/(losses)	<u>204,525</u>	<u>(39,495)</u>
Income tax expenses calculated at applicable tax rates (25%)	51,131	(9,874)
Share of net profits or loss of investees under equity method	(64,791)	2,273
Expenses, costs and losses not deductible for tax purposes	478	695
Tax differences of investees at different rate	29,633	–
Others	<u>(526)</u>	<u>851</u>
Income tax expenses	<u><u>15,925</u></u>	<u><u>(6,055)</u></u>

**(21). Notes to the Company cash flow statements**

*(a) Reconciliation from net profit/(losses) to cash flows from operating activities*

	<b>2014</b>	<b>2013</b>
Net Profit/(losses)	188,600	(33,440)
Add: Depreciation of fixed assets	5,446	5,198
Financial expenses	271,349	28,410
Investment profit (note 15(19))	(571,500)	(10,951)
Decrease/(Increase) in deferred tax assets	90	(6,904)
Increase in operating receivables	(8,915,968)	(3,521,400)
Decrease in operating payables	<u>9,035,781</u>	<u>4,683,134</u>
Net cash flows from operating activities	<u><u>13,798</u></u>	<u><u>1,144,047</u></u>

*(b) Net Increase in cash*

	<b>2014</b>	<b>2013</b>
Cash at end of the year	2,512,139	800,899
Less: cash at beginning of the year	<u>(800,899)</u>	<u>(400,751)</u>
Net Increase in cash	<u><u>1,711,240</u></u>	<u><u>400,148</u></u>

*(c) Cash*

	<b>31 December 2014</b>	<b>31 December 2013</b>
Cash at bank and on hand	2,512,139	800,899
Less: restricted cash at bank	<u>—</u>	<u>—</u>
Cash at end of the year	<u><u>2,512,139</u></u>	<u><u>800,899</u></u>

**16. Net current assets**

	<b>31 December 2014 Consolidated</b>	<b>31 December 2013 Consolidated</b>	<b>31 December 2014 Company</b>	<b>31 December 2013 Company</b>
Current assets	67,344,366	48,882,031	27,479,522	16,019,518
Less: Current liabilities	<u>(33,814,386)</u>	<u>(26,465,407)</u>	<u>(21,205,528)</u>	<u>(12,103,148)</u>
Net current assets	<u><u>33,529,980</u></u>	<u><u>22,416,624</u></u>	<u><u>6,273,994</u></u>	<u><u>3,916,370</u></u>

**17. Total assets less current liabilities**

	<b>31 December 2014 Consolidated</b>	<b>31 December 2013 Consolidated</b>	<b>31 December 2014 Company</b>	<b>31 December 2013 Company</b>
Total assets	78,679,556	56,190,688	31,832,328	20,325,210
Less: Current liabilities	<u>(33,814,386)</u>	<u>(26,465,407)</u>	<u>(21,205,528)</u>	<u>(12,103,148)</u>
Total assets less current liabilities	<u><u>44,865,170</u></u>	<u><u>29,725,281</u></u>	<u><u>10,626,800</u></u>	<u><u>8,222,062</u></u>

## 3. UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

The following is the full text of the unaudited consolidated financial statements of the Group for the six months ended 30 June 2015:

**CONSOLIDATED AND COMPANY BALANCE SHEETS**

*For the six months ended 30 June 2015 (All amounts in thousands of units of RMB unless otherwise stated)*

Item	Notes	Unaudited	Audited	Unaudited	Audited
		30 June 2015 Consolidated	31 December 2014 Consolidated	30 June 2015 Company	31 December 2014 Company
<b>Current assets</b>					
Cash at bank and on hand	5(1)	12,659,422	13,897,026	2,525,004	2,512,139
Financial assets at fair value through profit or loss	5(2)	291,927	162,863	-	-
Notes receivable		-	4,113	-	-
Accounts receivable	5(3)(a)	704,011	946,333	160	160
Advances to suppliers	5(4)	263,271	230,710	70,823	28,830
Interest receivable		1,520	3,564	-	-
Dividends receivable	5(5)	26,813	9,825	-	-
Other receivables	5(3)(b); 15(1)	3,318,314	1,295,407	32,744,968	24,894,317
Inventories	5(6)	57,045,915	48,768,112	44,133	44,076
Assets classified as held for sale	5(7)	9,921	202,664	-	-
Other current assets	5(8)	2,156,846	1,823,749	-	-
<b>Total current assets</b>		<b>76,477,960</b>	<b>67,344,366</b>	<b>35,385,088</b>	<b>27,479,522</b>
<b>Non-current assets</b>					
Available-for-sale financial assets	5(9)	91,828	63,420	91,828	63,420
Long-term receivables	5(15)	1,777,033	562,024	316,085	308,227
Long-term equity investments	5(10); 15(2)	3,353,755	2,451,235	3,942,635	3,876,495
Investment properties	5(12)	8,712,682	7,225,258	1,958	1,958
Fixed assets	5(13)	466,513	439,465	58,121	59,951
Intangible assets	5(14)	39,038	39,561	-	-
Goodwill	5(16)	172,137	172,137	-	-
Long-term prepaid expenses		94,267	79,236	-	-
Deferred tax assets	5(31)(c)	404,775	302,854	76,999	42,755
Other non-current assets		2,450	-	-	-
Financial derivative assets	5(17)	29,185	-	-	-
<b>Total non-current assets</b>		<b>15,143,663</b>	<b>11,335,190</b>	<b>4,487,626</b>	<b>4,352,806</b>
<b>TOTAL ASSETS</b>		<b>91,621,623</b>	<b>78,679,556</b>	<b>39,872,714</b>	<b>31,832,328</b>
<b>Current liabilities</b>					
Short-term borrowings	5(19)	7,013,943	5,660,075	2,672,600	600,000
Notes payable		33,389	43,845	-	-
Accounts payable	5(20)	4,409,671	4,049,518	13,771	17,371
Advances from customers	5(21)	13,814,818	11,619,971	807	807
Employee benefits payable	5(22)	64,317	209,795	33,077	129,154
Taxes payable	5(23); 15(3)	1,781,395	2,482,591	1,268	2,010
Interest payable		254,411	170,041	97,586	23,491
Dividends payable	5(24)	283,027	1,055,671	-	-
Other payables	5(25)	1,510,158	2,554,107	21,640,648	20,432,695
Current portion of non-current liabilities	5(26)	9,388,327	5,919,603	1,000,000	-
Liabilities classified as held for sale	5(27)	-	49,169	-	-
<b>Total current liabilities</b>		<b>38,553,456</b>	<b>33,814,386</b>	<b>25,459,757</b>	<b>21,205,528</b>

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**FINANCIAL INFORMATION OF THE GROUP**

Item	Notes	Unaudited	Audited	Unaudited	Audited
		30 June 2015 Consolidated	31 December 2014 Consolidated	30 June 2015 Company	31 December 2014 Company
<b>Non-current liabilities</b>					
Long-term borrowings	5(28)	23,462,460	17,731,362	7,360,000	5,910,000
Debentures payable	5(29)	6,195,868	3,217,112	2,972,558	–
Long-term payables	5(30)	660,250	1,530,000	–	–
Deferred tax liabilities	5(31)(c)	1,243,453	969,718	–	–
Financial derivative liabilities	5(17)	–	3,452	–	–
<b>Total non-current liabilities</b>		<u>31,562,031</u>	<u>23,451,644</u>	<u>10,332,558</u>	<u>5,910,000</u>
<b>Total liabilities</b>		<u>70,115,487</u>	<u>57,266,030</u>	<u>35,792,315</u>	<u>27,115,528</u>
<b>Owners' equity</b>					
Paid-in capital	5(32)	2,027,960	2,027,960	2,027,960	2,027,960
Capital surplus	5(33)	580,758	706,109	1,279,308	1,279,308
Other comprehensive income	5(47)	589,805	581,134	12,124	5,819
Surplus reserve	5(34)	360,628	360,628	360,628	360,628
Undistributed profits	5(35)	<u>5,440,604</u>	<u>5,444,301</u>	<u>400,379</u>	<u>1,043,085</u>
Total equity attributable to equity holders of the Company		8,999,755	9,120,132	4,080,399	4,716,800
Non-controlling interest		<u>12,506,381</u>	<u>12,293,394</u>	–	–
<b>Total owners' equity</b>		<u>21,506,136</u>	<u>21,413,526</u>	<u>4,080,399</u>	<u>4,716,800</u>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<u>91,621,623</u>	<u>78,679,556</u>	<u>39,872,714</u>	<u>31,832,328</u>

## CONSOLIDATED AND COMPANY INCOME STATEMENTS

For the six months ended 30 June 2015 (All amounts in thousands of units of RMB unless otherwise stated)

Item	Note	Unaudited		Unaudited	
		Six months ended 30 June 2015	Six months ended 30 June 2014	Six months ended 30 June 2015	Six months ended 30 June 2014
		Consolidated	Consolidated	Company	Company
<b>Revenue</b>	5(36); 15(4)	5,447,244	4,519,333	12,927	48,423
Less: Cost of sales	5(36); 15(4)	(4,389,373)	(3,224,685)	-	-
Taxes and surcharges	5(37)	(402,804)	(304,076)	(6,891)	(5,763)
Selling and distribution expenses	5(38)	(291,948)	(201,726)	-	-
General and administrative expenses	5(38)	(179,858)	(192,731)	(53,968)	(60,084)
Financial expenses-net	5(39)	57,581	131,869	(239,601)	(78,463)
Asset impairment losses	5(40)	(93,443)	(48,004)	-	-
Add: Gains/(losses) arising from changes in fair value	5(43)	1,081,321	(75,496)	-	-
Investment income	5(44); 15(5)	148,233	703,343	80,537	252,758
Including: Share of profit of joint ventures and associates	15(5)	69,208	89,691	66,140	12,758
<b>Operating profit</b>		1,376,953	1,307,827	(206,996)	156,871
Add: Non-operating income	5(41)	78,724	2,883	2,594	-
Including: Gains on disposal of non-current assets		176	-	-	-
Less: Non-operating expenses	5(42)	(29,099)	(32,686)	-	-
Including: Losses on disposal of non-current assets		-	-	-	-
<b>Total profit</b>		1,426,578	1,278,024	(204,402)	156,871
Less: Income tax expenses	5(45)	(415,512)	(270,235)	68,686	(40,985)
<b>Net profit/(losses)</b>		1,011,066	1,007,789	(135,716)	115,886
Attributable to equity holders of the Company		503,293	661,130	(135,716)	115,886
Attributable to non-controlling interest		507,773	346,659	N/A	N/A
<b>Other comprehensive income for the period, net of tax</b>		8,671	(676,187)	6,305	(19,408)
Items that may be reclassified to profit or loss		8,671	(676,187)	6,305	(19,408)
- Changes in fair value of available-for-sale financial assets		6,306	(19,210)	6,305	(19,408)
- Increase in fair value due to transfer from inventory to investment property		-	-	-	-
- Recycling of changes in fair value of investment properties previously recognized in other comprehensive income		-	(657,714)	-	-
- Currency translation differences		(9,877)	737	-	-
- Effective cash flow hedges		12,242	-	-	-
- Others		-	-	-	-
<b>Total comprehensive income for the period</b>		1,019,737	331,602	(129,411)	96,478
Total comprehensive income attributable to:		511,964	(15,057)	N/A	N/A
- Equity holders of the Company		507,773	346,659	N/A	N/A
- Non-controlling interests		-	-	-	-
<b>Earnings per share for profit attributable to the equity holders of the Company</b>	5(46)				
- Basic earnings per share (RMB Yuan)		0.25	0.33	N/A	N/A
- Diluted earnings per share (RMB Yuan)		0.25	0.33	N/A	N/A

## CONSOLIDATED AND COMPANY CASH FLOW STATEMENTS

For the six months ended 30 June 2015 (All amounts in thousands of units of RMB unless otherwise stated)

Item	Note	Unaudited		Unaudited	
		Six months ended 30 June 2015	Six months ended 30 June 2014	Six months ended 30 June 2015	Six months ended 30 June 2014
		Consolidated	Consolidated	Company	Company
<b>Cash flows from operating activities</b>					
Cash received from sales of goods or rendering of services		7,976,345	4,820,559	12,927	48,423
Cash received relating to other operating activities		210,450	1,985,922	4,978,134	6,611,904
<b>Sub-total of cash inflows</b>		<b>8,186,795</b>	<b>6,806,481</b>	<b>4,991,061</b>	<b>6,660,327</b>
Cash paid for goods and services		(13,914,945)	(11,713,587)	(6,957)	(45)
Cash paid to and on behalf of employees		(336,645)	(206,962)	(46,433)	(46,433)
Payments of taxes and surcharges		(1,737,850)	(1,138,323)	(11,300)	(50,105)
Cash paid relating to other operating activities		(822,811)	(1,744,725)	(11,832,661)	(6,382,890)
<b>Sub-total of cash outflows</b>		<b>(16,812,251)</b>	<b>(14,803,597)</b>	<b>(11,897,351)</b>	<b>(6,479,473)</b>
<b>Net cash flows from operating activities</b>	5(48)	<b>(8,625,456)</b>	<b>(7,997,116)</b>	<b>(6,906,290)</b>	<b>180,854</b>
<b>Cash flows from investing activities</b>					
Cash received from returns on investments		2,390	12,400	14,397	24,308
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		745	4,898	-	74
Cash received from disposal of subsidiaries		4,133	333,269	-	240,000
Cash received relating to other investing activities		-	2,065,394	1,143,273	427,570
<b>Sub-total of cash inflows</b>		<b>7,268</b>	<b>2,415,961</b>	<b>1,157,670</b>	<b>691,952</b>
Cash paid to acquire fixed assets, intangible assets and other long-term assets		(253,464)	(397,664)	(31)	(693)
Cash paid to acquire investments		(469,682)	(81,000)	(20,000)	(10,000)
Net cash paid for disposal of subsidiaries	5(48)(d)	(166,256)	-	-	-
Cash paid relating to other investing activities		(1,937,545)	(172,388)	(449,391)	-
<b>Sub-total of cash outflows</b>		<b>(2,826,947)</b>	<b>(651,052)</b>	<b>(469,422)</b>	<b>(10,693)</b>
<b>Net cash flows from investing activities</b>		<b>(2,819,679)</b>	<b>1,764,909</b>	<b>688,248</b>	<b>681,259</b>
<b>Cash flows from financing activities</b>					
Cash received from capital contributions		2,280,000	1,500,000	-	-
Including: Cash received from specific capital management plan	4(2)	2,280,000	1,500,000	-	-
Cash received from borrowings		16,285,961	7,910,501	5,572,600	200,000
Proceeds from disposal of shares of subsidiaries and minority shareholders		-	1,049,087	-	-
Cash received from issuing bonds		2,972,100	-	2,972,100	-
Cash received from other financing activities		10,250	650,000	-	-
<b>Sub-total of cash inflows</b>		<b>21,548,311</b>	<b>11,109,588</b>	<b>8,544,700</b>	<b>200,000</b>

**APPENDIX I**
**FINANCIAL INFORMATION OF THE GROUP**

Item	Note	Unaudited		Unaudited	
		Six months ended 30 June 2015	Six months ended 30 June 2014	Six months ended 30 June 2015	Six months ended 30 June 2014
		Consolidated	Consolidated	Company	Company
Cash repayments of borrowings		(6,360,426)	(4,528,179)	(1,050,000)	-
Cash payments for interest expenses and distribution of dividends or profits		(3,230,286)	(1,344,096)	(803,881)	(434,300)
Cash paid for other financing activities		(789,645)	-	(456,000)	-
<b>Sub-total of cash outflows</b>		<u>(10,380,357)</u>	<u>(5,872,275)</u>	<u>(2,309,881)</u>	<u>(434,300)</u>
<b>Net cash flows from financing activities</b>		<u>11,167,954</u>	<u>5,237,313</u>	<u>6,234,819</u>	<u>(234,300)</u>
<b>Effect of foreign exchange rate changes on cash</b>		<u>14,786</u>	<u>1,179</u>	<u>(3,912)</u>	<u>(5,210)</u>
<b>Net increase in cash</b>	5(48)(b)	(262,395)	(993,715)	12,865	622,603
<i>Add: Cash at beginning of period</i>	5(48)(b)	<u>10,759,150</u>	<u>10,487,655</u>	<u>2,512,139</u>	<u>800,899</u>
<b>Cash at end of period</b>	5(48)(b)	<u>10,496,755</u>	<u>9,493,940</u>	<u>2,525,004</u>	<u>1,423,502</u>



## CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the six months ended 30 June 2015 (All amounts in thousands of units of RMB unless otherwise stated)

Item	Note	Unaudited						
		Attributable to equity holders of the Company						
		Paid-in capital	Capital surplus	Other comprehensive income/(loss)	Surplus reserves	Undistributed profits	Non-controlling interest	Total owners' equity
<b>Balance at 1 January 2014</b>		2,027,960	832,450	1,285,991	341,768	4,219,571	7,520,744	16,228,484
<b>Movement for the six months ended 30 June 2014</b>								
Total comprehensive income								
Net profit		-	-	-	-	661,130	346,659	1,007,789
Other comprehensive losses		-	-	(676,187)	-	-	-	(676,187)
Total comprehensive income		-	-	(676,187)	-	661,130	346,659	331,602
Capital contribution and withdrawal by owners, including:								
Capital contribution by owners		-	-	-	-	-	994,311	994,311
Senior perpetual bonds issued by subsidiaries	4(2)(2)	-	-	-	-	-	-	-
Investment absorbed from specific capital management plan issued by subsidiaries	4(2)(2)	-	-	-	-	-	1,335,000	1,335,000
Others		-	54,776	-	-	-	-	54,776
Profit distribution to equity owners	5(35)	-	-	-	-	(446,151)	(397,305)	(843,456)
<b>Balance at 30 June 2014</b>		2,027,960	887,226	609,804	341,768	4,434,550	9,799,409	18,100,717
<b>Balance at 1 January 2015</b>		2,027,960	706,109	581,134	360,628	5,444,301	12,293,394	21,413,526
<b>Movement for the six months ended 30 June 2015</b>								
Total comprehensive income								
Net profit		-	-	-	-	503,293	507,773	1,011,066
Other comprehensive income		-	-	8,671	-	-	-	8,671
Total comprehensive (losses)/income		-	-	8,671	-	503,293	507,773	1,019,737
Capital contribution and withdrawal by owners, including:								
Transaction with non-controlling interest	4(4)	-	(125,351)	-	-	-	(2,089,517)	(2,214,868)
Investment from specific capital management plan		-	-	-	-	-	2,040,300	2,040,300
Profit distribution to equity owners		-	-	-	-	(506,990)	(245,569)	(752,559)
<b>Balance at 30 June 2015</b>		2,027,960	580,758	589,805	360,628	5,440,604	12,506,381	21,506,136

## COMPANY STATEMENT OF CHANGES IN OWNERS' EQUITY

For the six months ended 30 June 2015 (All amounts in thousands of units of RMB unless otherwise stated)

Item	Note	Unaudited					Total owners' equity
		Paid-in capital	Capital surplus	Other comprehensive income/(loss)	Surplus reserves	Undistributed profits	
<b>Balance at 1 January 2014</b>		<u>2,027,960</u>	<u>1,279,308</u>	<u>43,530</u>	<u>341,768</u>	<u>1,319,496</u>	<u>5,012,062</u>
<b>Movement for the six months ended 30 June 2014</b>							
Comprehensive income							
Net profit		-	-	-	-	115,886	115,886
Other comprehensive losses		-	-	(19,408)	-	-	(19,408)
Total comprehensive (losses)/income		-	-	(19,408)	-	115,886	96,478
Withdrawing surplus reserves		-	-	-	-	-	-
Profit distribution to equity owners	5(35)	-	-	-	-	(446,151)	(446,151)
<b>Balance at 30 June 2014</b>		<u>2,027,960</u>	<u>1,279,308</u>	<u>24,122</u>	<u>341,768</u>	<u>989,231</u>	<u>4,662,389</u>
<b>Balance at 1 January 2015</b>		<u>2,027,960</u>	<u>1,279,308</u>	<u>5,819</u>	<u>360,628</u>	<u>1,043,085</u>	<u>4,716,800</u>
<b>Movement for the six months ended 30 June 2015</b>							
Comprehensive income							
Net profit		-	-	-	-	(135,716)	(135,716)
Other comprehensive income		-	-	6,305	-	-	6,305
Total comprehensive (losses)/income		-	-	6,305	-	(135,716)	(129,411)
Profit distribution to equity owners		-	-	-	-	(506,990)	(506,990)
<b>Balance at 30 June 2015</b>		<u>2,027,960</u>	<u>1,279,308</u>	<u>12,124</u>	<u>360,628</u>	<u>400,379</u>	<u>4,080,399</u>

**NOTES TO THE FINANCIAL STATEMENTS**

*For the six months ended 30 June 2015 (All amounts in thousands of units of RMB unless otherwise stated)*

**1. General information**

Beijing Capital Land Ltd. (hereinafter “the Company”) was established by seven companies (hereinafter “the promoters”) on 23 July 2002, namely Beijing Capital Group Ltd. (hereinafter “Capital Group”), Beijing Sunshine Real Estate Comprehensive Development Company (hereinafter “Sunshine Comprehensive”), Beijing Capital Sunshine Real Estate Development Co., Ltd. (hereinafter “Capital Sunshine”), Beijing Capital Technology Investment Co., Ltd. (hereinafter “Capital Technology”), Beijing Capital Hangyu Economic Development Co., Ltd. (renamed “Beijing Capital Development Co., Ltd.” afterwards, hereinafter “Capital Development”), China Resource Products Limited (hereinafter “China Resource”) and Yieldwell International Enterprise Limited (hereinafter “Yieldwell International”) (hereinafter “the promoters”). The company’s place of registry is the People’s Republic of China and is headquartered in Beijing, China.

The Company was registered on 5 December 2002 in Beijing with total share capital of RMB1,100,000,000 at RMB1 per share. The Company issued 513,300,000 shares on the Main Board of the Stock Exchange of Hong Kong Limited (“H-shares”) in June 2003. And 51,330,000 state-owned shares and state-owned entities shares were transferred to public by some of the promoters.

On 27 January 2005 and 26 October 2006, the Company placed 456,126,000 H-shares (RMB1 per share) in total, of which, 414,660,000 shares were newly issued and 41,466,000 state-owned shares and state-owned entities shares were transferred to public by some of the promoters.

The parent company and the ultimate parent company of the Company is Capital Group, a state owned enterprise corporates in Beijing.

The Company and its subsidiaries (hereinafter “the Group”) are principally engaged in the real estate development and investment, commercial real estate operation, hotel operation, property consulting services and investment holding.

These consolidated financial statements were approved by the Board of Directors on 10 August 2015. The interim financial statements were unaudited.

## 2. Summary of significant accounting policies and accounting estimates

### (1). *Basis of preparation*

The financial statements were prepared in accordance with the Basic Standard and specific standards of the Accounting Standards for Business Enterprises issued by the Ministry of Finance on 15 February 2006, and the Application Guidance for Accounting Standards for Business Enterprises, Interpretations of Accounting Standards for Business Enterprises and other relevant regulations issued thereafter (hereinafter collectively referred to as the “Accounting Standards for Business Enterprises” or “CAS”).

The financial statements were prepared in basis of going concern.

### (2). *Statement of compliance with the Accounting Standards for Business Enterprises*

The financial statements of the Company for the six months ended 30 June 2015 are in compliance with the Accounting Standards for Business Enterprises, and truly and completely present the financial position of the Consolidated and the Company as of 30 June 2015 and of their financial performance, cash flows and other information for the six months then ended.

### (3). *Accounting year*

The accounting year starts on 1 January and ends on 31 December.

### (4). *Functional currency*

The functional currency of the Company’s and most of its subsidiaries is Renminbi (RMB), while the functional currency of subsidiaries incorporated in France, is Euro (EUR).

### (5). *Business combinations*

#### (a) *Business combinations involving enterprises under common control*

The consideration paid and net assets obtained by the acquirer in a business combination are measured at the carrying amount. The difference between the carrying amount of the net assets obtained and the carrying amount of the combination is recognized in the capital surplus (share premium). If the capital surplus (share premium) is not sufficient to absorb the difference, the remaining balance is recognized in retained earnings.

Costs directly attributable to the combination shall be recognized in profit or loss for the period when occurred.

Transaction costs in the issue of equity securities and debt securities attributable to the combination shall be recognized initial amount of equity securities and debt securities.

*(b) Business combinations involving enterprises not under common control*

The consideration paid and identifiable net assets obtained by the acquirer in a business combination are measured at fair value on the acquisition date. Where the cost of the combination exceeds the acquirer's interest in the fair value of the acquirer's identifiable net assets, the difference is recognized as goodwill; where the cost of combination is lower than the acquirer's interest in the fair value of the acquirer's identifiable net assets, the difference is recognized in profit or loss for the current period.

In a business combination involving entities not under common control achieved in stages. In the individual financial statement, the initial cost shall be the summation of the book value of the previously held equity interest in the acquirer before the acquisition date and the additional investment cost on the acquisition date. In the consolidated financial statements, the previously held equity interest in the acquirer is premeasured to fair value on the acquisition date and the difference between the fair value and the net book value is recognized as investment income for the period. If other comprehensive income was recognized regarding the equity interest previously held in the acquirer before the acquisition date, the relevant other comprehensive income is transferred to investment income in the period in which the acquisition occurs. Difference between the considerations paid by the Group as the acquirer, including equity interest of the acquirer held before the acquisition date, and the Group's interest in the fair value of the identifiable net assets of the acquire, is recognized as goodwill if it is an excess.

Costs directly attributable to the combination are recognized in profit or loss in the period in which they are incurred.

***(6). Preparation of consolidated financial statements***

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries.

Subsidiaries are consolidated from the date on which the Group obtains control and are de-consolidated from the date that such control ceases. For a subsidiary that is acquired in a business combination involving enterprises under common control, it is included in the consolidated financial statements from the date when it, together with the Company, comes under common control of the ultimate controlling party. The portion of the net profits realized before the combination date is presented separately in the consolidated income statement.

In preparing the consolidated financial statements, where the accounting policies and the accounting periods are inconsistent between the Company and subsidiaries, the financial statements of subsidiaries are adjusted in accordance with the accounting policies and accounting period of the Company. For subsidiaries acquired from a business combination involving enterprises not under common control, the individual financial statements of the subsidiaries are adjusted based on the fair value of the identifiable net assets on the acquisition date.

All significant inter-group balances, transactions and unrealized profits are eliminated in the consolidated financial statements. The portion of a subsidiary's equity, the portion of a subsidiary's net profits and losses and comprehensive income for the period not attributable to the Company are recognized as non-controlling interests and comprehensive income attributed to minority shareholders, as presented separately in the consolidated financial statements within equity and net profits and comprehensive income respectively. Unrealized inter profit or loss in transactions where the Company sells assets to its subsidiaries are fully eliminated to the net profits attributable to equity holders of the Company. Unrealized inter profit or loss in transactions where a subsidiary sells assets to the Company are eliminated between the net profits attributable to equity holders of the Company and the profit or loss of the non- controlling interest in proportion to the Company's allocation to the subsidiary. Unrealized inter profit or loss in transactions between subsidiaries selling assets are eliminated between the net profits attributable to equity holders of the Company and the profit or loss of non-controlling interest in proportion to the Company's allocation to the selling side.

A transaction will be adjusted from the perspective of the Group in condition that assertions are different when accounting entities are the Group and the Company or its subsidiaries.

**(7). Cash**

Cash comprise cash on hand and deposits that can be readily drawn on demand.

**(8). Foreign currency translation****(a) Foreign currency transactions**

Foreign currency transactions are translated into RMB using the spot exchange rates at the dates of the transactions.

At the balance sheet date, monetary items denominated in foreign currencies are translated into RMB using the spot exchange rates on the balance sheet date. Exchange differences arising from these translations are recognized in profit or loss for the current period, except for those attributable to foreign currency borrowings that have been taken out specifically for the acquisition or construction of qualifying assets, which are capitalized as part of the cost of those assets. Nonmonetary items denominated in foreign currencies that are measured at historical costs are translated at the balance sheet date using the spot exchange rates at the date of the transactions. The effect of exchange rate changes on cash is presented separately in the cash flow statement.

**(b) Translation of foreign currency financial statements**

The asset and liability items in the balance sheets for overseas operations are translated at the spot exchange rates on the balance sheet date. Among the owners' equity items, the items other than "undistributed profits" are translated at the spot exchange rates on the transaction dates. The income and expense items in the income statements of overseas operations are translated at the spot exchange rates on the transaction dates. The differences arising from the above translation are presented separately in the owners' equity. The cash flows of overseas operations are translated at the spot exchange rates on the dates of the cash flows. The effect of exchange rate changes on cash is presented separately in the cash flow statement.

**(9). Financial instruments****(a) Financial assets****(i) Classification of financial assets**

Financial assets are classified into the following categories at initial recognition: financial assets at fair value through profit or loss, receivables, available-for-sale financial assets and held-to-maturity investments. The classification of financial assets depends on the Group's intention and ability to hold the financial assets. The financial assets of the Group are mainly comprised of financial assets at fair value through profit or loss, receivables and available-for-sale financial assets.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for the purpose of selling in the short term.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, including accounts receivable and other receivables (note 5(3)).

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories at initial recognition. Available-for-sale financial assets are included in other current assets on the balance sheet if management intends to dispose of them within 12 months of the balance sheet date.

(ii) Recognition and measurement

Financial assets are recognized at fair value on the balance sheet when the Group becomes a party to the contractual provisions of the financial instrument, and the transaction costs related to acquisition are recognized in profit or loss for the current period. Transaction costs that are attributable to the acquisition of the receivables and available-for-sale financial assets are included in their initial recognition amounts.

Fair values are used to determine the subsequent measurements of available-for-sale financial assets. However, for equity investments that neither have quoted price available in an active market nor fair values can be reliably measured, cost method should be used in measuring. Receivables are measured at amortized cost using the effective interest method.

Change of fair value of financial assets measured at fair value through profit or loss are recognized as fair value gain or loss into gain or loss for the current period; Interests or cash dividends gained during the holding period of asset, and disposal gain or loss are recognized into gain or loss for the current period.



Gain or loss arising from change in fair value of available-for-sale financial assets is recognized directly in equity, except for impairment losses and exchange gain or loss arising from translation of foreign monetary financial assets. When such financial assets are derecognized, the cumulative gain or loss previously recognized directly into equity is recycled into profit or loss for the current period. Interests of available-for-sale debt instrument investments, which are calculated by actual rate during holding period, and cash dividends related to available-for-sale equity instrument investments announced by investee companies are recognized as investment income in profit or loss for the current period.

(iii) Impairment of financial assets

The Group assesses the carrying amounts of financial assets other than those at fair value through profit or loss at each balance sheet date. If there is objective evidence that a financial asset is impaired, the Group shall make a provision for impairment.

Objective evidence indicating impairment of financial assets refers to the matter that actually occurs after the initial recognition of financial assets, it will affect estimated future cash flows of financial assets, and its impact can be reliably measured by the Group.

Objective evidence of impairment on available-for-sale equity investments includes the significant or prolonged decline of the fair value of those equity instruments. The Group assesses the carrying amounts of available-for-sale equity instruments separately at each balance sheet date. If the fair value of the equity instrument declines for more than 50% (included) compared with the initial investment cost or the decline lasts for more than one year (included), the impairment occurs; if the fair value of the equity instrument declines for more than 20% (included) but not beyond 50%, the Group will take other relevant factors, such as price fluctuations into consideration to judge whether the impairment occurs. The Group applies weighted-average method to estimate the initial investment of the available-for-sale equity instrument investment.

When an impairment loss on a financial asset carried at amortized cost has occurred, the amount of loss is measured at the difference between the asset's carrying amount and the present value of its estimated future cash flows (excluding future credit losses that have not been incurred). If there is objective evidence that the value of the financial asset recovered and the recovery is related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed and the amount of reversal is recognized in profit or loss.

In the case of a significant or prolonged decline in the fair value of an available-for-sale financial asset, the cumulative loss arising from the decline in fair value that had been recognized directly in equity is removed from equity and recognized in impairment loss. For an investment in an equity instrument classified as available-for-sale on which impairment losses have been recognized, the increase in its fair value in a subsequent period is recognized in equity directly.

In the case of decline in the cost model of an available-for-sale financial asset, the difference between its book value and the present value of the cash flow from the similar financial asset under present market yields shall be recognized in profit or loss. Occurred impairment will not be reversed in future period.

(iv) Derecognition of financial assets

A financial asset is derecognized when any of the below criteria is met: (i) the contractual rights to receive the cash flows from the financial asset expire; (ii) the financial asset has been transferred and the Group transfers substantially all the risks and rewards of ownership of the financial asset to the transferee; or (iii) the financial asset has been transferred and the Group has not retained control of the financial asset, although the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset.

The changes of fair value of financial assets at fair value through profit or loss are recognized as fair value profit or loss in profit or loss for the current period; Interests, cash dividends and disposal profit or loss during the holding period of the asset are recognized in profit or loss for the current period.

On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received along with the cumulative changes in fair value that had been recognized directly in equity, is recognized in profit or loss. Interests calculated at actual rate during the holding period of the available-for-sale liability instrument investments, and cash dividends related to available-for-sale equity instrument investments announced by Investee Company are recognized as investment income in profit or loss for the current period.

(b) *Financial liabilities*

Financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities. The Group's financial liabilities are majorly financial derivative liabilities and other financial liabilities (including payables, borrowings and debentures payable).

Forward foreign exchange contract recognized by cash flow hedging instruments is accounted by financial derivative liabilities. The changes of other forward foreign exchange contracts are recognized in profit or loss at fair value.

Payables include accounts payable and other payables which are initially recognized at fair value and recorded at amortized cost using effective interest rate in subsequent measurement.

Borrowings and debentures payable are initially recognized at fair value less trading expenses and recorded at amortized cost using effective interest rate in subsequent measurement.

Financial liabilities with repayment period within 1 year (including 1 year) are stated as current liabilities; other financial liabilities with repayment period over 1 year but repayment date within 1 year from balance sheet date are stated as current portion of non-current liabilities; others are stated as non-current liabilities.

A financial liability is derecognized or partly already derecognized when the current obligation is discharged or partly discharged. The difference between the carrying amount of the financial liability or the derecognized part of the financial liability and the consideration paid is recognized in profit or loss.

(c) *Determination of fair value of financial instrument*

The fair value of a financial instrument that is traded in an active market is determined at the quoted price in the active market. The fair value of a financial instrument that is not traded in an active market is determined by using a valuation technique. The Group uses the valuation technique when it is applicable under current conditions and there are enough available data and other information to support and the technique should maximize the use of relevant observable. Unobservable inputs are used under the circumstance that the relevant observable inputs cannot be obtained or not feasible. Those inputs should be consistent with the inputs a market participant would use when pricing the asset or liability.

(d) *Offsetting of financial assets and liabilities*

Financial assets and liabilities should be presented separately in balance sheet without offsetting. A financial asset and a financial liability should be offset when, and only when, both of the following conditions are satisfied: (i) The Group currently has a legally enforceable right to set off the recognized amounts and the legally enforceable right is now executable; (ii) The Group intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously.

**(10). Hedging activities**

The Group sets forward foreign exchange contract as hedging instrument to avoid foreign exchange risks. Changes in cash flow of the hedging instrument are expected to offset the changes in cash flow of hedged items. The Group accounts the hedging by using cash flow hedge.

Fair value of the hedging derivatives would be classified as non-current asset or liability when the maturity of the hedged item is more than 12 months.

The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items (whether the offset results are between 80% and 125%). The Group adopts ratio analysis to assess subsequent effectiveness of cash flow hedge.

Gain or loss on the cash flow hedging instrument relating to the effective portion is recognized in other comprehensive income and presented separately. Amount of the effective portion is the lower of the absolute value of the two items below:

- (1) Accumulated gain or loss on the hedging instrument from hedging date;
- (2) Accumulated changes in present value of expected future cash flow of hedged transactions from hedging date.

Gain or loss relating to the ineffective portion is recognized in profit and loss of the current period.

When a transaction that is hedged influences the income statement, the gain or loss on the hedging instrument recognized in other comprehensive income is transferred out and recognized in profit and loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset, the gain or loss previously recognized in equity is transferred out from equity and included in the initial cost of the non-financial asset.

When a hedging instrument is sold or expires, when the contract terminate, or when a hedge no longer meets the criteria for hedge accounting, the Group will discontinue using hedge accounting, any cumulative gains or losses existing in equity at that time remains in equity and will be recognized in profit and loss when the forecast transaction ultimately occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognized in equity will be immediately transferred out to profit and loss.

### ***(11). Receivables***

Receivables comprise accounts receivable and other receivables. Accounts receivable arising from sale of goods or rendering of services are initially recognized at fair value of the contractual payments from the buyers or service recipients.

Receivables that are individually significant are subject to separate impairment assessment. If there is objective evidence that the group will not be able to collect the full amount under the original terms, a provision for impairment of that receivable is recognized at the difference between the carrying amount of that receivable and the present value of its estimated future cash flows.

Receivables with amounts that are not individually significant along with those receivables that have been individually assessed for impairment and have not been found impaired are classified into certain groupings based on their credit risk characteristics. The provision for doubtful debts is determined based on the historical actual loss ratio for the groupings of receivables with similar credit risk characteristics, taking the current circumstances into consideration.

**(12). Inventories**

*(a) Classification*

Inventories include properties under development, properties held for sale, work in progress, finished goods and low-cost consumables, and are measured at the lower of cost and net realizable value.

*(b) Measurement of inventories*

Inventories are initially recognized at the actual costs. The costs of properties under development and properties held for sale comprise land cost, construction cost, capitalized borrowing costs, and other direct and indirect fees incurred during the development period. On completion, the properties are transferred to completed properties held for sale at the actual costs. For land use rights that are developed for subsequent sales, the cost paid for land use rights are classified and accounted for as part of the costs of properties.

Public ancillary facilities comprise government-approved public ancillary projects, i.e. roads. The relevant costs are recognized under the properties under development, and are recorded by each cost items, the cost paid for land use rights are classified and accounted for as part of properties under development.

*(c) Measurement of net realizable value and provisions of inventories*

Provisions are determined at the excess amount of the carrying value of the inventories over their net realizable value. Net realizable value is determined based on the estimated selling price in the ordinary course of business, less the estimated costs to completion and estimated selling expenses and related taxes.

*(d) The Group adopts the perpetual inventory system*

*(e) Low-cost consumables are amortized using the one-off amortization method*

***(13). Long-term equity investments***

Long-term equity investments comprise the Company's long-term equity investments in its subsidiaries, the Group's long-term equity investments in its joint ventures and associates.

Subsidiaries are the investees over which the Company is able to exercise control. Joint ventures are joint arrangements of which the net asset is attribute to the Group based on the legal forms, terms of contract and other facts and the investees over which the Group is able to exercise joint control together with other ventures. Associates are the investees that the Group has significant influence on their financial and operating policies.

Investments in subsidiaries are presented in the Company's financial statements using the cost method, and are adjusted for preparing the consolidated financial statements using the equity method. Investments in joint ventures and associates are accounted for using the equity method.

When the accounting policies and the accounting periods are inconsistent between the Company and investees, the financial statements of investees are adjusted in accordance with the accounting policies and accounting periods of the Company and recognize the investment income accordingly.

***(a) Measurement of investment cost***

For long-term equity investments acquired through a business combination: for long-term equity investments acquired through business combination involving enterprises under common control, the investment cost shall be the acquirer's share of the carrying amount of owners' equity of the acquiree on the combination date; for long-term equity investment acquired through a business combination involving enterprises not under common control, the investment cost shall be the combination cost.

For long-term equity investments acquired not through a business combination: for long-term equity investment acquired by payment in cash, the initial investment cost shall be the purchase price actually paid; for long-term equity investments acquired by issuing equity instruments, the initial investment cost shall be the fair value of the equity instruments issued.

(b) *Subsequent measurement and recognition of investment income and loss*

For long-term equity investments accounted for using the cost method, they are measured at the initial investment costs, and cash dividends or profit distribution declared by the investees are recognized as investment income in profit or loss.

For long-term equity investments accounted for using the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets on the acquisition date, the long-term equity investment is measured at the initial investment cost; where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets on the acquisition date, the difference is included in profit or loss and the cost of the long-term equity investment is adjusted upwards accordingly.

For long-term equity investments accounted for using the equity method, the Group recognizes the investment income or losses according to its share of net profit or loss of the investee. The Group discontinues recognizing its share of net losses of an investee after the carrying amount of the long-term equity investment together with any long-term interests that, in substance, form part of the investor's net investment in the investee are reduced to zero. However, if the Group has obligations for additional losses and the criteria with respect to recognition of provisions under the accounting standards on contingencies are satisfied, the Group continues recognizing the investment losses and the losses are recognized as estimate debts. For changes in owners' equity of the investee other than those arising from its net profit or loss, other comprehensive income and profit distribution, the Group adjusts the carrying amount of long-term equity investments and records its proportionate share directly into capital surplus. The carrying amount of the investment is reduced by the Group's share of the profit distribution or cash dividends declared by the investee. The unrealized profits or losses arising from the intra-group transactions amongst the Group and its investees are eliminated in proportion to the Group's equity interest in the investees, and then based on which the investment gains or losses are recognized. For the loss on the intra-group transaction amongst the Group and its investees attributable to asset impairment, any unrealized loss is not eliminated.

(c) *Definitions of control, joint control and significant influence*

Control is the power over the investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee companies, and has the ability to affect those returns through its power over the investee companies.



Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the Group and other parties sharing control.

Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

*(d) Impairment of long-term equity investment*

The carrying amounts of long-term equity investments in subsidiaries, joint ventures and associates are reduced to the recoverable amounts when the recoverable amounts are below their carrying amounts (Note 2 (20)).

***(14). Joint operations***

Joint operations are operations with a contractual arrangement, whereby the Group and other parties jointly enjoy related assets and are responsible to related liabilities. Under joint operations, the assets and liabilities which belong to joint operations and are related to profit shares should be recognized separately or shared by proportion; Revenues were recognized from selling the Group's share in joint operations or selling products of joint operations; expenses were recognized separately or shared by proportion in the joint operations.

***(15). Investment properties***

Investment properties, including land use rights that have already been leased out, buildings that are held for the purpose of leasing and buildings that is being constructed or developed for the purpose of leasing in future, are measured initially at cost. Subsequent expenditures incurred in relation to an investment property is included in the cost of the investment property when it is probable that the associated economic benefits will flow to the Group and their cost can be reliably measured; otherwise, the expenditures are recognized in profit or loss in the year in which they are incurred.

The Group adopts the fair value model for subsequent measurement of investment properties. Investment properties are measured at fair value model when the following conditions are met:

- (a) There is an active property market where the investment property locates.
- (b) The Group can obtain the market price and the relevant information regarding the same type of or similar property market, so as to reasonably estimate the fair value of the investment property.

Depreciation or amortization will no longer be provided for investment properties measured at fair value. Investment properties will be valued as at the balance sheet date and its carrying amount will be adjusted accordingly. The difference between the fair value and the carrying amount will be charged in profit or loss for the current period.

When objective evidence indicates that the purpose of the real estate has changed and the Group converts investment property to owner-occupied property or real estate inventory, the property's carrying amount is stated at the fair value on the conversion date. The difference between the fair value and the original carrying amount is recognized in profit or loss for the current period. When any owner-occupied property or real estate inventory is converted to investment properties to be measured through the fair value model, the fair value on the conversion date is recognized as the carrying amount of the investment property. When the fair value on the conversion date is less than its carrying amount, the difference will be charged in profit or loss for the current period. When the fair value on the conversion date is more than its carrying amount, the difference will be charged to other comprehensive income.

Where fair value of investment properties under construction is not reliably measurable but is expected to be reliably obtained after the construction is completed (including those investment properties under construction acquired initially by the Group), the property is measured at cost until the earlier of the date construction is completed or the date at which fair value becomes reliably measurable.

For investment properties under construction measured at cost, land use rights are amortized by using the estimated useful life and net residual rate. The amortization is capitalized.

An investment property is derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The net amount of proceeds from sale, transfer, scrapping or damage of an investment property subtract its carrying amount and related taxes and expenses is recognized in profit or loss for the current period.

The carrying amount of an investment property under construction measured at cost is reduced to the recoverable amount if the recoverable amount is below the carrying amount (Note 2 (20)).

**(16). Fixed assets***(a) Recognition and initial measurement*

Fixed assets comprise buildings, machinery and equipment, motor vehicles and office equipment. Fixed assets are recognized when it is probable that the associated economic benefits will flow to the Group and the related cost can be reliably measured. Fixed assets purchased or constructed by the Group are initially measured at cost at the time of acquisition.

Subsequent expenditures incurred for a fixed asset are included in the cost of the fixed asset when it is probable that the associated economic benefits will flow to the Group and the related cost can be reliably measured. The carrying amount of the replaced part is derecognized. All the other subsequent expenditures are recognized in profit or loss for the current period.

*(b) Depreciation methods of fixed assets*

Fixed assets are depreciated using the straight-line method to allocate the cost of the assets to their estimated residual values over their estimated useful lives. For the fixed assets that have been provided for impairment loss, the related depreciation charge is prospectively determined based upon the adjusted carrying amounts over their remaining useful lives.

The estimated useful lives, the estimated rate of residual value and the annual depreciation rate are as follows:

	<b>Estimated useful lives</b>	<b>Estimated rate of residual value</b>	<b>Annual depreciation rate</b>
Buildings	10-40 year	0% to 10%	2.3% to 10.0%
Machinery and equipment	5-20 year	0% to 10%	4.5% to 20.0%
Motor vehicles	5-10 year	0% to 10%	9.0% to 20.0%
Office equipment	3-10 year	0% to 10%	9.0% to 33.3%

The estimated useful lives, the estimated residual value of a fixed asset and the depreciation method applied to the asset are reviewed, and adjusted as appropriate at least each year end.

*(c)* When recoverable amount of fixed asset is lower than its carrying amount, the carrying amount should be written down to the recoverable amount (Note 2(20)).

(d) *Disposal of fixed assets*

A fixed asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The amount of proceeds from disposal on sale, transfer, scrapping or damage of a fixed asset subtract its carrying amount and related taxes and expenses is recognized in profit or loss for the current period.

**(17). Borrowing costs**

The borrowing costs that are directly attributable to the acquisition and construction of investment properties or real estate projects that need a substantially long period of time for its intended use commence to be capitalized and recognized as part of the cost of the asset when expenditures for the asset and borrowing costs have been incurred, and the activities relating to the acquisition and construction that are necessary to prepare the asset for its intended use have commenced. The capitalization of borrowing costs ceases, when the investment properties under acquisition or construction becomes ready for its intended use, the properties under development become ready for sale (generally after Completion Certification granted), the borrowing costs incurred thereafter are recognized in profit or loss for the current period. Capitalization of borrowing costs is suspended during periods in which the acquisition or construction of the asset is interrupted abnormally and the interruption lasts for more than 3 months, until the acquisition or construction is resumed.

For borrowings that specified for acquisition and construction of investment properties and real estate projects and qualified for capitalization, the capitalization amount is measured as current actual interests of the specified borrowings subtract interest revenue earned from unused borrowings deposited at bank or investment income earned from temporary investment activities with unused borrowings.

For general borrowings that occupied by the acquisition and for construction of investment properties and real estate projects qualified for capitalization, the capitalization amount should be the weighted average exceeds of accumulated capital expenditures for capitalization over the amount of specialized borrowings multiplied by the weighted average effective interest rate. The effective interest rate is the rate used to discount the estimated future or the applicable shorter period cash flows of the borrowings to the initial measurement of the borrowings.

**(18). Intangible assets**

Intangible assets are land use rights and are measured at cost. The cost of land use rights obtained for construction of real estate projects and investment properties is recognized in inventory development costs.

(a) *Land use rights*

Land use rights are amortized over the useful life of 50 years. If the purchase costs of land use rights and the buildings located thereon cannot be reliably allocated between the land use rights and the buildings, all of the purchase costs are recognized as fixed assets.

(b) *Periodical review of useful life and amortization method*

For an intangible asset with a finite useful life, review and adjustment on its useful life and amortization method are performed at each year end.

(c) *Impairment of intangible assets*

When the recoverable amount of an intangible asset is less than its carrying amount, the carrying amount should be written down to the recoverable amount (Note 2 (20)).

**(19). Long-term prepaid expenses**

Long-term prepaid expenses include expenditures that have been incurred but should be recognized as expenses over more than one year in the current and subsequent periods. Long-term prepaid expenses are amortized on the straight-line basis over the expected beneficial period and are presented at actual expenditure subtract accumulated amortization.

**(20). Impairment of long-term assets**

Fixed assets, intangible assets with finite useful lives, investment properties measured using the cost model and long-term equity investments in subsidiaries, joint ventures and associates are tested for impairment if there is any indication that an asset may be impaired at the balance sheet date. If the result of the impairment test indicates that the recoverable amount of the asset is less than its carrying amount, a provision for impairment and an impairment loss are recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. Provision for asset impairment is determined and recognized on the individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of a group of assets to which the asset belongs to is determined. A group of assets is the smallest group of assets that is able to generate cash inflows independently.

Goodwill that is separately presented in the financial statements is tested at least annually for impairment, irrespective of whether there is any indication that it may be impaired. In conducting the test, the carrying value of goodwill is allocated to the related asset groups or groups of asset groups which are expected to benefit from the synergies of the business combination. If the result of the test indicates that the recoverable amount of an asset group or a set of assets group, including the allocated goodwill, is lower than its carrying amount, the corresponding impairment loss is recognized. The impairment loss is first deducted from the carrying amount of goodwill that is allocated to the asset group or a set of assets group, and then deducted from the carrying amounts of other assets within the asset groups or a set of assets group in proportion to the carrying amounts of assets other than goodwill.

Once the above asset impairment loss is recognized, it will not be reversed for the value recovered in the subsequent periods.

***(21). Employee benefits***

Employee benefits are all forms of considerations given in exchange for services rendered by employees or compensation paid in order to terminate the employment relationship. Employee benefits mainly include short-term employee benefits, demission benefits, termination benefits and other long-term employee benefits, etc.

*(a) Short-term employee benefits*

Short-term employee benefits mainly include wages or salaries, bonuses, allowances and subsidies, staff welfare, social security contributions, housing funds, labor union funds and employee education funds. When an employee has rendered service to the Group during an accounting period, the Group shall recognize short-term employee benefits as liabilities and charge to the cost of an asset or as an expense at the same time. Non-monetary benefits are measured at fair value.

*(b) Demission benefits*

Demission benefits are classified as defined contribution plan and defined benefit plans. Defined contribution is demission benefits plan in which the Group is not obliged to make further payment after paying a certain amount to individual funds. Defined benefit plans is other demission benefits plan except for defined contribution plan. During the period, demission benefits mainly include basic social pension security and unemployed insurance, both of which are defined contribution plan.

#### Basic social pension security

Employees of the Group participate in the basic social pension plan set up and administered by the government authorities. Basic pensions are provided monthly according to stipulated proportions and basis, which are paid to local labor and social security institutions. After retirement of employees, local labor and social security institutions will pay related pensions to employees accordingly. When an employee has rendered service to the Group during an accounting period, the Group shall compute and recognize liabilities according to the above stipulation and charge to the cost of an asset or as an expense at the same time.

The Group provides a pension scheme, which is established under the rules and regulations of the Mandatory Provident Fund Scheme Ordinance (“MPF Scheme”), for all employees in Hong Kong. The statutory contribution requirements to the MPF Scheme are minimum 5% of eligible employees’ relevant aggregate income and maximum of HKD1,500 monthly. The assets of this pension scheme are held separately from those of the Group in independently administered funds.

#### Supplementary pension security plan

Qualified employees of the Group can voluntarily join the supplementary pension security plan. Supplementary pensions are provided monthly based on employees’ social security basis published in April and proportions of 5% from the Group and 5% from employee, which are paid to trustee. After retirement of employees, trustee will pay related pensions to employees accordingly. When an employee has rendered service to the Group during an accounting period, the Group shall compute and recognize liabilities according to the above stipulation and charge to the cost of an asset or as an expense at the same time.

#### (c) *Termination benefits*

Termination benefits are payables when employment is terminated by the Group before the employment contract expire, or compensation provided as an offer to encourage employees to accept voluntary redundancy. The Group recognizes termination benefits as liabilities and charges to profit or losses at the earlier of the following dates: (i) when the Group can no longer withdraw the offer of termination plan; or (ii) when the Group recognizes costs for restructuring which involving the payment of termination benefits.

***(22). Equity instruments***

Financial instruments issued by the Group are classified as equity instruments when both of the following conditions are satisfied:

- (a) The financial instruments have no contractual obligation to pay in cash or other financial assets to other parties nor to exchange financial assets or financial liabilities under potential adverse condition with other parties;
- (b) The financial instruments should and can be settled via equity instruments of the Group. For non-derivative instruments, the instruments have no contractual obligation to be settled by delivering fixed number of equity instruments of the Group. For derivative instruments, they can only be settled through the exchange of fixed number of the Group's equity instruments with fixed amount of cash or other financial assets.

The amounts issued by the subsidiaries and classified as equity instruments in the consolidated financial statements of the Group are presented as "Non-controlling interest".

***(23). Distribution of dividends***

The amount of dividends is recognized as a liability in the current period in which it is approved by general meeting of shareholders.

***(24). Provisions***

Provisions for product warranties, pending litigations etc. are recognized when the Group has a present obligation, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Factors surrounding a contingency, such as the risks, uncertainties and the time value of money, are taken into account as a whole in reaching the best estimate of a provision. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows. The increase in the discounted amount of the provision arising from passage of time is recognized as interest expense.

The carrying amount of provisions is reviewed at each balance sheet date and adjusted to reflect the current best estimate.



***(25). Revenue recognition***

The amount of revenue is determined in accordance with the fair value of the consideration received or receivable from the sales of goods and the rendering of services in the ordinary course of the Group's business activities. Revenue is shown net off rebates, discounts and returns.

Revenue is recognized when the economic benefits associated with the transaction will flow to the Group, the related revenue can be reliably measured, and the specific revenue recognition criteria have been met for each type of the Group's business activities as described below:

***(a) Sales of goods***

(i) Revenue of sales of development properties is recognized when all the following conditions have been satisfied:

- properties are completed and accepted after check;
- a legally binding sales contract has been signed;
- all the significant risks and rewards of ownership of the development properties have been transferred to the buyer;
- the Company does not retain the management rights, which is normally associated with owner, on the development properties sold and has no control over the development properties sold. The Company does not meet the other criteria required when recognizing revenue mentioned above.

(ii) The Group produces chemical products and sells to distributors around the country. The Group transports the chemical products to the agreed delivery place according to the contract. With the distributor's receiving confirmation, the Group recognizes revenue. Distributors have the right to sell chemical products on their own and take the risk of price fluctuation or damage of the chemical products.

***(b) Rendering of services***

The Group provides service to external parties. The related revenue is recognized using the percentage of completion method, with the stage of completion being determined based on proportion of costs incurred to date to the estimated total costs.

(c) *Transfer of asset use rights*

Interest income is recognized on a time-proportion basis using the effective interest method.

Income from an operating lease is recognized on a straight-line basis over the period of the lease.

**(26). Government grants**

Government grants are the gratuitous monetary assets or non-monetary assets that the Group receives from the government, including tax returns and financial subsidies.

Government grants are recognized when there is reasonable assurance that the grants will be received and the Group is able to comply with the conditions attaching to them. Monetary assets of the government grants are measured as the amount received or receivable. Non-monetary assets of the government grants are measured as fair value or notional value if the fair value cannot be obtained reliably.

A government grant related to an asset is the government grants acquired by the Group that specified for acquisition and construction or in other ways to form long-term assets. For government grants related to income are government grants other than government grants related to assets.

Government grants related to assets are recognized as deferred revenue and will be amortized on a straight-line basis in profit or loss over the useful life of the related assets. Government grants recognized at notional value are directly recognized in the income statement.

Government grants related to income which are used to compensate expenses or losses in subsequent periods, are recognized as deferred revenue and realized in profit or loss for the period such expenses or losses occurred; the ones which are to compensate expenses or losses occurred in previous periods are directly recognized in the income statement.

***(27). Deferred tax assets and deferred tax liabilities***

Deferred tax assets and deferred tax liabilities are calculated and recognized based on the differences arising between the tax bases of assets and liabilities and their carrying amounts (temporary differences). Deferred tax asset is recognized for the deductible losses that can be carried forward to subsequent years for deduction of the taxable profit in accordance with the tax laws. No deferred tax liability is recognized for a temporary difference arising from the initial recognition of goodwill. No deferred tax asset or deferred tax liability is recognized for the temporary differences resulting from the initial recognition of assets or liabilities due to a transaction other than a business combination, which affects neither accounting profit nor taxable profit (or deductible loss). At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available to offset the deductible temporary differences, deductible losses, and deductible tax amounts.

Deferred tax liabilities are recognized for temporary differences arising from investments in subsidiaries, joint ventures and associates, except where the Group is able to control the timing of the reversal of the temporary difference, and it is probable that the temporary difference will not be reversed in the foreseeable future. When it is probable that the temporary differences arising from investments in subsidiaries, joint ventures and associates will be reversed in the foreseeable future and that the taxable profit will be available in the future to offset the deductible temporary differences, the corresponding deferred tax assets are recognized.

Deferred tax assets and liabilities are offset if all the following conditions are met:

- they related to income taxes levied by the same tax authority; and
- that tax payer within the Group has a legally enforceable right to offset current tax assets and current tax liabilities.

***(28). Leases***

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. An operating lease is a lease other than a finance lease.

The Group does not have finance leases. Lease payments under an operating lease are recognized in the asset cost or in profit or loss on a straight-line basis over the year of the lease.

***(29). Maintenance and quality guarantee funds***

Maintenance fund is collected from property buyers according to related regulations on behalf of housing administration bureau, by certain percentage of selling price of property, the fund will be delivered to housing administration bureau upon registration of property ownership. Maintenance fund is recognized in “other payables” when received and is specially for the repair and update for the common parts and equipment and public facilities of the real estate.

Quality guarantee fund is reserved by certain percentage of the project payment and when the properties are completed it will be repaid to constructor, in condition that there’s no quality issue in agreed warranty period. Reserved quality guarantee fund is recognized in “payables” and is paid after the agreed warranty period.

***(30). Held for sale and discontinuing operations***

A non-current asset or a component of the group satisfying the following conditions is classified as held for sale: (1) the non-current asset or the component in current conditions can be sold immediately according to usual trading terms; (2) the Group has made a resolution and has been approved for disposal of the non-current asset or the component; (3) an irrevocable contract with the transferee has been signed and; (4) the transfer will be completed within one year.

Non-current assets, except for financial assets and deferred tax assets, which meet the recognition criteria for held for sale are measured at the lower of the fair value less costs to sell and the carrying amount. Any excess of the original carrying amount over the fair value less costs to sell is recognized as an asset impairment loss.

Non-current assets classified as held for sale, the assets and liabilities in the disposal groups are classified as current assets and current liabilities.

A discontinued operation is a component of the Group that either has been disposed of or is classified as held for sale, and can be distinguished from other components within the Group in business operation and in preparation of financial statements: (1) the component represents a separate major line of business or geographical area of operations; (2) is part of a single coordinated plan to disposal of a separate major line of business or geographical area of operations; (3) is a subsidiary acquired exclusively for the purpose of resale.

***(31). Segment information***

The Group identifies operating segments based on the internal organization, management requirements and internal reporting system and the reportable segments is determined and segment information is disclosed based on the operating segments.

An operating segment is a component of the Group that satisfies all of the following conditions: (1) the component is able to earn revenues and incur expenses from its operation activities; (2) whose operating results are regularly reviewed by the Group's management to make decisions about resources to be allocated to the segment and to assess its performance, and (3) for which the information on financial position, operating results and cash flows is available to the Group. If two or more operating segments have similar economic characteristics and satisfy certain conditions, they could be aggregated into one single operating segment.

***(32). Purchase shares in subsidiaries from non-controlling shareholders and partial disposal of interest in a subsidiary without loss of control***

The transaction with non-controlling interest to partially or wholly acquire interests in a subsidiary after obtaining the control rights over the subsidiary, the assets and liabilities of the subsidiary are measured consistently following their value at the acquisition or merger date in the consolidated financial statements. The difference between additions in long-term investment due to the interest purchase and additions of shared net assets of the subsidiary calculated by the additional share proportion should be recorded in capital surplus (share premium). In case share premium is not sufficient to offset the difference, retained earnings should be adjusted.

The transaction with non-controlling interest to dispose long-term equity investment in a subsidiary without losing control rights over the subsidiary, the difference between the proceeds from disposal of interests and the decrease of the shared net assets of the subsidiary is adjusted to capital surplus (share premium). In case share premium is not sufficient to offset the difference, retained earnings will be adjusted.

***(33). Critical accounting estimates and judgments***

The Group continually evaluates the critical accounting estimates and key judgments applied based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

*(a) Critical accounting estimates and key assumptions*

The critical accounting estimates and key assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as following:

*(i) Property development cost*

Critical estimates and judgments on budget cost and development progress are required in determining property development cost. The budget cost and development progress of the project is reviewed by the Group on a regular basis and adjusted as appropriate. Should the actual cost differs from the budget cost, such difference will impact the relevant property development cost.

*(ii) Taxes*

The Group is subject to various taxes for the business of property development. There are many transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgment is required in determining the provision for land appreciation tax (“LAT”). Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax provisions in the year in which such determination is made.

*(iii) Impairment of assets*

The Group tests annually whether assets have suffered any impairment in accordance with the accounting policy stated in note 2(20). If there is objective evidence that the carrying amount of assets is in excess of its recoverable amount, a provision for impairment and an impairment loss are recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount.

(iv) Provisions for doubtful debts of receivables

The Group tests annually whether receivables suffer any impairment in accordance with the accounting policy stated in note 2(11). If there is objective evidence that the Group will not be able to collect the full amount under the original terms, a provision for impairment of that receivable is made.

(v) Deferred tax assets

Judgment for whether deductible temporary differences and deductible losses can be reversed in the future period is required from the Group in recognizing deferred tax assets. For deductible temporary losses, the Group recognizes deferred tax assets to the extent that it is probable that taxable profit will be available in the future to offset the deductible losses.

(vi) Fair value of investment properties

The Group adopts fair value model for subsequent measurement of investment properties and obtains independent valuations for its investment properties at least annually from an independent professional valuer as a third party. The fair value is determined in accordance with the methods below:

Current prices (open market quotations) in an active market for the same or similar investment properties;

When such information above is not available, then use recent trading prices in an active market of the same or similar investment property, and take the factors of situations, dates and locations of transactions, etc. into consideration;

Calculation based on the discounted of future estimated rental income and other related cash flows.

(vii) Provision for the decline in value of inventories

The Group measures the inventories at the lower of cost and net realizable value at the balance sheet date. The calculation of net realizable value needs assumptions and estimates. If the management changes the estimated selling price and the estimated costs and expenses to completion, the estimated net realizable value would be affected; such difference will impact the provisions of inventories which have been recognized.

(viii) Accounting estimates on impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment. These calculations require accounting estimation. The group's goodwill is mainly generated from an acquisition for a Hong Kong stock exchange listed company. The group applies the market value of shares of the listed company at balance sheet date to evaluate the recoverable amount of the asset groups and groups of asset groups.

(ix) Deferred income tax liabilities

The Group needs to estimate the possibility of the dividend distribution or share transfer of the non-resident enterprises, when recognizing deferred income tax liabilities for taxable temporary differences of withholding income tax.

*(b) Critical judgments on application of accounting policy-revenue recognition*

According to the accounting policy stated in note 2(25), the assessment of when an entity has transferred the significant risks and rewards of ownership to buyers requires the judgment according to the circumstances of the transaction. In most cases, the transfer point of risks and rewards of ownership coincides with the date when the buyer check and accept the property or when the buyer is regarded as checking and accepting the property.

As disclosed in note 10, the Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. These guarantees will be relieved when relevant property ownership certificates are mortgaged to banks by the purchasers. The Group believes that significant risks and rewards associated to the ownership of the properties have been transferred to the purchasers when the buyer check and accept the property or when the buyer is regarded as checking and accepting the property.



### 3. Taxation

The types and rates of taxes applicable to the Group are set out below:

Type	Tax rate	Taxable base
Enterprise income tax	25%	Taxable income of subsidiaries located in the PRC
	5%-10%	Income from taxable dividends of non-resident enterprises and investments disposal in mainland China
	16.5%	Taxable income of subsidiaries located in Hong Kong
Business tax	5%	Taxable turnover amount
LAT	30%-60%	Taxable value added amount through sales of properties
Value added tax (“VAT”)	6%	Taxable value added amount
City maintenance and construction tax	5%-7%	Amount of VAT, business tax payable
Education surcharge	3%	Amount of VAT, business tax payable
Property tax	1.2%	Taxable residual value of properties

#### 4. Business combination and consolidated financial statement

##### (1). Significant subsidiaries

###### 1. Subsidiaries incorporated by promoters at establishment of the Company

Name	Place of registration	Place of main operation	Principal activities	Registered capital		Attributable interest held				Attributable vote held			
				30 June 2015	31 December 2014	30 June 2015 Direct %	In-direct %	31 December 2014 Direct %	In-direct %	30 June 2015 Direct %	In-direct %	31 December 2014 Direct %	In-direct %
(1) Central Plaza Real Estate Development Co., Ltd. ("Central Company")	Beijing, the PRC	Beijing, the PRC	Property Development and Investment	USD11,258,000	USD11,258,000	75	25	75	25	75	25	75	25
(2) Beijing Rongjin Real Estate Development Co., Ltd. ("Rongjin Company")	Beijing, the PRC	Beijing, the PRC	Property Development and Investment	USD6,360,000	USD6,360,000	10	49.5	10	49.5	10	49.5	10	49.5
(3) Beijing Sunshine Jindu Properties Co., Ltd. ("Jindu Company")	Beijing, the PRC	Beijing, the PRC	Property Development and sales	RMB370,000,000	RMB370,000,000	100	-	100	-	100	-	100	-
(4) Central Plaza Development Ltd. ("Central Plaza") (i)	B.V.I	Hong Kong	Investment Holding	USD1	USD1	100	-	100	-	100	-	100	-
(5) International Financial Center Property, Ltd. ("IFC")	B.V.I	Hong Kong	Investment Holding	USD1	USD1	100	-	100	-	100	-	100	-

- (i) As at 30 June 2015, Central Plaza, a subsidiary of the Group, has issued cooperate bonds and mid-term notes amounted to RMB5,250,000,000 (as at 31 December 2014: RMB5,250,000,000) (note 5(29)).

###### 2. Subsidiaries obtained from business combinations involving enterprises not under common control

Name	Place of registration	Place of main operation	Principal activities	Registered capital		Attributable interest held				Attributable vote held			
				30 June 2015	31 December 2014	30 June 2015 Direct %	In-direct %	31 December 2014 Direct %	In-direct %	30 June 2015 Direct %	In-direct %	31 December 2014 Direct %	In-direct %
(1) S.C. Real Estate Development Co., Ltd. ("S.C.")	Beijing, the PRC	Beijing, the PRC	Property Development and sales	RMB640,000,000	RMB640,000,000	100	-	100	-	100	-	100	-
(2) Beijing HYHL Real Estate Development Co., Ltd.	Beijing, the PRC	Beijing, the PRC	Property Development and sales	USD10,000,000	USD10,000,000	-	100	-	100	-	100	-	100
(3) Beijing Anhua Shiji Real Estate Development Co., Ltd. ("Anhua Shiji")	Beijing, the PRC	Beijing, the PRC	Property Development and sales	USD30,000,000	USD30,000,000	55	45	55	45	60	40	60	40
(4) Tianjin Banshan Renjia Real Estate Co., Ltd. ("Tianjin Banshan")	Tianjin, the PRC	Tianjin, the PRC	Property Development and sales	USD74,000,000	USD74,000,000	-	100	-	100	-	100	-	100
(5) Beijing Sunshine City Real Estate Development Co., Ltd. ("Sunshine City")	Beijing, the PRC	Beijing, the PRC	Property Development and sales	USD20,000,000	USD20,000,000	50	50	50	50	60	40	60	40
(6) Chongqing Xinshi Real Estate Development Co., Ltd.	Chongqing, the PRC	Chongqing, the PRC	Property Development and sales	USD95,000,000	USD95,000,000	-	100	-	100	-	100	-	100
(7) Beijing Xinbocheng Real Estate Development Co., Ltd.	Beijing, the PRC	Beijing, the PRC	Property Development and sales	RMB89,000,000	RMB89,000,000	-	100	-	100	-	100	-	100

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				30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014	Direct	In-direct	Direct	In-direct
						Direct	In-direct	Direct	In-direct	Direct	In-direct	Direct	In-direct
						%	%	%	%	%	%	%	%
(8) Qingdao Yangguang Binhai Properties Co., Ltd.	Qingdao, the PRC	Qingdao, the PRC	Property Development and sales	RMB50,000,000	RMB50,000,000	-	100	-	100	-	100	-	100
(9) Qingdao Qianqianshu Investment Properties Co., Ltd.	Qingdao, the PRC	Qingdao, the PRC	Property Development and sales	RMB20,000,000	RMB20,000,000	-	100	-	100	-	100	-	100
(10) Yantai Yangguang Lidu Real Estate Development Co., Ltd.	Yantai, the PRC	Yantai, the PRC	Property Development and sales	RMB50,000,000	RMB50,000,000	-	100	-	100	-	100	-	100
(11) Yantai Yangguang Lizhen Real Estate Development Co., Ltd.	Yantai, the PRC	Yantai, the PRC	Property Development and sales	RMB75,000,000	RMB75,000,000	-	100	-	100	-	100	-	100
(12) Yantai Yangguang Xinye Real Estate Development Co., Ltd.	Yantai, the PRC	Yantai, the PRC	Property Development and sales	RMB75,000,000	RMB75,000,000	-	100	-	100	-	100	-	100
(13) Zhejiang Huisheng Real Estate Co., Ltd	Huzhou, the PRC	Huzhou, the PRC	Property Development and sales	USD20,000,000	USD20,000,000	-	100	-	100	-	100	-	100
(14) Zhejiang Outlets Property Real Estate Co., Ltd	Huzhou, the PRC	Huzhou, the PRC	Property Development and sales	USD40,000,000	USD40,000,000	-	100	-	100	-	100	-	100
(15) Tianjin Shengtai Cheng Jiaming Ronghe Development Co., Ltd	Tianjin, the PRC	Tianjin, the PRC	Property Development and sales	RMB60,000,000	RMB60,000,000	-	100	-	100	-	100	-	100
(16) Beijing Capital Juda Limited ("Beijing Capital Juda") (i)	Cayman Islands	Hong Kong	Investment Holding	HKD2,000,000	HKD2,000,000	-	65.1	-	65.1	-	65.1	-	65.1
(17) Nice World Chemical Industry (Xiamen) Co. Ltd. ("NWCI") (i)	Ziamen, the PRC	Ziamen, the PRC	Manufacture and sale of chemicals	USD8,000,000	USD8,000,000	-	-	-	65.1	-	-	-	65.1
(18) Xi'an Capital Xinkai Real Estate Co., Ltd. ("Xi'an Xinkai") (i)	Xi'an the PRC	Xi'an the PRC	Property Development and sales	USD165,000,000	USD165,000,000	-	65.1	-	100	-	65.1	-	-
(19) Huzhou Capital Rongcheng Real Estate Co., Ltd. ("Huzhou Rongcheng")	Huzhou, the PRC	Huzhou, the PRC	Property Development and sales	RMB60,000,000	RMB60,000,000	-	55	-	55	-	55	-	55
(20) Beijing Xingtai Jicheng Real Estate Co., Ltd. ("Xingtai Jicheng")	Beijing, the PRC	Beijing, the PRC	Property Development and sales	RMB45,000,000	RMB45,000,000	-	100	-	100	-	100	-	100
(21) Beijing Yongyuan Jintai Investment Management Co., Ltd. ("Yongyuan Jintai")	Beijing, the PRC	Beijing, the PRC	Investment management Holding	RMB5,000,000	RMB5,000,000	100	-	100	-	100	-	100	-

- (i) Beijing Capital Juda (known as Juda International Holdings Limited before 26 March 2015) is listed on the main board of Stock Exchange of Hong Kong Limited (stock code: 1329) with common stock amounted to 200,000,000 shares, the Group holds 65.1% of the total shares, and in January 2015, Beijing Capital Juda privately offered Convertible Preferred Shares (CPS) amounted to 738,130,482 shares to a wholly owned subsidiary of the Group, after taking account of CPS, the Group holds 92.56% of the net assets in Beijing Capital Juda. NWCI, an original significant subsidiary of Beijing Capital Juda, is disposed in current period (Note 4(3)). In 30 June 2015, a significant subsidiary of Beijing Capital Juda is Xi'an Xinkai (Note 4(4)), through Beijing Capital Juda, the Group holds 92.56% of the net assets in Xi'an Xinkai.

## 3. Subsidiaries obtained through incorporation or by other means

Name	Place of registration	Place of main operation	Principal activities	Registered capital		Attributable interest held				Attributable vote held			
				30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014		
						Direct %	In-direct %	Direct %	In-direct %	Direct %	In-direct %	Direct %	In-direct %
(1) Beijing Capital Xinzi Real Estate Ltd. ("Beijing Xinzi")	Beijing, the PRC	Beijing, the PRC	Property Development and sales	RMB496,590,000	RMB496,590,000	100	-	100	-	100	-	100	-
(2) Beijing Shangboya Investment Consultant Co., Ltd. ("Shangboya")	Beijing, the PRC	Beijing, the PRC	Investment Holding	RMB30,000,000	RMB30,000,000	100	-	100	-	100	-	100	-
(3) Beijing Shangbodi Investment Consultant Co., Ltd. ("Shangbodi")	Beijing, the PRC	Beijing, the PRC	Investment Holding	RMB30,000,000	RMB30,000,000	51	-	51	-	51	-	51	-
(4) Tianjin Xinchuang Land Ltd. ("Tianjin Xinchuang")	Tianjin, the PRC	Tianjin, the PRC	Property Development and sales	USD25,000,000	USD25,000,000	-	100	-	100	-	100	-	100
(5) Chengdu Capital Xinzi Real Estate Development Ltd ("Chengdu Xinzi")	Chengdu, the PRC	Chengdu, the PRC	Property Development and sales	USD30,000,000	USD30,000,000	-	100	-	100	-	100	-	100
(6) Jiangsu Capital Real Estate Development Ltd. ("Jiangsu Capital")	Wuxi, the PRC	Wuxi, the PRC	Property Development and sales	USD12,500,000	USD12,500,000	60	40	60	40	60	40	60	40
(7) Beijing Capital Land Chengdu Co., Ltd. ("Capital Chengdu")	Chengdu, the PRC	Chengdu, the PRC	Property Development and sales	RMB150,000,000	RMB150,000,000	100	-	100	-	100	-	100	-
(8) Chengdu Capital Yidu Real Estate Development Co., Ltd. ("Chengdu Yidu")	Chengdu, the PRC	Chengdu, the PRC	Property Development and sales	USD100,000,000	USD100,000,000	-	55	-	55	-	60	-	60
(9) Tianjin Capital Xinyuan Real Estate Development Co., Ltd. ("Tianjin Xinyuan")	Tianjin, the PRC	Tianjin, the PRC	Property Development and sales	USD95,000,000	USD95,000,000	-	55	-	55	-	60	-	60
(10) Tianjin Capital Xingang Real Estate Development Co., Ltd. ("Tianjin Xingang")	Tianjin, the PRC	Tianjin, the PRC	Property Development and sales	USD95,000,000	USD95,000,000	-	55	-	55	-	60	-	60
(11) Wuxi Xindong Real Estate Development Co., Ltd. ("Wuxi Xindong")	Wuxi, the PRC	Wuxi, the PRC	Property Development and sales	RMB100,000,000	RMB100,000,000	100	-	100	-	100	-	100	-
(12) Central Plaza Xinrong Hotel Management Co., Ltd. ("Central Plaza Xinrong")	Beijing, the PRC	Beijing, the PRC	Hotel services and Management	USD6,062,000	USD6,062,000	75	25	75	25	75	25	75	25
(13) Beijing Chuangxin Jianye Real Estate Investment Ltd. ("Chuangxin Jianye")	Beijing, the PRC	Beijing, the PRC	Investment Holding	RMB50,000,000	RMB50,000,000	100	-	100	-	100	-	100	-
(14) Jingjin Tongcheng (Tianjin) Investment Co., Ltd. ("Jingjin Tongcheng")	Tianjin, the PRC	Tianjin, the PRC	Development and sales	RMB250,000,000	RMB250,000,000	-	90	-	90	-	90	-	90
(15) Outlets Property Investment Fang Shan Ltd.	Beijing, the PRC	Beijing, the PRC	Property Development and sales	USD127,000,000	USD127,000,000	-	100	-	100	-	100	-	100
(16) Beijing Capital Zhongbei Real Estate Development Co., Ltd.	Beijing, the PRC	Beijing, the PRC	Property Development and sales	RMB100,000,000	RMB100,000,000	-	100	-	100	-	100	-	100
(17) BECL Investment Holding Ltd. ("BECL")	Hong Kong	Hong Kong	Investment Holding	USD9,900,000	USD9,900,000	100	-	100	-	100	-	100	-
(18) Beijing Anshunyuan Real Estate Development Co., Ltd.	Beijing, the PRC	Beijing, the PRC	Property Development and sales	RMB50,000,000	RMB50,000,000	-	95	-	95	-	95	-	95
(19) Zhengjiang Xianji Real Estate Development Co., Ltd.	Zhenjiang, the PRC	Zhenjiang, the PRC	Property Development and sales	USD40,000,000	USD40,000,000	-	100	-	100	-	100	-	100
(20) Zhejiang Shouxin Real Estate Development Co., Ltd.	Huzhou, the PRC	Huzhou, the PRC	Property Development and sales	USD24,500,000	USD24,500,000	-	100	-	100	-	100	-	100

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				30 June 2015	31 December 2014	30 June 2015		31 December 2014		30 June 2015		31 December 2014	
						Direct %	In-direct %	Direct %	In-direct %	Direct %	In-direct %	Direct %	In-direct %
(21) Zhejiang Hualong Real Estate Development Co., Ltd.	Huzhou, the PRC	Huzhou, the PRC	Property Development and sales	USD67,000,000	USD67,000,000	-	100	-	100	-	100	-	100
(22) Beijing Ruiyuanfengji Real Estate Development Co., Ltd. ("Ruiyuanfengji")	Beijing, the PRC	Beijing, the PRC	Property Development	RMB10,000,000	RMB10,000,000	100	-	100	-	100	-	100	-
(23) Capital Tianshun Real Estate Development Co., Ltd.	Beijing, the PRC	Beijing, the PRC	Property Development	RMB100,000,000	RMB100,000,000	-	100	-	100	-	100	-	100
(24) Nanjing Ningchun Real Estate Development Co., Ltd. ("Nanjing Ningchun") (i)	Nanjing, the PRC	Nanjing, the PRC	Infrastructure Investment	N/A	RMB100,000,000	N/A	N/A	-	100	N/A	N/A	-	100
(25) Hainan Outlets Real Estate Development Co., Ltd.	Wanning, the PRC	Wanning, the PRC	Property Development	USD14,000,000	USD14,000,000	-	55	-	55	-	55	-	55
(26) Jiangyin Yuyue Real Estate Development Co., Ltd.	Jiangyin, the PRC	Jiangyin, the PRC	Property Development	USD49,000,000	USD49,000,000	-	100	-	100	-	100	-	100
(27) Qingdao Xinli Weiye Real Estate Development Co., Ltd.	Qingdao, the PRC	Qingdao, the PRC	Property Development and sales	RMB90,000,000	RMB90,000,000	-	100	-	100	-	100	-	100
(28) Capital Guoxin Asset Management Co., Ltd. ("Capital Guoxin")	Beijing, the PRC	Beijing, the PRC	Asset Management	RMB100,000,000	RMB100,000,000	100	-	100	-	100	-	100	-
(29) Capital Qinglv Real Estate (Kunshan) Co., Ltd. ("Capital Qinglv") (ii)	Kunshan, the PRC	Kunshan, the PRC	Property Development and sales	RMB300,000,000	RMB300,000,000	N/A	N/A	-	51	N/A	N/A	-	51
(30) Hainan Outlets Tourism Development Co., Ltd. ("Hainan Outlets Tourism")	Wanning, the PRC	Wanning, the PRC	Development, construction and property management	USD9,000,000	USD9,000,000	-	55	-	55	-	55	-	55
(31) Capital Outlets (Kunshan) Real Estate Development Co., Ltd.	Kunshan, the PRC	Kunshan, the PRC	Property Development and sales	RMB300,000,000	RMB300,000,000	-	100	-	100	-	100	-	100
(32) Shenyang Capital Xinyun Real Estate Co., Ltd.	Shenyang, the PRC	Shenyang, the PRC	Property Development and sales	RMB20,000,000	RMB20,000,000	-	100	-	100	-	100	-	100
(33) Datang Weiye Holdings (France) Co., Ltd.	France	France	Real Estate Business	EUR25,000,000	EUR25,000,000	-	100	-	100	-	100	-	100
(34) Hainan Capital Outlets Real Estate Co., Ltd.	Wanning, the PRC	Wanning, the PRC	Property Development and sales	RMB20,000,000	RMB20,000,000	-	100	-	100	-	100	-	100
(35) Beijing Jinrui Wealth Investment Management Co., Ltd.	Beijing, the PRC	Beijing, the PRC	Investment Holding	RMB50,000,000	RMB50,000,000	-	100	-	100	-	100	-	100
(36) Capital Dongxing (Kunshan) Real Estate Development Co., Ltd.	Kunshan, the PRC	Kunshan, the PRC	Property Development and sales	RMB300,000,000	RMB300,000,000	-	100	-	100	-	100	-	100
(37) Tianjin Tongcheng Real Estate Co., Ltd.	Tianjin, the PRC	Tianjin, the PRC	Property Development and sales	RMB50,000,000	RMB50,000,000	-	100	-	100	-	100	-	100
(38) Beijing Zhongzhi Dingfu Real Estate Co., Ltd. ("Beijing Zhongzhidingfu")	Beijing, the PRC	Beijing, the PRC	Investment Holding	RMB100,000,000	RMB100,000,000	100	-	100	-	100	-	100	-
(39) Beijing Tiancheng Yongtai Real Estate Co., Ltd. ("Tiancheng Yongtai")	Beijing, the PRC	Beijing, the PRC	Property Development and sales	RMB2,246,290,000	RMB2,246,290,000	-	68.5	-	68.5	-	60	-	60
(40) Beijing Tiancheng Yongyuan Real Estate Co., Ltd. ("Tiancheng Yongyuan")	Beijing, the PRC	Beijing, the PRC	Property Development and sales	RMB1,997,109,000	RMB1,997,109,000	-	50	-	50	-	60	-	60
(41) Tianjin Xingtai Jixing Real Estate Co., Ltd.	Tianjin, the PRC	Tianjin, the PRC	Property Development	RMB50,000,000	RMB50,000,000	-	100	-	100	-	100	-	100

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				30 June 2015	31 December 2014	30 June 2015		31 December 2014		30 June 2015		31 December 2014	
						Direct %	In-direct %	Direct %	In-direct %	Direct %	In-direct %	Direct %	In-direct %
(42) Qingdao Guoxin Yicheng Investment Co., Ltd. ("Qingdao Guoxin Yicheng")	Qingdao, the PRC	Qingdao, the PRC	Investment Holding	RMB10,000,000	RMB10,000,000	-	100	-	100	-	100	-	100
(43) Beijing Chuangrui Xiangan Real Estate Co., Ltd.	Beijing, the PRC	Beijing, the PRC	Property Development and sales	RMB30,000,000	RMB30,000,000	-	100	-	100	-	100	-	100
(44) Shanghai Songchaung Real Estate Co., Ltd. (iv)	Shanghai, the PRC	Shanghai, the PRC	Property Development	RMB50,000,000	RMB50,000,000	-	100	-	100	-	100	-	100
(45) Specific Assets Management Plan for Capital Lize Project Beijing of Minsheng Royal Asset Management Co., Ltd. ("the Specific Asset Management Plan") (iv)	Beijing, the PRC	Beijing, the PRC	Investment Holding	RMB2,200,000,000	RMB2,200,000,000	9	-	9	-	N/A	-	N/A	-
(46) Beijing Yikaiyou Real Estate Co., Ltd.	Beijing, the PRC	Beijing, the PRC	Property Development	RMB20,000,000	RMB20,000,000	-	100	-	100	-	100	-	100
(47) Shanghai Capital Zhengheng Real Estate Co., Ltd. ("Shanghai Zhengheng")	Shanghai, the PRC	Shanghai, the PRC	Property Development	RMB10,000,000	RMB10,000,000	100	-	100	-	100	-	100	-
(48) Beijing Guijiamao Real Estate Co., Ltd.	Beijing, the PRC	Beijing, the PRC	Property Development	RMB50,000,000	RMB50,000,000	-	100	-	100	-	100	-	100
(49) Tianjin Xingtai Jihong Real Estate Co., Ltd.	Tianjin, the PRC	Tianjin, the PRC	Property Development	RMB30,000,000	RMB30,000,000	-	100	-	100	-	100	-	100
(50) Beijing Lianchuang Shengye Real Estate Development Co., Ltd. ("Lianchuang Shengye")	Beijing, the PRC	Beijing, the PRC	Property Development	RMB10,000,000	RMB10,000,000	-	100	-	100	-	100	-	100
(51) Chengdu Capital Zhenghua Real Estate Co., Ltd. ("Chengdu Zhenghua")	Chengdu, the PRC	Chengdu, the PRC	Property Development and sales	RMB30,000,000	RMB30,000,000	-	100	-	100	-	100	-	100
(52) Shanghai Capital Shoujia Real Estate Co., Ltd. ("Shanghai Shoujia") (iii)	Shanghai, the PRC	Shanghai, the PRC	Property Development and sales	RMB100,000,000	RMB50,000,000	N/A	N/A	-	100	N/A	N/A	-	100
(53) Beijing Chuangrui Hua'an Real Estate Co., Ltd.	Beijing, the PRC	Beijing, the PRC	Property Development	RMB30,000,000	RMB30,000,000	-	100	-	100	-	100	-	100
(54) Lehui Shenghuo (Beijing) Technology Service Co., Ltd. ("Lehui Shenghuo")	Beijing, the PRC	Beijing, the PRC	Client Service and property management	RMB5,000,000	RMB5,000,000	100	-	100	-	100	-	100	-
(55) Beijing Xujia Real Estate Development Co., Ltd. (v)	Beijing, the PRC	Beijing, the PRC	Property Development and sales	RMB50,000,000	N/A	-	100	N/A	N/A	-	100	N/A	N/A
(56) Tianjin Xingtai Jisheng Real Estate Development Co., Ltd. (v)	Tianjin, the PRC	Tianjin, the PRC	Property Development and sales	RMB50,000,000	N/A	-	100	N/A	N/A	-	100	N/A	N/A
(57) Tianjin Hongtai Weiye Real Estate Development Co., Ltd. (v)	Tianjin, the PRC	Tianjin, the PRC	Property Development and sales	RMB30,000,000	N/A	-	100	N/A	N/A	-	100	N/A	N/A
(58) Shanghai Shouqing Real Estate Development Co., Ltd. (v)	Shanghai, the PRC	Shanghai, the PRC	Property Development and sales	RMB50,000,000	N/A	-	100	N/A	N/A	-	100	N/A	N/A
(59) Shanghai Shoupu Real Estate Development Co., Ltd. (v)	Shanghai, the PRC	Shanghai, the PRC	Property Development and sales	RMB50,000,000	N/A	-	100	N/A	N/A	-	100	N/A	N/A
(60) Beijing Tianzhiying Real Estate Development Co., Ltd. (v)	Beijing, the PRC	Beijing, the PRC	Property Development and sales	RMB50,000,000	N/A	-	100	N/A	N/A	-	100	N/A	N/A
(61) Beijing Jinyifeng Real Estate Development Co., Ltd. (v)	Beijing, the PRC	Beijing, the PRC	Property Development and sales	RMB50,000,000	N/A	-	100	N/A	N/A	-	100	N/A	N/A

- (i) Nanjing Ningchun cancelled registration after the approval of State Administration for Industry and Commerce of the People's Republic of China.
- (ii) The Group held 51% equity interest of Capital Qinglv, and originally a subsidiary of the Group. During the period, the Group reached an agreement with the other shareholder of Capital Qinglv to exercise significant decision-making jointly. Upon the completion of amending the article of association, Capital Qinglv became a joint venture of the Group (Note 4(3)).
- (iii) As at 30 June 2015, a third party company was introduced into Shanghai Shoujia through capital increase and share expansion. After the completion of capital increase and share expansion, the Group holds 60% equity interest of Shanghai Shoujia. According to the Articles of company, Shanghai Shoujia is controlled by the Group together with the third party, therefore it is no longer consolidated (Note 4(3)).
- (iv) The Group holds 9% equity interest in the Specific Asset Management Plan as the secondary priority investor. Based on the Agreement of the Plan, the Group shares or undertakes the majority of income or risk of the plan, therefore the Group has control over the Specific Asset Management Plan. The Group doesn't have the obligation and intention to provide financial support to this Specific Asset Management Plan.
- (v) These companies were newly set up by the Group in this period.

**(2). Subsidiaries with significant minority interests**

*1. Non-controlling interests from common equity interests*

		Dividends to		
		Non- controlling interest for the six months ended 30 June 2015	Non- controlling interest for the six months ended 30 June 2015	Accumulative Non- controlling interest as at 30 June 2015
Tianjin Xinyuan	45%	(2,473)	–	336,312
Tianjin Xingang	45%	(6,498)	–	201,798
Chengdu Yidu	45%	(5,237)	–	496,820
Tiancheng Yongtai	31.5%	13,441	–	849,743
Tiancheng Yongyuan	50%	<u>263,332</u>	<u>–</u>	<u>1,257,227</u>
Total		<u>262,565</u>	<u>–</u>	<u>3,141,900</u>

## a. The financial information of subsidiaries above in this period

	Financial information as at 30 June 2015					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Tianjin Xinyuan	929,235	2,051	931,286	183,926	–	183,926
Tianjin Xingang	1,543,503	118	1,543,621	1,095,182	–	1,095,182
Chengdu Yidu	1,360,388	3,939	1,364,327	260,282	–	260,282
Tiancheng Yongtai	2,841,370	579,891	3,421,261	126,986	1,014,437	1,141,423
Tiancheng Yongyuan	17,790	2,906,566	2,924,356	234,200	175,703	409,903

	Financial information as at 31 December 2014					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Tianjin Xinyuan	941,870	201	942,071	189,216	–	189,216
Tianjin Xingang	2,706,029	145	2,706,174	2,103,294	140,000	2,243,294
Chengdu Yidu	1,560,277	90	1,560,367	444,685	–	444,685
Tiancheng Yongtai	1,919,800	481,512	2,401,312	164,143	–	164,143
Tiancheng Yongyuan	6,892	2,088,565	2,095,457	107,667	–	107,667

The financial information above is amounts before inter-group elimination.

## Operating results for the six months ended 30 June 2015

	Revenue	Total (loss)/profit	Net (loss)/profit	Total comprehensive (loss)/income	Cash flow
					from operating activities
Tianjin Xinyuan	–	(7,328)	(5,496)	(5,496)	2,270
Tianjin Xingang	673,768	(14,441)	(14,441)	(14,441)	87,944
Chengdu Yidu	126,139	(15,515)	(11,637)	(11,637)	(9,932)
Tiancheng Yongtai	–	56,892	42,669	42,669	(42,254)
Tiancheng Yongyuan	–	702,217	526,663	526,663	10,822

## Operating results for the six months ended 30 June 2014

	Revenue	Total profit/(loss)	Net profit/(loss)	Total comprehensive income/(loss)	Cash flows
					from operating activities
Tianjin Xinyuan	6,246	13,829	10,119	10,119	(135,987)
Tianjin Xingang	393,157	(13,238)	(9,928)	(9,928)	(671,286)
Chengdu Yidu	991,985	115,253	86,440	86,440	(13,233)
Tiancheng Yongtai	–	(532)	(399)	(399)	(43,273)
Tiancheng Yongyuan	–	(2,359)	(1,769)	(1,769)	(37,660)

The financial information above is amounts before inter-group elimination.



## b. The cash flow information of subsidiaries above in this period

	Cash Flow for the six months ended 30 June 2015				
	Cash flows from operating activities	Cash flows from investment activities	Cash flows from financing activities	Cash and cash equivalents at beginning of the period	Cash and cash equivalents at end of the period
Tianjin Xinyuan	2,270	(97)	11,025	16,665	29,863
Tianjin Xingang	87,944	–	(1,648,180)	1,613,337	53,101
Chengdu Yidu	(9,932)	–	–	77,959	68,027
Tiancheng Yongtai	(42,254)	(2)	53,316	4,725	15,785
Tiancheng Yongyuan	10,822	(18)	38	6,708	17,550

	Cash Flow for the six months ended 30 June 2014				
	Cash flows from operating activities	Cash flows from investment activities	Cash flows from financing activities	Cash and cash equivalents at beginning of the period	Cash and cash equivalents at end of the period
Tianjin Xinyuan	(135,987)	–	–	144,063	8,076
Tianjin Xingang	(671,286)	–	(3,788,199)	4,911,788	452,303
Chengdu Yidu	(13,233)	–	(42,861)	102,147	46,053
Tiancheng Yongtai	(43,273)	(64)	–	50,646	7,309
Tiancheng Yongyuan	(37,660)	–	–	44,834	7,174

The financial information above is amounts before inter-group elimination.

## 2. Issued equity instruments of the Group

	Attributed to Non-controlling interest for the six months ended 30 June 2015	Dividends distributed for the six months ended 30 June 2015	Non-controlling interest as at 30 June 2015
Senior perpetual securities issued by subsidiary (a)	120,586	170,455	4,962,843
Minsheng Jiayin Assets Management Plan (b)	42,573	42,573	2,879,025
Tiandi Fangzhong Assets Management Plan (c)	–	–	1,076,400
Total	163,159	213,028	8,918,268

- (a) As of 30 June 2015, Central Plaza accumulately issued Senior Perpetual Securities amounted to USD850,000,000. The securities were guaranteed by certain subsidiaries of the Group including IFC. Pursuant to the terms of Perpetual Securities, the Group has no contractual obligation to repay its principal or to pay any distribution so that the Perpetual Securities do not meet the definition of financial liabilities and are classified as non-controlling interests of the Group in the consolidated level. The dividends declared will be treated as profit distribution to equity owners.

Central Plaza as the issuer may elect to defer distribution without any frequency limitation, the investments can be recognized as dividends to equity owners only if Central Plaza or the Company announce or pay dividend. Including:

In April 2013, Central Plaza issued USD400,000,000 (equivalent to RMB2,506,000,000) Senior Perpetual Securities at a distribution rate of 8.375% per annum. According to the terms of Perpetual Securities, the amount of non-controlling interests amounted to RMB2,333,945,000 was recognized after deducting the inevitable dividend payable in the foreseeable future.

In November 2014, Central Plaza issued USD450,000,000 (equivalent to RMB2,759,625,000) Perpetual Securities under the Medium Term Note and Perpetual Securities Programme at a distribution rate of 7.125% per annum. After deducting the issuance costs, the Group received RMB2,728,222,000 and recognized non-controlling interests amounted to RMB2,628,898,000 net of the inevitable dividend payable in the foreseeable future.

- (b) As of 30 June 2015, Minsheng Jiayin Royal Asset Management Co., Ltd (hereinafter “Minsheng Jiayin”) established Specific Assets Management Plans which raised a total amount of RMB3,230,000,000. According to the terms of Investment Agreements, the raised funds are subject to no fixed repayment terms. Unless the Company or its assigned subsidiary announces dividend, the Group may elect to defer the distribution without any frequency limitations.

According to the terms of Investment Agreement, the Group has no contracted obligation to pay the principal or interests to other investors under the Specific Assets Management Plans, therefore the investment from the specific capital management plan complied with the definition of equity instrument and were recognized as non-controlling interest in the consolidated level. The dividends declared will be treated as profit distribution to equity owners, including:

In June 2014, Minsheng Jiayin Fortune Project raised a total amount of RMB1,500,000,000. According to the terms of Investment Agreement, non-controlling interests amounted to RMB1,335,000,000 was recognized after deducting the inevitable dividend payable in the foreseeable future;

In December 2014, Minsheng Jiayin Chengdu Project raised a total amount of RMB650,000,000. According to the terms of Investment Agreement, non-controlling interests amounted to RMB580,125,000 was recognized after deducting the inevitable dividend payable in the foreseeable future.

In January 2015, Minsheng Jiayin Tianjin Project raised a total amount of RMB1,080,000,000. According to the terms of Investment Agreement, non-controlling interests amounted to RMB963,900,000 was recognized after deducting the inevitable dividend payable in the foreseeable future.

In December 2013, Minsheng Jiayin established a Specific Assets Management Plan and raised a total amount of RMB2,200,000,000. Since the Specific Assets Management Plan is set up by its subsidiary as a special entity for financing needs, it is consolidated into the Group. In addition to the subordinated units subscribed for by the Company, the capital raised amounting to RMB2,010,000,000 was recognized as non-controlling interest in consolidation. In March 2015, the Group issued a prepayment announcement to redeem the principal of the Specific Assets Management Plan on 20 December 2015, since the Group had inevitable payment obligations pursuant to the Investment Agreement, it did not meet the definition of equity instrument any more, the Specific Assets Management Plan was classified as current portion of non-current liabilities (Note 5(26)).

- (c) As of 30 June 2015, Beijing Tiandi Fangzhong Asset Management Co., Ltd. (hereinafter “Tiandi Fangzhong”) established Specific Assets Management Plans which raised a total amount of RMB1,200,000,000. According to the terms of Investment Agreements, the raised funds are subject to no fixed repayment terms. Unless the Company or its assigned subsidiary announces dividend, the Group may elect to defer the distribution without any frequency limitations.

According to the terms of Investment Agreement, the Group has no contracted obligation to pay the principal or interests to other investors under the Specific Assets Management Plans, therefore the investment from the specific capital management plan complied with the definition of equity instrument and were recognized as non-controlling interest in the consolidated level. The dividends declared will be treated as profit distribution to equity owners.

In January 2015, Tiandi Fangzhong Fangshan Project raised a total amount of RMB1,200,000,000. According to the terms of Investment Agreement, non-controlling interests amounted to RMB1,076,400,000 was recognized after deducting the inevitable dividend payable in the foreseeable future.

**(3). Loss of control caused by disposal of equity interests in subsidiaries**

**1. NWCI**

The Group originally held 100% equity interests in NWCI through Beijing Capital Juda, which was incorporated in Xiamen, the PRC, and the principal activities are chemicals production and sales. In January 2015, the Group disposed of its entire equity interests in NWCI to a third party.

- (i) The proceeds and cash flows from the disposal are as follows:

	<b>Amount</b>
Proceeds from disposal	143,574
Less: Cash received in previous years	(143,574)
Cash received from disposal	–
Less: Cash held by NWCI	<u>(61,051)</u>
Net cash received from disposal	<u><u>(61,051)</u></u>

(ii) Net assets of NWCI disposed are as follows:

	<b>Disposal date</b>	<b>31 December 2014</b>
Current assets	119,646	119,646
Non-current assets	73,097	73,097
Current liabilities	(46,088)	(46,088)
Non-current liabilities	<u>(3,081)</u>	<u>(3,081)</u>
Net assets	<u>143,574</u>	<u>143,574</u>

(iii) The revenue, expense and loss of NWCI for the period from 1 January 2015 to the disposal date are as follows:

	<b>Amount</b>
Revenue	–
<i>Less: Cost and Expenses</i>	<u>–</u>
Total loss	–
<i>Less: Income tax expenses</i>	<u>–</u>
Net loss	<u>–</u>

(iv) Loss on disposal is calculated as follows:

	<b>Amount</b>
Proceeds from disposal	143,574
<i>Less: Net assets of NWCI at the disposal date</i>	<u>(143,574)</u>
Investment income generated from disposal	<u>–</u>

2. *Shanghai Capital Shoujia Real Estate Co., Ltd. (Shanghai Shoujia)*

Shanghai Shoujia was originally a wholly owned subsidiary held by the Group, in May 2015, the Group and Cifi Group (China) (hereinafter “Cifi”) entered a cooperative development agreement to increase capital in Shanghai Shoujia, and the capital increased by the Group amounted to RMB10,000,000. After the transaction, the Group and Cifi hold 60% and 40% equity interests in Shanghai Shoujia respectively. According to the new incorporate articles, major business decisions of Shanghai Shoujia require an unanimous agreement on both sides of the board. Therefore the Group has no control over Shanghai Shoujia and it is classified as a joint venture of the Group.

- (i) The proceeds and cash flows from the disposal are as follows:

	<b>Amount</b>
Proceeds from disposal	19,840
Cash received from disposal	–
Less: Cash held by Shanghai Shoujia	<u>(15,707)</u>
Net cash received from disposal	<u><u>4,133</u></u>

- (ii) Net assets of Shanghai Shoujia disposed are as follows:

	<b>Disposal date</b>	<b>31 December 2014</b>
Current assets	1,468,067	1,395,762
Non-current assets	43	30
Current liabilities	(528,302)	(465,789)
Non-current liabilities	<u>(880,000)</u>	<u>(880,000)</u>
Net assets	<u><u>59,808</u></u>	<u><u>50,003</u></u>

- (iii) The revenue, cost and loss of Shanghai Shoujia for the period from 1 January 2015 to the disposal date are as follows:

	<b>Amount</b>
Revenue	–
Less: Cost and Expenses	<u>(195)</u>
Total Loss	(195)
Less: Income tax expenses	<u>–</u>
Net Loss	<u><u>(195)</u></u>

- (iv) Gains on disposal is calculated as follows:

	<b>Amount</b>
Cash received from disposal	19,840
Fair value of net assets at the disposal date (note 5(10))	60,635
Less: Book value of equity interest on disposal day	<u>(59,808)</u>
Investment income generated from disposal	<u><u>20,667</u></u>

### 3. Capital Qinglv

The Group originally held 51% equity interest of Capital Qinglv. In June 2015, the Group reached an agreement with the other shareholder of Capital Qinglv to exercise significant decision-making jointly. After the completion of amending the article of association, major business decisions of Capital Qinglv require a unanimous agreement on both sides of the board. Therefore the Group has no control over Capital Qinglv and it is classified as a joint venture of the Group.

- (i) The proceeds and cash flows from the disposal are as follows:

	<b>Amount</b>
Proceeds from disposal	–
Cash received from disposal	–
Less: Cash held by Capital Qinglv	<u>(105,205)</u>
Net cash received from disposal	<u><u>(105,205)</u></u>

(ii) Net assets of Capital Qinglv disposed are as follows:

	<b>Disposal date</b>	<b>31 December 2014</b>
Current assets	998,346	1,007,252
Non-current assets	79	113
Current liabilities	(644,104)	(546,374)
Non-current liabilities	<u>–</u>	<u>(120,000)</u>
Net assets	<u>354,321</u>	<u>340,991</u>

(iii) The revenue, expense and loss of Capital Qinglv for the period from 1 January 2015 to the disposal date are as follows:

	<b>Amount</b>
Revenue	286,623
<i>Less: Cost and Expenses</i>	<u>(234,183)</u>
Total Loss	52,440
<i>Less: Income tax expenses</i>	<u>(13,110)</u>
Net Loss	<u>39,330</u>

(iv) Gain on disposal is calculated as follows:

	<b>Amount</b>
Fair value at the disposal day	232,946
<i>Less: Book value of 51% equity interest at the disposal day</i>	<u>(180,704)</u>
Investment income generated from disposal	<u>52,242</u>



**(4). Transaction with non-controlling shareholders***Xi'an Xinkai*

In 2014, the Group has signed the equity transfer agreement with Beijing Capital Juda, to whom the 100% share of Xi'an Xinkai will be transferred. The collection method of share transfer consideration is to subscribe 738,130,482 new share of CPS of Beijing Capital Juda by one of the Group's wholly owned subsidiaries for the price of HKD2.66 per share. The precedent conditions of both the equity transferred agreement of Xi'an Xinkai and the CPS agreement of Beijing Capital Juda subscribing by the Company has been reached in January 2015. The Group has completed the disposal agreement and CPS subscribing.

After the transaction, the fair value of the net assets of Beijing Capital Juda increased by RMB1,774,549,000, the equity interests held by the Group increased from 65.1% to 92.56%. The recalculated non-controlling interests increased by RMB93,689,000 and the capital surplus decreased by the same amount. In addition, expenses directly related to the transaction write down capital surplus by RMB31,662,000.

**5. Notes to the consolidated financial statements****(1). Cash at bank and on hand**

	<b>30 June 2015</b>	<b>31 December 2014</b>
Cash on hand	957	1,490
Bank deposits	12,610,467	13,761,295
Other cash balances	<u>47,998</u>	<u>134,241</u>
Total	<u><u>12,659,422</u></u>	<u><u>13,897,026</u></u>

As at 30 June 2015, bank deposits includes supervised advance from customers, security deposits for certain mortgage loans to customers, certain loan and bond interests amounted to RMB2,114,669,000 (31 December 2014: RMB3,064,686,000). The Group has reclassified the above amount to restricted bank deposits. Including: as at 30 June 2015, the carrying amount of supervised advance from customers was RMB514,467,000 (31 December 2014: RMB478,360,000). According to the requirements of some local authorities (such as Beijing, Tianjin etc.) in the PRC, real estate developers need to open supervised bank account when applying for pre-sale permit for new commercial property. All the advances received from property customers should be transferred to such account. Which are supervised by regulator and all cash payment from such account should coincide with the construction progress in order to ensure the cash being used for property construction on a priority basis. As at 30 June 2015, the carrying amount of security deposits for bond interests was RMB79,367,000 (31 December 2014: RMB154,934,000). As at 30 June 2015, the secreted deposits for loan is amounted to RMB1,460,283,000 (31 December 2014: RMB2,375,663,000).

As at 30 June 2015, other cash balances amounted to RMB47,998,000 are deposit for bank acceptance bill (31 December 2014: RMB134,241,000). The Group has classified such amount to restricted bank deposits.

**(2). Financial assets at fair value through profit or loss**

	<b>30 June 2015</b>	<b>31 December 2014</b>
Beijing Urban Construction Design & Development Group Co., Ltd. (BUCDD) (a)		
– Listed company in Hong Kong	<u>291,927</u>	<u>162,863</u>
<b>Total</b>	<b><u>291,927</u></b>	<b><u>162,863</u></b>

(a) As at 30 June 2015, the carrying value of investment held by the Group in BUCDD was RMB291,927,000 (31 December 2014: RMB162,863,000), the Group held 56,222,000 shares of BUCDD, accounting for 3.59% of the total issued common stock.

The trading equity instruments are securities listed on HKEx and the fair value is determined by the closing price on the last trading day.

**(3). Accounts receivable and other receivables****(a) Accounts receivable**

	<b>30 June 2015</b>	<b>31 December 2014</b>
Accounts receivable	711,011	953,333
Less: provision for doubtful debts	<u>(7,000)</u>	<u>(7,000)</u>
Accounts receivable – net	<u><u>704,011</u></u>	<u><u>946,333</u></u>

Most sales of the Group are in the form of cash or advanced payment. Other sales are collected subject to the agreed terms on sales contract.

The aging of accounts receivable is analyzed as follows:

	<b>30 June 2015</b>	<b>31 December 2014</b>
Within 1 year	110,014	671,505
1 to 2 years	592,729	273,438
2 to 3 years	251	129
Over 3 years	<u>8,017</u>	<u>8,261</u>
Total	<u><u>711,011</u></u>	<u><u>953,333</u></u>

As at 30 June 2015, accounts receivable amounted to RMB591,615,000 (31 December 2014: RMB261,621,000) is overdue but not impaired. Accounts receivable amounted to RMB7,000,000 (31 December 2014: RMB7,000,000) is overdue and fully impaired at the amount of RMB7,000,000 (31 December 2014: RMB7,000,000).

The accounts receivable classified by their categories are analyzed as follows:

	30 June 2015			31 December 2014			
	Amount	% of total balance %	Provision for Doubtful Debts % of the provision %	Amount	% of total %	Provision for Doubtful Debts % of the provision %	% of the provision %
Significant individual amount	636,859	90	-	733,004	77	-	-
Others	<u>74,152</u>	<u>10</u>	<u>(7,000)</u>	<u>220,329</u>	<u>23</u>	<u>(7,000)</u>	<u>3</u>
Total	<u>711,011</u>	<u>100</u>	<u>(7,000)</u>	<u>953,333</u>	<u>100</u>	<u>(7,000)</u>	<u>1</u>

The accounts receivable classified by their categories are analyzed as follows:

Client category	30 June 2015	31 December 2014
Primary land development (i)	636,859	733,004
Property sales	22,526	192,470
Others	<u>51,626</u>	<u>27,859</u>
Total	<u>711,011</u>	<u>953,333</u>

- (i) The amount is due from Land Reserve Centers of Tianjin arising from primary land development cooperated by the Group and Land Reserve Centers of Tianjin in Wuqing District.

## (b) Other receivables

	30 June 2015	31 December 2014
Receivables due from Joint ventures (note 8(5)(d))	552,591	23,999
Receivables due from Associates (note 8(5)(d))	37,438	84,827
Land deposit and other guarantee deposits	1,394,525	528,473
Receivables from primary land development (i)	355,921	9,752
Consideration receivables from disposal of subsidiaries	21,298	21,298
Consideration receivable from disposal of an Associate	17,511	17,511
Other	<u>980,821</u>	<u>651,338</u>
<b>Total</b>	<u><u>3,360,105</u></u>	<u><u>1,337,198</u></u>
<i>Less: Provisions for doubtful debts</i>	<u>(41,791)</u>	<u>(41,791)</u>
<b>Other receivables – net</b>	<u><u>3,318,314</u></u>	<u><u>1,295,407</u></u>

(i) The receivables from primary land development are receivables from Land Reserve Centers of Beijing amounted to RMB355,921,000 (31 December 2014: RMB9,752,000).

Analysis of other receivables and related provisions for doubtful debts are as follows:

	30 June 2015				31 December 2014			
	Amount	% of total balance %	Provision for Doubtful Debts	% of the provision %	Amount	% of total balance %	Provision	% of the provision %
Within 1 year	2,779,521	83	–	–	796,936	60	–	–
1 to 2 years	405,380	12	–	–	365,842	27	–	–
2 to 3 years	96,986	3	–	–	41,374	3	–	–
Over 3 years	<u>78,218</u>	<u>2</u>	<u>(41,791)</u>	<u>53</u>	<u>133,046</u>	<u>10</u>	<u>(41,791)</u>	<u>31</u>
<b>Total</b>	<u><u>3,360,105</u></u>	<u><u>100</u></u>	<u><u>(41,791)</u></u>	<u><u>1</u></u>	<u><u>1,337,198</u></u>	<u><u>100</u></u>	<u><u>(41,791)</u></u>	<u><u>3</u></u>

Analysis of other receivables categories are as follows:

	30 June 2015			31 December 2014				
	Amount	% of total balance %	Provision for Doubtful Debts	% of the provision %	Amount	% of total balance %	Provision	% of the provision %
Significant individual amount			2,450,680					
Others	<u>909,425</u>	<u>27</u>	<u>(41,791)</u>	<u>5</u>	<u>558,288</u>	<u>42</u>	<u>(41,791)</u>	<u>7</u>
Total	<u>3,360,105</u>	<u>100</u>	<u>(41,791)</u>	<u>1</u>	<u>1,337,198</u>	<u>100</u>	<u>(41,791)</u>	<u>3</u>

**(4). Advances to suppliers**

The advances to suppliers are analyzed as follows:

	30 June 2015	31 December 2014
Prepaid sales commissions	134,564	101,692
Advances to suppliers for land, construction costs and project costs	<u>128,707</u>	<u>129,018</u>
Total	<u>263,271</u>	<u>230,710</u>

The aging analysis of the advances to suppliers is as follows:

	As at 30 June 2015		As at 31 December 2014	
	Amount	% of total balance %	Amount	% of total balance %
Within 1 year	210,447	80	205,545	89
Over 1 year	<u>52,824</u>	<u>20</u>	<u>25,165</u>	<u>11</u>
Total	<u>263,271</u>	<u>100</u>	<u>230,710</u>	<u>100</u>

**(5). Dividends receivable**

	31 December 2014	Additions	Reductions	30 June 2015
BUCDD	–	3,728	–	3,728
Capital Qinglv	–	13,260	–	13,260
Tianjin Xinming Real Estate Co., Ltd. (“Tianjin Xinming”)	<u>9,825</u>	<u>–</u>	<u>–</u>	<u>9,825</u>
Total	<u>9,825</u>	<u>16,988</u>	<u>–</u>	<u>26,813</u>

**(6). Inventories**

(a) Inventories are classified as follows:

	As at 30 June 2015			As at 31 December 2014		
	Book balance	Provision for inventory	Book value	Book balance	Provisions for inventory	Book value
Properties under development	50,484,440	(39,239)	50,445,201	42,376,968	(258,855)	42,118,113
Properties held for sale	6,458,929	(193,730)	6,265,199	6,481,797	(49,539)	6,432,258
Land under development	326,432	–	326,432	211,392	–	211,392
Low value consumables	<u>9,083</u>	<u>–</u>	<u>9,083</u>	<u>6,349</u>	<u>–</u>	<u>6,349</u>
Total	<u>57,278,884</u>	<u>(232,969)</u>	<u>57,045,915</u>	<u>49,076,506</u>	<u>(308,394)</u>	<u>48,768,112</u>

(b) The movement of inventories is as follows:

	31 December 2014	Additions	Reductions	30 June 2015
Cost				
Properties under development	42,376,968	14,946,395	(6,838,923)	50,484,440
Properties held for sale	6,481,797	4,495,697	(4,518,565)	6,458,929
Land under development	211,392	115,040	–	326,432
Low value consumables	<u>6,349</u>	<u>2,734</u>	<u>–</u>	<u>9,083</u>
Total	<u>49,076,506</u>	<u>19,559,866</u>	<u>(11,357,488)</u>	<u>57,278,884</u>

(c) Analysis of provisions of inventories is as follows:

	31 December 2014	Additions	Reductions	30 June 2015
Properties under development	258,855	38,475	(258,091)	39,239
Properties held for sale	<u>49,539</u>	<u>313,059</u>	<u>(168,868)</u>	<u>193,730</u>
Total	<u>308,394</u>	<u>351,534</u>	<u>(426,959)</u>	<u>232,969</u>

For the six months ended 30 June 2015, the properties held for sale with the carrying amount of RMB4,349,697,000 (for the six months ended 30 June 2014: RMB3,092,808,000) has been recognized as cost of sales.

As at 30 June 2015, the financed costs capitalized in the properties under development amounted to RMB 3,300,904,000 (31 December 2014: RMB3,013,171,000). For the six months ended 30 June 2015, the capitalization rate is 7.6% (for the six months ended 30 June 2014: 7.5%).

As at 30 June 2015, certain land use rights and buildings in properties under development of the Group with a carrying amount of RMB653,888,000 (31 December 2014: RMB473,270,000) have been mortgaged as security for short-term borrowings of RMB400,000,000 (31 December 2014: RMB497,900,000) (note 5(19)(c)).

As at 30 June 2015, certain land use rights in properties and buildings in properties under development of the Group with a carrying amount of RMB863,130,000 (31 December 2014: Nil) have been mortgaged as security for short-term trust mortgage of RMB400,000,000 (31 December 2014: Nil) and pledged by the Group's usufruct of property development (note 5(19)(f)).

As at 30 June 2015, certain land use rights in properties under development of the Group with a carrying amount of RMB850,000,000 (31 December 2014: RMB850,000,000) have been mortgaged as security for short-term borrowings of RMB400,000,000 (31 December 2014: RMB400,000,000) and pledged by security deposits amounted to RMB200,000,000 (note 5(19)(f)).

As at 30 June 2015, certain land use rights in properties under development of the Group with a carrying amount of RMB2,226,239,000 (31 December 2014: RMB2,001,237,000) have been mortgaged as security for short-term borrowings of RMB900,000,000 (31 December 2014: RMB900,000,000) and pledged by equity interest of the Group and guaranteed by the Company (note 5(19)(g)).



As at 30 June 2015, certain buildings in properties held for sale of the Group with a carrying amount of RMB623,935,000 (31 December 2014: RMB968,902,000) have been mortgaged as security for long-term borrowings of RMB385,000,000 (31 December 2014: RMB521,900,000) (note 5(28)(c)).

As at 30 June 2015, certain land use rights in properties under development of the Group with a carrying amount of RMB8,820,184,000 (31 December 2014: RMB3,835,991,000) have been mortgaged as security for long-term borrowings of RMB3,148,200,000 (31 December 2014: RMB968,300,000) (note 5(28)(c)).

As at 30 June 2015, certain land use right and buildings in properties under development with a carrying amount of RMB2,227,430,000 (31 December 2014: RMB1,264,801,000) have been mortgaged as security for long-term borrowings of RMB1,150,200,000 (31 December 2014: RMB1,463,502,000) (note 5(28)(c)).

As at 30 June 2015, certain land use rights in properties under development with a carrying amount of RMB4,753,555,000 (31 December 2014: RMB4,247,508,000) have been mortgaged as security for long-term borrowings of RMB2,923,310,000 (31 December 2014: RMB2,167,860,000) and guaranteed by the Company (note 5(28)(d)).

As at 30 June 2015, certain buildings in properties under development with a carrying amount of RMB947,623,000 (31 December 2014: RMB756,513,000) have been mortgaged as security for long-term borrowings of RMB437,000,000 (31 December 2014: RMB457,000,000) and guaranteed by the Company (note 5(28)(d)).

As at 30 June 2015, certain land use rights and buildings in properties under development with a carrying amount of RMB4,955,973,000 (31 December 2014: RMB3,717,374,000) have been mortgaged as security for long-term borrowings of RMB4,130,500,000 (31 December 2014: RMB3,182,100,000) and guaranteed by the Group (note 5(28)(d)).

As at 30 June 2015, certain land use rights in properties under development with a carrying amount of RMB289,905,000 (31 December 2014: RMB328,555,000) have been mortgaged as security for long-term borrowings of RMB88,000,000 (31 December 2014: RMB98,000,000) and guaranteed by the Company (note 5(28)(d)).

As at 30 June 2015, certain land use rights and buildings in properties under development with a carrying amount of RMB272,814,000 (31 December 2014: RMB272,814,000) have been mortgaged as security for long-term borrowings of RMB260,000,000 (31 December 2014: RMB310,000,000) and guaranteed by the Group (note 5(28)(d)).

As at 30 June 2015, certain land use rights in properties under development with a carrying amount of RMB1,056,357,000 (31 December 2014: RMB1,056,357,000) have been mortgaged as security for long-term borrowings of RMB1,220,000,000 (31 December 2014: RMB1,220,000,000) and guaranteed by Capital Group (note 5(28)(d)).

As at 30 June 2015, certain land use right in properties under development with a carrying amount of RMB237,378,000 (31 December 2014: RMB583,427,000) and corresponding income rights have been pledged as security for long-term borrowings of RMB160,000,000 (31 December 2014: RMB540,000,000) and guaranteed by the Company (note 5(28)(f)).

As at 30 June 2015, certain land use right in properties under development with a carrying amount of RMB900,000,000 (31 December 2014: Nil) and equity of the Group have been pledged as security for long-term borrowings of RMB600,000,000 (31 December 2014: Nil) and guaranteed by the Company (note 5(28)(f)).

As at 30 June 2015, certain land use rights and buildings in properties under development with a carrying amount of RMB1,417,627,000 (31 December 2014: RMB1,254,328,000) and equity of the Group have been pledged as security for long-term payables of RMB650,000,000 (31 December 2014: RMB650,000,000) and guaranteed by the Company (note 5(30)(a)).

Analysis of land use rights of inventories by region and age are as follows:

	<b>30 June 2015</b>	<b>31 December 2014</b>
Mainland		
10-50 years	8,848,429	9,291,336
Above 50 years	<u>26,310,942</u>	<u>18,359,858</u>
Total	<u>35,159,371</u>	<u>27,651,194</u>

**(7). Assets classified as held for sale**

	<b>30 June 2015</b>	<b>31 December 2014</b>
Cash at bank and on hand (a)	–	61,051
Advances to suppliers (a)	–	5,330
Other receivables (a)	–	3,566
Inventories (a)	–	44,725
Fixed assets (a)	–	43,937
Intangible assets (a)	–	9,242
Accounts receivable (a)	–	4,975
Long-term equity investments (b)	9,921	9,921
Long-term deferred expenses (a)	–	18,500
Other non-current assets (a)	–	1,417
	<u>–</u>	<u>1,417</u>
<b>Total</b>	<b><u>9,921</u></b>	<b><u>202,664</u></b>

(a) In December 2014, the Group entered into an agreement to dispose 100% equity interests of NWCI held by the Group to a third party. The transaction hasn't been completed by the end of 31 December 2014. The assets above met the definition of held for sale and were listed on the balance sheet separately. The transaction was completed in January 2015 (note 4(3)).

(b) The Group entered into an equity transfer agreement on 10% share of Hainan Dalecheng Real Estate Development Holding Ltd. (hereinafter "Hainan Dalecheng") with consideration of RMB20,000,000 (note 5(25)). As such transaction has not been completed by the end of 30 June 2015, the Group classified the book value of RMB9,921,000 as held for sale assets.

**(8). Other current assets**

	<b>30 June 2015</b>	<b>31 December 2014</b>
Prepaid taxes	2,148,273	1,819,354
Others	8,573	4,395
	<u>8,573</u>	<u>4,395</u>
<b>Total</b>	<b><u>2,156,846</u></b>	<b><u>1,823,749</u></b>

**(9). Available-for-sale financial assets**

	<b>30 June 2015</b>	<b>31 December 2014</b>
Available-for-sale equity instruments		
– At fair value (a)	<u>21,828</u>	<u>13,420</u>
Available-for-sale equity instruments		
– At cost (b)	<u>70,000</u>	<u>50,000</u>
Less: Impairment provision	<u>–</u>	<u>–</u>
Less: Available-for-sale financial assets included in other current assets	<u>–</u>	<u>–</u>
<b>Total</b>	<b><u><u>91,828</u></u></b>	<b><u><u>63,420</u></u></b>

(a) Available-for-sale financial assets measured at fair value

	<b>30 June 2015</b>	<b>31 December 2014</b>
Listed equity instruments		
– in Mainland China	<u><u>21,828</u></u>	<u><u>13,420</u></u>

As at 30 June 2015, the carrying amount of the investment in Yangguang Xinye Real Estate Co., Ltd. (hereinafter “Yangguang Xinye”), a listed company in mainland China, is RMB21,828,000 (31 December 2014: RMB13,420,000). Yangguang Xinye was registered in Nanning, the PRC and engaged in real estate development, leasing of private owned merchandise housing and related advisory services. The ordinary share of Yangguang Xinye held by the Group is amounted to 2,652,210, accounting for 0.36% of the total ordinary shares issued.

(b) Available-for-sale financial asset measured in cost is mainly the non-listed equity investment held by the Group without active quoted market price and the reasonable estimate for its fair value fluctuated largely while possibility of the estimation cannot be ensured reasonably, hence its fair value cannot be measured reliably. The Group has no dispose plans.

As at 30 June 2015, the Group holds 0.99% equity interests of the total shares of CDB Siyuan (Beijing) Investment Fund Ltd. (hereinafter “CDB Siyuan”). Therefore the Group doesn’t have significant influence on CDB Siyuan. The largest exposure equals the book value of the shares the Group holds on 30 June 2015, i.e., RMB50,000,000.

As at 30 June 2015, the Group holds 10% equity interests of the total shares of Beijing Capital Financial Assets Transaction Information Service Co., Ltd. (hereinafter “BCFATIS”). Therefore the Group doesn’t have significant influence on BCFATIS. The largest exposure equals the book value of the shares the Group holds on 30 June 2015, i.e., RMB20,000,000.

The Group does not have a significant influence on above investees which as a result are recorded as available-for-sale financial instruments.

**(10). Long-term equity investments**

	<b>30 June 2015</b>	<b>31 December 2014</b>
Joint ventures		
– Unlisted companies (a)	2,367,982	1,464,960
Associates		
– Unlisted companies (b)	<u>985,773</u>	<u>986,275</u>
Subtotal	3,353,755	2,451,235
Less: Provision for impairment of long-term equity investments	<u>–</u>	<u>–</u>
Net	<u><u>3,353,755</u></u>	<u><u>2,451,235</u></u>

There is no significant restriction on sale of the long-term equity investments of the Group and collection of the investment income.

## (a) Joint ventures

Investments in joint ventures are as follows:

Accounting Method	Investment costs	31 December 2014	Changes in this period					30 June 2015	Equity interest held %	Voting rights held %	Provision for impairment	Impairment provided in current year
			Increase or decrease in investment	Share of net profit/(losses)	Share of other comprehensive Income	Cash dividend declared	Other equity movement					
Shenyang Jitian Real Estate Co., Ltd. ("Shenyang Jitian")	Equity method	USD20,000,000	128,501	-	(1,015)	-	-	127,486	50	50	-	-
Beijing Capital Chaoyang Investment Co., Ltd. ("Chaoyang Investment")	Equity method	RMB50,000,000	4,090	-	(56)	-	-	4,034	50	50	-	-
Beijing Wanzhu Real Estate Co., Ltd. ("Beijing Wanzhu") (i)	Equity method	RMB25,500,000	53,149	-	55,519	-	-	108,668	30	30	-	-
Capital Jiaming New Town Investment Co., Ltd. ("Capital Jiaming") (ii)	Equity method	RMB175,000,000	167,742	-	(307)	-	-	167,435	35	35	-	-
Tianjin Haileybury International School ("International School") (iii)	Equity method	RMB4,500,000	-	-	-	-	-	-	45	40	-	-
Tianjin Tonghua Qiangyu investment and Management Co., Ltd. ("Tonghua Qiangyu") (iv)	Equity method	RMB4,000,000	8,742	-	56	-	-	8,798	40	40	-	-
Zhuhai Hengqin Fund Management Company (v)	Equity method	RMB4,000,000	3,932	-	-	-	-	3,932	40	40	-	-
Zhuhai Hengqin Fund (v) (vi)	Equity method	RMB240,000,000	241,147	-	9,209	-	(819)	249,537	28.24	40	-	-
Zhuhai Hengqin Zizhufang Fund (v) (vii)	Equity method	RMB81,000,000	80,864	-	(600)	-	(225)	463,155	27.78	40	-	-
Liujin Real Estate Co., Ltd. ("Liujin Real Estate") (ix)	Equity method	RMB320,000,000	320,823	-	(655)	-	-	320,168	40	40	-	-
Zhuhai Hengqin Chengdu Weihua Fund (v) (x)	Equity method	RMB270,000,000	-	270,000	33	-	-	270,033	27.44	40	-	-
Zhongguancun Integrated Circuit Design garden (xi)	Equity method	RMB10,436,000	-	84,192	-	-	-	84,192	50	40	-	-
Shanghai Capital Zhengheng Real Estate Co., Ltd. (note 4(3))	Equity method	RMB60,000,000	-	60,635	-	-	-	60,635	60	60	-	-
Shanghai henggu Real estate Development Co., Ltd. ("Shanghai Henggu") (xii)	Equity method	RMB95,200,000	-	95,200	(10)	-	-	95,190	28	25	-	-
Shanghai Songming Real estate Development Co., Ltd. ("Shanghai Songming") (xiii)	Equity method	RMB67,200,000	-	67,200	-	-	-	67,200	28	25	-	-
Beijing Tongchuang Gold Dragon Real estate Development Co., Ltd. ("Tongchuang Gold Dragon")	Equity method	RMB26,845,000	-	26,845	(363)	-	-	26,482	25	57.14	-	-
Capital Qinglv (note 4(3))	Equity method	RMB182,677,000	-	232,946	-	-	-	232,946	51	57.14	-	-
<b>Total</b>			<b>1,464,960</b>	<b>837,018</b>	<b>69,221</b>	<b>-</b>	<b>(3,217)</b>	<b>2,367,982</b>				

(i) In June 2012, the Group acquired 30% equity interests in Beijing Wanzhu by capital injection. However, according to the Articles of Association of Beijing Wanzhu, the Group and other shareholders jointly control Beijing Wanzhu, therefore it is recognized as a joint venture.

(ii) In May 2013, The Group entered a capital increase agreement with Capital Jiaming to increase capital by an amount of RMB75,000,000. After the capital injection, the registered capital of Capital Jiaming increased to RMB500,000,000 and the Group acquired 35% equity interest in Capital Jiaming. However, according to the Articles of Association, the Group and other shareholders jointly control Capital Jiaming, therefore it is recognized as a joint venture.

- (iii) The net assets of International School are negative due to continuous losses in the past years. As the Group does not have the obligation to bear the additional losses beyond the share, the Group recognizes the carrying value of the long-term equity investment at zero other than negative. For 6 months ended 30 June 2015, the unrecognized investment losses amounted to RMB983,000 (6 months ended 30 June 2014: RMB1,225,000). As at 30 June 2015, the accumulated investment losses that are not recognized amounted to RMB5,316,000 (31 December 2014: RMB4,333,000).
- (iv) The Company holds 40% equity interests in Tonghua Qiangyu. According to the Articles of Association of Tonghua Qiangyu, the Company and other shareholders share the control over Tonghua Qiangyu, therefore it is recognized as a joint venture.
- (v) The Company holds 40% equity interests in Zhuhai Hengqin Fund Management Company. According to the Articles of Association of Zhuhai Hengqin Fund Management Company, the Company and other shareholders share the control over Zhuhai Hengqin Fund Management Company, therefore it is recognized as a joint venture.

As of 30 June 2015, the Group totally has possessed four real estate Funds, all of which are limited partnerships established by Zhuhai Hengqin Fund Management Company as general partner. These Funds are structured entities not in combination; they are mainly engaged in property investment and have an estimated duration of five years. The Funds derive its revenue from the interest income, the profits of the real estate development projects and the proceeds from disposal of equity interests.

According to the partnership agreement, at the clearing date and the settlement date of the fund, the distribution order is as follows: senior limited partners and intermediate limited partners can have 10% expected fixed earnings; senior limited partners enjoy distributing initial investment and expected earnings firstly, after which distribute initial investment and expected earnings to intermediate limited partners and subordinated limited partners; then distribute initial investment to general partners; finally, if there is excess distributable earnings after the above distributions, the fund should distribute the income to the partners based on the agreed portion of the partnership agreement.

According to the partnership agreement, the Group jointly controls the investment and operational strategy of these funds with other shareholders; therefore they are classified as joint ventures. The Group has no duty or purpose to offer financial support to the funds.

- (vi) The Group holds 28.24% of the intermediate units in Zhuhai Hengqin Fund, who holds 100% equity interests in Chongqing Shouyong Real Estate Co., Ltd. (hereinafter "Shouyong Real Estate"). The Fund has raised a total scale of 850,000,000 shares amounting to RMB850,000,000. The Group's most significant risk exposure in the Fund is the book value of investment at balance sheet date amounting to RMB240,000,000.
- (vii) The Group holds 10% of the intermediate units in Zhuhai Hengqin Fund, who holds 100% equity interests in Beijing Taihao Shengyuan Real Estate Co., Ltd. (hereinafter "Taihao Shengyuan"). The Fund has raised a total scale of 810,000,000 shares amounting to RMB810,000,000. The Group's most significant risk exposure in the Fund is the book value of investment at balance sheet date amounting to RMB81,000,000.

- (viii) The Group holds 20.73% of the intermediate units in Zhuhai Hengqin Ruiyuan Jialing Fund, who holds 100% equity interests in Chongqin Shouhui Real Estate Co., Ltd. (hereinafter “Shouhui Real Estate”). The Fund has raised a total scale of 2,200,000,000 shares amounting to RMB2,200,000,000. The Group’s most significant risk exposure in the Fund is the book value of investment at balance sheet date amounting to RMB456,000,000.

As at 30 June 2015, as senior partners have not completed their capital contribution, the Group holds 27.78% of the actual contribution.

- (ix) The Group holds 40% equity interests in Liujin Real Estate. According to the Articles of Association, the Company and other shareholders share the control over Liujin Real Estate; therefore it is recognized as a joint venture.

- (x) The Group subscribes 22.5% of the intermediate units in Zhuhai Hengqin Chengdu Huawei Fund that is still in recruitment period. A total scale of 1,200,000,000 shares amounting to RMB1,200,000,000 are expected to raise. The Group’s most significant risk exposure in the Fund is the book value of investment at balance sheet date amounting to RMB270,000,000.

As of 30 June 2015, as senior partners have not completed their capital contribution, the Group holds 27.44% of the actual contribution.

- (xi) In this period, the Group signed a capital increase agreement with a third party company to subscribe registered capital of Zhongguancun Integrated Circuit Design garden amounted to RMB500,000,000, accounting for 50% of the total registered capital. As of 30 June 2015, the Group actually invested RMB10,436,000, accounting for 50% of paid-in capital of Zhongguancun Integrated circuit Design garden. In addition, according to the agreement, the Group repaid original shareholder loan amounted to RMB913,500,000 of Zhongguancun Integrated circuit Design garden in this period. Based on the revised articles, the Group together with other shareholders controls the operation of Zhongguancun Integrated circuit Design garden, therefore it is recognized as a joint venture.

At the time of investment, the difference between the fair value of the net assets of Zhongguancun Integrated circuit Design garden shared by the Group and the initial investment cost is recognized in non-operating income (note 5(41)) and increased the cost of long-term equity investment simultaneously. The group and other equity holders of Zhongguancun Integrated circuit Design garden reach an agreement on the strategy to make Yongfeng Integrated circuit Design garden the top science zone. Both sides of the transaction come to an agreement on the price of the transaction based on the fair value basis and resulted in the above non-operating income.

- (xii) The Group holds 28% equity interests in Shanghai Henggu. According to the Articles of Association of Shanghai Henggu, the Company and other shareholders share the control over Shanghai Henggu; therefore it is recognized as a joint venture.

- (xiii) The Group holds 28% equity interests in Shanghai Songming. According to the Articles of Association of Shanghai Songming, the Company and other shareholders share the control over Shanghai Songming; therefore it is recognized as a joint venture.



## (b) Associates

Long-term investments in associates are as follows:

Accounting Method	Investment costs	Changes in this Period							30 June 2015	Equity interest held %	Voting rights held %	Provision for impairment	Impairment provided in current year
		31 December 2014	Increase or decrease in investment	Share of net profit/(losses)	Share of other comprehensive Income	Cash dividend declared	Other equity movement						
Beijing GoldenNet Property Investment Adviser ("GoldenNet") (i)	Equity method	RMB700,000	6,904	-	(10)	-	-	-	6,894	14	14	-	-
Beijing Sunshine city Commercial Investment Co., Ltd. ("Sunshine City")	Equity method	RMB25,267,000	159,577	-	2,185	-	-	-	161,762	35	35	-	-
Shenyang Capital Real Estate Co., Ltd. ("Shenyang Xinzhi")	Equity method	USD27,750,000	260,181	-	3,082	-	-	(205)	263,058	30	30	-	-
Tianjin Xinqing Real Estate Co., Ltd. ("Tianjin Xinqing")	Equity method	USD38,000,000	264,730	-	656	-	-	(32)	265,354	40	40	-	-
Tianjin Xinming Financial Street (ii)	Equity method	USD38,000,000	278,363	-	(5,503)	-	-	(252)	272,608	40	40	-	-
Beijing outlets Chuangxin business management Co., Ltd. ("Outlets Chuangxin")	Equity method	USD3,384,000	-	-	-	-	-	-	-	59.5	34	-	-
Capital Qinglv Culture Tourism (Kunshan) Co., Ltd. ("Capital Qinglv Culture")	Equity method	RMB3,800,000	601	-	-	-	-	-	601	38	38	-	-
Speed Plus Investments Limited ("Speed Plus") (iii)	Equity method	RMB4,900,000	15,919	-	(423)	-	-	-	15,496	49	49	-	-
	Equity method	USD37	-	-	-	-	-	-	-	37	37	-	-
			986,275	-	(13)	-	-	(489)	985,773				

- (i) GoldenNet has significant influence on the board of the directors, which is responsible for determining the financial policies in the ordinary course of business; therefore this company is classified as an associate.
- (ii) According to the Articles, the Company holds 59.5% equity interests in Financial Street both directly and indirectly and enjoys 34% profit of Financial Street. The Company has minority seats in the board of directors of Financial Street, which is responsible for the financial decisions in the ordinary course of business, and therefore this company is classified as an associate.

The net assets of Financial Street are negative due to continuous losses in the past years. As the Group does not have the obligation to bear the additional losses beyond the share, the Group recognizes the carrying value of the long-term equity investment at zero other than negative. For the 6 months ended 30 June 2015, the un-recognized investment loss amounted to RMB8,694,000 (6 months ended 30 June 2014: RMB8,966,000). As at 30 June 2015, the accumulated investment losses that are not recognized amounted to RMB60,497,000 (31 December 2014: RMB51,803,000).

- (iii) The net assets of Speed Plus are negative due to continuous losses in the past years. As the Group does not have the obligation to bear the additional losses beyond the share that the Group should have assumed, the Group recognizes the carrying value of the long-term equity investment at zero other than negative. For 6 months ended 30 June 2015, the un-recognized investment loss amounted to RMB3,000 (6 months ended 30 June 2014: RMB39,000). As at 30 June 2015, the accumulated investment losses that are not recognized amounted to RMB36,000 (31 December 2014: RMB39,000).

**(11). Investment in joint ventures and associates****(a) Basic information of significant Joint ventures and Associates**

	Business type	Place of main operation	Place of registration	Legal representative	Nature of business	Strategic to the Group's operation	Registered capital	Shared Interest	Voting right
Joint ventures –									
Shenyang Jitian	Limited Company	Shenyang	Shenyang	Hu Weimin	Real Estate Development and Sales	Yes	USD20,000,000	50%	50%
Capital Jiaming	Limited Company	Beijing	Beijing	Hu Weimin	Land Primary Development and Sales	Yes	RMB175,000,000	35%	35%
Zhuhai Hengqin Fund	Limited Partnership	Zhuhai	Zhuhai	N/A	Investment Holding	Yes	RMB850,000,000	28.24%	40%
Zhuhai Hengqin Zizhufang Fund	Limited Partnership	Zhuhai	Zhuhai	N/A	Investment Holding	Yes	RMB810,000,000	10%	40%
Ruiyuan Jialing Fund	Limited Partnership	Zhuhai	Zhuhai	N/A	Investment Holding	Yes	RMB1,641,330,000	27.78%	40%
Zhuhai Hengqin Chengdu Weihua Fund	Limited Partnership	Zhuhai	Zhuhai	N/A	Investment Holding	Yes	RMB984,093,000	27.44%	40%
Liujin Real Estate	Limited Company	Beijing	Beijing	Sun Baojie	Land Primary Development and Sales	Yes	RMB800,000,000	40%	40%
Zhongguancun Integrated Circuit Design garden	Limited Company	Beijing	Beijing	Miaojun	Property Development and Sales	Yes	RMB1,000,000,000	50%	40%
Shanghai Shoujia	Limited Company	Shanghai	Shanghai	Hu Weimin	Property Development and Sales	Yes	RMB100,000,000	60%	60%
Capital Qinglv	Limited Company	Kunshan	Kunshan	Hu Weimin	Property Development and Sales	Yes	RMB300,000,000	51%	57.14%
Associates–									
Yangguangyuan	Limited Company	Beijing	Beijing	Yang Ning	Investment Holding	No	RMB72,190,000	35%	35%
Shenyang Xinzi	Limited Company	Shenyang	Shenyang	Cao Yue	Property Development and Sales	Yes	USD92,500,000	30%	30%
Tianjin Xinqing	Limited Company	Tianjin	Tianjin	Qin Yi	Property Development and Sales	Yes	USD95,000,000	40%	40%
Tianjin Xinming	Limited Company	Tianjin	Tianjin	Wang Wei	Property Development and Sales	Yes	USD95,000,000	40%	40%

## (b) Key financial information of significant joint ventures

	Shenyang Jitian			Zhuhai Hengqin Fund			Zhuhai Hengqin Zhihuifang Fund			Zhuhai Hengqin Ruyuan Jialing Fund			Zhuhai Hengqin Chengdu Weihua Fund			Liujin Real Estate			Shanghai Shoujia			Zhongnanancun Integrated Design garden			Capital Qinglv		
	30 June 2015	30 June 2014	31 December 2014	30 June 2015	30 June 2014	31 December 2014	30 June 2015	30 June 2014	31 December 2014	30 June 2015	30 June 2014	31 December 2014	30 June 2015	30 June 2014	31 December 2014	30 June 2015	30 June 2014	31 December 2014	30 June 2015	30 June 2014	31 December 2014	30 June 2015	30 June 2014	31 December 2014	30 June 2015	30 June 2014	31 December 2014
Cash at bank and on hand	6,387	7,846	126,682	128,233	297,620	2,571,076	2,254,023	2,387,385	2,014,638	4,099,141	951,780	965,000	19,212	N/A	828,837	821,727	15,707	15,707	1,493,610	N/A	2,085,962	N/A	19,453	N/A	105,205	N/A	
Other current assets	1,593,637	1,564,374	1,580,314	1,542,920	2,577,076	2,577,076	2,577,076	2,387,385	2,014,638	4,099,141	951,780	965,000	19,212	N/A	828,837	821,727	15,707	15,707	1,493,610	N/A	2,085,962	N/A	19,453	N/A	105,205	N/A	
Current assets	1,600,024	1,572,220	1,669,602	2,705,309	2,551,643	2,607,944	2,499,218	4,857,164	952,134	984,212	984,212	984,212	984,212	N/A	842,989	829,097	1,509,317	1,509,317	1,509,317	N/A	2,105,415	N/A	2,105,415	N/A	1,100,782	N/A	
Non-current assets	10,374	9,752	5,336	5,336	111	133	2,406	408	391	20,000	-	-	-	N/A	1,298	594	43	43	-	N/A	-	-	-	-	79	N/A	
Total Assets	1,610,398	1,581,972	1,674,932	2,710,640	2,551,776	2,610,350	2,499,626	4,857,555	972,134	984,212	984,212	984,212	984,212	N/A	844,287	829,691	1,509,360	1,509,360	1,509,360	N/A	2,105,415	N/A	2,105,415	N/A	1,100,861	N/A	
Accounts payable	34,576	24,545	-	233,739	193,191	53,099	28,679	53,099	-	-	-	-	-	N/A	-	-	-	-	-	-	N/A	-	-	-	-	38,777	N/A
Other liabilities	1,317,431	1,297,006	1,94,590	1,462,594	1,276,112	1,274,606	1,182,305	2,635,529	-	-	-	-	-	N/A	52,881	36,649	1,408,302	1,408,302	1,408,302	N/A	-	-	-	-	605,327	N/A	
Current liabilities	1,352,007	1,321,551	1,94,590	1,696,333	1,469,303	1,327,705	1,210,984	2,688,628	-	-	-	-	-	N/A	52,881	36,649	1,408,302	1,408,302	1,408,302	N/A	-	-	-	-	644,104	N/A	
Non-current liabilities	-	-	998,000	139,000	245,000	480,000	480,000	500,000	-	-	-	-	-	N/A	-	-	-	-	-	-	N/A	1,937,030	N/A	-	-	-	N/A
Total liabilities	1,352,007	1,321,551	1,190,941	1,835,333	1,714,303	1,807,705	1,690,984	3,188,628	-	-	-	-	-	N/A	52,881	36,649	1,408,302	1,408,302	1,408,302	N/A	1,937,030	N/A	1,937,030	N/A	644,104	N/A	
Net assets	258,391	260,421	483,131	484,011	870,087	837,473	802,645	1,668,927	972,134	984,212	984,212	984,212	984,212	N/A	791,406	793,042	101,058	101,058	101,058	N/A	168,385	N/A	168,385	N/A	456,757	N/A	
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-	-	-	-	-	-	N/A	-	-	-	-	-	N/A
Equity attributable to parent company	258,391	260,421	483,131	484,011	870,087	837,473	802,645	1,668,927	972,134	984,212	984,212	984,212	984,212	N/A	791,406	793,042	101,058	101,058	101,058	N/A	168,385	N/A	168,385	N/A	456,757	N/A	
Shareholding ratio of the Group	50%	50%	35%	35%	28.24%	28.24%	10%	27.78%	46.90%	27.44%	27.44%	27.44%	27.44%	N/A	40%	40%	60%	60%	60%	N/A	50%	N/A	50%	N/A	51%	N/A	
Equity attributable to the Group (i)	129,196	130,211	169,097	169,004	245,713	236,502	80,265	80,864	463,667	455,970	270,033	270,033	270,033	N/A	316,562	317,217	60,635	60,635	60,635	N/A	84,192	N/A	84,192	N/A	232,946	N/A	
Reconciliation items (ii)	(1,710)	(1,710)	(1,662)	(1,662)	3,824	4,645	(2,174)	(512)	-	-	-	-	-	N/A	3,606	3,606	-	-	-	N/A	-	-	-	-	-	N/A	
Provision for impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	-	-	-	-	-	-	N/A	-	-	-	-	-	N/A
Long-term equity investments	127,486	128,501	167,443	167,742	249,537	241,147	78,091	80,864	463,155	455,970	270,033	270,033	270,033	N/A	320,168	320,823	60,635	60,635	60,635	N/A	84,192	N/A	84,192	N/A	232,946	N/A	

	Shenyang Jitian		Capital Jiaming		Zhubai Hengqin Fund		Zhubai Hengqin Fund		Zhubai Hengqin Fund		Zhubai Hengqin Fund		Zhubai Hengqin Fund		Zhubai Hengqin Fund		Lujin Real Estate		Shanghai Shoujia		Integrated Circuit Design Garden		Capital Qinglv			
	Six months ended 30 June 2015		Six months ended 30 June 2014		Six months ended 30 June 2015		Six months ended 30 June 2014		Six months ended 30 June 2015		Six months ended 30 June 2014		Six months ended 30 June 2015		Six months ended 30 June 2014		Six months ended 30 June 2015		Six months ended 30 June 2014		Six months ended 30 June 2015		Six months ended 30 June 2014		Six months ended 30 June 2015	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	
Revenue	5,038	5,284	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Depreciation and amortization	(53)	(105)	(13)	(52)	(27)	(9)	(2)	-	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest income	11	8	824	45,839	254	254	1	254	37,110	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest expense	(6)	(3)	-	-	-	-	(54)	(4)	(6)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total (losses)/profit	(2,705)	(615)	(879)	(1,672)	43,485	3,848	(7,996)	(632)	32,347	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Income taxes	675	152	-	-	(10,871)	(988)	1,999	160	(5,674)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net (losses)/profit	(2,030)	(463)	(879)	(1,672)	32,614	2,860	(5,997)	(472)	26,673	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total comprehensive (loss)/income	(2,030)	(463)	(879)	(1,672)	32,614	2,860	(5,997)	(472)	26,673	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends from joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

(i) The accounting policies of joint ventures are the same with the Group. The Group, based on the amount assigned to the Company in the consolidated financial statements of joint ventures, calculates asset share in proportion to the number of shares owned. The amount in the consolidated financial statements of joint ventures has taken the fair value of identifiable asset and liability of the investee joint venture into consideration.

(ii) Adjustments include the eliminations of unrealized profit between the Group and the associates.

*(c) Key financial information of significant associates*

The key financial information of the significant associates of the Group are as follows:

	Yangguangyuan		Shenyang Xinzi		Tianjin Xinqing		Tianjin Xinming	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014
Cash at bank and on hand	26,293	1,332	34,829	54,049	7,763	4,461	19,812	26,788
Other current assets	354,138	383,539	1,294,973	1,396,959	664,893	688,146	767,531	900,161
<b>Current assets</b>	<b>380,431</b>	<b>384,871</b>	<b>1,329,802</b>	<b>1,451,008</b>	<b>672,656</b>	<b>692,607</b>	<b>787,343</b>	<b>926,949</b>
Non-current assets	819,276	819,362	44	114	1	1	1	1
Accounts payable	15,047	15,554	15,047	221,504	7,977	19,185	19,620	41,702
Other liabilities	28,522	30,390	187,202	73,295	30	10,412	79,642	183,407
<b>Current liabilities</b>	<b>43,569</b>	<b>45,944</b>	<b>202,249</b>	<b>294,799</b>	<b>8,007</b>	<b>29,597</b>	<b>99,262</b>	<b>225,109</b>
Non-current liabilities	692,375	700,769	240,000	279,000	-	-	-	-
<b>Net assets</b>	<b>463,763</b>	<b>457,520</b>	<b>887,597</b>	<b>877,323</b>	<b>664,650</b>	<b>663,011</b>	<b>688,082</b>	<b>701,841</b>
Shareholding ratio of the Group	35%	35%	30%	30%	40%	40%	40%	40%
Equity attributable to the Group (i)	162,317	160,132	266,279	263,197	265,860	265,204	275,233	280,736
Reconciliation items (ii)	(555)	(555)	(3,221)	(3,016)	(506)	(474)	(2,625)	(2,373)
Provision for impairment	-	-	-	-	-	-	-	-
Long-term equity investments	161,762	159,577	263,058	260,181	265,354	264,730	272,608	278,363
	Six months ended 30 June 2015	Six months ended 30 June 2014	Six months ended 30 June 2015	Six months ended 30 June 2014	Six months ended 30 June 2015	Six months ended 30 June 2014	Six months ended 30 June 2015	Six months ended 30 June 2014
Revenue	362,941	25,808	66,552	536,523	21,318	29,327	82,983	118,607
Depreciation and amortization	(6,694)	(7,935)	-	(108)	-	(2)	-	-
Interest income	1,919	59	13	55	47	141	-	-
Interest expenses	(18,109)	(19,390)	(1,405)	(11)	(2)	(11)	(16)	(34)
Total profit/(losses)	1,418	20,237	13,700	78,317	2,185	3,036	(18,345)	7,166
Income taxes	-	(5,638)	(3,425)	(19,579)	(546)	(759)	4,586	(1,791)
<b>Net profit/(loss)</b>	<b>1,418</b>	<b>14,599</b>	<b>10,275</b>	<b>58,738</b>	<b>1,639</b>	<b>2,277</b>	<b>(13,759)</b>	<b>5,375</b>
Other comprehensive income	-	-	-	-	-	-	-	-
<b>Total comprehensive income/(loss)</b>	<b>1,418</b>	<b>14,599</b>	<b>10,275</b>	<b>58,738</b>	<b>1,639</b>	<b>2,277</b>	<b>(13,759)</b>	<b>5,375</b>
Dividends from associates	-	-	-	-	-	-	-	-

- (i) The accounting policies of associates are the same with the Group. The Group, based on the amount assigned to the Company in the consolidated financial statements of associates, calculates asset share in proportion to the number of shares owned. The amount in the consolidated financial statements of associates has taken the fair value of identifiable net asset and liability of the investee associates into consideration.
- (ii) Adjustments include the eliminations of unrealized profit between the Group and the associates, impairment and unrecognized excess losses.

(d) *Summary information of insignificant joint ventures and associates*

	<b>Six months ended 30 June 2015</b>	<b>Six months ended 30 June 2014</b>
Joint ventures:		
Total amount of investment book value as at 30 June	314,304	69,913
Total amount of accounts below in proportion to equity held		
Net income (i)	55,056	162,053
Other comprehensive income (i)	–	–
Total amount of comprehensive income	55,056	162,053
Associates:		
Total amount of investment book value as at 30 June	22,991	23,424
Total amount of accounts below in proportion to equity held		
Net loss (i)	(433)	(38,976)
Other comprehensive income (i)	–	–
Total amount of comprehensive loss (i)	<u>(433)</u>	<u>(38,976)</u>

- (i) The accounting policies of joint ventures and associates are the same with the Group. Net income and other comprehensive income have taken into consideration the fair value of identifiable assets and liabilities when investment is obtained and the influence of uniform accounting policy.

**(12). Investment properties**

	<b>30 June 2015</b>	<b>31 December 2014</b>
Investment properties measured at cost (a)	686,308	3,574,184
Investment properties subsequently measured at fair value model (b)	8,026,374	3,651,074
Less: Provision for impairment of investment properties	<u>—</u>	<u>—</u>
<b>Total</b>	<b><u>8,712,682</u></b>	<b><u>7,225,258</u></b>

*(a) Investment properties measured at cost*

	<b>Buildings</b>	<b>Land use Rights</b>	<b>Total</b>
<b>Cost</b>			
31 December 2014	588,207	3,029,786	3,617,993
Additions	415,178	—	415,178
Transferred from self-used properties or inventories	115,581	8,485	124,066
Measured at fair value this period	<u>(745,992)</u>	<u>(2,678,695)</u>	<u>(3,424,687)</u>
<b>30 June 2015</b>	<b><u>372,974</u></b>	<b><u>359,576</u></b>	<b><u>732,550</u></b>
<b>Accumulated depreciation and amortization</b>			
31 December 2014	—	(43,809)	(43,809)
Accrument	—	(6,291)	(6,291)
Measured at fair value this period	<u>—</u>	<u>3,858</u>	<u>3,858</u>
<b>30 June 2015</b>	<b><u>—</u></b>	<b><u>(46,242)</u></b>	<b><u>(46,242)</u></b>
<b>Provision for impairment</b>			
31 December 2014	—	—	—
Increase	—	—	—
Decrease	<u>—</u>	<u>—</u>	<u>—</u>
<b>30 June 2015</b>	<b><u>—</u></b>	<b><u>—</u></b>	<b><u>—</u></b>
<b>Net book value</b>			
<b>30 June 2015</b>	<b><u>372,974</u></b>	<b><u>313,334</u></b>	<b><u>686,308</u></b>
<b>31 December 2014</b>	<b><u>588,207</u></b>	<b><u>2,985,977</u></b>	<b><u>3,574,184</u></b>

As at 30 June 2015, investment properties listed above are still under construction, of which the fair value cannot be reliably determined, but is expected that will be measured reliably after the completion. Therefore the Group measured such investment properties at cost, and the amortization of the land use rights amount to RMB6,291,000 has been capitalized for the six months ended 30 June 2015 (six months ended 30 June 2014: RMB7,562,000).

The Group does not hold properties under short-term, mid-term or long-term lease contracts.

Land use right in the investment properties is analyzed by location and age as follows:

	<b>30 June 2015</b>	<b>31 December 2014</b>
Mainland China		
10-50 years	313,334	2,985,977
Above 50 years	<u>          —</u>	<u>          —</u>
Hong Kong		
10-50 years	—	—
Above 50 years	<u>          —</u>	<u>          —</u>

(b) *Investment properties subsequently measured at fair value model*

	<b>Buildings and Land use right</b>
Cost	
31 December 2014	2,414,073
Transferred from cost model	3,420,829
Transferred from inventories	<u>          —</u>
30 June 2015	<u>5,834,902</u>
Changes in fair value	
31 December 2014	1,237,001
Transferred from inventories	—
Gains on changes in fair value (note 5(43))	<u>954,471</u>
30 June 2015	<u>2,191,472</u>
Carrying amount	
30 June 2015	<u>8,026,374</u>
31 December 2014	<u>3,651,074</u>



As at 30 June 2015, certain investment properties amounted to RMB2,493,129,000 (31 December 2014: RMB1,657,193,000) have been pledged for long-term borrowings of RMB840,000,000 (31 December 2014: RMB570,000,000) (note 5(28)(c)).

As at 30 June 2015, certain investment properties amounted to RMB561,322,000 (31 December 2014: RMB984,402,000) have been pledged for long-term borrowings of RMB485,000,000, which is also guaranteed by the Company (31 December 2014: RMB460,000,000) (note 5(28)(d)).

For the six months ended 30 June 2015, rental income from certain investment properties amounted to RMB66,567,000 (for six months ended 30 June 2014: RMB38,547,000).

**(13). Fixed Assets**

	Buildings	Motor Vehicles	Office Equipment	Total
Cost				
31 December 2014	690,426	61,573	55,109	807,108
Increase	33,340	1,304	9,560	44,204
– Purchase	33,340	1,304	9,560	44,204
Decrease	(36)	(2,036)	(609)	(2,681)
– Dispose and retirement	(36)	(1,766)	(579)	(2,381)
– Disposal of subsidiaries	–	(270)	(30)	(300)
30 June 2015	<u>723,730</u>	<u>60,841</u>	<u>64,060</u>	<u>848,631</u>
Accumulated depreciation				
31 December 2014	(281,674)	(44,445)	(41,524)	(367,643)
Increase	(9,255)	(2,493)	(4,718)	(16,466)
– Accrument	(9,255)	(2,493)	(4,718)	(16,466)
Decrease	–	1,416	575	1,991
– Dispose and retirement	–	1,224	575	1,799
– Disposal of subsidiaries	–	192	–	192
30 June 2015	<u>(290,929)</u>	<u>(45,522)</u>	<u>(45,667)</u>	<u>(382,118)</u>

	Buildings	Motor Vehicles	Office Equipment	Total
Provision for impairment				
31 December 2014	-	-	-	-
Increase	-	-	-	-
Classified as held for sale	-	-	-	-
30 June 2015	-	-	-	-
Net book value				
30 June 2015	<u>432,801</u>	<u>15,319</u>	<u>18,393</u>	<u>466,513</u>
31 December 2014	<u>408,752</u>	<u>17,128</u>	<u>13,585</u>	<u>439,465</u>

As at 30 June 2015, certain buildings with net value of RMB328,237,000 (cost of RMB601,431,000) (31 December 2014: RMB335,774,000, cost of RMB601,431,000) have been pledged for long-term borrowings of RMB619,000,000 (31 December 2014: RMB635,000,000) (note 5(28)(d)), which are also guaranteed by the Company.

For the six months ended 30 June 2015, depreciation expense charged in cost of sales amounted to RMB6,929,000 and in administrative expenses amounted to RMB9,537,000 (for the six months ended 30 June 2014: RMB10,225,000 and RMB10,564,000).

**(14). Intangible Assets**

	Original cost	31 December 2014	Additions	Amortization	30 June 2015	Accumulated amortization
Land use rights	52,283	39,561	-	(523)	39,038	(13,245)
Less: Provision for impairment	-	-	-	-	-	-
Total	<u>52,283</u>	<u>39,561</u>	<u>-</u>	<u>(523)</u>	<u>39,038</u>	<u>(13,245)</u>

For the six months ended 30 June 2015, the amortization of intangible assets amounted to RMB523,000 (for the six months ended 30 June 2014: RMB761,000); in which, RMB523,000 (for the six months ended 30 June 2014: RMB761,000) has been recognized in the income statement.

As at 30 June 2015, certain land use rights and buildings in properties under development of the Group with net value of RMB39,038,000 (cost of RMB52,283,000) (31 December 2014: RMB39,561,000, cost of RMB52,283,000) have been mortgaged as security for long-term borrowings of RMB619,000,000 (31 December 2014: RMB635,000,000) (note 5(28)(d)), which are also guaranteed by the Company.

The land use rights analyzed by location and terms are as follows:

	<b>30 June 2015</b>	<b>31 December 2014</b>
Mainland China		
10-50 years	<u>39,038</u>	<u>39,561</u>

**(15). Long-term receivables**

	<b>30 June 2015</b>	<b>31 December 2014</b>
Receivables due from joint ventures (note 8(5)(b))	913,500	–
Receivables due from associates (note 8(5)(b))	316,085	308,227
Debt investments (a)	546,056	238,745
Others	<u>1,392</u>	<u>15,052</u>
Subtotal	1,777,033	562,024
Less: Current portion of long-term receivables	<u>–</u>	<u>–</u>
Total	<u>1,777,033</u>	<u>562,024</u>

(a) The balance is the principle and interest of the AUD debt investment in Australia real estate project. Of which principle amounted to AUD15,100,000 (equivalent to RMB71,977,000) and the interest will be matured on 31 August 2016 with an expected annual interest rate of 19%, principle amounted to AUD44,579,000 (equivalent to RMB212,494,000) and the interest will be matured on 31 January 2018 with an expected annual interest rate of 20%, principle amounted to AUD20,000,000 (equivalent to RMB95,333,000) and the interest will be matured on 30 December 2016 with an expected annual interest rate of 20%, principle amounted to AUD25,000,000 (equivalent to RMB119,167,000) and the interest is expected to be matured on 21 October 2016 with an expected annual interest rate of 20%.

**(16). Goodwill**

	31 December 2014	Additions	Disposals	30 June 2015
Goodwill				
Beijing Capital Juda	172,137	-	-	172,137
Less: provision for impairment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net	<u>172,137</u>	<u>-</u>	<u>-</u>	<u>172,137</u>

Goodwill listed above was generated from the acquisition of Beijing Capital Juda in 2013, as a result of expected economic effect of integrating and expanding the domestic and foreign financial platform of the Group and Beijing Capital Juda. The goodwill is mainly attributing to listing platform of Beijing Capital Juda and its business.

**(17) Derivative financial assets**

	30 June 2015	31 December 2014
Financial derivative assets/(liabilities)		
Forward foreign exchange contracts		
– cash flow hedges	<u>29,185</u>	<u>(3,452)</u>
Total	<u>29,185</u>	<u>(3,452)</u>

The Group has purchased foreign exchange contracts which effectively match with maturity dates of cash flow for all AUD debt investments, so as to avoid exchange risk of AUD debt investments (note(15)(a)).

**(18) Provisions for impairment of assets**

	31 December 2014	Additions	Reductions		30 June 2015
			Through reversal	Through realization	
Provisions for doubtful debts including:	48,791	-	-	-	48,791
accounts receivable	7,000	-	-	-	7,000
other receivables	41,791	-	-	-	41,791
Inventories falling price reserves	308,394	93,443	-	(168,868)	232,969
Provisions for held for sale assets	14,899	-	-	(14,899)	-
Total	<u>372,084</u>	<u>93,443</u>	<u>-</u>	<u>(183,767)</u>	<u>281,760</u>

**(19) Short-term borrowings**

	Currency	30 June 2015	31 December 2014
Unsecured loans (a)	RMB	402,600	200,000
	HKD	4,004	12,070
Secured loans:			
– Guaranteed (b)	RMB	150,000	179,000
	USD	76,420	-
– Mortgaged (c)	RMB	400,000	497,900
– Pledged (d)	RMB	2,670,000	2,100,000
	USD	210,919	211,105
– Guaranteed, mortgaged	RMB	-	760,000
– Guaranteed, pledged (e)	RMB	1,400,000	400,000
– Mortgaged, pledged (f)	RMB	800,000	400,000
– Guaranteed, mortgaged, pledged (g)	RMB	<u>900,000</u>	<u>900,000</u>
Total		<u>7,013,943</u>	<u>5,660,075</u>

**(a) Unsecured loans**

As at 30 June 2015, short-term borrowings of RMB402,600,000 (31 December 2014: RMB200,000,000) are unsecured loans gained by the Company.

As at 30 June 2015, short-term borrowings denominated in HKD equivalent to RMB4,004,000 (31 December 2014: RMB12,070,000) are unsecured loans gained by the Group.

(b) *Guaranteed loans*

As at 30 June 2015, short-term borrowings of RMB150,000,000 (31 December 2014: RMB179,000,000) are guaranteed by the Company.

As at 30 June 2015, short-term borrowings of USD76,420,000 (31 December 2014: Nil) are guaranteed by the Company.

(c) *Mortgaged loans*

As at 30 June 2015, short-term borrowings RMB400,000,000 (31 December 2014: RMB497,900,000) are secured by certain land use rights in properties and buildings in properties under development of the Group (note 5(6)).

(d) *Pledged loans*

As at 30 June 2015, short-term borrowings of RMB470,000,000 (31 December 2014: Nil) are secured by the pledge of a deposit of RMB500,000,000.

As at 30 June 2015, short-term borrowings of RMB1,000,000,000 (31 December 2014: Nil) are pledged by 20% of the equity interest of the Group.

As at 30 June 2015, short-term borrowings of RMB1,200,000,000 (31 December 2014: RMB2,100,000,000) are secured by the pledge of certain bank deposit of the Group.

As at 30 June 2015, short-term borrowings denominated in USD equivalent to RMB210,919,000 (31 December 2014: RMB211,105,000) are secured by the pledge of certain bank deposit of the Group.

(e) *Guaranteed and pledged loans*

As at 30 June 2015, short-term borrowings of RMB1,400,000,000 (31 December 2014: RMB400,000,000) are secured by the pledge of 100% equity of the Group and guaranteed by the Company.

(f) *Mortgaged and pledged loans*

As at 30 June 2015, short-term borrowings RMB400,000,000 (31 December 2014: Nil) are secured by certain land use rights and buildings in properties under development of the Group and pledged by the Group's usufruct of property development (note 5(6)).

As at 30 June 2015, short-term borrowings of RMB400,000,000 (31 December 2014: RMB400,000,000) are secured by the mortgage of certain land use rights and buildings in properties under development of the Group and by the pledge of security deposits (note 5(6)).

*(g) Guaranteed, mortgaged and pledged loans*

As at 30 June 2015, short-term borrowings of RMB900,000,000 (31 December 2014: RMB900,000,000) are secured by the mortgage of certain land use rights in properties under development of the Group and by the pledge of 100% equity of the Group with guarantees provided by the Company (note 5(6)).

For the six months ended 30 June 2015, the weighted-average interest of short-term borrowings is 8.8% (for the six months ended 30 June 2014: 10.5%).

***(20). Accounts payable***

The aging analysis of accounts payable is as follows:

	<b>30 June 2015</b>	<b>31 December 2014</b>
Within 1 year	3,288,481	2,154,123
Over 1 year	<u>1,121,190</u>	<u>1,895,395</u>
Total	<u><u>4,409,671</u></u>	<u><u>4,049,518</u></u>

***(21). Advances from customers***

	<b>30 June 2015</b>	<b>31 December 2014</b>
Advances from sales of properties under development <i>(i)</i>	13,800,197	11,606,650
Hotel advances	<u>14,621</u>	<u>13,321</u>
Total	<u><u>13,814,818</u></u>	<u><u>11,619,971</u></u>

*(i)* Advances from sales of properties under development are amounts proceed from customers. As such properties are not available for use at the end of 30 June 2015, corresponding revenue was not recognized.

**(22). Employee benefits payable**

	<b>30 June 2015</b>	<b>31 December 2014</b>
Short-term employee benefits payable (a)	63,038	207,097
Defined contribution plans payable (b)	<u>1,279</u>	<u>2,698</u>
<b>Total</b>	<b><u>64,317</u></b>	<b><u>209,795</u></b>

**(a) Short-term employee benefits payable**

	<b>31 December 2014</b>	<b>Increase</b>	<b>Decrease</b>	<b>30 June 2015</b>
Wages and salaries, bonuses, allowances and subsidies	77,203	149,057	(210,197)	16,063
Staff welfare	477	1,041	(734)	784
Social security contributions	1,263	8,033	(8,762)	534
Including: Medical insurance				
premiums	1,020	7,056	(7,624)	452
Work injury insurance	99	599	(633)	65
Maternity insurance	144	378	(505)	17
Housing funds	877	9,610	(10,406)	81
Labour union funds and employee education funds	7,342	1,741	(1,280)	7,803
Profit-sharing plan	95,963	(86,000)	9,963	
Director's emoluments	22,616	5,575	(405)	27,786
Other	<u>1,356</u>	<u>231</u>	<u>(1,563)</u>	<u>24</u>
<b>Total</b>	<b><u>207,097</u></b>	<b><u>175,288</u></b>	<b><u>(319,347)</u></b>	<b><u>63,038</u></b>



*(b) Defined contribution plans payable*

	31 December 2014	Increase	Decrease	30 June 2015
Basic social pension security	2,357	14,106	(15,327)	1,136
Annuity	225	924	(1,085)	64
Unemployment security	<u>116</u>	<u>849</u>	<u>(886)</u>	<u>79</u>
Total	<u><u>2,698</u></u>	<u><u>15,879</u></u>	<u><u>(17,298)</u></u>	<u><u>1,279</u></u>

*(23). Taxes payable*

	30 June 2015	31 December 2014
Enterprise income tax payable	660,729	769,103
Land appreciation tax payable	978,617	1,484,184
Business tax payable	128,857	205,854
Others	<u>13,192</u>	<u>23,450</u>
Total	<u><u>1,781,395</u></u>	<u><u>2,482,591</u></u>

*(24). Dividends payable*

	30 June 2015	31 December 2014
Reco Ziyang	39,462	802,124
Dividend of senior perpetual securities	66,249	98,422
Dividend of Minsheng Jiayin Asset Management Plan	107,796	155,125
Dividend of Tiandi Fangzhong Asset Management Plan	<u>69,520</u>	<u>—</u>
Total	<u><u>283,027</u></u>	<u><u>1,055,671</u></u>

*(25). Other payables*

	<b>30 June 2015</b>	<b>31 December 2014</b>
Payables to associates <i>(note 8(5)(e))</i>	281,457	409,958
Payables to joint ventures <i>(note 8(5)(e))</i>	156,360	933,347
Collection of deeds tax and maintenance funds on behalf of government	229,096	224,246
Tender bond	69,944	45,570
Loans due to Non-controlling shareholders of subsidiaries <i>(i) (note 8(5)(e))</i>	56,714	56,714
Interest payable to related parties <i>(note 8(5)(h))</i>	68,220	13,273
Deposits from customers	110,182	54,038
Payables for operations	145,548	263,933
Advances from equity disposal <i>(ii)</i>	20,000	163,574
Others	<u>372,637</u>	<u>389,454</u>
<b>Total</b>	<u><u>1,510,158</u></u>	<u><u>2,554,107</u></u>

- (i)* As at 30 June 2015, loans borrowed from non-controlling shareholders of subsidiaries are loan provided by Reco Ziyang to Chengdu Xinzi. Of which, loan provided by Reco Ziyang to Chengdu Xinzi amounted to RMB56,714,000, which is interest free, unsecured, and with no maturity date, for that reason the loan has aged over one year but not closed off yet.
- (ii)* RMB20,000,000 is generated from disposal of 10% equity interests of Hainan Dalecheng (Note 5(7)), since procedure of share transfer is still incomplete, it has not been closed off yet.
- (iii)* As at 30 June 2015, other accounts payable aging over one year amounted to RMB105,805,000, which is mainly for business activities, since it has no maturity date, it has not been closed off yet.

**(26). Current portion of non-current liabilities**

	Currency	30 June 2015	31 December 2014
Long-term borrowings due within one year (note 5(28))	RMB	5,384,300	3,930,900
Equity instrument terminated in advance (i)	RMB	2,010,000	–
Debentures payable due within one year (note 5(29))	RMB	<u>1,994,027</u>	<u>1,988,703</u>
Total		<u><u>9,388,327</u></u>	<u><u>5,919,603</u></u>

(i) The balance is Minsheng Jiayin Specific Assets Management Plan terminated in advance, it is secured by the pledge of equity of the Group and guaranteed by the Company. The principal will be due for repayment in 20 December 2015 (Note 4(2)2(b))

**(27). Liabilities classified as held for sale (note 5(7))**

	30 June 2015	31 December 2014
Short-term borrowings	–	40,000
Accounts payable	–	176
Taxes payable	–	3,116
Deferred taxes liabilities	–	3,081
Other payables	<u>–</u>	<u>2,796</u>
Total	<u><u>–</u></u>	<u><u>49,169</u></u>

*(28) Long-term borrowings*

	Currency	30 June 2015	31 December 2014
Unsecured loans (a)	RMB	2,397,000	597,000
Secured loans:			
– Guaranteed (b)	RMB	4,497,550	3,558,000
– Mortgaged (c)	RMB	5,523,400	3,642,302
– Guaranteed, mortgaged (d)	RMB	10,162,810	8,529,960
– Guaranteed, pledged (e)	RMB	1,506,000	795,000
– Guaranteed, mortgaged, pledged (f)	RMB	760,000	540,000
– Debt investment plan (g)	RMB	<u>4,000,000</u>	<u>4,000,000</u>
Subtotal		<u>28,846,760</u>	<u>21,662,262</u>
Less: Long-term borrowings due within one year including:			
Unsecured loans (a)	RMB	–	–
Secured loans:			
– Guaranteed (b)	RMB	(1,465,000)	(850,000)
– Mortgaged (c)	RMB	(625,700)	(1,134,800)
– Guaranteed, mortgaged (d)	RMB	(2,803,600)	(1,326,100)
– Guaranteed, pledged (e)	RMB	(330,000)	(180,000)
– Guaranteed, mortgaged, pledged (f)	RMB	<u>(160,000)</u>	<u>(440,000)</u>
Subtotal		<u>(5,384,300)</u>	<u>(3,930,900)</u>
Net long-term borrowings		<u>23,462,460</u>	<u>17,731,362</u>

As at 30 June 2015, long-term borrowings include:

*(a) Unsecured loans*

As at 30 June 2015, bank borrowings of RMB2,397,000,000 (31 December 2014: RMB597,000,000) are unsecured loans gained by the Company.

*(b) Guaranteed loans*

As at 30 June 2015, the guaranteed loans of RMB4,497,550,000 (31 December 2014: RMB3,558,000,000) guaranteed by the Group. Of which, RMB2,027,550,000 (31 December 2014: RMB1,778,000,000) are guaranteed by the Company; RMB700,000,000 (31 December 2014: RMB Nil) are guaranteed by the Group for the Company; RMB770,000,000 (31 December 2014: RMB780,000,000) are guaranteed by Capital Group and the Company for its subsidiaries; RMB1,000,000,000 (31 December 2014: RMB1,000,000,000) are guaranteed by Capital Group for the Company. Among the loans above, as RMB1,465,000,000 should be repaid on or before 30 June 2016, such amount was classified as long-term borrowings due within one year in financial statement.

*(c) Mortgaged loans*

As at 30 June 2015, bank borrowing of RMB3,148,200,000 (31 December 2014: RMB968,300,000) were secured by the mortgage of certain land use rights in properties under development of the Group (note 5(6)). Of which, the interests of RMB1,974,260,000 are payable quarterly, interests of RMB1,173,940,000 are payable monthly, and the principal is due for repayment by installments before October 2021. Among the loans above, RMB195,700,000 should be repaid on or before 30 May 2016, such amount was classified as long-term borrowings due within one year in financial statement.

As at 30 June 2015, bank borrowing of RMB840,000,000 (31 December 2014: RMB570,000,000) were secured by the mortgage of certain buildings and land use rights in investment properties of the Group (note 5(12)). Interests are payable quarterly, and the principal is due for repayment by installments on or before 15 December 2020. Among the loans above, as RMB60,000,000 should be repaid on or before 30 June 2016, such amount was classified as long-term borrowings due within one year in financial statement.

As at 30 June 2015, bank borrowing of RMB385,000,000 (31 December 2014: RMB521,900,000) were secured by the mortgage of certain buildings of the Group (note 5(6)). Of which, interests of principal of RMB240,000,000 are payable quarterly, interests of principal of RMB145,000,000 are payable monthly. The principal is due for repayment by installment on or before October 2021. Among the loans above, as RMB240,000,000 should be repaid on or before 30 June 2016, such amount was classified as long-term borrowings due within one year in financial statement.

As at 30 June 2015, bank borrowing of RMB1,150,200,000 (31 December 2014: RMB1,463,502,000) were secured by certain buildings and land use rights under development of the Group (note 5(6)). Of which, interests of principal of RMB881,500,000 are payable quarterly, interests of principal of RMB268,700,000 are payable monthly. The principal is due for repayment by installment before October 2021. Among the loans above, as RMB130,000,000 should be repaid before 30 June 2016, such amount was classified as long-term borrowings due within one year in financial statement.

*(d) Guaranteed and mortgaged loans*

As at 30 June 2015, the guaranteed and mortgaged loans of the Group amounted to RMB10,162,810,000 (31 December 2014: RMB8,529,960,000). Of which, RMB4,130,500,000 (31 December 2014: RMB3,182,100,000) is guaranteed by the Company for its subsidiaries and secured by residential properties and land use rights in properties under development (note 5(6)) of the Group; RMB2,923,310,000 (31 December 2014: RMB2,167,860,000) is guaranteed by the Company for its subsidiaries and secured by land use rights in properties under development (note 5(6)) of the Group; RMB437,000,000 (31 December 2014: RMB457,000,000) is guaranteed by the Company and secured by certain residential properties in properties under development (note 5(6)) of the Group. RMB485,000,000 (31 December 2014: RMB460,000,000) is guaranteed by the Company and secured by residential properties and land use rights in certain investment properties (note 5(12)) of the Group; RMB619,000,000 (31 December 2014: RMB635,000,000) is guaranteed by the Company and secured by residential properties and land use rights (note 5(13)) in intangible assets (note 5(14)); RMB88,000,000 (31 December 2014: RMB98,000,000) is guaranteed by the Group and secured by certain land use rights in properties under development (note 5(6)) of the Group; RMB260,000,000 (31 December 2014: RMB310,000,000) is guaranteed by the Group for the Company and secured by residential properties and certain land use rights in properties under development (note 5(6)) of the Group, RMB1,220,000,000 (31 December 2014: RMB1,220,000,000) is guaranteed by Capital Group for its subsidiaries and secured by certain land use rights in properties under development (note 5(6)) of the Group, and the principle should be repaid by installment on or before 30 May 2017. Among the loans above, as RMB2,803,600,000 is due for repayment on or before 30 June 2016, such amount was classified as long-term borrowings due within one year.

(e) *Guaranteed and pledged loans*

As at 30 June 2015, the guaranteed and pledged loans of the Group amounted to RMB1,506,000,000 (31 December 2014: RMB795,000,000). Of which, RMB1,376,000,000 (31 December 2014: RMB650,000,000) is guaranteed by the Company and secured by the pledge of equity of the Group. RMB65,000,000 (31 December 2014: RMB72,500,000) is guaranteed by the Company, RMB65,000,000 (31 December 2014: RMB72,500,000) is guaranteed by the rights and gains of primary land development projects. Among loans above, as RMB330,000,000 is due for repayment on or before 30 June 2016, such amount was classified as long-term borrowings due within one year. Other principal is due for repayment by installment before 30 June 2025.

(f) *Guaranteed, mortgaged and pledged loans*

As at 30 June 2015, the guaranteed, mortgaged and pledged loans of the Group amounted to RMB760,000,000 (31 December 2014: RMB540,000,000). Of which, RMB600,000,000 (31 December 2014: RMB Nil) is guaranteed by the Company and secured by the mortgage of certain land use rights in properties under development (note 5(6)) of the Group, and secured by the pledge of equity interest of the Group; RMB160,000,000 (31 December 2015: RMB540,000,000) is guaranteed by the Company and secured by the mortgage of land use rights in properties under development of the Group (note 5(6)), and secured by the pledge of gains from development project and project insurance. Among the loans above, as RMB160,000,000 is due for repayment before 30 June 2016, such amount was classified as long-term borrowings due within one year. Other principal is due for repayment by installment before February 2017.

(g) *Debt investment plan*

As at 30 June 2015, the Group received RMB4,000,000,000 (31 December 2014: RMB4,000,000,000) through a debt investment plan. The loan was guaranteed by Capital Group. Interests are payable quarterly and the principal will be due for repayment by installment before October 2019.

For the six months ended 30 June 2015, the weighted average interest rate of long-term borrowings is 7.6% (for the six months ended 30 June 2014: 7.4%).

**(29) Debentures payable**

	31 December 2014	Issue in current period	Reductions	Amortization of premium/ discount	30 June 2015	Interest at book value
Corporate Bonds (a,b)	1,988,703	2,972,100	5,782	-	4,966,585	88,423
Medium term notes (c)	3,217,112	-	6,198	-	3,223,310	94,741
Among which: Debentures payable within one year (a)	<u>(1,988,703)</u>	<u>-</u>	<u>(5,324)</u>	<u>-</u>	<u>(1,994,027)</u>	<u>76,000</u>
Total	<u>3,217,112</u>	<u>2,972,100</u>	<u>6,656</u>	<u>-</u>	<u>6,195,868</u>	<u>259,164</u>

Information about bonds is as follow:

	Book value	Date of issue	Duration	Release amount
2 billion RMB bonds	2,000,000	29/11/2012	3 years	1,966,049
2 billion medium term note	2,000,000	17/02/2014	3 years	1,965,029
250 million medium term note	250,000	17/02/2014	5 years	245,627
1 billion medium term note	1,000,000	04/04/2014	Matured at 16/02/2017	1,002,261
3 billion corporate bonds	3,000,000	27/05/2015	5 years	2,972,100

(a) On 29 November 2012, Central Plaza, a subsidiary of the Company issued corporate bonds amounted to RMB2,000,000,000. The Company received proceeds amounted to RMB1,966,049,000 net of issuance costs, and RMB152,000,000 among the proceeds are security deposits for bond interests. The bond carries a fixed annual interest rate of 7.6% with a maturity period of 3 years, and the interest will be paid every six months. The principal and the interests for the last period will be fully repayable on the maturity date. IFC and some subsidiaries provided unconditional and irrevocable joint guarantees and the Company entered into a Keepwell Deed for the bonds. Pursuant to the Keepwell Deed, the Company commits to assist Central Plaza to remain solvent and going concern at all times, to assist both Central Plaza and IFC to have sufficient liquidity to ensure timely payment of any amounts payable in respect of the Bonds and the Guarantee in accordance with the Terms and Conditions of the Bonds and other obligations under the Keepwell Deed. Principal shall be repaid in 28 November 2015 therefore it is reclassified as current portions of non-current liabilities.

(b) On 20 May 2015, China Securities Regulatory Commission approved the Company's request to issue domestic corporate bonds no more than RMB3,000,000,000. On 29 May 2015, The Company issued domestic corporate bonds amounted to RMB3,000,000,000. The Company received proceeds amounted to RMB2,972,100,000 net of issuance costs. The bond carries a fixed annual interest rate of 4.58% with a maturity period of 5 years, and the interest will be paid every year. The principal and the interests for the last period will be fully repayable on the maturity date.



- (c) On 10 February, 2014, the Board of Directors of the Company announced the establishment of medium-term notes and perpetual securities program. Under the plan, Central Plaza may issue and offer to professional and institutional investors and issuers of securities, the principal limit up to USD1,000,000,000 (or the equivalent in other currencies currency units). Securities will be issued in different batches release date and different terms. IFC and part of its subsidiaries provided guarantees and the Company entered into a Keepwell Deed for the medium-term notes. Pursuant to the Keepwell Deed, the Company will undertake to cause Central Plaza to remain solvent and going concern at all times, and guarantee both Central Plaza and IFC have sufficient liquidity to ensure timely repayment in respect of the bonds and the guarantee in accordance with the terms and conditions of the bonds and other obligations under the Keepwell Deed.

On 17 February 2014, Central Plaza issued corporate bonds amounted to RMB2,000,000,000. The Company received proceeds amounted to RMB1,965,029,000 net of issuance costs. The bond carries a fixed annual interest rate of 5.75% with a maturity period of 3 years, and the interest will be paid every six months. The principal will be repaid together with interest of the last period.

On 17 February 2014, Central Plaza issued corporate bonds amounted to RMB250,000,000. The Company received proceeds amounted to RMB245,627,000 net of issuance costs. The bond carries a fixed annual interest rate of 6.875% with a maturity period of 5 years, and the interest will be paid every six months. The principle will be repaid together with the interest of the last period.

On 4 April 2014, Central Plaza issued medium term notes amounted to RMB1,000,000,000. The company received proceeds amounted to RMB1,002,261,000 net of issuance costs. The bond carries a fixed annual interest rate of 5.75% and the maturity date is 16 February 2017. The interest will be paid every six months. The principle will be repaid together with the interest of the last period.

**(30). Long-term payables**

	<b>30 June 2015</b>	<b>31 December 2014</b>
CITIC Prudential Asset Management Co., Ltd. ("CITIC Prudential") (a)	650,000	650,000
Donghai Securities Co., Ltd. ("Donghai Securities")	–	880,000
Chengdu Capital Changli Enterprise management consulting Consulting Center	<u>10,250</u>	<u>–</u>
Total	<u><u>660,250</u></u>	<u><u>1,530,000</u></u>

- (a) As at 30 June 2015, the amount is the principal of borrowings due to the CITIC Prudential, which is a three-year borrowing expired on 29 May 2017 with an annual interest rate of 10%, guaranteed by the Company, pledged by equity interests of the Group and secured by certain buildings and land use rights under development of the Group (note 5(6)).

**(31). Deferred tax assets and deferred tax liabilities**

- (a) *Deferred tax assets before offsetting*

	As 30 June 2015		As at 31 December 2014	
	Deferred tax	Deductible	Deferred tax	Deductible
	assets	temporary	assets	temporary
		differences		differences
Provision for asset impairment	22,411	89,644	10,078	40,312
Accrued salaries and other cost and expenses	37,081	148,324	65,420	261,680
Accumulated losses	311,286	1,245,144	166,931	667,724
Internal unrealized profits elimination	<u>160,772</u>	<u>643,088</u>	<u>150,207</u>	<u>600,828</u>
Total	<u>531,550</u>	<u>2,126,200</u>	<u>392,636</u>	<u>1,570,544</u>
Including:				
Amount of expected reversal within 1 year (including 1 year)	87,206	348,824	130,799	523,196
Amount of expected reversal beyond 1 year	<u>444,344</u>	<u>1,777,376</u>	<u>261,837</u>	<u>1,047,348</u>

As at 30 June 2015, the Group has not recognized deferred tax assets in respect of deductible losses amounting to RMB 1,815,937,000 (31 December 2014: RMB1,291,109,000), which will be expired as follows:

	<b>30 June 2015</b>	<b>31 December 2014</b>
2015	55,147	55,147
2016	239,400	239,400
2017	257,604	257,604
2018	257,898	257,898
2019	481,060	481,060
2020	<u>524,828</u>	<u>–</u>
Total	<u><u>1,815,937</u></u>	<u><u>1,291,109</u></u>

As at 30 June 2015, the Group has not recognized deferred tax assets in respect of deductible asset impairment losses amounting to RMB183,635,000 (31 December 2014: RMB331,769,000).

(b) *Deferred tax liabilities before offsetting*

	As 30 June 2015		As at 31 December 2014	
	Deferred tax	Taxable	Deferred tax	Taxable
	liabilities	temporary	liabilities	temporary
		differences		differences
Withholding income tax	8,220	88,530	8,220	88,530
Change in fair value of available-for-sale financial assets	4,107	16,431	2,005	8,023
Business combination not under common control	182,990	731,960	249,400	997,600
Changes in fair value of investment properties recognized in profit or loss	513,676	2,054,703	275,058	1,100,232
Capitalized interest	472,339	1,889,356	335,921	1,343,681
Changes in fair value of investment properties recognized in other comprehensive income (note 5(45))	<u>188,896</u>	<u>755,584</u>	<u>188,896</u>	<u>755,584</u>
Total	<u>1,370,228</u>	<u>5,536,564</u>	<u>1,059,500</u>	<u>4,293,650</u>
Including:				
Amount of expected reversal within 1 year (including 1 year)	135,905	543,620	317,352	1,269,408
Amount of expected reversal beyond 1 year	<u>1,234,323</u>	<u>4,992,944</u>	<u>742,148</u>	<u>3,024,242</u>

(c) The net balances of deferred tax assets and liabilities after offsetting are as follows:

	30 June 2015	31 December 2014
Deferred tax assets-net	<u>404,775</u>	<u>302,854</u>
Deferred tax liabilities-net	<u>1,243,453</u>	<u>969,718</u>

**(32). Share capital**

	Number of shares (in thousand)	Share capital (RMB'000)
Registered, issued and fully paid: as at 30 June 2015	<u>2,027,960</u>	<u>2,027,960</u>
Registered, issued and fully paid: as at 31 December 2014	<u>2,027,960</u>	<u>2,027,960</u>

**(33). Capital surplus**

	31 December 2014	Additions	Reductions	30 June 2015
Share premium (note 4(4))	670,135	-	(125,351)	544,784
Compensation on LAT granted by promoters	<u>35,974</u>	<u>-</u>	<u>-</u>	<u>35,974</u>
Total	<u>706,109</u>	<u>-</u>	<u>(125,351)</u>	<u>580,758</u>
	31 December 2013	Additions	Reductions	30 June 2014
Share premium	796,476	54,776	-	851,252
Compensation on LAT granted by promoters	<u>35,974</u>	<u>-</u>	<u>-</u>	<u>35,974</u>
Total	<u>832,450</u>	<u>54,776</u>	<u>-</u>	<u>887,226</u>

**(34). Surplus reserve**

	31 December 2014	Additions	Reductions	30 June 2015
Statutory surplus reserve	<u>360,628</u>	<u>-</u>	<u>-</u>	<u>360,628</u>
	31 December 2013	Additions	Reductions	30 June 2014
Statutory surplus reserve	<u>341,768</u>	<u>-</u>	<u>-</u>	<u>341,768</u>

In accordance with the Company Law and the Company's Articles of Association, the Company should appropriate 10% of net profit for the year to the statutory surplus reserve, and the Company can cease appropriation when the statutory surplus reserve accumulated to more than 50% of the registered capital. The statutory surplus reserve can be used to make up for the loss or increase the paid in capital after approval from the appropriate authorities. The Company didn't appropriate surplus reserve (for the six months ended 30 June 2014: nil) for the six months ended 30 June 2015.

The Company appropriates for the discretionary surplus reserve after the shareholders' meeting approves the proposal from the Board of Directors. The discretionary surplus reserve can be used to make up for the loss or increase the paid in capital after approval from the appropriate authorities. The Company did not appropriate discretionary surplus reserve for the six months ended 30 June 2015 (for the six months ended 30 June 2014: nil).

**(35). Undistributed profits**

As at 30 June 2015, among the undistributed profits, subsidiaries' surplus reserve attributable to the parent company amounted to RMB1,013,783,000 (31 December 2014: RMB1,013,783,000). For the six months ended 30 June 2015, surplus reserve accrued by the subsidiaries attributable to the parent company is nil (for the six months ended 30 June 2014: nil).

In accordance with the resolution at the General Meeting of Shareholders held on 14 March 2014, the Company declared a cash dividend of RMB0.22 per share to the shareholder for the year of 2013, which amounted to RMB446,151,000 based on the Company's total number of issued shares of 2,027,960,000.

In accordance with the resolution at the General Meeting of Shareholders held on 31 March 2015, the Company declared a cash dividend of RMB0.25 per share to the shareholders for the year 2014, which amounted to RMB506,990,000 based on the Company's total number of issued shares of 2,027,960,000.

**(36). Revenue and cost of sales**

	<b>Six months ended 30 June 2015</b>	<b>Six months ended 30 June 2014</b>
Revenue from main operations (a)	5,429,482	4,418,566
Revenue from other operations (b)	<u>17,762</u>	<u>100,767</u>
Total	<u><u>5,447,244</u></u>	<u><u>4,519,333</u></u>
	<b>Six months ended 30 June 2015</b>	<b>Six months ended 30 June 2014</b>
Cost of sales from main operations (a)	4,387,726	3,134,476
Cost of sales from other operations (b)	<u>1,647</u>	<u>90,209</u>
Total	<u><u>4,389,373</u></u>	<u><u>3,224,685</u></u>

*(a) Revenue and cost of sales from main operations*

	<b>Six months ended 30 June 2015</b>		<b>Six months ended 30 June 2014</b>	
	<b>Main operating revenue</b>	<b>Main operating costs</b>	<b>Main operating revenue</b>	<b>Main operating costs</b>
Sales of properties and related consulting services	5,320,690	4,349,697	4,337,215	3,092,808
Rental revenue of outlets	66,567	–	38,547	–
Hotel services	<u>42,225</u>	<u>38,029</u>	<u>42,804</u>	<u>41,668</u>
Total	<u><u>5,429,482</u></u>	<u><u>4,387,726</u></u>	<u><u>4,418,566</u></u>	<u><u>3,134,476</u></u>

*(b) Revenue and cost of sales from other operations*

	Six months ended 30 June 2015		Six months ended 30 June 2014	
	Other operating revenue	Other operating costs	Other operating revenue	Other operating costs
Sales of investment properties	-	-	4,788	3,443
Sales of chemical products	-	-	89,576	86,627
Other businesses	<u>17,762</u>	<u>1,647</u>	<u>6,403</u>	<u>139</u>
Total	<u><u>17,762</u></u>	<u><u>1,647</u></u>	<u><u>100,767</u></u>	<u><u>90,209</u></u>

*(37). Tax and surcharges*

	Six months ended 30 June 2015	Six months ended 30 June 2014
Business tax	279,505	220,333
LAT	84,098	58,613
Others	<u>39,201</u>	<u>25,130</u>
Total	<u><u>402,804</u></u>	<u><u>304,076</u></u>



**(38). Expenses by nature**

Operating costs, sales expenses and management expenses in the income statement classified by nature are as follows:

	Six months ended 30 June 2015	Six months ended 30 June 2014
Wages, social security and welfare (i)	131,943	157,002
Administrative office expenses	37,190	39,415
Tax expenses	14,220	15,299
Depreciation and amortization	32,293	23,277
Travel and entertainment expenses	11,325	13,317
Intermediary service fee	42,361	47,970
Audit service and related expenses	2,100	1,600
Marketing and commission fee	234,393	175,312
Costs of properties sold	4,302,734	2,995,852
Cost of sales in hotel services	17,087	41,668
Cost of sales of chemical products	–	86,627
Others	<u>35,533</u>	<u>21,803</u>
Total	<u><u>4,861,179</u></u>	<u><u>3,619,142</u></u>

(i) Including the basic social pension security for the six months ended 30 June 2015 amounting to RMB11,284,000 (for the six months ended 30 June 2014: RMB12,001,000).

**(39). Financial expense – net**

	Six months ended 30 June 2015	Six months ended 30 June 2014
Interest expenses	1,631,147	862,854
Including: Bank loans	1,044,103	537,334
Debentures payable	196,598	192,781
Other loans	390,446	132,739
Less: Amount capitalized	<u>(1,536,945)</u>	<u>(821,493)</u>
Interest expense-net	94,202	41,361
Interest income	(132,522)	(174,331)
Exchange gains or losses – net	(28,475)	(700)
Others	<u>9,214</u>	<u>1,801</u>
Net	<u><u>(57,581)</u></u>	<u><u>(131,869)</u></u>

Interest expenses analyzed by the maturity of bank borrowings and other borrowings are as follows:

	Six months ended 30 June 2015		Six months ended 30 June 2014	
	Bank borrowings	Other borrowings	Bank borrowings	Other borrowings
Wholly repayable within five years	972,106	587,044	523,484	325,520
Not wholly repayable within five years	<u>71,997</u>	<u>–</u>	<u>13,850</u>	<u>–</u>
Total	<u>1,044,103</u>	<u>587,044</u>	<u>537,334</u>	<u>325,520</u>

**(40). Asset impairment**

	Six months ended 30 June 2015	Six months ended 30 June 2014
Provision accrual for inventory impairment (note 5(6))	<u>93,443</u>	<u>48,004</u>
Total	<u>93,443</u>	<u>48,004</u>

**(41). Non-operating income**

	Six months ended 30 June 2015	Six months ended 30 June 2014
Excess of the fair value of the identifiable net assets acquired over the total consideration of joint ventures (note 5(10)(a)(xi))	73,756	–
Tax refunds	2,594	–
Gains on disposal of fixed assets	176	–
Others	<u>2,198</u>	<u>2,883</u>
Total	<u>78,724</u>	<u>2,883</u>

**(42). Non-operating expense**

	<b>Six months ended 30 June 2015</b>	<b>Six months ended 30 June 2014</b>
Default fine (i)	14,614	17,461
Delaying payment fine	13,037	–
Others	<u>1,448</u>	<u>15,225</u>
<b>Total</b>	<b><u>29,099</u></b>	<b><u>32,686</u></b>

- (i) For the six months ended 30 June 2015, the default fine is the provision of a subsidiary of the Group since the ownership certificates of the sold properties cannot be applied in time according to the pre-sale contracts.

**(43). Gains/(losses) on changes in fair value**

	<b>Six months ended 30 June 2015</b>	<b>Six months ended 30 June 2014</b>
Financial assets at fair value through profit or loss	129,064	(58,440)
Financial derivative instruments (i)	(2,214)	–
Investment properties subsequently measured at fair value model (note 5(12)(b))	954,471	22,913
Realized fair value gains/(losses) in properties sold	<u>–</u>	<u>(39,969)</u>
<b>Total</b>	<b><u>1,081,321</u></b>	<b><u>(75,496)</u></b>

- (i) The derivative instrument is the forward contract accounted by cash flow hedging (note 5(17)), the losses on changes in fair value amounted to RMB434,000 for the six months ended 30 June 2015 (2014: Nil) represent the ineffective portion of such cash flow hedging.

**(44). Investment income**

	<b>Six months ended 30 June 2015</b>	<b>Six months ended 30 June 2014</b>
Share of net profit or loss of investees under equity method (note 5(10))	69,208	89,691
Gains from disposal of subsidiaries (note 4(3))	72,909	622,763
Dividend income from financial assets available-for-sale	2,390	–
Losses of termination of investment	–	(9,364)
Others	<u>3,726</u>	<u>253</u>
Total	<u><u>148,233</u></u>	<u><u>703,343</u></u>

**(45). Income tax expenses**

PRC income tax is computed according to the relevant laws and regulations in the PRC. The applicable PRC income tax rate is 25% (for the six months ended 30 June 2014: 25%).

According to the current tax law in Hong Kong, profit tax in Hong Kong is calculated by 16.5% of taxable profit. Except for several subsidiaries in Hong Kong are subject to Hong Kong profits tax, other subsidiaries in Hong Kong have no Hong Kong taxable profits.

Withholding income tax should be charged against income from taxable dividends of non-resident enterprises in mainland China and investments disposal in mainland China with the tax rate of 5%-10% according to the relevant laws and regulations in the PRC.

The amount of taxation charged to the consolidated income statement represents:

	<b>Six months ended 30 June 2015</b>	<b>Six months ended 30 June 2014</b>
Current income tax	179,390	209,840
Deferred income tax	<u>236,122</u>	<u>60,395</u>
Total	<u><u>415,512</u></u>	<u><u>270,235</u></u>

Reconciliations from income tax calculated based on the applicable tax rates and total profit presented in the consolidated financial statements to the income tax expenses are listed below:

	<b>Six months ended 30 June 2015</b>	<b>Six months ended 30 June 2014</b>
Total profit	<u>1,426,578</u>	<u>1,278,024</u>
Income tax expenses calculated at applicable tax rates (25%)	356,645	319,506
Share of net profit or loss of joint ventures and associates under equity method	(17,302)	(22,423)
Expenses, costs and losses not deductible for tax purposes	1,587	566
Profit not subject to tax	(53,788)	(175)
Deductible temporary differences not recognized in previous year	(42,217)	(80,700)
Distribution eligible for tax deduction (i)	(10,643)	(31,780)
Deductible losses for which no deferred income tax asset was recognized	131,207	77,943
Impairment provision for which no deferred income tax asset was recognized	11,028	–
Impairment provision for which no deferred income tax asset was recognized	–	3,563
The influence of lower withholding income tax rate	–	–
The influence of lower corporate income tax rate	(10,970)	–
Tax payment of previous years	49,965	–
Others	<u>–</u>	<u>3,735</u>
Income tax expenses	<u><u>415,512</u></u>	<u><u>270,235</u></u>

(i) Such amount represents tax deductible interest expenses on equity instruments issued by subsidiaries.

**(46). Earnings per share**

Basic earnings per share is calculated by dividing the consolidated net profit attributable to equity holders of the parent company by the weighted average number of ordinary shares outstanding during the period:

	<b>Six months ended 30 June 2015</b>	<b>Six months ended 30 June 2014</b>
Consolidated net profit attributable to equity holders of the parent company	503,293	661,130
Weighted average number of ordinary shares outstanding ( <i>thousands</i> )	<u>2,027,960</u>	<u>2,027,960</u>
Basic earnings per share ( <i>RMB cents per share</i> )	<u>25</u>	<u>33</u>
Including:		
– Basic earnings per share relating to continuing operations	<u>25</u>	<u>33</u>

Diluted earnings per share are equal to the basic earnings per share since the Company has no dilutive potential ordinary shares during the period.

**(47). Other comprehensive income**

	The comprehensive income in balance sheet		Other comprehensive income in income statement for the six months ended 30 June 2015					
	31 December 2014	Attribute to the Company after taxes	30 June 2015	Amount before taxes	Less: Transfer in profit or loss previously recognized in other comprehensive income	Less: Income taxes	Attribute to the Company after taxes	Attribute to the non- controlling interests after taxes
Other comprehensive income cannot be reclassified into profit or loss thereafter: Share of other comprehensive income in the investees cannot be reclassified into profit or loss at equity method	-	-	-	-	-	-	-	-
Other comprehensive income may be reclassified into profit or loss thereafter: Share of other comprehensive income in the investees will be reclassified into profit or loss at equity method	-	-	-	-	-	-	-	-
- Changes in fair value of available-for- sale financial assets	5,819	6,306	12,125	8,408	-	2,102	6,306	-
- Transfer out changes in fair value of investment properties previously recognized in other comprehensive income (a)	566,688	-	566,688	-	-	-	-	-
- Changes in fair value of derivative financial liabilities	(567)	12,242	11,675	16,323	-	4,081	12,242	-
- Difference on translation of foreign currency financial statements	9,194	(9,877)	(683)	(9,877)	-	-	(9,877)	-
	<u>581,134</u>	<u>8,671</u>	<u>589,805</u>	<u>14,854</u>	<u>-</u>	<u>6,183</u>	<u>8,671</u>	<u>-</u>

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**FINANCIAL INFORMATION OF THE GROUP**

	The comprehensive income in balance sheet		Other comprehensive income in income statement for the six months ended 30 June 2015					
	31 December 2014	Attribute to the Company after taxes	30 June 2015	Amount before taxes	Less: Transfer in profit or loss previously recognized in other comprehensive income	Less: Income taxes	Attribute to the Company after taxes	Attribute to the non- controlling interests after taxes
Other comprehensive income cannot be reclassified into profit or loss thereafter:	-	-	-	-	-	-	-	-
Share of other comprehensive income in the investees cannot be reclassified into profit or loss at equity method	-	-	-	-	-	-	-	-
Other comprehensive income may be reclassified into profit or loss thereafter:	-	-	-	-	-	-	-	-
Share of other comprehensive income in the investees will reclassified into profit or loss at equity method	43,530	(19,210)	24,320	(25,613)	-	6,403	(19,210)	-
- Changes in fair value of available-for- sale financial assets	1,236,408	(657,714)	578,694	-	(876,952)	219,238	(657,714)	-
- Transfer out changes in fair value of investment properties previously recognized in other comprehensive income (a)	6,053	737	6,790	737	-	-	737	-
- Difference on translation of foreign currency financial statements	1,285,991	(676,187)	609,804	(24,876)	(876,952)	225,641	(676,187)	-

- (a) For the six months ended 30 June 2015, some of the inventories have been disposed or sold, and the fair value gains initially recognized in other comprehensive income amounted to nil (2014: RMB657,714,000) was accordingly transferred into income statement fair value gains.



*(48). Notes to consolidated cash flow statements**(a) Reconciliation from net profit to cash flows from operating activities*

	<b>Six months ended 30 June 2015</b>	<b>Six months ended 30 June 2014</b>
Net profit	1,011,066	1,007,789
<i>Add: Provisions for asset impairment (note 5(40))</i>	93,443	48,004
Depreciation of fixed assets <i>(note 5(13))</i>	16,466	20,789
Amortization of intangible assets <i>(note 5(14))</i>	523	761
Amortization of long-term prepaid expenses	15,304	1,727
Gains on disposal of fixed assets, intangible assets and other long-term assets	(176)	(1,345)
Interest expenses/(income)	10,232	(95,156)
Investment income <i>(note 5(44))</i>	(148,233)	(703,343)
Difference between combination costs and fair value of identifiable net assets acquired <i>(note 5(41))</i>	(73,756)	–
Increase in deferred tax assets	(101,921)	(2,231)
Decrease in deferred tax liabilities	271,633	16,061
Increase in inventories	(9,452,402)	(8,264,577)
(Gains)/losses on changes in fair value	(1,081,321)	35,527
Decrease in restricted cash	45,312	43,405
Increase in operating receivables	(932,364)	(1,426,418)
Increase in operating payables	<u>1,700,738</u>	<u>1,321,891</u>
Net cash flows from operating activities	<u><u>(8,625,456)</u></u>	<u><u>(7,997,116)</u></u>

*(b) Net increase in cash*

	<b>Six months ended 30 June 2015</b>	<b>Six months ended 30 June 2014</b>
Cash at end of the period	10,496,755	9,493,940
<i>Less:</i> Cash at beginning of the period	<u>(10,759,150)</u>	<u>(10,487,655)</u>
Net decrease in cash	<u>(262,395)</u>	<u>(993,715)</u>

*(c) Cash*

	<b>30 June 2015</b>	<b>30 June 2014</b>
Cash at bank and on hand ( <i>note 5(1)</i> )	12,659,422	13,897,026
Non-current assets and assets of disposal group classified as held for sale ( <i>note 5(7)</i> )	–	61,051
<i>Less:</i> Restricted cash at bank	<u>(2,162,667)</u>	<u>(3,198,927)</u>
Cash at end of the period	<u>10,496,755</u>	<u>10,759,150</u>

*(d) Disposal of subsidiaries*

For the six months ended 30 June 2015, cash flow information of disposal of subsidiaries is disclosed in note 4(3).

**6. Equity of structured entity not in financial statement**

Refer to note 5(10).

**7. Segment information**

The reportable segments of the Group are the business units that provide different products or service, or operate in different areas. Different businesses or areas require different marketing strategies, the Group, therefore, separately manages the production and operation of each reportable segment and values their operating results respectively, in order to make decisions about resources to be allocated to these segments and to assess their performance.

The Group identified six reportable segments as follows:

- Beijing segment, which is mainly engaged in the property development and sales in Beijing region.
- Tianjin segment, which is mainly engaged in the property development and sales in Tianjin region.
- Chengdu and Chongqing (hereinafter “Chengyu”) segment, which is mainly engaged in the property development and sales in Chengdu and Chongqing region.
- Other segment, which is mainly engaged in the property development and sales in other regions, including Wuxi, Shenyang, Xi’an, Shanghai, Jiangsu, Zhejiang, Hainan and so on.
- Investment property segment, which is mainly engaged in the investment property operations.
- Hotel segment, which is mainly engaged in hotel business and providing corresponding services.

Inter-segment transfer prices are measured by reference to sales to third parties. Expenses indirectly attributable to each segment are allocated to the segments based on the proportion of each segment’s revenue.

(1). *Segment information for the six months ended 30 June 2015 and as at 30 June 2015 are as follows*

	Property development and sales				Investment properties	Hotel	Unallocated	Elimination	Total
	Beijing	Tianjin	Chengyu	Others					
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue from external customers	1,408,650	1,564,051	487,302	1,878,449	66,567	42,225	-	-	5,447,244
Inter-segment revenue	-	-	-	-	-	-	-	-	-
Main operating cost	(1,112,563)	(1,321,182)	(429,779)	(1,486,173)	-	(38,029)	-	-	(4,387,726)
Interest income	185,280	4,545	1,737	59,669	27,250	103	53,342	(199,404)	132,522
Interest expenses	(73,947)	(8,402)	(292)	(28,498)	(43,770)	(21,546)	(117,151)	199,404	(94,202)
Share of profit/(loss) of associates and joint ventures	64,064	(4,848)	-	7,807	2,185	-	-	-	69,208
Asset impairment loss	-	(8,631)	-	(84,812)	-	-	-	-	(93,443)
Depreciation and amortization	(3,035)	(549)	(167)	(2,142)	(8,541)	(11,486)	(6,373)	-	(32,293)
Total profit/(loss)	120,074	233,667	55,977	172,086	879,482	(18,970)	(15,738)	-	1,426,578
Income tax expenses	(8,666)	(62,406)	(13,614)	(58,299)	(235,304)	-	(37,223)	-	(415,512)
Net profit/(loss)	111,408	171,261	42,363	113,787	644,178	(18,970)	(52,961)	-	1,011,066
Total of non-current assets (except deferred tax assets and financial assets)	1,765,428	304,697	1,155	666,701	8,712,682	385,608	720,543	(1,263,509)	11,293,305
Total assets	96,427,443	23,744,751	7,866,331	33,038,095	9,362,733	1,390,449	30,696,811	(110,904,990)	91,621,623
Total liabilities	(84,066,023)	(20,395,292)	(5,295,074)	(27,769,290)	(3,237,073)	(1,344,781)	(28,288,176)	100,280,222	(70,115,487)
Long-term equity investments in associates and joint ventures	809,294	537,966	982,724	862,009	161,762	-	-	-	3,353,755
Increase of non-current assets other than long-term equity investments	914,221	33,574	1,190	725	1,520,309	97	15,741	-	2,485,857

For the six months ended 30 June 2015, no revenue is generated from overseas transaction or from a single significant customer.

As at 30 June 2015, the Group's non-current assets located in other countries amounted to RMB6,974,000.

(2). *Segment information for the six months ended 30 June 2014 and as at 31 December 2014 are as follows*

(a) *Segment information for the six months ended 30 June 2014*

	Property development and sales				Investment				Total RMB'000
	Beijing RMB'000	Tianjin RMB'000	Chengyu RMB'000	Others RMB'000	properties RMB'000	Hotel RMB'000	Unallocated RMB'000	Elimination RMB'000	
Revenue from external customers	1,079,148	948,235	1,343,608	977,415	38,547	42,804	89,576	-	4,519,333
Inter-segment revenue	-	-	-	11,321	-	-	-	(11,321)	-
Main operating cost	(521,447)	(622,407)	(1,069,222)	(879,732)	-	(41,668)	-	-	(3,134,476)
Interest income	40,531	3,422	961	4,789	11,321	49	403,679	(290,421)	174,331
Interest expenses	(185,346)	-	(861)	(1,507)	(575)	(3,668)	(139,825)	290,421	(41,361)
Share of profit/(loss) of associates and joint ventures	(5,656)	1,281	-	88,957	5,109	-	-	-	89,691
Asset impairment loss	-	-	-	(48,004)	-	-	-	-	(48,004)
Depreciation and amortization	(7,683)	(569)	(202)	(1,577)	(2,409)	(10,837)	-	-	(23,277)
Total profit/(loss)	690,938	381,585	166,531	(71,319)	25,397	(5,171)	112,511	(22,448)	1,278,024
Income tax expenses	(71,623)	(95,721)	(41,633)	532	(6,349)	-	(63,152)	7,711	(270,235)
Net profit/(loss)	<u>619,315</u>	<u>285,864</u>	<u>124,898</u>	<u>(70,787)</u>	<u>19,048</u>	<u>(5,171)</u>	<u>49,359</u>	<u>(14,737)</u>	<u>1,007,789</u>

(b) *Segment information as at 31 December 2014:*

	Property development and sales				Investment				Total RMB'000
	Beijing RMB'000	Tianjin RMB'000	Chengyu RMB'000	Others RMB'000	properties RMB'000	Hotel RMB'000	Unallocated RMB'000	Elimination RMB'000	
Total of non-current assets (except deferred tax assets and financial assets)	843,900	147,607	673	519,808	7,225,258	329,410	269,162	(818,137)	8,517,681
Long-term equity investments in associates and joint ventures	646,845	543,096	697,117	404,600	159,577	-	-	-	2,451,235
Increase of non-current assets other than long-term equity investments	3,294	2,232	148	-	3,756,019	162	4,919	-	3,766,774
Total assets	69,457,322	21,083,362	6,819,859	33,970,021	7,552,278	1,195,221	31,564,554	(92,963,061)	78,679,556
Total liabilities	<u>(56,548,796)</u>	<u>(17,668,980)</u>	<u>(4,257,887)</u>	<u>(28,329,872)</u>	<u>(2,460,522)</u>	<u>(1,130,583)</u>	<u>(29,378,018)</u>	<u>82,508,628</u>	<u>(57,266,030)</u>

For the six months ended 30 June 2014, no revenue is generated from overseas transaction or a single significant customer. As at 31 December 2014, the Group's non-current assets (excluding financial assets and deferred tax assets) located in other countries amounted to RMB7,568,000.

## 8. Related parties and related party transactions

### (1). The parent company and subsidiaries

The general information and other related information of the subsidiaries are set out in note 4.

#### (a) General information of the parent company:

	Place of registration	Nature of business
Capital Group	Beijing, The PRC	Infrastructure, financial securities, industrial technology, commercial trade, tourist hotel, etc.

The Company's ultimate controlling party is Capital Group.

#### (b) Registered capital and changes in registered capital of the parent company:

	31 December 2014	Increase	Decreases	30 June 2015
Capital Group	<u>3,300,000</u>	<u>-</u>	<u>-</u>	<u>3,300,000</u>

#### (c) The proportions of equity interests and voting rights in the Company held by the parent company:

	30 June 2015			31 December 2014		
	Direct interest held %	Indirect interest held %	Voting rights %	Direct interest held %	Indirect interest held %	Voting rights %
Capital Group	<u>32.01</u>	<u>-</u>	<u>32.01</u>	<u>32.01</u>	<u>-</u>	<u>32.01</u>

On 8 May 2014, 8.48%, 5.85% and 2.34% shares of the Company respectively held by Capital Technology, Capital Development and Capital Sunshine, which are the promoters of the Company transferred the shares of the Company, were transferred to Capital Group. After the transfer, Capital Group holds 32.01% shares of the Company directly.

**(2). Information of Joint ventures and Associates**

Refer to note 5(11).

**(3). Information of other related parties**

<b>Name of related entities</b>	<b>Relationship with the Company</b>
Reco Ziyang	Non-controlling interests of subsidiaries
Reco Yanshan	Non-controlling interests of subsidiaries
Shouhui Real Estate	Subsidiary of joint venture of the Company
Taihao Shengyuan	Subsidiary of joint venture of the Company
Shouyong Real Estate	Subsidiary of joint venture of the Company

**(4). Related party transactions**

The Board considers all transactions with related parties are on normal commercial terms, and prices of related party transactions were agreed by the Group and its related parties.

**(a) Providing services**

	<b>Six months ended 30 June 2015</b>	<b>Six months ended 30 June 2014</b>
Taihao Shengyuan	7,699	–
Shouyong Real Estate	2,900	–
Shouhui Real Estate	800	–
Xi'an Xinkai	–	10,034
Tianjin Xinming	–	3,424
	<u>–</u>	<u>3,424</u>
<b>Total</b>	<b><u>11,399</u></b>	<b><u>13,458</u></b>

*(b) (Receive)/Provide funding*

	<b>Six months ended 30 June 2015</b>	<b>Six months ended 30 June 2014</b>
Capital Jiaming	62,565	51,039
Tianjin Xinming	105,410	31,260
Tianjin Xinqing	(66,410)	53,360
Xi'an Xinkai	–	(616,425)
Shenyang Xinzi	15,332	58,356
Shenyang Jitian	17,781	480,280
Shuzi Qixing	–	1,091
Xingtai Jifeng	–	(1,248,001)
Golden Net	68	(148)
Huzhou Rongcheng	–	115,433
Speed Plus	16,711	8,058
International School	–	5,000
Capital Qinglv Culture	10,000	20,000
Shouyong Real Estate	2,900	120,473
King Future	–	35
Taihao Shengyuan	297,699	–
Shouhui Real Estate	540,892	–
Capital Qinglv	(83,891)	–
Zhongguancun Integrated circuit Design garden	913,776	–
Tongchuang Gold Dragon	144,650	–
Shanghai Shoujia	322,452	–
Chaoyang Investment	256	–
Reco Yanshan	–	(39,725)
<b>Total</b>	<b><u>2,300,191</u></b>	<b><u>(959,914)</u></b>

*(c) Commission fee*

	<b>Six months ended 30 June 2015</b>	<b>Six months ended 30 June 2014</b>
GoldenNet	<u>50,244</u>	<u>30,028</u>



The Group entrust GoldenNet as sales agent of certain projects. The commission fee payable was charged by certain percentage based on property sales price.

(d) *Interest income/(expense)*

	<b>Six months ended 30 June 2015</b>	<b>Six months ended 30 June 2014</b>
Financial Street	7,858	7,859
Reco Yanshan	–	39,725
Taihao Shengyuan	(14,500)	–
Shouhui Real Estate	<u>(40,447)</u>	<u>–</u>
Total	<u>(47,089)</u>	<u>47,584</u>

(e) *Guarantees*

	<b>30 June 2015</b>	<b>31 December 2014</b>
Capital Group for the Company	5,000,000	5,000,000
Capital Group for subsidiaries	<u>1,220,000</u>	<u>1,220,000</u>

In 2014, Capital Group provided irrevocable guarantee for the long-term borrowings from China Life Insurance Company Limited, Beijing Branch amounted to RMB2,000,000,000. The guarantee maturity date is October 2019.

In 2013, Capital Group provided irrevocable guarantee for the long-term borrowing from Xiamen International Trust Co., Ltd, amounted to RMB1,000,000,000. The guarantee maturity date is March 2018.

In 2013, Capital Group provided irrevocable guarantee for the long-term borrowing from PICC Investment Holding Co., Ltd, amounted to RMB2,000,000,000. The guarantee maturity date is December 2018.

In 2014, Capital Group, provided irrevocable guarantee for the long-term borrowings for Capital Chaoyang, a wholly-owned subsidiary of the Company, from Shenzhen Ping An Bank Co., Ltd, Shenzhen Branch, amounted to RMB1,220,000,000. The guarantee maturity date is August 2022.

	<b>30 June 2015</b>	<b>31 December 2014</b>
The Company for subsidiaries	23,209,780	18,100,600
Subsidiaries for subsidiaries	10,534,560	10,753,115
Subsidiaries for the Company	<u>960,000</u>	<u>–</u>

As at 30 June 2015 and 31 December 2014, the guarantees above are provided by the Company or certain subsidiaries for short-term borrowings (note 5(19)), long-term borrowings (note 5(28)), debentures payable (note 5(29)), long-term payables (note 5(30)) and equity instruments (note 4(2)).

(f) *Key management compensation*

	<b>Six months ended 30 June 2015</b>	<b>Six months ended 30 June 2014</b>
Remuneration of key management personnel	<u>13,481</u>	<u>13,141</u>

(5). *Related party balances*

(a) *Advances to suppliers*

	<b>30 June 2015</b>	<b>31 December 2014</b>
GoldenNet	<u>51,612</u>	<u>35,378</u>

(b) *Long-term receivables (note 5(15))*

	<b>30 June 2015</b>	<b>31 December 2014</b>
Financial Street (i)	316,085	308,227
Zhongguancun Integrated circuit Design garden (ii)	<u>913,500</u>	<u>–</u>

- (i) As at 30 June 2015, the receivable includes principal and interests from Financial Street, an associate of the Group. From 1 January 2013, the receivable began to charge interest at the interest rate of bank borrowings with the same period. Since the receivable has no fixed maturity date and the Group expected that the receivable will not be collected within one year, the receivable is classified as long-term receivable.
- (ii) As at 30 June 2015, the receivable is principal of shareholder loans from Zhongguancun Integrated circuit Design garden, a joint venture of the Group. From 30 June 2015, the receivable began to charge interest at the interest rate of 8.5%. Since the receivable will expire on 9 February 2018, so it is classified as long-term receivable.

(c) *Dividends receivable (note 5(5))*

Dividends receivable of the Group is disclosed in note 5(5).

(d) *Other receivables (note 5(3)(b))*

	<b>30 June 2015</b>	<b>31 December 2014</b>
Taihao Shengyuan	8,147	448
Speed Plus	35,024	18,313
GoldenNet	82	104
Chaoyang Investment	8,276	8,020
ShouhuiReal Estate	800	–
Capital Qinglv	49,559	–
Shanghai Shoujia(i)	322,452	–
Zhongguancun Integrated circuit Design garden	276	–
Tongchuang Gold Dragon	144,650	–
International School	4,967	4,967
Tianjin Xinqing	–	66,410
Capital Jiaming	8,164	8,164
Shouyong Real Estate	5,300	2,400
Shenyang Xinzi	<u>2,332</u>	<u>–</u>
<b>Total</b>	<b><u>590,029</u></b>	<b><u>108,826</u></b>

Above payables due to related parties are interest free, unpledged and unguaranteed, and have no fixed maturity dates.

*(e) Other payables (note 5(25))*

	<b>30 June 2015</b>	<b>31 December 2014</b>
Tianjin Xinming	281,080	386,490
Capital Qinglv	133,450	–
Reco Ziyang	56,714	56,714
Shouhui Real Estate	–	540,092
Shenyang Jitian	22,910	40,691
Financial Street Hotel	377	377
Beijing Taihao	–	290,000
Capital Qinglv Culture	–	10,000
Shenyang xinzi	–	13,000
Capital Jiaming	–	62,565
Golden Net	–	90
Total	<u>494,531</u>	<u>1,400,019</u>

*(f) Accounts payable*

	<b>30 June 2015</b>	<b>31 December 2014</b>
GoldenNet	<u>18,366</u>	<u>20,616</u>

*(g) Dividends payable*

Dividends payable of the Group is disclosed in note 5(24).

*(h) Interest payable to related parties*

	<b>30 June 2015</b>	<b>31 December 2014</b>
Reco Ziyang	13,273	13,273
Taihao Shengyuan <i>(i)</i>	14,500	–
Shouhui Real Estate <i>(ii)</i>	<u>40,447</u>	<u>–</u>

*(i)* As at 29 December 2014, borrowings from Taihao Shengyuan to the Group amounted to RMB290,000,000 with annual interest rate of 12%, unpledged and unguaranteed, and with no fixed maturity dates. The principal has been repaid in this period.

(ii) As at 29 September 2014, borrowings from Shouhui Real Estate to the Group amounted to RMB526,000,000 with annual interest rate of 12%, unpledged and unguaranteed, and with no fixed maturity dates. The principal has been repaid in this period.

(i) *Remuneration payable to the Board (note 5(22))*

	<b>30 June 2015</b>	<b>31 December 2014</b>
Remuneration	<u>27,786</u>	<u>22,616</u>

## 9. Commitments

### (1). Capital commitments

(a) Capital expenditures contracted for but not yet necessary to be recognized in the balance sheet by the Group at the balance sheet date are as follows:

	<b>30 June 2015</b>	<b>31 December 2014</b>
Authorized but not contracted	27,087,105	27,047,391
Contracted but not paid	<u>11,023,542</u>	<u>11,666,102</u>

(b) The Group's shares of capital commitment in relation to joint ventures are as follows:

	<b>30 June 2015</b>	<b>31 December 2014</b>
Authorized but not contracted	2,182,974	1,046,753
Contracted but not paid	<u>131,179</u>	<u>677,322</u>

**(2). Operating lease commitments**

The future minimum lease payments due under the signed irrevocable operating leases contracts are summarized as follows:

	<b>30 June 2015</b>	<b>31 December 2014</b>
Within 1 year	4,876	9,675
Between 1 and 2 years	3,146	9,764
Between 2 and 3 years	<u>1,164</u>	<u>4,547</u>
Total	<u><u>9,186</u></u>	<u><u>23,986</u></u>

**(3). Investment commitments**

	<b>30 June 2015</b>	<b>31 December 2014</b>
Zhongguancun Integrated circuit Design garden	<u>490,000</u>	<u>–</u>
Total	<u><u>490,000</u></u>	<u><u>–</u></u>

**10. Financial guarantees**

The Group has arranged bank financing for certain customers and has provided guarantees to secure obligations of these customers for repayments.

The Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. These guarantees will be expired when relevant property ownership certificates are lodged with the various banks by the purchasers. As at 30 June 2015, outstanding guarantees amounted to RMB7,028,149,000 (31 December 2014: RMB6,528,320,000).

As at 30 June 2015, expect for the guarantees (note 8(4)(e)) provided by the Company or certain subsidiaries for short-term borrowings, long-term borrowings, debentures payable Long-term payables and equity instruments, the Group has no other material external guarantee. The Group believes that the guarantees above will not have a significant impact on its financial position.

## 11. Financial instrument and risk

The Group's activities expose it to a variety of financial risks, including market risk (primarily currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

### (1). Market risk

#### (a) Foreign exchange risk

The Group's major operational activities are carried out in Mainland China and a majority of the transactions are dominated in RMB. However, the Group is still subject to foreign exchange risk arising from future commercial transactions, recognized assets and liabilities (most of the Group's foreign currency transactions and balances are dominated in United States dollars ("USD") and Hong Kong dollars ("HKD")) and net investment overseas. The Group's headquarter is responsible for monitoring the amount of assets and liabilities, and transactions denominated in foreign currencies. The management of the Group may consider entering into forward exchange contracts or currency swap contracts to mitigate the foreign exchange risk.

The group has certain investments in overseas, whose net assets are exposed to foreign exchange risk. The Group's headquarter monitors the overseas investment scale to mitigate its exposure to foreign exchange risk at the extreme extend.

As at 30 June 2015 and 31 December 2014, the carrying amounts in RMB equivalent of the Group's assets and liabilities denominated in foreign currencies are summarized below:

	30 June 2015				Total
	USD	HKD	AUD	EUR	
Cash at bank and on hand	473,603	287,214	6,087	31,720	798,624
Financial assets at fair value					
through profit or loss	-	291,927	-	-	291,927
Long-term accounts receivables	-	-	547,448	-	547,448
Financial derivative assets	-	-	29,185	-	29,185
Short-term borrowings	287,340	4,004	-	-	291,344
Interest payable	2,863	110	-	-	2,973

	31 December 2014				Total
	USD	HKD	AUD	EUR	
Cash at bank and on hand	773,842	320,831	3,303	35,902	1,133,878
Financial assets at fair value					
through profit or loss	-	162,863	-	-	162,863
Long-term accounts receivables	-	-	253,797	-	253,797
Short-term borrowings	211,106	12,070	-	-	223,176
Interest payable	3,860	37	-	-	3,897
Financial derivative liabilities	-	-	3,452	-	3,452

As at 30 June 2015, for all USD dominated financial assets and liabilities, if RMB had increased/decreased by 5% against USD with all other variables held constant, post-tax profit for the year would have been decreased/increased by approximately RMB6,878,000 (31 December 2014: increase/decrease by approximately RMB20,958,000).

As at 30 June 2015, for all HKD dominated financial assets and liabilities, if RMB had increased/decreased by 5% against HKD with all other variables held constant, post-tax profit for the year would have been decreased/increased by approximately RMB21,564,000 (31 December 2014: decrease/increase by approximately RMB17,685,000).

As at 30 June 2015, for all AUD dominated financial assets and liabilities, if RMB had increased/decreased by 5% against AUD with all other variables held constant, post-tax profit for the year would have been increased/decreased by approximately RMB331,000 (31 December 2014: RMB223,000).

*(b) Interest rate risk*

The Group has exposed to interest rate risk due to the fluctuation of the prevailing market interest rate on borrowings which carry at prevailing market interest rates. Borrowings issued at floating interest rates expose the Group to cash flow interest-risk, and borrowings issued at fixed rates expose the Group to fair value interest-rate risk. The Group determines the contracts proportions of fixed rate and floating rate depending on the market conditions. As at 30 June 2015, the Group's long-term interest bearing borrowings were mainly RMB-denominated with floating rates, amounting to RMB14,039,210,000 (31 December 2014: RMB10,263,162,000).



Increases in interest rates will increase the cost of new borrowing and the interest expenses of to the Group's outstanding floating rate borrowings, and therefore could have a material adverse impact on the Group's financial position. The Group's finance department of its headquarters continuously monitors the interest rate position of the Group and makes decisions with reference to the latest market conditions. The management of the Group may enter into interest rate swap agreements to mitigate its exposure to interest rate risk.

As at 30 June 2015, if interest rates on the floating rate borrowings increased/decreased 5 basis points with all other variables held constant, the financial expenses of the Group would increase/decrease by approximately RMB70,196,000 (31 December 2014: approximately RMB51,316,000).

(c) *Price risk*

The Group is exposed to equity securities price risk because parts of investments held by the Group and financial assets at fair value through profit or loss are classified as available-for-sale financial assets. The management of the Group monitors market conditions and price fluctuations of securities investments. Since the cost of available-for-sale financial assets is low, the price risk of the Group is low.

**(2). Credit risk**

The Group manages its credit risk on a classified basis. Credit risk mainly arises from cash at bank (note 5(1)), accounts receivable (note 5(3)(a)), and other receivables (note 5(3)(b)).

The Group expects that there is no significant credit risk associated with cash at bank since they are deposited at state-owned banks and other medium or large size listed banks and does not expect that there will be any significant losses from non-performance by these counterparties.

In addition, the Group has policies to limit the credit risk exposure on accounts receivable, and other receivables. The Group assesses the credit quality and sets credit limits on its customers by taking into account their financial position, the availability of guarantee from third parties, their credit history and other factors such as current market conditions. The credit history of the customers is regularly monitored by the Group. In respect of customers with a poor credit history, the Group will use written payment reminders, reduce or cancel credit periods, to ensure the overall credit risk of the Group is limited to a controllable range.

The Group has arranged bank financing for certain purchasers of property units and provided guarantees to secure obligations of such purchasers for repayments (note 10). If a purchaser fails on the payment of its mortgage during the term of the guarantee, the bank holding the mortgage may demand the Group to repay the outstanding amount under the loan and any accrued interest thereon. Under such circumstances, the Group is able to sell the property to recover any amounts paid by the Group to the bank. In this regard, the management considers that the Group's credit risk is significantly reduced.

**(3). Liquidity risk**

Cash flow forecasting is performed by each subsidiary of the Group and aggregated by the Group's finance department in its headquarters. The Group's finance department at its headquarters monitors rolling forecasts of the Group's short-term and long-term liquidity requirements to ensure it has sufficient cash and securities that are readily convertible to cash to meet operational needs, while maintaining sufficient headroom on its undrawn committed borrowing facilities from major financial institution so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities to meet the short-term and long-term liquidity requirements.

The financial liabilities of the Group at the balance sheet date are analyzed by their maturity date below at their undiscounted contractual cash flows:

	30 June 2015				Total
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	
Financial liabilities					
Short-term borrowings	7,366,134	-	-	-	7,366,134
Accounts payable	6,490,656	-	-	-	6,490,656
Debentures payables	188,114	126,215	6,223,644	-	6,537,973
Long-term borrowings	1,775,722	10,176,855	14,206,786	2,655,735	28,815,098
Current portion of non-current liabilities	9,863,812	-	-	-	9,863,812
Long-term payables	<u>65,000</u>	<u>75,250</u>	<u>655,417</u>	<u>-</u>	<u>795,667</u>
Total	<u>25,749,438</u>	<u>10,378,320</u>	<u>21,085,847</u>	<u>2,655,735</u>	<u>59,869,340</u>

As at the balance sheet date, the financial derivative liabilities classified by undiscounted contract cash flow:

- (a) On 7 September 2016, sell AUD21,700,000 and buy RMB111,260,000.
- (b) On 21 October 2016, sell AUD33,570,000 and buy RMB168,521,000.
- (c) On 30 December 2016, sell AUD26,297,000 and buy RMB126,740,000.

(d) On 31 January 2018, sell AUD77,090,000 and buy RMB387,664,000.

	31 December 2014				Total
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	
Financial liabilities Short-term					
borrowings	5,868,652	-	-	-	5,868,652
Accounts payable	7,873,182	-	-	-	7,873,182
Debentures payables	187,755	187,755	3,276,181	-	3,651,691
Long-term borrowings	1,063,097	8,302,615	9,735,450	2,454,457	21,555,619
Current portion of non-current liabilities	6,230,330	-	-	-	6,230,330
Long-term payables	146,840	1,025,722	676,712	-	1,849,274
Total	<u>21,369,856</u>	<u>9,516,092</u>	<u>13,688,343</u>	<u>2,454,457</u>	<u>47,028,748</u>

Bank and other borrowings are analyzed by repayment terms as follows:

	30 June 2015		31 December 2014	
	borrowings	Debentures	borrowings	Debentures
Wholly repayable within				
five years	36,279,453	8,189,895	26,769,838	5,205,814
Not wholly repayable within				
five years	<u>2,251,500</u>	<u>-</u>	<u>2,082,500</u>	<u>-</u>
Total	<u>38,530,953</u>	<u>8,189,895</u>	<u>28,852,338</u>	<u>5,205,814</u>

The Group makes temporary guarantee to the banks which provide mortgage loans to the customers of the Group. The warranty liability could be lifted after the customers obtain owners certification or other related documents, and complete the registration of mortgage on houses. As at 30 June 2015 and 31 December 2014, the balance of such guarantee refers to note 10.

**12. Fair value estimates**

The level of fair value measurement result is determined by the lowest level of the input value, which is of great significance to the overall fair value measurement:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

**(1). Assets measured at fair value on an ongoing basis**

As at 30 June 2015, the financial assets and liabilities measured at fair value on an ongoing basis by three levels are analyzed below:

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss –				
Trading financial assets	291,927	–	–	291,927
Available-for-sale financial assets –				
Available-for-sale equity instruments	21,828	–	–	21,828
Total financial assets	313,755	–	–	313,755
Non-financial assets				
Investment properties –				
North region	–	–	5,951,374	5,951,374
Central region	–	–	1,481,000	1,481,000
South region	–	–	594,000	594,000
Total non-financial assets	–	–	8,026,374	8,026,374
Financial derivative assets	–	29,185	–	29,185
Total	<u>313,755</u>	<u>29,185</u>	<u>8,026,374</u>	<u>8,369,314</u>

As at 30 June 2014, the financial assets measured at fair value on an ongoing basis by three levels are analyzed below:

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value				
through profit or loss –				
Trading financial assets	162,863	–	–	162,863
Available-for-sale financial				
assets –				
Available-for-sale equity				
instruments	13,420	–	–	13,420
Total financial assets	176,283	–	–	176,283
Non-financial assets				
Investment properties –				
North region	–	–	2,147,374	2,147,374
Central region	–	–	923,000	923,000
South region	–	–	580,700	580,700
Total non-financial assets	–	–	3,651,074	3,651,074
Financial derivative liabilities	–	(3,452)	–	(3,452)
Total assets	<u>176,283</u>	<u>(3,452)</u>	<u>3,651,074</u>	<u>3,823,905</u>

The Group recognizes transfers into and transfers out of fair value hierarchy levels as of the date of the event that caused the transfer. There were no transfers between level 1, 2 and 3 during the period.

The fair value of financial instruments traded in active markets is based on quoted market prices in active markets. The fair value of financial instruments that are not traded in an active market is determined by valuation techniques. Specific valuation techniques mainly include discounted cash flow analysis and so on. The inputs in those valuation techniques mainly include risk-free rate, benchmark interest rate and exchange rate.

The Group obtains independent valuations for its investment properties from an independent professional valuer as a third party. The valuations were based on income capitalization which largely used unobservable inputs such as market rent, discount rate and so on.

The change of level 3 assets is below:

	North region	Investment properties		Total
		Central region	South region	
As at 1 January 2015	2,147,374	923,000	580,700	3,651,074
Additions	-	-	-	-
Disposals	-	-	-	-
Transfer from investment properties at cost	3,018,440	402,389	-	3,420,829
Self-use Real Estate/Transfer from inventories	-	-	-	-
Gains or losses recognized in profit or losses	<u>785,560</u>	<u>155,611</u>	<u>13,300</u>	<u>954,471</u>
As at 30 June 2015	<u>5,951,374</u>	<u>1,481,000</u>	<u>594,000</u>	<u>8,026,374</u>
Realized gains or losses recognized in current profit or losses				
- Investment Income	-	-	-	-
- Other operating income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unrealized gains or losses recognized in current profit or losses				
- Profit/(loss) from change in fair value	<u>785,560</u>	<u>155,611</u>	<u>13,300</u>	<u>954,471</u>

	Investment properties			Total
	North region	Central region	South region	
As at 1 January 2014	1,943,042	516,000	504,876	2,963,918
Additions	-	-	9,211	9,211
Disposals	(4,105)	-	-	(4,105)
Transfer from investment properties at cost	-	-	-	-
Gains or losses recognized in profit or losses	<u>4,000</u>	<u>12,000</u>	<u>6,913</u>	<u>22,913</u>
As at 31 December 2014	<u>1,942,937</u>	<u>528,000</u>	<u>521,000</u>	<u>2,991,937</u>
Realized gains or losses recognized in current profit or losses				
- Investment Income	-	-	-	-
- Other operating income	<u>(4,788)</u>	<u>-</u>	<u>-</u>	<u>(4,788)</u>
Unrealized gains or losses recognized in current profit or losses				
- Profit/(loss) from change in fair value	<u>4,000</u>	<u>12,000</u>	<u>6,913</u>	<u>22,913</u>

Profit or loss in the income statement is recognized in profit or loss arising from fair value changes, investment revenue, asset impairment loss, etc.

As at 30 June 2015, the gains recognized in profit or losses of assets in level 3 held by the Group amounted to RMB954,471,000.

The Group's finance department is in charge of assets' valuation and employs the independent valuer to evaluate the fair value of investment properties. The finance department verifies all valuation results, take charge of relative accounting treatment and prepare disclosure information of fair value according to verified valuation results.

Information about fair value measurements using significant unobservable inputs:

Investment Properties	Fair value as at 30 June 2015	Unobservable inputs			Relationship of of unobservable inputs of fair value
		Valuation techniques	Title	Range/weighted average	
North region	5,951,374	Income approach	Discount rate	6% to 8%	The higher discount rate is, the lower fair value
	2,172,374				Market rents
	3,779,000	Cost approach	Interest rate	4.85% to 5.4%	The higher interest rate is, the higher fair value
			Profit rate	10% to 25%	The higher profit rate is, the higher fair value
Central region	1,481,000	Income approach	Discount rate	7% to 8%	The higher discount rate is, the lower fair value
			Market rents	RMB61 to RMB70 per square meter per month	The higher market rent is, the higher fair value
South region	594,000	Income approach	Discount rate	7% to 9%	The higher discount rate is, the lower fair value
			Market rents	RMB46 to RMB57 per square meter per month	The higher market rent is, the higher fair value

**(2). Assets measured at fair value not on an ongoing basis**

The non-current assets held for sale are stated at the lower of carrying amount and fair value less costs to sell.

**(3). Assets and liabilities not measured at fair value but disclosed on fair value**

Financial assets and liabilities measured at amortized cost mainly include receivables, short-term borrowings, payables, long-term borrowings, debentures payables and long-term payables.



Except for the financial assets and liabilities listed below, the carrying amount of financial assets and liabilities not measured at fair value is a reasonable approximation of their fair value:

	30 June 2015		31 December 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Long-term borrowings	19,170,150	20,637,606	11,949,100	12,697,885
Debentures payable	6,195,868	6,210,338	3,217,112	3,235,935
Long-term payables	<u>650,000</u>	<u>707,337</u>	<u>1,530,000</u>	<u>1,646,050</u>
Total	<u>26,016,018</u>	<u>27,555,281</u>	<u>16,696,212</u>	<u>17,579,870</u>

The fair value of long-term borrowings and debentures payables that are not traded in an active market is determined by using valuation techniques, such as discounted contracted cash flow analysis, by using discount rate which is comparable credit rate and almost the same cash flows in the same situation in the market. The fair value belongs to Level 3.

### 13. Capital management

The Group's objectives of managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Same with others in the industry, the group monitors capital on the basis of the net gearing ratio. This ratio is calculated as net debt divided by net capital. Net debt is calculated as total borrowings (including “Short-term borrowings (including current portion of non-current liabilities)”, “Long-term borrowings” and “Debentures payable” as shown in the consolidated balance sheet) less Cash at bank and on hand. Net capital is same as shareholder’s equity shown in the consolidated balance sheet.

	<b>30 June 2015</b>	<b>31 December 2014</b>
Total borrowings, including	46,060,598	32,528,152
Short-term borrowings	16,402,270	11,579,678
Long-term borrowings	23,462,460	17,731,362
Debentures payable	<u>6,195,868</u>	<u>3,217,112</u>
Total	46,060,598	32,528,152
Less: Cash at bank and on hand	<u>(12,659,422)</u>	<u>(13,897,026)</u>
Net borrowings	<u>33,401,176</u>	<u>18,631,126</u>
Shareholders’ equity	<u>21,506,136</u>	<u>21,413,526</u>
Net gearing ratio	<u>155%</u>	<u>87%</u>

#### 14. Events after the balance sheet date

In July 2015, Rosy Capital Global Limited, a wholly-owned subsidiary of the Group through its holding in Beijing Capital Juda, issued guaranteed notes amounted to RMB1,300,000,000, the notes carries a fixed annual interest rate of 5.25% with a maturity period of 3 years, Beijing Capital Juda provided unconditional and irrevocable joint guarantees and Capital Group entered into a Keepwell Deed for the notes.

## 15. Notes to the company financial statements

## (1). Other receivables

	30 June 2015	31 December 2014
Amounts due from subsidiaries (i)	32,384,307	24,879,221
Amounts due from joint ventures	2,332	10,868
Amounts due from associates	346,810	–
Guarantee funds	17,000	10,000
Others	<u>18,519</u>	<u>18,228</u>
Total	32,768,968	24,918,317
Less: provisions for doubtful debts	<u>(24,000)</u>	<u>(24,000)</u>
Other receivables net	<u><u>32,744,968</u></u>	<u><u>24,894,317</u></u>

(i) As at 30 June 2015, RMB202,000,000 (31 December 2014: RMB177,000,000) with the interest rate at 20% up the interest rate of bank borrowings for 1-3 years with the same period, unsecured and unguaranteed. Other receivables due from subsidiaries except for the loans above are interest free, unsecured and unguaranteed and have no fixed maturity date.

The Company has not recognized or written off doubtful debt provision for other receivables for the six months ended 30 June 2015.

The analysis of other receivables and the related provisions are as follows:

	30 June 2015				31 December 2014			
	Amount	% of total	Provision	% of the	Amount	% of total	Provision	% of the
		balance		provision		balance		provision
		%		%		%		%
Within 1 year	32,744,220	100	-	-	24,893,569	100	-	-
1 to 2 years	-	-	-	-	748	-	-	-
2 to 3 years	748	-	-	-	-	-	-	-
Over 3 years	24,000	-	(24,000)	100	24,000	-	(24,000)	100
Total	<u>32,768,968</u>	<u>100</u>	<u>(24,000)</u>	<u>-</u>	<u>24,918,317</u>	<u>100</u>	<u>(24,000)</u>	<u>-</u>

(2). *Long-term equity investments*

	30 June 2015	31 December 2014
Subsidiaries (a)		
– unlisted companies	3,403,044	3,403,044
Joint ventures (b)		
– unlisted companies	370,935	306,970
Associates (c)		
– unlisted companies	<u>168,656</u>	<u>166,481</u>
Total	<u>3,942,635</u>	<u>3,876,495</u>

There is no restriction on sale of the long-term equity investment of the Company and collection of the investment income.

(a) *Subsidiaries*

	Attributable interest held	Attributable vote held	31 December 2014	Additions	Disposals	30 June 2015
Capital Chaoyang	100%	100%	734,095	-	-	734,095
Rongjin Company	10%	10%	21,968	-	-	21,968
Central Company	75%	75%	79,433	-	-	79,433
Central Plaza Xinrong	75%	75%	90,437	-	-	90,437
IFC	100%	100%	20,480	-	-	20,480
Central Plaza	100%	100%	39,466	-	-	39,466
Jindu Company	100%	100%	369,970	-	-	369,970
Beijing Xinzi	100%	100%	642,625	-	-	642,625
Anhua Shiji	55%	60%	136,303	-	-	136,303
Shangboya	100%	100%	30,000	-	-	30,000
Shangbodi	51%	51%	15,300	-	-	15,300
Jiangsu Capital	60%	60%	60,375	-	-	60,375
Capital Chengdu	100%	100%	150,000	-	-	150,000
Sunshine City	50%	60%	82,766	-	-	82,766
Wuxi Xindong	100%	100%	100,000	-	-	100,000
Capital (Chengdu)						
Investment Co., Ltd.	100%	100%	5,000	-	-	5,000
Capital (Tianjin) Real Estate Management Co., Ltd.	100%	100%	5,000	-	-	5,000

	Attributable interest held	Attributable vote held	31 December 2014	Additions	Disposals	30 June 2015
Beijing Ruiyuan Fengxiang Real Estate Development Co., Ltd.	100%	100%	10,000	-	-	10,000
Ruiyuan Fengji	100%	100%	10,000	-	-	10,000
Chuangxin Jianye	100%	100%	50,000	-	-	50,000
Beijing Xinyuan Chengye Consultant Co., Ltd.	100%	100%	1,000	-	-	1,000
Capital Nanjing Investment Co., Ltd.	100%	100%	5,000	-	-	5,000
Capital Guoxin	100%	100%	100,000	-	-	100,000
Haikou Capital Xinye Investment Co., Ltd.	100%	100%	10,000	-	-	10,000
BECL	100%	100%	67,296	-	-	67,296
Shanghai Zhengheng	100%	100%	10,000	-	-	10,000
Beijing Chuangyuan Botao Architectural Design & Consulting Co., Ltd.	100%	100%	5,000	-	-	5,000
Beijing Xinyuan Huafu Investment Co., Ltd.	100%	100%	5,000	-	-	5,000
Beijing Hengyuan Yinxing Investment Co., Ltd.	100%	100%	5,000	-	-	5,000
Beijing Dongqi Jin zhao Infrastructure Investment Co., Ltd.	100%	100%	30,000	-	-	30,000
Beijing Zhongzhi Dingfu Specific Assets Management Plan	9%	N/A	190,000	-	-	190,000
Yongyuan Jintai	100%	100%	216,530	-	-	216,530
Lehui Shenghuo	100%	100%	5,000	-	-	5,000
Total			<u>3,403,044</u>	<u>-</u>	<u>-</u>	<u>3,403,044</u>

## (b) Joint ventures

## Long-term equity investment in joint ventures:

Accounting method	Investment costs	Change in the period											
		31 December 2014	Increase or decrease in investment	Share of net profit/(losses)	Share of other comprehensive income	Cash dividend declared	Other equity movement	30 June 2015	Equity interest held %	Voting rights held %	Provision for impairment	Impairment provided in current period	
Beijing Wanzhu	Equity method	25,500,000	53,149	-	55,519	-	-	-	108,668	30%	30%	-	-
Tonghua Qiangyu	Equity method	4,000,000	8,742	-	56	-	-	-	8,798	40%	40%	-	-
Zhuhai Hengqin Fund Management Company	Equity method	4,000,000	3,932	-	-	-	-	-	3,932	40%	40%	-	-
Zhuhai Hengqin Fund	Equity method	240,000,000	241,147	-	8,390	-	-	-	249,537	28.24%	40%	-	-
			<u>306,970</u>	<u>-</u>	<u>63,965</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>370,935</u>			<u>-</u>	<u>-</u>

The key financial information of joint ventures is disclosed in note 5(10)(a).

## (c) Associates

Long-term equity investment in associates:

Accounting method	Investment costs	Change in the period							Equity interest held %	Voting rights held %	Provision for impairment	Impairment provided in current period	
		31 December 2014	Increase or decrease in investment	Share of net profit/(losses)	Share of other comprehensive income	Cash dividend declared	Other equity movement	30 June 2015					
Golden net	Equity method	700,000	6,904	-	(10)	-	-	-	6,894	14	14	-	-
Yuangguangyuan	Equity method	25,267,000	159,577	-	2,185	-	-	-	161,762	35	35	-	-
			166,481	-	2,175	-	-	-	168,656			-	-

The key financial information of associates is disclosed in note 5(10)(b).

## (3). Taxes payable

	30 June 2015	31 December 2014
Land appreciation tax payable	20	20
Business tax payable	325	1,990
Others	923	-
Total	1,268	2,010

## (4). Revenue and cost of sales

	Six months ended 30 June 2015	Six months ended 30 June 2014
Revenue from main operations (a)	12,927	48,423
Cost of sales from main operations (a)	-	-

## (a) Revenue and cost of sales from main operations

	Six months ended 30 June 2015		Six months ended 30 June 2014	
	Main operating revenue	Main operating costs	Main operating revenue	Main operating costs
Consulting services	12,927	-	48,423	-

**(5). Investment income**

	<b>Six months ended 30 June 2015</b>	<b>Six months ended 30 June 2014</b>
Share of profit/(loss) of investees under equity method	66,140	850
Gains from disposal of subsidiaries	–	240,000
Dividend income from available-for-sale financial assets	2,390	–
Dividend distribution from subsidiaries	12,007	–
Others	<u>–</u>	<u>11,908</u>
<b>Total</b>	<b><u>80,537</u></b>	<b><u>252,758</u></b>

**16. Net current assets**

	<b>30 June 2015 Consolidated</b>	<b>31 December 2014 Consolidated</b>	<b>30 June 2015 Company</b>	<b>31 December 2014 Company</b>
Current assets	76,477,960	67,344,366	35,385,088	27,479,522
Less: Current liabilities	<u>(38,553,456)</u>	<u>(33,814,386)</u>	<u>(25,459,757)</u>	<u>(21,205,528)</u>
<b>Net current assets</b>	<b><u>37,924,504</u></b>	<b><u>33,529,980</u></b>	<b><u>9,925,331</u></b>	<b><u>6,273,994</u></b>

**17. Total assets less current liabilities**

	<b>30 June 2015 Consolidated</b>	<b>31 December 2014 Consolidated</b>	<b>30 June 2015 Company</b>	<b>31 December 2014 Company</b>
Total assets	91,621,623	78,679,556	39,872,714	31,832,328
Less: Current liabilities	<u>(38,553,456)</u>	<u>(33,814,386)</u>	<u>(25,459,757)</u>	<u>(21,205,528)</u>
<b>Total assets less current liabilities</b>	<b><u>53,068,167</u></b>	<b><u>44,865,170</u></b>	<b><u>14,412,957</u></b>	<b><u>10,626,800</u></b>

**4. STATEMENT OF INDEBTEDNESS**

As at the close of business on 30 June 2015, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Group had aggregate outstanding borrowings of approximately RMB46,780,953,000 comprising:

- (a) Outstanding bank borrowings of approximately RMB28,213,129,000 among which RMB8,173,500,000 were secured by properties, plant, equipment and the land use rights, RMB10,442,710,000 were secured by certain relevant properties under development, RMB1,080,919,000 were secured by bank deposits, RMB4,386,000,000 were secured by the equity of subsidiaries, RMB130,000,000 were secured by accounts receivable and RMB4,000,000,000 were secured by Capital Group;
- (b) Trust loans of approximately RMB3,900,000,000 which were secured by deposits, land use rights, equity of subsidiaries and guaranteed by Capital Group;
- (c) Other loans of approximately RMB650,000,000 which were secured by the land use rights and the equity of a subsidiary;
- (d) Unsecured loan of approximately RMB5,767,824,000; and
- (e) Corporate bonds of approximately RMB8,250,000,000.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Group did not have at the close of business on 30 June 2015 any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptable credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.



## **5. MATERIAL CHANGE**

Based on the interim results announcement of the Company for the six month ended 30 June 2015, the Group recorded a decrease in the profit attributable to equity holders of the Company of approximately 23.9% from approximately RMB661,130,000 for the six month ended 30 June 2014 to approximately RMB503,293,000 for the six month ended 30 June 2015. Such decrease is mainly attributable to the decrease in the gross profit by approximately 29.5% from approximately RMB1,049,185,000 for the six month ended 30 June 2014 to approximately RMB739,165,000 for the six months ended 30 June 2015. In addition, the Group's gross profit margin decreased from approximately 24.1% during the year ended 31 December 2014 to approximately 13.6% during the six months ended 30 June 2015. The aforementioned decreases in gross profit and gross profit margin are mainly attributable to the decrease in revenue from projects with higher gross profit margin in Beijing in the first half of 2015, caused by reduction of the Group's projects available for sale and revenue recognition in the core districts of Beijing.

As at 30 June 2015, the Company had total borrowing and debt of approximately RMB46,060,598,000 with a net gearing ratio of 155.0% which increased from the total borrowing and debt of approximately RMB32,528,152,000 and a net gearing ratio of 87.0% as at 31 December 2014. Net gearing ratio is measured as net of the interest-bearing borrowings and cash at bank and on hand divided by the net assets of the Group. Increase in net gearing ratio is mainly attributable by increase in borrowing and debt for land acquisition and projects development.

Save as disclosed above, the Directors confirmed that there is no material change in the financial or trading position or outlook of the Group since 31 December 2014, the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

## **6. FINANCIAL AND TRADING PROSPECTS**

The first half of 2015 was characterized by a slow global economic recovery. The U.S. economy grew smoothly as the long-term restructuring of its supply side resulted in improved productivity, while the Eurozone gradually recovered under low oil prices, subdued interest rates and favorable exchange rate environment, despite the overhanging Greece debt issue which might drag down economic recovery in the region. Emerging markets were pressured by the slower economic growth and capital outflows. China entered into a crucial phase of industrial restructuring and transformation of economic growth drivers in the first half of 2015. Though China's macro economy faced certain downward pressure, it started to demonstrate a trend of recovery toward the end of the second quarter, with the overall national economy showing signs of stability.

During the first half of 2015, under the principles of “stabilize growth, adjust structure, promote reform and benefit people’s livelihood” which has been stressed in the Central Economic Working Conference and PRC government work reports since 2013, the People’s Bank of China implemented consecutive reserve-requirement ratio (RRR) cuts and lowered interest rates, maintaining a policy of monetary easing. Specifically for the property sector, local governments in the PRC also rolled out favorable policies according to local conditions to boost the property market. On top of these policy supports, Chinese authorities also relaxed mortgage rules and lowered downpayment requirement for second home buyers on March 30th. As a result of these measures, inventory pressure in the real estate sector has been partially relieved, with property market in first-tier and core second-tier cities has begun picking up. However, the effects have yet to trickle down to third- and fourth-tier cities, which still suffer from excess inventory pressure, and are still continuing to focus on increasing property sales volume through lowering prices.

Strategically, the Group focused on core cities and actively acted on market trends in the first half of 2015. We also established comprehensive marketing channels to further expand our overseas business to rapidly increase sales performance. During the period under review, the Group, together with its joint ventures and associates companies, recorded total contracted sales of approximately RMB12.12 billion, an increase of 78.9% compared to the first half of 2014. For the first six months of 2015, overseas projects became an important part of the Company’s business as the Group joined hands with renowned Australian property developer Dyladam to invest in three new residential projects in Sydney. All of the apartments in the newly released projects were sold out during the first six months of 2015, with total contracted sales reaching RMB1.83 billion, accounting for 15% of the Company’s total contracted sales of the first six months of 2015.

In the first half of 2015, the Group witnessed rapid growth in its outlets business line, which accumulatively introduced over 80 new brands. The officially launched outlet projects in Beijing Fangshan, Wanning and Huzhou generated total sales of RMB1.04 billion, an increase of nearly 80% compared to the first half of 2014. Beijing Capital Juda Limited, a subsidiary of the Group, in July acquired a commercial land plot for an outlet project in Nanchang, which will become a new milestone for the Group’s outlets business.

Leveraging on the opportunities brought by the integration of Beijing, Tianjin and Hebei, the Company continued to focus on utilizing its advantages in land investment in core cities. A total of nine projects in Beijing, Tianjin, Chengdu and other core cities were acquired in the first half of 2015, adding a total construction area of 1.89 million square meters. Notably, the Company leveraged its synergy with Capital Group, the controlling shareholder of the Company, to successfully acquire two core land plots, F1 and B2 at Yongfeng Industrial Base, Haidian District, with a total construction area of nearly 500,000 square meters. A new type of industrial property development will be built on the newly-added land plots, which will lay the foundations for building new and differentiated core competitiveness.

Product competitiveness and internal management capabilities were an important area of focus for the Company in the first half of 2015. The Company initiated all-rounded measures to build up its sales team, and made comprehensive improvements to its marketing channels to drive rapid sales growth. The continued development of a product standardization application platform also helped to increase the number of centralized procurement partners to over 30 companies, covering over 70% of project procurement. The roadmap of cost management and cost control was also completed and implemented. The co-investment program was further optimized and expanded to all projects to ensure participation from all core team members and fully motivate the teams.

During the first half of 2015, the Company fully utilized its capital strength and achieved a number of breakthroughs. In January, the Company's first red-chip listing platform Beijing Capital Juda Limited, a subsidiary of the Group, completed the acquisition of Xi'an project and issued convertible preference shares. Beijing Capital Juda Limited will be developed into the Company's commercial property platform in the future, and will be a solid foundation for the Company to expand its commercial property business and provide equity financing support. In May, the Company also seized favorable opportunities in the domestic market to successfully issue 5-year domestic bond worth RMB\$3 billion at a coupon rate of 4.58%, which was relatively low among bonds issued by domestic property companies and significantly reduced the Company's financing costs.

Looking into the second half of 2015, the Group will continue to follow and build on its five-year strategy, strengthen its ability to acquire high quality resources in core cities, and expand overseas investments. The Company will accelerate its efforts to integrate property development with internet platforms, as well as broaden its comprehensive sales and marketing channels. The Company will also continue to build a standardized and centralized procurement platform in order to stringently control costs and improve operational efficiency. We will also team up with leading industry player Vanke and its "Rui Butler" service to improve our property management and product competitiveness.

*The following is the text of a letter, summary of valuations and valuation certificates prepared for the purpose of incorporation in this circular received from DTZ Debenham Tie Leung Limited, an independent property valuer, in connection with its opinion of the value of the property interests of the Group in the PRC as at 30 June 2015.*



16th Floor  
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1 Connaught Place  
Central  
Hong Kong

11 September 2015

The Directors  
Beijing Capital Land Limited  
Room 6008, Block No. 1, No. 26 Qingchun Road  
Huairou District, Beijing  
The People's Republic of China

Dear Sirs,

#### **Instructions, Purpose and Date of Valuation**

In accordance with your instructions for us to value the properties that Beijing Capital Land Limited (the "Company") or its subsidiaries (collectively the "Group") or its associated companies (as defined under the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code")) have interests, which are situated in the People's Republic of China (the "PRC") (as more particularly described in the attached valuation certificates), we confirm that we have inspected the properties, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the values of such properties as at 30 June 2015 (the "Valuation Date").

#### **Basis of Valuation**

Our valuation of each of the properties represents its market value which in accordance with The HKIS Valuation Standards 2012 Edition published by the Hong Kong Institute of Surveyors is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

### Valuation Basis and Assumptions

In valuing the properties, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities published by The Stock Exchange of the Hong Kong Limited, Rule 11.1(g) of the Takeovers Code published by The Securities and Futures Commission, and The HKIS Valuation Standards 2012 Edition published by the Hong Kong Institute of Surveyors.

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

In the course of our valuation of the properties, we have relied on the information and advice given by the Company or the Company's legal adviser, JunZeJun Law Offices (君澤君律師事務所) regarding the titles to the properties and the interests of the Company in the properties in the PRC.

In respect of the properties situated in the PRC, the status of titles and grant of major certificates, approvals and licences, which are significant to the valuations and the establishment of ownership, in accordance with the information provided by the Company are set out in the notes of the respective valuation certificates including :

國有土地使用證 (“Certificate for the Use of State-owned Land”)

國有土地使用權轉讓合同

(“Transfer Contract of Certificate for the Use of State-owned Land”)

房屋所有權證 (“Building Ownership Certificate”)

准予登記房屋明細表 (“Building Ownership Registration”)

房地產權證 (“Real Estate Title Certificate”)

土地使用權出讓合同 (“Grant Contract of State-owned Land Use Rights”)

建設用地規劃許可證 (“Planning Permit for Construction Use of Land”)

建設工程規劃許可證 (“Planning Permit for Construction Works”)

建設工程項目開工許可證 (“Permit for Commencement of Construction Works”)

預售許可證 (“Commodity Housing Pre-sale Permit”)

工程竣工驗收備案證明書

(“Completion and Acceptance Certificate for Construction Works”)

測繪報告 (“Survey Report”)

營業執照 (“Business Licence”)

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

**Method of Valuation**

As at the Valuation Date, the properties in Groups I, II, III and VI are completed properties in the PRC and the relevant title certificates including Completion and Acceptance Certificate for Construction Works, Building Ownership Certificates or Real Estate Title Certificates or such equivalent certificates or permits have been obtained.

The properties in Group IV comprise properties under development in the PRC. Permits for Commencement of Construction Works or such equivalent permits for any portions of such property have been obtained, but Completion and Acceptance Certificate for Construction Works, Building Ownership Certificates or Real Estate Title Certificates (building portion) or such equivalent certificates or permits have not been obtained yet.

The properties in Group V comprise properties held for future development in the PRC. Permits for Commencement of Construction Works or such equivalent permits have not been obtained but Certificates for the Use of State-owned Land or Grant Contracts of Land Use Rights or such equivalent certificates or contracts have been obtained as at the Valuation Date.

In valuing the properties in Group I, which are completed properties held by the Group for sale in the PRC, we have used the Direct Comparison Approach assuming sale of each of these properties in its existing state by making reference to comparable sales transactions as available in the relevant market subject to suitable adjustments between the subject properties and the comparable properties. Given that the properties are mostly strata residential units, office units, ancillary commercial podium units and car parking spaces, comparable sales transactions are frequent and information about such sales is readily available, we have therefore used the Direct Comparison Approach which is in line with the market practice.

In valuing the properties in Group II, which are completed properties held by the Group for investment in the PRC, we have used the Investment Approach on the basis of capitalisation of rental income derived from the existing tenancies with due allowance for reversionary potential of each of the properties or by reference to comparable market transactions. Transactions involving large scale properties of the same nature and tenancy structure in the same districts are not frequent. On the other hand, as most properties generate rental income from letting arrangements and such rental comparables are more readily available, we consider the Investment Approach, which is also commonly used in valuing properties for investment purpose, to be the best approach to value these properties.

In valuing the properties in Group III, which are completed hotel properties held by the Group for operation in the PRC, we have used the Discounted Cash Flow (“DCF”) Approach, which involves discounting the future net cash flow of each property for a 10-year investment horizon and the anticipated net operating income receivable thereafter being capitalised at appropriate terminal capitalisation rates till the end of the respective land use term to its present value by using an appropriate discount rate that reflects the rate of return required by a third party investor for an investment of this type. We have prepared the cash flow forecast with reference to

the current and anticipated market conditions. Transactions involving hotel properties are rare. On the other hand, as these properties have been operated for a certain period of time with proven historical trading records, we consider the DCF Approach to be the most appropriate approach to value the properties in Group III.

In respect of the properties in Group IV, which are properties held by the Group under development in the PRC, we have valued them on the basis that each of these properties will be developed and completed in accordance with the latest development scheme of each of the Group provided to us (if any). We have assumed that all consents, approvals and licences from the relevant government authorities for the development scheme have been obtained without onerous conditions or delays. We have also assumed that the design and construction of the development are in compliance with the local planning regulations and have been approved by the relevant authorities. In arriving at our opinion of value, we have mainly adopted the Direct Comparison Approach and the Investment Approach to assess the development value as if completed for various components of the properties and have also taken into account the incurred construction costs and the costs that will be incurred to complete the development to reflect the quality of the completed development. The “development value as if completed” represents our opinion of the aggregate selling prices of the development assuming that it was completed as at the Valuation Date. For similar reasons to those explained above for Group I, the Direct Comparison Approach is used in the valuation of properties in this property group. In the cases where the properties are intended to be leased and where rental comparables are available, the Investment Approach is used.

In valuing the properties in Group V, which are properties held by the Group for future development in the PRC, we have mainly used the Direct Comparison Approach assuming sale of each of these properties in its existing state by making reference to comparable land sales transactions as available in the relevant market and have taken into account reasonably incurred land improvement costs, if any. This method is the most appropriate method for valuing land properties.

In valuing the property in Group VI, which is completed property held by the Group for self occupation in the PRC, we have used Direct Comparison Approach assuming sale of the property in its existing state with the benefit of vacant possession by making reference to comparable sales transactions as available in the relevant market.

Property Nos. II-1 and II-7 in Group II and Property Nos. V-1 and V-25 in Group V are subject to sale and transfer restrictions. Therefore, we have ascribed no commercial value to these properties on market value basis. For the Group’s management reference, however, we are requested to separately assess the market value on the assumptions that proper and unfettered title documents had been obtained without encumbrances and all relevant land premium for obtaining the release of such sale and transfer restrictions had been fully settled. The market value of each of these properties on the said hypothetical basis has been separately stated in the notes of the respective valuation certificate.

**Source of Information**

We have been provided by the Company with extracts of documents in relation to the titles to the properties in the PRC. However, we have not inspected the original documents to ascertain any amendments which may not appear on the copies handed to us.

In the course of our valuation of the properties, we have relied on the information and advice given by the Company or the Company's legal adviser, JunZeJun Law Offices (君澤君律師事務所) regarding the title to the properties and the interests of the Group in the properties in the PRC.

In respect of all properties, we have accepted advice given by the Company on such matters as planning approvals or statutory notices, easements, tenure, identification of land and buildings, completion date of buildings, number of units, particulars of occupancy, pre-sale details, rental incomes and revenue, management accounts, development or redevelopment schemes, development time schedules, construction costs, site and floor areas, interest attributable to the Company and all other relevant matters.

Dimensions, measurements and areas included in the valuation certificates are based on the information provided to us and are therefore only approximations. We have had no reason to doubt the truth and accuracy of the information provided to us by the Company which is material to the valuations. We were also advised by the Company that no material facts have been omitted from the information provided.

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

**Title Investigation**

We have been provided with extracts of documents relating to the titles of the properties in the PRC, but no searches have been made in respect of the properties. Moreover, we have not searched the original documents to verify ownership or to ascertain any amendment which may not appear on the copies handed to us. We are also unable to ascertain the title of the properties in the PRC and we have therefore relied on the advice given by the Company or the Company's legal adviser regarding the interests of the Group in the properties in the PRC.



**Site Inspection**

We inspected the exterior and, wherever possible, the interior of the properties between February and August 2015. However, we have not carried out any investigations on site to determine the suitability of the soil conditions and the services etc. for any future development. Our valuations are prepared on the assumption that these aspects are satisfactory and that no extraordinary costs or delays will be incurred during the construction period. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are, however, not able to report that the properties are free of rot, infestation or any other structural defects. No tests were carried out to any of the services. Unless otherwise stated, we have not been able to carry out on-site measurements to verify the site and floor areas of the properties and we have assumed that the areas shown on the documents handed to us are correct.

**Potential Tax Liability**

For the purpose of compliance with Rule 11.3 of the Takeovers Code and as advised by the Group, the potential tax liabilities which may arise from the sale of the properties in Groups I to VI (inclusive) are the same and include:

- business tax at a rate of 5% of consideration for a property in the PRC, payable upon sale of the property;
- profits tax on the profit from the sale at rate of 25% for a property in the PRC, payable upon completion and delivery of the sold property; and
- land value appreciation tax for a property in the PRC at progressive tax rates ranging from 30% to 60% on the appreciation in property value from not more than 50% to more than 200%, payable upon completion and delivery of the sold property. However, ordinary residential properties with appreciation in property value not more than 20% are exempt.

The potential tax liabilities in relation to the properties in Groups II, III and VI being crystallised are remote as the Company has no intention to dispose of the relevant properties, and the potential tax liabilities in relation to the properties in Groups I, IV and V are likely to crystallise as the relevant properties are held for sale or under/for development for sale in the future by the Company.

**Currency**

Unless otherwise stated, all sums stated in our valuations are in Renminbi (“RMB”), the official currency of the PRC.

We enclose herewith a summary of valuations and valuation certificates for your attention.

Yours faithfully,  
For and on behalf of  
**DTZ Debenham Tie Leung Limited**  
**Andrew K.F. Chan**  
*Registered Professional Surveyor (General Practice)*  
*Registered China Real Estate Appraiser*  
*MSc, MHKIS*  
*Senior Director, Valuation & Advisory Services*

*Note:* Mr. Andrew K.F. Chan is a Registered Professional Surveyor who has over 28 years’ experience in the valuation of properties in the PRC.

## SUMMARY OF VALUATIONS

Property	Market value in existing state as at 30 June 2015 (RMB)	Interest attributable to the Company (%)	Market value in existing state attributable to the Company as at 30 June 2015 (RMB)
<b>Group I – Completed properties held by the Group for sale in the PRC</b>			
I-1. The unsold portions of the completed phase of Beijing Changyang Land No. 4 Project, ancillary facilities Nos. 3, 4 and 5, 77 car parking spaces, retail podium unit No. 6-1-101, and residential units Nos. 1-5-802, 2-2-(-101), 2-2-101, 5-3-(-102), 5-3-102, 13-2-102, Beijing Changyang Land No. 4 Project, Fangshang District, Beijing, the PRC  (中華人民共和國 北京市 房山區 北京長陽4號地項目3、4、5號配套商業，77個地下停車位，6-1-101底商和1-5-802, 2-2-(-101), 2-2-101, 5-3-(-102), 5-3-102, 6-1-101, 13-2-102住宅樓部分 北京長陽4號地項目)	86,000,000	100	86,000,000

Property	Market value in existing state as at 30 June 2015 (RMB)	Interest attributable to the Company (%)	Market value in existing state attributable to the Company as at 30 June 2015 (RMB)
I-2. The unsold portions of the completed phase of Hainan Wanning Project, west of Lianhua Highway, Liji Town, Wanning, Hainan Province, the PRC  (中華人民共和國 海南省 萬寧市 東綫高速公路蓮花出入口西側、 蓮興公路北側 完工之住宅、別墅物業 海南萬寧項目)	95,000,000	55	52,250,000
I-3. The unsold portions of Yantai Sunny Chief Yard Project, Phase 1 of plot 3, north of Huifu Street, east of Songxia Road, Fushan District, Yantai, Shandong Province, the PRC  (中華人民共和國 山東省 煙台市 福山區匯福街以北松霞路以東 陽光首院3號地1期 煙台陽光首院項目)	21,000,000	100	21,000,000

Property	Market value in	Interest	Market value in
	existing state as at 30 June 2015 (RMB)	attributable to the Company (%)	existing state attributable to the Company as at 30 June 2015 (RMB)
<p>I-4. The unsold portions of Xi'an Feng-cheng Road Project, Phases 3, 4, 5 and 6, Feng Cheng 12th Road, Economic and Technological Development Zone, Xi'an, Shaanxi Province, the PRC</p> <p>(中華人民共和國 陝西省 西安市 經濟技術開發區鳳城十二路西安 鳳城路項目3、4、5及6期未售部分 西安鳳城路項目)</p>	981,000,000	92.56	908,013,600
<p>I-5. The unsold portions of Beijing Yuyuantan Project, residential, commercial and car park units, No. 11 Yuyuantan South Road, Haidian District, Beijing, the PRC</p> <p>(中華人民共和國 北京市 海澱區玉淵潭南路11號院 未售住宅、商業及車庫 玉淵潭項目)</p>	406,000,000	100	406,000,000

Property	Market value in existing state as at 30 June 2015 (RMB)	Interest attributable to the Company (%)	Market value in existing state attributable to the Company as at 30 June 2015 (RMB)
I-6. The unsold portions of Beijing Yuyuantan Project, one residential unit of Block No. 2, No. 11 Yuyuantan South Road, Haidian District, Beijing the PRC  (中華人民共和國 北京市 海澱區玉淵潭南路11號院2號樓1套 住宅 玉淵潭項目)	47,000,000	100	47,000,000
I-7. The unsold portions of Xanadu, 28 residential units and 181 car parking spaces of Block Nos. 1, 2, 3 and 4, No. 139 Chaoyang Road, Chaoyang District, Beijing, the PRC  (中華人民共和國 北京市 朝陽區 朝陽路139號院1-4號樓 28套住宅和181個地下車位項目 禧瑞都)	850,000,000	100	850,000,000

Property	Market value in existing state as at 30 June 2015 (RMB)	Interest attributable to the Company (%)	Market value in existing state attributable to the Company as at 30 June 2015 (RMB)
I-8. The unsold portions of Beijing Hujialou Project, 14 residential units of Block No. 4, No. 139 Chaoyang Road, Chaoyang District, Beijing, the PRC  (中華人民共和國 北京市 朝陽區 朝陽路139號院4號樓14套住宅項目 呼家樓項目)	412,000,000	100	412,000,000
I-9. The unsold portions of the completed phase of Beijing Miyun Yun Feng Shan Zhuang Project, south of Dongzhi Village, Xiwengzhuang Town, Miyun County, Beijing, the PRC  (中華人民共和國 北京市 密雲縣 溪翁莊鎮東智村南雲鳳山莊 北京密雲雲鳳山莊項目)	1,082,000,000	100	1,082,000,000

<b>Property</b>	<b>Market value in existing state as at 30 June 2015 (RMB)</b>	<b>Interest attributable to the Company (%)</b>	<b>Market value in existing state attributable to the Company as at 30 June 2015 (RMB)</b>
I-10. The unsold portions of Tianjin Banshan Project, west of Hebei Road, Tanggu District, Tianjin, the PRC  (中華人民共和國 天津市 塘沽區河北路以西天津伴山項目 未售商鋪 天津伴山項目)	37,000,000	100	37,000,000
I-11. The unsold portions of Phase 1 of Tianjin Eco-city Project, south area of Sino-Singapore Tianjin Eco-city, Binhai New Area, Tianjin, the PRC  (中華人民共和國 天津市 濱海新區中新天津生態城南部片區 天津生態城項目)	20,000,000	100	20,000,000



<b>Property</b>	<b>Market value in existing state as at 30 June 2015 (RMB)</b>	<b>Interest attributable to the Company (%)</b>	<b>Market value in existing state attributable to the Company as at 30 June 2015 (RMB)</b>
I-12. The unsold portions of Tianjin Shuanggang 122 Project, Jinnan District, Tianjin, the PRC  (中華人民共和國 天津市 津南區雙港鎮 天津雙港122項目)	283,000,000	55	155,650,000
I-13. The unsold portions of Chengdu Shengli Village Project, No. 5 Hemeixi Road, Chenghua District, Chengdu, Sichuan Province, the PRC  (中華人民共和國 四川省 成都市 成華區和美西路5號， 首創國際城 成都勝利村項目)	162,000,000	100	162,000,000

Property	Market value in existing state as at 30 June 2015 (RMB)	Interest attributable to the Company (%)	Market value in existing state attributable to the Company as at 30 June 2015 (RMB)
I-14. The unsold portions of Chengdu Beiquan Road Project, No. 909 Beiquan Road, Longquanyi District, Chengdu, Sichuan Province, The PRC.  (中華人民共和國 四川省 成都市 龍泉驛區龍泉街道 北泉路909號，東公元 成都北泉路項目)	147,000,000	55	80,850,000
I-15. The unsold portions of Chengdu SCE Project, No. 99 Qingtaishan Road, Damian, Longquanyi District, Chengdu, Sichuan Province, the PRC  (中華人民共和國 四川省成都市 龍泉驛區 大面街辦川師大以北， 成都川師大項目)	596,000,000	55	327,800,000

<b>Property</b>	<b>Market value in existing state as at 30 June 2015 (RMB)</b>	<b>Interest attributable to the Company (%)</b>	<b>Market value in existing state attributable to the Company as at 30 June 2015 (RMB)</b>
I-16. The unsold portions of Shenyang Shenying Road Project, No. 28 Shenying Road, Dongling District, Shenyang, Liaoning Province, the PRC  (中華人民共和國 遼寧省 瀋陽市 東陵區沈營路28號 瀋陽沈營路項目)	1,033,000,000	30	309,900,000
I-17. The unsold portions of the completed phase of Shenyang Yinhe Bay Project, No. 18 Donglinnan Street, Dongling District, Shenyang, Liaoning Province, the PRC  (中華人民共和國 遼寧省 瀋陽市 東陵區東陵南街18號 瀋陽銀河灣項目)	198,000,000	50	99,000,000

Property	Market value in existing state as at 30 June 2015 (RMB)	Interest attributable to the Company (%)	Market value in existing state attributable to the Company as at 30 June 2015 (RMB)
I-18. The unsold portions of Chongqing Hong'ensi Project, Phases 1, 2 and 3, Area K, Dashiba Group, Jiangbei District, Chongqing, the PRC  (中華人民共和國 重慶市， 江北區， 大石壩組團K分區 重慶鴻恩寺項目)	787,000,000	100	787,000,000
I-19. The unsold portions of the completed phase of Wuxi Dongting Town Project, Beijie Village, Dongting County, Xishan District, Wuxi, Jiangsu Province, the PRC  (中華人民共和國 江蘇省 無錫市 錫山區東亭鎮北街村無錫首創隄府 無錫東亭鎮項目)	89,000,000	100	89,000,000

Property	Market value in	Interest	Market value in
	existing state as at 30 June 2015 (RMB)	attributable to the Company (%)	existing state attributable to the Company as at 30 June 2015 (RMB)
I-20. The unsold portions of Wuxi Jichang Road Project, south of Suxiang Road, east of Jingdu Road, west of Jichang Road, Xin District, Wuxi, Jiangsu Province, the PRC  (中華人民共和國 江蘇省 無錫市 新區蘇巷路南側、景瀆路東側、 機場路西側無錫首創悅府 無錫機場路項目)	229,000,000	100	229,000,000
I-21. The unsold portions of Jiangsu Jiangyin Yuyue Project, Phase 1, east of Yingui Road, south of Mudan Road, west of Jingui Road, north of Beihenghe Road, Wushanwan, Jiangyin, Jiangsu Province, the PRC  (中華人民共和國 江蘇省 江陰市 敵山灣銀桂路東、牡丹路南、 金桂路西、北橫河路北側 江蘇江陰敵悅項目)	317,000,000	100	317,000,000

Property	Market value in existing state as at 30 June 2015 (RMB)	Interest attributable to the Company (%)	Market value in existing state attributable to the Company as at 30 June 2015 (RMB)
I-22. The unsold portions of Zhenjiang National University Science Park Project, Phase 1, south of Nanweisi Road, Zhenjiang New District, Zhenjiang, Jiangsu Province, the PRC  (中華人民共和國 江蘇省 鎮江市 鎮江新區南緯四路 鎮江國家大學科技園項目)	113,000,000	100	113,000,000
I-23. The unsold portions of Qingdao Chengyang Project, Phase 1, No. 6 Changcheng South Road, Chengyang District, Qingdao, Shandong Province, the PRC  (中華人民共和國 山東省 青島市 城陽區長城南路6號 青島城陽項目)	273,000,000	100	273,000,000

Property	Market value in existing state as at 30 June 2015 (RMB)	Interest attributable to the Company (%)	Market value in existing state attributable to the Company as at 30 June 2015 (RMB)
I-24. The unsold portions of Qingdao Central Park No. 1 Project, Phases 1 and 2, east of G308, south of Xinyang Road, Chengyang District, Qingdao, Shandong Province, the PRC  (中華人民共和國 山東省 青島市 城陽區308國道東興陽路南公園一號一、二期 青島公園1號項目)	40,000,000	100	40,000,000
I-25. The unsold portions of Qingdao Qianqianshu Project, Phase 1, West of Chongqing Road, east of Dongxiaozhuang, north of Xingguo Road, south of Tangshan Road, Licang District, Qingdao, Shandong Province, the PRC  (中華人民共和國 山東省 青島市 李滄區重慶路以西、東小莊以東、興國路以北、唐山路以南 青島千千樹項目)	19,000,000	100	19,000,000

<b>Property</b>	<b>Market value in existing state as at 30 June 2015 (RMB)</b>	<b>Interest attributable to the Company (%)</b>	<b>Market value in existing state attributable to the Company as at 30 June 2015 (RMB)</b>
I-26. The unsold portions of Yantai Sunny Chief Yard Project, Phase 1 of plot 1, north of Huifu Street, east of Songxia Road, Fushan District, Yantai, Shandong Province, the PRC  (中華人民共和國 山東省 煙台市 福山區匯福街以北、 松霞路以東 煙台陽光首院項目 1號地塊1期項目)	67,000,000	100	67,000,000
I-27. The unsold portions of Yantai Sunny Chief Yard Project, Phase 1 of plot 2, north of Huifu Street, east of Songxia Road, Fushan District, Yantai, Shandong Province, the PRC  (中華人民共和國 山東省 煙台市 福山區匯福街以北、松霞路以東 煙台陽光首院2號地塊1期項目)	2,000,000	100	2,000,000



Property	Market value in	Interest	Market value in
	existing state as at 30 June 2015 (RMB)	attributable to the Company (%)	existing state attributable to the Company as at 30 June 2015 (RMB)
I-28. The unsold portions of the completed phase of Kunshan Capital Outlets Project, south land lot, east of Dongcheng Avenue, north of Kunjia Road, Economic and Development District, Kunshan, Jiangsu Province, the PRC  (中華人民共和國 江蘇省 昆山市 開發區東城大道東側昆嘉路北側 昆山奧特萊斯項目)	67,000,000	100	67,000,000
I-29. The unsold portions of Phase 1 of Tianjin Hongni River Project, Xinzhuang, Jinnan District, Tianjin, the PRC  (中華人民共和國 天津市 津南區辛莊 天津洪泥河項目)	80,000,000	100	80,000,000

<b>Property</b>	<b>Market value in existing state as at 30 June 2015 (RMB)</b>	<b>Interest attributable to the Company (%)</b>	<b>Market value in existing state attributable to the Company as at 30 June 2015 (RMB)</b>
I-30. The unsold portions of Huzhou Renhuangshan Project, south of North 3rd Ring Road, Renhuangshanxi Pian Huzhou, Zhejiang Province, the PRC  (中華人民共和國 浙江省 湖州市 仁皇山西片三環北路南側 湖州仁皇山)	468,000,000	55	257,400,000
I-31. The unsold portions of the completed phase of International Peninsula, Plot 08-02, East of Yinqu Road, programming wind harbour, Gao Village, Wuqing District, Tianjin, the PRC  (中華人民共和國 天津市 武清區 高村鄉規劃風港引渠路東側 國際半島08-02地塊項目)	100,000,000	100	100,000,000

<b>Property</b>	<b>Market value in existing state as at 30 June 2015 (RMB)</b>	<b>Interest attributable to the Company (%)</b>	<b>Market value in existing state attributable to the Company as at 30 June 2015 (RMB)</b>
I-32. The unsold portions of the completed phase of International Peninsula, Plot 01-05, West of Gongxue Road, Gao Village, Wuqing District, Tianjin, the PRC  (中華人民共和國 天津市 武清區 高村鄉公學道西側 首創國際半島 01-05地塊項目)	230,000,000	100	230,000,000
I-33. The unsold portions of Kunshan Jinxi Project, Phase 1, west of Jiangpu Road, Jinxi Town, Kunshan, Jiangsu Province, the PRC  (中華人民共和國 江蘇省 昆山市 錦溪鎮江浦路西側 昆山錦溪項目一期(部分))	210,000,000	51	107,100,000

Property	Market value in existing state as at 30 June 2015 (RMB)	Interest attributable to the Company (%)	Market value in existing state attributable to the Company as at 30 June 2015 (RMB)
I-34. The unsold portions of Jingzhu Square 2, on the west side of Gaocun Fenggang Road, Wuqing District, Tianjin, the PRC  (中華人民共和國 天津市 武清區 高村鄉規劃鳳港路西側 靜竹廣場2)	56,000,000	100	56,000,000
		<b>Sub-total:</b>	<b><u>7,889,963,600</u></b>

## SUMMARY OF VALUATIONS

Property	Market value in existing state as at 30 June 2015 (RMB)	Interest attributable to the Company (%)	Market value in existing state attributable to the Company as at 30 June 2015 (RMB)
<b>Group II – Completed properties held by the Group for investment in the PRC</b>			
II-1. Beijing Capital Outlets, Phase 1, Fangshan District, Beijing, the PRC  (中華人民共和國 北京市 房山區 北京奧特萊斯一期項目 北京奧特萊斯)	No commercial value <i>(See Note 1)</i>	100	No commercial value <i>(See Note 1)</i>
II-2. Huzhou Capital Outlets, No. 518 west of Binhu Avenue, Huzhou, Zhejiang Province, the PRC  (中華人民共和國 浙江省 湖州 濱湖大道西段518號 湖州奧特萊斯)	932,000,000	100	932,000,000

Property	Market value in existing state as at 30 June 2015 (RMB)	Interest attributable to the Company (%)	Market value in existing state attributable to the Company as at 30 June 2015 (RMB)
II-3. Hainan Capital Outlets, Jewellery Hall of Phases A and B, Liji Town, Wanning City, Hainan Province, the PRC  (中華人民共和國 海南省 萬寧市 禮紀鎮海南奧特萊斯A區珠寶城和 B區項目 海南奧特萊斯)	594,000,000	55	326,700,000
II-4. Beijing Hujialou Project, retail podium of Block No. 4, Chaoyang District, Beijing, the PRC  (中華人民共和國 北京市 朝陽區 北京禧瑞都4號樓商業項目 呼家樓項目)	474,000,000	100	474,000,000

<b>Property</b>	<b>Market value in existing state as at 30 June 2015 (RMB)</b>	<b>Interest attributable to the Company (%)</b>	<b>Market value in existing state attributable to the Company as at 30 June 2015 (RMB)</b>
II-5. International School I, on the west side of Gaocun Tongcheng Fourth Road, Wuqing District, Tianjin, the PRC  (中華人民共和國 天津市 武清區 高村鄉規劃同城四路西側 國際學校一期)	164,000,000	90	147,600,000
II-6. Sunshine Building, No. 112 Xizhimenwai Street, Xicheng District, Beijing, the PRC  (中華人民共和國 北京市 西城區 西直門外大街112號陽光大廈 北京陽光大廈)	817,000,000	35	285,950,000

Property	Market value in existing state as at 30 June 2015 (RMB)	Interest attributable to the Company (%)	Market value in existing state attributable to the Company as at 30 June 2015 (RMB)
II-7. The portions of Kunshan Capital Outlets held for investment, Phase 1, east of Dongcheng Avenue, north of Kunjia Road, Economic and Development District, Kunshan, Jiangsu Province, the PRC  (中華人民共和國 江蘇省 昆山市 開發區東城大道東側、昆嘉路北側 昆山奧特萊斯)	No commercial value (See Note 2)	100	No commercial value (See Note 2)
		<b>Sub-total:</b>	<b><u>2,166,250,000</u></b>



## SUMMARY OF VALUATIONS

Property	Market value in existing state as at 30 June 2015 (RMB)	Interest attributable to the Company (%)	Market value in existing state attributable to the Company as at 30 June 2015 (RMB)
<b>Group III – Completed hotel properties held by the Group for operation in the PRC</b>			
III-1. Holiday Inn Central Plaza, No. 1 Caiyuan Street, Xicheng District, Beijing, the PRC  (中華人民共和國 北京市 西城區菜園街1號 中環廣場南區 中環假日酒店)	670,000,000	100	670,000,000
III-2. InterContinental Financial Street Beijing, No. 11 Financial Street, Xicheng District, Beijing, the PRC  (中華人民共和國 北京市 西城區金融大街11號 金融街洲際酒店)	1,018,000,000	34	346,120,000
		<b>Sub-total:</b>	<b><u>1,016,120,000</u></b>

## SUMMARY OF VALUATIONS

Property	Market value in existing state as at 30 June 2015 (RMB)	Interest attributable to the Company (%)	Market value in existing state attributable to the Company as at 30 June 2015 (RMB)
<b>Group IV – Properties held by the Group under development in the PRC</b>			
IV-1. The property under construction known as Beijing Changyang Town Project, Block No. 20, Fangshan District, Beijing, the PRC  (中華人民共和國 北京市 房山區 北京長陽鎮項目20號樓 北京長陽鎮項目)	70,000,000	100	70,000,000
IV-2. The property under construction known as Beijing Daxingsun Village Project, Sun Village, Daxing District, Beijing, the PRC  (中華人民共和國 北京市 大興區孫村 大興孫村項目)	1,547,000,000	100	1,547,000,000

<b>Property</b>	<b>Market value in existing state as at 30 June 2015 (RMB)</b>	<b>Interest attributable to the Company (%)</b>	<b>Market value in existing state attributable to the Company as at 30 June 2015 (RMB)</b>
IV-3. The property under construction known as Beijing Fangshan Gaojiao Park Project, Liangxiang Town, Fangshan District, Beijing, the PRC  (中華人民共和國 北京市 房山區 良鄉鎮 北京房山高教園項目)	2,037,000,000	100	2,037,000,000
IV-4. The property under construction known as Beijing Changyang Land No. 4 Project, retail podium Nos. 1 and 2, Fangshang District, Beijing, the PRC  (中華人民共和國 北京市 房山區 北京長陽4號地項目1號、2號在建 商業樓項目)	75,000,000	100	75,000,000

<b>Property</b>	<b>Market value in existing state as at 30 June 2015 (RMB)</b>	<b>Interest attributable to the Company (%)</b>	<b>Market value in existing state attributable to the Company as at 30 June 2015 (RMB)</b>
IV-5. The property under construction known as Beijing Huang Xin Zhuang Project, Huangxin Zhuang, Fangshan District, Beijing, the PRC  (中華人民共和國 北京市 房山區 黃辛莊伊林郡 北京黃辛莊項目)	2,385,700,000	95	2,266,415,000
IV-6. The property under construction known as Zhejiang Huzhou Taihu Project, south of Meidong Pian Binhu Avenue, Huzhou, Zhejiang Province, the PRC  (中華人民共和國 浙江省 湖州市 湖州梅東片濱湖大道南側 浙江湖州太湖項目)	528,000,000	100	528,000,000

<b>Property</b>	<b>Market value in existing state as at 30 June 2015 (RMB)</b>	<b>Interest attributable to the Company (%)</b>	<b>Market value in existing state attributable to the Company as at 30 June 2015 (RMB)</b>
IV-7. The property under construction known as Lize Financial Business District Project, Plot No. F-03, Lugouqiao Village, Fengtai District, Beijing, the PRC  (中華人民共和國 北京市 豐台區 盧溝橋鄉麗澤金融商務區F-03地塊 麗澤金融商務區)	3,142,000,000	50	1,571,000,000
IV-8. The property under construction known as Hainan Wanning Project, Phase 1, west of Lianhua Highway, Liji Town, Wanning, Hainan Province, the PRC  (中華人民共和國 海南省 萬寧市 禮記鎮 東綫高速公路蓮花出入口西側 海南萬寧項目)	200,000,000	55	110,000,000

Property	Market value in existing state as at 30 June 2015 (RMB)	Interest attributable to the Company (%)	Market value in existing state attributable to the Company as at 30 June 2015 (RMB)
IV-9. The property under construction known as Hainan Wanning Project, Phase 2, west of Lianhua Highway, Liji town, Wanning, Hainan Province, the PRC  (中華人民共和國 海南省 萬寧市 禮記鎮 東綫高速公路蓮花出入口西側 海南萬寧項目)	226,000,000	55	124,300,000
IV-10. The property under construction known as Kunshan Capital Outlets Project, south land lot, east of Dongcheng Avenue, north of Kunjia Road, Economic and Development District, Kunshan, Jiangsu Province, the PRC  (中華人民共和國 江蘇省 昆山市 開發區東城大道東側昆嘉路北側 昆山奧特萊斯項目)	264,000,000	100	264,000,000

Property	Market value in existing state as at 30 June 2015 (RMB)	Interest attributable to the Company (%)	Market value in existing state attributable to the Company as at 30 June 2015 (RMB)
IV-11. The property under construction known as Kunshan Capital Outlets Project, central land, east of Dongcheng Avenue, south of Jingwang Road, Economic and Development District, Kunshan, Jiangsu Province, the PRC  (中華人民共和國 江蘇省 昆山市 開發區東城大道東側、景王路南側 昆山奧特萊斯項目)	653,000,000	100	653,000,000
IV-12. The property under construction known as Shanghai Songjiang Project, Plots 10-02 and 12-02, Block No. 2, Unit SJC10004, Fangsong Street, Songjiang District, Shanghai, the PRC  (中華人民共和國 上海市 松江區 方松街道SJC10004單元2街區 10-02、12-02號地塊 上海松江項目)	2,259,000,000	100	2,259,000,000

Property	Market value in existing state as at 30 June 2015 (RMB)	Interest attributable to the Company (%)	Market value in existing state attributable to the Company as at 30 June 2015 (RMB)
IV-13. The property under construction known as Xi'an Feng-cheng Road Project, Phase 7, Feng Cheng 12th Road, Xi'an Economic and Technological Development Zone, Xi'an, Shaanxi Province, the PRC  (中華人民共和國 陝西省 西安市 西安經濟技術開發區鳳城十二路 西安鳳城路項目)	820,000,000	92.56	758,992,000
IV-14. The property under construction known as Lize Financial Business District Project, Plot No. F-02, Lugouqiao Village, Fengtai District, Beijing, the PRC  (中華人民共和國 北京市 豐台區 盧溝橋鄉麗澤金融商務區F-02地塊 麗澤金融商務區)	3,227,000,000	68.50	2,210,495,000



Property	Market value in existing state as at 30 June 2015 (RMB)	Interest attributable to the Company (%)	Market value in existing state attributable to the Company as at 30 June 2015 (RMB)
IV-15. The property under construction known as Wuxi Dongting Town Project, car park, east of Youyi Road and Dongting Street, north of Xinming Road, south of Xingtang River, Xishan District, Wuxi, Jiangsu Province, the PRC  (中華人民共和國 江蘇省 無錫市 錫山區 東亭街友誼路西，新明路北， 興塘河南， 無錫東亭鎮項目)	74,000,000	100	74,000,000
IV-16. The property under construction known as Hainan Capital Outlets, Phase A (excl. Jewellery Hall), Jili Town, Wanning City, Hainan Province, the PRC  (中華人民共和國 海南省 萬寧市 萬寧奧特萊斯物業A區 除珠寶城在建項目 海南奧特萊斯)	231,000,000	55	127,050,000

Property	Market value in existing state as at 30 June 2015 (RMB)	Interest attributable to the Company (%)	Market value in existing state attributable to the Company as at 30 June 2015 (RMB)
IV-17. The property under construction known as Beijing Miyun Yun Feng Shan Zhuang Project, south of Dongzhi Village, Xiwengzhuang Town, Miyun County, Beijing, the PRC  (中華人民共和國 北京市 密雲縣 溪翁莊鎮 東智村南雲鳳山莊 北京密雲雲鳳山莊項目)	1,364,000,000	100	1,364,000,000
IV-18. The property under construction known as Beijing Zhaoquanying F1-01 Project, Zhaoquanying Town, Banqiao Village, Shunyi District, Beijing, the PRC  (中華人民共和國 北京市 順義區 趙全營鎮板橋村 北京趙全營F1-01項目)	951,000,000	100	951,000,000

<b>Property</b>	<b>Market value in existing state as at 30 June 2015 (RMB)</b>	<b>Interest attributable to the Company (%)</b>	<b>Market value in existing state attributable to the Company as at 30 June 2015 (RMB)</b>
IV-19. The property under construction known as Beijing Zhaoquanying F02 Project, Zhaoquanying Town, Banqiao Village, Shunyi District, Beijing, the PRC  (中華人民共和國 北京市 順義區 趙全營鎮板橋村 北京趙全營F02項目)	3,126,000,000	100	3,126,000,000
IV-20. The property under construction known as Beijing Zhaoquanying F04 Project, Town Centre, Zhaoquanying Town, Shunyi District, Beijing, the PRC  (中華人民共和國 北京市 順義區 趙全營鎮鎮中心區， 北京趙全營F04項目)	1,903,000,000	100	1,903,000,000

<b>Property</b>	<b>Market value in existing state as at 30 June 2015 (RMB)</b>	<b>Interest attributable to the Company (%)</b>	<b>Market value in existing state attributable to the Company as at 30 June 2015 (RMB)</b>
IV-21. The property under construction known as Tianjin Xiqing Project, Wang Village, Dasi Town, Xiqing District, Tianjin, the PRC  (中華人民共和國 天津市 西青區大寺鎮王村福特納灣 天津西青項目)	164,000,000	40	65,600,000
IV-22. The property under construction known as Tianjin Shuanggang 121 Project, south of Lishuang Road Jinnan District, Tianjin, the PRC  (中華人民共和國 天津市 津南區梨雙公路南側 天津雙港121項目)	666,000,000	55	366,300,000

Property	Market value in existing state as at 30 June 2015 (RMB)	Interest attributable to the Company (%)	Market value in existing state attributable to the Company as at 30 June 2015 (RMB)
IV-23. The property under construction known as International Peninsula, Plot 03-02, South of Xiangshuyuan Road, Gao Village, Wuqing District, Tianjin, the PRC  (中華人民共和國 天津市 武清區高村鄉書院道南側 首創國際半島 03-02地塊項目)	776,000,000	100	776,000,000
IV-24. The property under construction known as International Peninsula, Plot 08-02, East of Yinqu Road, programming wind harbour, Gao Village, Wuqing District, Tianjin, the PRC  (中華人民共和國 天津市 武清區高村鄉規劃風港引渠路東側 國際半島 08-02地塊項目)	361,000,000	100	361,000,000

<b>Property</b>	<b>Market value in existing state as at 30 June 2015 (RMB)</b>	<b>Interest attributable to the Company (%)</b>	<b>Market value in existing state attributable to the Company as at 30 June 2015 (RMB)</b>
IV-25. The property under construction known as International Peninsula, Plot 04-02, South of Xiangshuyuan Road, Gao Village, Wuqing District, Tianjin, the PRC  (中華人民共和國 天津市 武清高村鄉書院道南側 首創國際半島 04-02地塊項目)	798,000,000	100	798,000,000
IV-26. The property under construction known as International Peninsula, Plot 01-05, West of Gongxue Road, Gao Village, Wuqing District, Tianjin, the PRC  (中華人民共和國 天津市 武清區高村鄉公學道西側 首創國際半島 01-05地塊項目)	443,000,000	100	443,000,000

<b>Property</b>	<b>Market value in existing state as at 30 June 2015 (RMB)</b>	<b>Interest attributable to the Company (%)</b>	<b>Market value in existing state attributable to the Company as at 30 June 2015 (RMB)</b>
IV-27. The property under construction known as Tianjin Eco-city Project, south area of Sino-Singapore Tianjin Eco-city, Binhai New Area, Tianjin, the PRC  (中華人民共和國 天津市 濱海新區中新天津生態城南部片區 天津生態城項目)	526,000,000	100	526,000,000
IV-28. The property under construction known as Tianjin Hongni River Project, Xinzhuang, Jinnan District, Tianjin, the PRC  (中華人民共和國 天津市 津南區辛莊 天津洪泥河項目)	2,127,000,000	100	2,127,000,000

<b>Property</b>	<b>Market value in existing state as at 30 June 2015 (RMB)</b>	<b>Interest attributable to the Company (%)</b>	<b>Market value in existing state attributable to the Company as at 30 June 2015 (RMB)</b>
IV-29. The property under construction known as Tianjin Lishuang Road Project, Xinzhuang Town, Jinnan District, Tianjin, the PRC  (中華人民共和國 天津市 津南區辛莊鎮 天津梨雙路項目)	1,538,000,000	100	1,538,000,000
IV-30. The property under construction known as Tianjin Beiyunhe Project, west of Jinpubei Road, Xiao Wang Zhuang, Hebei District, Tianjin, the PRC  (中華人民共和國 天津市 河北區小王莊津浦北路以西 天津北運河項目)	1,198,000,000	100	1,198,000,000



<b>Property</b>	<b>Market value in existing state as at 30 June 2015 (RMB)</b>	<b>Interest attributable to the Company (%)</b>	<b>Market value in existing state attributable to the Company as at 30 June 2015 (RMB)</b>
IV-31. The property under construction known as Yantai Sunny Chief Yard Project, phase 2 of lot 3, north of Huifu Street, east of Songxia Road, Fushan District, Yantai, Shangdong Province, the PRC  (中華人民共和國 山東省 煙台市 福山區匯福街以北、松霞路以東 煙台陽光首院3號地塊2期項目)	329,000,000	100	329,000,000
IV-32. The property under construction known as Qingdao Chengyang Project, Phase 2, No. 6 Changcheng South Road, Chengyang District, Qingdao, Shandong Province, the PRC  (中華人民共和國 山東省 青島市 城陽區長城南路6號 青島城陽項目)	797,000,000	100	797,000,000

<b>Property</b>	<b>Market value in existing state as at 30 June 2015 (RMB)</b>	<b>Interest attributable to the Company (%)</b>	<b>Market value in existing state attributable to the Company as at 30 June 2015 (RMB)</b>
IV-33. The property under construction known as Chengdu Qinglongchang Project, plots A and B, Groups 2, 3 and 4 of Donglin Community, Qinglong Street, Chenghua District, Chengdu, Sichuan Province, the PRC  (中華人民共和國 四川省 成都市 成華區青龍街道東林社區 2、3、4組A、B地塊， 成都青龍場項目)	1,823,000,000	100	1,823,000,000
IV-34. The property under construction known as Shenyang Yinhe Bay Project, No. 18 Donglinnan Street, Dongling District, Shenyang, Liaoning Province, the PRC  (中華人民共和國 遼寧省 瀋陽市 東陵區東陵南街18號 瀋陽銀河灣項目)	777,000,000	50	388,500,000

<b>Property</b>	<b>Market value in existing state as at 30 June 2015 (RMB)</b>	<b>Interest attributable to the Company (%)</b>	<b>Market value in existing state attributable to the Company as at 30 June 2015 (RMB)</b>
IV-35. The property under construction known as Shenyang Shenzhong Street Project, Nos. 26 and 28 Shenzhongda Street, Dongling District, Shenyang, Liaoning Province, the PRC  (中華人民共和國 遼寧省 瀋陽市 東陵區沈中大街26及28號 瀋陽沈中大街)	1,376,000,000	100	1,376,000,000
IV-36. The property under construction known as Chongqing Hong'ensi Project, Phase 4, Jiangbei District, Chongqing, the PRC  (中華人民共和國 重慶市 江北區 重慶鴻恩寺項目)	830,000,000	100	830,000,000

Property	Market value in existing state as at 30 June 2015 (RMB)	Interest attributable to the Company (%)	Market value in existing state attributable to the Company as at 30 June 2015 (RMB)
IV-37. The property under construction known as Jiangsu Jiangyin Yuyue Project, Phase 2, east of Yingui Road, south of Mudan Road, west of Jingui Road, north of Beihenghe Road, Wushanwan, Jiangyin, Jiangsu Province, the PRC  (中華人民共和國 江蘇省 江陰市 敵山灣銀桂路東、牡丹路南、金桂路西、北橫河北側首創瑞府二期江蘇江陰敵悅項目)	459,000,000	100	459,000,000
IV-38. The property under construction known as Phase II of Joyous House, south of Nanweisi Road, Zhenjiang New District, Zhenjiang City, Jiangsu Province, the PRC  (中華人民共和國 江蘇省 鎮江市 鎮江新區南緯四路以南 首創悅府二期在建部分)	537,000,000	100	537,000,000

<b>Property</b>	<b>Market value in existing state as at 30 June 2015 (RMB)</b>	<b>Interest attributable to the Company (%)</b>	<b>Market value in existing state attributable to the Company as at 30 June 2015 (RMB)</b>
IV-39. The property under construction known as Kunshan Jinxi Project, Phase 2, west of Jiangpu Road, Jinxi Town, Kunshan, Jiangsu Province, the PRC  (中華人民共和國 江蘇省 昆山市 錦溪鎮江浦路西側 昆山錦溪項目二期)	145,000,000	51	73,950,000
IV-40. The property under construction known as Qingdao Central Park No. 1 Project, Phases 3 and 4, east of G308, south of Xinyang Road, Chengyang District, Qingdao, Shandong Province, the PRC  (中華人民共和國 山東省 青島市 城陽區308國道東興陽路南 青島公園1號項目三、四期 青島公園1號項目)	82,000,000	100	82,000,000

Property	Market value in existing state as at 30 June 2015 (RMB)	Interest attributable to the Company (%)	Market value in existing state attributable to the Company as at 30 June 2015 (RMB)
IV-41. The property under construction known as Qingdao Yangbuzhai Project, No. 1 Changcheng Road, Chengyang District, Qingdao, Shandong Province, the PRC  (中華人名共和國 山東省 青島市 城陽區 長城路1號 青島楊埠寨項目)	365,000,000	100	365,000,000
IV-42. The property under construction known as Qingdao Qianqianshu Project, Phase 2, west of Chongqing Road, east of Dongxiaozhuang, north of Xingguo Road, south of Tangshan Road, Licang District, Qingdao, Shandong Province, the PRC  (中華人民共和國 山東省 青島市 李滄區重慶路以西、東小莊以東、興國路以北、唐山路以南 青島千千樹項目)	417,000,000	100	417,000,000

Property	Market value in existing state as at 30 June 2015 (RMB)	Interest attributable to the Company (%)	Market value in existing state attributable to the Company as at 30 June 2015 (RMB)
IV-43. The property under construction known as Yantai Sunny Chief Yard Project, Phase 2 of plot 2, north of Huifu Street, east of Songxia Road, Fushan District, Yantai, Shandong Province, the PRC  (中華人民共和國 山東省 煙台市 福山區匯福街以北、松霞路以東 煙台陽光首院2號地塊2期項目)	658,000,000	100	658,000,000
IV-44. The property under construction known as International School II, west of Guihuatong Chengsi Road, Gaocun Village, Wuqing District, Tianjin, the PRC  (中華人民共和國 天津市 武清區高村鄉規劃同城四路西側 國際學校二期)	147,000,000	90	132,300,000
<b>Sub-total:</b>			<b><u>38,485,902,000</u></b>

## SUMMARY OF VALUATIONS

Property	Market value in existing state as at 30 June 2015 (RMB)	Interest attributable to the Company (%)	Market value in existing state attributable to the Company as at 30 June 2015 (RMB)
<b>Group V – Properties held by the Group for future development in the PRC</b>			
V-1. The development site for the proposed development known as Beijing Capital Outlets, Phase 2, Fangshan District, Beijing, the PRC  (中華人民共和國 北京市 房山區 北京奧特萊斯)	No commercial value  (See Note 3)	100	No commercial value  (See Note 3)
V-2. The development site for the proposed development known as Zhejiang Huzhou Taihu Project, south of Meidong Pian Binhu Avenue, Huzhou, Zhejiang Province, the PRC  (中華人民共和國 浙江省 湖州 梅東片濱湖大道南側 浙江湖州太湖項目)	63,000,000	100	63,000,000



<b>Property</b>	<b>Market value in existing state as at 30 June 2015 (RMB)</b>	<b>Interest attributable to the Company (%)</b>	<b>Market value in existing state attributable to the Company as at 30 June 2015 (RMB)</b>
<p>V-3. The development site for the proposed development known as Zhejiang Huzhou Taihu Project, Plot A, south of Meidong Pian Binhu Avenue, Huzhou, Zhejiang Province, the PRC</p> <p>(中華人民共和國 浙江省 湖州市 湖州梅東片濱湖大道南側A地塊 浙江湖州太湖項目)</p>	295,000,000	100	295,000,000
<p>V-4. The development site for the proposed development known as Zhejiang Huzhou Taihu Project, Plot B, south of Meidong Pian Binhu Avenue, Huzhou, Zhejiang Province, the PRC</p> <p>(中華人民共和國 浙江省 湖州市 湖州梅東片濱湖大道南側B地塊 浙江湖州太湖項目)</p>	201,000,000	100	201,000,000

Property	Market value in	Interest	Market value in
	existing state as at 30 June 2015 (RMB)	attributable to the Company (%)	existing state attributable to the Company as at 30 June 2015 (RMB)
V-5. The development site for the proposed development known as Huzhou Outlets Hotel Project, Plot A, north of Binhu Avenue, Meidong Pian, Taihu Resort Huzhou, Zhejiang Province, the PRC  (中華人民共和國 浙江省 湖州市 湖州太湖度假區 梅東片濱湖大道北側A地塊 奧特萊斯酒店項目)	59,000,000	100	59,000,000
V-6. The development site for the proposed development known as Hainan Wanning Project, Liji town, Wanning City, Hainan Province, the PRC  (中華人民共和國 海南省 萬寧市 興隆旅遊區蓮興公路北側、僑香路 東側住宿餐飲、普通商品住房用地 海南萬寧項目)	201,000,000	100	201,000,000

Property	Market value in existing state as at 30 June 2015 (RMB)	Interest attributable to the Company (%)	Market value in existing state attributable to the Company as at 30 June 2015 (RMB)
V-7. The development site for the proposed development known as Kunshan Capital Outlets Project, south of Jingwang Road, Economic and Development District, Kunshan, Jiangsu Province, the PRC  (中華人民共和國 江蘇省 昆山市 開發區景王路南側 昆山奧特萊斯項目)	411,000,000	100	411,000,000
V-8. The development site for the proposed development known as Xi'an Feng-cheng Road Project, Phase 5A, Feng Cheng 12th Road, Xi'an Economic and Technological Development Zone, Xi'an, Shaanxi Province, the PRC  (中華人民共和國 陝西省 西安市 西安經濟技術開發區鳳城十二路 西安鳳城路項目)	563,000,000	92.56	521,112,800

<b>Property</b>	<b>Market value in existing state as at 30 June 2015 (RMB)</b>	<b>Interest attributable to the Company (%)</b>	<b>Market value in existing state attributable to the Company as at 30 June 2015 (RMB)</b>
<p>V-9. The development site for the proposed development known as Yantai Sunny Chief Yard Project, Phase 2 of plot 1, north of Huifu Street, east of Songxia Road, Fushan District, Yantai, Shandong Province, the PRC</p> <p>(中華人民共和國 山東省 煙台市 福山區匯福街以北、松霞路以東 煙台陽光首院1號地塊2期項目)</p>	113,000,000	100	113,000,000
<p>V-10. The development site for the proposed development known as Vintage, No. 17 Shunyi New District, Shunyi District, Beijing, the PRC</p> <p>(中華人民共和國 北京市 順義區 順義新城17號 郎園)</p>	645,000,000	100	645,000,000

<b>Property</b>	<b>Market value in existing state as at 30 June 2015 (RMB)</b>	<b>Interest attributable to the Company (%)</b>	<b>Market value in existing state attributable to the Company as at 30 June 2015 (RMB)</b>
V-11. The development site for the proposed development known as Tianjin Huaming Project, south of Yangbei Road, Dongli District, Tianjin, the PRC  (中華人民共和國 天津市 東麗區楊北公路南側 天津華明項目)	406,000,000	40	162,400,000
V-12. The development site for the proposed development known as Tianjin Shuanggang 121 Project, Phase IV, south of Lishuang Road Jinnan District, Tianjin, the PRC  (中華人民共和國 天津市 津南區梨雙公路南側 天津雙港121項目)	183,000,000	55	100,650,000

<b>Property</b>	<b>Market value in existing state as at 30 June 2015 (RMB)</b>	<b>Interest attributable to the Company (%)</b>	<b>Market value in existing state attributable to the Company as at 30 June 2015 (RMB)</b>
V-13. The development site for the proposed development known as Tianjin Hongni River Project, Xinzhuang Town, Jinnan District, Tianjin, the PRC  (中華人民共和國 天津市 津南區辛莊鎮 天津洪泥河項目)	60,000,000	100	60,000,000
V-14. The development site for the proposed development known as Tianjin Beiyunhe Project, west of Jinpu North Road, Xiao Wang Zhuang, Hebei District, Tianjin, the PRC  (中華人民共和國 天津市 河北區小王莊津浦北路以西 天津北運河項目)	1,296,000,000	100	1,296,000,000

Property	Market value in existing state as at 30 June 2015 (RMB)	Interest attributable to the Company (%)	Market value in existing state attributable to the Company as at 30 June 2015 (RMB)
V-15. The development site for the proposed development known as Tianjin Wuqing Project, Plot 07-02, south of Xueyuan Road, Gaocun Town, Wuqing District, Tianjin, the PRC  (中華人民共和國 天津市 武清區高村鎮學院道南側 天津武清項目)	88,000,000	100	88,000,000
V-16. The development site for the proposed development known as Shenyang Yinhe Bay Project, No. 18 Donglinnan Street, Dongling District, Shenyang, Liaoning Province, the PRC  (中華人民共和國 遼寧省 瀋陽市 東陵區東陵南街18號 瀋陽銀河灣項目)	542,000,000	50	271,000,000

<b>Property</b>	<b>Market value in existing state as at 30 June 2015 (RMB)</b>	<b>Interest attributable to the Company (%)</b>	<b>Market value in existing state attributable to the Company as at 30 June 2015 (RMB)</b>
<p>V-17. The development site for the proposed development known as Shenyang Shenzhong Street Project, No. 28 Shenzhongda Street, Dongling District, Shenyang, Liaoning Province, the PRC</p> <p>(中華人民共和國 遼寧省 瀋陽市 東陵區沈中大街28號 瀋陽沈中大街)</p>	357,000,000	100	357,000,000
<p>V-18. The development site for the proposed development known as Shanghai Jiading Project, west of Shengxinbei Road and north of Huiyuan Road, Jiading Industrial Area, Jiading District, Shanghai, the PRC</p> <p>(中華人民共和國 上海市 嘉定區 嘉定工業區勝辛北路以西 匯源路以北地塊 上海嘉定項目)</p>	1,627,000,000	60	976,200,000



Property	Market value in existing state as at 30 June 2015 (RMB)	Interest attributable to the Company (%)	Market value in existing state attributable to the Company as at 30 June 2015 (RMB)
V-19. The development site for the proposed development known as Shanghai Yingpu Street Community Project, Plot 20-04, Yingpu Street, Qingpu District, Shanghai, the PRC  (中華人民共和國 上海市 青浦區 盈浦街道20-04地塊 上海青浦盈浦街道項目)	594,000,000	100	594,000,000
V-20. The development site for the proposed development known as Shanghai Yingpu Street Community Project, Plot 14-04, Shanghai Yingpu Street Community Project, Yingpu Street, Qingpu District, Shanghai, the PRC  (中華人民共和國 上海市 青浦區 盈浦街道14-04地塊 上海青浦盈浦街道項目)	969,000,000	100	969,000,000

Property	Market value in existing state as at 30 June 2015 (RMB)	Interest attributable to the Company (%)	Market value in existing state attributable to the Company as at 30 June 2015 (RMB)
<p>V-21. The development site for the proposed development known as Kunshan Jinxi Project, Lot Nos. 4 and 6, west of Jiangpu Road and north of Tongzhou Highway, Jinxi Town, Kunshan, Jiangsu Province, the PRC</p> <p>(中華人民共和國 江蘇省 昆山市 錦溪鎮江浦路西側，同周公路北側 昆山錦溪項目4號、6號地塊 昆山錦溪項目)</p>	487,000,000	51	248,370,000
<p>V-22. The development site for the proposed development known as Beijing Hujialou Project, Residential Block No. 5, No. 139 Chaoyang Road, Chaoyang District, Beijing, the PRC</p> <p>(中華人民共和國 北京市 朝陽區 朝陽路139號院5號樓待建項目 呼家樓項目)</p>	427,000,000	100	427,000,000

Property	Market value in existing state as at 30 June 2015 (RMB)	Interest attributable to the Company (%)	Market value in existing state attributable to the Company as at 30 June 2015 (RMB)
V-23. The development site for the proposed development known as Jingzhu Square 3, on the west side of Gaocun Fenggang Road, Wuqing District, Tianjin, the PRC  (中華人民共和國 天津市 武清區 高村鄉規劃鳳港路西側 靜竹廣場3)	19,000,000	100	19,000,000
V-24. The development site for the proposed development known as Lize Financial Business District Project, Plot No. F-05, Financial District, Lugouqiao Village, Fengtai District, Beijing, the PRC  (中華人民共和國 北京市 豐台區 盧溝橋鄉麗澤金融商務區F-05地塊 麗澤金融商務區)	1,244,000,000	100	1,244,000,000

Property	Market value in existing state as at 30 June 2015 (RMB)	Interest attributable to the Company (%)	Market value in existing state attributable to the Company as at 30 June 2015 (RMB)
V-25. The development site of the proposed development known as Kunshan Capital Outlets, Phase II, east of Dongcheng Avenue, south of Jingwang Road, Economic and Development District, Kunshan, Jiangsu Province, the PRC  (中華人民共和國 江蘇省 昆山市 開發區東城大道東側、景王路南側 昆山奧特萊斯)	No commercial value (See Note 4)	100	No commercial value (See Note 4)
V-26. The development site for the proposed development known as Shunyi Zhaoquanying F2-01 Project, Plot F02-01, F3, Banqiao Village, Zhaoquanying Town, Shunyi District, Beijing, the PRC  (中華人民共和國 北京市 順義區 趙全營F2-01項目)	230,000,000	100	230,000,000

Property	Market value in	Interest	Market value in
	existing state as at 30 June 2015 (RMB)	attributable to the Company (%)	existing state attributable to the Company as at 30 June 2015 (RMB)
V-27. The development site for the proposed development known as Haidian Yongfeng Industrial Base F1 Project, HD-0402-0030, Yong Feng Industrial Base of Zhong Guan Cun in North Haidian District, Beijing, the PRC  (中華人民共和國 北京市 海澱北部地區 整體開發中關村永豐產業基地 HD-0402-0030地塊， 海澱永豐產業基地F1項目)	5,677,000,000	100	5,677,000,000
V-28. The development site for the proposed development known as Haidian Yongfeng Industrial Base B2 Project, HD-0402-0078, B2 Commercial Land, Yong Feng Industrial Base of Zhong Guan Cun in North Haidian District, Beijing, the PRC  (中華人民共和國 北京市 海澱北部地區 整體開發中關村永豐產業 基地HD-0402-0078地塊 海澱永豐產業基地B2項目)	2,073,000,000	50	1,036,500,000

Property	Market value in existing state as at 30 June 2015 (RMB)	Interest attributable to the Company (%)	Market value in existing state attributable to the Company as at 30 June 2015 (RMB)
V-29. The development site for the proposed development known as Tianjin Zhongshan Road Project, Southeast of the Junction of Zhongshan Road and Kunwei Road, Hebei District, Tianjin, the PRC  (中華人民共和國 天津市 河北區中山路與昆緯路交口東南側 天津中山路項目)	1,127,000,000	100	1,127,000,000
		<b>Sub-total:</b>	<b><u>17,392,232,800</u></b>

## SUMMARY OF VALUATIONS

Property	Market value in existing state as at 30 June 2015 (RMB)	Interest attributable to the Company (%)	Market value in existing state attributable to the Company as at 30 June 2015 (RMB)
<b>Group VI – Completed property held by the Group for self occupation in the PRC</b>			
VI-1. Jingzhu Square 1, on the west side of Gaocun Fenggang Road, Wuqing District, Tianjin, the PRC  (中華人民共和國 天津市 武清區 高村鄉規劃鳳港路西側 靜竹廣場1)	49,000,000	100	49,000,000
		<b>Sub-total:</b>	<u><b>49,000,000</b></u>
		<b>Total:</b>	<u><u><b>66,999,468,400</b></u></u>

## Notes:

- (1) According to its Grant Contract of Land Use Rights and its supplementary agreement, Property No. II-1 in Group II is subject to sale and transfer restrictions. Therefore, we have ascribed no commercial value to the property.

For the Group's management reference, however, we are requested to separately assess the market value on the assumptions that proper and unfettered title documents had been obtained without encumbrances and all relevant land premium for obtaining the release of such sale and transfer restrictions had been fully settled. The market value of the property on the said hypothetical basis in its existing state as at 30 June 2015 was RMB1,511,000,000 (100% interest attributable to the Company: RMB1,511,000,000).

- (2) According to its Certificate for the Use of State-owned Land, Property No. II-7 in Group II is subject to sale and transfer restrictions. Therefore, we have ascribed no commercial value to the property.

For the Group's management reference, however, we are requested to separately assess the market value on the assumptions that proper and unfettered title documents had been obtained without encumbrances and all relevant land premium for obtaining the release of such sale and transfer restrictions had been fully settled. The market value of the property on the said hypothetical basis in its existing state as at 30 June 2015 was RMB549,000,000 (100% interest attributable to the Company: RMB549,000,000).

- (3) According to its Grant Contract of Land Use Rights and its supplementary agreement, Property No. V-1 in Group V is subject to sale and transfer restrictions. Therefore, we have ascribed no commercial value to the property.

For the Group's management reference, however, we are requested to separately assess the market value on the assumptions that proper and unfettered title documents had been obtained without encumbrances and all relevant land premium for obtaining the release of such sale and transfer restrictions had been fully settled. The market value of the property on the said hypothetical basis in its existing state as at 30 June 2015 was RMB296,000,000 (100% interest attributable to the Company: RMB296,000,000).

- (4) According to its Certificate for the Use of State-owned Land, Property No. V-25 in Group V is subject to sale and transfer restrictions. Therefore, we have ascribed no commercial value to the property.

For the Group's management reference, however, we are requested to separately assess the market value on the assumptions that proper and unfettered title documents had been obtained without encumbrances and all relevant land premium for obtaining the release of such sale and transfer restrictions had been fully settled. The market value of the property on the said hypothetical basis in its existing state as at 30 June 2015 was RMB168,000,000 (100% interest attributable to the Company: RMB168,000,000).



As described in Notes 1 to 4 above, for the Group's management reference we have separately assessed the market value on the assumptions that proper and unfettered title documents had been obtained without encumbrances and all relevant land premium for obtaining the release of such sale and transfer restrictions had been fully settled. The market values of such properties on the said hypothetical basis in their respective existing state as at 30 June 2015 are set out below:

Property	Market value in existing state as at 30 June 2015 assuming sale of the property without sale and transfer restrictions and other encumbrances (RMB)	Interest attributable to the Company (%)	Market value in existing state attributable to the Company as at 30 June 2015 assuming sale of the property without sale and transfer restrictions and other encumbrances (RMB)
II-1. Beijing Capital Outlets, Phase 1, Fangshan District, Beijing, the PRC  (中華人民共和國 北京市 房山區奧特萊斯一期項目 北京房山奧特萊斯)	1,511,000,000  (See hypothetical basis as per Note 1 above)	100	1,511,000,000  (See hypothetical basis as per Note 1 above)
II-7. The portions of Kunshan Capital Outlets held for investment, Phase I, east of Dongcheng Avenue, north of Kunjia Road, Economic and Development District, Kunshan, Jiangsu Province, the PRC  (中華人民共和國 江蘇省 昆山市 開發區東城大道東側、 昆嘉路北側 首創奧特萊斯一期 昆山奧特萊斯一期南地塊商業)	549,000,000  (See hypothetical basis as per Note 2 above)	100	549,000,000  (See hypothetical basis as per Note 2 above)

		Market value in existing state as at 30 June 2015 assuming sale of the property without sale and transfer restrictions and other encumbrances (RMB)	Interest attributable to the Company (%)	Market value in existing state attributable to the Company as at 30 June 2015 assuming sale of the property without sale and transfer restrictions and other encumbrances (RMB)
Property				
V-1.	The development site for the proposed development known as Beijing Capital Outlets, Phase 2, Fangshan District, Beijing, the PRC  (中華人民共和國 北京市 房山區 北京奧特萊斯)	296,000,000  (See hypothetical basis as per Note 3 above)	100	296,000,000  (See hypothetical basis as per Note 3 above)
V-25.	The development site for the proposed development known as Kunshan Capital Outlets, Phase II, east of Dongcheng Avenue, south of Jingwang Road, Economic and Development District, Kunshan, Jiangsu Province, the PRC  (中華人民共和國 江蘇省 昆山市 開發區東城大道東側、景王路南側 首創奧特萊斯二期 昆山奧特萊斯二期中地塊商業)	168,000,000  (See hypothetical basis as per Note 4 above)	100	168,000,000  (See hypothetical basis as per Note 4 above)

## VALUATION CERTIFICATE

## Group I – Completed properties held by the Group for sale in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
I-1. The unsold portions of the completed phase of Beijing Changyang Land No. 4 Project, ancillary facilities Nos. 3, 4 and 5, 77 car parking spaces, retail podium unit No. 6-1-101, and residential units Nos. 1-5-802, 2-2-(-101), 2-2-101, 5-3-(-102), 5-3-102, 13-2-102, Beijing Changyang Land No. 4 Project, Fangshang District, Beijing, the PRC	The property comprises the unsold residential, car park and commercial portions of phases 1, 2 and 3 of Novotown erected on a parcel of land with a total site area of 85,346.61 sq m.	The property is vacant and held for sale.	RMB86,000,000  (100% interest attributable to the Company: RMB86,000,000)
(中華人民共和國 北京市 房山區 北京長陽4號地項目3、4、5號配套商業，77個地下停車位，6-1-101底商和1-5-802, 2-2-(-101), 2-2-101, 5-3-(-102), 5-3-102, 6-1-101, 13-2-102住宅樓部分北京長陽4號地項目)	The property was completed in 2015 and is situated in Fangshan District. It is located to the north of Jingliang Road and to the east of Jingzhou Road. Developments in the vicinity comprise mainly residential buildings such as Jiazhou Shuijun, Vanke Changyang Tiandi, etc. The property is served by public bus routes and subway.		
	The property comprises the unsold portions of phases 1 and 2 of Novotown with a total gross floor area of 6,145.15 sq m.		
	The property comprises 78 car parking spaces.		
	The land use rights of the property have been granted for terms due to expire on 22 February 2052 for commercial use and due to expire on 22 February 2082 for residential use.		

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

<b>Portion</b>	<b>Gross Floor Area</b> (sq m)
Residential	2,541.99
Car park	2,431.73
Retail	1,080.18
Basement	<u>91.25</u>
<b>Total</b>	<b><u><u>6,145.15</u></u></b>

- (2) According to Certificate for the Use of State-owned Land No. (2012) 00156 dated 2 November 2012, the land use rights of the property comprising a total site area of 85,346.61 sq m are vested in Beijing Xingtai Jicheng Real Estate Co., Ltd. (北京興泰吉成置業有限公司) for a term due to expire on 22 February 2052 for commercial use, and due to expire on 22 February 2082 for residential use.

- (3) According to the Completion and Acceptance Certificates for Construction Works, the property has been completed and listed as follows:

<b>Certificate No.</b>	<b>Issue Date</b>	<b>Location/Phase</b>	<b>Gross Floor Area</b> (sq m)
2014-0080	5 September 2014	Ancillary facilities Nos. 4 and 5 on Plot 01-01-04 of phase 3 of the residential and commercial project on plots 01-04-04, etc., West Changyang Station of Fangshan Line, Fangshan District	668.12
2014-0082	5 September 2014	Ancillary facilities Nos. 1, 2 and 3, boiler room, power supply room No. 2 of phase 1 of the residential and commercial project on plots 01-04-04, etc., West Changyang Station of Fangshan Line, Fangshan District	3,673.43
2014-0083	5 September 2014	Residential Block Nos. 1, 2, 3, 4, and 6 of phase 1 of the residential and commercial project on plots 01-04-04, etc., West Changyang Station of Fangshan Line, Fangshan District	31,969.72
2014-0084	5 September 2014	Residential Block Nos. 9, 10, 11, 13, 14, and 15 of phase 2 of the residential and commercial project on plots 01-04-04, etc., West Changyang Station of Fangshan Line, Fangshan District	47,115.21
2014-0085	5 September 2014	Residential Block Nos. 5, 7, 8, and 12 of phase 2 of the residential and commercial project on plots 01-04-04, etc., West Changyang Station of Fangshan Line, Fangshan District	32,709.72

Certificate No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
2015-0020	15 May 2015	Residential Block Nos. 16, 17 and 18 of phase 2 of the residential and commercial project on plots 01-04-04, etc., West Changyang Station of Fangshan Line, Fangshan District	23,735.44
2015-0021	15 May 2015	Residential Block Nos. 21, 22 and 23 of phase 2 of the residential and commercial project on plots 01-04-04, etc., West Changyang Station of Fangshan Line, Fangshan District	25,193.03
2015-0023	15 May 2015	Residential Block Nos. 19 and 20 of phase 2 of the residential and commercial project on plots 01-04-04, etc., West Changyang Station of Fangshan Line, Fangshan District	13,784.95
<b>Total</b>			<b><u>178,849.62</u></b>

- (4) According to the Commodity Housing Pre-sale Permits, the construction works of the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
2012-272	1 December 2012	Residential Block Nos. 1-4, 6 and 9-15	77,972.28
2013-77	25 May 2013	Residential Block Nos. 5, 7, 8 and 12	32,368.07
2014-40	23 March 2014	Residential Block Nos. 16, 17 and 18	23,386.00
2014-41	23 March 2014	Residential Block Nos. 19 and 20	13,539.96
2014-39	23 March 2014	Residential Block Nos. 21, 22 and 23	<u>24,867.97</u>
<b>Total</b>			<b><u>172,134.28</u></b>

- (5) According to the information provided by the Company, various units with a total gross floor area of 2,372.94 sq m of the property have been contracted to be sold for a consideration of approximately RMB44,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to Business Licence No. 110111014687141 dated 29 February 2012, Beijing Xingtai Jicheng Real Estate Co., Ltd. (北京興泰吉成置業有限公司) was established as a limited liability company with a registered capital of RMB45,000,000 for a valid operation period from 29 February 2012 until 27 February 2022.
- (7) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;

- (ii) Beijing Xingtai Jicheng Real Estate Co., Ltd. (北京興泰吉成置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
- (iii) Beijing Xingtai Jicheng Real Estate Co., Ltd. (北京興泰吉成置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
- (iv) Beijing Xingtai Jicheng Real Estate Co., Ltd. (北京興泰吉成置業有限公司) has obtained the Completion and Acceptance Certificate for Construction Works and no material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
- (v) All land premium stated in the Grant Contracts of State-owned Land Use Rights has been paid and settled.
- (8) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |  |     |
|--|-----|
| Certificate for the Use of State-owned Land                  | Yes |
| Building Ownership Certificate                               | No  |
| Completion and Acceptance Certificate for Construction Works | Yes |
| Commodity Housing Pre-sale Permit                            | Yes |
| Business Licence   | Yes |
- (9) Hu Teng, Assistant Analyst of DTZ Beijing Office, inspected the property on 19 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
I-2. The unsold portions of the completed phase of Hainan Wanning Project, west of Lianhua Highway, Liji Town, Wanning, Hainan Province, the PRC  (中華人民共和國 海南省 萬寧市 東線高速公路蓮花出入口 西側、蓮興公路北側完工 之住宅、別墅物業 海南萬寧項目)	The property comprises the residential and villa portions of Phase 2 erected on six parcels of land with a total site area of 157,546 sq m.  The property was completed in 2014 and is situated in Wanning District. It is located to the west of highway's Lianhua Entrance and surrounded by Lianxing Road. Developments in the vicinity comprise mainly residential and commercial buildings such as Shimei Resort, Yulinhai, Shouchuang Outlets, etc. The property is served by public bus routes and subway.  The property comprises the unsold portions of Phase 2 with a total gross floor area of 12,569.19 sq m.  The land use rights of the property have been granted for terms due to expire on 15 March 2061 for public area use and due to expire on 15 March 2081 for residential use.	The property is vacant and held for sale.	RMB95,000,000  (55% interest attributable to the Company: RMB52,250,000)

*Notes:*

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	6,631.65
Villa	1,284.66
Others	4652.44
<b>Total</b>	<b>12,569.19</b>

- (2) According to the Certificates for the Use of State-owned Land, the land use rights of the property are vested in Hainan Outlets Real Estate Development Co., Ltd. (海南奥特莱斯房地產開發有限公司) with key details as follows:

Certificate No.	Land Plot No.	Issue Date	Land Use	Land Use Term	Site Area (sq m)
				Expiry Date	
(2011) 106012	2009-52-2	10 October 2011	Residential	15 March 2081	51,066.00
(2011) 106013	2009-52-2	10 October 2011	Public area	15 March 2061	21,000.00
(2011) 106011	2009-52-2	10 October 2011	Public area	15 March 2061	6,866.00
(2011) 106008	2009-52-3	10 October 2011	Public area	15 March 2061	11,340.00
(2011) 106009	2009-52-3	10 October 2011	Public area	15 March 2061	5,320.00
(2011) 106010	2009-52-3	10 October 2011	Residential	15 March 2081	<u>61,954.00</u>
<b>Total</b>					<b><u>157,546.00</u></b>

- (3) According to the Completion and Acceptance Certificates for Construction Works, portions of the property have been completed.

Certificate No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
(2013) 18	28 June 2013	Phase A	65,566.48
(2014) 59	10 December 2014	Phase B	<u>25,225.58</u>
<b>Total</b>			<b><u>90,792.06</u></b>

- (4) According to the Commodity Housing Pre-sale Permits, the construction works of the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Block No.	Gross Floor Area (sq m)
(2014) 09	27 February 2014	1-8	22,988.64
(2013) 40	23 July 2013	26-31	<u>24,489.42</u>
<b>Total</b>			<b><u>47,478.06</u></b>

- (5) According to the information provided by the Company, various units with a total gross floor area of 807.47 sq m of the property have been contracted to be sold for a consideration of approximately RMB7,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.

- (6) According to Business Licence No. 0829255 dated 11 March 2011, Hainan Outlets Real Estate Development Co., Ltd. (海南奥特莱斯房地產開發有限公司) was established as a limited liability company with a registered capital of USD14,000,000 for a valid operation period from 11 March 2011 until 11 March 2051.



- (7) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificates for the Use of State-owned Land of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Hainan Outlets Real Estate Development Co., Ltd. (海南奥特莱斯房地產開發有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Hainan Outlets Real Estate Development Co., Ltd. (海南奥特莱斯房地產開發有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) Hainan Outlets Real Estate Development Co., Ltd. (海南奥特莱斯房地產開發有限公司) has obtained the Completion and Acceptance Certificate for Construction Works and no material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
  - (v) All land premium stated in the Grant Contracts of State-owned Land Use Rights has been paid and settled.
- (8) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |  |     |
|--|-----|
| Certificate for the Use of State-owned Land                  | Yes |
| Building Ownership Certificate                               | No  |
| Completion and Acceptance Certificate for Construction Works | Yes |
| Commodity Housing Pre-sale Permit                            | Yes |
| Business Licence   | Yes |
- (9) Jin Xiaodan, Senior Valuer of DTZ Shenzhen Office, inspected the property on 19 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
<p>I-3. The unsold portions of Yantai Sunny Chief Yard Project, Phase 1 of plot 3, north of Huifu Street, east of Songxia Road, Fushan District, Yantai, Shandong Province, the PRC</p> <p>(中華人民共和國 山東省 煙台市 福山區匯福街以北松霞路以東陽光首院3號地1期 煙台陽光首院項目)</p>	<p>The property comprises the residential, commercial, ancillary facilities, storage and car park portions of Phase 1 erected on a parcel of land with a total site area of 53,685.11 sq m.</p> <p>The property was completed in 2014 and is situated in Fushan District. It is located to the north of Huifu Street and east of Songxia Road. Developments in the vicinity comprise mainly residential buildings such as Tianfu Garden, Fuhao Garden, Fuxiang Xinyuan, Yinhe Mingdu, Huijing Wenyuan etc. The property is served by public bus routes.</p> <p>The property comprises the unsold portions of Phase 1 with a total gross floor area of 10,612.38 sq m.</p> <p>The property comprises 132 car parking spaces.</p> <p>The land use rights of the property have been granted for terms due to expire on 27 September 2077 for residential use and due to expire on 27 September 2047 for commercial use.</p>	<p>The property is vacant and held for sale.</p>	<p>RMB21,000,000</p> <p>(100% interest attributable to the Company: RMB21,000,000)</p>

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	625.07
Retail	671.36
Public facilities	2,535.74
Car park	5,966.40
Storage room	<u>813.81</u>
<b>Total</b>	<b><u><u>10,612.38</u></u></b>

- (2) According to Certificate for the Use of State-owned Land No. (2011) 30015 dated 11 May 2011, the land use rights of the property comprising a total site area of 53,685.11 sq m are vested in Yantai Yangguang Lidu Real Estate Development Co., Ltd. (煙台陽光驪都房地產開發有限公司) for terms due to expire on 27 September 2077 for residential use and due to expire on 27 September 2047 for commercial use.

- (3) According to the Completion and Acceptance Certificates for Construction Works, the property has been completed.

Certificate No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
370611201400129	12 June 2014	D08-D11, X01 and X02	38,605.00
370611201400130	12 June 2014	G01-03 and 4	<u>42,103.00</u>
<b>Total</b>			<b><u><u>80,708.00</u></u></b>

- (4) According to the Commodity Housing Pre-sale Permits, the construction works of the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
(2012) 061	4 July 2012	57 and 58	26,540.81
(2012) 076	10 August 2012	59	11,148.46
(2012) 106	14 September 2012	39,40, 44 and 45	<u>18,029.60</u>
<b>Total</b>			<b><u><u>55,718.87</u></u></b>

- (5) According to the information provided by the Company, various units with a total gross floor area of 780.59 sq m of the property have been contracted to be sold for a consideration of approximately RMB4,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.

- (6) According to Business Licence No. 370611000000454 dated 24 December 2010, Yantai Yangguang Lidu Real Estate Development Co., Ltd. (煙台陽光驪都房地產開發有限公司) was established as a limited liability company with a registered capital of RMB50,000,000 for a valid operation period from 24 December 2010 until 4 December 2030.
- (7) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Yantai Yangguang Lidu Real Estate Development Co., Ltd. (煙台陽光驪都房地產開發有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Yantai Yangguang Lidu Real Estate Development Co., Ltd. (煙台陽光驪都房地產開發有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) Yantai Yangguang Lidu Real Estate Development Co., Ltd. (煙台陽光驪都房地產開發有限公司) has obtained the Completion and Acceptance Certificate for Construction Works and no material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
  - (v) All land premium stated in the Grant Contracts of State-owned Land Use Rights has been paid and settled.
- (8) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |  |     |
|--|-----|
| Certificate for the Use of State-owned Land                  | Yes |
| Building Ownership Certificate                               | No  |
| Completion and Acceptance Certificate for Construction Works | Yes |
| Commodity Housing Pre-sale Permit                            | Yes |
| Business Licence   | Yes |
- (9) Han Qidong, Manager of DTZ Qingdao Office, inspected the property on 18 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
<p>I-4. The unsold portions of Xi'an Feng-cheng Road Project, Phases 3, 4, 5 and 6, Feng Cheng 12th Road, Economic and Technological Development Zone, Xi'an, Shaanxi Province, the PRC</p> <p>(中華人民共和國 陝西省 西安市 經濟技術開發區鳳城十二路西安鳳城路項目 3、4、5及6期未售部分 西安鳳城路項目)</p>	<p>The property comprises the composite residential, commercial, office, commercial apartment and car parking portions of Phases 3, 4, 5 and 6 of Xi'an First City erected on 3 parcels of land with a total site area of 278,178.65 sq m.</p> <p>The property was completed in 2014 and is situated in Economic and Technological Development Zone. It is located to the south of 3rd Ring Road and surrounded by Wenjing Road, Fengcheng North Road and Feng Cheng 12th Road. Developments in the vicinity comprise mainly residential and commercial buildings such as Huitong Taigucheng, Fuerdun International Fortune Center, etc. The property is served by public bus routes and subway.</p> <p>The property comprises the unsold portions of Phases 3, 4, 5 and 6 of Xi'an First City with a total gross floor area of 163,818.60 sq m, including 3,210 car parking spaces and a kindergarten.</p> <p>The land use rights of the property have been granted for terms due to expire on 13 November 2077 for residential use and due to expire on 13 November 2057 for composite use.</p>	<p>The property is vacant and held for sale.</p>	<p>RMB981,000,000</p> <p>(92.56% interest attributable to the Company: RMB908,013,600)</p>

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

<b>Portion</b>	<b>Gross Floor Area</b> (sq m)
Residential	20,838.37
Apartment	20,721.39
Retail	13,293.10
Office	10,170.85
Car park	94,650.46
Kindergarten	<u>4,144.43</u>
<b>Total</b>	<b><u><u>163,818.60</u></u></b>

- (2) According to Building Ownership Certificate No. 1100118024-1-23-10000 dated 19 March 2014, the building ownership of the property (kindergarten) with a total gross floor area of 4,144.43 sq m is vested in Xi'an Capital Xinkai Real Estate Co., Ltd. (西安首創新開置業有限公司).

According to the information provided by Xi'an Capital Xinkai Real Estate Co., Ltd. (西安首創新開置業有限公司), the kindergarten was developed as an ancillary and supporting facility in Xi'an First City and cannot be sold or transferred separately. We have thus assigned no commercial value to the kindergarten.

- (3) According to the Certificates for the Use of State-owned Land, the land use rights of the property are vested in Xi'an Capital Xinkai Real Estate Co., Ltd. (西安首創新開置業有限公司) with key details as follows:

<b>Certificate No.</b>	<b>Issue Date</b>	<b>Land Use</b>	<b>Land Use Term</b>	<b>Site Area</b> (sq m)
			<b>Expiry Date</b>	
(2012) 034	24 August 2012	Composite	13 November 2057	28,973.52
(2012) 035	24 August 2012	Residential	13 November 2077	114,172.93
(2012) 038	24 August 2012	Residential	13 November 2077	<u>135,032.20</u>
<b>Total</b>				<b><u><u>278,178.65</u></u></b>

- (4) According to the Completion and Acceptance Certificates for Construction Works, Phases 3 to 6 of the property with a gross floor area of 773,635.70 sq m have been completed.

Certificate No.	Issue Date	Block No.	Phase	Gross Floor Area (sq m)
2011099	13 November 2011	17 (residential)	3	14,110.70
2011100	13 November 2011	18 (residential)	3	28,156.92
2011101	13 November 2011	19 (residential)	3	25,633.08
2011077	13 November 2011	20 (residential)	3	12,924.18
2011102	13 November 2011	21 (residential)	3	25,738.43
2011078	13 November 2011	22 (residential)	3	33,210.09
2011103	13 November 2011	23 (residential)	3	4,500.00
2011104	13 November 2011	24 (retail)	3	1,600.00
2011105	13 November 2011	Car park	3	14,057.05
2013061	30 May 2013	10 (retail)	4	1,512.00
2013062	30 May 2013	11 (residential)	4	19,933.00
2013063	30 May 2013	12 (residential)	4	25,913.00
2013064	30 May 2013	13 (residential)	4	26,046.00
2013065	30 May 2013	14 (residential)	4	28,395.00
2013066	30 May 2013	15 (residential)	4	14,223.00
2013067	30 May 2013	16 (residential)	4	26,046.00
2013068	30 May 2013	Car park B	4	33,453.00
2014073	30 August 2014	26 (office and retail)	5	34,934.00
2014074	30 August 2014	Car park CII	5	13,567.00
2013089	4 December 2013	27 (office and retail)	5	29,782.00
2013090	4 December 2013	28 (office and retail)	5	29,922.00
2013091	4 December 2013	29 (office and retail)	5	36,134.00
2013092	4 December 2013	30 (retail)	5	4,890.00
2014045	19 June 2014	31 (residential)	6	12,105.00
2014046	19 June 2014	32 (residential)	6	11,415.00
2014047	19 June 2014	33 (residential and retail)	6	35,914.00
2014048	19 June 2014	34 (residential)	6	12,309.00
2014049	19 June 2014	35 (residential)	6	12,408.00
2014050	19 June 2014	36 (residential and retail)	6	34,961.00
2014051	19 June 2014	37 (residential)	6	12,308.89
2014052	19 June 2014	38 (residential)	6	8,472.48
2014053	19 June 2014	39 (residential)	6	12,407.24
2014054	19 June 2014	40 (residential and retail)	6	37,224.00
2014055	19 June 2014	45 (residential and retail)	6	36,374.00
2014056	19 June 2014	Car park D	6	<u>63,056.64</u>
<b>Total</b>				<b><u>773,635.70</u></b>

- (5) According to the Commodity Housing Pre-sale Permits, the construction works of Phases 3 to 6 of the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Block No.	Phase	Gross Floor Area (sq m)
2010111	29 June 2010	17, 18, 19, 20 and 21	3	140,936.00
2011104	17 June 2011	24	3	98,133.00
2012244	26 November 2012	25	3	17,937.00
2011053	25 March 2011	10, 13, 14, 15, 16 and 24	4	45,866.00
2013342	29 November 2013	26	5	33,453.00
2012026	15 March 2012	27, 28 and 29	5	93,255.00
2012240	15 November 2012	30	5	4,890.00
2013105	13 May 2013	26	5	34,915.00
2012254	14 December 2012	31, 33, 34, 35, 36, 40 and 45	6	192,499.00
2013133	5 June 2013	37, 38 and 39	6	33,189.00
<b>Total</b>				<b><u>695,073.00</u></b>

- (6) According to the information provided by the Company, various units with a total gross floor area of 53,674.79 sq m of the property have been contracted to be sold for a consideration of approximately RMB398,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (7) According to Business Licence No. 610100400001934 dated 18 February 2014, Xi'an Capital Xinkai Real Estate Co., Ltd. (西安首創新開置業有限公司) was established as a limited liability company with a registered capital of USD165,000,000 for a valid operation period from 24 December 2007 until 23 December 2027.
- (8) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificates for the Use of State-owned Land and the Building Ownership Certificates of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Xi'an Capital Xinkai Real Estate Co., Ltd. (西安首創新開置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Xi'an Capital Xinkai Real Estate Co., Ltd. (西安首創新開置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) All land premium stated in the Grant Contracts of State-owned Land Use Rights has been paid and settled; and
  - (v) No material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property.



- (9) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Certificates for the Use of State-owned Land	Yes
Building Ownership Certificate	Yes (part)
Completion and Acceptance Certificates for Construction Works	Yes
Commodity Housing Pre-sale Permits	Yes
Business Licence	Yes

- (10) Cui Shuai, Senior Manager of DTZ Xi'an Office, inspected the property on 14 July 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
I-5. The unsold portions of Beijing Yuyuantan Project, residential, commercial and car park units, No. 11 Yuyuantan South Road, Haidian District, Beijing, the PRC  (中華人民共和國北京市海澱區玉淵潭南路11號院未售住宅、商業及車庫玉淵潭項目)	<p>The property comprises unsold portions of residential, commercial and car parking of the Reflections erected on a parcel of land with a total site area of 17,915.10 sq m.</p> <p>The property was completed in 2009 and is situated in Haidian District. It is located to the north of Yuyuantan South Road. Developments in the vicinity comprise mainly residential and office buildings such as Yiyuanju, Haiyu Plaza, etc. The property is served by public bus routes and subway.</p> <p>The property comprises the unsold portions with a total gross floor area of 18,252.95 sq m.</p> <p>The property comprises 294 car parking spaces.</p> <p>The land use rights of the property have been granted for terms due to expire on 28 August 2074 for residential use, due to expire on 28 August 2044 for ancillary facility use and due to expire on 28 August 2054 for basement car park use.</p>	The property is vacant and held for sale.	RMB406,000,000  (100% interest attributable to the Company: RMB406,000,000)

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	4,373.40
Retail	85.29
Car park	13,794.26
<b>Total</b>	<b>18,252.95</b>

- (2) According to two Building Ownership Certificates, the building ownership of portions of the property is vested in Beijing Anhua Shiji Real Estate Development Co., Ltd. (北京安華世紀房地產開發有限公司) with key details as follows:

Certificate No.	Issue Date	Planned Use	Gross Floor Area (sq m)
X103587	31 August 2009	Retail, residential	40,248.48
X103589	31 August 2009	Residential	40,032.68
<b>Total</b>			<b><u>80,281.16</u></b>

- (3) According to Certificate for the Use of State-owned Land No. (2008) 4608 dated 15 January 2009, the land use rights of the Reflections comprising a total site area of 17,915.10 sq m are vested in Beijing Anhua Shiji Real Estate Development Co., Ltd. (北京安華世紀房地產開發有限公司) for terms due to expire on 28 August 2074 for residential use, due to expire on 28 August 2044 for ancillary facility use and due to expire on 28 August 2054 for basement car park use.

- (4) According to Business Licence No. 110000410191996 dated 11 November 2011, Beijing Anhua Shiji Real Estate Development Co., Ltd. (北京安華世紀房地產開發有限公司) was established as a limited liability company with a registered capital of USD30,000,000 for a valid operation period from 25 April 2002 to 29 December 2023.

- (5) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:

- (i) The Certificate for the Use of State-owned Land and the Building Ownership Certificates of the property are valid, legal and enforceable under the PRC laws;
- (ii) Beijing Anhua Shiji Real Estate Development Co., Ltd. (北京安華世紀房地產開發有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
- (iii) Beijing Anhua Shiji Real Estate Development Co., Ltd. (北京安華世紀房地產開發有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance; and
- (iv) All land premium stated in the Grant Contracts of State-owned Land Use Rights has been paid and settled.

- (6) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Certificate for the Use of State-owned Land	Yes
Building Ownership Certificates	Yes
Completion and Acceptance Certificate for Construction Works	No
Business Licence	Yes

- (7) Ge Lina, Senior Manager of DTZ Beijing Office, inspected the property on 19 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
I-6. The unsold portions of Beijing Yuyuantan Project, one residential unit of Block No. 2, No. 11 Yuyuantan South Road, Haidian District, Beijing the PRC  (中華人民共和國北京市海澱區玉淵潭南路11號院2號樓1套住宅玉淵潭項目)	The property comprises the residential portion of the Reflections erected on a parcel of land with a total site area of 17,915.10 sq m.  The property was completed in 2009 and is situated in Haidian District. It is located to the north of Yuyuantan South Road. Developments in the vicinity comprise mainly residential and office buildings such as Yiyuanju, Haiyu Plaza, etc. The property is served by public bus routes and subway.  The property comprises one residential unit with gross floor area of 661.21 sq m.  The land use rights of the property have been granted for terms due to expire on 28 August 2074 for residential use, due to expire on 28 August 2044 for ancillary facility use and due to expire on 28 August 2054 for basement car park use.	The property is vacant and held for sale.	RMB47,000,000  (100% interest attributable to the Company: RMB47,000,000)

*Notes:*

- (1) According to the Building Ownership Certificate, the building ownership of the property is vested in Beijing Kaiyuan He'an Investment Management Co., Ltd. (北京開元和安投資管理有限公司) with key details as follows:

Certificate No.	Issue Date	Planned Use	Gross Floor Area (sq m)
X377075	2 August 2013	Residential	661.21
<b>Total</b>			<b>661.21</b>

- (2) According to Certificate for the Use of State-owned Land No. (2008) 4608 dated 15 January 2009, the land use rights of the property comprising a total site area of 17,915.10 sq m are vested in Anhuashiji Real Estate Development Co., Ltd. (北京安華世紀房地產開發有限公司) for terms due to expire on 28 August 2074 for residential use, due to expire on 28 August 2044 for ancillary facility use and due to expire on 28 August 2054 for basement car park use.

The property comprises portions of the site area as stated in the Certificate for the Use of State-owned Land mentioned above.

- (3) According to Business Licence No. 110113013457688 dated 17 December 2010, Beijing Kaiyuan He'an Investment Management Co., Ltd. (北京開元和安投資管理有限公司) was established as a limited liability company with a registered capital of RMB5,000,000 for a valid operation period from 17 December 2010 to 16 December 2060.

- (4) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:

- (i) Beijing Kaiyuan He'an Investment Management Co., Ltd. (北京開元和安投資管理有限公司) purchased the building ownership of the property from Beijing Anhuashiji Real Estate Development Co., Ltd. (北京安華世紀房地產開發有限公司).
- (ii) The Building Ownership Certificate of the property is valid, legal and enforceable under the PRC laws;
- (iii) Beijing Kaiyuan He'an Investment Management Co., Ltd. (北京開元和安投資管理有限公司) is the sole legal land user of the property; and
- (iv) Beijing Kaiyuan He'an Investment Management Co., Ltd. (北京開元和安投資管理有限公司) has the rights to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property.

- (5) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Certificate for the Use of State-owned Land	Yes
Building Ownership Certificates	Yes
Completion and Acceptance Certificate for Construction Works	No
Business Licence	Yes

- (6) Ge Lina, Senior Manager of DTZ Beijing Office, inspected the property on 19 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
I-7. The unsold portions of Xanadu, 28 residential units and 181 car parking spaces of Block Nos. 1, 2, 3 and 4, No. 139 Chaoyang Road, Chaoyang District, Beijing, the PRC  (中華人民共和國 北京市 朝陽區 朝陽路139號院1-4號樓 28套住宅和181個地下車位項目 禧瑞都)	<p>The property comprises the residential and car park portions of Xanadu erected on a parcel of land with a total site area of 22,671.29 sq m.</p> <p>The property was completed in 2007 and is situated in Chaoyang District. It is located to the north of Chaoyang Road and to the east of East 3rd Ring Road. Developments in the vicinity comprise mainly residential buildings such as Hujialou Nanli, Hujialou Xili, Xiangjun Nanli, etc. The property is served by public bus routes and subway.</p> <p>The property comprises the unsold portions of Xanadu with a total gross floor area of 18,167.15 sq m.</p> <p>The property comprises 181 car parking spaces.</p> <p>The land use rights of the property have been granted for a term due to expire on 19 May 2074 for residential use, due to expire on 19 May 2054 for basement car park use and due to expire on 19 May 2044 for commercial use.</p>	The property is vacant and held for sale.	RMB850,000,000  (100% interest attributable to the Company: RMB850,000,000)

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	9,756.60
Car park	<u>8,410.55</u>
<b>Total</b>	<b><u><u>18,167.15</u></u></b>

- (2) According to the Building Ownership Certificates, the building ownership of portions of the property is vested in S.C. Real Estate Development Co., Ltd. (首創朝陽房地產發展有限公司) with key details as follows:

Certificate No.	Issue Date	Planned Use	Gross Floor Area (sq m)
1101624	11 April 2012	Residential	26,565.64
1104012	18 April 2012	Residential	26,526.37
1101642	11 April 2012	Residential	26,523.42
1101722	11 April 2012	Retail, residential	<u>31,520.73</u>
<b>Total</b>			<b><u><u>111,136.16</u></u></b>

- (3) According to Certificate for the Use of State-owned Land No. (2008) 0138 dated 17 April 2008, the land use rights of the property comprising a total site area of 22,671.29 sq m are vested in S.C. Real Estate Development Co., Ltd. (首創朝陽房地產發展有限公司) for a term due to expire on 19 May 2074 for residential use, due to expire on 19 May 2054 for car park use, and due to expire on 19 May 2044 for commercial use.

- (4) According to Business Licence No. 110000001493452 dated 1 June 2010, S.C. Real Estate Development Co., Ltd. (首創朝陽房地產發展有限公司) was established as a limited liability company with a registered capital of RMB640,000,000 for a valid operation period from 8 August 2000 until 7 August 2050.

- (5) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:

- (i) The Certificate for the Use of State-owned Land and the Building Ownership Certificates of the property are valid, legal and enforceable under the PRC laws;
- (ii) S.C. Real Estate Development Co., Ltd. (首創朝陽房地產發展有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
- (iii) S.C. Real Estate Development Co., Ltd. (首創朝陽房地產發展有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance; and

- (6) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Certificate for the Use of State-owned Land	Yes
Building Ownership Certificate	Yes
Completion and Acceptance Certificate for Construction Works	No
Business Licence	Yes

- (7) Li Xinfeng, Manager of DTZ Beijing Office, inspected the property on 3 April 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
<p>I-8. The unsold portions of Beijing Hujialou Project, 14 residential units of Block No. 4, No. 139 Chaoyang Road, Chaoyang District, Beijing, the PRC</p> <p>(中華人民共和國 北京市 朝陽區 朝陽路139號院4號樓14套 住宅項目 呼家樓項目)</p>	<p>The property comprises certain unsold residential units of Xanadu erected on a parcel of land with a total site area of 22,671.29 sq m.</p> <p>The property was completed in 2007 and is situated in Chaoyang District. It is located to the north of Chaoyang Road and to the east of east 3rd Ring Road. Developments in the vicinity comprise mainly residential buildings such as Hujialou Nanli, Hujialou Xili, Xiangjun Nanli, etc. The property is served by public bus routes and subway.</p> <p>The property comprises a total residential gross floor area of 5,396.81 sq m.</p> <p>The land use rights of the property have been granted for terms due to expire on 19 May 2074 for residential use, due to expire on 19 May 2054 for car park use and due to expire on 19 May 2044 for commercial use.</p>	<p>The property is vacant and held for sale.</p>	<p>RMB412,000,000</p> <p>(100% interest attributable to the Company: RMB412,000,000)</p>



## Notes:

- (1) According to 14 Building Ownership Certificates, the building ownership of portions of the property is vested in 北京金瑞財富投資管理有限公司 (Beijing Jinrui Wealth Investment Management Co., Ltd.) with key details as follows:

Certificate No.	Issue Date	Planned Use	Gross Floor Area (sq m)
1334449	24 March 2014	Residential	397.10
1334440	24 March 2014	Residential	397.10
1345230	24 March 2014	Residential	377.47
1345233	24 March 2014	Residential	377.47
1327364	24 March 2014	Residential	377.47
1345236	24 March 2014	Residential	377.71
1345238	24 March 2014	Residential	377.71
1346619	24 March 2014	Residential	390.20
1345242	24 March 2014	Residential	388.74
1327344	24 March 2014	Residential	388.74
1334450	24 March 2014	Residential	388.50
1327352	24 March 2014	Residential	378.20
1327346	24 March 2014	Residential	390.20
1345240	24 March 2014	Residential	390.20
<b>Total</b>			<b><u>5,396.81</u></b>

- (2) According to Certificate for the Use of State-owned Land No. 2008-0138 dated 17 April 2008, the land use rights of the property comprising a total site area of 22,671.29 sq m are vested in S.C. Real Estate Development Co., Ltd. (首創朝陽房地產發展有限公司) for terms due to expire on 19 May 2074 for residential use, due to expire on 19 May 2054 for car park use and due to expire on 19 May 2044 for commercial use.

The property comprises portions of the site area as stated in the Certificate for the Use of State-owned Land mentioned above.

- (3) According to Business Licence No. 110113016443389 dated 6 November 2013, Beijing Jinrui Wealth Investment Management Co., Ltd. (北京金瑞財富投資管理有限公司) was established as a limited liability company with a registered capital of RMB50,000,000 for a valid operation period from 6 November 2013 to 5 November 2063.
- (4) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) Beijing Jinrui Wealth Investment Management Co., Ltd. (北京金瑞財富投資管理有限公司) purchased the building ownership of the property from S.C. Real Estate Development Co., Ltd. (首創朝陽房地產發展有限公司).
  - (ii) The Building Ownership Certificates of the property are valid, legal and enforceable under the PRC laws;

- (iii) Beijing Jinrui Wealth Investment Management Co., Ltd. (北京金瑞財富投資管理有限公司) is the legal land user of the property;
- (iv) Beijing Jinrui Wealth Investment Management Co., Ltd. (北京金瑞財富投資管理有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance; and
- (5) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |  |     |
|--|-----|
| Certificate for the Use of State-owned Land                  | Yes |
| Building Ownership Certificate                               | Yes |
| Completion and Acceptance Certificate for Construction Works | No  |
| Business Licence   | Yes |
- (6) Li Xinfeng, Manager of DTZ Beijing Office, inspected the property on 3 April 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
I-9. The unsold portions of the completed phase of Beijing Miyun Yun Feng Shan Zhuang Project, south of Dongzhi Village, Xiwengzhuang Town, Miyun County, Beijing, the PRC  (中華人民共和國 北京市 密雲縣 溪翁莊鎮東智村 南雲鳳山莊 北京密雲雲鳳山莊項目)	The property comprises the residential and car park portions erected on two parcels of land with a total site area of 334,854.57 sq m.  Beijing Landscape Villa is situated in Miyun County. It is located to the North of Dongzhi Village and surrounded by Mixi Road and Miguan Road. Developments in the vicinity comprise mainly residential buildings, such as Junshan Villa and Yipinfu Villa.  The property comprises a total gross floor area of 86,332.42 sq m.  The property comprises 361 car parking spaces.  The land use rights of the property have been granted for terms due to expire on 23 January 2076 for residential use, due to expire on 23 January 2046 for commercial and basement commercial uses, and due to expire on 23 January 2056 for basement office and basement car park uses.	The property is vacant and held for sale.	RMB1,082,000,000  (100% interest attributable to the Company: RMB1,082,000,000)

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Apartment	41,502.16
Villa	34,500.26
Basement car park	<u>10,330.00</u>
<b>Total</b>	<b><u><u>86,332.42</u></u></b>

- (2) According to Building Ownership Certificate No. 048041 dated 8 August 2013, the building ownership of the property comprising a total gross floor area of 33,331.31 sq m is vested in Beijing Xinbocheng Real Estate Development Co., Ltd. (北京新博城房地產開發有限公司).

As advised by the Group, only portions of the property have been granted with Building Ownership Certificates.

- (3) According to two Certificates for the Use of State-owned Land issued by Beijing City Land Resources Management Bureau (北京市土地管理局), the land use rights of the property are vested in Beijing Xinbocheng Real Estate Development Co., Ltd. (北京新博城房地產開發有限公司) with key details as follows:

Certificate No.	Land Plot No.	Issue Date	Land Use	Land Use Term	Site Area (sq m)
				Expiry Date	
(2011) 00111	280120700009000000	31 December 2011	Residential, commercial, basement commercial, basement office, basement car park	Residential: 23 January 2076; Commercial, basement commercial: 23 January 2046; Basement office, basement car park:23 January 2056	103,701.68
(2011) 00110	280120700006000000	31 December 2011	Residential, commercial, basement commercial, basement office, basement car park	Residential: 23 January 2076; Commercial, basement commercial: 23 January 2046; Basement office, basement car park: 23 January 2056	231,152.89
<b>Total</b>					<b>334,854.57</b>

- (4) According to eight Completion and Acceptance Certificates for Construction Works, portions of the property have been completed.

Certificate No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
0855 (2014) 0022	12 September 2014	1	27,614.30
1122 (2014) 0031	28 November 2014	3	22,502.25
1109 (2014) 0024	30 October 2014	3	6,955.05
1109 (2014) 0026	21 November 2014	3	13,064.72
1122 (2014) 0027	24 November 2014	3	39,632.43
0581 (2014) 0007	NA	3	6,986.33
0582 (2014) 0008	NA	3	24,460.71
1190 (2012) 0037	13 December 2012	1	<u>33,156.7</u>
<b>Total</b>			<b><u>174,372.49</u></b>

As advised by the Group, the valuation scope with gross floor area of 86,332.42 sq m is comprised within the gross floor area as stated in the Completion and Acceptance Certificates for Construction Works mentioned above.

- (5) According to the information provided by the Company, various units with a total gross floor area of 4,917.26 sq m of the property have been contracted to be sold for a consideration of approximately RMB75,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to four Commodity Housing Pre-sale Permits issued by 北京市住房和城鄉建設委員會 (The Land Residential and Real Estate Management and Housing Security Bureau of Beijing), the construction works of portions of the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
(2011) 163	8 September 2011	1	62,195.71
(2012) 168	10 August 2012	3	52,666.49
(2012) 169	10 August 2012	3	<u>30,441.40</u>
<b>Total</b>			<b><u>145,303.60</u></b>

- (7) According to Business Licence No. 110228003804841 dated 10 May 2002, 北京新博城房地產開發有限公司 (Beijing Xinbocheng Real Estate Development Co., Ltd.) was established as a limited liability company with a registered capital of RMB89,000,000 for a valid operation period from 10 May 2002 to 9 May 2022.
- (8) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Building Ownership Certificate of the property is valid, legal and enforceable under the PRC laws;

- (ii) The Certificates for the Use of State-owned Land of the property are valid, legal and enforceable under the PRC laws;
  - (iii) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled;
  - (iv) 北京新博城房地產開發有限公司 (Beijing Xinbocheng Real Estate Development Co., Ltd.) is the sole legal land user of the property and have obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (v) 北京新博城房地產開發有限公司 (Beijing Xinbocheng Real Estate Development Co., Ltd.) has the rights to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property; and
  - (vi) No material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property.
- (9) In accordance with the information provided by the Group, the status of title and grant of major approvals and licences are set out as follows:

Certificate for the Use of State-owned Land	Yes
Building Ownership Certificate	Yes (part)
Completion and Acceptance Certificate for Construction Works	Yes
Commodity Housing Pre-sale Permit	Yes
Business Licence	Yes

- (10) Alex Liu, Assistant Manager of DTZ Beijing Office, inspected the property on 19 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
I-10. The unsold portions of Tianjin Banshan Project, west of Hebei Road, Tanggu District, Tianjin, the PRC  (中華人民共和國天津市塘沽區河北路以西天津伴山項目未售商鋪天津伴山項目)	<p>The property comprises unsold portions of Phases 1 and 4 erected on a parcel of land with a total site area of 220,320.30 sq m.</p> <p>The property was completed in 2011 and is situated in Tanggu District. It is located to the west of Hebei Road and surrounded by Taida Street, Baoshan Road, Hebeixi Road and Hebei Road. Developments in the vicinity comprise mainly residential buildings such as Oufeng Garden, Laiyin Spring, etc. The property is served by public bus routes.</p> <p>The property comprises 573 car parking spaces.</p> <p>The property comprises the unsold portions of Phases 1 and 4 with a total gross floor area of 2,141.39 sq m.</p> <p>The land use rights of the property have been granted for a term due to expire on 9 May 2074 for residential use.</p>	<p>The property is vacant and held for sale.</p>	<p>RMB37,000,000</p> <p>(100% interest attributable to the Company: RMB37,000,000)</p>

*Notes:*

- (1) According to Real Estate Title Certificate No. 107051200050 dated 15 February 2012, the land use rights comprising a total site area of 220,320.30 sq m are vested in Tianjin Banshan Renjia Real Estate Co., Ltd. (天津伴山人家置業有限公司) for a term due to expire on 9 May 2074 for residential use.

The property comprises portions of the site area as stated in the Real Estate Title Certificate mentioned above.

- (2) According to Transfer Contract of State-owned Land Use Rights dated 1 January 2007, the land use rights of the property comprising a total site area of 233,336.30 sq m have been contracted to be transferred to Tianjin Banshan Renjia Real Estate Co., Ltd. (天津伴山人家置業有限公司). The salient conditions are set out as follows:

Location : North of the continuation of the Beijing-Tianjin-Tangshan Highway, Tanggu District  
 Site Area : 233,336.30 sq m  
 Land Premium : RMB645,154,800

- (3) According to the Completion and Acceptance Certificates for Construction Works, the property has been completed.

Certificate No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
(2013) 101	11 April 2013	Banshanrenjia Phase I Block No. 57	4,067
(2013) 487	27 December 2013	Banshanrenjia Phase I Block No. 58	<u>2,560</u>
<b>Total</b>			<b><u><u>6,627</u></u></b>

The property comprises portions of the site area as stated in the Completion and Acceptance Certificates for Construction Works mentioned above.

- (4) According to the information provided by the Company, various units with a total gross floor area of 845.04 sq m of the property have been contracted to be sold for a consideration of approximately RMB14,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (5) According to Business Licence No. 120107000026462 dated 18 January 2007, Tianjin Banshan Renjia Real Estate Co., Ltd. (天津伴山人家置業有限公司) was established as a limited liability company with a registered capital of USD74,000,000 for a valid operation period from 18 January 2007 until 17 January 2027.
- (6) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Real Estate Title Certificate of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Tianjin Banshan Renjia Real Estate Co., Ltd. (天津伴山人家置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Tianjin Banshan Renjia Real Estate Co., Ltd. (天津伴山人家置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;



- (iv) Tianjin Banshan Renjia Real Estate Co., Ltd. (天津伴山人家置業有限公司) has obtained the Completion and Acceptance Certificate for Construction Works and no material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
- (v) All transfer payments stated in the Transfer Contracts of State-owned Land Use Rights have been paid and settled.
- (7) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |  |                 |
|--|-----------------|
| Real Estate Title Certificate                                | Yes (land only) |
| Completion and Acceptance Certificate for Construction Works | Yes             |
| Business Licence   | Yes             |
- (8) Chen Shuya, Manager of DTZ Tianjin Office, inspected the property on 19 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
I-11. The unsold portions of Phase 1 of Tianjin Eco-city Project, south area of Sino-Singapore Tianjin Eco-city, Binhai New Area, Tianjin, the PRC  (中華人民共和國天津市濱海新區中新天津生態城南片區天津生態城項目)	<p>The property comprises the unsold portions of the completed phase of a composite development to be erected on a parcel of land with a total site area of 117,229.40 sq m.</p> <p>The property is situated in Binhai New Area. It is located to the Zhongsheng Avenue and surrounded by Heyun Road, Heshun Road, Zhongxin Avenue and Zhongsheng Avenue. Developments in the vicinity comprise mainly residential buildings such as Seasons Park, Park Tower, etc. The property is served by public bus routes.</p> <p>The property comprises the unsold portions of Phases 1 with a total gross floor area of 4,319.20 sq m.</p> <p>The land use rights of the property have been granted for a term due to expire on 25 September 2078 for residential use.</p>	The property is vacant and held for sale.	RMB20,000,000  (100% interest attributable to the Company: RMB20,000,000)

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	2,065.99
Others	<u>2,253.21</u>
<b>Total</b>	<b><u><u>4,319.20</u></u></b>

- (2) According to Real Estate Title Certificate No. 107051300076 dated 8 June 2013, the land use rights comprising a total site area of 117,229.40 sq m are vested in Tianjin Shengtai Cheng Jiaming Ronghe Development Co., Ltd. (天津生態城嘉銘融合城市開發有限公司) for terms due to expire on 25 September 2078 for residential use.
- (3) According to Transfer Contract of State-owned Land Use Rights dated 13 May 2013, the land use rights of the property comprising a total site area of 117,229.40 sq m have been contracted to be transfer to Tianjin Shengtai Cheng Jiaming Ronghe Development Co., Ltd. (天津生態城嘉銘融合城市開發有限公司) for terms due to expire on 25 September 2078 for residential use. The salient conditions are set out as follows:

Location	:	Plot 5-1
Land Use	:	Residential
Site Area	:	117,229.40 sq m
Land Use Term	:	70 years (from 26 September 2008 to 25 September 2078)
Plot Ratio	:	–
Permissible Gross Floor Area	:	–
Land Premium	:	RMB219,288,377

- (4) According to Completion and Acceptance Certificate for Construction Works No. 2015-008 dated 12 June 2015, the property with a gross floor area of 38,105.96 sq m has been completed.
- (5) According to the Commodity Housing Pre-sale Permits, the construction works of portions of the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Location/Block	Gross Floor Area (sq m)
2013-0820-001-004	18 September 2013	Block Nos. 32, 33, 35 and 36	15,331.00
2013-0820-001-005	18 October 2013	Block Nos. 1, 2, 3, 4 and 34	15,000.00
2013-1106-001-002	2 December 2013	Block Nos. 5 and 6	<u>6,879.64</u>
<b>Total</b>			<b><u><u>37,210.64</u></u></b>

- (6) According to the Survey Reports, the constituent gross floor areas of the construction works are summarised as follows:

Project	Issue Date	Gross Floor Area (sq m)
Block Nos. 1, 4 and 5	7 August 2013	10,172.28
Block Nos. 2, 33 and 34	7 August 2013	7,094.40
Block Nos. 3 and 6	7 August 2013	6,977.76
Block No. 32	7 August 2013	4,581.12
Block No. 35	7 August 2013	4,581.28
Block No. 36	7 August 2013	<u>3,803.80</u>
<b>Total</b>		<b><u><u>37,210.64</u></u></b>

- (7) According to the information provided by the Company, various units with a total gross floor area of 1,471.05 sq m of the property have been contracted to be sold for a consideration of approximately RMB14,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (8) According to Business Licence No. 120000000010066 dated 12 June 2009, Tianjin Shengtai Cheng Jiaming Ronghe Development Co., Ltd. (天津生態城嘉銘融合城市開發有限公司) was established as a limited liability company with a registered capital of RMB60,000,000 for a valid operation period from 12 June 2009 to 11 June 2059.
- (9) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Real Estate Title Certificate of the property is valid, legal and enforceable under the PRC laws;
  - (ii) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled;
  - (iii) Tianjin Shengtai Cheng Jiaming Ronghe Development Co., Ltd. (天津生態城嘉銘融合城市開發有限公司) is the sole legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property; and
  - (iv) No material legal impediment is observed for the Company to obtain the Real Estate Title Certificate (building portion).
- (10) In accordance with the information provided by the Group, the status of title and grant of major approvals and licences are set out as follows:
- |  |                 |
|--|-----------------|
| Real Estate Title Certificate                                | Yes (land only) |
| Transfer Contract of State-owned Land Use Rights             | Yes             |
| Completion and Acceptance Certificate for Construction Works | Yes             |
| Commodity Housing Pre-sale Permits                           | Yes             |
| Survey Report  | Yes             |
| Business Licence   | Yes             |
- (11) Chen Shuya, Manager of DTZ Tianjin Office, inspected the property on 19 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
I-12. The unsold portions of Tianjin Shuanggang 122 Project, Jinnan District, Tianjin, the PRC  (中華人民共和國 天津市 津南區雙港鎮 天津雙港122項目)	<p>The property comprises residential and car park portions of Phases 1, 3 and 4 erected on two parcels of land with a total site area of 138,836.3 sq m.</p> <p>The property was completed in 2014 and is situated in Jinnan District. It is located to the south of Lishuang Road and surrounded by Lishuang Road and Weishan Road. Developments in the vicinity comprise mainly residential buildings such as Lingshijun, Fulitaoyuan, etc. The property is served by public bus routes.</p> <p>The property comprises the unsold portions of Phases 1, 3 and 4 with a total gross floor area of 19,556.54 sq m.</p> <p>The property comprises 60 car parking spaces.</p> <p>The land use rights of the property have been granted for a term due to expire on 19 September 2080 for residential use.</p>	The property is vacant and held for sale.	RMB283,000,000  (55% interest attributable to the Company: RMB155,650,000)

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	17,456.54
Car park	2,100.00
<b>Total</b>	<b>19,556.54</b>

- (2) According to the Real Estate Title Certificates, the land use rights of the property are vested in Tianjin Capital Xingang Real Estate Development Co., Ltd. (天津首創新港置業有限公司) with key details as follows:

Certificate No.	Issue Date	Land Use	Land Use Term	Site Area (sq m)
			Expiry Date	
112051100547	9 June 2011	Residential	19 September 2080	74,337.5
112051100545	9 June 2011	Residential	19 September 2080	64,498.8
<b>Total</b>				<b><u>138,836.3</u></b>

The property comprises portions of the site area as stated in the Certificates for the Use of State-owned Land mentioned above.

- (3) According to the Completion and Acceptance Certificates for Construction Works, phase 4 of the property with a gross floor area of 54,063.04 sq m has been completed.

Certificate No.	Issue Date	Location/Phase	Gross Floor Area
			(sq m)
2014-372	19 December 2014	Phase 4	917.59
2014-373	19 December 2014	Phase 4	993.57
2014-374	19 December 2014	Phase 4	1,566.17
2014-375	19 December 2014	Phase 4	1,170.34
2014-376	19 December 2014	Phase 4	642.80
2014-377	19 December 2014	Phase 4	717.14
2014-378	19 December 2014	Phase 4	1,189.47
2014-379	19 December 2014	Phase 4	1,566.17
2014-380	19 December 2014	Phase 4	1,189.47
2014-381	19 December 2014	Phase 4	1,003.47
2014-382	19 December 2014	Phase 4	1,189.47
2014-383	19 December 2014	Phase 4	1,071.15
2014-384	19 December 2014	Phase 4	642.80
2014-385	19 December 2014	Phase 4	993.57
2014-386	19 December 2014	Phase 4	1,566.17
2014-387	19 December 2014	Phase 4	1,566.17
2014-388	19 December 2014	Phase 4	1,566.17
2014-389	19 December 2014	Phase 4	1,012.45
2014-390	19 December 2014	Phase 4	1,012.45
2014-391	19 December 2014	Phase 4	805.13
2014-392	19 December 2014	Phase 4	1,189.47
2014-393	19 December 2014	Phase 4	539.68
2014-394	19 December 2014	Phase 4	642.80

Certificate No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
2014-395	19 December 2014	Phase 4	894.12
2014-396	19 December 2014	Phase 4	717.14
2014-397	19 December 2014	Phase 4	1,189.47
2014-398	19 December 2014	Phase 4	805.13
2014-399	19 December 2014	Phase 4	673.46
2014-400	19 December 2014	Phase 4	1,012.45
2014-401	19 December 2014	Phase 4	1,012.45
2014-402	19 December 2014	Phase 4	673.46
2014-403	19 December 2014	Phase 4	805.13
2014-404	19 December 2014	Phase 4	805.13
2014-405	19 December 2014	Phase 4	894.12
2014-406	19 December 2014	Phase 4	894.12
2014-407	19 December 2014	Phase 4	894.12
2014-408	19 December 2014	Phase 4	894.12
2014-409	19 December 2014	Phase 4	817.69
2014-410	19 December 2014	Phase 4	717.14
2014-411	19 December 2014	Phase 4	1,566.17
2014-412	19 December 2014	Phase 4	673.46
2014-413	19 December 2014	Phase 4	1,012.45
2014-414	19 December 2014	Phase 4	1,566.17
2014-415	19 December 2014	Phase 4	1,566.17
2014-416	19 December 2014	Phase 4	1,171.22
2014-417	19 December 2014	Phase 4	639.58
2014-418	19 December 2014	Phase 4	1,566.17
2014-419	19 December 2014	Phase 4	1,566.17
2014-420	19 December 2014	Phase 4	994.18
2014-421	19 December 2014	Phase 4	1,171.22
2014-422	19 December 2014	Phase 4	639.58
2014-423	19 December 2014	Phase 4	639.58
2014-424	19 December 2014	Phase 4	838.00
<b>Total</b>			<b><u>54,063.04</u></b>

The property comprises portions of the site area as stated in the Completion and Acceptance Certificates mentioned above.

- (4) According to five Commodity Housing Pre-sale Permits, the construction works of the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
0785-001-008 (2013)	13 September 2013	Kunfangyuan 27, 28, 30-32 and 38-40	7,346.56
0614-001-009 (2013)	8 August 2013	Kunfangyuan 48, 49, 64, 71, 72 and 75-78	7,454.43
0907-001-003 (2013)	16 October 2013	Kunfangyuan 50, 61 and 63	2,769.00
1006-001-007 (2013)	11 October 2013	Kunfangyuan 51, 60, 62, 65, 66, 70 and 73	8,084.80
0458-001-025 (2014)	22 May 2014	Kunfangyuan 29, 33-37, 41-47, 52-59, 67-69 and 74	28,590.99
<b>Total</b>			<b><u>54,245.78</u></b>

- (5) According to the information provided by the Company, various units with a total gross floor area of 10,772.9 sq m of the property have been contracted to be sold for a consideration of approximately RMB167,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to Business Licence No. 120112000008060 dated 25 December 2014, Tianjin Capital Xingang Real Estate Development Co., Ltd. (天津首創新港置業有限公司) was established as a limited liability company with a registered capital of USD95,000,000 for a valid operation period from 25 October 2007 until 16 March 2028.
- (7) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Real Estate Title Certificates of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Tianjin Capital Xingang Real Estate Development Co., Ltd. (天津首創新港置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Tianjin Capital Xingang Real Estate Development Co., Ltd. (天津首創新港置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) Tianjin Capital Xingang Real Estate Development Co., Ltd. (天津首創新港置業有限公司) has obtained the Completion and Acceptance Certificate for Construction Works and no material legal impediment is observed for the Company to obtain the Real Estate Title Certificate (building portion); and
  - (v) All land premium stated in the Grant Contracts of State-owned Land Use Rights has been paid and settled.



- (8) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Real Estate Title Certificates	Yes (land only)
Completion and Acceptance Certificates for Construction Works	Yes
Commodity Housing Pre-sale Permits	Yes
Business Licence	Yes

- (9) Liang Ruomiao, Senior Manager of DTZ Tianjin Office, inspected the property on 22 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
<p>I-13. The unsold portions of Chengdu Shengli Village Project, No. 5 Hemeixi Road, Chenghua District, Chengdu, Sichuan Province, the PRC</p> <p>(中華人民共和國四川省成都市成華區和美西路5號，首創國際城成都勝利村項目)</p>	<p>The property comprises the residential, commercial and car park portions of Phases 1, 2, 3 and 4 erected on four parcels of land with a total site area of 78,170.94 sq m.</p> <p>The property was completed in 2012 and is situated in Chenghua District. It is located to the Hemeixi Road and surrounded by Baohua Road, Hemei Road, the 3rd Ring Road and Wanke Street. Developments in the vicinity comprise mainly residential buildings such as Vanke Meilizhi Cheng, Languang Fuli Dongfang, and Moma Xincheng, etc. The property is served by public bus routes and subway.</p> <p>The property comprises the unsold portions of car park, agricultural market, office building and residential building with a total gross floor area of 23,471.52 sq m.</p> <p>The property comprises 215 car parking spaces.</p> <p>The land use rights of the property have been granted for terms due to expire on 31 May 2047 for commercial use, and due to expire on 31 May 2077 for residential use.</p>	<p>The property is vacant and held for sale.</p>	<p>RMB162,000,000</p> <p>(100% interest attributable to the Company: RMB162,000,000)</p>

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

<b>Portion</b>	<b>Gross Floor Area</b> (sq m)
Residential	4,245.27
Market	5,243.28
Office	5,282.29
Car park	8,095.93
Warehouse	<u>604.75</u>
<b>Total</b>	<b><u><u>23,471.52</u></u></b>

- (2) According to the Building Ownership Certificates the building ownership of portions of the property is vested in Beijing Capital Land Chengdu Co., Ltd. (首創置業成都有限公司) with key details as follows:

<b>Certificate No.</b>	<b>Issue Date</b>	<b>Planned Use</b>	<b>Gross Floor Area</b> (sq m)
3900076	10 February 2014	Car Park	30,179.50
2373887	5 July 2010	Car Park	11,893.46
3844790	19 December 2013	Agricultural market	<u>5,243.28</u>
<b>Total</b>			<b><u><u>47,316.24</u></u></b>

- (3) According to the Certificates for the Use of State-owned Land, the land use rights of the property are vested in Beijing Capital Land Chengdu Co., Ltd. (首創置業成都有限公司) with key details as follows:

<b>Certificate No.</b>	<b>Land Plot No.</b>	<b>Issue Date</b>	<b>Land Use</b>	<b>Land Use Term</b> Expiry Date	<b>Site Area</b> (sq m)
(2007) 1641	CH54-7-28	19 December 2007	Residential, commercial	Residential: 31 May 2077 Commercial: 31 May 2047	18,457.40
(2007) 1642	CH54-7-29	21 December 2007	Commercial,	31 May 2047	4,228.01
(2007) 1643	CH54-7-30	21 December 2007	Residential, commercial	Residential: 31 May 2077 Commercial: 31 May 2047	50,984.53
(2007) 1644	CH54-7-31	21 December 2007	Kindergarten	31 May 2057	<u>4,501</u>
<b>Total</b>					<b><u><u>78,170.94</u></u></b>

- (4) According to Completion and Acceptance Certificate for Construction Works of Block No. 8, phase 2, Chengdu Capitaland International City, the property with a gross floor area of 31,730.880 sq m has been completed.
- (5) According to the Commodity Housing Pre-sale Permits, the construction works of the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Location/Block No.	Gross Floor Area (sq m)
0002885	24 March 2010	9	28,444.27
0006287	27 November 2012	6	42,355.43
0001993	17 September 2008	1-5	68,295.54
0002812	8 April 2010	1	29,940.68
0003801	20 May 2011	Underground car park	<u>30,129.25</u>
<b>Total</b>			<b><u>199,165.17</u></b>

- (6) According to the information provided by the Company, various units with a total gross floor area of 3,350.63 sq m of the property have been contracted to be sold for a consideration of approximately RMB14,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (7) According to Business Licence No. 510100000226773 dated 1 June 2007, Beijing Capital Land Chengdu Co., Ltd. (首創置業成都有限公司) was established as a limited liability company with a registered capital of RMB150,000,000 for a valid operation period from 1 June 2007 to perpetuity.
- (8) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificates for the Use of State-owned Land and the Building Ownership Certificates of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Beijing Capital Land Chengdu Co., Ltd. (首創置業成都有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Beijing Capital Land Chengdu Co., Ltd. (首創置業成都有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) All land premium stated in the Grant Contracts of State-owned Land Use Rights has been paid and settled; and
  - (v) No material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property.

- (9) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Certificate for the Use of State-owned Land	Yes
Building Ownership Certificate	Yes (part)
Commodity Housing Pre-sale Permit	Yes
Business Licence	Yes

- (10) Zhang Lu, Assistant Valuer of DTZ Chengdu Office, inspected the property on 19 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
<p>I-14. The unsold portions of Chengdu Beiquan Road Project, No. 909 Beiquan Road, Longquanyi District, Chengdu, Sichuan Province, The PRC.</p> <p>(中華人民共和國四川省成都市龍泉驛區龍泉街道北泉路909號, 東公元成都北泉路項目)</p>	<p>The property comprises residential and car park portions of Citta Villa erected on a parcel of land with a total site area of 75,018.80 sq m.</p> <p>The property was completed in 2013 and is situated in Longquanyi District. It is located to the southeast of the junction of Beiquan Road and Changchun Road. Developments in the vicinity comprise mainly residential buildings such as Yuyuan Dahu Qu, Yijinwan, etc. The property is served by public bus routes and subway.</p> <p>The property comprises the unsold portions of car park and residential buildings with a total gross floor area of 57,414.24 sq m.</p> <p>The property comprises 1,864 car parking spaces.</p> <p>The land use rights of the property have been granted for a term due to expire on 26 October 2077 for residential use and due to expire on 26 October 2047 for commercial use.</p>	<p>The property is vacant and held for sale.</p>	<p>RMB147,000,000</p> <p>(55% interest attributable to the Company: RMB80,850,000)</p>

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

<b>Portion</b>	<b>Gross Floor Area</b> (sq m)
Residential	152.11
Retail	2,399.43
Car park	<u>54,862.70</u>
<b>Total</b>	<b><u><u>57,414.24</u></u></b>

- (2) According to the Building Ownership Certificates, the building ownership of portions of the property is vested in Chengdu Capital Yidu Real Estate Development Co. Ltd. (成都首創驛都置業有限公司) with key details as follows:

<b>Certificate No.</b>	<b>Issue Date</b>	<b>Planned Use</b>	<b>Gross Floor Area</b> (sq m)
0607346	5 January 2013	Residential	21,977.37
0712376	30 September 2014	Car park	<u>82,761.75</u>
<b>Total</b>			<b><u><u>104,739.12</u></u></b>

- (3) According to Certificate for the Use of State-owned Land No. (2008) 91237 dated 6 August 2008, the land use rights of the property comprising a total site area of 75,018.8 sq m are vested in Chengdu Capital Yidu Real Estate Development Co. Ltd. (成都首創驛都置業有限公司) for terms due to expire on 26 October 2077 for residential use, due to expire on 26 October 2047 for commercial use.

- (4) According to the Commodity Housing Pre-sale Permits, the construction works of the property were permitted for pre-sale with key details as follows:

<b>Permit No.</b>	<b>Issue Date</b>	<b>Location</b>	<b>Gross Floor Area</b> (sq m)
0004729	22 February 2012	Block Nos. 1 and 4, and commercial building	41,573.77
0004508	27 October 2011	Underground car park	<u>75,937.93</u>
<b>Total</b>			<b><u><u>117,511.70</u></u></b>

- (5) According to the information provided by the Company, various units with a total gross floor area of 4,812.51 sq m of the property have been contracted to be sold for a consideration of approximately RMB33,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.

- (6) According to Business Licence No. 510100400024745 dated 12 Oct 2007, Chengdu Capital Yidu Real Estate Development Co. Ltd. (成都首創驛都置業有限公司) was established as a limited liability company with a registered capital of USD100,000,000 for a valid operation period from 12 Oct 2007 until 11 Oct 2027

- (7) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificate for the Use of State-owned Land and the Building Ownership Certificates of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Chengdu Capital Yidu Real Estate Development Co. Ltd. (成都首創驛都置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Chengdu Capital Yidu Real Estate Development Co. Ltd. (成都首創驛都置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance; and
  - (iv) All land premium stated in the Grant Contracts of State-owned Land Use Rights has been paid and settled.
- (8) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |   |     |
|---|-----|
| Certificate for the Use of State-owned Land | Yes |
| Building Ownership Certificate              | Yes |
| Commodity Housing Pre-sale Permit           | Yes |
| Business Licence                            | Yes |
- (9) Qin Xiaohan, Assistant Valuer of DTZ Chengdu Office, inspected the property on 19 March 2015.



Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
<p>I-15. The unsold portions of Chengdu SCE Project, No. 99 Qingtaishan Road, Damian, Longquanyi District, Chengdu, Sichuan Province, the PRC</p> <p>(中華人民共和國四川省成都市龍泉驛區，大面街辦川師大以北，成都川師大項目)</p>	<p>The property comprises residential and car park portions of Wanjianshan erected on a parcel of land with a total site area of 106,786.01 sq m.</p> <p>The property was completed in 2014 and is situated in Longquanyi District. It is located to the southwest of the junction of Chechen Road and Qingtaishan Road. Developments in the vicinity comprise mainly residential buildings such as Shidaxiandai Garden, Heneng Sijiyixiang, etc. The property is served by public bus routes.</p> <p>The property comprises the unsold portions of car park and residential buildings with a total gross floor area of 141,492.05 sq m.</p> <p>The property comprises 2,525 car parking spaces.</p> <p>The land use rights of the property have been granted for a term due to expire on 3 December 2080 for residential use, and due to expire on 3 December 2050 for commercial use.</p>	<p>The property is vacant and held for sale.</p>	<p>RMB596,000,000</p> <p>(55% interest attributable to the Company: RMB327,800,000)</p>

*Notes:*

- (1) The constituent gross floor areas are summarised as follows:

Use	Gross Floor Area (sq m)
Residential	49,534.68
Apartment	4,520.20
Market	10,511.89
Kindergarten	1,233.94
Car park	<u>75,691.34</u>
<b>Total</b>	<b><u><u>141,492.05</u></u></b>

- (2) According to the Building Ownership Certificates, the building ownership of portions of the property is vested in Chengdu Capital Yidu Real Estate Development Co. Ltd. (成都首創驛都置業有限公司) with key details as follows:

Certificate No.	Issue Date	Planned Use	Gross Floor Area (sq m)
0716462	7 November 2014	Residential	8,793.54
0716460	7 November 2014	Residential	8,793.54
0716456	7 November 2014	Residential	6,473.18
0716461	7 November 2014	Residential	10,668.86
0716459	7 November 2014	Residential	6,473.18
0716458	7 November 2014	Residential	4,317.8
0716457	7 November 2014	Residential	6,473.18
0716455	7 November 2014	Residential	4,318
0716454	7 November 2014	Residential	6,473.18
0716453	7 November 2014	Residential	11,828.77
0716468	7 November 2014	Kindergarten	<u>1,233.94</u>
<b>Total</b>			<b><u><u>75,847.17</u></u></b>

- (3) According to Certificate for the Use of State-owned Land No. (2010) 130454 dated 21 December 2010, the land use rights of the property comprising a total site area of 106,786.01 sq m are vested in Chengdu Capital Yidu Real Estate Development Co., Ltd. (成都首創驛都置業有限公司) for terms due to expire on 3 December 2080 for residential use, due to expire on 3 December 2050 for commercial use.

- (4) According to 4 Completion and Acceptance Certificates for Construction Works, the property has been completed.

Certificate No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
2013-018	18 June 2013	1, 2, 5 and 6	117,380.72
2014-015	5 November 2014	24 (agricultural market)	20,597.67
2014-040	17 June 2014	3, 4, 16, 17, 18, 19 and basement	14,2824.7
2014-041	17 June 2014	10, 11, 12, 13, 14, 15, 20, 21, 22, kindergarten and basement	177,566.87
<b>Total</b>			<b><u>458,369.96</u></b>

- (5) According to the Commodity Housing Pre-sale Permits, the construction works of the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Block No.	Gross Floor Area (sq m)
0004734	15 July 2011	1	42,277.62
0004520	9 March 2012	2	36,599.25
0005355	29 May 2012	3	38,802.24
0005349	15 June 2012	4	38,864.63
0003858	1 July 2011	5	17,462.40
0006520	3 April 2013	6, 14, 20 and 23	47,235.49
0004078	1 September 2011	7 and 9	61,268.75
0004504	30 September 2011	8	17,469.52
0006110	2 November 2012	10	30,835.32
0006107	23 October 2012	12	16,423.73
0006003	26 September 2012	13	16,423.73
0007777	15 September 2013	15-19, 21 and 22	47,786.55
0007391	26 December 2013	24	4,423.60
<b>Total</b>			<b><u>399,449.10</u></b>

- (6) According to the information provided by the Company, various units with a total gross floor area of 15,825.22 sq m of the property have been contracted to be sold for a consideration of approximately RMB83,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.

- (7) According to Business Licence No. 510100400024745 dated 12 October 2007, Chengdu Capital Yidu Real Estate Development Co., Ltd. (成都首創驛都置業有限公司) was established as a limited liability company with a registered capital of USD100,000,000 for a valid operation period from 12 October 2007 until 11 October 2027.

- (8) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificate for the Use of State-owned Land and the Building Ownership Certificates of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Chengdu Capital Yidu Real Estate Development Co., Ltd. (成都首創驛都置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Chengdu Capital Yidu Real Estate Development Co., Ltd. (成都首創驛都置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) All land premium stated in the Grant Contracts of State-owned Land Use Rights has been paid and settled; and
  - (v) No material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property.

- (9) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Certificate for the Use of State-owned Land	Yes
Building Ownership Certificate	Yes (part)
Commodity Housing Pre-sale Permit	Yes
Completion and Acceptance Certificate for Construction Works	Yes
Business Licence	Yes

- (10) Qin Xiaohan, Assistant Valuer of DTZ Chengdu Office, inspected the property on 18 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
<p>I-16. The unsold portions of Shenyang Shenyang Road Project, No. 28 Shenyang Road, Dongling District, Shenyang, Liaoning Province, the PRC</p> <p>(中華人民共和國 遼寧省 瀋陽市 東陵區沈營路28號 瀋陽沈營路項目)</p>	<p>The property comprises a composite development to be erected on a parcel of land with a total site area of 175,347.70 sq m.</p> <p>The property was completed in 2014 and is situated in Dongling District. It is located in the west of Shenyang Road. Developments in the vicinity comprise mainly residential projects such as SR International New City, Huafa Shoufu, etc. The property is served mainly by public bus routes and subway.</p> <p>According to the development scheme provided to us, the property has a total planned gross floor area of 131,526.28 sq m.</p> <p>The property comprises 1,139 car parking spaces.</p> <p>The land use rights of the property have been granted for terms due to expire on 20 February 2058 for residential use, and due to expire on 20 February 2048 for commercial use.</p>	<p>The property is vacant and held for sale.</p>	<p>RMB1,033,000,000</p> <p>(30% interest attributable to the Company: RMB309,900,000)</p>

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

<b>Portion</b>	<b>Gross Floor Area</b> (sq m)
Residential	3,037.22
Apartment	27,871.11
Office	12,311.86
Retail	31,234.94
Car park	34,853.86
Others	<u>22,217.29</u>
<b>Total</b>	<b><u><u>131,526.28</u></u></b>

- (2) According to Certificate for the Use of State-owned Land No. (2012) 0788 dated 12 July 2012, the land use rights of the property comprising a total site area of 175,347.70 sq m are vested in Shenyang Capital Real Estate Co, Ltd. (瀋陽首創新資置業有限公司) for a term due to expire on 20 February 2058 for residential use, and due to expire on 20 February 2048 for commercial use.
- (3) According to Planning Permit for Construction Works No. 210112201300072 dated 27 June 2013, the construction works of the property with a permitted gross floor area of 96,511.50 sq m are in compliance with the construction works requirements and have been approved.
- (4) Details of the Permits for Commencement of Construction Works dated 5 July 2013 are set out as follows:

<b>Permit No.</b>	<b>Phase</b>	<b>Issue Date</b>	<b>Gross Floor Area</b> (sq m)
210100201307161301	4	5 July 2013	59,024.50
210100201307220901	4	5 July 2013	34,000.00
210100201307161201	4	5 July 2013	<u>3,487.00</u>
<b>Total</b>			<b><u><u>96,511.50</u></u></b>

- (5) According to the Commodity Housing Pre-sale Permits, the construction works of the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
08279	9 September 2008	C14 land parcel, Phase 1	48,089.50
08321	8 October 2008	C14 land parcel, Phase 1	91,856.63
11076	24 March 2011	C14 land parcel, Phase 2	45,041.86
10434	30 September 2010	C14 land parcel, Phase 2	27,666.21
12024	17 February 2012	C14 land parcel, Phase 2	14,713.84
11331	8 July 2011	C14-2 land parcel, Phase 2	14,740.36
11382	3 August 2011	C14-2 land parcel, Phase 2	35,600.19
12472	12 October 2012	No. 28 Shenyang Road, Phase 3	75,188.65
12218	14 June 2012	No. 28 Shenyang Road, Phase 3	92,966.27
13564	15 October 2013	No. 28 Shenyang Road, Phase 4	4,751.17
13358	31 July 2013	No. 28 Shenyang Road, Phase 4	66,666.74
<b>Total</b>			<b><u>517,281.42</u></b>

- (6) According to the Completion and Acceptance Certificates for Construction Works, Phases 1, 2 and 3 of the property have been completed.

Certificate No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
(2011) 9046	29 June 2011	Phase 1	156,633.84
(2013) 9073	12 August 2013	Phase 2	15,559.07
(2013) 9074	12 August 2013	Phase 2	52,665.57
(2013) 9075	12 August 2013	Phase 2	64,209.02
(2013) 9076	12 August 2013	Phase 2	12,319.76
(2014) 9119	28 September 2014	Phase 3	76,088.95
(2014) 9120	28 September 2014	Phase 3	25,170.46
(2014) 9146	11 December 2014	Phase 3	27,506.26
(2014) 9147	11 December 2014	Phase 3	82,199.03
<b>Total</b>			<b><u>512,351.96</u></b>

- (7) According to the information provided by the Company, various units with a total gross floor area of 14,774.17 sq m of the property have been contracted to be sold for a consideration of approximately RMB179,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.

- (8) According to Business Licence No. 210100402001969 dated 4 July 2014, Shenyang Capital Real Estate Co., Ltd. (瀋陽首創新資置業有限公司) was established as a limited liability company with a registered capital of USD92,500,000 for a valid operation period from 19 July 2007 until 18 July 2027.

- (9) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Shenyang Capital Real Estate Co, Ltd. (瀋陽首創新資置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Shenyang Capital Real Estate Co, Ltd. (瀋陽首創新資置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) Shenyang Capital Real Estate Co, Ltd. (瀋陽首創新資置業有限公司) has obtained the Completion and Acceptance Certificate for Construction Works and no material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
  - (v) All land premium stated in the Grant Contracts of State-owned Land Use Rights has been paid and settled.
- (10) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |  |     |
|--|-----|
| Certificate for the Use of State-owned Land                  | Yes |
| Building Ownership Certificate                               | No  |
| Planning Permit for Construction Works                       | Yes |
| Permit for Commencement of Construction Works                | Yes |
| Completion and Acceptance Certificate for Construction Works | Yes |
| Commodity Housing Pre-sale Permit                            | Yes |
| Business Licence   | Yes |
- (11) Tian Yuan, Valuer of DTZ Shenyang Office, inspected the property on 18 March 2015.



Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
I-17. The unsold portions of the completed phase of Shenyang Yinhe Bay Project, No. 18 Donglinnan Street, Dongling District, Shenyang, Liaoning Province, the PRC  (中華人民共和國 遼寧省 瀋陽市 東陵區東陵南街18號 瀋陽銀河灣項目)	The property is comprised within a composite development on a parcel of land with a total site area of 420,317 sq m.  The property was completed in 2010 and is situated in Dongling District. It is located in the west of Shenyang Road. Developments in the vicinity comprise mainly residential projects such as SR International New City, Huafa Shoufu, etc. The property is served mainly by public bus routes.  The property comprises the unsold portions of Phase 1 with a total gross floor area of 14,860.13 sq m.  The land use rights of the property have been granted for a term due to expire on 23 March 2076 for residential use, and due to expire on 23 March 2046 for commercial use.	The property is vacant and held for sale.	RMB198,000,000  (50% interest attributable to the Company: RMB99,000,000)

*Notes:*

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Villa	13,168.56
Others	<u>1,691.57</u>
<b>Total</b>	<b><u><u>14,860.13</u></u></b>

- (2) According to Certificate for the Use of State-owned Land No. (2014) 049 dated 30 May 2014, the land use rights of the property comprising a total site area of 420,317 sq m are vested in Shenyang Jitian Real Estate Co., Ltd. (瀋陽吉天置業有限公司) for a term due to expire on 23 March 2076 for residential use, and due to expire on 23 March 2046 for commercial use.
- (3) According to Commodity Housing Pre-sale Permit No. 10069 dated 27 April 2010, Phase 1 of the property with a total gross floor area of 54,361.78 sq m was permitted for pre-sale.

- (4) According to the Completion and Acceptance Certificates for Construction Works, the property has been completed.

Certificate No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
068	17 June 2011	Club	1,854
069	17 June 2011	A01	1,191
070	17 June 2011	A02	1,148
071	17 June 2011	A03	1,193
072	17 June 2011	A04	1,758
073	17 June 2011	A05	1,174
074	17 June 2011	A06	1,170
075	17 June 2011	A07	2,335
076	17 June 2011	A08	2,335
077	17 June 2011	A10	972
078	17 June 2011	B01	834
079	17 June 2011	B02	794
080	17 June 2011	B03	794
081	17 June 2011	B04	798
082	17 June 2011	B05	1,627
083	17 June 2011	B06	1,654
084	17 June 2011	B07	794
085	17 June 2011	B08	794
086	17 June 2011	B09	794
087	17 June 2011	B10	794
088	17 June 2011	B11	1,620
089	17 June 2011	B12	1,682
090	17 June 2011	B13	794
091	17 June 2011	B14	794
092	17 June 2011	B15	1,649
093	17 June 2011	B16	1,672
094	17 June 2011	B17	794
095	17 June 2011	B18	794
096	17 June 2011	B19	1,654
097	17 June 2011	B20	794
098	17 June 2011	B21	794
099	17 June 2011	B22	794
100	17 June 2011	B23	794
101	17 June 2011	B24	794
102	17 June 2011	B25	794
103	17 June 2011	B26	794
104	17 June 2011	E01	1,645
105	17 June 2011	E02	1,640

Certificate No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
106	17 June 2011	E03	1,456
107	17 June 2011	E04	1,456
108	17 June 2011	E05	1,260
109	17 June 2011	E06	1,070
110	17 June 2011	E07	1,070
111	17 June 2011	E08	1,070
112	17 June 2011	E09	1,070
113	17 June 2011	E10	1,070
114	17 June 2011	E11	1,070
115	17 June 2011	E12	1,070
116	17 June 2011	E13	1,070
117	17 June 2011	E14	1,070
118	17 June 2011	E15	1,260
119	17 June 2011	E16	1,260
120	17 June 2011	E17	878
121	17 June 2011	E18	878
<b>Total</b>			<b>63,181</b>

- (5) According to the information provided by the Company, various units with a total gross floor area of 1,423.42 sq m of the property have been contracted to be sold for a consideration of approximately RMB39,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to Business Licence No. 2101100400010154 dated 8 May 2014, Shenyang Jitian Real Estate Co., Ltd. (瀋陽吉天置業有限公司) was established as a limited liability company with a registered capital of USD40,000,000 for a valid operation period from 22 February 2006 until 21 February 2021.
- (7) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Shenyang Jitian Real Estate Co., Ltd. (瀋陽吉天置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Shenyang Jitian Real Estate Co., Ltd. (瀋陽吉天置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) Shenyang Jitian Real Estate Co., Ltd. (瀋陽吉天置業有限公司) has obtained the Completion and Acceptance Certificate for Construction Works and no material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and

- (v) All land premium stated in the Grant Contracts of State-owned Land Use Rights has been paid and settled.
- (8) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |  |     |
|--|-----|
| Certificate for the Use of State-owned Land                  | Yes |
| Building Ownership Certificate                               | No  |
| Completion and Acceptance Certificate for Construction Works | Yes |
| Commodity Housing Pre-sale Permit                            | Yes |
| Business Licence   | Yes |
- (9) Tian Yuan, Valuer of DTZ Shenyang Office, inspected the property on 20 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
<p>I-18. The unsold portions of Chongqing Hong'ensi Project, Phases 1, 2 and 3, Area K, Dashiba Group, Jiangbei District, Chongqing, the PRC</p> <p>(中華人民共和國重慶市, 江北區, 大石壩組團K分區, 重慶鴻恩寺項目)</p>	<p>The property comprises the residential, commercial and car parking portions of Phases 1, 2 and 3 of Hong'en International Living District erected on a parcel of land with a total site area of 223,927 sq m.</p> <p>The property was completed in 2014 and is situated in Jiangbei District. It is located to the east of Hongyuan Road and surrounded by Hongshi Road, Hongyuan Road and Hong'en third Road. Developments in the vicinity comprise mainly residential buildings such as Huarun Centre Park, Dongyuan Dream Town 7, etc. The property is served by public bus routes.</p> <p>The property comprises the unsold portions of Phases 1, 2 and 3 with a total gross floor area of 133,956.04 sq m.</p> <p>The property comprises 2,287 car parking spaces.</p> <p>The land use rights of the property have been granted for a term due to expire on 15 November 2059 for residential use and due to expire on 15 November 2049 for commercial use.</p>	<p>The property is vacant and held for sale.</p>	<p>RMB787,000,000</p> <p>(100% interest attributable to the Company: RMB787,000,000)</p>

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

<b>Portion</b>	<b>Gross Floor Area</b> (sq m)
Residential	43,726.96
Retail	5,034.90
Car park	<u>85,194.18</u>
<b>Total</b>	<b><u><u>133,956.04</u></u></b>

- (2) According to Real Estate Title Certificate No. 103D (2012) 00167 dated 12 April 2012, the land use rights of the property comprising a total site area of 223,927 sq m are vested in Chongqing Xinshi Real Estate Development Co., Ltd. (重慶首創新石置業有限公司) for terms due to expire on 15 November 2049 for commercial use and due to expire on 15 November 2059 for residential use.

- (3) According to the Completion and Acceptance Certificates for Construction Works, the property has been completed.

<b>Certificate No.</b>	<b>Issue Date</b>	<b>Location/Phase</b>	<b>Gross Floor Area</b> (sq m)
(2012) 0014	29 February 2012	1	183,548
(2013) 0046	28 May 2013	2	63,275
(2013) 0041	22 May 2013	2	213,449
(2013) 0054	24 June 2013	2	38,491
(2014) 0114	24 November 2014	3	256,270
(2014) 0120	19 December 2014	3	<u>74,116</u>
<b>Total</b>			<b><u><u>829,149</u></u></b>

- (4) According to the Commodity Housing Pre-sale Permits, the construction works of the property were permitted for pre-sale with key details as follows:

<b>Permit No.</b>	<b>Issue Date</b>	<b>Block No.</b>	<b>Gross Floor Area</b> (sq m)
(2014)508	19 June 2014	1	43,569.83
(2014)1102	21 November 2014	2	55,802.79
(2015)428	12 June 2015	3	<u>10,941.78</u>
<b>Total</b>			<b><u><u>110,314.4</u></u></b>

- (5) According to Business Licence No. 500000400015638 dated 23 April 2008, Chongqing Xinshi Real Estate Development Co., Ltd. (重慶首創新石置業有限公司) was established as a limited liability company with a registered capital of USD95,000,000 for a valid operation period from 23 April 2008 until 24 March 2024.

- (6) According to the information provided by the Company, various units with a total gross floor area of 36,041.30 sq m of the property have been contracted to be sold for a consideration of approximately RMB361,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (7) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Real Estate Title Certificate of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Chongqing Xinshi Real Estate Development Co., Ltd. (重慶首創新石置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Chongqing Xinshi Real Estate Development Co., Ltd. (重慶首創新石置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) Chongqing Xinshi Real Estate Development Co., Ltd. (重慶首創新石置業有限公司) has obtained the Completion and Acceptance Certificate for Construction Works and no material legal impediment is observed for the Company to obtain the Real Estate Title Certificate (building portion); and
  - (v) All land premium stated in the Grant Contracts of State-owned Land Use Rights has been paid and settled.
- (8) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |  |                 |
|--|-----------------|
| Real Estate Title Certificate                                | Yes (land only) |
| Completion and Acceptance Certificate for Construction Works | Yes             |
| Commodity Housing Pre-sale Permit                            | Yes (part)      |
| Business Licence   | Yes             |
- (9) Hu Yu, Assistant Valuer of DTZ Chongqing Office, inspected the property on 19 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
<p>I-19. The unsold portions of the completed phase of Wuxi Dongting Town Project, Beijie Village, Dongting County, Xishan District, Wuxi, Jiangsu Province, the PRC</p> <p>(中華人民共和國江蘇省無錫市錫山區東亭鎮北街村無錫首創隲府無錫東亭鎮項目)</p>	<p>The property comprises the unsold residential, commercial and car park portions of Phases 1, 2 and 3 of Gentle House erected on three parcels of land with a total site area of 162,911.00 sq m.</p> <p>The property was completed in 2013 (Phase 1 in 2008, Phase 2 in 2010, Phase 3 in 2013) and is situated in Xishan District. It is located to the north of Xinming Road and surrounded by Youyizhong Road, Dongting Street, Xinming Road and Xinxingtang River. Developments in the vicinity comprise mainly residential buildings such as Wei Lan Du Shi Garden, Jin Xi Yuan, etc. The property is served by public bus routes.</p> <p>The property comprises the unsold portions of Phases 1, 2 and 3 of Gentle House with a total gross floor area of 19,622.18 sq m.</p> <p>The property comprises 494 car parking spaces.</p> <p>The land use rights of the property have been granted for terms due to expire on 27 June 2076 for residential use, due to expire on 27 June 2046 for commercial use and due to expire on 27 June 2056 for other use.</p>	<p>The property is vacant and held for sale.</p>	<p>RMB89,000,000</p> <p>(100% interest attributable to the Company: RMB89,000,000)</p>



## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	3,258.34
Retail	3,470.94
Car park	<u>12,892.90</u>
<b>Total</b>	<b><u><u>19,622.18</u></u></b>

- (2) According to the Certificates for the Use of State-owned Land, the land use rights of the property are vested in Jiangsu Capital Real Estate Development Ltd. (江蘇首創置業有限公司) with key details as follows:

Certificate No.	Land Plot No.	Issue Date	Land Use	Land Use Term	Site Area (sq m)
				Expiry Date	
(2006) 4	5-41-16-51-5	14 September 2006	Residential	Residential: 27 June 2076 Commercial: 27 June 2046 Others: 27 June 2056	59,476.20
(2008) 6	5-41-16-51-(14)	30 May 2008	Residential	Residential: 27 June 2076 Commercial: 27 June 2046 Others: 27 June 2056	64,366.10
(2008) 7	5-41-16-51-(7)	30 May 2008	Residential	Residential: 27 June 2076 Commercial: 27 June 2046 Others: 27 June 2056	39,068.70
<b>Total</b>					<b><u><u>162,911.00</u></u></b>

- (3) According to the Completion and Acceptance Certificates for Construction Works, Phases 1, 2 and 3 of the property have been completed.

Certificate No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
(2008) 69	26 June 2008	Gentle House Block Nos. 1-17	113,037.48
(2010) 38	26 May 2010	Gentle House phase 2 Block Nos. 18-29	116,220.58
(2013) 56	15 October 2013	Gentle House phase 3 Block Nos. 30-38, 40, 42 and 1-4 basement and security guard room	96,076.90
<b>Total</b>			<b><u><u>325,334.96</u></u></b>

- (4) According to the Commodity Housing Pre-sale Permits, the construction works of Phases 1, 2 and 3 of the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
2007 (007)	7 June 2007	Gentle House Phase 1 Block Nos. 1, 7, 8, 14, 15, 16 and 17	67,696.00
2007 (006)	20 April 2007	Gentle House Phase 1 Block Nos. 2, 3, 4, 5, 6, 9, 10, 11, 12 and 13	31,268.70
2009 (010)	1 July 2009	Gentle House Block Nos. 23 and 24	7,872.64
2008 (019)	19 September 2008	Gentle House Block Nos. 25-29	78,920.00
2008 (012)	4 July 2008	Gentle House Block Nos. 18-22	16,579.44
(2010) 09	26 March 2010	Gentle House Block Nos. 30 and 31	13,597.83
(2010) 11	21 April 2010	Gentle House Block Nos. 32 and 33	18,183.92
(2010) 17	17 June 2010	Gentle House Block No. 34	18,548.46
(2011) 06	11 February 2011	Gentle House Block Nos. 35-37 and 42	23,500.95
(2011) 23	30 September 2011	Gentle House Block Nos. 38-41	9,053.96
<b>Total</b>			<b><u><u>285,221.90</u></u></b>

- (5) According to the information provided by the Company, various units with a total gross floor area of 544.41 sq m of the property have been contracted to be sold for a consideration of approximately RMB3,849,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to Business Licence No. 320000400002111 dated 27 July 2010, Jiangsu Capital Real Estate Development Ltd. (江蘇首創置業有限公司) was established as a limited liability company with a registered capital of USD12,500,000 for a valid operation period from 30 March 2006 to 29 March 2056.
- (7) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificates for the Use of State-owned Land of the property are valid, legal and enforceable under the PRC laws;

- (ii) Jiangsu Capital Real Estate Development Ltd. (江蘇首創置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
- (iii) Jiangsu Capital Real Estate Development Ltd. (江蘇首創置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
- (iv) Jiangsu Capital Real Estate Development Ltd. (江蘇首創置業有限公司) has obtained the Completion and Acceptance Certificate for Construction Works and no material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
- (v) All land premium stated in the Grant Contracts of State-owned Land Use Rights has been paid and settled.
- (8) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |  |     |
|--|-----|
| Certificates for the Use of State-owned Land                 | Yes |
| Building Ownership Certificate                               | No  |
| Completion and Acceptance Certificate for Construction Works | Yes |
| Commodity Housing Pre-sale Permits                           | Yes |
| Business Licence   | Yes |
- (9) Chen Qing, Valuer of DTZ Shanghai Office, inspected the property on 20 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
I-20. The unsold portions of Wuxi Jichang Road Project, south of Suxiang Road, east of Jingdu Road, west of Jichang Road, Xin District, Wuxi, Jiangsu Province, the PRC  (中華人民共和國江蘇省無錫市新區蘇巷路南側、景瀆路東側、機場路西側無錫首創悅府無錫機場路項目)	<p>The property comprises the residential, commercial and car park portions erected on a parcel of land with a total site area of 96,597.70 sq m.</p> <p>The property was completed in 2013 (Phase 1 in 2011, Phase 2 in 2012, Phase 3 in 2013) and is situated in Xin District. It is located to the west of Jichang Road and surrounded by Suxiang Road, Jichang Road, Jingdu Road, and Leng Du Gang. Developments in the vicinity comprise mainly residential buildings such as Ou Dian Jia Yuan, Ming Cheng Garden, etc. The property is served by public bus routes.</p> <p>The property comprises the unsold portions of Phases 1, 2 and 3 with a total gross floor area of 34,984.27 sq m.</p> <p>The property comprises 746 car parking spaces.</p> <p>The land use rights of the property have been granted for terms due to expire on 15 July 2079 for residential use, due to expire on 15 July 2049 for commercial use and due to expire on 15 July 2059 for other use.</p>	<p>The property is vacant and held for sale.</p>	<p>RMB229,000,000</p> <p>(100% interest attributable to the Company: RMB229,000,000)</p>

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

<b>Portion</b>	<b>Gross Floor Area</b> (sq m)
Residential	14,420.03
Retail	1,939.40
Car park	<u>18,624.84</u>
<b>Total</b>	<b><u><u>34,984.27</u></u></b>

- (2) According to Certificate for the Use of State-owned Land No. (2009) 32 dated 31 December 2009, the land use rights of the property comprising a total site area of 96,597.7 sq m are vested in Wuxi Xindong Real Estate Development Co., Ltd. (無錫首創新東置業有限公司) for terms due to expire on 15 July 2079 for residential use, due to expire on 15 July 2049 for commercial use and due to expire on 15 July 2059 for other use.

- (3) According to the Completion and Acceptance Certificates for Construction Works, Phases 1, 2 and 3 of the property have/has been completed.

<b>Certificate No.</b>	<b>Issue Date</b>	<b>Location/Phase</b>	<b>Gross Floor Area</b> (sq m)
(2011) 218	16 December 2011	1, 2a, 2b, 3a, 3b, 7, 8 and basement, Phase 1 of Joyous House	76,124.10
(2012) 157	13 November 2012	4a, 4b, 5a, 5b, 6a, 6b, 9-12 and basement, Phase 2 of Joyous House	107,401.04
(2013) 248	30 December 2013	13- 22 and basement, ancillary facilities Phase 3 of Joyous House	<u>51,476.61</u>
<b>Total</b>			<b><u><u>235,001.75</u></u></b>

- (4) According to the Commodity Housing Pre-sale Permits, the construction works of the property were permitted for pre-sale with key details as follows:

<b>Permit No.</b>	<b>Issue Date</b>	<b>Location/Phase</b>	<b>Gross Floor Area</b> (sq m)
(2010) 095	26 August 2010	Joyous House 1, 2a, 2b, 8	35,397.91
(2010) 131	14 October 2010	Joyous House 3a, 3b, 7	27,977.13
(2011) 041	12 May 2011	Joyous House 4a, 4b, 9, 11	34,545.80
(2012) 006	28 February 2012	Joyous House 5a, 5b, 6b, 10, 12	54,943.54
(2013) 025	18 April 2013	Joyous House 13-22	<u>44,369.11</u>
<b>Total</b>			<b><u><u>197,233.49</u></u></b>

- (5) According to the information provided by the Company, various units with a total gross floor area of 10,417.95 sq m of the property have been contracted to be sold for a consideration of approximately RMB88,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to Business Licence No. 320213000092342 dated 30 June 2010, Wuxi Xindong Real Estate Development Co., Ltd. (無錫首創新東置業有限公司) was established as a limited liability company with a registered capital of RMB100,000,000 for a valid operation period from 27 February 2008.
- (7) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Wuxi Xindong Real Estate Development Co., Ltd. (無錫首創新東置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Wuxi Xindong Real Estate Development Co., Ltd. (無錫首創新東置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) Wuxi Xindong Real Estate Development Co., Ltd. (無錫首創新東置業有限公司) has obtained the Completion and Acceptance Certificate for Construction Works and no material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
  - (v) All land premium stated in the Grant Contracts of State-owned Land Use Rights has been paid and settled.
- (8) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |   |     |
|---|-----|
| Certificate for the Use of State-owned Land                   | Yes |
| Building Ownership Certificate                                | No  |
| Completion and Acceptance Certificates for Construction Works | Yes |
| Commodity Housing Pre-sale Permits                            | Yes |
| Business Licence  | Yes |
- (9) Chen Qing, Valuer of DTZ Shanghai Office, inspected the property on 19 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
I-21. The unsold portions of Jiangsu Jiangyin Yuyue Project, Phase 1, east of Yingui Road, south of Mudan Road, west of Jingui Road, north of Beihenghe Road, Wushanwan, Jiangyin, Jiangsu Province, the PRC  (中華人民共和國江蘇省江陰市敵山灣銀桂路東、牡丹路南、金桂路西、北橫河路北側江蘇江陰敵悅項目)	<p>The property comprises residential, commercial and car park portions of Phase 1 of Auspicious House, erected on a parcel of land with a total site area of 36,629.00 sq m.</p> <p>The property was completed in 2014 and is situated in Jiangyin. It is located to east of Yingui Road, south of Mudan Road, west of Jingui Road, north of Beihenghe. Developments in the vicinity comprise mainly residential buildings such as Ai Jia Ming Di, Jing Ke Dong Fang Wang Fu, etc.</p> <p>The property is served by public bus routes.</p> <p>The property comprises the unsold portions with a total gross floor area of 43,766.38 sq m.</p> <p>The property comprises 274 car parking spaces.</p> <p>The land use rights of the property have been granted for terms due to expire on 17 August 2081 for residential use and due to expire on 17 August 2051 for commercial use.</p>	The property is vacant and held for sale.	RMB317,000,000  (100% interest attributable to the Company: RMB317,000,000)

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	33,539.06
Commercial	1,300.02
Car park	8,927.30
<b>Total</b>	<b>43,766.38</b>

- (2) According to Certificate for the Use of State-owned Land No. (2012) 104 dated 7 January 2012, the land use rights of the property comprising a total site area of 36,629 sq m are vested in Jiangyin Yuyue Real Estate Development Co., Ltd. (江陰啟悅置業有限公司) for terms due to expire on 17 August 2081 for residential use and due to expire on 17 August 2051 for commercial use.
- (3) According to Completion and Acceptance Certificate for Construction Works No. (2014) 030 dated 28 May 2014, the property with a gross floor area of 52,932.00 sq m has been completed.
- (4) According to Commodity Housing Pre-sale Permit No. (2012) 043 dated 17 September 2012, the property with a total gross floor area of 52,587.48 sq m were permitted for pre-sale.
- (5) According to Business Licence No. 320281400012940 dated 17 November 2011, Jiangyin Yuyue Real Estate Development Co., Ltd. (江陰啟悅置業有限公司) was established as a limited liability company with a registered capital of USD49,000,000 for a valid operation period from 09 September 2011 to 08 September 2061.
- (6) According to the information provided by the Company, various units with a total gross floor area of 13,529.15 sq m of the property have been contracted to be sold for a consideration of approximately RMB89,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (7) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
  - (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Jiangyin Yuyue Real Estate Development Co., Ltd. (江陰啟悅置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Jiangyin Yuyue Real Estate Development Co., Ltd. (江陰啟悅置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) Jiangyin Yuyue Real Estate Development Co., Ltd. (江陰啟悅置業有限公司) has obtained the Completion and Acceptance Certificate for Construction Works and no material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
  - (v) All land premium stated in the Grant Contracts of State-owned Land Use Rights has been paid and settled.



- (8) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Certificate for the Use of State-owned Land	Yes
Building Ownership Certificate	No
Completion and Acceptance Certificate for Construction Works	Yes
Commodity Housing Pre-sale Permit	Yes
Business Licence	Yes

- (9) Chen Qing, Valuer of DTZ Shanghai Office, inspected the property on 19 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
I-22. The unsold portions of Zhenjiang National University Science Park Project, Phase 1, south of Nanweisi Road, Zhenjiang New District, Zhenjiang, Jiangsu Province, the PRC  (中華人民共和國江蘇省鎮江市鎮江新區南緯四路鎮江國家大學科技園項目)	<p>The property comprises residential, commercial and car park portions of Phase 1 erected on a parcel of land with a total site area of 54,646.40 sq m.</p> <p>The property was completed in 2013 and is situated in Zhenjiang New District. It is located to the south of Nanweisi Road and surrounded by Jingqi Street, Sipingshan Street, Qiushan Road and Lypu Street. Developments in the vicinity comprise mainly residential buildings such as Yinhu Garden, etc. The property is served by public bus routes.</p> <p>The property comprises the unsold portions of Phases I of Joyous House with a total gross floor area of 20,140.87 sq m.</p> <p>The property comprises 300 car parking spaces.</p> <p>The land use rights of the property have been granted for a term due to expire on 8 December 2080 for residential use.</p>	The property is vacant and held for sale.	RMB113,000,000  (100% interest attributable to the Company: RMB113,000,000)

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	3,518.04
Townhouse	4,803.50
Retail	2,535.33
Car parks	9,284.00
<b>Total</b>	<b>20,140.87</b>

- (2) According to Certificate for the Use of State-owned Land No. (2011) 1928 dated 18 March 2011, the land use rights of Joyous House comprising a total site area of 54,646.40 sq m are vested in Zhengjiang Xianji Real Estate Development Co., Ltd. (鎮江先基置業有限公司) for terms due to expire on 8 December 2080 for residential use.
- (3) According to the Completion and Acceptance Certificates for Construction Works, 124,239.10 sq m. of the property have been completed.

Certificate No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
XQ2013-233	2 July 2013	Block No. 1 Phase 1	22,785.00
XQ2013-234	2 July 2013	Block No. 2 Phase 1	22,444.60
XQ2013-235	2 July 2013	Block No. 3 Phase 1	13,150.40
XQ2013-176	27 April 2013	Block No. 4 Phase 1	17,489.80
XQ2013-177	27 April 2013	Block No. 5 Phase 1	17,489.80
XQ2013-178	27 April 2013	Block No. 6 Phase 1	4,683.90
XQ2013-179	27 April 2013	Block Nos. 7 and 8 Phase 1	9,347.80
XQ2013-180	27 April 2013	Block Nos. 9 and 10 Phase 1	9,347.80
XQ2014-259	13 August 2014	Block Nos. 11, 12, 15 and 16 Phase 1	3,750.00
XQ2014-258	13 August 2014	Block Nos. 13, 14, 17 and 18 Phase 1	3,750.00
<b>Total</b>			<b><u>124,239.10</u></b>

- (4) According to the Commodity Housing Pre-sale Permits, the construction works of the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Block No.	Gross Floor Area (sq m)
133037	30 August 2013	20	13,030.84
143010	7 May 2014	21 and 27	30,372.93
133043	17 October 2013	23 and 25	27,070.68
143009	30 April 2014	30 and 31	8,479.96
133049	20 December 2013	24 and 32	21,216.16
<b>Total</b>			<b><u>100,170.57</u></b>

- (5) According to the information provided by the Company, various units with a total gross floor area of 598.01 sq m of the property have been contracted to be sold for a consideration of approximately RMB3,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (6) According to Business Licence No. 321100400016848 dated 15 November 2010, Zhengjiang Xianji Real Estate Development Co., Ltd. (鎮江先基置業有限公司) was established as a limited liability company with a registered capital of USD30,000,000 for a valid operation period from 15 November 2010 to 10 November 2060.

- (7) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Zhengjiang Xianji Real Estate Development Co., Ltd. (鎮江先基置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Zhengjiang Xianji Real Estate Development Co., Ltd. (鎮江先基置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) Zhengjiang Xianji Real Estate Development Co., Ltd. (鎮江先基置業有限公司) has obtained the Completion and Acceptance Certificate for Construction Works and no material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
  - (v) All land premium stated in the Grant Contracts of State-owned Land Use Rights has been paid and settled.
- (8) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Certificate for the Use of State-owned Land	Yes
Building Ownership Certificate	No
Completion and Acceptance Certificate for Construction Works	Yes
Commodity Housing Pre-sale Permit	Yes
Business Licence	Yes

- (9) Xu Wen, Manager of DTZ Shanghai Office, inspected the property on 2 April 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
I-23. The unsold portions of Qingdao Chengyang Project, Phase 1, No. 6 Changcheng South Road, Chengyang District, Qingdao, Shandong Province, the PRC  (中華人民共和國 山東省 青島市 城陽區長城南路6號 青島城陽項目)	<p>The property comprises the office, retail and car park portions of Phase 1 erected on a parcel of land with a total site area of 92,455 sq m.</p> <p>The property was completed in 2013 and is situated in Chengyang District. It is located to the west of Changchengnan Road and surrounded by Yingbin Street and Minhang Street. Developments in the vicinity comprise mainly office buildings such as Advanced Business Park, Ziyue International Building. The property is served by public bus routes.</p> <p>The property comprises the unsold portions of Phase 1 with a total gross floor area of 34,533.07 sq m.</p> <p>The property comprises 159 car parking spaces.</p> <p>The land use rights of the property have been granted for a term due to expire on 30 January 2051 for commercial use.</p>	The property is vacant and held for sale.	RMB273,000,000  (100% interest attributable to the Company: RMB273,000,000)

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Apartment	8,827.19
Retail	1,633.37
Office	17,899.18
Car park	5,621.91
Others	551.42
<b>Total</b>	<b>34,533.07</b>

- (2) According to Building Ownership Registration No. 2013-368 dated 22 November 2013, the building ownership of the property comprising a total gross floor area of 79,839.24 sq m is vested in Qingdao Xinli Weiye Real Estate Development Co., Ltd. (青島信立偉業房地產開發有限公司).
- (3) According to Real Estate Title Certificate No. 201162178 dated 25 July 2011, the land use rights of Airport International Centre comprising a total site area of 92,455.00 sq m are vested in Qingdao Xinli Weiye Real Estate Development Co., Ltd. (青島信立偉業房地產開發有限公司) for a term due to expire on 30 January 2051 for commercial use.
- (4) According to Completion and Acceptance Certificate for Construction Works No. 2013-059 dated 29 June 2013, D1-D7, D14-D19, F1-F3 of the property with a gross floor area of 94,122.00 sq m have been completed.
- (5) According to the Commodity Housing Pre-sale Permits, the construction works of the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Block No.	Gross Floor Area (sq m)
(13) 68	21 November 2013	2	58,349.80
(14) 41	12 June 2014	2	31,033.54
(14) 98	26 November 2014	2	13,291.51
(12) 35	13 July 2012	1	73,016.34
(12) 54	16 November 2012	1	<u>7,276.57</u>
<b>Total</b>			<b><u><u>182,967.76</u></u></b>

- (6) According to the information provided by the Company, various units with a total gross floor area of 7,449.75 sq m of the property have been contracted to be sold for a consideration of approximately RMB11,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (7) According to Business Licence No. 370214230049266 dated 26 December 2012, Qingdao Xinli Weiye Real Estate Development Co., Ltd. (青島信立偉業房地產開發有限公司) was established as a limited liability company with a registered capital of RMB90,000,000 for a valid operation period from 24 February 2011 until 23 February 2031.
- (8) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Real Estate Title Certificate and the Building Ownership Registration of the property are valid, legal and enforceable under the PRC laws;
- (ii) Qingdao Xinli Weiye Real Estate Development Co., Ltd. (青島信立偉業房地產開發有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;

- (iii) Qingdao Xinli Weiye Real Estate Development Co., Ltd. (青島信立偉業房地產開發有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance; and
- (iv) All land premium stated in the Grant Contracts of State-owned Land Use Rights has been paid and settled.
- (9) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |  |     |
|--|-----|
| Real Estate Title Certificate                                | Yes |
| Building Ownership Registration                              | Yes |
| Completion and Acceptance Certificate for Construction Works | Yes |
| Commodity Housing Pre-sale Permit                            | Yes |
| Business Licence   | Yes |
- (10) Liu Qian, Manager of DTZ Qingdao Office, inspected the property on 23 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
I-24. The unsold portions of Qingdao Central Park No. 1 Project, Phases 1 and 2, east of G308, south of Xinyang Road, Chengyang District, Qingdao, Shandong Province, the PRC  (中華人民共和國 山東省 青島市 城陽區308國道東興陽路南 公園一號一、二期 青島公園1號項目)	<p>The property comprises the residential and car park portions of Phases 1 and 2 erected on a parcel of land with a total site area of 71,664.00 sq m.</p> <p>The property was completed in 2012 and is situated in Chengyang District. It is located to the southeast of Changcheng Road and surrounded by Chongqingbei Street, Heilongjiang Street and Liyang Street. Developments in the vicinity comprise mainly residential buildings such as Vanke Meilizhicheng, Baolong City Plaza, etc. The property is served by public bus routes.</p> <p>The property comprises the unsold portions of Phases 1 and 2 of the property with a total gross floor area of 8,916.12 sq m.</p> <p>The property comprises 140 car parking spaces.</p> <p>The land use rights of the property have been granted for a term due to expire on 23 October 2057 for residential use.</p>	The property is vacant and held for sale.	RMB40,000,000  (100% interest attributable to the Company: RMB40,000,000)

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	4,016.12
Car park	4,900.00
<b>Total</b>	<b>8,916.12</b>



- (2) According to the Building Ownership Registrations, the building ownership of portions of the property is vested in Qingdao Yangguang Binhai Properties Co., Ltd. (青島陽光濱海置業有限公司) with key details as follows:

Certificate No.	Issue Date	Planned Use	Gross Floor Area (sq m)
(2011) 220	9 November 2011	Residential	64,250.26
(2012) 421	30 November 2012	Residential	<u>36,774.65</u>
<b>Total</b>			<b><u><u>101,024.91</u></u></b>

- (3) According to Real Estate Title Certificate No. 20083593 dated 3 March 2008, the land use rights of the property comprising a total site area of 71,664.00 sq m are vested in Qingdao Yangguang Binhai Properties Co., Ltd. (青島陽光濱海置業有限公司) for terms due to expire on 23 October 2057 for residential use.

- (4) According to Grant Contract of State-owned Land Use Rights No. (2007) 121 dated 24 October 2007, the land use rights of the land parcel comprising a total site area of 81,016.00 sq m have been contracted to be granted to Qingdao Yangguang Binhai Properties Co., Ltd. (青島陽光濱海置業有限公司) for a term of 40 years for commercial use and 50 years for residential use. The salient conditions are set out as follows:

Location	:	South of Xingyang Road, East of G308, Liuting Avenue
Land Use	:	Commercial and residential
Site Area	:	81,016.00 sq m
Land Use Term	:	40 years for commercial use and 50 years for residential use
Plot Ratio	:	Not more than 1.5
Land Premium	:	RMB380,639,400

- (5) According to the Completion and Acceptance Certificates for Construction Works, phases 1 and 2 of the property have been completed.

Certificate No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
(2011) 152	22 September 2011	1	73,687
(2012) 055	29 March 2012	2	<u>38,920</u>
<b>Total</b>			<b><u><u>112,607</u></u></b>

- (6) According to the Commodity Housing Pre-sale Permits, the construction works of the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
(11) 18	15 April 2011	1	6,144.52
(11) 19	15 April 2011	1	<u>15,606.15</u>
<b>Total</b>			<b><u><u>21,750.67</u></u></b>

- (7) According to the information provided by the Company, various units with a total gross floor area of 1,349.66 sq m of the property have been contracted to be sold for a consideration of approximately RMB10,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.

- (8) According to Business Licence No. 370214018019683 dated 8 December 2011, Qingdao Yangguang Binhai Properties Co., Ltd. (青島陽光濱海置業有限公司) was established as a limited liability company with a registered capital of RMB50,000,000 for a valid operation period from 23 October 2007 until 23 October 2027.

- (9) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:

- (i) The Real Estate Title Certificate and the Building Ownership Registrations of the property are valid, legal and enforceable under the PRC laws;
- (ii) Qingdao Yangguang Binhai Properties Co., Ltd. (青島陽光濱海置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
- (iii) Qingdao Yangguang Binhai Properties Co., Ltd. (青島陽光濱海置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance; and
- (iv) All land premium stated in the Grant Contracts of State-owned Land Use Rights has been paid and settled.

- (10) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Real Estate Title Certificate	Yes
Building Ownership Registration	Yes
Completion and Acceptance Certificates for Construction Works	Yes
Commodity Housing Pre-sale Permit	Yes
Business Licence	Yes

- (11) Liu Qian, Manager of DTZ Qingdao Office, inspected the property on 23 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
I-25. The unsold portions of Qingdao Qianqianshu Project, Phase 1, West of Chongqing Road, east of Dongxiaozihuang, north of Xingguo Road, south of Tangshan Road, Licang District, Qingdao, Shandong Province, the PRC  (中華人民共和國 山東省 青島市 李滄區重慶路以西、東小莊以東、興國路以北、唐山路以南 青島千千樹項目)	The property comprises residential, commercial and car park portions of Phase 1 erected on a parcel of land with a total site area of 30,214.5 sq m.  The property was completed in 2012 and is situated in Licang District. It is located to the west of Chongqing Road, east of Dongxiaozihuang, north of Xingguo Road and south of Tangshan Road. Developments in the vicinity comprise mainly residential buildings such as central living district, Blueness Mountain Bay, etc. The property is served by public bus routes.  The property comprises the unsold portions of Phase 1 with a total gross floor area of 2,551.62 sq m.  The land use rights of the property have been granted for terms due to expire on 7 September 2076 for residential use and due to expire on 7 September 2046 for commercial use.	The property is vacant and held for sale.	RMB19,000,000  (100% interest attributable to the Company: RMB19,000,000)

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	126.64
Kindergarten	2,424.98
<b>Total</b>	<b>2,551.62</b>

- (2) According to Building Ownership Registration No. (2013) 159 dated 6 June 2013, the building ownership of the property comprising a total gross floor area of 47,036.68 sq m is vested in Qingdao Qianqianshu Investment Properties Co., Ltd. (青島千千樹置業有限公司).

- (3) According to Real Estate Title Certificate No. 200811707 dated 16 June 2008, the land use rights of the property comprising a total site area of 30,214.5 sq m are vested in Qingdao Qianqianshu Investment Properties Co., Ltd. (青島千千樹置業有限公司) for terms due to expire on 7 September 2076 for residential use and due to expire on 7 September 2046 for commercial use.
- (4) According to Completion and Acceptance Certificate for Construction Works No. 370200201204022 dated 11 December 2012, phase 1 of the property with a gross floor area of 54,507.82 sq m has been completed.
- (5) According to the Commodity Housing Pre-sale Permits, the construction works of the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Block No.	Gross Floor Area (sq m)
(2014) 035	29 May 2014	24	1,284.80
(2013) 067	18 September 2013	1, 2 and 4	19,563.10
(2013) 086	17 October 2013	19-23	23,009.03
(2013) 081	30 September 2013	15-18	25,493.19
<b>Total</b>			<b><u>69,350.12</u></b>

- (6) According to the information provided by the Company, various units with a total gross floor area of 2,424.98 sq m of the property have been contracted to be sold for a consideration of approximately RMB18,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (7) According to Business Licence No. 370213228064026 dated 8 December 2011, Qingdao Qianqianshu Investment Properties Co., Ltd. (青島千千樹置業有限公司) was established as a limited liability company with a registered capital of RMB20,000,000 for a valid operation period from 14 March 2007 until 14 March 2017.
- (8) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Real Estate Title Certificate and the Building Ownership Registration of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Qingdao Qianqianshu Investment Properties Co., Ltd. (青島千千樹置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Qingdao Qianqianshu Investment Properties Co., Ltd. (青島千千樹置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance; and
  - (iv) All land premium stated in the Grant Contracts of State-owned Land Use Rights has been paid and settled.

- (9) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Real Estate Title Certificate	Yes
Building Ownership Registration	Yes
Completion and Acceptance Certificate for Construction Works	Yes
Commodity Housing Pre-sale Permit	Yes
Business Licence	Yes

- (10) Zhao Qibing, Valuer of DTZ Qingdao Office, inspected the property on 19 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
I-26. The unsold portions of Yantai Sunny Chief Yard Project, Phase 1 of plot 1, north of Huifu Street, east of Songxia Road, Fushan District, Yantai, Shandong Province, the PRC  (中華人民共和國山東省煙台市福山區匯福街以北、松霞路以東煙台陽光首院項目1號地塊1期項目)	<p>The property comprises residential and commercial portions of Phase 1 erected on a parcel of land with a total site area of 69,642.69 sq m.</p> <p>The property was completed in 2012 and is situated in Fushan District. It is located to the north of Huifu Street and east of Songxia Road. Developments in the vicinity comprise mainly residential buildings such as Tianfu Garden, Fuhao Garden, Fuxiang Xinyuan, Yinhe Mingdu, Huijing Wenyuan etc. The property is served by public bus routes.</p> <p>The property comprises the unsold portions of Phase 1 with a total gross floor area of 4,828.45 sq m.</p> <p>The land use rights of the property have been granted for terms due to expire on 27 September 2077 for residential use and due to expire on 27 September 2047 for commercial use.</p>	The property is vacant and held for sale.	RMB67,000,000  (100% interest attributable to the Company: RMB67,000,000)

*Notes:*

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Villa	2,416.72
Retail	2,411.73
<b>Total</b>	<b>4,828.45</b>

- (2) According to the Building Ownership Certificates, the building ownership of portions of the property is vested in Yantai Yangguang Xinye Real Estate Development Co., Ltd. (煙台陽光新業房地產開發有限公司) with key details as follows:

Certificate No.	Issue Date	Planned Use	Gross Floor Area (sq m)
F008138	25 June 2012	Residential	2,904.24
F008139	25 June 2012	Residential	1,936.16
F008140	25 June 2012	Residential	1,487.44
F008141	25 June 2012	Residential	2,904.24
F011699	11 March 2013	Residential	<u>1,687.60</u>
<b>Total</b>			<b><u><u>10,919.68</u></u></b>

- (3) According to Certificate for the Use of State-owned Land No. (2010) 30058 dated 9 July 2010, the land use rights of the property comprising a total site area of 69,642.69 sq m are vested in Yantai Yangguang Xinye Real Estate Development Co., Ltd. (煙台陽光新業房地產開發有限公司) for terms due to expire on 27 September 2077 for residential use and due to expire on 27 September 2047 for commercial use.

- (4) According to the Completion and Acceptance Certificates for Construction Works, the property has been completed.

Certificate No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
(2012) 021	18 May 2012	Public facilities 1, 2 and 3	6,347
(2012) 022	18 May 2012	Y01-Y09, Y12, L01-L04	<u>16,847</u>
<b>Total</b>			<b><u><u>23,194</u></u></b>

- (5) According to the Commodity Housing Pre-sale Permits, the construction works of the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Block No.	Gross Floor Area (sq m)
(2011) 042	19 April 2011	7-8, 13-15 and 21-22	<u>5,789.86</u>
<b>Total</b>			<b><u><u>5,789.86</u></u></b>

- (6) According to the information provided by the Company, various units with a total gross floor area of 719.52 sq m of the property have been contracted to be sold for a consideration of approximately RMB9,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.

- (7) According to Business Licence No. 370611000000044 dated 26 December 2011, Yantai Yangguang Xinye Real Estate Development Co., Ltd. (煙台陽光新業房地產開發有限公司) was established as a limited liability company with a registered capital of RMB75,000,000 for a valid operation period from 7 December 2007 until 6 December 2027.
- (8) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificate for the Use of State-owned Land and the Building Ownership Certificates of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Yantai Yangguang Xinye Real Estate Development Co., Ltd. (煙台陽光新業房地產開發有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Yantai Yangguang Xinye Real Estate Development Co., Ltd. (煙台陽光新業房地產開發有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance; and
  - (iv) All land premium stated in the Grant Contracts of State-owned Land Use Rights has been paid and settled.
- (9) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |   |     |
|---|-----|
| Certificate for the Use of State-owned Land                   | Yes |
| Building Ownership Certificates                               | Yes |
| Completion and Acceptance Certificates for Construction Works | Yes |
| Commodity Housing Pre-sale Permit                             | Yes |
| Business Licence  | Yes |
- (10) Han Qidong, Manager of DTZ Qingdao Office, inspected the property on 18 March 2015.



Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
I-27. The unsold portions of Yantai Sunny Chief Yard Project, Phase 1 of plot 2, north of Huifu Street, east of Songxia Road, Fushan District, Yantai, Shandong Province, the PRC  (中華人民共和國 山東省 煙台市 福山區匯福街以北、 松霞路以東 煙台陽光首院 2號地塊1期項目)	<p>The property comprises the residential, storage and car park portions of Phase 1 erected on a parcel of land with a total site area of 71,643.91 sq m.</p> <p>The property was completed in 2012 and is situated in Fushan District. It is located to the north of Huifu Street and east of Songxia Road. Developments in the vicinity comprise mainly residential buildings such as Tianfu Garden, Fuhao Garden, Fuxiang Xinyuan, Yinhe Mingdu, Huijing Wenyuan etc. The property is served by public bus routes.</p> <p>The property comprises the unsold portions of Phase 1 with a total gross floor area of 612.47 sq m.</p> <p>The property comprises 6 car parking spaces.</p> <p>The land use rights of the property have been granted for a terms due to expire on 27 September 2077 for residential use, and due to expire on 27 September 2047 for commercial use.</p>	The property is vacant and held for sale.	RMB2,000,000  (100% interest attributable to the Company: RMB2,000,000)

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	138.48
Car park	266.00
Storage room	207.99
<b>Total</b>	<b>612.47</b>

- (2) According to Building Ownership Certificate No. F010277 dated 10 December 2012, the building ownership of Block Nos. 31, 32 and 35 comprising a total gross floor area of 10,567.36 sq m is vested in Yantai Yangguang Lizhen Real Estate Development Co., Ltd. (陽光驪臻房地產開發有限公司).
- (3) According to Certificate for the Use of State-owned Land No. (2011) 30014 dated 11 March 2011, the land use rights of the property comprising a total site area of 71,643.91 sq m are vested in Yantai Yangguang Lizhen Real Estate Development Co., Ltd. (煙台陽光驪臻房地產開發有限公司) for terms due to expire on 27 September 2077 for residential use and due to expire on 27 September 2047 for commercial use.
- (4) According to the information provided by the Company, the residential portion with a gross floor area of 147.52 sq m of the property have been contracted to be sold for a consideration of approximately RMB1,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (5) According to Business Licence No. 370611000000462 dated 24 December 2010, Yantai Yangguang Lizhen Real Estate Development Co., Ltd. (煙台陽光驪臻房地產開發有限公司) was established as a limited liability company with a registered capital of RMB75,000,000 for a valid operation period from 24 December 2010 to 24 December 2030.
- (6) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificate for the Use of State-owned Land and the Building Ownership Certificate of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Yantai Yangguang Lizhen Real Estate Development Co., Ltd. (煙台陽光驪臻房地產開發有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Yantai Yangguang Lizhen Real Estate Development Co., Ltd. (煙台陽光驪臻房地產開發有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance; and
  - (iv) All land premium stated in the Grant Contracts of State-owned Land Use Rights has been paid and settled.
- (7) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |  |     |
|--|-----|
| Certificate for the Use of State-owned Land                  | Yes |
| Building Ownership Certificate                               | Yes |
| Completion and Acceptance Certificate for Construction Works | No  |
| Business Licence   | Yes |
- (8) Han Qidong, Manager of DTZ Qingdao Office, inspected the property on 18 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
I-28. The unsold portions of the completed phase of Kunshan Capital Outlets Project, south land lot, east of Dongcheng Avenue, north of Kunjia Road, Economic and Development District, Kunshan, Jiangsu Province, the PRC  (中華人民共和國江蘇省昆山市開發區東城大道東側昆嘉路北側 昆山奧特萊斯項目)	<p>The property comprises the 3 residential units and car park portions of Phases 2, 4A and 5A erected on a parcel of land with a total site area of 137,752.70 sq m.</p> <p>The property was completed in 2015 and situated in Economic and Development District. It is located to the east of Dongcheng Avenue, north of Kunjia Road and surrounded by Jingwang Road and Jialingjiang Road. Developments in the vicinity comprise mainly residential and retail buildings such as Shimaodong Waitan, Shimao Plaza, etc. The property is served by public bus routes.</p> <p>The property comprises the unsold portions of Phases 2, 4A and 5A with a total gross floor area of 23,767.25 sq m.</p> <p>The property comprises 813 car parking spaces.</p> <p>The land use rights of the property have been granted for a term due to expire on 26 January 2083 for residential use.</p>	The property is vacant and held for sale.	RMB67,000,000  (100% interest attributable to the Company: RMB67,000,000)

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	<u>23,767.25</u>
<b>Total</b>	<b><u><u>23,767.25</u></u></b>

- (2) According to Certificate for the Use of State-owned Land No. (2015) DWB48 dated 10 March 2015, the land use rights of the development comprising a total site area of 137,752.70 sq m are vested in Capital Outlets (Kunshan) Real Estate Development Co., Ltd. (首創奧萊(昆山)置業有限公司) for a term due to expire on 26 January 2083 for residential use.

As advised by the Group, the property comprises portions of the site area as stated in the Certificate for the Use of State-owned Land mentioned above.

- (3) According to the Completion and Acceptance Certificates for Construction Works, Phases 2, 4A and 5A (excluding Block No. 28) of the development have been completed.

Certificate No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
(2015K)K071	29 June 2015	Block Nos. 7-10, 1 Basement of Phase 2	87,137.15
(2015K)K077	30 June 2015	Block Nos. 19, 22 and 25-27 of South Lot (Phase 4)	95,726.95
<b>Total</b>			<b><u>182,864.10</u></b>

- (4) According to the Commodity Housing Pre-sale Permits, the construction works of the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
(2013) 234	10 October 2013	Phase 2	32,055.74
(2013) 186	9 August 2013	Phase 2	44,727.56
(2014) 083	21 March 2014	Phase 4	37,859.45
(2013) 321	2 December 2013	Phase 4	11,708.54
(2013) 330	30 December 2013	Phase 4	43,690.23
<b>Total</b>			<b><u>93,258.22</u></b>

As advised by the Group, the property comprises portions of the gross floor area as stated in the Commodity Housing Pre-sale Permits mentioned above.

- (5) According to Business Licence No. 320583000201303210373N dated 21 March 2013, Capital Outlets (Kunshan) Real Estate Development Co., Ltd. (首創奧萊(昆山)置業有限公司) was established as a limited liability company with a registered capital of RMB300,000,000 for a valid operation period from 26 February 2013 to 25 February 2053.
- (6) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;

- (ii) Capital Outlets (Kunshan) Real Estate Development Co., Ltd. (首創奧萊(昆山)置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
- (iii) Capital Outlets (Kunshan) Real Estate Development Co., Ltd. (首創奧萊(昆山)置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
- (iv) Capital Outlets (Kunshan) Real Estate Development Co., Ltd. (首創奧萊(昆山)置業有限公司) has obtained the Completion and Acceptance Certificate for Construction Works no material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
- (v) All land premium stated in the Grant Contracts of State-owned Land Use Rights has been paid and settled.
- (7) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |  |     |
|--|-----|
| Certificate for the Use of State-owned Land                  | Yes |
| Building Ownership Certificate                               | No  |
| Completion and Acceptance Certificate for Construction Works | Yes |
| Commodity Housing Pre-sale Permit                            | Yes |
| Business Licence   | Yes |
- (8) Deng Yu, Manager of DTZ Shanghai Office, inspected the property on 20 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
I-29. The unsold portions of Phase 1 of Tianjin Hongni River Project, Xinzhuang, Jinnan District, Tianjin, the PRC  (中華人民共和國 天津市 津南區辛莊 天津洪泥河項目)	<p>The property comprises the unsold portions of the completed phase of a composite development to be erected on two parcels of land with a total site area of 245,536.80 sq m.</p> <p>Tianjin Eco Village is situated in Jinan District. It is located to the Jingu Road and surrounded by Hongni River, Xincheng Road, Brown Stone Residence and Jingu Road. Developments in the vicinity comprise mainly residential buildings such as Sunshine Boston, Brown Stone, etc. The property is served by public bus routes.</p> <p>The property comprises the unsold portions of Phase 1 with a total gross floor area of 8,160.50 sq m.</p> <p>The land use rights of the property have been granted for a term due to expire on 8 August 2083 for residential use.</p>	The property is vacant and held for sale.	RMB80,000,000  (100% interest attributable to the Company: RMB80,000,000)

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	7,681.46
Others	479.04
<b>Total</b>	<b>8,160.50</b>

- (2) According to the Real Estate Title Certificates dated 23 August 2013, the land use rights of the property are vested in Tianjin Xingtai Jifeng Real Estate Co., Ltd. (天津興泰吉豐置業有限公司) with key details as follows:

Certificate No.	Land Plot No.	Issue Date	Land Use	Land Use Term		Site Area (sq m)
				Expiry Date		
112051300236	120112104021078000	23 August 2013	Residential	8 August 2083		111,870.20
112051300235	1201121040210770000	23 August 2013	Residential	8 August 2083		133,666.60
<b>Total</b>						<b>245,536.80</b>

- (3) According to the Grant Contracts of State-owned Land Use Rights dated 11 April 2013, the land use rights of the property have been contracted to be granted to Tianjin Xingtai Jifeng Real Estate Co., Ltd. (天津興泰吉豐置業有限公司) with key details as follows:

Contract No.	Issue Date	Land Use		Site Area (sq m)	Plot Ratio	Land Premium (RMB)
		Land Use	Expiry Date			
TJ11152013013	11 April 2013	Residential, commercial and education	70 years 40 years 50 years	123,426.20	Residential: 1.0-2.0 Commercial: ≤2.5 Education: ≤0.8	554,540,000
TJ11152013012	11 April 2013	Residential	70 years	133,666.60	1.0-2.0	601,240,000
<b>Total</b>				<b>257,092.80</b>		<b>1,155,780,000</b>

- (4) According to 12 Completion and Acceptance Certificates for Construction Works, the property has been completed.

Certificate No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
2015-128	26 June 2015	Xingjingyuan Phase I Block No. 21	2,275.28
2015-129	26 June 2015	Xingjingyuan Phase I Block No. 22	2,275.28
2015-130	26 June 2015	Xingjingyuan Phase I Block No. 23	4,453.17
2015-131	26 June 2015	Xingjingyuan Phase I Block No. 24	4,453.17
2015-132	26 June 2015	Xingjingyuan Phase I Block No. 25	2,956.34
2015-133	26 June 2015	Xingjingyuan Phase I Block No. 26	4,428.51
2015-134	26 June 2015	Xingjingyuan Phase I Block No. 27	2,956.34
2015-135	26 June 2015	Xingjingyuan Phase I Block No. 28	4,428.51
2015-136	26 June 2015	Xingjingyuan Phase I Block No. 29	3,364.22
2015-137	26 June 2015	Xingjingyuan Phase I Block No. 30	3,851.23
2015-138	26 June 2015	Xingjingyuan Phase I Block No. 31	4,526.96
2015-139	26 June 2015	Xingjingyuan Phase I Block No. 32	4,466.53
<b>Total</b>			<b>44,435.54</b>

- (5) According to the Commodity Housing Pre-sale Permits issued between 29 September 2013 and 29 November 2013, the construction works of portions of the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
2013-0872-001-006	29 September 2013	Xingjingyuan Block Nos. 21-26	21,275.24
2013-1034-001-004	12 November 2013	Xingjingyuan Block Nos. 27-30	14,790.80
2013-1097-001-002	29 November 2013	Xingjingyuan Block Nos. 31 and 32	8,779.76
<b>Total</b>			<b><u>44,845.80</u></b>

- (6) According to the information provided by the Company, various units with a total gross floor area of 5,729.13 sq m of the property have been contracted to be sold for a consideration of approximately RMB60,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (7) According to Business Licence No. 120112000180491 dated 2 April 2013, Tianjin Xingtai Jifeng Real Estate Co., Ltd. (天津興泰吉豐置業有限公司) was established as a limited liability company with a registered capital of RMB50,000,000 for a valid operation period from 2 April 2013 until 1 April 2033.
- (8) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Real Estate Title Certificates of the property are valid, legal and enforceable under the PRC laws;
  - (ii) All land premium stated in the Grant Contracts of State-owned Land Use Rights has been paid and settled;
  - (iii) Tianjin Xingtai Jifeng Real Estate Co., Ltd. (天津興泰吉豐置業有限公司) is the sole legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property; and
  - (iv) No material legal impediment is observed for the Company to obtain the Real Estate Title Certificate (building portion).
- (9) In accordance with the information provided by the Group, the status of title and grant of major approvals and licences are set out as follows:
- |  |                 |
|--|-----------------|
| Real Estate Title Certificate                                | Yes (land only) |
| Grant Contract of State-owned Land Use Rights                | Yes             |
| Completion and Acceptance Certificate for Construction Works | Yes             |
| Commodity Housing Pre-sale Permits                           | Yes             |
| Business Licence   | Yes             |
- (10) Chen Shuya, Manager of DTZ Tianjin Office, inspected the property on 19 March 2015.



Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
I-30. The unsold portions of Huzhou Renhuangshan Project, south of North 3rd Ring Road, Renhuangshanxi Pian Huzhou, Zhejiang Province, the PRC  (中華人民共和國 浙江省湖州市 仁皇山西片三環北路南側 湖州仁皇山)	<p>The property comprises the residential and car park portions erected on a parcel of land with a total site area of 53,865 sq m.</p> <p>The property was completed in 2015 and is situated in Wuxing District. It is located to the junction of 3rd Ring Road North and Qingtong Road. Developments in the vicinity comprise mainly residential buildings such as Yuyuan, Golden Mediterranean Sea, City Tower Homeland, etc. The property is served by public bus routes.</p> <p>The property comprises the unsold portions with a total gross floor area of 79,717.47 sq m.</p> <p>The property comprises 744 car parking spaces.</p> <p>The land use rights of the property have been granted for terms due to expire on 8 February 2082 for residential use and due to expire on 8 February 2052 for commercial use.</p>	The property is vacant and held for sale.	RMB468,000,000  (55% interest attributable to the Company: RMB257,400,000)

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	49,849.90
Car Park	8,268.01
Others	21,599.56
<b>Total</b>	<b>79,717.47</b>

- (2) According to Certificate for the Use of State-owned Land No. (2012) 003331 dated 12 March 2012, the land use rights of the property comprising a total site area of 53,865 sq m are vested in Huzhou Capital Rongcheng Real Estate Co., Ltd. (湖州首創榮城置業有限公司) for terms due to expire on 8 February 2082 for residential use and due to expire on 8 February 2052 for commercial use.
- (3) According to Grant Contract of State-owned Land Use Rights No. 3305012011A21157 dated 31 December 2011, the land use rights of the property comprising a total site area of 53,865 sq m have been contracted to be granted to Beijing Chuangxin Jianye Real Estate Investment Co., Ltd. (北京創新建業地產投資有限公司) for a term of 70 years for residential use and a term of 40 years for commercial use. The salient conditions are set out as follows:

Location	:	South of 3rd Ring Road, west area of Renhuang Mountain, Huzhou
Land Use	:	Residential, commercial
Site Area	:	53,865 sq m
Land Use Term	:	70 years for residential use and 40 years for commercial use
Plot Ratio	:	1.8-2.2
Land Premium	:	RMB200,000,000

- (4) According to the Commodity Housing Pre-sale Permits issued, the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Block No.	Gross Floor Area (sq m)
(2013) 064	8 November 2013	3	26,122
(2013) 024	9 May 2013	8 and 9	38,925
(2012) 069	12 November 2012	10 and 11	<u>46,878</u>
<b>Total</b>			<b><u>111,925</u></b>

- (5) According to Completion and Acceptance Certificate for Construction Works No. 31300020141230100 dated 30 December 2014, the property has been completed.
- (6) According to Survey Report No. 31300020150611101 dated 11 June 2015, the property has a total gross floor area of 147,502.45 sq m.
- (7) According to the information provided by the Company, various units with a total gross floor area of 19,386.67 sq m of the property have been contracted to be sold for a consideration of approximately RMB145,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (8) According to Business Licence No. 330500000020961 dated 29 July 2014, Huzhou Capital Rongcheng Real Estate Co., Ltd. (湖州首創榮城置業有限公司) was established as a limited liability company with a registered capital of RMB60,000,000 for a valid operation period from 21 February 2012 to 20 February 2022.

- (9) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Huzhou Capital Rongcheng Real Estate Co., Ltd. (湖州首創榮城置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Huzhou Capital Rongcheng Real Estate Co., Ltd. (湖州首創榮城置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) No material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
  - (v) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.

- (10) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Certificate for the Use of State-owned Land	Yes
Building Ownership Certificate	No
Grant Contract of State-owned Land Use Rights	Yes
Completion and Acceptance Certificate	Yes
Survey Report	Yes
Commodity Housing Pre-sale Permits	Yes
Business Licence	Yes

- (11) Delly Chen, Valuer of DTZ Hangzhou Office, inspected the property on 9 July 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
I-31. The unsold portions of the completed phase of International Peninsula, Plot 08-02, East of Yinqu Road, programming wind harbour, Gao Village, Wuqing District, Tianjin, the PRC  (中華人民共和國天津市武清區高村鄉規劃風港引渠路東側國際半島08-02地塊項目)	<p>The property comprises the unsold portions of the completed phase of a composite development to be erected on a parcel of land with a total site area of 171,418.2 sq m.</p> <p>International Peninsula was completed in 2014 and situated in Wuqing District. It is located to the South of Fenggangyinqu Road and surrounded by Shuyuan Road and Gongxue Road. Developments in the vicinity comprise mainly residential buildings such as Seasons Park, Park Tower, etc. The property is served by public bus routes.</p> <p>The property comprises the unsold portions with a total gross floor area of 9,951.36 sq m.</p> <p>The land use rights of the property have been granted for a term of 70 years due to expire on 16 May 2081 for residential use.</p>	The property is vacant and held for sale.	RMB100,000,000  (100% interest attributable to the Company: RMB100,000,000)

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Villa	9,951.36
<b>Total</b>	<b><u>9,951.36</u></b>

- (2) According to Real Estate Title Certificate No. 122051101261 dated 5 December 2011, the land use rights of the property comprising a total site area of 171,418.2 sq m are vested in Tianjin Yongyuan Investment Co. Ltd. (天津永元投資有限公司) for terms due to expire on 16 May 2081 for residential use.

- (3) According to Grant Contract of State-owned Land Use Rights No. TJ11182011010 dated 10 March 2011, the land use rights of the property comprising a total site area of 171,418.2 sq m have been contracted to be granted to Tianjin Yongyuan Investment Co. Ltd. (天津永元投资有限公司) for a term of 70 years for residential. The salient conditions are set out as follows

Location	:	East of Yinqu Road, programming wind harbour, Gao Village, Wuqing District
Land Use	:	Residential
Site Area	:	171,418.20 sq m
Land Use Term	:	70 years for residential
Plot Ratio	:	Not more than 1.1
Permissible Gross Floor Area	:	–
Land Premium	:	RMB258,000,000

- (4) According to Planning Permit for Construction Use of Land No. 0120 (2011) issued on 8 June 2011, the construction site of the property with a total area of 171,418.2 sq m is in compliance with the urban planning requirements.

- (5) Details of the Planning Permits for Construction Works are set out as follows:

Permit No.	Location/Phase	Issue Date	Aboveground	Underground
			Gross Floor Area (sq m)	Gross Floor Area (sq m)
0058(2011)	Block Nos. 1-53 and 59-60 of Xintongyayuan	2011/7/6	52,717.78	4,211.40
0063(2011)	Block Nos. 54-58 and 61-93 of Xintongyayuan	2011/8/9	35,368.46	
<b>Total</b>			<b><u>88,086</u></b>	<b><u>4,211</u></b>

- (6) Details of the Permits for Commencement of Construction Works are set out as follows:

Permit No.	Location/Phase	Issue Date	Gross Floor Area (sq m)
12222021201107005	Block Nos. 1-53 and 59-60 of Xintongyayuan	2011/7/13	56,927.20
1222221201109012	Block Nos. 54-58, 61 and 93 of Xintongyayuan	2011/9/17	35,368.46
<b>Total</b>			<b><u>92,296</u></b>

- (7) According to the Commodity Housing Pre-sale Permits issued between 27 February 2014 and 26 August 2014, the construction works of portions of the property were permitted for pre-sale with key details as follows:

Permit No.	Location/Phase	Issue Date	Gross Floor Area (sq m)
(2014)0355-001	Block No. 94 of Xintongyayuan	2014/4/30	6543.45
(2014)0356-001-002	Block Nos. 95 and 96 of Xintongyayuan	2014/4/3	10,430.64
(2014)0778-001	Block No. 97 of Xintongyayuan	2014/8/26	12,398.30
(2014)0779-001	Block Nos. 98 and 99 of Xintongyayuan	2014/8/26	16,430.53
(2014)0470-001-002	Block Nos. 100 and 103 of Xintongyayuan	2014/2/27	31,655.88
(2014)0464-001-002	Block Nos. 101 and 102 of Xintongyayuan	2014/5/23	<u>21,926.92</u>
<b>Total</b>			<b><u><u>99,386</u></u></b>

- (8) According to the Survey Reports issued by 天津市國土資源測繪和房屋測量中心 (Tianjin Land Resources Survey and Housing Measuring Center), the constituent gross floor area of the construction works are summarised as follows:

Project	Issue Date	Gross Floor Area (sq m)
Block Nos. 1–93 of Xintongyayuan	2013/05/08	<u>62,531.21</u>
<b>Total</b>		<b><u><u>62,531</u></u></b>

- (9) According to the Completion and Acceptance Certificates for Construction Works, the property has been completed and listed as follows:

Certificate No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
2013-051-105	13 March 2013	Block Nos. 1–53 and 59–60 of Xintongyayuan	56,929.14
2013-417-483	29 November 2013	Block Nos. 54–58, 61 and 93 of Xintongyayuan	<u>35,368.46</u>
<b>Total</b>			<b><u><u>92,297.6</u></u></b>

- (10) According to Business Licence No. 120222000084737 dated 15 February 2011, Tianjin Yongyuan Investment Co. Ltd. (天津永元投資有限公司) was established as a limited liability company with a registered capital of RMB30,100,000 for a valid operation period from 15 February 2011 to 14 February 2061.

(11) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:

- (i) The Real Estate Title Certificate of the property is valid, legal and enforceable under the PRC laws;
- (ii) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled;
- (iii) Tianjin Yongyuan Investment Co. Ltd. (天津永元投資有限公司) is the sole legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
- (iv) Tianjin Yongyuan Investment Co. Ltd. (天津永元投資有限公司) has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property; and
- (v) No material legal impediment is observed for the Company to obtain the Real Estate Title Certificate (building portion).

(12) In accordance with the information provided by the Group, the status of title and grant of major approvals and licences are set out as follows:

Real Estate Title Certificate	Yes (land only)
Grant Contract of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Completion and Acceptance Certificate for Construction Works	Yes
Commodity Housing Pre-sale Permit	Yes
Survey Report	Yes (part)
Business Licence	Yes

(13) Darren Lv Xingkun, Valuer of DTZ Tianjin Office, inspected the property on 30 June 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
I-32. The unsold portions of the completed phase of International Peninsula, Plot 01-05, West of Gongxue Road, Gao Village, Wuqing District, Tianjin, the PRC  (中華人民共和國天津市武清區高村鄉公學道西側首創國際半島01-05地塊項目)	The property comprises the unsold portions of the completed phase of a composite development to be erected on a parcel of land with a total site area of 193,496.2 sq m.  International Peninsula was completed in 2014 and situated in Wuqing District. It is located to the South of Fenggangyinqu Road and surrounded by Shuyuan Road and Gongxue Road. Developments in the vicinity comprise mainly residential buildings such as Seasons Park, Park Tower, etc. The property is served by public bus routes.  The property comprises the unsold portions with a total gross floor area of 22,850.59 sq m.  The land use rights of the property have been granted for a term of 70 years due to expire on 9 May 2082 for residential use.	The property is vacant and held for sale.	RMB230,000,000  (100% interest attributable to the Company: RMB230,000,000)

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Villa	<u>22,850.59</u>
<b>Total</b>	<b><u><u>22,850.59</u></u></b>

- (2) According to Real Estate Title Certificate No. 122051200372 dated 23 May 2012, the land use rights of the property comprising a total site area of 193,496.2 sq m are vested in Tianjin Yiju Investment Co. Ltd. (天津益聚投資有限公司) for terms due to expire on 9 May 2082 for residential use.



- (3) According to Grant Contract of State-owned Land Use Rights No. TJ11182012025 dated 6 March 2012, the land use rights of the property comprising a total site area of 193,496.2 sq m have been contracted to be granted to Tianjin Yiju Investment Co. Ltd. (天津益聚投资有限公司) for a term of 70 years for residential. The salient conditions are set out as follows

Location	:	west of Gongxue Road, Gao Cun Xiang, Wuqing District
Land Use	:	Residential
Site Area	:	193,496.2 sq m
Land Use Term	:	70 years for residential
Plot Ratio	:	Not more than 1.1
Permissible Gross Floor Area	:	–
Land Premium	:	RMB291,000,000

- (4) According to Planning Permit for Construction Use of Land No. (2013)0142 issued on 12 July 2012, the construction site of the property with a total area of 193,496.20 sq m is in compliance with the urban planning requirements.

- (5) Details of the Planning Permits for Construction Works are set out as follows:

Permit No.	Location/Phase	Issue Date	Aboveground	Underground
			Gross Floor Area (sq m)	Gross Floor Area (sq m)
(2012)0057	Phase I of Yunxiangyayuan	2012/10/22	41,828.56	
(2013)0004	Phase II of Yunxiangyayuan	2013/1/21	61,667.94	
(2013)0033	Block Nos. 115-117 of Yunxiangyayuan	2013/5/17	17,539.26	1,643.19
(2013)0041	Block Nos. 119, 120, 126 and 127 of Yunxiangyayuan	2013/6/4	17,963.38	3,053.12
(2013)0053	Block Nos. 118 and 121-125 of Yunxiangyayuan, Block Nos. 1-3 of ancillary facilities car park	2013/7/17	73,011.63	20,687.63
<b>Total</b>			<b>212,011</b>	<b>25,384</b>

- (6) Details of the Permits for Commencement of Construction Works issued between 20 December 2012 and 15 August 2013 are set out as follows:

Permit No.	Location/Phase	Issue Date	Aboveground Gross Floor Area (sq m)
12222021201306013	Yunxiangyayuan Phase II of the first section	2013/6/5	58,513.88
12222021201306014	Yunxiangyayuan Phase II of the second section 6, 7 and 8	2013/6/5	2,154.06
12222021201212015	Yunxiangyayuan Phase I of 2011-256	2012/12/20	41,828.56
12222021201306032	Yunxiangyayuan Phase I of 115-117, 119-120 and 126-127	2013/6/27	40,198.96
12222021201308003	Yunxiangyayuan Phase I of 118, 121-125 and 128-130, underground garage	2013/8/15	93,699.26
<b>Total</b>			<b><u>236,395</u></b>

- (7) According to the Completion and Acceptance Certificates for Construction Works, Block Nos. 2-55, 60-64, 71-73, 79-83, 91-93 and 101 of the development have been completed.

Certificate No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
2014-662 to 2014-726	15 December 2014	Block Nos. 2-5, 9-55, 60-64, 71-73, 79-83, 91-93 and 101	59,513.88
2014-836 to 2014-838	3 January 2015	Block Nos. 6-8	2,154.06
<b>Total</b>			<b><u>61,667.94</u></b>

- (8) According to the Commodity Housing Pre-sale Permits, the construction works of portions of the property were permitted for pre-sale with key details as follows:

Permit No.	Location/Phase	Issue Date	Gross Floor Area (sq m)
(2013)0240-001	Block No. 1 of Yunxiangyayuan	2013/4/16	727.04
(2013)1052-001-010	Block Nos. 2, 19, 20, 26, 27, 33-35, 43 and 44 of Yunxiangyayuan	2013/1/18	9,335.43
(2013)1007-001-012	Block Nos. 3, 4, 11, 22, 23, 30, 32, 40, 52, 55, 92 and 101 of Yunxiangyayuan	2013/11/11	11,256.45
(2013)1051-004-015	Block Nos. 5, 13, 16, 17, 24, 25, 31, 54, 62-64, 72, 73, 83 and 93 of Yunxiangyayuan	2013/11/18	13,281.48
(2013)1142-001-005	Block Nos. 6-9 and 14 of Yunxiangyayuan	2013/2/12	4,174.59
(2013)0979-011-009	Block Nos. 10, 12, 15, 18, 21, 41, 42, 51 and 53 of Yunxiangyayuan	2013/11/1	8,436.74
(2013)0899-001-015	Block Nos. 28, 29, 37-39, 48-50, 60, 61, 70, 71 and 79-81 of Yunxiangyayuan	2013/10/16	13,959.18
(2013)0240-002	Block No. 36 of Yunxiangyayuan	2013/4/16	727.04
(2013)0240-003	Block No. 45 of Yunxiangyayuan	2013/4/16	909.80
(2013)0240-004	Block No. 46 of Yunxiangyayuan	2013/4/16	909.80
(2013)0240-005	Block No. 47 of Yunxiangyayuan	2013/4/16	1,083.67
(2013)0240-006	Block No. 56 of Yunxiangyayuan	2013/4/16	909.80
(2013)0240-007	Block No. 57 of Yunxiangyayuan	2013/4/16	909.80
(2013)0240-008	Block No. 58 of Yunxiangyayuan	2013/4/16	909.80
(2013)0240-009	Block No. 59 of Yunxiangyayuan	2013/4/16	727.04
(2013)0240-010	Block No. 65 of Yunxiangyayuan	2013/4/16	1,349.99
(2013)0240-011	Block No. 66 of Yunxiangyayuan	2013/4/16	909.80
(2013)0240-012	Block No. 67 of Yunxiangyayuan	2013/4/16	909.80
(2013)0240-013	Block No. 68 of Yunxiangyayuan	2013/4/16	745.04
(2013)0240-014	Block No. 69 of Yunxiangyayuan	2013/4/16	746.04
(2013)0240-015	Block No. 74 of Yunxiangyayuan	2013/4/16	747.04
(2013)0240-016	Block No. 75 of Yunxiangyayuan	2013/4/16	1,349.99
(2013)0240-017	Block No. 76 of Yunxiangyayuan	2013/4/16	1,349.99
(2013)0240-018	Block No. 77 of Yunxiangyayuan	2013/4/16	909.80
(2013)0240-019	Block No. 78 of Yunxiangyayuan	2013/4/16	727.04
(2013)0136-001	Block Nos. 82 and 91 of Yunxiangyayuan	2013/2/27	2,433.66
(2013)0240-020	Block No. 84 of Yunxiangyayuan	2013/4/16	727.04
(2013)0240-021	Block No. 85 of Yunxiangyayuan	2013/4/16	909.80
(2013)0240-022	Block No. 86 of Yunxiangyayuan	2013/4/16	909.80
(2013)0240-023	Block No. 87 of Yunxiangyayuan	2013/4/16	909.80
(2013)0240-024	Block No. 88 of Yunxiangyayuan	2013/4/16	909.80
(2013)0240-025	Block No. 89 of Yunxiangyayuan	2013/4/16	1,083.67
(2013)0240-026	Block No. 90 of Yunxiangyayuan	2013/4/16	727.04
(2013)0240-027	Block No. 94 of Yunxiangyayuan	2013/4/16	727.04
(2013)0240-028	Block No. 95 of Yunxiangyayuan	2013/4/16	909.80

Permit No.	Location/Phase	Issue Date	Gross Floor Area (sq m)
(2013)0240-029	Block No. 96 of Yunxiangyayuan	2013/4/16	909.80
(2013)0240-03	Block No. 97 of Yunxiangyayuan	2013/4/16	909.80
(2013)0240-031	Block No. 98 of Yunxiangyayuan	2013/4/16	909.80
(2013)0240-032	Block No. 99 of Yunxiangyayuan	2013/4/16	727.04
(2013)0240-033	Block No. 100 of Yunxiangyayuan	2013/4/16	727.04
(2013)0240-034	Block No. 102 of Yunxiangyayuan	2013/4/16	1,083.67
(2013)0240-035	Block No. 103 of Yunxiangyayuan	2013/4/16	1,083.67
(2013)0052-001	Block No. 104 of Yunxiangyayuan	2013/1/28	727.04
(2013)0052-002	Block No. 105 of Yunxiangyayuan	2013/1/28	727.04
(2013)0052-003	Block No. 106 of Yunxiangyayuan	2013/1/28	1,083.67
(2013)0052-004	Block No. 107 of Yunxiangyayuan	2013/1/28	1,083.67
(2013)0240-036	Block No. 108 of Yunxiangyayuan	2013/4/16	727.04
(2013)0240-037	Block No. 109 of Yunxiangyayuan	2013/1/28	1,083.67
(2013)0240-038	Block No. 110 of Yunxiangyayuan	2013/4/16	1,083.67
(2013)0052-005	Block No. 111 of Yunxiangyayuan	2013/1/28	727.04
(2013)0052-006	Block No. 112 of Yunxiangyayuan	2013/1/28	1,083.67
(2013)0052-007	Block No. 113 of Yunxiangyayuan	2013/1/28	1,083.67
(2013)0052-008	Block No. 114 of Yunxiangyayuan	2013/1/28	727.04
(2013)0052-009	Block No. 115 of Yunxiangyayuan	2013/10/12	6,103.98
(2013)0052-002	Block No. 116 of Yunxiangyayuan	2013/10/12	6,059.88
(2013)0524-003	Block No. 117 of Yunxiangyayuan	2013/10/12	6,059.88
(2013)0938-001-005	Block Nos. 118, 121-123 and 125 of Yunxiangyayuan	2013/10/25	51,543.70
(2013)0695-001-004	Block Nos. 119, 120, 126 and 127 of Yunxiangyayuan	2013/8/27	18,595.26
(2013)0939-001	Block No. 124 of Yunxiangyayuan	2013/10/25	<u>20,295.42</u>
<b>Total</b>			<b><u><u>213,396</u></u></b>

- (9) According to the Survey Reports issued, the constituent gross floor area of the construction works are summarised as follows:

Project	Issue Date	Gross Floor Area (sq m)
Yunxiangyayuan Block Nos. 11-14, 16, 17, 19, 20, 22-26, 29-35, 40-44, 50-55, 61-64, 71-73, 80 and 83	2013/02/05	36,391.60
Yunxiangyayuan Block Nos. 18, 27 and 82	2013/02/05	4,049.82
Yunxiangyayuan Block Nos. 2, 4-8, 10, 21, 37-39, 49 and 93	2013/02/05	9,451.39
Yunxiangyayuan Block Nos. 3, 9, 15, 28, 48, 60, 70, 79, 81, 91, 92 and 101	–	12,275.40
Block No. 118 of Yunxiangyayuan	2013/09/02	<u>11,637.23</u>
<b>Total</b>		<b><u><u>73,805</u></u></b>

- (10) According to the information provided by the Company, various units with a total gross floor area of 22,850.59 sq m of the property have been contracted to be sold for a consideration of approximately RMB230,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (11) According to Business Licence No. 120222000115492 dated 15 December 2011, Tianjin Yiju Investment Co. Ltd. (天津益聚投资有限公司) was established as a limited liability company with a registered capital of RMB30,000,000 for a valid operation period from 15 December 2011 to 14 December 2041.
- (12) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Real Estate Title Certificate of the property is valid, legal and enforceable under the PRC laws;
  - (ii) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled;
  - (iii) Tianjin Yiju Investment Co., Ltd. (天津益聚投资有限公司) is the sole legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iv) Tianjin Yiju Investment Co., Ltd. (天津益聚投资有限公司) has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property; and
  - (v) No material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property
- (13) In accordance with the information provided by the Group, the status of title and grant of major approvals and licences are set out as follows:
- |  |                 |
|--|-----------------|
| Real Estate Title Certificate                                | Yes (land only) |
| Grant Contract of State-owned Land Use Rights                | Yes             |
| Planning Permit for Construction Use of Land                 | Yes             |
| Planning Permit for Construction Works                       | Yes             |
| Permit for Commencement of Construction Works                | Yes             |
| Completion and Acceptance Certificate for Construction Works | Yes             |
| Commodity Housing Pre-sale Permit                            | Yes             |
| Survey Report  | Yes (part)      |
| Business Licence   | Yes             |
- (14) Darren Lv Xingkun, Valuer of DTZ Tianjin Office, inspected the property on 30 June 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
I-33. The unsold portions of Kunshan Jinxi Project, Phase 1, west of Jiangpu Road, Jinxi Town, Kunshan, Jiangsu Province, the PRC  (中華人民共和國江蘇省昆山市錦溪鎮江浦路西側昆山錦溪項目一期(部分))	<p>The property comprises the unsold residential and garage portions of Phase 1 erected on a parcel of land with a total site area of 197,585.70 sq m.</p> <p>Kunshan Jinxi Project is situated in Jinxi Town. It is located to the west of Jiangpu Road and surrounded by Jinshang Highway. Developments in the vicinity comprise mainly residential buildings such as Yihong Lanxi, La Vill De Fontainebleau, etc. The property is served by public bus routes.</p> <p>The property comprises the unsold portions of Phase 1 with a total gross floor area of 18,952.79 sq m.</p> <p>The land use rights of the property have been granted for terms due to expire on 9 August 2052 for commercial use and due to expire on 9 August 2082 for residential use.</p>	The property is vacant and held for sale.	RMB210,000,000  (51% interest attributable to the Company: RMB107,100,000)

*Notes:*

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Villa	4,072.80
Townhouse	13,346.04
Superposition Villa	<u>1,533.95</u>
<b>Total</b>	<b><u><u>18,952.79</u></u></b>

- (2) According to Certificate for the Use of State-owned Land No. (2012) 2012119051 dated 21 August 2012, the land use rights of the land parcel comprising a total site area of 197,585.70 sq m are vested in Capital Qinglv Real Estate (Kunshan) Co., Ltd. (首創青旅置業(昆山)有限公司) for terms due to expire on 9 August 2052 for commercial use and due to expire on 9 August 2082 for residential use.

As advised by the Company, the property comprises portions of the site area as stated in the Certificate for the Use of State-owned Land mentioned above.

- (3) According to the Completion and Acceptance Certificates for Construction Works, portions of the property have been completed.

<b>Certificate No.</b>	<b>Issue Date</b>	<b>Location</b>	<b>Gross Floor Area (sq m)</b>
(2014) 122	30 June 2014	Block Nos. 1-6, 10-12, 15-18, 21-25 and 30-38 of Eastern Mystery	25,944.72
(2014) 123	30 June 2014	Block Nos. 27-29 of Eastern Mystery	6,377.69
(2015) 092	19 June 2015	Block Nos. 65-67 of Eastern Mystery	6,382.44
(2015) 093	19 June 2015	Block Nos. 39-64 and 68-81 of Eastern Mystery	38,240.77
<b>Total</b>			<b><u>76,945.62</u></b>

As advised by the Group, the property comprises portions of the gross floor area as stated in the Completion and Acceptance Certificates for Construction Works mentioned above.

- (4) According to the Commodity Housing Pre-sale Permits, the construction works of portions of the property were permitted for pre-sale with key details as follows:

<b>Permit No.</b>	<b>Issue Date</b>	<b>Location</b>	<b>Gross Floor Area (sq m)</b>
(2013) No. 150	9 July 2013	West side of Jiangpu Road, north side of Tongzhou Highway	24,774.34
(2013) No. 151	9 July 2013	West side of Jiangpu Road, north side of Tongzhou Highway	4,254.48
(2013) No. 241	25 September 2013	West side of Jiangpu Road, north side of Tongzhou Highway	2,123.21
(2013) No. 242	25 September 2013	West side of Jiangpu Road, north side of Tongzhou Highway	1,149.94
(2013) No. 323	3 December 2013	West side of Jiangpu Road, north side of Tongzhou Highway	8,696.89
(2013) No. 324	3 December 2013	West side of Jiangpu Road, north side of Tongzhou Highway	6,381.72
(2014) No. 111	21 April 2014	West side of Jiangpu Road, north side of Tongzhou Highway	29,470.90
<b>Total</b>			<b><u>76,851.48</u></b>

- (5) According to the information provided by the Company, various units with a total gross floor area of 13,483.56 sq m of the property have been contracted to be sold for a consideration of approximately RMB147,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.

- (6) According to Business Licence No. 320583000201206050181N dated 5 June 2015, Capital Qinglv Real Estate (Kunshan) Co., Ltd. (首創青旅置業(昆山)有限公司) was established as a limited liability company with a registered capital of RMB300,000,000 for a valid operation period from 22 May 2012 to 21 May 2062.
- (7) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Capital Qinglv Real Estate (Kunshan) Co., Ltd. (首創青旅置業(昆山)有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Portions of the relevant certificates and approval from the government in respect of the construction of the property are in the process of application;
  - (iv) Capital Qinglv Real Estate (Kunshan) Co., Ltd. (首創青旅置業(昆山)有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (v) No material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
  - (vi) All land premium stated in the Grant Contracts of State-owned Land Use Rights has been paid and settled.
- (8) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |   |     |
|---|-----|
| Certificate for the Use of State-owned Land                   | Yes |
| Building Ownership Certificate                                | No  |
| Completion and Acceptance Certificates for Construction Works | Yes |
| Commodity Housing Pre-sale Permits                            | Yes |
| Business Licence  | Yes |
- (9) Deng Yu, Manager of DTZ Shanghai Office, inspected the property on 19 March 2015.



Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
I-34 The unsold portions of Jingzhu Square 2, on the west side of Gaocun Fenggang Road, Wuqing District, Tianjin, the PRC  (中華人民共和國 天津市武清區 高村鄉規劃鳳港路西側 靜竹廣場2)	Jingzhu Square 2 is erected on a parcel of land with a total site area of 18,102.9 sq m.  Jingzhu Square 2 is situated in Gaocun and Wuqing District. It is located on the west side of Fenggang Road. Developments in the vicinity comprise mainly residential and public facilities buildings such as International Peninsula (國際半島), Haileybury International School (黑利伯瑞國際學校), etc. The property surrounding road is spacious, and traffic developed.  The property has a total gross floor area of 5,544.08 sq m.  The land use rights of the property have been granted for a term of 40 years due to expire on 13 June 2052 for commercial use.	The property was completed on 31 March 2015 with a total gross floor area of 5,544.08 sq m. Portions of the property are subject to three tenancies with the latest expiry in November 2017 at a total monthly rent of RMB7,970 (exclusive of management fee).	RMB56,000,000  (100% interest attributable to the Company: RMB56,000,000)

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Retail	5,544.08
<b>Total</b>	<b><u>5,544.08</u></b>

- (2) According to Real Estate Title Certificate No. 122051200443 dated 20 June 2012, the land use rights of commercial comprising a total site area of 18,102.9 sq m are vested in Tianjin Weiqing Investment Co., Ltd. (天津偉清投資有限公司) for terms due to expire on 13 June 2052 for commercial use.
- (3) According to Grant Contract of State-owned Land Use Rights No. TJ11182012031 dated 25 May 2012, the land use rights of commercial comprising a total site area of 18,102.9 sq m have been contracted to be granted to Tianjin Weiqing Investment Co., Ltd. (天津偉清投資有限公司) for a term of 40 years for commercial use.

- (4) According to Planning Permit for Construction Use of Land No. 2012 0138 issued by Tianjin Land Planning Bureau of Administration Committee of Wuqing District, the construction site of the property with a total area of 18,102.9 sq m is in compliance with the urban planning requirements.
- (5) According to Planning Permit for Construction Works No. 2013 0015 issued by Tianjin Land Planning Bureau of Administration Committee of Wuqing District, the construction works of Jingzhu Square 2 of the property with a permitted gross floor area of 5,544.08 sq m are in compliance with the construction works requirements and have been approved.
- (6) According to Permit for Commencement of Construction Works No. 12222071201306031 issued by Tianjin Housing and Construction Bureau of Wuqing District, the construction works of Jingzhu Square 2 of the property with a gross floor area of 5,544.08 sq m is in compliance with the requirements for works commencement and have been permitted.
- (7) According to Completion and Acceptance Certificate for Construction Works No. 2015-132, portion (Jingzhu Square 2) of the property with a gross floor area of 5,544.08 sq m has been completed.
- (8) According to Business Licence No. 120222000115450 dated 15 December 2011, Tianjin Weiqing Investment Co., Ltd. (天津偉清投資有限公司) was established as a limited liability company with a registered capital of RMB30,000,000 for a valid operation period from 15 December 2011 to 14 December 2041.
- (9) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
  - (i) The Real Estate Title Certificate of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Tianjin Weiqing Investment Co., Ltd. (天津偉清投資有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Tianjin Weiqing Investment Co., Ltd. (天津偉清投資有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) Tianjin Weiqing Investment Co., Ltd. (天津偉清投資有限公司) has obtained the Completion and Acceptance Certificate for Construction Works and no material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
  - (v) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.

- (10) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Real Estate Title Certificate	Yes (land only)
Grant Contract of State-owned Land Use Rights	Yes
Completion and Acceptance Certificate for Construction Works	Yes
Business Licence	Yes

- (11) Niu Huixin, Assistant Manager of DTZ Tianjin Office, inspected the property on 14 July 2015.

## VALUATION CERTIFICATE

## Group II – Completed properties held by the Group for investment in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
II-1. Beijing Capital Outlets, Phase 1, Fangshan District, Beijing, the PRC  (中華人民共和國 北京市 房山區 北京奧特萊斯一期項目 北京奧特萊斯)	<p>The property comprises a 3-storey (including 1 level basement) commercial building completed in 2013.</p> <p>Beijing Capital Outlets is situated in Fangshan District. It is located to the west of East Ring Road and to the north of Ballet Town.</p> <p>Developments in the vicinity comprise mainly residential buildings such as Jiazhou Shuijun, Bigui Yuan, etc. The property is served by public bus routes and subway.</p> <p>The property has a total gross floor area of 108,415.97 sq m.</p> <p>The land use rights of the property have been granted for a term due to expire on 5 April 2050 for commercial use.</p>	<p>Portions of the property with a total gross floor area of 93,847.25 sq m are subject to various tenancies with the latest expiry in April 2023 at a total monthly rent of approximately RMB8,580,000 (exclusive of management fee).</p>	<p>No commercial value  (100% interest attributable to the Company: No commercial value)  (See Note 1)</p>

## Notes:

- (1) According to its Grant Contract of Land Use Rights and its supplementary agreement, the property is subject to sale and transfer restrictions. Therefore, we have ascribed no commercial value to the property.

For the Group's management reference, however, we are requested to separately assess the market value on the assumptions that proper and unfettered title documents had been obtained without encumbrances and all relevant land premium for obtaining the release of such sale and transfer restrictions had been fully settled. The market value of the property on the said hypothetical basis in its existing state as at 30 June 2015 was RMB1,511,000,000 (100% interest attributable to the Company: RMB1,511,000,000).

- (2) The constituent gross floor areas are summarised as follows:

<b>Portion</b>	<b>Gross Floor Area</b> (sq m)
Retail	104,921.96
Car park	387.50
Others	<u>3,106.51</u>
<b>Total</b>	<b><u><u>108,415.97</u></u></b>

- (3) According to the Building Ownership Certificates, the building ownership of the property is vested in Outlets Property Investment Fang Shan Ltd. (北京首創奧特萊斯房山置業有限公司) with key details as follows:

<b>Certificate No.</b>	<b>Issue Date</b>	<b>Planned Use</b>	<b>Gross Floor Area</b> (sq m)
081385	20 March 2013	Retail	40,405.10
082276	7 March 2013	Retail	54,781.32
082277	7 March 2013	Retail	<u>13,229.55</u>
<b>Total</b>			<b><u><u>108,415.97</u></u></b>

- (4) According to Certificate for the Use of State-owned Land No. 2010-00099 dated 20 October 2010, the land use rights of the property comprising a total site area of 90,765.58 sq m are vested in Outlets Property Investment Fang Shan Ltd. (北京首創奧特萊斯房山置業有限公司) for a term due to expire on 5 April 2050 for commercial use.

Upon completion of the construction of the property, no less than 100,000 sq m of shopping mall with more than 200 international brands should be held by the Group and are subject to restrictions on transfer and sales.

- (5) According to Grant Contract of State-owned Land Use Rights No. (2010) 0082 dated 6 April 2010 and its Supplementary Agreement of Grant Contracts of State-owned Land Use Rights, the land use rights of Ballet Town comprising a total site area of 181,824.66 sq m have been contracted to be granted to Outlets Property Investment Fang Shan Ltd. (北京首創奧特萊斯房山置業有限公司) for terms due to expire on 5 April 2050 for commercial use and due to expire on 5 April 2080 for residential use. The salient conditions are set out as follows:

Location	: Changyang Town in Fangshan District
Land Use	: Residential/Commercial
Site Area	: 181,824.66 sq m
Land Use Term	: 40 years for commercial use and 70 years for residential use
Plot Ratio	: Not more than 2
Permissible Gross Floor Area	: 288,594.0007 sq m
Land Premium	: RMB925,780,000

Upon completion of the construction of the property, no less than 100,000 sq m of shopping mall should be held by the Group and are subject to restrictions on transfer and sales.

- (6) According to Business Licence No. 110000450137361 dated 21 May 2010, Outlets Property Investment Fang Shan Ltd. (北京首創奧特萊斯房山置業有限公司) was established as a limited liability company with a registered capital of USD127,000,000 for a valid operation period from 21 May 2010 until 20 May 2050.
- (7) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificate for the Use of State-owned Land and the Building Ownership Certificates of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Outlets Property Investment Fang Shan Ltd. (北京首創奧特萊斯房山置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) The property is subject to the restrictions of the Grant Contract of Land Use Rights and its supplementary agreement; and
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (8) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |   |     |
|---|-----|
| Certificate for the Use of State-owned Land   | Yes |
| Building Ownership Certificate                | Yes |
| Grant Contract of State-owned Land Use Rights | Yes |
| Business Licence                              | Yes |
- (9) Hu Teng, Assistant Analyst of DTZ Beijing Office, inspected the property on 19 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
II-2. Huzhou Capital Outlets, No. 518 west of Binhu Avenue, Huzhou, Zhejiang Province, the PRC  (中華人民共和國浙江省湖州濱湖大道西段518號湖州奧特萊斯)	<p>The property comprises 8 units on Level 1, 2 and 3 of 3-storey commercial buildings completed in 2015.</p> <p>The property is situated in Huzhou. It is located to the south side of Taihu Road. Developments in the vicinity comprise mainly commercial and residential buildings such as Sheraton Huzhou Hot Spring Resort, Landison Resort Huzhou, Taihu Sunny Holiday, etc. The property is served by public bus routes.</p> <p>The property has a total gross floor area of 97,527.63 sq m.</p> <p>The land use rights of the property have been granted for term due to expire on 10 February 2050 for commercial use.</p>	<p>The property with a total gross floor area of 97,527.63 sq m are subject to various tenancies with the latest expiry in March 2020 at a total monthly rent of approximately RMB420,000 (exclusive of management fee).</p>	<p>RMB932,000,000  (100% interest attributable to the Company: RMB932,000,000)</p>

*Notes:*

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Retail Phase 1	54,731.28
Retail Phase 2	<u>42,796.35</u>
<b>Total</b>	<b><u><u>97,527.63</u></u></b>

- (2) According to 170 Building Ownership Certificates dated 14 April 2014, the building ownership of the property comprising a total gross floor area of 54,731.28 sq m is vested in Zhejiang Outlets Property Real Estate Co., Ltd. (浙江奧特萊斯置業有限公司).

As advised by the Company, only portions of the property have been granted the Building Ownership Certificate mentioned above.

- (3) According to the Certificates for the Use of State-owned Land, the land use rights of the property are vested in Zhejiang Outlets Property Real Estate Co, Ltd. (浙江奥特莱斯置业有限公司) with key details as follows:

Certificate No.	Land Plot No.	Issue Date	Land Use	Land Use Term		Site Area (sq m)
				Expiry Date		
(2013) 013188	2-13-28-2-1	27 November 2013	Commercial	10 February 2050		109,937
(2013) 013190	2-13-28-2-2	27 November 2013	Commercial	10 February 2050		104,380
<b>Total</b>						<b>214,317</b>

- (4) According to Grant Contract of State-owned Land Use Rights No. 3305012009A21085 dated 7 January 2010, the land use rights of the property comprising a total site area of 302,693.00 sq m have been contracted to be granted to Zhejiang Outlets Property Real Estate Co, Ltd. (浙江奥特莱斯置业有限公司) for terms due to expire on 10 February 2050 for commercial use. The salient conditions are set out as follows:

Location	:	The north of Lian Xing Road, and The west of Lianhua Entrance and Exit of the East Line Highway of Wanning City, Hainan Province
Land Use	:	Commercial
Site Area	:	302,693.00 sq m
Land Use Term	:	40 years for commercial use
Plot Ratio	:	Not more than 1.0
Land Premium	:	RMB136,450,000

- (5) According to Planning Permit for Construction Use of Land No. 330501201000029 dated 19 May 2010, the construction site of the property with a total area of 302,713.00 sq m is in compliance with the urban planning requirements.
- (6) According to Planning Permit for Construction Works No. 330501201100017 dated 4 March 2011, the construction works of the property with a permitted gross floor area of 42,840.73 sq m are in compliance with the construction works requirements and have been approved.
- (7) According to Permit for Commencement of Construction Works No. 330502201104120101 dated 12 April 2011, the construction works of the property with a gross floor area of 42,840.73 sq m are in compliance with the requirements for works commencement and have been permitted.
- (8) According to Business Licence No. 330500400013041 dated 4 September 2013, Zhejiang Outlets Property Real Estate Co., Ltd. (浙江奥特莱斯置业有限公司) was established as a limited liability company with a registered capital of USD40,000,000 for a valid operation period from 6 May 2010 until 5 May 2050.
- (9) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificates for the Use of State-owned Land and the Building Ownership Certificates of the property are valid, legal and enforceable under the PRC laws;



- (ii) Zhejiang Outlets Property Real Estate Co., Ltd. (浙江奥特莱斯置业有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
- (iii) Zhejiang Outlets Property Real Estate Co., Ltd. (浙江奥特莱斯置业有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
- (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled; and
- (v) No material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property.
- (10) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Certificates for the Use of State-owned Land	Yes
Building Ownership Certificate	Yes (part)
Grant Contract of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Completion and Acceptance Certificate for Construction Works	No
Commodity Housing Pre-sale Permit	No
Survey Report	No
Business Licence	Yes

- (11) Tseching, Manager of DTZ Hangzhou Office, inspected the property on 30 June 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
II-3. Hainan Capital Outlets, Jewellery Hall of Phases A and B, Liji Town, Wanning City, Hainan Province, the PRC  (中華人民共和國海南省萬寧市禮紀鎮海南奧特萊斯A區珠寶城和B區項目海南奧特萊斯)	<p>The property comprises 2-storey (including 1 level basement) commercial buildings completed in 2013.</p> <p>The property is situated in Wanning City. It is located to the north of Lianxing Road and to the east of Hainan Ring. Developments in the vicinity comprise mainly residential buildings such as Baleiyu, Lotus Village, etc. The property is served by public bus routes.</p> <p>The property has a total retail gross floor area of 66,926.49 sq m.</p> <p>The land use rights of the property have been granted for terms due to expire on 29 December 2051 for commercial use, due to expire on 29 December 2061 for public greenland use and due to expire on 29 December 2061 for public road use.</p>	<p>Portions of the property with a total gross floor area of 66,926.49 sq m are subject to various tenancies with the latest expiry in November 2020 at a total monthly rent of approximately RMB3,860,000 (exclusive of management fee).</p>	<p>RMB594,000,000  (55% interest attributable to the Company: RMB326,700,000)</p>

**Notes:**

- (1) According to a Certificate for the Use of State-owned Land, the land use rights of the property are vested in Hainan Outlets Tourism Development Co., Ltd. (海南奧特萊斯旅業開發有限公司) with key details as follows:

Certificate No.	Issue Date	Land Use	Land Use Term	
			Expiry Date	Site Area (sq m)
2012-106004	23 February 2012	Commercial	29 December 2051	<u>176,807</u>
<b>Total</b>				<b><u><u>176,807</u></u></b>

- (2) According to Grant Contract of State-owned Land Use Rights No. (2010) 029 dated 15 March 2011 the land use rights of the property comprising a total site area of 199,807.00 sq m have been contracted to be granted to Hainan Outlets Tourism Development Co., Ltd. (海南奥特莱斯旅業開發有限公司) for terms due to expire on 29 December 2051 for commercial use, due to expire on 29 December 2061 for public green space use and due to expire on 29 December 2061 for road use. The salient conditions are set out as follows:

Location	:	The north of Lian Xing Road, and The west of Lianhua Entrance and Exit of the East Line Highway of Wanning City, Hainan Province
Land Use	:	Commercial, Public Green Space, Road
Site Area	:	199,807.00 sq m
Land Use Term	:	40 years for commercial use and 50 years for public green space and road use
Plot Ratio	:	Not more than 0.6
Land Premium	:	RMB58,360,000

- (3) According to Completion and Acceptance Certificate for Construction Works No. (2013) 61 dated 12 November 2013, portions of the property with a gross floor area of 57,626.49 sq m have been completed.

As advised by the Company, only portion of the property has been granted the Completion and Acceptance Certificate for Construction Works mentioned above.

- (4) According to Survey Report No. (2013) 032-1 dated 15 July 2013, the property has a total gross floor area of 103,176.75 sq m.

- (5) According to Business Licence No. 469006400000809 dated 12 August 2011, Hainan Outlets Tourism Development Co., Ltd. (海南奥特莱斯旅業開發有限公司) was established as a limited liability company with a registered capital of USD9,000,000 for a valid operation period from 10 March 2011 to 10 March 2051.

- (6) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:

- (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
- (ii) Hainan Outlets Tourism Development Co., Ltd. (海南奥特莱斯旅業開發有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
- (iii) Hainan Outlets Tourism Development Co., Ltd. (海南奥特莱斯旅業開發有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
- (iv) Hainan Outlets Tourism Development Co., Ltd. (海南奥特莱斯旅業開發有限公司) has obtained the Completion and Acceptance Certificate for Construction Works and no material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
- (v) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.

- (7) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Certificate for the Use of State-owned Land	Yes
Building Ownership Certificate	No
Grant Contract of State-owned Land Use Rights	Yes
Completion and Acceptance Certificate for Construction Works	Yes (part)
Commodity Housing Pre-sale Permit	No
Survey Report	Yes
Business Licence	Yes

- (8) Jin Xiaodan, Valuer of DTZ Shenzhen Office, inspected the property on 28 February 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
II-4. Beijing Hujialou Project, retail podium of Block No. 4, Chaoyang District, Beijing, the PRC  (中華人民共和國北京市朝陽區北京禧瑞都4號樓商業項目呼家樓項目)	<p>The property comprises the 3-storey retail podium of a 24-storey Block No. 4 completed in 2007.</p> <p>Xanadu is situated in Chaoyang District. It is located to the north of Chaoyang Road and to the east of East 3rd Ring Road. Developments in the vicinity comprise mainly residential buildings such as Hujialou Nanli, Hujialou Xili, Xiangjun Nanli, etc. The property is served by public bus routes and subway.</p> <p>The property has a total retail gross floor area of 9,374.00 sq m.</p> <p>The land use rights of the property have been granted for terms due to expire on 19 May 2074 for residential use, 19 May 2054 for basement car park use and 19 May 2044 for commercial use.</p>	<p>Portions of the property with a total gross floor area of 8,298.79 sq m are subject to various tenancies with the latest expiry in April 2019 at a total monthly rent of approximately RMB1,130,000 (exclusive of management fee).</p>	<p>RMB474,000,000  (100% interest attributable to the Company: RMB474,000,000)</p>

*Notes:*

- (1) According to Building Ownership Certificate No. 1101722 dated 11 April 2012, the building ownership of the property comprising a total gross floor area of 31,520.73 sq m is vested in S.C. Real Estate Development Co., Ltd. (首創朝陽房地產發展有限公司).
- (2) According to Certificate for the Use of State-owned Land No. (2008) 0138 dated 17 April 2008, the land use rights of the property comprising a total site area of 22,671.29 sq m are vested in S.C. Real Estate Development Co., Ltd. (首創朝陽房地產發展有限公司) for terms due to expire on 19 May 2074 for residential use, due to expire on 19 May 2054 for basement car park use, and due to expire on 19 May 2044 for commercial use.

- (3) According to Grant Contract of State-owned Land Use Rights No. (2004) 0465 dated 20 May 2004, the land use rights of the property comprising a total site area of 34,163.00 sq m have been contracted to be granted to S.C. Real Estate Development Co., Ltd. (首創朝陽房地產發展有限公司) for terms due to expire on 19 May 2074 for residential use, 19 May 2054 for basement car park use and 19 May 2044 for commercial use. The salient conditions are set out as follows:

Location	:	Hujialou, Chaoyang District
Land Use	:	Residential, car park, commercial
Site Area	:	34,163.00 sq m
Land Use Term	:	70 years for residential use, 40 years for commercial use and 50 years for car park use
Plot Ratio	:	N/A
Land Premium	:	RMB173,015,500

- (4) According to Business Licence No. 110000001493452 dated 29 April 2014, S.C. Real Estate Development Co., Ltd. (首創朝陽房地產發展有限公司) was established as a limited liability company with a registered capital of RMB640,000,000 for a valid operation period from 8 August 2000 until 7 August 2050.

- (5) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:

- (i) The Certificate for the Use of State-owned Land and the Building Ownership Certificate of the property are valid, legal and enforceable under the PRC laws;
- (ii) S.C. Real Estate Development Co., Ltd. (首創朝陽房地產發展有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
- (iii) S.C. Real Estate Development Co., Ltd. (首創朝陽房地產發展有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance; and
- (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.

- (6) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Certificate for the Use of State-owned Land	Yes
Building Ownership Certificate	Yes
Grant Contract of State-owned Land Use Rights	Yes
Completion and Acceptance Certificate for Construction Works	No
Commodity Housing Pre-sale Permit	No
Survey Report	No
Business Licence	Yes

- (7) Li Xinfeng, Manager of DTZ Beijing Office, inspected the property on 3 April 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
II-5. International School I, on the west side of Gaocun Tongcheng Fourth Road, Wuqing District, Tianjin, the PRC  (中華人民共和國 天津市 武清區高村 鄉規劃同城四路西側 國際學校一期)	The property comprises International School I units in 5 buildings (including Academic Buildings, indoor activity field, dormitory, canteen completed in 2013.  International School I is situated in Gaocun and Wuqing District. It is located on the west side of Tongcheng Fourth Road. Developments in the vicinity comprise mainly residential buildings such as International Peninsula (國際半島), etc. The property surrounding road is spacious, and traffic developed.  The property has a total gross floor area of 23,923.46 sq m.  The land use rights of the property have been granted for a term of 50 years due to expire on 3 March 2061 for education use.	The property was completed on 31 October 2013, with a total gross floor area of 23,923.46 sq m and has put into use.	RMB164,000,000  (90% interest attributable to the Company: RMB147,600,000)

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Others	23,923.46
<b>Total</b>	<b><u>23,923.46</u></b>

- (2) According to Real Estate Title Certificate No. 122051100611 (房地證津字第122051100611號) dated 17 May 2011, the land use rights of the development for education use comprising a total site area of 46,408 sq m are vested in Jingjin Tongcheng (Tianjin) Investment Co., Ltd. (京津同城(天津)投資有限公司) for terms due to expire on 3 March 2061 for education use.

- (3) According to Grant Contract of State-owned Land Use Rights No. TJ12182011003 dated 4 March 2011, the land use rights of the development for education use comprising a total site area of 46,408 sq m have been contracted to be granted to Jingjin Tongcheng (Tianjin) Investment Co., Ltd. (天津同城(天津)投資有限公司) for terms due to expire on 3 March 2061 for education use. The salient conditions are set out as follows:

Location	:	on the west side of Gaocun Tongcheng Fourth Road, Wuqing District
Land Use	:	Education
Site Area	:	46,408 sq m
Land Use Term	:	50 years for education use
Plot Ratio	:	1
Permissible Gross Floor Area	:	46,408 sq m
Land Premium	:	RMB22,971,960
Building Covenant	:	To commence construction on or before 30 June 2011 To complete construction on or before 30 June 2013

- (4) According to five Completion and Acceptance Certificates for Construction Works, portions (International School I) of the property has been completed.

Certificate No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
2013-378	31 October 2013	International School I of 4	5,696.37
2013-379	31 October 2013	International School I of 5	758.25
2013-380	31 October 2013	International School I of 6	5,497.38
2013-381	31 October 2013	International School I of 7	6,975.58
2013-382	31 October 2013	International School I of 10	<u>4,995.88</u>
<b>Total</b>			<b><u><u>23,923.46</u></u></b>

- (5) According to Business Licence No. 120222000053280 dated 18 September 2009, Jingjin Tongcheng (Tianjin) Investment Co., Ltd. (天津同城(天津)投資有限公司) was established as a limited liability company with a registered capital of RMB250,000,000 for a valid operation period from 18 September 2009 to 17 September 2029.
- (6) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Real Estate Title Certificate of the property is valid, legal and enforceable under the PRC laws;
  - (ii) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled;
  - (iii) Jingjin Tongcheng (Tianjin) Investment Co., Ltd. (天津同城(天津)投資有限公司) is the sole legal land user of the property and have obtained the relevant certificates and approval from the government in respect of the construction of the property;



- (iv) Jingjin Tongcheng (Tianjin) Investment Co., Ltd. (京津同城(天津)投資有限公司) has the rights to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property; and
- (v) No material legal impediment is observed for the Company to obtain the Real Estate Title Certificate (building portion).
- (7) In accordance with the information provided by the Group, the status of title and grant of major approvals and licences are set out as follows:
- |  |                 |
|--|-----------------|
| Real Estate Title Certificate                                | Yes (land only) |
| Grant Contract of State-owned Land Use Rights                | Yes             |
| Completion and Acceptance Certificate for Construction Works | Yes             |
| Business Licence   | Yes             |
- (8) Huixin Niu, Assistant Manager of DTZ Tianjin Office, inspected the property on 14 July 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
II-6. Sunshine Building, No. 112 Xizhimenwai Street, Xicheng District, Beijing, the PRC  (中華人民共和國 北京市 西城區 西直門外大街112號 陽光大廈 北京陽光大廈)	<p>The property comprises 6-storey office, 5-storey shopping mall, and 2-storey basement car park portions in 11-storey building (including 3-storey basement) completed in 2005.</p> <p>The property is situated in Xicheng District. It is located to the south of Xizhimenwai Street and north of Xizhimenwainan Road.</p> <p>Developments in the vicinity comprise mainly office and commercial buildings such as Zhongtang Plaza, Dongding Shopping Mall, etc. The property is served by public bus routes and subway.</p> <p>The property has a total gross floor area of 52,094.84 sq m.</p> <p>The property comprises 228 car parking spaces.</p> <p>The land use rights of the property have been granted for a term due to expire on 17 December 2047 for composite, basement composite, basement carpark use.</p>	<p>Portions of the property operated as office with a total gross floor area of 5,918.32 sq m are subject to various tenancies with the latest expiry in May 2017 at a total monthly rent of approximately RMB520,000 (exclusive of management fee).</p> <p>Portions of the property operated as commercial with a net floor area of 437 sq m are subject to a tenancy with the latest expiry in April 2025 at a total monthly rent of approximately RMB110,000 (exclusive of management fee).</p> <p>The remaining portion of the shopping mall is vacant as at the date of valuation.</p>	<p>RMB817,000,000  (35% interest attributable to the Company: RMB285,950,000)</p>

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Retail	29,957.10
Office	8,770.70
Car park	11,954.74
Others	1,412.30
<b>Total</b>	<b>52,094.84</b>

- (2) According to Building Ownership Certificate No. 100394 dated 21 December 2012, the building ownership of the property comprising a total gross floor area of 52,094.84 sq m is vested in Beijing Sunshine City Commercial Investment Co., Ltd. (北京陽光苑商業投資有限公司).
- (3) According to Certificate for the Use of State-owned Land No. (2013) 00001 dated 15 January 2013, the land use rights of the property comprising a total site area of 8,839.79 sq m are vested in Beijing Sunshine City Commercial Investment Co., Ltd. (北京陽光苑商業投資有限公司) for terms due to expire on 17 December 2047 for composite, basement composite, basement carpark use.
- (4) According to Business Licence No. 110000000497831 dated 24 November 1998, Beijing Sunshine City Commercial Investment Co., Ltd. (北京陽光苑商業投資有限公司) was established as a limited liability company with a registered capital of RMB72,190,000 for a valid operation period from 19 July 1999 until 18 July 2029.
- (5) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificate for the Use of State-owned Land and the Building Ownership Certificate of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Beijing Sunshine City Commercial Investment Co., Ltd. (北京陽光苑商業投資有限公司) is the legal land user of the property;
  - (iii) Beijing Sunshine City Commercial Investment Co., Ltd. (北京陽光苑商業投資有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance; and
- (6) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |   |     |
|---|-----|
| Certificate for the Use of State-owned Land | Yes |
| Building Ownership Certificate              | Yes |
| Business Licence                            | Yes |
- (7) Ge Lina, Senior Manager of DTZ Beijing Office, inspected the property on 29 June 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
II-7. The portions of Kunshan Capital Outlets held for investment, Phase 1, east of Dongcheng Avenue, north of Kunjia Road, Economic and Development District, Kunshan, Jiangsu Province, the PRC  (中華人民共和國江蘇省昆山市開發區東城大道東側、昆嘉路北側 昆山奧特萊斯)	<p>The property comprises four 3-storey commercial buildings erected on a parcel of land with a total site area of 46,235.40 sq m.</p> <p>Kunshan Capital Outlets is situated at Economic and Development District. It is located to the east of Dongcheng Avenue, north of Kunjia Road and surrounded by Jialingjiang Road. Developments in the vicinity comprise mainly residential and retail buildings such as Shimao Dongwaitan, Shimao Plaza, etc. The property is served by public bus routes.</p> <p>The property has a total gross floor area of 49,361.86 sq m.</p> <p>The land use rights of the property have been granted for a term of 40 years due to expire on 26 January 2053 for commercial use.</p>	<p>The property is completed on 29 June 2015 and will be put into operation on 30 September 2015.</p>	<p>No commercial value</p> <p>(100% interest attributable to the Company: No commercial value)</p> <p>(See Note 1)</p>

## Notes:

- (1) According to its Certificate for the Use of State-owned Land, the property is subject to sale and transfer restrictions. Therefore, we have ascribed no commercial value to the property.

For the Group's management reference, however, we are requested to separately assess the market value on the assumptions that proper and unfettered title documents had been obtained without encumbrances and all relevant land premium for obtaining the release of such sale and transfer restrictions had been fully settled. The market value of the property on the said hypothetical basis in its existing state as at 30 June 2015 was RMB549,000,000 (100% interest attributable to the Company: RMB549,000,000).

- (2) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Retail	49,361.86
<b>Total</b>	<b>49,361.86</b>

- (3) According to the Building Ownership Certificates, the building ownership of the property is vested in Capital Outlets (Kunshan) Commercial Development Co., Ltd. (首創奧特萊斯(昆山)商業開發有限公司) with key details as follows:

Certificate No.	Issue Date	Planned Use	Gross Floor Area (sq m)
301229147	15 July 2015	Commercial	15,468.05
301229151	15 July 2015	Commercial	11,543.43
301229149	15 July 2015	Commercial	11,254.80
301229148	15 July 2015	Commercial	<u>11,095.58</u>
Total			<u><u>49,361.86</u></u>

According to the aforesaid Building Ownership Certificates, the property cannot be sold.

- (4) According to Certificate for the Use of State-owned Land No. (2014) DWB296 dated 24 October 2014, the land use rights of the property comprising a total site area of 46,235.40 sq m are vested in Capital Outlets (Kunshan) Commercial Development Co., Ltd. (首創奧特萊斯(昆山)商業開發有限公司) for a term due to expire on 26 January 2053 for commercial use. Upon completion of the construction of the property, no less than 50,000 sq m of shopping mall should be held by the Group and are subject to restrictions on transfer and sales.
- (5) According to Grant Contract of State-owned Land Use Rights No. 3205832012CR0142 dated 27 July 2012 and its Supplemental Agreement, the land use rights of the property comprising a total site area of 46,235.40 sq m have been contracted to be granted to Capital Outlets (Kunshan) Commercial Development Co., Ltd. (首創奧特萊斯(昆山)商業開發有限公司) for a term of 40 years for commercial use. The salient conditions are set out as follows:
- Location : The north of Kunjia Road, Economic and Development District, Kunshan  
Land Use : Commercial  
Site Area : 46,235.40 sq m  
Land Use Term : 40 years for commercial use  
Plot Ratio : Not less than 1.7, not more than 2.2  
Land Premium : RMB148,877,988
- (6) According to Business Licence No. 320583000201312240215N dated 24 December 2012, Capital Outlets (Kunshan) Commercial Development Co., Ltd. (首創奧特萊斯(昆山)商業開發有限公司) was established as a limited liability company with a registered capital of RMB100,000,000 for a valid operation period from 26 February 2013 to 25 February 2053.
- (7) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificate for the Use of State-owned Land and the Building Ownership Certificates of the property are valid, legal and enforceable under the PRC laws;

- (ii) Capital Outlets (Kunshan) Commercial Development Co., Ltd. (首創奧特萊斯(昆山)商業開發有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) The property is subject to the restrictions of the Certificate for the Use of State-owned Land; and
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (8) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |  |     |
|--|-----|
| Certificate for the Use of State-owned Land                  | Yes |
| Building Ownership Certificate                               | Yes |
| Grant Contract of State-owned Land Use Rights                | Yes |
| Completion and Acceptance Certificate for Construction Works | Yes |
| Commodity Housing Pre-sale Permit                            | No  |
| Business Licence   | Yes |
- (9) Deng Yu, Manager of DTZ Shanghai Office, inspected the property on 20 March 2015.

## VALUATION CERTIFICATE

## Group III – Completed hotel properties held by the Group for operation in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
III-1. Holiday Inn Central Plaza, No. 1 Caiyuan Street, Xicheng District, Beijing, the PRC  (中華人民共和國 北京市 西城區菜園街1號 中環廣場南區 中環假日酒店)	<p>The Holiday Inn Central Plaza Beijing stands on a site of 7,176.58 sq m.</p> <p>The property comprises two blocks of 8-storey hotel buildings with 322 guest rooms and two blocks of 14-storey and 18-storey office buildings completed in 2002. The property is situated in Xuanwu District. It is located to the south of Zaolinqian Street, west of Caiyuan Street and the north of West Baizhifang Street. Developments in the vicinity comprise mainly office buildings such as Guotai Tower, Zhongmin Tower, etc. The property is served by public bus routes and subway.</p> <p>The property has a total gross floor area of 50,712.03 sq m.</p> <p>The land use rights of the property have been granted for a term of 50 years due to expire on 27 November 2052 for composite and underground car park uses.</p>	<p>Portion of the property is operated as a hotel.</p> <p>Portions of the property operated as office were let to various parties at a total current monthly rent of approximately RMB1,110,000 for various terms with the latest one due to expire on 17 January 2018.</p>	<p>RMB670,000,000</p> <p>(100% interest attributable to the Company: RMB670,000,000)</p>

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Hotel	44,563.23
Office	6,148.80
<b>Total</b>	<b>50,712.03</b>

- (2) According to Building Ownership Certificate No. 012146 dated 2 March 2009, the building ownership of the property comprising a total gross floor area of 50,712.03 sq m is vested in Central Plaza Xinrong Hotel Management Co., Ltd. (北京中環鑫融酒店管理有限公司).
- (3) According to Certificate for the Use of State-owned Land No. (2009) 00113 dated 21 May 2009, the land use rights of the property comprising a total site area of 7,176.58 sq m are vested in Central Plaza Xinrong Hotel Management Co., Ltd. (北京中環鑫融酒店管理有限公司) for a term due to expire on 27 November 2052 for composite and basement car park uses.
- (4) According to Business Licence No. 110000450057600 dated 25 June 2008, Central Plaza Xinrong Hotel Management Co., Ltd. (北京中環鑫融酒店管理有限公司) was established as a limited liability company with a registered capital of USD6,062,000 for a valid operation period from 25 June 2008 until 24 June 2038.
- (5) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificate for the Use of State-owned Land and the Building Ownership Certificate of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Central Plaza Xinrong Hotel Management Co., Ltd. (北京中環鑫融酒店管理有限公司) is the legal land user of the property;
  - (iii) Central Plaza Xinrong Hotel Management Co., Ltd. (北京中環鑫融酒店管理有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance; and
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (6) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |   |     |
|---|-----|
| Certificate for the Use of State-owned Land | Yes |
| Building Ownership Certificate              | Yes |
| Business Licence                            | Yes |
- (7) Ge Lina, Senior Manager of DTZ Beijing Office, inspected the property on 3 July 2015.



Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
III-2. InterContinental Financial Street Beijing, No. 11 Financial Street, Xicheng District, Beijing, the PRC  (中華人民共和國北京市西城區金融大街11號金融街洲際酒店)	<p>The InterContinental Beijing Financial Street stands on a site of 5,123.23 sq m.</p> <p>The property comprises a 24-storey hotel building with 318 guest rooms completed in 2002.</p> <p>The property is situated in Xicheng District. It is located to the south of Fuchengmennei Avenue, west of Financial Street and north of Wudinghou Street. Developments in the vicinity comprise mainly office buildings such as Xinsheng Tower, Jinyi Tower, etc. The property is served by public bus routes and subway.</p> <p>The property has a total hotel gross floor area of 58,160.82 sq m.</p> <p>The land use rights of the property have been granted for a term due to expire on 13 March 2045 for composite and office uses.</p>	The property is operated as a hotel.	RMB1,018,000,000  (34% interest attributable to the Company: RMB346,120,000)

*Notes:*

- (1) According to Building Ownership Certificate No. 054763 dated 25 April 2011, the building ownership of the property comprising a total gross floor area of 58,160.82 sq m is vested in Beijing Financial Street International Hotel Co., Ltd. (北京金融街國際酒店有限公司).
- (2) According to Certificate for the Use of State-owned Land No. (2011) 20778 dated 18 May 2011, the land use rights of the property comprising a total site area of 5,123.23 sq m are vested in Beijing Financial Street International Hotel Co., Ltd. (北京金融街國際酒店有限公司) for a term due to expire on 13 March 2045 for composite and office uses.
- (3) According to Business Licence No.110000450075191 dated 21 May 2010, Beijing Financial Street International Hotel Co., Ltd. (北京金融街國際酒店有限公司) was established as a limited liability company with a registered capital of USD5,640,000 for a valid operation period from 8 December 2008 to 7 December 2058.

- (4) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificate for the Use of State-owned Land and the Building Ownership Certificate of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Beijing Financial Street International Hotel Co., Ltd. (北京金融街國際酒店有限公司) is the legal land user of the property;
  - (iii) Beijing Financial Street International Hotel Co., Ltd. (北京金融街國際酒店有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance; and
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (5) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |   |     |
|---|-----|
| Certificate for the Use of State-owned Land | Yes |
| Building Ownership Certificate              | Yes |
| Business Licence                            | Yes |
- (6) Ge Lina, Senior Manager of DTZ Beijing Office, inspected the property on 3 July 2015.

## VALUATION CERTIFICATE

## Group IV – Properties held by the Group under development in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-1. The property under construction known as Beijing Changyang Town Project, Block No. 20, Fangshan District, Beijing, the PRC  (中華人民共和國北京市房山區北京長陽鎮項目20號樓北京長陽鎮項目)	<p>The property comprises Block No. 20 of Ballet Town and its ancillary facilities to be erected on a parcel of land with a total site area of 40,581.39 sq m.</p> <p>The property is situated in Fangshan District. It is located to the west of East Ring Road, to the south of Fangshan Outlet and to the north of Mangniu River. Developments in the vicinity comprise mainly residential buildings such as Jiazhou Shuijun, Biguiyuan, etc. The property is served by public bus routes and subway.</p> <p>According to the development scheme provided to us, the property has a total planned gross floor area of 5,393.06 sq m.</p> <p>The land use rights of the property have been granted for terms due to expire on 5 April 2050 for commercial use and due to expire on 5 April 2080 for composite use.</p>	<p>The property is under construction and scheduled to be completed in 2015.</p>	<p>RMB70,000,000  (100% interest attributable to the Company: RMB70,000,000)</p>

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

<b>Portion</b>	<b>Gross Floor Area</b> (sq m)
Residential	5,245.47
Retail	<u>147.79</u>
<b>Total</b>	<b><u><u>5,393.06</u></u></b>

- (2) According to Certificate for the Use of State-owned Land No. (2010) 00100 dated 20 October 2010, the land use rights of the property comprising a total site area of 40,581.39 sq m are vested in Outlets Property Investment Fang Shan Ltd. (北京首創奧特萊斯房山置業有限公司) for terms due to expire on 5 April 2050 for commercial use and due to expire on 5 April 2080 for composite use.

- (3) According to Grant Contract of State-owned Land Use Rights No. (2010) 0082 dated 6 April 2010, the land use rights of the property comprising a total site area of 181,824.66 sq m have been contracted to be granted to Outlets Property Investment Fang Shan Ltd. (北京首創奧特萊斯房山置業有限公司) for a term due to expire on 5 April 2050 for commercial use and due to expire on 5 April 2080 for residential use. The salient conditions are set out as follows:

Location	: Changyang Town in Fangshan District
Land Use	: Residential, commercial
Site Area	: 181,824.66 sq m
Land Use Term	: 40 years for commercial use and 70 years for residential use
Plot Ratio	: Not more than 2
Permissible Gross Floor Area	: 288,594.0007 sq m
Land Premium	: RMB925,780,000

- (4) According to Planning Permit for Construction Use of Land No. (2010) 0008 dated 11 August 2010, the construction site of the property with a total area of 181,824.66 sq m is in compliance with the urban planning requirements.
- (5) According to Planning Permit for Construction Works No. (2012) 0093 dated 21 December 2012, the construction works of the property with a permitted gross floor area of 5,446.47 sq m are in compliance with the construction works requirements and have been approved.
- (6) According to Permit for Commencement of Construction Works No. 2013-0627 issued by Beijing Municipal Commission of Housing and Urban-Rural Development on 25 September 2013, the construction works of the property with a gross floor area of 5,446.47 sq m are in compliance with the requirements for works commencement and have been permitted.
- (7) The development value of the property as if completed as at the Valuation Date was RMB99,000,000.
- (8) According to the information provided by the Company, the construction cost incurred as at the Valuation Date was approximately RMB17,000,000. The estimated total construction cost was approximately RMB33,000,000. In the course of our valuation, we have taken into account such costs.

- (9) According to the information provided by the Company, various units with a total gross floor area of 5,393.06 sq m of the property have been contracted to be sold for a consideration of approximately RMB99,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (10) According to Business Licence No. 110000450137361 dated 21 May 2010, Outlets Property Investment Fang Shan Ltd. (北京首創奧特萊斯房山置業有限公司) was established as a limited liability company with a registered capital of USD127,000,000 for a valid operation period from 21 May 2010 until 20 May 2050.
- (11) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Outlets Property Investment Fang Shan Ltd. (北京首創奧特萊斯房山置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Outlets Property Investment Fang Shan Ltd. (北京首創奧特萊斯房山置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) No material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
  - (v) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (12) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |   |     |
|---|-----|
| Certificate for the Use of State-owned Land   | Yes |
| Grant Contract of State-owned Land Use Rights | Yes |
| Planning Permit for Construction Use of Land  | Yes |
| Planning Permit for Construction Works        | Yes |
| Permit for Commencement of Construction Works | Yes |
| Commodity Housing Pre-sale Permit             | Yes |
| Business Licence                              | Yes |
- (13) Hu Teng, Assistant Analyst of DTZ Beijing Office, inspected the property on 19 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-2. The property under construction known as Beijing Daxingsun Village Project, Sun Village, Daxing District, Beijing, the PRC  (中華人民共和國北京市大興區孫村大興孫村項目)	<p>The property comprises a composite development to be erected on a parcel of land with a total site area of 61,512.12 sq m.</p> <p>The property is situated in Daxing District. It is located to the west of Ciban Road and surrounded by Haixin Road and Xingsheng Street. Developments in the vicinity comprise mainly mixed use buildings, such as Huayuanheshu Yayuan.</p> <p>According to the development scheme provided to us, the property has a total planned gross floor area of 136,855.48 sq m.</p> <p>The land use rights of the property have been granted for terms due to expire on 9 December 2083 for residential use, due to expire on 9 December 2053 for retail use, and due to expire on 9 December 2063 for office, composite, basement car park, basement warehouse and basement composite uses.</p>	The property is under construction and scheduled to be completed in 2015.	RMB1,547,000,000  (100% interest attributable to the Company: RMB1,547,000,000)

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	71,969.31
Apartment	12,274.00
Retail	6,675.92
Office	20,011.00
Underground Car Park	3,982.29
Others	21,942.96
<b>Total</b>	<b>136,855.48</b>

- (2) According to Certificate for the Use of State-owned Land No. (2014) 00098 dated 23 May 2014, the land use rights of the property comprising a total site area of 61,512.12 sq m are vested in Beijing Chuangrui Xiangan Real Estate Co., Ltd. (北京創瑞祥安置業有限公司) for terms due to expire on 9 December 2083 for residential use, due to expire on 9 December 2053 for retail use, and due to expire on 9 December 2063 for office, composite, underground car park, underground warehouse and underground composite uses.
- (3) According to Grant Contract of State-owned Land Use Rights No. (2013) 0396 dated 10 December 2013, the land use rights of the property comprising a total site area of 61,512.12 sq m have been contracted to be granted to a consortium of 北京瑞元豐祥置業有限公司 (Beijing Ruiyuan Fengxiang Property Co., Ltd.) and 北京中瑞凱華投資管理有限公司 (Beijing Zhong Ruikaihua Investment Management Co., Ltd.) for terms due to expire on 10 December 2053 for commercial use and due to expire on 10 December 2063 for office and composite use. The salient conditions are set out as follows:

Location	:	Sun Village, Daxing District, Beijing
Land Use	:	Commercial, office and composite
Site Area	:	61,512.12 sq m
Land Use Term	:	40 years for commercial use and 50 years for office and composite uses
Plot Ratio	:	1.80
Permissible Gross Floor Area	:	135,372.97 sq m
Land Premium	:	RMB1,055,531,582

- (4) According to Planning Permit for Construction Use of Land No. (2014) 0005 issued by the Land Planning Bureau of Administration Committee of Beijing on 14 July 2014, the construction site of the property with a total area of 61,512.12 sq m is in compliance with the urban planning requirements.
- (5) Details of two Planning Permits for Construction Works issued by the Land Planning Bureau of Administration Committee of Beijing are set out as follows:

Permit No.	Phase	Issue Date	Gross Floor Area (sq m)
(2014) 0039	Block Nos. 1, 2 and 3, No. 1 car park, composite	22 May 2014	77,451.78
(2014) 0035	Block Nos. 4 to 14	8 May 2014	<u>57,457.85</u>
<b>Total</b>			<b><u><u>134,909.63</u></u></b>

As advised by the Company, only portions of the property have been granted with Planning Permits for Construction Works.

- (6) Details of the Permits for Commencement of Construction Works issued by Housing and Construction Bureau of Beijing are set out as follows:

Permit No.	Phase	Issue Date	Gross Floor Area (sq m)
(2014) 0393	No. 1 car park	15 June 2014	10,685.58
(2014) 0394	Block Nos. 1 to 3	15 June 2014	22,000.00
(2014) 0395	Composite	15 June 2014	44,766.20
(2014) 0350	Block Nos. 4 to 14	15 June 2014	<u>57,457.85</u>
<b>Total</b>			<b><u><u>134,909.63</u></u></b>

As advised by the Company, only portions of the property have been granted with Permits for Commencement of Construction Works.

- (7) According to the Commodity Housing Pre-sale Permits issued by 北京市住房和城鄉建設委員會 (The Land Residential and Real Estate Management and Housing Security Bureau of Beijing), the construction works of the property were permitted for pre-sale with key details as follows:

Permit No.	Phase	Issue Date	Gross Floor Area (sq m)
(2014) 13	Block Nos. 1 to 3	28 September 2014	21,999.94
(2014) 148	Block Nos. 4 to 14	5 July 2014	<u>49,969.37</u>
<b>Total</b>			<b><u><u>71,969.31</u></u></b>

As advised by the Company, only portions of the property have been granted with Commodity Housing Pre-sale Permits.

- (8) The development value of the property as if completed as at the Valuation Date was RMB1,727,000,000.
- (9) According to the information provided by the Company, various units with a total gross floor area of 71,969.31 sq m of the property have been contracted to be sold for a consideration of approximately RMB859,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (10) According to the information provided by the Company, the construction cost incurred as at the Valuation Date was approximately RMB222,000,000. The estimated total construction cost was approximately RMB492,000,000. In the course of our valuation, we have taken into account such costs.
- (11) According to Business Licence No. 110115016587549 dated 26 June 2014, Beijing Chuangrui Xiangnan Real Estate Co., Ltd. (北京創瑞祥安置業有限公司) was established as a limited liability company with a registered capital of RMB60,000,000 for a valid operation period from 13 December 2013 until 12 December 2033.



- (12) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Beijing Chuangrui Xiang'an Real Estate Co., Ltd. (北京創瑞祥安置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Beijing Chuangrui Xiang'an Real Estate Co., Ltd. (北京創瑞祥安置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) No material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
  - (v) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.

- (13) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Certificate for the Use of State-owned Land	Yes
Grant Contract of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permits for Construction Works	Yes
Permits for Commencement of Construction Works	Yes
Commodity Housing Pre-sale Permits	Yes
Business Licence	Yes

- (14) Gao Manman, Assistant Manager of DTZ Beijing Office, inspected the property on 12 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-3. The property under construction known as Beijing Fangshan Gaojiao Park Project, Liangxiang Town, Fangshan District, Beijing, the PRC  (中華人民共和國北京市房山區良鄉鎮北京房山高教園項目)	<p>The property comprises a composite development to be erected on two parcels of land with a total site area of 56,138.77 sq m.</p> <p>The project is situated in Fangshan District. It is located to the east of Guihua Changyunan Street, west of Guihua Zhuoxiunan Street, south of Guihua Huishangxi Road and north of Guihua Changhongdong Road. Developments in the vicinity comprise mainly residential buildings such as Hongshunyuan.</p> <p>The property is served by public bus routes and subway.</p> <p>According to the development scheme provided to us, the property has a total planned gross floor area of 191,871.35 sq m.</p> <p>The land use rights of the property have been granted for terms due to expire on 11 August 2084 for residential use.</p>	<p>The property is under construction and scheduled to be completed in 2017.</p>	<p>RMB2,037,000,000</p> <p>(100% interest attributable to the Company: RMB2,037,000,000)</p>

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Retail	3,638.80
Office	47,372.80
Residential	119,210.00
Basement car park	<u>21,649.75</u>
<b>Total</b>	<b><u><u>191,871.35</u></u></b>

- (2) According to the Certificates for the Use of State-owned Land, the land use rights of the property are vested in Beijing Chuangrui Hua'an Real Estate Co., Ltd. (北京創瑞華安置業有限公司) with key details as follows:

Certificate No.	Land Plot No.	Issue Date	Land Use	Land Use Term Expiry Date	Site Area (sq m)
(2015) 00093	17-02-06	17 March 2015	Residential	11 August 2084	30,453.35
(2015) 00092	17-02-03	17 March 2015	Residential	11 August 2084	<u>25,685.42</u>
<b>Total</b>					<b><u><u>56,138.77</u></u></b>

- (3) According to Grant Contract of State-owned Land Use Rights No. (2014) 0209 dated 12 August 2014, the land use rights of the property comprising a total site area of 56,138 sq m have been contracted to be granted to Beijing Chuangrui Hua'an Real Estate Co., Ltd. (北京創瑞華安置業有限公司) for terms a term of 70 years for residential use, 40 years for commercial use, and 50 years for composite use. The salient conditions are set out as follows:

Location	: Gaojiaoyuan, Liangxiang Town, Fangshan District
Land Use	: Residential, commercial, composite
Site Area	: 56,138 sq m
Land Use Term	: 70 years for residential use, 40 years for commercial use and 50 years for composite use
Plot Ratio	: 2.8
Permissible Gross Floor Area	: 157,186 sq m
Land Premium	: RMB1,810,000,000.00

- (4) According to Planning Permit for Construction Use of Land No. 11011120140005 dated 28 December 2014, the construction site of the property with a total area of 56,138.77 sq m is in compliance with the urban planning requirements.

- (5) Details of the Planning Permits for Construction Works issued by the Land Planning Bureau of Administration Committee of Beijing are set out as follows:

Permit No.	Phase	Issue Date	Gross Floor Area (sq m)
110111201500005	Block Nos. 1, 2, 4 and 10	26 January 2015	69,480.10
110111201500008	Block Nos. 16, 17 and 18	26 January 2015	17,350.70
110111201500017	Block Nos. 1, 3, 5, 6, 7, 8 and 9	15 April 2015	66,277.80
11011201500018	Block Nos. 2, 11, 12, 13, 14 and 15	15 April 2015	58,487.20
<b>Total</b>			<b><u>211,595.8</u></b>

- (6) Details of the Permits for Commencement of Construction Works are set out as follows:

Permit No.	Phase	Issue Date	Gross Floor Area (sq m)
(2015) 0066	Block Nos. 16, 17 and 18	6 March 2015	17,350.70
(2015) 0067	Block Nos. 2 and 4	6 March 2015	39,731.20
(2015) 0068	Block No. 10	6 March 2015	20,061.10
(2015) 0069	Block No. 1	6 March 2015	9,687.80
(2015)186	Block No. 9	14 May 2015	21,806.80
(2015)187	Block Nos. 3, 5, 6, 7 and 8	14 May 2015	44,471.00
(2015)188	Block Nos. 2, 11, 12, 13, 14 and 15	6 March 2015	58,487.20
<b>Total</b>			<b><u>211,595.8</u></b>

- (7) The development value of the property as if completed as at the Valuation Date was RMB3,270,000,000.
- (8) According to the information provided by the Company, the construction cost incurred as at the Valuation Date was approximately RMB26,000,000. The estimated total construction cost was approximately RMB757,000,000. In the course of our valuation, we have taken into account such costs.
- (9) According to Business Licence No. 100274914 dated 25 July 2014, Beijing Chuangrui Hua'an Real Estate Co., Ltd. (北京創瑞華安置業有限公司) was established as a limited liability company with a registered capital of RMB30,000,000 for a valid operation period from 25 July 2014 until 24 July 2044.
- (10) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificates for the Use of State-owned Land of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Beijing Chuangrui Hua'an Real Estate Co., Ltd. (北京創瑞華安置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;

- (iii) Beijing Chuangrui Hua'an Real Estate Co., Ltd. (北京創瑞華安置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
- (iv) No material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
- (v) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (11) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |  |     |
|--|-----|
| Certificate for the Use of State-owned Land    | Yes |
| Grant Contract of State-owned Land Use Rights  | Yes |
| Planning Permit for Construction Use of Land   | Yes |
| Planning Permits for Construction Works        | Yes |
| Permits for Commencement of Construction Works | Yes |
| Business Licence                               | Yes |
- (12) Hu Teng, Assistant Analyst of DTZ Beijing Office, inspected the property on 19 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-4. The property under construction known as Beijing Changyang Land No. 4 Project, retail podium Nos. 1 and 2, Fangshang District, Beijing, the PRC  (中華人民共和國北京市房山區北京長陽4號地項目1號、2號在建商業樓項目)	<p>The property comprises 2 retail podiums of Novotown to be erected on two parcels of land with a total site area of 4,159.17 sq m.</p> <p>The property is situated in Fangshan District. It is located to the north of Jingliang Road and to the east of Jingzhou Road. Developments in the vicinity comprise mainly residential buildings such as Jiazhou Shuijun, Vanke Changyang Tiandi, etc. The property is served by public bus routes and subway.</p> <p>According to the development scheme provided to us, the property has a total planned gross floor area of 4,154.59 sq m.</p> <p>The land use rights of the property have been granted for terms due to expire on 22 February 2052 for commercial use.</p>	The property is under construction and scheduled to be completed in 2015.	RMB75,000,000  (100% interest attributable to the Company: RMB75,000,000)

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Retail	<u>4,154.59</u>
<b>Total</b>	<b><u><u>4,154.59</u></u></b>

- (2) According to a Certificate for the Use of State-owned Land, the land use rights of the property are vested in Beijing Xingtai Jicheng Real Estate Co., Ltd. (北京興泰吉成置業有限公司) with key details as follows:

Certificate No.	Land Plot No.	Issue Date	Land Use	Land Use Term	Site Area (sq m)
				Expiry Date	
(2012) 00121	111500600068000000	15 August 2012	Commercial	22 February 2052	<u>4,159.17</u>
<b>Total</b>					<b><u><u>4,159.17</u></u></b>

- (3) According to Grant Contract of State-owned Land Use Rights No. 2012-0059 dated 23 February 2012, the land use rights of the property comprising a total site area of 90,389 sq m have been contracted to be granted to Beijing Xingtai Jicheng Real Estate Co., Ltd. (北京興泰吉成置業有限公司) for a term of 40 years for commercial use, 70 years for residential use, and 50 years for composite use. The salient conditions are set out as follows:

Location	:	The Residential and Commercial Project in Plots 01-04-04, etc., of West Changyang Station of Fangshan Line, Fangshan District
Land Use	:	Residential and Commercial
Site Area	:	90,389 sq m
Land Use Term	:	40 years for commercial use, 70 years for residential use, and 50 years for composite use
Plot Ratio	:	2-2.3 for residential; 1 for commercial
Permissible Gross Floor Area	:	202,561.36 sq m (including above ground 174,590.67 sq m and below ground 27,970.69 sq m)
Land Premium	:	RMB878,000,000

- (4) According to Planning Permit for Construction Use of Land No. 2012-0014 dated 20 June 2012, the construction site of the property with a total area of 90,389.78 sq m is in compliance with the urban planning requirements.

- (5) Details of the Planning Permits for Construction Works are set out as follows:

Permit No.	Phase	Issue Date	Gross Floor Area (sq m)
2014-0019	2 commercial buildings on Plots 01-04-11 (the residential and commercial project on plots 01-04-04, etc., West Changyang Station of Fangshan Line, Fangshan District)	18 March 2014	<u>5,766.59</u>
<b>Total</b>			<b><u><u>5,766.59</u></u></b>

- (6) Details of the Permits for Commencement of Construction Works are set out as follows:

Permit No.	Phase	Issue Date	Gross Floor Area (sq m)
2014-0700	2 commercial buildings on plot 01-04-11 and one medical building in plot 01-07-04	13 November 2014	9,862.80

- (7) The development value of the property as if completed as at the Valuation Date was RMB75,000,000.
- (8) According to the information provided by the Company, the construction cost incurred as at the Valuation Date was approximately RMB25,000,000. The estimated total construction cost was approximately RMB25,000,000. In the course of our valuation, we have taken into account such costs.
- (9) According to Business Licence No. 110111014687141 dated 29 February 2012, Beijing Xingtai Jicheng Real Estate Co., Ltd. (北京興泰吉成置業有限公司) was established as a limited liability company with a registered capital of RMB45,000,000 for a valid operation period from 29 February 2012 until 27 February 2022.
- (10) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Beijing Xingtai Jicheng Real Estate Co., Ltd. (北京興泰吉成置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Beijing Xingtai Jicheng Real Estate Co., Ltd. (北京興泰吉成置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) No material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
  - (v) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.



- (11) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Certificate for the Use of State-owned Land	Yes
Grant Contract of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permits for Construction Works	Yes
Permits for Commencement of Construction Works	Yes
Commodity Housing Pre-sale Permit	No
Business Licence	Yes

- (12) Hu Teng, Assistant Analyst of DTZ Beijing Office, inspected the property on 19 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-5. The property under construction known as Beijing Huang Xin Zhuang Project, Huangxinzhuang, Fangshan District, Beijing, the PRC  (中華人民共和國北京市房山區黃辛莊伊林郡北京黃辛莊項目)	<p>The property comprises a composite development to be erected on three parcels of land with a total site area of 114,184.47 sq m.</p> <p>The property is situated in Fangshan District. It is located to the east of Guangyangxi Road, west of Gongchenbei Street and the north of Highway Jingshi. Developments in the vicinity comprise mainly residential buildings such as Xinggongyuan. The property is served by public bus routes.</p>	<p>The property is under construction and scheduled to be completed in 2017.</p>	<p>RMB2,385,700,000  (95% interest attributable to the Company: RMB2,266,415,000)</p>
	<p>According to the development scheme provided to us, the property has a total planned gross floor area of 341,046.00 sq m.</p>		
	<p>The land use rights of the property have been granted for terms due to expire on 27 August 2074 (Phases 1, 5/6/10), 3 June 2074 (Phases 1 and 11-17) and 9 February 2076 (Phase 2) for residential use, 9 February 2046 for commercial use and 9 February 2056 for composite and basement car park uses.</p>		

*Notes:*

- (1) The constituent gross floor areas are summarised as follows:

<b>Portion</b>	<b>Gross Floor Area</b> <i>(sq m)</i>
Retail	9,217
Residential	274,824
Basement car park	43,610
Others	<u>13,395</u>
<b>Total</b>	<b><u><u>341,046</u></u></b>

- (2) According to the Certificates for the Use of State-owned Land, the land use rights of the property are vested in Beijing Anshunyuan Real Estate Development Co., Ltd. (北京安順園房地產開發有限公司) with key details as follows:

Certificate No.	Land Plot No.	Issue Date	Land Use	Land Use Term Expiry Date	Site Area <i>(sq m)</i>
(2004) 549	5/6/10	5 January 2005	Residential,	27 August 2074	4,243.37
(2004) 553	11-17	5 January 2005	Residential	3 June 2074	29,111.76
(2006) 052	Phase 2	26 June 2006	Residential, commercial, composite and basement car park	Residential: 9 February 2076 Commercial: 9 February 2046 Composite and basement car park: 9 February 2056	80,829.34
<b>Total</b>					<b><u><u>114,184.47</u></u></b>

## APPENDIX II

## PROPERTY VALUATION REPORT

- (3) According to the Grant Contracts of State-owned Land Use Rights and the supplementary agreement, the land use rights of the property are set out as follows:

Contract No.	Land Plot No.	Issue Date	Land Use	Land Use Expiry Date	Site Area (sq m)	Land Premium (RMB)
(2004) 0541	11-17	4 June 2004	Residential	4 June 2074	29,093.36	11,543,174
(2006) 079	Phase 2	10 February 2006	Residential,	10 February 2076	80,829.32	22,629,550
(2004) 0669	5/6/10	28 August 2004	Residential, commercial, composite and basement car park	Residential: 28 August 2074; Commercial: 28 August 2044; Composite and basement car park: 8 August 2054	4,243.58	1,295,725
<b>Total</b>					<b>114,166.26</b>	<b>35,468,449</b>

- (4) Details of the Planning Permits for Construction Use of Land are set out as follows:

Permit No.	Phase	Issue Date	Gross Site Area (sq m)
(2003) 0014	Phase 1	13 November 2003	33,336.94
(2006) 0015	Phase 2	10 April 2006	<u>80,829.32</u>
<b>Total</b>			<b><u>114,166.26</u></b>

- (5) Details of the Planning Permits for Construction Works are set out as follows:

Permit No.	Phase	Issue Date	Gross Floor Area (sq m)
110111201100036	Block Nos. 1, 2, 3 and 4	25 May 2011	33,971.00
110111201300092	Block Nos. 5 and 6 and basement car park	22 November 2013	38,494.00
110111201100031	Block Nos. 7, 8, 9 and 10	26 April 2011	27,519.00
110111201100009	Block Nos. A01, A02, A03, A04, A05, A06, A08, A09, A10, A13 and A14	6 February 2015	102,628.34
(2006) 0074	Phase 2	6 February 2015	<u>10,485.00</u>
<b>Total</b>			<b><u>213,097.34</u></b>

As advised by the Company, only portions of the property have been granted with the Planning Permits for Construction Works mentioned above.

- (6) Details of the Permits for Commencement of Construction Works issued by Housing and Construction Bureau of Beijing are set out as follows:

Permit No.	Phase	Issue Date	Gross Floor Area (sq m)
(2013) 0036	Block Nos. 1 and 2	4 November 2013	21,026.00
(2013) 0037	Block Nos. 3 and 4	4 November 2013	12,945.00
(2014) 0007	Block Nos. 5 and 6 and basement car park	6 March 2014	38,494.00
(2013) 0033	Block No. 7	4 November 2013	27,519.00
(2015) 0003	Block Nos. A01 to A06, A08 and A09	26 February 2015	<u>74,232.77</u>
<b>Total</b>			<b><u>174,216.77</u></b>

As advised by the Company, only portions of the property have been granted with the Permits for Commencement of Construction Works mentioned above.

- (7) According to Commodity Housing Pre-sale Permits No. (2013) 232 dated 21 December 2013, No. (2014) 74 dated 14 April 2014, No. (2015) 23 dated 28 March 2015, portions of the property with a total gross floor area of 140,549.69 sq m were permitted for pre-sale.
- (8) The development value of the property as if completed as at the Valuation Date was RMB4,933,000,000.
- (9) According to the information provided by the Company, the construction cost incurred as at the Valuation Date was approximately RMB415,000,000. The estimated total construction cost was approximately RMB1,367,000,000. In the course of our valuation, we have taken into account such costs.
- (10) According to Business Licence No. 100704065 dated 17 October 2001, Beijing Anshunyu Real Estate Development Co., Ltd. (北京安順園房地產開發有限公司) was established as a limited liability company with a registered capital of RMB50,000,000 for a valid operation period from 17 October 2001 until 16 October 2021.
- (11) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificates for the Use of State-owned Land of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Beijing Anshunyu Real Estate Development Co., Ltd. (北京安順園房地產開發有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Beijing Anshunyu Real Estate Development Co., Ltd. (北京安順園房地產開發有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;

- (iv) No material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
- (v) All land premium stated in the Grant Contracts of State-owned Land Use Rights has been paid and settled.
- (12) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |  |     |
|--|-----|
| Certificate for the Use of State-owned Land    | Yes |
| Grant Contracts of State-owned Land Use Rights | Yes |
| Planning Permits for Construction Use of Land  | Yes |
| Planning Permits for Construction Works        | Yes |
| Permits for Commencement of Construction Works | Yes |
| Commodity Housing Pre-sale Permit              | Yes |
| Business Licence                               | Yes |
- (13) Hu Teng, Assistant Analyst of DTZ Beijing Office, inspected the property on 19 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-6. The property under construction known as Zhejiang Huzhou Taihu Project, south of Meidong Pian Binhu Avenue, Huzhou, Zhejiang Province, the PRC  (中華人民共和國浙江省湖州市湖州梅東片濱湖大道南側浙江湖州太湖項目)	<p>The property comprises Phase 1 of a residential development to be erected on a parcel of land with a total site area of 121,228 sq m.</p> <p>The property is situated in Wuxing District. It is located to the northeast corner of Meizhou Road and on the edge of Taihu. Developments in the vicinity comprise mainly hotel buildings such as Sheraton Huzhou Hot Spring Resort, Landison Resort Huzhou, etc. The property is served by public bus routes.</p> <p>According to the development scheme provided to us, the property has a total planned gross floor area of 76,311.73 sq m.</p> <p>The land use rights of the property have been granted for terms due to expire on 10 August 2080 for residential use and due to expire on 10 August 2050 for commercial use.</p>	The property is under construction and scheduled to be completed in 2015.	RMB528,000,000  (100% interest attributable to the Company: RMB528,000,000)

*Notes:*

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	73,079.27
Retail	1,383.09
Others	<u>1,849.37</u>
<b>Total</b>	<b><u><u>76,311.73</u></u></b>

- (2) According to Certificate for the Use of State-owned Land No. (2010) 029989 dated 15 December 2010, the land use rights of the property comprising a total site area of 121,228 sq m are vested in Zhejiang Hualong Real Estate Development Co., Ltd. (浙江華隆置業有限公司) for terms due to expire on 10 August 2080 for residential use and due to expire on 10 August 2050 for commercial use.

- (3) According to Grant Contract of State-owned Land Use Rights No. 330501200921088 dated 11 January 2010, the land use rights of the property comprising a total site area of 364,535 sq m have been contracted to be granted to Shouchuang Hong Kong (Real Estate) Co., Ltd. (首創香港(置業)有限公司) for a term due to expire on 10 August 2080 for residential use and due to expire on 10 August 2050 for commercial use. The salient conditions are set out as follows:

Location	:	Plot B, north side of the Lake Avenue, Meidong area of the Taihu National Vacation Area
Land Use	:	Residential
Site Area	:	364,535 sq m
Land Use Term	:	70 years for residential use and 40 years for commercial use
Plot Ratio	:	1.0
Permissible Gross Floor Area	:	364,535 sq m
Land Premium	:	RMB318,050,000

- (4) According to Planning Permit for Construction Use of Land No. 330501201000039 dated 5 July 2010, the construction site of the property with a total area of 364,535 sq m is in compliance with the urban planning requirements.
- (5) According to Planning Permit for Construction Works No. 330501201100042 dated 19 May 2011, the construction works of the property with a permitted gross floor area of 76,311.73 sq m are in compliance with the construction works requirements and have been approved.
- (6) Details of the Permits for Commencement of Construction Works issued by Housing and Construction Bureau of Huzhou are set out as follows:

Permit No.	Phase	Issue Date	Gross Floor Area (sq m)
330502201109150101	7-95	15 September 2011	71,152.68
330502201109140101	1-6	15 September 2011	<u>5,159.06</u>
<b>Total</b>			<b><u>76,311.74</u></b>

- (7) The development value of the property as if completed as at the Valuation Date was RMB723,000,000.
- (8) According to the information provided by the Company, the construction cost incurred as at the Valuation Date was approximately RMB221,000,000. The estimated total construction cost was approximately RMB311,000,000. In the course of our valuation, we have taken into account such costs.
- (9) According to Business Licence No. 330500400013847 dated 31 December 2013, Zhejiang Hualong Real Estate Development Co., Ltd. (浙江華隆置業有限公司) was established as a limited liability company with a registered capital of USD67,000,000 for a valid operation period from 24 June 2010 until 23 June 2040.



- (10) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Zhejiang Hualong Real Estate Development Co., Ltd. (浙江華隆置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Zhejiang Hualong Real Estate Development Co., Ltd. (浙江華隆置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) No material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
  - (v) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.

- (11) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Certificate for the Use of State-owned Land	Yes
Grant Contract of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permits for Commencement of Construction Works	Yes
Business Licence	Yes

- (12) Tseching, Manager of DTZ Hangzhou Office, inspected the property on 30 June 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-7. The property under construction known as Lize Financial Business District Project, Plot No. F-03, Lugouqiao Village, Fengtai District, Beijing, the PRC  (中華人民共和國 北京市 豐台區 盧溝橋鄉麗澤金融商務區 F-03地塊 麗澤金融商務區)	The property comprises a parcel of land with a total site area of 18,859.00 sq m.  The property is situated in Fengtai District. It is located to the north of South Luotuowan Road and west of Lianhuahe West Road.  Developments in the vicinity comprise mainly office buildings such as Jingmeng Tower, Zhongji Tower, etc. The property is served by public bus routes and subway.  According to the development scheme provided to us, the property has a total planned gross floor area of 221,102.00 sq m.  The land use rights of the property have been granted for terms due to expire on 14 March 2053 for commercial and underground commercial use and due to expire on 14 March 2063 for office and underground carpark use.	The property is under construction and scheduled to be completed in 2017.	RMB3,142,000,000  (50% interest attributable to the Company: RMB1,571,000,000)

*Notes:*

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Retail	47,591
Office	120,717
Car park	42,440
Equipment Space	10,159
Car park (civil defence)	195
<b>Total</b>	<b>221,102</b>

- (2) According to Certificate for the Use of State-owned Land No. (2015) 00094 dated 2 June 2015, the land use rights of the property comprising a total site area of 18,859 sq m are vested in Beijing Tiancheng Yongyuan Real Estate Co., Ltd. (北京天城永元置業有限公司) for terms due to expire on 14 March 2053 for commercial and underground commercial use and due to expire on 14 March 2063 for office and underground carpark use.
- (3) According to Grant Contract of State-owned Land Use Rights No. (2013) 0087 dated 15 March 2013 and its supplemental agreement, the land use rights of the property comprising a total site area of 18,859.00 sq m have been contracted to be granted to Beijing Tiancheng Yongyuan Real Estate Co., Ltd. (北京天城永元置業有限公司) for a term of 40 years for commercial and underground commercial use and 50 years for office and underground carpark use. The salient conditions are set out as follows:
- |               |   |  |
|---------------|---|--|
| Location      | : | C2, Plot F-03, Lize Financial Business District, Lugouqiao Village, Fengtai District, Beijing,             |
| Land Use      | : | Commercial, underground commercial, office and underground carpark   |
| Site Area     | : | 18,859.00 sq m   |
| Land Use Term | : | 40 years for commercial and underground commercial use and 50 years for office and underground carpark use |
| Plot Ratio    | : | not more than 8.48   |
| Land Premium  | : | RMB1,986,291,714   |
- (4) According to Planning Permit for Construction Use of Land No. (2013) 0028 dated 3 December 2013, the construction site of the property with a total area of 18,859.00 sq m is in compliance with the urban planning requirements.
- (5) According to Planning Permits for Construction Works No. (2015) 0015 dated 30 April 2015, the Gross Floor Area of the property with a total area of 221,102 sq m is in compliance with the urban planning requirements.
- (6) According to Permit for Commencement of Construction Works No. 2015 (0033) dated 30 June 2015, the construction works of commercial, office, civil defensive, machine room and car park of the property with a gross floor area of 221,102 sq m are in compliance with the requirements for works commencement and have been permitted.
- (7) The development value of the property as if completed as at the Valuation Date was RMB7,306,000,000.
- (8) According to the information provided by the Company, the construction cost incurred as at the Valuation Date was approximately RMB90,000,000. The estimated total construction cost was approximately RMB1,959,000,000. In the course of our valuation, we have taken into account such costs.
- (9) According to Business Licence No. 110000450237025 dated 19 August 2013, Beijing Tiancheng Yongyuan Real Estate Co., Ltd. (北京天城永元置業有限公司) was established as a limited liability company with a registered capital of RMB1,997,109,000 for a valid operation period from 28 June 2013 to 27 June 2014.

(10) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:

- (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
- (ii) Beijing Tiancheng Yongyuan Real Estate Co., Ltd. (北京天城永元置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
- (iii) Portion of the relevant certificates and approval from the government in respect of the construction of the property are in the process of application;
- (iv) Beijing Tiancheng Yongyuan Real Estate Co., Ltd. (北京天城永元置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
- (v) No material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
- (vi) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.

(11) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Certificate for the Use of State-owned Land	Yes
Grant Contract of State-owned Land Use Rights	Yes
Planning Permits for Construction Use of Land	Yes
Planning Permits for Construction Works	Yes
Permits for Commencement of Construction Works	Yes
Commodity Housing Pre-sale Permits	No
Survey Report	No
Business Licence	Yes

(12) Li Yi, Manager of DTZ Beijing Office, inspected the property on 19 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-8. The property under construction known as Hainan Wanning Project, Phase 1, west of Lianhua Highway, Liji Town, Wanning, Hainan Province, the PRC  (中華人民共和國 海南省 萬寧市 禮記鎮 東線高速公路蓮花出入口 西側 海南萬寧項目)	<p>The property comprises residential and villa portions of a composite development to be erected on six parcels of land with a total site area of 157,546 sq m.</p> <p>The property is situated in Wanning District. It is located to the west of Lianhua Highway. Developments in the vicinity comprise mainly residential and commercial buildings such as Shimei Resort, Yulinhai, Shouchuang Outlets, etc. The property is served by public bus routes and subway.</p> <p>According to the development scheme provided to us, the property has a total planned gross floor area of 28,848.42 sq m.</p> <p>The land use rights of the property have been granted for terms due to expire on 15 March 2081 for Residential use, due to expire on 15 March 2061 for Public Greenland use and due to expire on 15 March 2061 for Road use.</p>	<p>The property is under construction and scheduled to be completed in 2015.</p>	<p>RMB200,000,000</p> <p>(55% interest attributable to the Company: RMB110,000,000)</p>

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	23,178.96
Villa	2,783.06
Others	<u>2,886.40</u>
<b>Total</b>	<b><u><u>28,848.42</u></u></b>

- (2) According to the Certificates for the Use of State-owned Land, the land use rights of the property are vested in Hainan Outlets Real Estate Development Co., Ltd. (海南奥特莱斯房地產開發有限公司) with key details as follows:

Certificate No.	Land Plot No.	Issue Date	Land Use	Land Use Term		Site Area (sq m)
				Expiry Date		
(2011)106012	2009-52-2	10 October 2011	Residential	15 March 2081		51,066
(2011)106013	2009-52-2	10 October 2011	Public Greenland	15 March 2061		21,000
(2011)106011	2009-52-2	10 October 2011	Road	15 March 2061		6,866
(2011)106008	2009-52-3	10 October 2011	Public Greenland	15 March 2061		11,340
(2011)106009	2009-52-3	10 October 2011	Road	15 March 2061		5,320
(2011)106010	2009-52-3	10 October 2011	Residential	15 March 2081		<u>61,954</u>
<b>Total</b>						<b><u><u>157,546</u></u></b>

- (3) According to the Grant Contracts of State-owned Land Use Rights entered into between Wanning Land Resources Management Bureau (萬寧市土地管理局) (“Party A”) and Hainan Outlets Real Estate Development Co., Ltd. (海南奥特莱斯房地產開發有限公司) the land use rights of the property have been contracted to be granted to Party B with key details as follows:

Contract No.	Land Plot No.	Issue Date	Land Use	Land Use Expiry Date	Building Covenant		Land Premium (RMB)
					Site Area (sq m)	(for completion)	
(2010) 27	2009-52-2	15 March 2011	Residential, Public area	15 March 2081; 15 March 2061	78,932	12 May 2013	41,080,000
(2010) 28	2009-52-3	15 March 2011	Residential, Public area	15 March 2081; 15 March 2061	78,614	12 May 2013	47,060,000
<b>Total</b>					<u>157,546</u>		<u><u>88,140,000</u></u>

- (4) Details of the Planning Permits for Construction Use of Land are set out as follows:

Permit No.	Project name	Issue Date	Gross Site Area (sq m)
(2011) 185	Plot 2009-52-2	16 September 2011	78,937.28
(2011) 186	Plot 2009-52-3	16 September 2011	<u>78,617.26</u>
<b>Total</b>			<b><u><u>157,554.54</u></u></b>

- (5) According to Planning Permit for Construction Works No. (2011) 205 dated 19 December 2011, the construction works of the property with a permitted gross floor area of 119,581.19 sq m are in compliance with the construction works requirements and have been approved.
- (6) According to Permit for Commencement of Construction Works No. (2011) 119 dated 8 November 2011, the construction works of the property with a gross floor area of 119,581.19 sq m are in compliance with the requirements for works commencement and have been permitted.
- (7) According to Commodity Housing Pre-sale Permit No. (2014) 09 dated 27 February 2014, Block Nos. 1-8 of the property with a total gross floor area of 22,988.64 sq m were permitted for pre-sale.
- (8) The development value of the property as if completed as at the Valuation Date was RMB282,000,000.
- (9) According to the information provided by the Company, various units with a total gross floor area of 9,268.68 sq m of the property have been contracted to be sold for a consideration of approximately RMB89,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (10) According to the information provided by the Company, the construction cost incurred as at the Valuation Date was approximately RMB156,000,000. The estimated total construction cost was approximately RMB199,000,000. In the course of our valuation, we have taken into account such costs.
- (11) According to Business Licence No. 0829255 dated 11 March 2011, Hainan Outlets Real Estate Development Co., Ltd. (海南奥特莱斯房地產開發有限公司) was established as a limited liability company with a registered capital of USD14,000,000 for a valid operation period from 11 March 2011 until 11 March 2051.
- (12) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificates for the Use of State-owned Land of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Hainan Outlets Real Estate Development Co., Ltd. (海南奥特莱斯房地產開發有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;

- (iii) Hainan Outlets Real Estate Development Co., Ltd. (海南奥特莱斯房地產開發有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
- (iv) No material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
- (v) All land premium stated in the Grant Contracts of State-owned Land Use Rights has been paid and settled.
- (13) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |  |     |
|--|-----|
| Certificate for the Use of State-owned Land    | Yes |
| Grant Contracts of State-owned Land Use Rights | Yes |
| Planning Permits for Construction Use of Land  | Yes |
| Planning Permit for Construction Works         | Yes |
| Permit for Commencement of Construction Works  | Yes |
| Commodity Housing Pre-sale Permit              | Yes |
| Business Licence                               | Yes |
- (14) Jin Xiaodan, Senior Valuer of DTZ Shenzhen Office, inspected the property on 19 March 2015.



Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-9. The property under construction known as Hainan Wanning Project, Phase 2, west of Lianhua Highway, Liji town, Wanning, Hainan Province, the PRC  (中華人民共和國 海南省 萬寧市 禮記鎮東線高速公路蓮花 出入口西側 海南萬寧項目)	<p>The property comprises residential development to be erected on a parcels of land with a total site area of 94,354.89 sq m.</p> <p>The property is situated in Wanning District. It is located to the west of Lianhua Highway. Developments in the vicinity comprise mainly residential and commercial buildings such as Shimei Resort, Yulinhai, Shouchuang Outlets, etc. The property is served by public bus routes and subway.</p> <p>According to the development scheme provided to us, the property has a total planned gross floor area of 82,284.46 sq m.</p> <p>The land use rights of the property have been granted for terms due to expire on 30 December 2081 for residential use.</p>	The property is under construction and scheduled to be completed in 2016.	RMB226,000,000  (55% interest attributable to the Company: RMB124,300,000)

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	73,978.00
Others	8,306.46
<b>Total</b>	<b>82,284.46</b>

- (2) According to the Certificates for the Use of State-owned Land, the land use rights of the property are vested in Hainan Outlets Property Real Estate Co., Ltd. (海南奥特莱斯置业有限公司) with key details as follows:

Certificate No.	Land Plot No.	Issue Date	Land Use	Land Use Term		Site Area (sq m)
				Expiry Date		
(2012) 106005	2009-52-1	23 February 2013	Education	30 December 2061		3,205.73
(2012) 106006	2009-52-1	23 February 2013	Residential	30 December 2081		74,153.71
(2012) 106007	2009-52-1	23 February 2013	Public area	30 December 2061		10,554.46
(2012) 106008	2009-52-1	23 February 2013	Public area	30 December 2061		6,440.99
<b>Total</b>						<b><u>94,354.89</u></b>

- (3) According to Grant Contract of State-owned Land Use Rights No. (2010) 26 dated 13 March 2011, the land use rights of the property with a total site area of 94,354.00 sq m have been contracted to be granted to Hainan Outlets Property Real Estate Co., Ltd. (海南奥特莱斯置业有限公司) for terms due to expire on 1 March 2081 for residential use, due to expire on 1 March 2061 for science and education, highway, public Greenland uses. The salient conditions are set out as follows:

Location	:	Wanning
Land Use	:	Residential, education, public area
Site Area	:	94,354.00 sq m
Land Use Term	:	70 years for Residential use and 50 years for education and Public area uses
Plot Ratio	:	1.0
Permissible Gross Floor Area	:	74,154 sq m
Land Premium	:	RMB56,580,000

- (4) According to Planning Permit for Construction Use of Land No. (2014) 178 dated 30 July 2014, the construction site of the property with a total area of 94,355.00 sq m is in compliance with the urban planning requirements.
- (5) According to Planning Permit for Construction Works No. (2014) 166 dated 6 August 2014, the construction works of phase 2 of the property with a permitted gross floor area of 82,284.46 sq m are in compliance with the construction works requirements and have been approved.
- (6) According to Permit for Commencement of Construction Works No. 469006201410270000 dated 27 October 2014, the construction works of Phase 2 of the property with a gross floor area of 82,288.46 sq m are in compliance with the requirements for works commencement and have been permitted.
- (7) According to Commodity Housing Pre-sale Permit No. (2014) 43 dated 21 November 2014, Nos. 55 and 56 of the property with a total gross floor area of 12,231.61 sq m were permitted for pre-sale.
- (8) The development value of the property as if completed as at the Valuation Date was RMB716,000,000.

- (9) According to the information provided by the Company, various units with a total gross floor area of 759.21 sq m of the property have been contracted to be sold for a consideration of approximately RMB7,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (10) According to the information provided by the Company, the construction cost incurred as at the Valuation Date was approximately RMB100,000,000. The estimated total construction cost was approximately RMB419,000,000. In the course of our valuation, we have taken into account such costs.
- (11) According to Business Licence No. 0829249 dated 11 March 2011, Hainan Outlets Property Real Estate Co., Ltd. (海南奥特莱斯置業有限公司) was established as a limited liability company with a registered capital of USD9,000,000 for a valid operation period from 11 March 2011 to 11 March 2051.
- (12) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificates for the Use of State-owned Land of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Hainan Outlets Property Real Estate Co., Ltd. (海南奥特莱斯置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Hainan Outlets Property Real Estate Co., Ltd. (海南奥特莱斯置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) No material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
  - (v) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (13) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |   |     |
|---|-----|
| Certificate for the Use of State-owned Land   | Yes |
| Grant Contract of State-owned Land Use Rights | Yes |
| Planning Permit for Construction Use of Land  | Yes |
| Planning Permit for Construction Works        | Yes |
| Permit for Commencement of Construction Works | Yes |
| Commodity Housing Pre-sale Permit             | Yes |
| Business Licence                              | Yes |
- (14) Jin Xiaodan, Senior Valuer of DTZ Shenzhen Office, inspected the property on 19 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-10. The property under construction known as Kunshan Capital Outlets Project, south land lot, east of Dongcheng Avenue, north of Kunjia Road, Economic and Development District, Kunshan, Jiangsu Province, the PRC  (中華人民共和國江蘇省昆山市開發區東城大道東側昆嘉路北側昆山奧特萊斯項目)	<p>The property comprises Block No. 28 of phases 4A and 5A, phases 3, 4B and 5B of a composite development to be erected on a parcel of land with a total site area of 72,031.68 sq m.</p> <p>The property is situated in Economic and Development District. It is located to the east of Dongcheng Avenue, north of Kunjia Road and surrounded by Jingwang Road and Jialingjiang Road. Developments in the vicinity comprise mainly residential and retail buildings such as Shimaodong Waitan, Shimao Plaza, etc. The property is served by public bus routes.</p> <p>According to the development scheme provided to us, the property has a total planned gross floor area of 160,105.80 sq m.</p> <p>The land use rights of the property have been granted for a term due to expire on 26 January 2083 for residential use.</p>	The property is under construction and scheduled to be completed in 2016.	RMB264,000,000  (100% interest attributable to the Company: RMB264,000,000)

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	106,727.40
Car Park	47,416.00
Others	5,962.40
<b>Total</b>	<b>160,105.80</b>

- (2) According to Certificate for the Use of State-owned Land No. (2015) DWB48 dated 10 March 2015, the land use rights of the development comprising a total site area of 137,752.70 sq m are vested in Capital Outlets (Kunshan) Real Estate Development Co., Ltd. (首創奧萊(昆山)置業有限公司) for a term due to expire on 26 January 2083 for residential use.

As advised by the Group, the property comprises portions of the site area as stated in the Certificate for the Use of State-owned Land mentioned above.

- (3) According to Grant Contract of State-owned Land Use Rights No. 3205832012CR0142 dated 27 July 2012 and its supplemental agreement, the land use rights of the property comprising a total site area of 137,752.70 sq m have been contracted to be granted to Capital Outlets (Kunshan) Real Estate Development Co., Ltd. (首創奧萊(昆山)置業有限公司) for a term of 70 years for residential use and 40 years for commercial use. The salient conditions are set out as follows:

Location	:	The northern side of Kunjia Road, Development Area, Kunshan
Land Use	:	Residential
Site Area	:	137,752.70 sq m
Land Use Term	:	40 years for commercial use and 70 years for residential use
Plot Ratio	:	Not less than 1.7, not more than 2.2
Land Premium	:	RMB443,563,694

As advised by the Group, the property comprises portions of the site area as stated in the Grant Contract of State-owned Land Use Rights mentioned above.

- (4) According to Planning Permit for Construction Use of Land No. (2013) 0009 dated 6 March 2013, the construction site of the property with a total area of 137,752.70 sq m is in compliance with the urban planning requirements.

As advised by the Group, the property comprises portions of the site area as stated in the Planning Permit for Construction Use of Land mentioned above.

- (5) Details of the Planning Permits for Construction Works are set out as follows:

Permit No.	Phase	Issue Date	Gross Floor Area (sq m)
(2013) 0482	4A	5 September 2013	<u>17,733.72</u>
<b>Total</b>			<b><u><u>17,733.72</u></u></b>

- (6) Details of the Permits for Commencement of Construction Works are set out as follows:

Permit No.	Phase	Issue Date	Gross Floor Area (sq m)
3205832013100805	4A and 5A	8 October 2013	<u>109,911.37</u>
<b>Total</b>			<b><u><u>109,911.37</u></u></b>

As advised by the Group, Block No. 28 of phases 4A and 5A of the property comprises portions of the gross floor area as stated in the Permits for Commencement of Construction Works mentioned above.

- (7) According to the Commodity Housing Pre-sale Permits, the construction works of Phases 2, 4A, 5A of the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
(2013) 234	10 October 2013	5 and 10	32,055.74
(2013) 186	9 August 2013	6 and 11	44,727.56
(2014) 083	21 March 2014	15-18	37,859.45
(2013) 321	2 December 2013	42 and 43	11,708.54
(2013) 330	30 December 2013	23, 25, 30, 31, 37 and 38	<u>43,690.23</u>
<b>Total</b>			<b><u>170,041.52</u></b>

As advised by the Group, Block No. 28 of phases 4A and 5A of the property comprises portions of the gross floor area as stated in the Commodity Housing Pre-sale Permits mentioned above.

- (8) The development value of the property as if completed as at the Valuation Date was RMB884,000,000.
- (9) According to the information provided by the Company, various units with a total gross floor area of 16,459.21 sq m of the property have been contracted to be sold for a consideration of approximately RMB114,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (10) According to the information provided by the Company, the construction cost incurred as at the Valuation Date was approximately RMB78,000,000. The estimated total construction cost was approximately RMB539,000,000. In the course of our valuation, we have taken into account such costs.
- (11) According to Business Licence No. 320583000201303210373N dated 21 March 2013, Capital Outlets (Kunshan) Real Estate Development Co., Ltd. (首創奧萊(昆山)置業有限公司) was established as a limited liability company with a registered capital of RMB300,000,000 for a valid operation period from 26 February 2013 to 25 February 2053.
- (12) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Capital Outlets (Kunshan) Real Estate Development Co., Ltd. (首創奧萊(昆山)置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Portion of the relevant certificates and approval from the government in respect of the construction of the property are in the process of application;

- (iv) Capital Outlets (Kunshan) Real Estate Development Co., Ltd. (首創奧萊(昆山)置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
- (v) No material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
- (vi) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (13) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |  |            |
|--|------------|
| Certificate for the Use of State-owned Land    | Yes        |
| Grant Contract of State-owned Land Use Rights  | Yes        |
| Planning Permit for Construction Use of Land   | Yes        |
| Planning Permits for Construction Works        | Yes (part) |
| Permits for Commencement of Construction Works | Yes (part) |
| Commodity Housing Pre-sale Permit              | Yes (part) |
| Business Licence                               | Yes        |
- (15) Deng Yu, Manager of DTZ Shanghai Office, inspected the property on 20 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-11. The property under construction known as Kunshan Capital Outlets Project, central land, east of Dongcheng Avenue, south of Jingwang Road, Economic and Development District, Kunshan, Jiangsu Province, the PRC  (中華人民共和國江蘇省昆山市開發區東城大道東側、景王路南側 昆山奧特萊斯項目)	<p>The property comprises Phases 1, 2 and 3 of a composite development to be erected on a parcel of land with a total site area of 109,731.80 sq m.</p> <p>The property is situated in Economic and Development District. It is located to east of Dongcheng Avenue, south of Jingwang Road and surrounded by Jialingjiang Road. Developments in the vicinity comprise mainly residential and retail buildings such as Shimao Dongwaitan, Shimao Plaza, etc. The property is served by public bus routes.</p> <p>According to the development scheme provided to us, the property has a total planned gross floor area of 364,969.45 sq m.</p> <p>The land use rights of the property have been granted for a term of 70 years due to expire on 26 January 2083 for residential use.</p>	<p>The property is under construction and scheduled to be completed in 2017.</p>	<p>RMB653,000,000</p> <p>(100% interest attributable to the Company: RMB653,000,000)</p>



*Notes:*

- (1) The constituent gross floor areas are summarised as follows:

<b>Portion</b>	<b>Gross Floor Area</b> (sq m)
Residential	284,773.08
Car park	67,343.25
Others	<u>12,853.12</u>
<b>Total</b>	<b><u><u>364,969.45</u></u></b>

- (2) According to Certificate for the Use of State-owned Land No. (2014) 179 dated 8 May 2014, the land use rights of the property comprising a total site area of 109,731.80 sq m are vested in Capital Dongxing (Kunshan) Real Estate Development Co. Ltd. (首創東興(昆山)房地產開發有限公司) for a term due to expire on 26 January 2083 for residential use.

- (3) According to Grant Contract of State-owned Land Use Rights No. 3205832012CR0141 dated 27 July 2012 and its Supplemental Agreement, the land use rights of the property comprising a total site area of 109,731.80 sq m have been contracted to be granted to Capital Dongxing (Kunshan) Real Estate Development Co. Ltd. (首創東興(昆山)房地產開發有限公司) for a term of 70 years for residential use and 40 years for commercial use. The salient conditions are set out as follows:

Location	: The northern side of Kunjia Road, Development Area, Kunshan
Land Use	: Residential
Site Area	: 109,731.80 sq m
Land Use Term	: 40 years for commercial use and 70 years for residential use
Plot Ratio	: not less than 1.7, not more than 2.2
Land Premium	: RMB342,911,875

- (4) According to Planning Permit for Construction Use of Land No. (2014) 0003 dated 7 January 2014, the construction site of the property with a total area of 109,731.80 sq m is in compliance with the urban planning requirements.

(5) Details of the Planning Permits for Construction Works are set out as follows:

Permit No.	Phase	Issue Date	Gross Floor Area (sq m)
(2014) 0075	1	4 March 2014	13,422.19
(2014) 0076	1	4 March 2014	20,137.11
(2014) 0077	1	4 March 2014	20,123.94
(2014) 0078	1	4 March 2014	13,421.69
(2014) 0079	1	4 March 2014	13,410.39
(2014) 0080	1	4 March 2014	15,080.84
(2014) 0222	2	26 May 2014	20,496.43
(2014) 0223	2	26 May 2014	20,997.60
(2014) 0224	2	26 May 2014	40,302.31
(2014) 0225	2	26 May 2014	33,609.90
(2014) 0231	2	6 June 2014	20,126.26
(2014) 0232	2	6 June 2014	20,867.73
(2014) 0233	2	6 June 2014	4,944.32
(2015)0133	3	19 June 2015	6,974.82
(2015)0134	3	19 June 2015	6,702.60
(2015)0135	3	19 June 2015	4,604.40
(2015)0136	3	19 June 2015	5,128.37
(2015)0137	3	19 June 2015	4,114.59
(2015)0138	3	19 June 2015	26,284.18
(2015)0139	3	19 June 2015	11,190.70
(2015)0140	3	19 June 2015	11,184.26
(2015)0141	3	19 June 2015	11,155.68
(2015)0142	3	19 June 2015	5,823.89
(2015)0143	3	19 June 2015	14,865.25
<b>Total</b>			<b><u>364,969.45</u></b>

(6) Details of the Permits for Commencement of Construction Works are set out as follows:

Permit No.	Phase	Issue Date	Gross Floor Area (sq m)
3205832014052903	1	29 May 2014	95,596.16
3205832014122904	2	29 December 2014	161,344.55
<b>Total</b>			<b><u>256,940.71</u></b>

As advised by the Company, only portions of the property have been granted with Permits for Commencement of Construction Works mentioned above.

- (7) According to the Commodity Housing Pre-sale Permits, the construction works of Phases 1 and 2 of the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
(2014) 165	12 June 2014	45 and 48	25,901.20
(2014) 205	8 August 2014	46, 47 and 49	51,674.23
(2014) 080	–	50	18,612.46
(2015) 016	27 February 2015	52-55	<u>57,218.01</u>
<b>Total</b>			<b><u><u>153,405.90</u></u></b>

As advised by the Company, only portions of the property have been granted with Commodity Housing Pre-sale Permits mentioned above.

- (8) The development value of the property as if completed as at the valuation date was RMB2,048,000,000.
- (9) According to the information provided by the Company, various units with a total gross floor area of 107,074.30 sq m of the property have been contracted to be sold for a consideration of approximately RMB697,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (10) According to the information provided by the Company, the construction cost incurred as at the valuation date was approximately RMB199,000,000. The estimated total construction cost was approximately RMB1,232,000,000. In the course of our valuation, we have taken into account such costs.
- (11) According to Business Licence No. 320583000201404080163 dated 8 April 2014, Capital Dongxing (Kunshan) Real Estate Development Co. Ltd. (首創東興(昆山)房地產開發有限公司) was established as a limited liability company with a registered capital of RMB300,000,000 for a valid operation period from 18 March 2013 to 17 March 2053.
- (12) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Capital Dongxing (Kunshan) Real Estate Development Co. Ltd. (首創東興(昆山)房地產開發有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Portion of the relevant certificates and approval from the government in respect of the construction of the property are in the process of application;

- (iv) Capital Dongxing (Kunshan) Real Estate Development Co. Ltd. (首創東興(昆山)房地產開發有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
- (v) No material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
- (vi) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (13) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |  |            |
|--|------------|
| Certificate for the Use of State-owned Land    | Yes        |
| Grant Contract of State-owned Land Use Rights  | Yes        |
| Planning Permits for Construction Use of Land  | Yes        |
| Planning Permits for Construction Works        | Yes        |
| Permits for Commencement of Construction Works | Yes (part) |
| Commodity Housing Pre-sale Permits             | Yes (part) |
| Survey Report                                  | No         |
| Business Licence                               | Yes        |
- (14) Deng Yu, Manager of DTZ Shanghai Office, inspected the property on 20 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-12. The property under construction known as Shanghai Songjiang Project, Plots 10-02 and 12-02, Block No. 2, Unit SJC10004, Fangsong Street, Songjiang District, Shanghai, the PRC  (中華人民共和國 上海市 松江區 方松街道SJC10004單元2 街區10-02、12-02號地塊 上海松江項目)	The property comprises a composite development to be erected on two parcels of land with a total site area of 65,239.40 sq m.  The property is situated in Songjiang District. It is located to Fangsong Street and surrounded by Renmin Road, Donggang Road, Yinlong Road, Fuze Road. Developments in the vicinity comprise mainly residential buildings. The property is served by public bus routes.  According to the development scheme provided to us, the property has a total planned gross floor area of 154,546.64 sq m.  The land use rights of the property have been granted for terms due to expire on 5 January 2084 for residential use and due to expire on 5 January 2054 for Commercial use.	The property is under construction and scheduled to be completed in 2016.	RMB2,259,000,000  (100% interest attributable to the Company: RMB2,259,000,000)

*Notes:*

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
High-rise apartment	58,411.74
Low-rise apartment	60,491.90
Retail	13,896.00
Basement car parks	21,747.00
<b>Total</b>	<b>154,546.64</b>

- (2) According to the Certificates for the Use of State-owned Land, the land use rights of the property are vested in Shanghai Songchuang Real Estate Co., Ltd. (上海松創置業有限公司) with key details as follows:

Certificate No.	Land Plot No.	Issue Date	Land Use	Land Use Term	Site Area (sq m)
				Expiry Date	
(2014) 002820	Plot 103/11, Block No. 4	28 January 2014	Residential,	5 January 2084	29,410.00
(2014) 002824	Plot 104/8, Block No. 4	8 January 2014	Residential,commercial	Residential: 5 January 2084; Commercial: 5 January 2054	35,829.40
<b>Total</b>					<b><u>65,239.40</u></b>

- (3) According to Grant Contract of State-owned Land Use Rights No. (2013) 74 dated 18 November 2013 and its Supplemental Agreement, the land use rights of the property comprising a total site area of 65,239.40 sq m have been contracted to be granted to Shanghai Songchuang Real Estate Co., Ltd. (上海松創置業有限公司) for terms of 70 years for residential use and 40 years for commercial use. The salient conditions are set out as follows:

Location	:	Plots 10-02 and 12-02, Block No. 2, Unit SJC10004, Fangsong Street, Songjiang District, Shanghai
Land Use	:	Residential, commercial
Site Area	:	65,239.40 sq m
Land Use Term	:	40 years for commercial use and 70 years for residential use
Plot Ratio	:	1.91
Permissible Gross Floor Area	:	124,596.80 sq m
Land Premium	:	RMB1,770,000,000

- (4) Details of the Planning Permits for Construction Use of Land are set out as follows:

Permit No.	Issue Date	Gross Site Area (sq m)
(2014) EA31011720140006	13 January 2014	29,410.00
(2014) EA31011720140004	9 January 2014	35,829.40
<b>Total</b>		<b><u>65,239.40</u></b>

- (5) Details of the Planning Permits for Commencement of Construction Works are set out as follows:

Permit No.	Issue Date	Gross Site Area (sq m)
(2014) FA31011720140210	9 July 2014	535.00
(2014) FA31011720144790	19 June 2014	44,597.92
(2014) FA31011720144804	20 June 2014	34,994.04
(2014) FA31011720144805	20 June 2014	28,043.30
(2014) FA31011720144806	20 June 2014	38,406.61
(2014) FA31011720144870	2 July 2014	<u>7,782.06</u>
<b>Total</b>		<b><u><u>154,358.93</u></u></b>

- (6) Details of the Planning Permits for Construction Works are set out as follows:

Permit No.	Issue Date	Gross Floor Area (sq m)
310117201402251719	18 September 2014	66,449.91
310117201402251619	18 September 2014	<u>87,374.02</u>
<b>Total</b>		<b><u><u>153,823.93</u></u></b>

- (7) According to Commodity Housing Pre-sale Permit No. 0000223 dated 30 December 2014, portions of the property with a total gross floor area of 24,783.18 sq m were permitted for pre-sale.
- (8) The development value of the property as if completed as at the Valuation Date was RMB3,243,000,000.
- (9) According to the information provided by the Company, various units with a total gross floor area of 33,867.61 sq m of the property have been contracted to be sold for a consideration of approximately RMB771,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (10) According to the information provided by the Company, the construction cost incurred as at the valuation date was approximately RMB203,000,000. The estimated total construction cost was approximately RMB608,000,000. In the course of our valuation, we have taken into account such costs.
- (11) According to Business Licence No. 3101170030077790 dated 20 December 2013, Shanghai Songchuang Real Estate Co., Ltd. (上海松創置業有限公司) was established as a limited liability company with a registered capital of RMB50,000,000 for a valid operation period from 20 December 2013 to 19 December 2033.
- (12) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificates for the Use of State-owned Land of the property are valid, legal and enforceable under the PRC laws;

- (ii) Shanghai Songchuang Real Estate Co., Ltd. (上海松創置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
- (iii) Shanghai Songchuang Real Estate Co., Ltd. (上海松創置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
- (iv) No material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
- (v) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (13) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |  |     |
|--|-----|
| Certificate for the Use of State-owned Land    | Yes |
| Grant Contract of State-owned Land Use Rights  | Yes |
| Planning Permits for Construction Use of Land  | Yes |
| Planning Permits for Construction Works        | Yes |
| Permits for Commencement of Construction Works | Yes |
| Commodity Housing Pre-sale Permits             | Yes |
| Business Licence                               | Yes |
- (14) Liang Yunqing, Assistant Manager of DTZ Shanghai Office, inspected the property on 20 March 2015.



Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-13. The property under construction known as Xi'an Feng-cheng Road Project, Phase 7, Feng Cheng 12th Road, Xi'an Economic and Technological Development Zone, Xi'an, Shaanxi Province, the PRC  (中華人民共和國 陝西省 西安市 西安經濟技術開發區鳳城十二路 西安鳳城路項目)	<p>The property comprises residential, retail, office and underground car park portions to be erected on two parcels of land with a total site area of approximately 121,086.42 sq m.</p> <p>The property is situated in Xi'an Economic and Technological Development Zone. It is located to the south of 3rd Ring Road and surrounded by Wenjing Road, Feng Cheng 12th Road and Feng Cheng North Road. Developments in the vicinity comprise mainly residential and commercial buildings such as Huitong Taigucheng, Fuedun International Fortune Center, etc.</p> <p>The property is served by public bus routes and subway.</p> <p>According to the development scheme provided to us, the property has a total planned gross floor area of 307,768.69 sq m.</p> <p>The land use rights of the property have been granted for terms due to expire on 13 November 2077 for residential use and due to expire on 13 November 2057 for composite use.</p>	<p>The property is under construction and scheduled to be completed in 2016.</p>	<p>RMB820,000,000  (92.56% interest attributable to the Company: RMB758,992,000)</p>

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

<b>Portion</b>	<b>Gross Floor Area</b> (sq m)
Residential	190,318.78
Town house	14,090.84
Retail	1,641.65
Office	35,144.96
Car park	<u>66,572.46</u>
 Total	 <u><u>307,768.69</u></u>

- (2) According to the Certificates for the Use of State-owned Land issued by Xi'an Municipal People's Government (西安市人民政府), the land use rights of the property are vested in Xi'an Capital Xinkai Real Estate Co., Ltd. (西安首創新開置業有限公司) with key details as follows:

<b>Certificate No.</b>	<b>Issue Date</b>	<b>Land Use</b>	<b>Land Use Term</b>		<b>Site Area</b> (sq m)
			<b>Expiry Date</b>		
(2012) 035	24 August 2012	Residential	13 November 2077		114,172.93
(2012) 036	24 August 2012	Composite	13 November 2057		<u>6,913.49</u>
 Total					 <u><u>121,086.42</u></u>

- (3) According to Grant Contract of State-owned Land Use Rights No. (2007) 19 dated 14 November 2007, the land use rights of the property comprising a total site area of 355,363.30 sq m have been contracted to be granted to Xi'an Capital Xinkai Real Estate Co., Ltd. (西安首創新開置業有限公司) for a term of 70 years for residential use and 50 years for composite use. The salient conditions are set out as follows:

Location	: North of Fengcheng 11th Road, West of Wenjing Road, South of 3rd Ring Road
Land Use	: Residential and commercial
Site Area	: 355,363.30 sq m
Land Use Term	: 50 years for composite use and 70 years for residential use
Plot Ratio	: 3.8
Land Premium	: RMB1,002,000,000

- (4) According to Planning Permit for Construction Use of Land No. (2008) 06 dated 12 May 2008, the construction site of the property with a total area of 355,363.30 sq m is in compliance with the urban planning requirements.

- (5) Details of the Planning Permits for Construction Works are set out as follows:

Permit No.	Issue Date	Phase	Gross Floor Area (sq m)
(2012) 034	31 October 2012	6 and 7	312,636
(2013) 014	19 April 2013	7	247,038
(2013) 015	19 April 2013	7	<u>40,753</u>
<b>Total</b>			<b><u><u>600,427</u></u></b>

- (6) Details of the Permits for Commencement of Construction Works are set out as follows:

Permit No.	Issue Date	Phase	Gross Floor Area (sq m)
(2013) 029	8 November 2013	7	137,837
(2013) 037	27 November 2013	7	54,772
(2014) 028	8 May 2014	7	<u>118,861</u>
<b>Total</b>			<b><u><u>311,470</u></u></b>

- (7) According to the Commodity Housing Pre-sale Permits, the construction works of Phases 6 and 7 the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Block No.	Gross Floor Area (sq m)
2013334	28 November 2013	41, 42, 43, 44, 46, 47, 48, 49, 50, 67 and 68	85,333
2013353	9 December 2013	57	36,246
2014217	16 July 2014	51, 52, 53, 54, 55, 56	<u>132,255</u>
<b>Total</b>			<b><u><u>253,834</u></u></b>

- (8) The development value of the property as if completed as at the Valuation Date was RMB1,799,000,000.

- (9) According to the information provided by the Company, various units with a total gross floor area of 138,286.09 sq m of the property have been contracted to be sold for a consideration of approximately RMB855,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.

- (10) According to the information provided by the Company, the construction cost incurred as at the Valuation Date was approximately RMB443,000,000. The estimated total construction cost was approximately RMB1,009,000,000. In the course of our valuation, we have taken into account such costs.

- (11) According to Business Licence No. 610100400001934 dated 18 February 2014, Xi'an Capital Xinkai Real Estate Co., Ltd. (西安首創新開置業有限公司) was established as a limited liability company with a registered capital of USD165,000,000 for a valid operation period from 24 December 2007 until 23 December 2027.

(12) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:

- (i) The Certificates for the Use of State-owned Land of the property are valid, legal and enforceable under the PRC laws;
- (ii) Xi'an Capital Xinkai Real Estate Co., Ltd. (西安首創新開置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
- (iii) Xi'an Capital Xinkai Real Estate Co., Ltd. (西安首創新開置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
- (iv) No material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
- (v) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.

(13) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Certificate for the Use of State-owned Land	Yes
Grant Contract of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permits for Construction Works	Yes
Permits for Commencement of Construction Works	Yes
Commodity Housing Pre-sale Permits	Yes (part)
Business Licence	Yes

(14) Li Zhi, Assistant Manager of DTZ Xi'an Office, inspected the property on 20 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-14. The property under construction known as Lize Financial Business District Project, Plot No. F-02, Lugouqiao Village, Fengtai District, Beijing, the PRC  (中華人民共和國 北京市 豐台區 盧溝橋鄉麗澤金融商務區 F-02地塊 麗澤金融商務區)	<p>The property comprises a composite development to be erected on a parcel of land with a total site area of 15,963.04 sq m.</p> <p>The property is situated in Fengtai District. It is located to the south of North Fengtai Road and west of Lianhuahe West Road.</p> <p>Developments in the vicinity comprise mainly office buildings such as Jingmeng Tower, Zhongji Tower, etc. The property is served by public bus routes and subway.</p> <p>According to the development scheme provided to us, the property has a total planned gross floor area of 196,085.00 sq m.</p> <p>The land use rights of the property have been granted for terms due to expire on 14 March 2053 for commercial and underground commercial use and due to expire on 14 March 2063 for office and underground carpark use.</p>	The property is under construction and scheduled to be completed in 2017.	RMB3,227,000,000  (68.5% interest attributable to the Company: RMB2,210,495,000)

*Notes:*

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Retail	38,245
Office	123,113
Car park	10,806
Equipment Space	13,676
Car park (civil defence)	10,245
<b>Total</b>	<b>196,085</b>

(2) According to Certificate for the Use of State-owned Land No. (2014) 00228 dated 12 December 2014, the land use rights of the property comprising a total site area of 15,963.04 sq m are vested in Beijing Tiancheng Yongtai Real Estate Co., Ltd. (北京天城永泰置業有限公司) for terms due to expire on 14 March 2053 for commercial and underground commercial use and due to expire on 14 March 2063 for office and underground carpark use.

(3) According to Grant Contract of State-owned Land Use Rights No. (2013) 0088 dated 15 March 2013 and its Supplemental Agreement, the land use rights of the property comprising a total site area of 15,963.04 sq m have been contracted to be granted to Beijing Tiancheng Yongtai Real Estate Co., Ltd. (北京天城永泰置業有限公司) for terms of 40 years for commercial and underground commercial use and 50 years for office and underground carpark use. The salient conditions are set out as follows:

Location	:	C2, Plot F-02, Lize Financial Business District, Lugouqiao Village, Fengtai District, Beijing
Land Use	:	Commercial, underground commercial, office and underground carpark
Site Area	:	15,963.04 sq m
Land Use Term	:	40 years for commercial and underground commercial use and 50 years for office and underground carpark use
Plot Ratio	:	not more than 9.39
Land Premium	:	RMB2,242,221,056.00

(4) According to Permit for Commencement of Construction Works No. (2013) 0029 dated 4 December 2013, the construction site of the property with a total area of 15,963.04 sq m is in compliance with the urban planning requirements.

(5) According to Permit for Commencement of Construction Works No. 2015(0099) dated 10 March 2015 and No.2014(0075) dated 19 December 2014, the construction works of the property with a gross floor area of 196,085 sqm are in compliance with the requirements for works commencement and have been permitted.

(6) According to Permit for Commencement of Construction Works No. 2015(0001) dated 20 January 2015, the construction works of commercial, machine room and car park of the property with a gross floor area of 46,185.00 sq m are in compliance with the requirements for works commencement and have been permitted.

According to Permit for Commencement of Construction Works No. 2015(0013) dated 28 April 2015, the construction works of commercial, civil defensive and car park of the property with a gross floor area of 149,900.00 sq m are in compliance with the requirements for works commencement and have been permitted.

(7) According to the information provided by the Company, the construction cost incurred as at the Valuation Date was approximately RMB186,000,000. The estimated total construction cost was approximately RMB1,540,000,000. In the course of our valuation, we have taken into account such costs.

(8) The development value of the property as if completed as at the Valuation Date was RMB7,009,000,000.

(9) According to Business Licence No. 110000450237017 dated 28 June 2014, Beijing Tiancheng Yongtai Real Estate Co., Ltd. (北京天城永泰置業有限公司) was established as a limited liability company with a registered capital of RMB2,246,490,000 for a valid operation period from 28 June 2013 to 27 June 2033.

- (10) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Beijing Tiancheng Yongtai Real Estate Co., Ltd. (北京天城永泰置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Portions of the relevant certificates and approval from the government in respect of the construction of the property are in the process of application;
  - (iv) Beijing Tiancheng Yongtai Real Estate Co., Ltd. (北京天城永泰置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (v) No material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
  - (vi) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (11) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |   |     |
|---|-----|
| Certificate for the Use of State-owned Land   | Yes |
| Grant Contract of State-owned Land Use Rights | Yes |
| Planning Permit for Construction Use of Land  | Yes |
| Planning Permits for Construction Works       | Yes |
| Permit for Commencement of Construction Works | Yes |
| Business Licence                              | Yes |
- (12) Li Yi, Manager of DTZ Beijing Office, inspected the property on 19 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
<p>IV-15. The property under construction known as Wuxi Dongting Town Project, car park, east of Youyi Road and Dongting Street, north of Xinming Road, south of Xingtang River, Xishan District, Wuxi, Jiangsu Province, the PRC</p> <p>(中華人民共和國 江蘇省 無錫市 錫山區 東亭街友誼路西,新明路北, 興塘河南, 無錫東亭鎮項目)</p>	<p>The property comprises a car park building erected on a parcel of land with a total site area of 162,911.00 sq m.</p> <p>The property is situated in Xishan District. It is located to the east of Youyi Road and Dongting Street, north of Xinming Road, south of Xingtang River. Developments in the vicinity comprise mainly residential buildings such as Weilan Dushi Garden, Jinxi Yuan, etc. The property is served by public bus routes.</p> <p>According to the development scheme provided to us, the property has a total planned gross floor area of 13,535.00 sq m.</p> <p>The land use rights of the property have been granted for terms due to expire on 27 June 2076 for residential use, due to expire on 27 June 2046 for commercial use, and due to expire on 27 June 2056 for other uses.</p>	<p>The property is under construction and scheduled to be completed in 2015.</p>	<p>RMB74,000,000</p> <p>(100% interest attributable to the Company: RMB74,000,000)</p>



## Notes:

- (1) According to the Certificates for the Use of State-owned Land, the land use rights of the property are vested in Jiangsu Capital Real Estate Development Ltd. (江蘇首創置業有限公司) with key details as follows:

Certificate No.	Land Plot No.	Issue Date	Land Use	Land Use Term	Site Area (sq m)
				Expiry Date	
(2006) 4	5-41-16-51-5	14 September 2006	Residential	27 June 2076	59,476.20
				for residential use	
				27 June 2046	
				for commercial use	
(2008) 6	5-41-16-51-(14)	30 May 2008	Residential	27 June 2056	64,366.10
				for other use	
				27 June 2076	
				for residential use	
(2008) 7	5-41-16-51-(7)	30 May 2008	Residential	27 June 2046	39,068.70
				for residential use	
				27 June 2076	
				for commercial use	
Total				27 June 2056	<u>162,911.00</u>
				for other use	
				27 June 2046	
				for other use	

- (2) According to Grant Contract of State-owned Land Use Rights No. (2006) 16 dated 18 January 2006 and their Supplementary Agreement of Grant Contracts of State-owned Land Use Rights, the total site area of 162,911 sq m have been contracted to be granted to Jiangsu Capital Real Estate Development Ltd. (江蘇首創置業股份有限公司) for terms due to 70 years for residential use, 40 years for commercial use and 50 years for other use. The salient conditions are set out as follows:

Location	:	North to Xinxingtang River, west to Zhangzhou bridge, south to Xinming Middle Road, east to Youyi Middle Road
Land Use	:	Residential
Site Area	:	162,911 sq m
Land Use Term	:	70 years for residential use, 40 years for commercial use, 50 years for other use
Plot Ratio	:	Not more than 1.8
Permissible Gross Floor Area	:	–
Land Premium	:	RMB439,860,000

- (3) According to Planning Permit for Construction Use of Land No. (2006) 054 dated 1 June 2006, the construction site of the property with a total area of 162,911 sq m is in compliance with the urban planning requirements.

- (4) According to Planning Permit for Construction Works No. 3202052013A0046 dated 15 July 2013, the construction works of the property with a permitted gross floor area of 13,535 sq m are in compliance with the construction works requirements and have been approved.
- (5) According to Permit for Commencement of Construction Works No. 320205020130054 dated 2 August 2013, the construction works of the property with a gross floor area of 13,535 sq m are in compliance with the requirements for works commencement and have been permitted.
- (6) According to the information provided by the Company, the construction cost incurred as at the Valuation Date was approximately RMB74,000,000. The estimated total construction cost was approximately RMB103,000,000. In the course of our valuation, we have taken into account such costs.
- (7) According to Business Licence No. 320000400002111 dated 27 July 2010, Jiangsu Capital Real Estate Development Ltd. (江蘇首創置業有限公司) was established as a limited liability company with a registered capital of USD12,500,000 for a valid operation period from 30 March 2006 until 29 March 2056.
- (8) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificates for the Use of State-owned Land of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Jiangsu Capital Real Estate Development Ltd. (江蘇首創置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Jiangsu Capital Real Estate Development Ltd. (江蘇首創置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) No material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
  - (v) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (9) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |   |     |
|---|-----|
| Certificate for the Use of State-owned Land   | Yes |
| Grant Contract of State-owned Land Use Rights | Yes |
| Planning Permit for Construction Use of Land  | Yes |
| Planning Permit for Construction Works        | Yes |
| Permit for Commencement of Construction Works | Yes |
| Business Licence                              | Yes |
- (10) Chen Qing, Valuer of DTZ Shanghai Office, inspected the property on 20 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-16. The property under construction known as Hainan Capital Outlets, Phase A (excl. Jewellery Hall), Jili Town, Wanning City, Hainan Province, the PRC  (中華人民共和國 海南省 萬寧市 萬寧奧特萊斯物業A區除珠寶城在建項目 海南奧特萊斯)	<p>The property comprises Phase A of a composite development to be erected on a parcel of land with a total site area of 176,807.00 sq m.</p> <p>The property is situated in Wanning City, Hainan Province. It is located to the north of Lianxing Road and to the east of Hainan Ring. Developments in the vicinity comprise mainly residential buildings such as Baleiyu, Lotus Village, etc. The property is served by public bus routes.</p> <p>According to the development scheme provided to us, the property has a total planned retail gross floor area of 36,250.26 sq m.</p> <p>The land use rights of the property have been granted for terms due to expire on 29 December 2051 for commercial use.</p>	The property is under construction and scheduled to be completed in 2016.	RMB231,000,000  (55% interest attributable to the Company: RMB127,050,000)

*Notes:*

- (1) According to Certificate for the Use of State-owned Land No. (2012) 106004 dated 23 February 2012, the land use rights of the property comprising a total site area of 176,807.00 sq m are vested in Hainan Outlets Tourism Development Co., Ltd. (海南奧特萊斯旅業開發有限公司) for a term due to expire on 29 December 2051 for commercial use.
- (2) According to Grant Contract of State-owned Land Use Rights No. (2010) 029 dated 15 March 2011, the land use rights of the property comprising a total site area of 199,807.00 sq m have been contracted to be granted to Hainan Outlets Tourism Development Co., Ltd. (海南奧特萊斯旅業開發有限公司) for terms due to expire on 29 December 2051 for commercial use, due to expire on 29 December 2061 for public green space use and due to expire on 29 December 2061 for road use. The salient conditions are set out as follows:

Location	:	The north of Lian Xing Road, and The west of Lianhua Entrance and Exit of the East Line Highway of Wanning City, Hainan Province
Land Use	:	Commercial, Public Green Space, Road
Site Area	:	199,807.00 sq m
Land Use Term	:	40 years for commercial use and 50 years for public green space and road use
Plot Ratio	:	Not more than 0.6
Land Premium	:	RMB58,360,000

- (3) According to Planning Permit for Construction Use of Land No. (2011) 184 dated 15 September 2011, the construction site of the property with a total area of 299.71 mu (app. 199,804.67 sq m) is in compliance with the urban planning requirements.
- (4) According to the temporary Planning Permit for Construction Works No. (2012) 76 dated 19 March 2012, the construction works of the Hainan Capital Outlets with a permitted gross floor area of 103,180 sq m are in compliance with the construction works requirements and have been approved.
- (5) According to Permit for Commencement of Construction Works No. (2012) 36 dated 21 May 2012, the construction works of Hainan Capital Outlets with a gross floor area of 103,180 sq m are in compliance with the requirements for works commencement and have been permitted.
- (6) According to Survey Report No. (2013) 032-1 dated 15 July 2013, the property have a total gross floor area of 103,176.75 sq m.
- (7) The development value of the property as if completed as at the Valuation Date was RMB349,000,000.
- (8) According to the information provided by the Company, the construction cost incurred as at the Valuation Date was approximately RMB121,000,000. The estimated total construction cost was approximately RMB162,000,000. In the course of our valuation, we have taken into account such costs.
- (9) According to Business Licence No. 469006400000809 dated 12 August 2011, Hainan Outlets Tourism Development Co., Ltd. (海南奥特莱斯旅業開發有限公司) was established as a limited liability company with a registered capital of USD9,000,000 for a valid operation period from 10 March 2011 until 10 March 2051.
- (10) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
  - (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Hainan Outlets Tourism Development Co., Ltd. (海南奥特莱斯旅業開發有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Hainan Outlets Tourism Development Co., Ltd. (海南奥特莱斯旅業開發有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) No material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
  - (v) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.

- (11) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Certificate for the Use of State-owned Land	Yes
Grant Contract of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Survey Report	Yes
Business Licence	Yes

- (12) Jin Xiaodan, Valuer of DTZ Shenzhen Office, inspected the property on 19 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
<p>IV-17. The property under construction known as Beijing Miyun Yun Feng Shan Zhuang Project, south of Dongzhi Village, Xiwengzhuang Town, Miyun County, Beijing, the PRC</p> <p>(中華人民共和國 北京市 密雲縣 溪翁莊鎮 東智村南雲鳳山莊 北京密雲雲鳳山莊項目)</p>	<p>The property comprises a residential development to be erected on two parcels of land with a total site area of 334,854.57 sq m.</p> <p>Beijing Landscape Villa is situated in Miyun County. It is located to the North of Dongzhi Village and surrounded by Mixi Road and Miguan Road. Developments in the vicinity comprise mainly residential buildings, such as Junshan Villa and Yipinfu Villa.</p> <p>According to the development scheme provided to us, the property has a total planned gross floor area of 181,350.32 sq m.</p> <p>The land use rights of the property have been granted for terms due to expire on 23 January 2076 for residential use, due to expire on 23 January 2046 for commercial and basement commercial uses, and due to expire on 23 January 2056 for basement office and basement car park uses.</p>	<p>The property is under construction and scheduled to be completed in 2018.</p>	<p>RMB1,364,000,000</p> <p>(100% interest attributable to the Company: RMB1,364,000,000)</p>

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

<b>Portion</b>	<b>Gross Floor Area</b> (sq m)
Villa	12,261.02
Townhouse	<u>169,089.30</u>
<b>Total</b>	<b><u><u>181,350.32</u></u></b>

- (2) According to two Certificates for the Use of State-owned Land issued by Beijing City Land Resources Management Bureau (北京市土地管理局), the land use rights of the property are vested in Beijing Xinbocheng Real Estate Development Co., Ltd. (北京新博城房地產開發有限公司) with key details as follows:

Certificate No.	Land Plot No.	Issue Date	Land Use	Land Use Term Expiry Date	Site Area (sq m)
(2011) 00111	280120700009000000	31 December 2011	Residential, commercial, basement commercial, basement office, basement car park	Residential: 23 January 2076; Commercial, basement commercial: 23 January 2046; Basement office, basement car park: 23 January 2056	103,701.68
(2011) 00110	280120700006000000	31 December 2011	Residential, commercial, basement commercial, basement office, basement car park	Residential: 23 January 2076; Commercial, basement commercial: 23 January 2046; Basement office, basement car park: 23 January 2056	231,152.89
<b>Total</b>					<b><u><u>334,854.57</u></u></b>

- (3) According to Grant Contract of State-owned Land Use Rights No. (2006) 029 dated 24 February 2006 (and its supplementary agreement), the land use rights of the property comprising a total site area of 334,854.57 sq m have been contracted to be granted to 北京新博城房地產開發有限公司 (Beijing Xinbocheng Real Estate Development Co., Ltd.) for terms due to expire on 24 February 2076 for residential use, due to expire on 24 February 2046 for commercial and basement commercial uses, and due to expire on 24 February 2056 for office, basement office, basement warehouse and basement parking uses. The salient conditions are set out as follows:

Location	:	south of Dongzhi Village, Xiwengzhuang Town, Miyun County, Beijing
Land Use	:	Commercial, residential, office (property management facilities), underground warehouse, underground office(property management facilities) and underground parking
Site Area	:	334,854.57 sq m
Land Use Term	:	70 years for residential use, 50 years for office, basement office, basement warehouse and basement car park uses, and 40 years for commercial use
Plot Ratio	:	0.85
Permissible Gross Floor Area	:	283,938.04 sq m
Land Premium	:	RMB64,774,986
Building Covenant	:	To commence construction on or before 24 July 2006 To complete construction on or before 13 July 2008

- (4) According to Planning Permit for Construction Use of Land No. (2009) 0038 issued by the Land Planning Bureau of Administration Committee of Beijing on 13 December 2009, the construction site of the property with a total area of 334,854.57 sq m is in compliance with the urban planning requirements.
- (5) Details of nine Planning Permits for Construction Works issued by the Land Planning Bureau of Administration Committee of Beijing are set out as follows:

Permit No.	Phase	Issue Date	Gross Floor Area (sq m)
110228201200058	3	9 March 2012	12,261.02
110228201200018	2	17 May 2012	4,037.13
110228201400027	2	11 June 2014	26,473.67
110228201400031	2	1 July 2014	14,391.34
110228201200011	2	13 March 2012	10,051.63
110228201200012	2	13 March 2012	18,459.62
10228201200032	2	3 July 2012	1,200.00
110228201400027	2	30 June 2010	47,670.58
11022820120017	2	17 May 2012	<u>19,392.50</u>
<b>Total</b>			<b><u>153,937.49</u></b>

As advised by the Group, only portions of the property have been granted with Planning Permits for Construction Works.



- (6) Details of three Permits for Commencement of Construction Works issued by Housing and Construction Bureau of Beijing are set out as follows:

Permit No.	Phase	Issue Date	Gross Floor Area (sq m)
(2012) 1338	2	21 December 2012	10,051.60
(2014) 0429	2	18 July 2014	47,670.58
(2013) 0144	2	21 February 2013	12,261.00
(2015) 0019	2	19 January 2015	18,428.47
<b>Total</b>			<b><u>88,411.65</u></b>

As advised by the Group, only portions of the property have been granted with Permits for Commencement of Construction Works.

- (7) According to Commodity Housing Pre-sale Permit No. (2014) 274 dated 10 December 2014, portions of the property with a total gross floor area of 24,896.34 sq m were permitted for pre-sale.
- (8) The development value of the property if completed as at the Valuation Date is RMB3,786,000,000.
- (9) According to the information provided by the Group, various units with a total gross floor area of 13,337.77 sq m of the property have been contracted to be sold for a consideration of approximately RMB265,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (10) According to the information provided by the Group, the construction cost incurred is approximately RMB648,000,000. The estimated total construction cost is approximately RMB1,031,000,000. In the course of our valuation, we have taken into account such costs.
- (11) According to Business Licence No. 110228003804841 dated 10 May 2002, 北京新博城房地產開發有限公司 (Beijing Xinbocheng Real Estate Development Co., Ltd.) was established as a limited liability company with a registered capital of RMB89,000,000 for a valid operation period from 10 May 2002 to 9 May 2022.
- (12) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificates for the Use of State-owned Land of the property are valid, legal and enforceable under the PRC laws;
  - (ii) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled;
  - (iii) 北京新博城房地產開發有限公司 (Beijing Xinbocheng Real Estate Development Co., Ltd.) is the sole legal land user of the property and have obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iv) 北京新博城房地產開發有限公司 (Beijing Xinbocheng Real Estate Development Co., Ltd.) has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property; and

- (v) No material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property.
- (13) In accordance with the information provided by the Group, the status of title and grant of major approvals and licences are set out as follows:
- |  |     |
|--|-----|
| Certificate for the Use of State-owned Land    | Yes |
| Grant Contract of State-owned Land Use Rights  | Yes |
| Planning Permit for Construction Use of Land   | Yes |
| Planning Permits for Construction Works        | Yes |
| Permits for Commencement of Construction Works | Yes |
| Commodity Housing Pre-sale Permit              | Yes |
| Business Licence                               | Yes |
- (14) Alex Liu, Assistant Manager of DTZ Beijing Office, inspected the property on 19 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-18. The property under construction known as Beijing Zhaoquanying F1-01 Project, Zhaoquanying Town, Banqiao Village, Shunyi District, Beijing, the PRC  (中華人民共和國北京市順義區趙全營鎮板橋村北京趙全營F1-01項目)	<p>The property comprises a composite development to be erected on a parcel of land with a total site area of 27,121.10 sq m.</p> <p>The property is situated in Shunyi District. It is located to the north of Banqiao Avenue and surrounded by Beigao Road, Tiancheng Avenue, Banxi Road. Developments in the vicinity comprise mainly mixed use buildings, such as Shangfeng Yihao.</p> <p>According to the development scheme provided to us, the property has a total planned gross floor area of 61,337.76 sq m.</p> <p>The land use rights of the property have been granted for terms due to expire on 23 February 2054 for commercial use and due to expire on 23 February 2064 for office and basement car park uses.</p>	The property is under construction and scheduled to be completed in 2016.	RMB951,000,000  (100% interest attributable to the Company: RMB951,000,000)

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Retail	3,922.95
Office	50,292.00
Basement car park	<u>7,122.81</u>
<b>Total</b>	<b><u><u>61,337.76</u></u></b>

- (2) According to Certificate for the Use of State-owned Land No. (2014) 00129 dated 17 November 2014, the land use rights of the property comprising a total site area of 27,121.10 sq m are vested in Beijing Yikaiyou Real Estate Co., Ltd. (北京益凱優置業有限公司) for terms due to expire on 23 February 2054 for commercial use and due to expire on 23 February 2064 for office and basement car park uses.

- (3) According to Grant Contract of State-owned Land Use Rights No. (2014) 0658 dated 24 February 2014, the land use rights of the property comprising a total site area of 27,121.10 sq m have been contracted to be granted to a consortium of Beijing Ruiyuan Fengxiang Property Co., Ltd. (北京瑞元豐祥置業有限公司) and Beijing Xinyuan Chengye Consulting Co., Ltd. (北京鑫遠誠業諮詢有限公司) for terms due to expire on 24 February 2054 for commercial use and due to expire on 24 February 2064 for composite use. The salient conditions are set out as follows:

Location	:	Zhaoquanying Town, Banqiao Village, Shunyi District, Beijing
Land Use	:	Commercial, composite
Site Area	:	27,121.10 sq m
Land Use Term	:	40 years for commercial use and 50 years for composite use
Plot Ratio	:	2.0
Permissible Gross Floor Area	:	54,242 sq m
Land Premium	:	RMB735,000,000

- (4) According to Planning Permit for Construction Use of Land No. 110113201400032 (2014) 0027 dated 14 July 2014, the construction site of the property with a total area of 27,121.10 sq m is in compliance with the urban planning requirements.

- (5) Details of the Planning Permits for Construction Works are set out as follows:

Permit No.	Phase	Issue Date	Gross Floor Area (sq m)
11013201400129 (2014) 0110	Block Nos. 1, 2, 3 and S1, basement car park	10 October 2014	34,082.92
11013201400130 (2014) 0111	Block No. S3	10 October 2014	2,365.16
11013201400131 (2014) 0112	Block Nos. 4, 5, 6 and S2	10 October 2014	26,473.67
<b>Total</b>			<b><u>62,921.75</u></b>

As advised by the Company, the property comprises portions of the gross floor area as stated in the Planning Permits for Construction Works mentioned above.

- (6) Details of three Permits for Commencement of Construction Works issued by Housing and Construction Bureau of Beijing are set out as follows:

Permit No.	Phase	Issue Date	Gross Floor Area (sq m)
(2014) 0100	Block Nos. 4, 5, 6 and S2	17 November 2014	26,473.67
(2014) 0101	Block No. S3	17 November 2014	2,365.16
(2014) 0102	Block Nos. 1, 2, 3 and S1, basement car park	17 November 2014	34,082.92
<b>Total</b>			<b><u>62,921.75</u></b>

As advised by the Company, the property comprises portions of the gross floor area as stated in the Permits for Commencement of Construction Works mentioned above.

- (7) According to Commodity Housing Pre-sale Permit No. (2014) 291 dated 19 December 2014, portions of the property with a total gross floor area of 25,838.90 sq m were permitted for pre-sale.
- (8) According to the Survey Reports, the constituent gross floor area of the construction works are summarised as follows:

Location/Phase	Building Use	Gross Floor Area (sq m)
Block No. 4	Office	6,941.72
Block No. 5	Office	7,102.06
Block No. 6	Office	<u>12,013.20</u>
<b>Total</b>		<b><u><u>26,056.98</u></u></b>

- (9) The development value of the property as if completed as at the Valuation Date was RMB1,272,000,000.
- (10) According to the information provided by the Company, various units with a total gross floor area of 10,561.69 sq m of the property have been contracted to be sold for a consideration of approximately RMB250,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (11) According to the information provided by the Company, the construction cost incurred as at the Valuation Date was approximately RMB91,000,000. The estimated total construction cost was approximately RMB239,000,000. In the course of our valuation, we have taken into account such costs.
- (12) According to Business Licence No. 110113016776351 dated 24 November 2014, Beijing Yikaiyou Real Estate Co., Ltd. (北京益凱優置業有限公司) was established as a limited liability company with a registered capital of RMB100,000,000 for a valid operation period from 21 February 2014 to 20 February 2064.
- (13) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Beijing Yikaiyou Real Estate Co., Ltd. (北京益凱優置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Beijing Yikaiyou Real Estate Co., Ltd. (北京益凱優置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;

- (iv) No material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
- (v) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (14) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |  |     |
|--|-----|
| Certificate for the Use of State-owned Land    | Yes |
| Grant Contract of State-owned Land Use Rights  | Yes |
| Planning Permit for Construction Use of Land   | Yes |
| Planning Permits for Construction Works        | Yes |
| Permits for Commencement of Construction Works | Yes |
| Commodity Housing Pre-sale Permit              | Yes |
| Survey Report                                  | Yes |
| Business Licence                               | Yes |
- (15) Peter M. Klapkowski, Assistant Manager of DTZ Beijing Office, inspected the property on 19 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-19. The property under construction known as Beijing Zhaoquanying F02 Project, Zhaoquanying Town, Banqiao Village, Shunyi District, Beijing, the PRC  (中華人民共和國北京市順義區趙全營鎮板橋村北京趙全營F02項目)	<p>The property comprises a composite development to be erected on two parcels of land with a total site area of 114,153.50 sq m.</p> <p>The property is situated in Shunyi District. It is located to the north of Binhe Road and Mangniu River, and surrounded by Bandong Road, Binhe Road, Wangling Street and Tongxin Road. Developments in the vicinity comprise mainly mixed use buildings, such as Shangfeng Yihao.</p> <p>According to the development scheme provided to us, the property has a total planned gross floor area of 284,665.61 sq m.</p> <p>The land use rights of the property have been granted for terms due to expire on 17 March 2084 for residential use, due to expire on 17 March 2054 for commercial use and due to expire on 17 March 2064 for composite use</p>	The property is under construction and scheduled to be completed in 2017.	RMB3,126,000,000  (100% interest attributable to the Company: RMB3,126,000,000)

*Notes:*

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	76,133.14
Villa	49,375.86
Retail	6,843.10
Office	26,784.90
Car Park	61,080.00
Others	64,448.61
<b>Total</b>	<b>284,665.61</b>

- (2) According to the Certificates for the Use of State-owned Land, the land use rights of the property are vested in Beijing Lianchuang Shengye Real Estate Development Co., Ltd. (北京聯創盛業房地產開發有限公司) with key details as follows:

Certificate No.	Land Plot No.	Issue Date	Land Use	Land Use Term	Site Area (sq m)
				Expiry Date	
(2014) 00068	110113116001GB00234	30 June 2014	Residential, commercial, composite	17 March 2084 for residential use, 17 March 2054 for commercial use, 17 March 2064 for composite use	27,362.00
(2014) 00069	110113116001GB00230	30 June 2014	Residential, commercial, composite	17 March 2084 for residential use, 17 March 2054 for commercial use, 17 March 2064 for composite use	86,791.50
<b>Total</b>					<b>114,153.50</b>

- (3) According to Grant Contract of State-owned Land Use Rights No. (2014) 0074 dated 18 March 2014, the land use rights of the property comprising a total site area of 139,035.10 sq m have been contracted to be granted to Beijing Lianchuang Shengye Real Estate Development Co., Ltd. (北京聯創盛業房地產開發有限公司) for terms due to expire on 17 March 2084 for residential use, due to expire on 17 March 2054 for commercial use and due to expire on 17 March 2064 for composite use. The salient conditions are set out as follows:

Location	:	Zhaoquanying Town, Banqiao Village, Shunyi District, Beijing
Land Use	:	Residential commercial, office, composite, basement car park, basement composite
Site Area	:	139,035.10 sq m
Land Use Term	:	70 years for residential use, 40 years for commercial use, 50 years for office use, 50 years for composite use, 50 years for basement car park use, 50 years for basement composite use, and 50 years for basement storage use
Plot Ratio	:	1.32
Permissible Gross Floor Area	:	284,665.61 sq m (including 183,033 sq m above ground and 101,632.61 sq m below ground)
Land Premium	:	RMB2,652,350,722

- (4) According to Planning Permit for Construction Use of Land No. 110113201400045 (2014) 0038 dated 21 November 2014, the construction site of the property with a total area of 139,035.10 sq m is in compliance with the urban planning requirements.



- (5) According to Planning Permit for Construction Works No. 110113201400135 (2014) 0115 dated 21 October 2014, the construction works of the property with a permitted gross floor area of 118,380.00 sq m are in compliance with the construction works requirements and have been approved.
- (6) According to Permit for Commencement of Construction Works No. (2014) 0094 dated 5 November 2014, the construction works of the property with a gross floor area of 118,380.00 sq m are in compliance with the requirements for works commencement and have been permitted.
- (7) According to the Commodity Housing Pre-sale Permits, the construction works of the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Gross Floor Area (sq m)
No. (2014) 259	29 November 2014	38,512.25
No. (2014) Xian 28	25 December 2014	<u>37,620.89</u>
<b>Total</b>		<b><u><u>76,133.14</u></u></b>

- (8) The development value of the property as if completed as at the Valuation Date was RMB3,406,000,000.
- (9) According to the information provided by the Company, various units with a total gross floor area of 31,549.07 sq m of the property have been contracted to be sold for a consideration of approximately RMB327,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (10) According to the information provided by the Company, the construction cost incurred as at the Valuation Date was approximately RMB37,000,000. The estimated total construction cost was approximately RMB1,211,000,000. In the course of our valuation, we have taken into account such costs.
- (11) According to Business Licence No. 110228015539696 dated 18 June 2014, Beijing Lianchuang Shengye Real Estate Development Co., Ltd. (北京聯創盛業房地產開發有限公司) was established as a limited liability company with a registered capital of RMB10,000,000 for a valid operation period from 14 January 2013 until 13 January 2033.
- (12) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificates for the Use of State-owned Land of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Beijing Lianchuang Shengye Real Estate Development Co., Ltd. (北京聯創盛業房地產開發有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Beijing Lianchuang Shengye Real Estate Development Co., Ltd. (北京聯創盛業房地產開發有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;

- (iv) No material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
- (v) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (13) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |   |     |
|---|-----|
| Certificate for the Use of State-owned Land   | Yes |
| Grant Contract of State-owned Land Use Rights | Yes |
| Planning Permit for Construction Use of Land  | Yes |
| Planning Permit for Construction Works        | Yes |
| Permit for Commencement of Construction Works | Yes |
| Commodity Housing Pre-sale Permits            | Yes |
| Business Licence                              | Yes |
- (14) Zhang Xiujuan, Assistant Valuer of DTZ Beijing Office, inspected the property on 19 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-20. The property under construction known as Beijing Zhaoquanying F04 Project, Town Centre, Zhaoquanying Town, Shunyi District, Beijing, the PRC  (中華人民共和國北京市順義區趙全營鎮鎮中心區，北京趙全營F04項目)	<p>The property comprises a composite development to be erected on two parcels of land with a total site area of 104,344.60 sq m.</p> <p>The property is situated in Shunyi District. It is located to the north of Changjin Road, and surrounded by Binhe Road, Changjin Road, Banxi Road and Banqiao Street.</p> <p>Developments in the vicinity comprise mainly mixed use buildings, such as Shangfeng Yihao.</p> <p>According to the development scheme provided to us, the property has a total planned gross floor area of 257,577.27 sq m.</p> <p>The land use rights of the property have been granted for terms due to expire on 11 May 2084 for residential use, due to expire on 11 May 2054 for commercial use and due to expire on 11 May 2064 for transport facility use.</p>	The property is under construction and scheduled to be completed in 2017.	RMB1,903,000,000  (100% interest attributable to the Company: RMB1,903,000,000)

*Notes:*

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	48,866.56
Villa	45,723.94
Retail	5,283.25
Office	46,767.75
Car park	62,740.00
Others	48,195.77
<b>Total</b>	<b>257,577.27</b>

- (2) According to the Certificates for the Use of State-owned Land, the land use rights of the property are vested in Beijing Guijiamao Real Estate Co., Ltd. (北京貴佳茂置業有限公司) with key details as follows:

Certificate No.	Land Plot No.	Issue Date	Land Use	Land Use Term	Site Area (sq m)
				Expiry Date	
No. (2014) 00103	110113116001GB00245	25 September 2014	Residential,transport facility	11 May 2064 for transport facility use, 11 May 2084 for residential use	65,649.30
No. (2014) 00104	110113116001GB00241	25 September 2014	Residential, commercial	11 May 2084 for residential use, 11 May 2054 for commercial use	38,695.30
<b>Total</b>					<b>104,344.60</b>

- (3) According to Grant Contract of State-owned Land Use Rights No. (2014) 0074 dated 18 May 2014, the land use rights of the property comprising a total site area of 110,844.6 sq m have been contracted to be granted to Beijing Guijiamao Real Estate Co., Ltd. (北京貴佳茂置業有限公司) for terms due to expire on 11 May 2084 for residential use, due to expire on 17 May 2054 for commercial use and due to expire on 17 May 2064 for transport facility use. The salient conditions are set out as follows:

Location	:	Town Centre, Zhaoquanying Town, Shunyi District, Beijing
Land Use	:	Residential, commercial, office, composite, basement storage, basement car park, basement composite
Site Area	:	110,844.60 sq m
Land Use Term	:	70 years for residential use, 50 years for office use, 40 years for commercial use, 50 years for composite use, 50 years for basement car park use, 50 years for basement storage use and 50 years for basement composite use
Plot Ratio	:	2.32
Permissible Gross Floor Area	:	257,577.27 sq m (including 163,966 sq m above ground and 93,611.27 sq m below ground)
Land Premium	:	RMB1,630,858,116

- (4) According to Planning Permit for Construction Use of Land No. 110113201400046 (2014) 0039 dated 21 November 2014, the construction site of the property with a total area of 110,844.60 sq m is in compliance with the urban planning requirements.
- (5) According to Planning Permit for Construction Works No. 110113201400134 (2014) 0114 dated 21 October 2014, the construction works of the property with a permitted gross floor area of 77,134.05 sq m are in compliance with the construction works requirements and have been approved.
- (6) According to Permit for Commencement of Construction Works No. (2014) 0093 dated 5 November 2014, the construction works of the property with a gross floor area of 77,134.05 sq m are in compliance with the requirements for works commencement and have been permitted.

- (7) According to two Commodity Housing Pre-sale Permits, the construction works of the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Gross Floor Area (sq m)
No. (2014) 260	29 November 2014	19,756.68
No. (2014) Xian 29	25 December 2014	<u>29,109.88</u>
<b>Total</b>		<b><u><u>48,866.56</u></u></b>

- (8) The development value of the property as if completed as at the Valuation Date was RMB3,415,000,000.
- (9) According to the information provided by the Company, various units with a total gross floor area of 48,449.74 sq m of the property have been contracted to be sold for a consideration of approximately RMB491,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (10) According to the information provided by the Company, the construction cost incurred as at the Valuation Date was approximately RMB67,000,000. The estimated total construction cost was approximately RMB1,157,000,000. In the course of our valuation, we have taken into account such costs.
- (11) According to Business Licence No. 110113017201275 dated 21 January 2015, Beijing Guijiamao Real Estate Co., Ltd. (北京貴佳茂置業有限公司) was established as a limited liability company with a registered capital of RMB50,000,000 for a valid operation period from 9 May 2014 to 8 May 2064.
- (12) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificates for the Use of State-owned Land of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Beijing Guijiamao Real Estate Co., Ltd. (北京貴佳茂置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Beijing Guijiamao Real Estate Co., Ltd. (北京貴佳茂置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) No material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
  - (v) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.

- (13) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Certificate for the Use of State-owned Land	Yes
Grant Contract of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Commodity Housing Pre-sale Permits	Yes
Business Licence	Yes

- (14) Zhang Xiuquan, Assistant Valuer of DTZ Beijing Office, inspected the property on 19 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-21. The property under construction known as Tianjin Xiqing Project, Wang Village, Dasi Town, Xiqing District, Tianjin, the PRC  (中華人民共和國天津市西青區大寺鎮王村福特納灣天津西青項目)	<p>The property comprises commercial and car park portions of a composite development to be erected on a parcel of land with a total site area of 10,612.10 sq m.</p> <p>The property is situated in Xingqing District. It is located to the east of Jingfeng Road and surrounded by Saida Road, Chunyuan Street and Jingfeng Road. Developments in the vicinity comprise mainly residential buildings such as Zhonglibaidu, Qinginjiayuan, etc. The property is served by public bus routes and subway.</p> <p>According to the development scheme provided to us, the property has a total planned gross floor area of 17,216.24 sq m.</p> <p>The land use rights of the property have been granted for a term due to expire on 28 February 2048 for commercial use.</p>	<p>The property is under construction and scheduled to be completed in 2015.</p>	<p>RMB164,000,000</p> <p>(40% interest attributable to the Company: RMB65,600,000)</p>

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

<b>Portion</b>	<b>Gross Floor Area</b> (sq m)
Retail	2,306.83
Car park	<u>14,909.41</u>
<b>Total</b>	<b><u><u>17,216.24</u></u></b>

- (2) According to Real Estate Title Certificate No. 111051000048 dated 15 April 2010, the land use rights of the property comprising a total site area of 10,612.10 sq m are vested in Tianjin Xinqing Real Estate Co., Ltd. (天津首創新青置業有限公司) for terms due to expire on 28 February 2048 for commercial use.

- (3) According to Grant Contract of State-owned Land Use Rights No. CR2007415 dated 30 November 2007, the land use rights of the property comprising a total site area of 86,520.60 sq m have been contracted to be granted to Tianjin Xinqing Real Estate Co., Ltd. (天津首創新青置業有限公司) for a term of 70 years for residential and ancillary facilities uses and for a term of 40 years for commercial use. The salient conditions are set out as follows:

Location	: Wang Village, Dasi town, Xiqing District, Tianjin
Land Use	: Residential, ancillary facilities and commercial
Site Area	: 86,520.60 sq m
Land Use Term	: 70 years for residential and non operating public uses and 40 years for commercial use
Permissible Gross Floor Area	: 101,400 sq m (including residential portion of 83,900 sq m, ancillary facilities portion of 400 sq m and commercial portion of 17,100 sq m)
Land Premium	: RMB450,060,000

- (4) According to Planning Permit for Construction Use of Land No. 0031 (2008) dated 31 March 2008, the construction site of the property with a total area of 92,139 sq m is in compliance with the urban planning requirements.
- (5) According to Planning Permit for Construction Works No. 0072 (2011) dated 30 June 2011, the construction works of the property with a permitted gross floor area of 17,100 sq m are in compliance with the construction works requirements and have been approved.
- (6) According to Permit for Commencement of Construction Works No. 12111081201208001 dated 1 August 2012, the construction works of the property with a gross floor area of 17,275 sq m are in compliance with the requirements for works commencement and have been permitted.
- (7) According to Survey Report No. CHZX/RA7.5-02-01 dated 28 August 2012, the property has a total gross floor area of 17,216.24 sq m.



- (8) According to the information provided by the Company, the construction cost incurred as at the Valuation Date was approximately RMB83,000,000. The estimated total construction cost was approximately RMB114,000,000. In the course of our valuation, we have taken into account such costs.
- (9) According to Business Licence No. 120111000009112 dated 2 July 2014, Tianjin Xinqing Real Estate Co., Ltd. (天津首創新青置業有限公司) was established as a limited liability company with a registered capital of USD95,000,000 for a valid operation period from 21 November 2007 until 10 April 2028.
- (10) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Real Estate Title Certificate of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Tianjin Xinqing Real Estate Co., Ltd. (天津首創新青置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Tianjin Xinqing Real Estate Co., Ltd. (天津首創新青置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) No material legal impediment is observed for the Company to obtain the Real Estate Title Certificate (building portion); and
  - (v) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (11) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |   |                 |
|---|-----------------|
| Real Estate Title Certificate                 | Yes (land only) |
| Grant Contract of State-owned Land Use Rights | Yes             |
| Planning Permit for Construction Use of Land  | Yes             |
| Planning Permit for Construction Works        | Yes             |
| Permit for Commencement of Construction Works | Yes             |
| Survey Report                                 | Yes             |
| Business Licence                              | Yes             |
- (12) Liang Ruomiao, Senior Manager of DTZ Tianjin Office, inspected the property on 22 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
<p>IV-22. The property under construction known as Tianjin Shuanggang 121 Project, south of Lishuang Road Jinnan District, Tianjin, the PRC</p> <p>(中華人民共和國天津市津南區梨雙公路南側天津雙港121項目)</p>	<p>The property comprises Phases 5 and 6 of a composite development to be erected on a parcel of land with a total site area of 44,825 sq m.</p> <p>The property is situated in Jinnan District. It is located to the south of Lishuang Road and surrounded by Weishan Road, Lishuang Road and Jinghe Street. Developments in the vicinity comprise mainly residential buildings such as Lingshijun, Fulitaoyuan, etc. The property is served by public bus routes and subway.</p> <p>According to the development scheme provided to us, the property has a total planned gross floor area of 88,034 sq m.</p> <p>The land use rights of the property have been granted for a term due to expire on 3 June 2049 for commercial use.</p>	<p>The property is under construction and scheduled to be completed in 2016.</p>	<p>RMB666,000,000</p> <p>(55% interest attributable to the Company: RMB366,300,000)</p>

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

<b>Portion</b>	<b>Gross Floor Area</b> (sq m)
Retail	53,442
Office	19,480
Car park	<u>15,112</u>
<b>Total</b>	<b><u><u>88,034</u></u></b>

- (2) According to Real Estate Title Certificate No. 112050901288 dated 29 October 2009, the land use rights of the property comprising a total site area of 44,825 sq m are vested in Tianjin Capital Xinyuan Real Estate Development Co., Ltd. (天津首創新園置業有限公司) for terms due to expire on 3 June 2049 for commercial use.

- (3) According to Grant Contract of State-owned Land Use Rights No. CR2007372 dated 31 October 2007, the land use rights of the property comprising a total site area of 255,038.10 sq m have been contracted to be granted to Tianjin Capital Xinyuan Real Estate Development Co., Ltd. (天津首創新園置業有限公司) for a term of 70 years for residential use and for a term of 40 years for commercial use. The salient conditions are set out as follows:

Location	: South of Lishuang Road, Jinnan District
Land Use	: Residential, commercial
Site Area	: 255,038.10 sq m
Land Use Term	: 70 years for residential use and 40 years for commercial use
Permissible Gross Floor Area	: Plot 01-01 not more than 159,700 sq m, Plot 01-02 not more than 112,300 sq m
Land Premium	: RMB1,042,943,500

- (4) According to Planning Permit for Construction Use of Land No. 0074 (2011) dated 26 May 2011, the construction site of the property with a total area of 255,038.10 sq m is in compliance with the urban planning requirements.

- (5) Details of the Planning Permits for Construction Works issued between 6 February 2013 and 5 December 2014 are set out as follows:

<b>Permit No.</b>	<b>Phase</b>	<b>Issue Date</b>	<b>Gross Floor Area</b> (sq m)
0072 (2014)	5	3 April 2014	10,624.17
0073 (2014)	5	5 December 2014	30,163.06
0013 (2013)	5	6 February 2013	<u>3,014.30</u>
<b>Total</b>			<b><u><u>43,801.53</u></u></b>

- (6) According to Permit for Commencement of Construction Works No. 12112070201408008 dated 7 August 2014, the construction works of Phase 5 of the property with a gross floor area of 40,787.20 sq m are in compliance with the requirements for works commencement and have been permitted.

As advised by the Company, only portions of the property have been granted with Permit for Commencement of Construction Works mentioned above.

- (7) According to the Commodity Housing Pre-sale Permits dated 22 October 2014, the construction works of Phase 5 of the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
0981-001-008 (2014)	22 October 2014	Xiangdiguangchang 2, 3 and 9	7,837.11
0985-001-002 (2014)	22 October 2014	Xiangdiguangchang 7 and 8	<u>2,408.52</u>
<b>Total</b>			<b><u><u>10,245.63</u></u></b>

- (8) According to the Survey Reports, the constituent gross floor area of the construction works are summarised as follows:

Phase	Building	Gross Floor Area (sq m)
Phase 5	Xiangdiguangchang 2	1,717.33
Phase 5	Xiangdiguangchang 3	4,738.00
Phase 5	Xiangdiguangchang 4	2,713.87
Phase 5	Xiangdiguangchang 5	8,999.80
Phase 5	Xiangdiguangchang 6	10,080.16
Phase 5	Xiangdiguangchang 7	1,634.28
Phase 5	Xiangdiguangchang 8	1,268.01
Phase 5	Xiangdiguangchang 9	<u>1,802.24</u>
<b>Total</b>		<b><u><u>32,953.69</u></u></b>

- (9) The development value of the property as if completed as at the Valuation Date was RMB801,000,000.

- (10) According to the information provided by the Company, various units with a total gross floor area of 6,906.12 sq m of the property have been contracted to be sold for a consideration of approximately RMB106,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.

- (11) According to the information provided by the Company, the construction cost incurred as at the Valuation Date was approximately RMB267,000,000. The estimated total construction cost was approximately RMB572,000,000. In the course of our valuation, we have taken into account such costs.

- (12) According to Business Licence No. 120112000008078 dated 13 June 2014, Tianjin Capital Xinyuan Real Estate Development Co., Ltd. (天津首創新園置業有限公司) was established as a limited liability company with a registered capital of USD95,000,000 for a valid operation period from 25 October 2007 until 16 March 2028.
- (13) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Real Estate Title Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Tianjin Capital Xinyuan Real Estate Development Co., Ltd. (天津首創新園置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Portion of the relevant certificates and approval from the government in respect of the construction of the property are in the process of application;
  - (iv) Tianjin Capital Xinyuan Real Estate Development Co., Ltd. (天津首創新園置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (v) No material legal impediment is observed for the Company to obtain the Real Estate Title Certificate (building portion); and
  - (vi) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (14) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |  |                 |
|--|-----------------|
| Real Estate Title Certificate                  | Yes (land only) |
| Grant Contract of State-owned Land Use Rights  | Yes             |
| Planning Permit for Construction Use of Land   | Yes             |
| Planning Permit for Construction Works         | Yes             |
| Permits for Commencement of Construction Works | Yes             |
| Commodity Housing Pre-sale Permits             | Yes             |
| Survey Report                                  | Yes             |
| Business Licence                               | Yes             |
- (15) Liang Ruomiao, Senior Manager of DTZ Tianjin Office, inspected the property on 22 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-23. The property under construction known as International Peninsula, Plot 03-02, South of Xiangshuyuan Road, Gao Village, Wuqing District, Tianjin, the PRC  (中華人民共和國天津市武清區高村鄉書院道南側首創國際半島03-02地塊項目)	The property comprises Phases 1 to 2 of a composite development to be erected on a parcel of land with a total site area of 174,948.40 sq m.  International Peninsula is situated in Wuqing District. It is located to the South of Fenggangyinq Road and surrounded by Shuyuan Road and Gongxue Road. Developments in the vicinity comprise mainly residential buildings such as Seasons Park, Park Tower, etc. The property is served by public bus routes.  According to the development scheme provided to us, the property has a total planned gross floor area of 219,047.37 sq m.  The land use rights of the property have been granted for a term of 70 years due to expire on 22 November 2082 for residential use.	The property is under construction and scheduled to be completed in 2016.	RMB776,000,000  (100% interest attributable to the Company: RMB776,000,000)

*Notes:*

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Villa	93,236.54
Residential	96,557.46
Others	29,253.37
<b>Total</b>	<b><u>219,047.37</u></b>

- (2) According to Real Estate Title Certificate No. 122051200756 dated 6 December 2012, the land use rights of the property comprising a total site area of 174,948.40 sq m are vested in Tianjin Tianlang Ke'en Real Estate Development Co., Ltd. (天津天朗科恩房地產開發有限公司) for terms due to expire on 22 November 2082 for residential use.

- (3) According to Grant Contract of State-owned Land Use Rights No. TJ11182012048 dated 21 August 2012, the land use rights of the property comprising a total site area of 174,948.40 sq m have been contracted to be granted to Tianjin Tianlang Ke'en Real Estate Development Co., Ltd. (天津天朗科恩房地產開發有限公司) for a term of 70 years for residential. The salient conditions are set out as follows

Location	:	South of Xiangshuyuan Road, Gao Village, Wuqing District
Land Use	:	Residential
Site Area	:	174,948.40 sq m
Land Use Term	:	70 years for residential
Plot Ratio	:	Not more than 1.1
Permissible Gross Floor Area	:	–
Land Premium	:	RMB263,000,000

- (4) According to Planning Permit for Construction Use of Land No. 0003(2013) issued on 7 January 2013, the construction site of the property with a total area of 174,948.40 sq m is in compliance with the urban planning requirements.
- (5) Details of the Planning Permits for Construction Works issued between 7 January 2013 and 27 November 2013 are set out as follows:

Permit No.	Location/Phase	Issue Date	Aboveground	Underground
			Gross Floor Area (sq m)	Gross Floor Area (sq m)
(2013) 0092	Phase I of Jinglianyayuan	2013/1/7	93,236.54	999.06
(2014)0015	Phase II of Jinglianyayuan	2013/11/27	<u>98,629.46</u>	<u>26,182.31</u>
Total			<u>191,866</u>	<u>27,181</u>

- (6) Details of the Permits for Commencement of Construction Works issued between 13 December 2013 and 3 June 2014 are set out as follows:

Permit No.	Location/Phase	Issue Date	Gross Floor Area (sq m)
12222021201312014	Block Nos. 11-40 and 45-109 of Jinglianyayuan	2013/12/13	91,352.84
12222021201402009	Block Nos. 41-44 of Jinglianyayuan	2014/2/21	2,882.76
12222021201406001	Phase II of Jinglianyayuan (Block Nos. 1-10, Ancillary Facilities, Basement Car Park)	2014/6/3	<u>124,813.77</u>
Total			<u>219,049</u>

- (7) According to 9 Commodity Housing Pre-sale Permits issued by Tanjin Land Resources and Building Management Bureau (天津市國土資源和房屋管理局), the construction works of portions of the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
(2015)0110-001	Block No. 5 of Jinglian	2015/2/9	21951.4
(2014)1221-001-002	Block Nos. 2 and 3 of Jinglianyayuan	2014/11/21	17,550.26
(2014)0210-0010-010	Block Nos. 54, 56-58, 61, 71, 73, 75, 76, 82, 83, 85, 87, 88 and 91-94 of Jinglianyayuan	2014/3/28	18,871.46
(2014)0209-001-003	Block Nos. 102-109 of Jinglianyayuan	2014/3/28	7,719.75
(2014)0454-001-009	Block Nos. 13, 15, 24, 26, 30, 34, 36, 45, 46, 49, 59, 62, 63 and 66-69 of Jinglianyayuan	2014/5/22	19,573.42
(2014)0454-001-009	Block Nos. 77-81, 84, 96, 97 and 101 of Jinglianyayuan	2014/5/22	8,630.25
(2014)0814-001-016	Block Nos. 11, 12, 14, 16-19, 21, 22, 25, 29, 35, 38, 39, 47 and 48 of Jinglianyayuan	2014/9/5	13,064.34
(2014)0815-001-016	Block Nos. 50-53, 55, 60, 69, 70, 74, 86, 89, 90, 95 and 98-100 of Jinglianyayuan	2014/9/5	16,175.78
(2015)0035-001-005	Block Nos. 28 and 41-44 of Jinglianyayuan	2015/1/10	<u>3,678.69</u>
<b>Total</b>			<b><u><u>127,215</u></u></b>

- (8) According to the Survey Reports issued by Tanjin Land Resources and Building Management Bureau (天津市國土資源和房屋管理局), the constituent gross floor area of the construction works are summarised as follows:

Project	Issue Date	Gross Floor Area (sq m)
Jinglianyayuan Block Nos. 1 and 8	29 May 2014	8,179.92
Jinglianyayuan Block No. 2	29 May 2014	7,935.87
Jinglianyayuan Block No. 3	30 May 2014	9,680.86
Jinglianyayuan Block No. 4	30 May 2014	11,558.49
Jinglianyayuan Block No. 5	30 May 2014	21,951.40
Jinglianyayuan Block No. 6	30 May 2014	7,510.33
Jinglianyayuan Block No. 7	30 May 2014	3,504.06
Jinglianyayuan Block No. 9	30 May 2014	20,526.16
Jinglianyayuan Block No. 10	30 May 2014	7,872.63
Jinglianyayuan Block Nos. 11-109		<u>17,926.69</u>
<b>Total</b>		<b><u><u>116,646.41</u></u></b>



- (9) The development value of the property if completed as at the Valuation Date is RMB1,581,000,000.
- (10) According to the information provided by the Group, various units with a total gross floor area of 130,147.42 sq m of the property have been contracted to be sold for a consideration of approximately RMB1,145,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (11) According to the information provided by the Group, the construction cost incurred is approximately RMB294,000,000. The estimated total construction cost is approximately RMB855,000,000. In the course of our valuation, we have taken into account such costs.
- (12) According to Business Licence No. 120000400129451 dated 21 December 2011, Tianjin Tianlang Ke'en Real Estate Development Co., Ltd. (天津天朗科恩房地產開發有限公司). was established as a limited liability company with a registered capital of USD20,000,000 for a valid operation period from 21 December 2011 to 20 December 2041.
- (13) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Real Estate Title Certificate of the property is valid, legal and enforceable under the PRC laws;
  - (ii) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled;
  - (iii) Tianjin Tianlang Ke'en Real Estate Development Co., Ltd. (天津天朗科恩房地產開發有限公司). is the sole legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iv) Tianjin Tianlang Ke'en Real Estate Development Co., Ltd. (天津天朗科恩房地產開發有限公司). has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property; and
  - (v) No material legal impediment is observed for the Company to obtain the Real Estate Title Certificate (building portion).
- (14) In accordance with the information provided by the Group, the status of title and grant of major approvals and licences are set out as follows:
- |   |                 |
|---|-----------------|
| Real Estate Title Certificate                 | Yes (land only) |
| Grant Contract of State-owned Land Use Rights | Yes             |
| Planning Permit for Construction Use of Land  | Yes             |
| Planning Permit for Construction Works        | Yes             |
| Permit for Commencement of Construction Works | Yes             |
| Commodity Housing Pre-sale Permit             | Yes (part)      |
| Survey Report                                 | Yes (part)      |
| Business Licence                              | Yes             |
- (15) Darren Lv Xingkun, Valuer of DTZ Tianjin Office, inspected the property on 30 June 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-24. The property under construction known as International Peninsula, Plot 08-02, East of Yinqu Road, programming wind harbour, Gao Village, Wuqing District, Tianjin, the PRC  (中華人民共和國 天津市 武清區高村鄉規劃 風港引渠路東側 國際半島08-02地塊項目)	The property comprises Phases 1 to 3 of a composite development to be erected on a parcel of land with a total site area of 171,418 sq m.  International Peninsula is situated in Wuqing District. It is located to the South of Fenggangyinqu Road and surrounded by Shuyuan Road and Gongxue Road. Developments in the vicinity comprise mainly residential buildings such as Seasons Park, Park Tower, etc. The property is served by public bus routes.  According to the development scheme provided to us, the property has a total planned gross floor area of 123,752.40 sq m.  The land use rights of the property have been granted for a term of 70 years due to expire on 16 May 2081 for residential use.	The property is under construction and scheduled to be completed in 2016.	RMB361,000,000  (100% interest attributable to the Company: RMB361,000,000)

*Notes:*

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Villa	
Residential	97,933.80
Others	<u>25,818.60</u>
<b>Total</b>	<b><u><u>123,752.40</u></u></b>

- (2) According to Real Estate Title Certificate No. 122051101261 dated 5 December 2011, the land use rights of the property comprising a total site area of 171,418.2 sq m are vested in Tianjin Yongyuan Investment Co. Ltd. (天津永元投資有限公司) for terms due to expire on 16 May 2081 for residential use.

- (3) According to Grant Contract of State-owned Land Use Rights No. TJ11182011010 dated 10 March 2011, the land use rights of the property comprising a total site area of 171,418.2 sq m have been contracted to be granted to Tianjin Yongyuan Investment Co. Ltd. (天津永元投资有限公司) for a term of 70 years for residential. The salient conditions are set out as follows

Location	:	East of Yinqu Road, programming wind harbour, Gao Village, Wuqing District
Land Use	:	Residential
Site Area	:	171,418.20 sq m
Land Use Term	:	70 years for residential
Plot Ratio	:	Not more than 1.1
Permissible Gross Floor Area	:	–
Land Premium	:	RMB258,000,000

- (4) According to Planning Permit for Construction Use of Land No. 0120 (2011) issued on 8 June 2011, the construction site of the property with a total area of 171,418.2 sq m is in compliance with the urban planning requirements.
- (5) Details of the Planning Permits for Construction Works issued between 6 July 2011 and 15 November 2013 are set out as follows:

Permit No.	Location/Phase	Issue Date	Aboveground	Underground
			Gross Floor Area (sq m)	Gross Floor Area (sq m)
0058 (2013)	Block Nos. 1-53 and 59-60 of Xintongyayuan	2011/7/6	52,717.78	4,211.40
0063 (2011)	Block Nos. 54-58 and 61-93 of Xintongyayuan	2011/8/9	35,368.46	
0088 (2013)	Block Nos. 98-103 of Xintongyayuan, building 1, The underground garage	2013/11/15	71,150.61	23,788.60
(2013) 0089	Block Nos. 94-97 of Xintongyayuan	2013/11/15	28,813.15	
<b>Total</b>			<b>188,050</b>	<b>28,000</b>

- (6) Details of the Permits for Commencement of Construction Works are set out as follows:

Permit No.	Location/Phase	Issue Date	Gross Floor Area (sq m)
12222021201402011	Block Nos. 94-97 of Xintongyayuan	2014/2/25	28,813.15
12222021201402010	Block Nos. 98-103 of Xintongyayuan, building1, The underground garage	2014/2/25	94,939.21
<b>Total</b>			<b><u>123,752.36</u></b>

- (7) According to the Commodity Housing Pre-sale Permits issued between 27 February 2014 and 26 August 2014, the construction works of portions of the property were permitted for pre-sale with key details as follows:

Permit No.	Location/Phase	Issue Date	Gross Floor Area (sq m)
(2014) 0355-001	Block No. 94 of Xintongyayuan	2014/4/30	6543.45
(2014) 0356-001-002	Block Nos. 95 and 96 of Xintongyayuan	2014/4/3	10,430.64
(2014) 0778-001	Block No. 97 of Xintongyayuan	2014/8/26	12,398.30
(2014) 0779-001	Block Nos. 98 and 99 of Xintongyayuan	2014/8/26	16,430.53
(2014) 0470-001-002	Block Nos. 100 and 103 of Xintongyayuan	2014/2/27	31,655.88
(2014) 0464-001-002	Block Nos. 101 and 102 of Xintongyayuan	2014/5/23	21,926.92
<b>Total</b>			<b><u>99,386</u></b>

- (8) According to the Survey Reports, the constituent gross floor area of the construction works are summarised as follows:

Project	Issue Date	Gross Floor Area (sq m)
Block Nos. 1-93 of Xintongyayuan	2013/05/08	62,531.21
Block No. 94 of Xintongyayuan	2013/12/20	6,543.45
Block Nos. 95 and 96 of Xintongyayuan	2013/12/20	10,430.64
Block No. 97 of Xintongyayuan	2013/12/20	12,398.30
Block No. 98 of Xintongyayuan	2013/12/20	5,015.31
Block No. 99 of Xintongyayuan	2013/12/20	9,908.64
Block No. 100 of Xintongyayuan	2013/12/20	10,947.27
Block Nos. 101 and 102 of Xintongyayuan	2013/12/20	21,934.08
Block No. 103 of Xintongyayuan	2013/12/20	21,062.09
<b>Total</b>		<b><u>160,771</u></b>

- (9) The development value of the property if completed as at the Valuation Date is RMB562,000,000.
- (10) According to the information provided by the Group, various units with a total gross floor area of 92,974.7 sq m of the property have been contracted to be sold for a consideration of approximately RMB533,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (11) According to the information provided by the Group, the construction cost incurred is approximately RMB357,000,000. The estimated total construction cost is approximately RMB470,000,000. In the course of our valuation, we have taken into account such costs.
- (12) According to Business Licence No. 120222000084737 dated 15 February 2011, Tianjin Yongyuan Investment Co. Ltd. (天津永元投資有限公司) was established as a limited liability company with a registered capital of RMB30,100,000 for a valid operation period from 15 February 2011 to 14 February 2061.
- (13) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Real Estate Title Certificate of the property is valid, legal and enforceable under the PRC laws;
  - (ii) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled;
  - (iii) Tianjin Yongyuan Investment Co. Ltd. (天津永元投資有限公司) is the sole legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iv) Tianjin Yongyuan Investment Co. Ltd. (天津永元投資有限公司) has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property; and
  - (v) No material legal impediment is observed for the Company to obtain the Real Estate Title Certificate (building portion).
- (14) In accordance with the information provided by the Group, the status of title and grant of major approvals and licences are set out as follows:
- |   |                 |
|---|-----------------|
| Real Estate Title Certificate                 | Yes (land only) |
| Grant Contract of State-owned Land Use Rights | Yes             |
| Planning Permit for Construction Use of Land  | Yes             |
| Planning Permit for Construction Works        | Yes             |
| Permit for Commencement of Construction Works | Yes             |
| Commodity Housing Pre-sale Permit             | Yes (part)      |
| Survey Report                                 | Yes (part)      |
| Business Licence                              | Yes             |
- (15) Darren Lv Xingkun, Valuer of DTZ Tianjin Office, inspected the property on 30 June 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-25. The property under construction known as International Peninsula, Plot 04-02, South of Xiangshuyuan Road, Gao Village, Wuqing District, Tianjin, the PRC  (中華人民共和國天津市武清高村鄉書院道南側首創國際半島04-02地塊項目)	The property comprises Phases 1 to 3 of a composite development to be erected on a parcel of land with a total site area of 187,396.1 sq m.  International Peninsula is situated in Wuqing District. It is located to the South of Fenggangyinqi Road and surrounded by Shuyuan Road and Gongxue Road. Developments in the vicinity comprise mainly residential buildings such as Seasons Park, Park Tower, etc. The property is served by public bus routes.  According to the development scheme provided to us, the property has a total planned gross floor area of 201,247.6 sq m.  The land use rights of the property have been granted for a term of 70 years due to expire on 5 December 2083 for residential use.	The property is under construction and scheduled to be completed in 2017.	RMB798,000,000  (100% interest attributable to the Company: RMB798,000,000)

*Notes:*

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Villa	97,667.38
Residential	52,189.12
Others	<u>51,391.10</u>
<b>Total</b>	<b><u><u>201,247.60</u></u></b>

- (2) According to Real Estate Title Certificate No. 122051300728 dated 23 December 2013, the land use rights of the property comprising a total site area of 187,396.1 sq m are vested in Tianjin tongcheng Real Estate Co., Ltd. (天津同城置業有限公司) for terms due to expire on 5 December 2083 for residential use.

- (3) According to Grant Contract of State-owned Land Use Rights No. TJ11182013052 dated 30 August 2013, the land use rights of the property comprising a total site area of 187,396.1 sq m have been contracted to be granted to Tianjin tongcheng Real Estate Co., Ltd. (天津同城置業有限公司) for a term of 70 years for residential. The salient conditions are set out as follows

Location	:	South of Xiangshuyuan Road, Gao Village, Wuqing District
Land Use	:	Residential
Site Area	:	187,396.1 sq m
Land Use Term	:	70 years for residential
Plot Ratio	:	Not more than 1.1
Permissible Gross Floor Area	:	–
Land Premium	:	RMB430,000,000

- (4) According to Planning Permit for Construction Use of Land No. 0172(2013) issued on 16 October 2013, the construction site of the property with a total area of 187,396.10 sq m is in compliance with the urban planning requirements.

- (5) Details of the Planning Permits for Construction Works issued between 4 April 2014 and 15 October 2014 are set out as follows:

Permit No.	Location/Phase	Issue Date	Aboveground	Underground
			Gross Floor Area	Gross Floor Area
			(sq m)	(sq m)
(2014) 0021	Phase I of Caiweiyayuan	2014/4/4	7,740.72	
(2014) 0053	Phase II of Caiweiyayuan	2014/6/25	20,226.66	18,891.20
(2014) 0086	Phase III of Caiweiyayuan	2014/10/15	<u>52,189.12</u>	<u>32,500.00</u>
<b>Total</b>			<b><u>80,157</u></b>	<b><u>51,391</u></b>

- (6) Details of the Permits for Commencement of Construction Works issued between 28 May 2014 and 8 November 2014 are set out as follows:

Permit No.	Location/Phase	Issue Date	Gross Floor Area
			(sq m)
12222021201405015	Block Nos. 1-11, 16-23, 32-39, 44-51, 57-60 and 74-98 of Caiweiyayuan	2014/5/28	77,440.72
12222021201407020	Block Nos. 2-15, 24-31, 40-43, 52-56 and 61-73 of Caiweiyayuan and underground garage 1	2014/7/30	39,117.86
1201142014120801121	Block Nos. 99-103, 107-109, 112-113 and 115 of Caiweiyayuan, underground garage 2, building 1, building 2	2014/11/8	84,689.12
<b>Total</b>			<b><u>201,248</u></b>

- (7) According to the Commodity Housing Pre-sale Permits issued between 14 July 2014 and 10 March 2015, the construction works of portions of the property were permitted for pre-sale with key details as follows:

Permit No.	Location/Phase	Issue Date	Gross Floor Area (sq m)
(2014) 0632-001-011	Block Nos. 8, 10, 19, 20, 78, 81, 84, 90, 91, 95 and 96 of Caiweiyayuan	2014/7/14	13,217.55
(2014) 0805-001-007	Block Nos. 18, 21, 22, 32, 33, 50 and 93 of Caiweiyayuan	2014/9/2	8,823.15
(2014) 0856-001-016	Block Nos. 4, 7, 9, 11, 17, 34-38, 59, 60, 85, 86, 89 and 92 of Caiweiyayuan	2014/9/17	17,504.30
(2014) 1008-001-000	Block Nos. 6, 48, 76, 90, 87, 94, 97 and 98 of Caiweiyayuan	2014/10/24	11,927.30
(2014) 1052-001-010	Block Nos. 3, 44, 47, 49, 77, 82, 83 and 88 of Caiweiyayuan	2014/11/5	12,769.38
(2014) 0089-001-007	Block Nos. 13, 14, 29, 30, 62, 63 and 65 of Caiweiyayuan	2015/2/2	3,688.52
(2014) 0153-001-022	Block Nos. 24-28, 40-43, 52-56, 64 and 66-72 of Caiweiyayuan	2015/3/10	11,571.00
<b>Total</b>			<b>79,501</b>

- (8) According to the Survey Reports issued by Tianjin Land Resources and Building Management Bureau (天津市國土資源和房屋管理局), the constituent gross floor area of the construction works are summarised as follows:

Project	Issue Date	Gross Floor Area (sq m)
Block Nos. 1, 6, 35, 47, 50, 81, 89 and 97 of Caiweiyayuan	2014/05/13	8,363.04
Block Nos. 2, 5, 9, 11, 16, 18, 21, 23, 32, 34, 39, 44, 51, 85 and 96 of Caiweiyayuan	2014/05/04	18,324.45
Block No. 3 of Caiweiyayuan	2014/05/04	1,450.45
Block Nos. 4, 46, 76 and 79 of Caiweiyayuan	2014/05/04	5,682.44
Block Nos. 7, 37, 87, 91 and 92 of Caiweiyayuan	2014/05/04	4,124.45
Block Nos. 8, 10, 17, 19, 20, 22, 33, 45, 58, 80 and 82 of Caiweiyayuan	2014/05/04	13,719.31
Block Nos. 36, 38, 83 and 90 of Caiweiyayuan	2014/05/06	3,368.60
Block Nos. 48, 60, 74, 75, 88, 94 and 95 of Caiweiyayuan	2014/05/04	11,565.89
Block Nos. 49, 57, 59, 84 and 86 of Caiweiyayuan	2014/05/04	5,119.35
Block Nos. 77, 78, 93 and 98 of Caiweiyayuan	2014/05/04	6,473.48
Block Nos. 12, 31, 61 and 73 of Caiweiyayuan	2014/09/28	4,886.52
Block Nos. 13, 14 and 26 of Caiweiyayuan	2014/09/28	1,587.93



Project	Issue Date	Gross Floor Area (sq m)
Block No. 15 of Caiweiyayuan	2014/09/28	824.89
Block Nos. 24, 28, 30, 40, 63, 67, 71 and 72 of Caiweiyayuan	2014/09/28	4,215.36
Block Nos. 25, 43, 82, 53, 56 and 62 of Caiweiyayuan	2014/09/28	3,161.52
Block Nos. 27, 29, 41, 42, 54, 55, 64, 65, 66, 68, 69 and 70 of Caiweiyayuan	2014/09/28	6,294.60
Caiweiyayuan underground garage, Wuqing District	2014/09/28	<u>15,818.76</u>
<b>Total</b>		<b><u><u>114,981</u></u></b>

- (9) The development value of the property if completed as at the Valuation Date is RMB1,279,000,000.
- (10) According to the information provided by the Group, various units with a total gross floor area of 82,484.11 sq m of the property have been contracted to be sold for a consideration of approximately RMB824,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (11) According to the information provided by the Group, the construction cost incurred is approximately RMB250,000,000. The estimated total construction cost is approximately RMB955,000,000. In the course of our valuation, we have taken into account such costs.
- (12) According to Business Licence No. 120222000196906 dated 20 August 2013, Tianjin tongcheng Real Estate Co., Ltd. (天津同城置業有限公司) was established as a limited liability company with a registered capital of RMB50,000,000 for a valid operation period from 20 August 2013 to 19 August 2043.
- (13) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Real Estate Title Certificate of the property is valid, legal and enforceable under the PRC laws;
  - (ii) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled;
  - (iii) Tianjin tongcheng Real Estate Co., Ltd. (天津同城置業有限公司) is the sole legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iv) Tianjin tongcheng Real Estate Co., Ltd. (天津同城置業有限公司) has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property; and
  - (v) No material legal impediment is observed for the Company to obtain the Real Estate Title Certificate (building portion).

- (14) In accordance with the information provided by the Group, the status of title and grant of major approvals and licences are set out as follows:

Real Estate Title Certificate	Yes (land only)
Grant Contract of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Commodity Housing Pre-sale Permit	Yes (part)
Survey Report	Yes (part)
Business Licence	Yes

- (15) Darren Lv Xingkun, Valuer of DTZ Tianjin Office, inspected the property on 20 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-26. The property under construction known as International Peninsula, Plot 01-05, West of Gongxue Road, Gao Village, Wuqing District, Tianjin, the PRC  (中華人民共和國天津市武清區高村鄉公學道西側首創國際半島01-05地塊項目)	The property comprises Phases 1 to 4 of a composite development to be erected on a parcel of land with a total site area of 193,496.2 sq m.  International Peninsula is situated in Wuqing District. It is located to the South of Fenggangyinqu Road and surrounded by Shuyuan Road and Gongxue Road. Developments in the vicinity comprise mainly residential buildings such as Seasons Park, Park Tower, etc. The property is served by public bus routes.  According to the development scheme provided to us, the property has a total planned gross floor area of 108,823.37 sq m.  The land use rights of the property have been granted for a term of 70 years due to expire on 9 May 2082 for residential use.	The property is under construction and scheduled to be completed in 2016.	RMB443,000,000  (100% interest attributable to the Company: RMB443,000,000)

*Notes:*

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	<u>108,823.37</u>
<b>Total</b>	<b><u><u>108,823.37</u></u></b>

- (2) According to Real Estate Title Certificate No. 122051200372 dated 23 May 2012, the land use rights comprising a total site area of 193,496.2 sq m are vested in Tianjin Yiju Investment Co. Ltd. (天津益聚投資有限公司).for terms due to expire on 9 May 2082 for residential use.

- (3) According to Grant Contract of State-owned Land Use Rights No. TJ122051200372 dated 23 May 2012, the land use rights of the property comprising a total site area of 193,496.2 sq m have been contracted to be granted to Tianjin Yiju Investment Co. Ltd. (天津益聚投资有限公司). The salient conditions are set out as follows:

Location	:	Gao Cun Xiang west of Gongxue Road wing Wuqing District
Land Use	:	Residential
Site Area	:	193,496.2 sq m
Land Use Term	:	70 years for residential
Plot Ratio	:	Not more than 1.1
Permissible Gross Floor Area	:	–
Land Premium	:	RMB291,000,000

- (4) According to Planning Permit for Construction Use of Land No. (2013)0142 issued on 12 July 2012, the construction site of the property with a total area of 193,496.20 sq m is in compliance with the urban planning requirements.

- (5) Details of the Planning Permits for Construction Works issued between 22 August 2012 and 17 July 2013 are set out as follows:

Permit No.	Location/Phase	Issue Date	Aboveground Gross Floor Area (sq m)	Underground Gross Floor Area (sq m)
(2011) 0057	Phase I of Yunxiangyayuan	2012/10/22	41,828.56	
(2013) 0004	Phase II of Yunxiangyayuan	2013/1/21	61,667.94	
(2013) 0033	Block Nos. 115-117 of Yunxiangyayuan	2013/5/17	17,539.26	1,643.19
(2013) 0041	Block Nos. 119, 120, 126 and 127 of Yunxiangyayuan	2013/6/4	17,963.38	3,053.12
(2013) 0053	Block Nos. 118 and 121-125 of Yunxiangyayuan, Block Nos. 1-3, garage	2013/7/17	73,011.63	20,687.63
<b>Total</b>			<b>212,011</b>	<b>25,384</b>

- (6) Details of the Permits for Commencement of Construction Works issued between 20 December 2012 and 15 August 2013 are set out as follows:

Permit No.	Location/Phase	Issue Date	Aboveground Gross Floor Area (sq m)
122220212013006013	Yunxiangyayuan Phase II of the first section	2013/6/5	58,513.88
12222021201306014	Yunxiangyayuan Phase II of the second section 6, 7 and 8	2013/6/5	2,154.06
12222021201212015	Yunxiangyayuan Phase I of 2011-256	2012/12/20	41,828.56
12222021201306032	Yunxiangyayuan Phase I of 115-117, 119-120 and 126-127	2013/6/27	40,198.95
12222021201308003	Yunxiangyayuan Phase I of 118, 121-125 and 128-130, underground garage	2013/8/15	93,699.26
<b>Total</b>			<b><u>236,395</u></b>

- (7) According to the Commodity Housing Pre-sale Permits issued between 18 January 2013 and 1 November 2013, the construction works of portions of the property were permitted for pre-sale with key details as follows:

Permit No.	Location/Phase	Issue Date	Gross Floor Area (sq m)
(2013) 0240-001	Block No. 1 of Yunxiangyayuan	2013/4/16	727.04
(2013) 1052-001-010	Block Nos. 2, 19, 20, 26, 27, 33-35, 43 and 44 of Yunxiangyayuan	2013/1/18	9,335.43
(2013) 1007-001-012	Block Nos. 3, 4, 11, 22, 23, 30, 32, 40, 52, 55, 92 and 101 of Yunxiangyayuan	2013/11/11	11,256.45
(2013) 1051-004-015	Block Nos. 5, 13, 16, 17, 24, 25, 31, 54, 62-64, 72, 73, 83 and 93 of Yunxiangyayuan	2013/11/18	13,281.48
(2013) 1142-001-005	Block Nos. 6-9 and 14 of Yunxiangyayuan	2013/2/12	4,174.59
(2013) 0979-011-009	Block Nos. 10, 12, 15, 18, 21, 41, 42, 51 and 53 of Yunxiangyayuan	2013/11/1	8,436.74
(2013) 0899-001-015	Block Nos. 28, 29, 37-39, 48-50, 60, 61, 70, 71 and 79-81 of Yunxiangyayuan	2013/10/16	13,959.18
(2013) 0240-002	Block No. 36 of Yunxiangyayuan	2013/4/16	727.04
(2013) 0240-003	Block No. 45 of Yunxiangyayuan	2013/4/16	909.80
(2013) 0240-004	Block No. 46 of Yunxiangyayuan	2013/4/16	909.80
(2013) 0240-005	Block No. 47 of Yunxiangyayuan	2013/4/16	1,083.67
(2013) 0240-006	Block No. 56 of Yunxiangyayuan	2013/4/16	909.80
(2013) 0240-007	Block No. 57 of Yunxiangyayuan	2013/4/16	909.80
(2013) 0240-008	Block No. 58 of Yunxiangyayuan	2013/4/16	909.80
(2013) 0240-009	Block No. 59 of Yunxiangyayuan	2013/4/16	727.04
(2013) 0240-010	Block No. 65 of Yunxiangyayuan	2013/4/16	1,349.99
(2013) 0240-011	Block No. 66 of Yunxiangyayuan	2013/4/16	909.80
(2013) 0240-012	Block No. 67 of Yunxiangyayuan	2013/4/16	909.80
(2013) 0240-013	Block No. 68 of Yunxiangyayuan	2013/4/16	745.04

Permit No.	Location/Phase	Issue Date	Gross Floor Area (sq m)
(2013) 0240-014	Block No. 69 of Yunxiangyayuan	2013/4/16	746.04
(2013) 0240-015	Block No. 74 of Yunxiangyayuan	2013/4/16	747.04
(2013) 0240-016	Block No. 75 of Yunxiangyayuan	2013/4/16	1,349.99
(2013) 0240-017	Block No. 76 of Yunxiangyayuan	2013/4/16	1,349.99
(2013) 0240-018	Block No. 77 of Yunxiangyayuan	2013/4/16	909.80
(2013) 0240-019	Block No. 78 of Yunxiangyayuan	2013/4/16	727.04
(2013) 0136-001	Block Nos. 82 and 91 of Yunxiangyayuan	2013/2/27	2,433.66
(2013) 0240-020	Block No. 84 of Yunxiangyayuan	2013/4/16	727.04
(2013) 0240-021	Block No. 85 of Yunxiangyayuan	2013/4/16	909.80
(2013) 0240-022	Block No. 86 of Yunxiangyayuan	2013/4/16	909.80
(2013) 0240-023	Block No. 87 of Yunxiangyayuan	2013/4/16	909.80
(2013) 0240-024	Block No. 88 of Yunxiangyayuan	2013/4/16	909.80
(2013) 0240-025	Block No. 89 of Yunxiangyayuan	2013/4/16	1,083.67
(2013) 0240-026	Block No. 90 of Yunxiangyayuan	2013/4/16	727.04
(2013) 0240-027	Block No. 94 of Yunxiangyayuan	2013/4/16	727.04
(2013) 0240-028	Block No. 95 of Yunxiangyayuan	2013/4/16	909.80
(2013) 0240-029	Block No. 96 of Yunxiangyayuan	2013/4/16	909.80
(2013) 0240-03	Block No. 97 of Yunxiangyayuan	2013/4/16	909.80
(2013) 0240-031	Block No. 98 of Yunxiangyayuan	2013/4/16	909.80
(2013) 0240-032	Block No. 99 of Yunxiangyayuan	2013/4/16	727.04
(2013) 0240-033	Block No. 100 of Yunxiangyayuan	2013/4/16	727.04
(2013) 0240-034	Block No. 102 of Yunxiangyayuan	2013/4/16	1,083.67
(2013) 0240-035	Block No. 103 of Yunxiangyayuan	2013/4/16	1,083.67
(2013) 0052-001	Block No. 104 of Yunxiangyayuan	2013/1/28	727.04
(2013) 0052-002	Block No. 105 of Yunxiangyayuan	2013/1/28	727.04
(2013) 0052-003	Block No. 106 of Yunxiangyayuan	2013/1/28	1,083.67
(2013) 0052-004	Block No. 107 of Yunxiangyayuan	2013/1/28	1,083.67
(2013) 0240-036	Block No. 108 of Yunxiangyayuan	2013/4/16	727.04
(2013) 0240-037	Block No. 109 of Yunxiangyayuan	2013/1/28	1,083.67
(2013) 0240-038	Block No. 110 of Yunxiangyayuan	2013/4/16	1,083.67
(2013) 0052-005	Block No. 111 of Yunxiangyayuan	2013/1/28	727.04
(2013) 0052-006	Block No. 112 of Yunxiangyayuan	2013/1/28	1,083.67
(2013) 0052-007	Block No. 113 of Yunxiangyayuan	2013/1/28	1,083.67
(2013) 0052-008	Block No. 114 of Yunxiangyayuan	2013/1/28	727.04
(2013) 0052-009	Block No. 115 of Yunxiangyayuan	2013/10/12	6,103.98
(2013) 0052-002	Block No. 116 of Yunxiangyayuan	2013/10/12	6,059.88
(2013) 0524-003	Block No. 117 of Yunxiangyayuan	2013/10/12	6,059.88
(2013) 0938-001-005	Block Nos. 118, 121-123 and 125 of Yunxiangyayuan	2013/10/25	51,543.70
(2013) 0695-001-004	Block Nos. 119, 120, 126 and 127 of Yunxiangyayuan	2013/8/27	18,595.26
(2013) 0939-001	Block No. 124 of Yunxiangyayuan	2013/10/25	<u>20,295.42</u>
<b>Total</b>			<b><u>213,396</u></b>

- (8) According to the Survey Reports issued, the constituent gross floor area of the construction works are summarised as follows:

Project	Issue Date	Gross Floor Area (sq m)
Yunxiangyayuan Block Nos. 11-14, 16, 17, 19, 20, 22-26, 29-35, 40-44, 50-55, 61-64, 71-73, 80 and 83	2013/02/05	36,391.60
Yunxiangyayuan Block Nos. 18, 27 and 82	2013/02/05	4,049.82
Yunxiangyayuan Block Nos. 2, 4-8, 10, 21, 37-39, 49 and 93	2013/02/05	9,451.39
Yunxiangyayuan Block Nos. 3, 9, 15, 28, 48, 60, 70, 79, 81, 91, 92 and 101	--	12,275.40
Block No. 118 of Yunxiangyayuan	2013/09/02	<u>11,637.23</u>
<b>Total</b>		<b><u>73,805</u></b>

- (9) The development value of the property if completed as at the Valuation Date is RMB656,000,000.
- (10) According to the information provided by the Group, the construction cost incurred is approximately RMB218,000,000. The estimated total construction cost is approximately RMB317,000,000. In the course of our valuation, we have taken into account such costs.
- (11) According to Business Licence No. 120222000115492 dated 15 December 2011, Tianjin Yiju Investment Co. Ltd. (天津益聚投资有限公司) was established as a limited liability company with a registered capital of RMB30,000,000 for a valid operation period from 15 December 2011 to 14 December 2041.
- (12) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Real Estate Title Certificate of the property is valid, legal and enforceable under the PRC laws;
  - (ii) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled;
  - (iii) Tianjin Yiju Investment Co., Ltd. (天津益聚投资有限公司) is the sole legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iv) Tianjin Yiju Investment Co., Ltd. (天津益聚投资有限公司) has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property; and
  - (v) No material legal impediment is observed for the Company to obtain the Real Estate Title Certificate (building portion).

- (13) In accordance with the information provided by the Group, the status of title and grant of major approvals and licences are set out as follows:

Real Estate Title Certificate	Yes (land only)
Grant Contract of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Commodity Housing Pre-sale Permit	Yes (part)
Survey Report	Yes (part)
Business Licence	Yes

- (14) Darren Lv Xingkun, Valuer of DTZ Tianjin Office, inspected the property on 30 June 2015.



Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-27. The property under construction known as Tianjin Eco-city Project, south area of Sino-Singapore Tianjin Eco-city, Binhai New Area, Tianjin, the PRC  (中華人民共和國天津市濱海新區中新天津生態城南部片區天津生態城項目)	The property comprises Phases 2 to 3 of a composite development to be erected on a parcel of land with a total site area of 117,229.40 sq m.  The property is situated in Binhai New Area. It is located to the Zhongsheng Avenue and surrounded by Heyun Road, Heshun Road, Zhongxin Avenue and Zhongsheng Avenue. Developments in the vicinity comprise mainly residential buildings such as Seasons Park, Park Tower, etc. The property is served by public bus routes.  According to the development scheme provided to us, the property has a total planned gross floor area of 149,354.41 sq m.  The land use rights of the property have been granted for a term due to expire on 25 September 2078 for residential use.	The property is under construction and scheduled to be completed in 2015.	RMB526,000,000  (100% interest attributable to the Company: RMB526,000,000)

*Notes:*

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	97,949.34
Others	51,405.07
<b>Total</b>	<b><u>149,354.41</u></b>

- (2) According to Real Estate Title Certificate No. 107051300076 dated 8 June 2013, the land use rights comprising a total site area of 117,229.40 sq m are vested in Tianjin Shengtai Cheng Jiaming Ronghe Development Co., Ltd. (天津生態城嘉銘融合城市開發有限公司) for terms due to expire on 25 September 2078 for residential use.

- (3) According to Transfer Contract of State-owned Land Use Rights dated 13 May 2013, the land use rights of the property comprising a total site area of 117,229.40 sq m have been contracted to be transfer to Tianjin Shengtai Cheng Jiaming Ronghe Development Co., Ltd. (天津生態城嘉銘融合城市開發有限公司) for terms due to expire on 25 September 2078 for residential use. The salient conditions are set out as follows:

Location	:	Plot 5-1
Land Use	:	Residential
Site Area	:	117,229.40
Land Use Term	:	70 years (from 26 September 2008 to 25 September 2078)
Plot Ratio	:	–
Permissible Gross Floor Area	:	–
Land Premium	:	RMB219,288,377

- (4) According to Planning Permit for Construction Use of Land No. 2013 (0011) dated 5 June 2013, the construction site of the property with a total area of 117,165.60 sq m is in compliance with the urban planning requirements.
- (5) Details of the Planning Permits for Construction Works issued between 20 November 2013 and 20 January 2014 are set out as follows:

Permit No.	Location/Phase	Issue Date	Aboveground	Underground
			Gross Floor Area (sq m)	Gross Floor Area (sq m)
2013 (0007)	Phase II of Shijingyuan	20 November 2013	50,355.66	34,777.94
2013 (0001)	Phase III of Shijingyuan	20 January 2014	<u>45,237.44</u>	<u>16,627.13</u>
<b>Total</b>			<b><u>95,593.1</u></b>	<b><u>51,405.07</u></b>

- (6) Details of the Permits for Commencement of Construction Works issued between 7 February 2014 and 24 March 2014 are set out as follows:

Permit No.	Location/Phase	Issue Date	Aboveground
			Gross Floor Area (sq m)
(2014) 0004	Ancillary facility of Phase I of Shijingyuan, Block Nos. 18-31 of Phase II and car park	7 February 2014	50,355.66
(2014) 0009	Phase III of Shijingyuan	24 March 2014	<u>45,237.44</u>
<b>Total</b>			<b><u>95,593.1</u></b>

- (7) According to the Commodity Housing Pre-sale Permits issued between 21 March 2014 and 6 November 2014, the construction works of portions of the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
2014-0339-001-003	28 April 2014	Block Nos. 7, 8 and 9	12,551.05
2014-0752-001-003	21 August 2014	Block Nos. 18, 21 and 28	10,486.20
2014-0872-001-004	18 September 2014	Block Nos. 19, 20, 22 and 26	16,195.66
2014-0561-001-003	18 June 2014	Block Nos. 23, 25 and 27	12,431.12
2014-0182-001-004	21 March 2014	Block Nos. 24, 29, 30 and 31	12,297.96
2014-1059-001-004	6 November 2014	Block Nos. 11, 12, 16 and 17	17,244.96
2015-0162-001-004	13 March 2015	Block Nos. 10 and 13-15	<u>16,742.36</u>
<b>Total</b>			<b><u><u>97,949.31</u></u></b>

- (8) According to the Survey Reports issued between 11 February 2014 and 25 February 2014, the constituent gross floor areas of the construction works are summarised as follows:

Project	Issue Date	Gross Floor Area (sq m)
Block No. 7	25 February 2014	3,390.76
Block No. 8	25 February 2014	4,579.04
Block No. 9	25 February 2014	4,581.28
Block Nos. 10-13 and 15-17	25 February 2014	30,224.04
Block No. 14	25 February 2014	3,815.30
Block Nos. 18, 19, 23 and 25	11 February 2014	17,270.88
Block Nos. 20, 21, 26 and 27	11 February 2014	15,261.20
Block No. 22	11 February 2014	4,347.83
Block Nos. 24 and 29	11 February 2014	7,045.08
Block No. 28	11 February 2014	2,374.00
Block No. 30	11 February 2014	1,457.56
Block No. 31	11 February 2014	<u>3,795.32</u>
<b>Total</b>		<b><u><u>98,142.29</u></u></b>

- (9) The development value of the property as if completed as at the Valuation Date was RMB925,000,000.
- (10) According to the information provided by the Company, various units with a total gross floor area of 83,283.01 sq m of the property have been contracted to be sold for a consideration of approximately RMB789,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (11) According to the information provided by the Company, the construction cost incurred as at the Valuation Date was approximately RMB298,000,000. The estimated total construction cost was approximately RMB618,000,000. In the course of our valuation, we have taken into account such costs.

- (12) According to Business Licence No. 120000000010066 dated 12 June 2009, Tianjin Shengtai Cheng Jiaming Ronghe Development Co., Ltd. (天津生態城嘉銘融合城市開發有限公司) was established as a limited liability company with a registered capital of RMB60,000,000 for a valid operation period from 12 June 2009 to 11 June 2059.
- (13) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Real Estate Title Certificate of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Tianjin Shengtai Cheng Jiaming Ronghe Development Co., Ltd. (天津生態城嘉銘融合城市開發有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Tianjin Shengtai Cheng Jiaming Ronghe Development Co., Ltd. (天津生態城嘉銘融合城市開發有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) No material legal impediment is observed for the Company to obtain the Real Estate Title Certificate (building portion); and
  - (v) All transfer payments stated in the Transfer Contract of State-owned Land Use Rights have been paid and settled.
- (14) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |  |                 |
|--|-----------------|
| Real Estate Title Certificate                    | Yes (land only) |
| Transfer Contract of State-owned Land Use Rights | Yes             |
| Planning Permit for Construction Use of Land     | Yes             |
| Planning Permits for Construction Works          | Yes             |
| Permits for Commencement of Construction Works   | Yes             |
| Commodity Housing Pre-sale Permits               | Yes (part)      |
| Survey Report                                    | Yes             |
| Business Licence                                 | Yes             |
- (15) Chen Shuya, Manager of DTZ Tianjin Office, inspected the property on 19 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-28. The property under construction known as Tianjin Hongni River Project, Xinzhuang, Jinnan District, Tianjin, the PRC  (中華人民共和國天津市津南區辛莊天津洪泥河項目)	<p>The property comprises Phases 2 to 5 of a composite development to be erected on two parcels of land with a total site area of 245,536.80 sq m.</p> <p>Tianjin Eco Village is situated in Jinan District. It is located to the Jingu Road and surrounded by Hongni River, Xincheng Road, Brown Stone Residence and Jingu Road. Developments in the vicinity comprise mainly residential buildings such as Sunshine Boston, Brown Stone, etc. The property is served by public bus routes.</p> <p>According to the development scheme provided to us, the property has a total planned gross floor area of 515,248.47 sq m.</p> <p>The land use rights of the property have been granted for a term due to expire on 8 August 2083 for residential use, and due to expire on 8 August 2053 for commercial use.</p>	The property is under construction and scheduled to be completed in 2017.	<p>RMB2,127,000,000</p> <p>(100% interest attributable to the Company: RMB2,127,000,000)</p>

*Notes:*

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	421,669.17
Retail	7,260.00
Others	86,319.30
<b>Total</b>	<b><u>515,248.47</u></b>

- (2) According to the Real Estate Title Certificates dated 23 August 2013, the land use rights of the property are vested in Tianjin Xingtai Jifeng Real Estate Co., Ltd. (天津興泰吉豐置業有限公司) with key details as follows:

Certificate No.	Land Plot No.	Issue Date	Land Use	Land Use Term		Site Area (sq m)
				Expiry Date		
112051300236	120112104021078000	23 August 2013	Residential	8 August 2083		111,870.20
112051300235	1201121040210770000	23 August 2013	Residential	8 August 2083		133,666.60
<b>Total</b>						<b>245,536.80</b>

- (3) According to the Grant Contracts of State-owned Land Use Rights dated 11 April 2013, the land use rights of the property have been contracted to be granted to Tianjin Xingtai Jifeng Real Estate Co., Ltd. (天津興泰吉豐置業有限公司) with key details as follows:

Contract No.	Issue Date	Land Use	Land Use		Site Area	Plot Ratio	Land Premium (RMB)
			Expiry Date				
TJ11152013013	11 April 2013	Residential,	70 years	123,426.20	Residential: 1.0-2.0	554,540,000	
		commercial and	40 years				
		education	50 years				
TJ11152013012	11 April 2013	Residential	70 years	133,666.60	1.0-2.0	601,240,000	
<b>Total</b>					<b>257,092.80</b>	<b>1,155,780,000</b>	

- (4) Details of the Planning Permits for Construction Use of Land issued between 24 June 2013 and 8 August 2013 are set out as follows:

Permit No.	Land use	Issue Date	Gross Site Area (sq m)
(2013) 0069	Residential, commercial, school and kindergarten	24 June 2013	123,426.20
(2013) 0076	Residential	8 August 2013	133,664.90
<b>Total</b>			<b>257,091.10</b>

- (5) Details of the Planning Permits for Construction Works issued between 18 January 2014 and 3 September 2014 are set out as follows:

Permit No.	Location/Phase	Issue Date	Aboveground Gross Floor Area (sq m)	Underground Gross Floor Area (sq m)
(2014) 0001	Phase II of Xingjingyuan Block Nos. 1-8 and Block Nos. 6-8 Podium, heat system station, substation	18 January 2014	73,350.00	2,860.00
(2013) 0047	Phase II of Xingjingyuan Block Nos. 11 and 12, and Phase II civil defence basement	18 January 2014	23,109.40	17,695.00
(2014) 0002	Phase III of Xingjingyuan Block Nos. 10 and 13, and Phase III civil defence basement	22 January 2014	23,558.00	11,381.70
(2014) 0003	Phase III of Xingjingyuan Block Nos. 9, 14, 15, 16, 17 and 18 and substation	18 January 2014	47,195.60	2,000.00
(2013) 0041	Phase I of Mingjingyuan Block Nos. 20-31	30 September 2013	47,677.74	718.56
(2014) 0032	Phase II of Mingjingyuan Block Nos. 32-34, ancillary facility No. 7 (substation)	9 July 2014	36,162.99	2,430.00
(2014) 0039	Phase II of Mingjingyuan Block Nos. 35, 36, 38 and 41, and Podium, car parks and civil defence, ancillary facility No. 6 (substation)	28 July 2014	51,147.01	15,339.00
(2014) 0040	Phase II of Mingjingyuan Block Nos. 37, 39, 40 and 42-44, car parks and civil defence, ancillary No. 4 (heat system station), ancillary facility No. 5 (substation)	28 July 2014	63,758.26	23,426.00
(2014) 0053	Phase II of Mingjingyuan Block Nos. 1-19, ancillary No. 1 (substation)	3 September 2014	68,145.50	479.04
<b>Total</b>			<b><u>434,104.50</u></b>	<b><u>76,329.3</u></b>

- (6) Details of the Permits for Commencement of Construction Works issued between 2 January 2014 and 28 November 2014 are set out as follows:

Permit No.	Location/Phase	Issue Date	Gross Floor Area (sq m)
12112021201403004	Phase II of Xingjingyuan Block Nos. 1-4	10 March 2014	34,561.00
12112021201404020	Phase II of Xingjingyuan Block Nos. 5 (vegetable market), Block Nos. 6-8, 11, 12 and 6-8 Podium, civil air defence basement	16 April 2014	82,056.40
12112021201404016	Phase III of Xingjingyuan Block Nos. 9 and 14- 18	14 April 2014	48,998.60
12112021201404022	Phase III of Xingjingyuan Block Nos. 10 and 13 and car parks of Phase III	22 April 2014	34,939.70
12112021201401001	Phase I of Mingjingyuan Block Nos. 20-31	2 January 2014	48,396.30
12112021201410008	Phase II of Mingjingyuan Block Nos. 35, 36, 38 and 41, car parks and civil defence	21 October 2014	66,286.00
12112021201410007	Phase II of Mingjingyuan Block Nos. 37, 39, 40 and 42, heat system station, car parks and civil defence	21 October 2014	86,984.30
1201122014112803120	Phase II of Mingjingyuan Block Nos. 32, 33 and 34	28 November 2014	38,393.00
12112090201410016	Phase II of Mingjingyuan Block Nos. 1-19	24 October 2014	68,424.50
<b>Total</b>			<b><u>509,039.80</u></b>

- (7) According to the Commodity Housing Pre-sale Permits issued between 10 April 2014 and 3 June 2015, the construction works of portions of the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
2014-0253-001-004	10 April 2014	Xingjingyuan Block Nos. 1-4	33,215.52
2014-0493-001-003	30 May 2014	Xingjingyuan Block Nos. 6-8	34,535.00
2014-0775-001	26 August 2014	Xingjingyuan Block No. 9	11,610.06
2014-0776-001-004	26 August 2014	Xingjingyuan Block Nos. 10-13	46,926.81
2014-0777-001-004	26 August 2014	Xingjingyuan Block Nos. 15-18	32,742.48
2014-0279-001-006	18 April 2014	Mingjingyuan Block Nos. 20-22, 27, 28 and 31	23,840.72
2014-0548-001-003	17 June 2014	Mingjingyuan Block Nos. 23-25	11,920.36
2014-0549-001-003	17 June 2014	Mingjingyuan Block Nos. 26, 29 and 30	13,169.64
2015-0158-001-003	13 March 2015	Mingjingyuan Block Nos. 32-34	36,452.76
2014-1213-001-002	25 December 2014	Mingjingyuan Block Nos. 6 and 11	7,024.30
2014-1141-001-003	1 December 2014	Mingjingyuan Block Nos. 7-9	11,009.06
2014-1064-001-004	6 November 2014	Mingjingyuan Block Nos. 10 and 17-19	14,159.04
2015-0374-001	3 June 2015	Mingjingyuan Block No. 42	11,090.40
2015-0225-001-004	16 April 2015	Mingjingyuan Block Nos. 4, 5, 12 and 16	15,076.14
2015-0294-001-003	8 May 2015	Mingjingyuan Block Nos. 2, 3 and 13	9,802.32
2015-0375-001-002	3 June 2015	Mingjingyuan Block Nos. 14 and 15	8,877.00
<b>Total</b>			<b><u>321,451.61</u></b>



- (8) The development value of the property as if completed as at the Valuation Date was RMB3,698,000,000.
- (9) According to the information provided by the Company, various units with a total gross floor area of 210,619.73 sq m of the property have been contracted to be sold for a consideration of approximately RMB1,739,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (10) According to the information provided by the Company, the construction cost incurred as at the Valuation Date was approximately RMB647,000,000. The estimated total construction cost was approximately RMB1,804,000,000. In the course of our valuation, we have taken into account such costs.
- (11) According to Business Licence No. 120112000180491 dated 2 April 2013, Tianjin Xingtai Jifeng Real Estate Co., Ltd. (天津興泰吉豐置業有限公司) was established as a limited liability company with a registered capital of RMB50,000,000 for a valid operation period from 2 April 2013 until 1 April 2033.
- (12) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Real Estate Title Certificates of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Tianjin Xingtai Jifeng Real Estate Co., Ltd. (天津興泰吉豐置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Tianjin Xingtai Jifeng Real Estate Co., Ltd. (天津興泰吉豐置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) All land premium stated in the Grant Contracts of State-owned Land Use Rights has been paid and settled; and
  - (v) No material legal impediment is observed for the Company to obtain the Real Estate Title Certificate (building portion).
- (13) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |  |                 |
|--|-----------------|
| Real Estate Title Certificates                 | Yes (land only) |
| Grant Contracts of State-owned Land Use Rights | Yes             |
| Planning Permits for Construction Use of Land  | Yes             |
| Planning Permits for Construction Works        | Yes             |
| Permits for Commencement of Construction Works | Yes             |
| Commodity Housing Pre-sale Permits             | Yes (part)      |
| Business Licence                               | Yes             |
- (14) Chen Shuya, Manager of DTZ Tianjin Office, inspected the property on 20 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-29. The property under construction known as Tianjin Lishuang Road Project, Xinzhuang Town, Jinnan District, Tianjin, the PRC  (中華人民共和國天津市津南區辛莊鎮天津梨雙路項目)	<p>The property comprises Phases 1 to 3 of a composite development to be erected on a parcel of land with a total site area of 108,344.30 sq m.</p> <p>The property is situated in Jinnan District. It is located to the south of Jingu Road and surrounded by Jingu Road and Lishuang Road.</p> <p>Developments in the vicinity comprise mainly residential buildings such as Jindiyijing, Yangguangboshidun, etc. The property is served by public bus routes and subway.</p> <p>According to the development scheme provided to us, the property has a total planned gross floor area of 231,383.60 sq m.</p> <p>The land use rights of the property have been granted for terms due to expire on 18 March 2084 for residential use and due to expire on 18 March 2064 for education use.</p>	The property is under construction and scheduled to be completed in 2017.	RMB1,538,000,000  (100% interest attributable to the Company: RMB1,538,000,000)

*Notes:*

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	196,496.60
Car park	10,908.00
Others	23,979.00
<b>Total</b>	<b>231,383.60</b>

- (2) According to Real Estate Title Certificate No. 112051400127 dated 18 April 2014, the land use rights of the property comprising a total site area of 108,344.30 sq m are vested in Tianjin Xingtai Jixin Real Estate Co., Ltd. (天津興泰吉鑫置業有限公司) for terms due to expire on 18 March 2084 for residential use and due to expire on 18 March 2064 for education use.

- (3) According to Grant Contract of State-owned Land Use Rights No. TJ11152013025 dated 20 December 2013, the land use rights of the property comprising a total site area of 108,344.30 sq m have been contracted to be granted to Tianjin Xingtai Jixin Real Estate Co., Ltd. (天津興泰吉鑫置業有限公司) for a term of 70 years for residential use and for a term of 50 years for education use. The salient conditions are set out as follows:

Location	:	Xinzhuang Town, Jinnan District
Land Use	:	Residential, education
Site Area	:	108,344.30 sq m
Land Use Term	:	70 years for residential use and 50 years for education use
Plot Ratio	:	Residential 1.0-2.0, middle school and primary school, kindergarten $\leq$ 1.0
Land Premium	:	RMB1,065,000,000

- (4) According to Planning Permit for Construction Use of Land No. (2014) 0017 dated 29 January 2014, the construction site of the property with a total area of 108,343.30 sq m is in compliance with the urban planning requirements.
- (5) Details of the Planning Permits for Construction Works issued between 6 March 2014 and 28 July 2014 are set out as follows:

Permit No.	Phase	Issue Date	Gross Floor Area (sq m)
(2014) 0008	1	6 March 2014	31,818.60
(2014) 0009	2	7 March 2014	63,947.60
(2014) 0038	3	28 July 2014	113,491.80
(2014) 0043	2	7 March 2014	2,185.00
(2014) 0154	3	28 July 2014	4,532.00
(2014) 0044	3	7 March 2014	4,500.00
(2014) 0042	3	7 March 2014	<u>22,000.00</u>
<b>Total</b>			<b><u><u>242,475.00</u></u></b>

- (6) Details of the Permits for Commencement of Construction Works issued between 6 May 2014 and 20 November 2014 are set out as follows:

Permit No.	Phase	Issue Date	Gross Floor Area (sq m)
12112020201405000	1 and 2	6 May 2014	34,003.60
12112020201406009	2	17 June 2014	63,947.60
12112080201407013	3	17 July 2014	22,000.00
1201122014112001120	3	20 November 2014	70,142.00
12112090201410005	3	15 October 2014	<u>51,981.80</u>
<b>Total</b>			<b><u><u>242,075.00</u></u></b>

- (7) According to the Commodity Housing Pre-sale Permits issued between 30 May 2014 and 24 April 2015, the construction works of the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Location	Gross Floor Area (sq m)
(2014) 0496-001-004	30 May 2014	Block Nos. 1-3 and 7 of Yiyayuan	17,225.72
(2014) 0653-001-004	21 July 2014	Block Nos. 4-6 and 8 of Yiyayuan	14,378.56
(2014) 0797-001-002	1 September 2014	Block Nos. 9 and 10 of Yiyayuan	8,875.68
(2014) 0753-001	22 August 2014	Block No. 11 of Yiyayuan	4,437.84
(2014) 0949-001-002	8 October 2014	Block Nos. 17 and 18 of Yiyayuan	14,846.40
(2014) 1239-001	4 January 2015	Block No. 28 of Yiyayuan	9,799.44
(2014) 1063-001-004	6 November 2014	Block Nos. 12, 22, 23 and 25 of Yiyayuan	32,618.10
(2014) 1142-001-002	1 October 2014	Block Nos. 26 and 29 of Yiyayuan	18,981.80
0242-001-003	24 April 2015	Block Nos. 13-15 of Yiyayuan	34,614.36
0151-001	4 March 2015	Block No. 27 of Yiyayuan	<u>9,104.68</u>
<b>Total</b>			<b><u><u>164,882.58</u></u></b>

- (8) According to the Survey Reports, the constituent gross floor area of the construction works are summarised as follows:

Phase	Location	Gross Floor Area (sq m)
Phase 1	Block Nos. 1, 7 and 8 of Yiyayuan	4,552.68
Phase 1	Block Nos. 2 and 6 of Yiyayuan	5,089.68
Phase 1	Block Nos. 3 and 5 of Yiyayuan	3,030.68
Phase 1	Block No. 4 of Yiyayuan	1,705.52
Phase 2	Block Nos. 9, 10 and 11 of Yiyayuan	4,437.84
Phase 2	Block No. 12 of Yiyayuan	7,382.40
Phase 2	Block Nos. 17 and 18 of Yiyayuan	7,758.11
Phase 2	Block No. 22 of Yiyayuan	8,978.05
Phase 2	Block No. 23 of Yiyayuan	8,601.32
Phase 2	Block No. 25 of Yiyayuan	7,991.62
Phase 3	Block No. 26 of Yiyayuan	9,527.33
Phase 3	Block No. 28 of Yiyayuan	9,817.02
Phase 3	Block No. 29 of Yiyayuan	10,222.81
Phase 3	Block Nos. 13-16 and 24 of Yiyayuan	57,778.50
Phase 3	Block No. 30 of Yiyayuan	<u>11,597.40</u>
<b>Total</b>		<b><u><u>158,470.96</u></u></b>

- (9) The development value of the property as if completed as at the Valuation Date was RMB1,945,000,000.

- (10) According to the information provided by the Company, various units with a total gross floor area of 49,412.96 sq m of the property have been contracted to be sold for a consideration of approximately RMB466,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (11) According to the information provided by the Company, the construction cost incurred as at the Valuation Date was approximately RMB331,000,000. The estimated total construction cost was approximately RMB961,000,000. In the course of our valuation, we have taken into account such costs.
- (12) According to Business Licence No. 120112000194932 dated 23 June 2014, Tianjin Xingtai Jixin Real Estate Co., Ltd. (天津興泰吉鑫置業有限公司) was established as a limited liability company with a registered capital of RMB50,000,000 for a valid operation period from 22 November 2013 to 21 November 2033.
- (13) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Real Estate Title Certificate of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Tianjin Xingtai Jixin Real Estate Co., Ltd. (天津興泰吉鑫置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Tianjin Xingtai Jixin Real Estate Co., Ltd. (天津興泰吉鑫置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) No material legal impediment is observed for the Company to obtain the Real Estate Title Certificate (building portion); and
  - (v) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (14) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |  |                 |
|--|-----------------|
| Real Estate Title Certificate                  | Yes (land only) |
| Grant Contract of State-owned Land Use Rights  | Yes             |
| Planning Permit for Construction Use of Land   | Yes             |
| Planning Permits for Construction Works        | Yes             |
| Permits for Commencement of Construction Works | Yes             |
| Commodity Housing Pre-sale Permits             | Yes             |
| Survey Reports                                 | Yes             |
| Business Licence                               | Yes             |
- (15) Liang Ruomiao, Senior Manager of DTZ Tianjin Office, inspected the property on 22 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-30. The property under construction known as Tianjin Beiyunhe Project, west of Jinpubei Road, Xiao Wang Zhuang, Hebei District, Tianjin, the PRC  (中華人民共和國天津市河北區小王莊津浦北路以西天津北運河項目)	<p>The property comprises residential portion of a composite development to be erected on a parcel of land with a total site area of 32,002 sq m.</p> <p>The property is situated in Hebei District. It is located to the west of Jinpu North Road and surrounded by Fudi Road, Mengjiashulin Street and Yangqiao Street. Developments in the vicinity comprise mainly residential buildings such as Tiantai Apartment, Yutai Jiayuan, etc. The property is served by public bus routes and subway.</p> <p>According to the development scheme provided to us, the property has a total planned gross floor area of 144,350.00 sq m.</p> <p>The land use rights of the property have been granted for a term due to expire on 2 September 2084 for residential use.</p>	The property is under construction and scheduled to be completed in 2017.	RMB1,198,000,000  (100% interest attributable to the Company: RMB1,198,000,000)

*Notes:*

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	90,750.00
Retail	14,400.00
Car Park	31,722.65
Others	7,477.35
<b>Total</b>	<b><u>144,350.00</u></b>

- (2) According to Real Estate Title Certificate No. 105051400037 dated 23 October 2014, the land use rights of the property comprising a total site area of 32,002 sq m are vested in Tianjin Xingtai Jihong Real Estate Co., Ltd. (天津興泰吉鴻置業有限公司) for terms due to expire on 2 September 2084 for residential use.

- (3) According to Grant Contract of State-owned Land Use Rights No. TJ11102014021 dated 22 July 2014, the land use rights of the property comprising a total site area of 62,817.20 sq m have been contracted to be granted to Tianjin Xingtai Jihong Real Estate Co., Ltd. (天津興泰吉鴻置業有限公司) for a term of 70 years for residential and for a term of 40 years for commercial use. The salient conditions are set out as follows:

Location	:	West of Jinpu North Road, Xiao Wang Zhuang, Hebei District, Tianjin
Land Use	:	Residential and commercial
Site Area	:	62,817.20 sq m
Land Use Term	:	70 years for residential and 40 years for commercial use
Permissible Gross Floor Area	:	231,850 sq m (including residential portion of 106,850 sq m and commercial portion of 125,000 sq m)
Land Premium	:	RMB2,087,000,000

- (4) According to Planning Permit for Construction Use of Land No. (2014) 0006 dated 25 August 2014, the construction site of the property with a total area of 32,002 sq m is in compliance with the urban planning requirements.

- (5) Details of the Planning Permits for Construction Works issued between 25 August 2014 and 2 February 2015 are set out as follows:

Permit No.	Location/Phase	Issue Date	Aboveground	Underground
			Gross Floor Area (sq m)	Gross Floor Area (sq m)
(2014) 0007	Rongdu Jiayuan	20 November 2014	27,496.50	1,014.88
(2015) 0001	Rongdu Jiayuan	2 February 2015	<u>79,353.50</u>	<u>36,485.12</u>
<b>Total</b>			<b><u>106,850.00</u></b>	<b><u>37,500.00</u></b>

- (6) Details of the Permits for Commencement of Construction Works issued between 5 December 2014 and 17 March 2015 are set out as follows:

Permit No.	Location/Phase	Issue Date	Gross Floor Area
			(sq m)
1201052014120501120	Block Nos. 1 and 2 of Rongdu Jiayuan and ancillary facilities Nos. 1 and 2	5 December 2014	28,511.40
1201052015031705120	Block Nos. 6, 7 and 8 of Rongdu Jiayuan and ancillary facilities Nos. 3, 5, 6 and 7	17 March 2015	21,704.97
1201052015031702120	Block Nos. 3-5, 9 and 10 of Rongdu Jiayuan and ancillary facilities Nos. 4 and 8 and basement car park	17 March 2015	94,133.65
<b>Total</b>			<b><u>144,350.02</u></b>

- (7) According to 3 Commodity Housing Pre-sale Permits issued by Tianjin Land Resources and Building Management Bureau (天津市國土資源和房屋管理局), the construction works of portions of the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
(2014)1187-001-002	Block Nos. 1 and 2 of Rongdu Jiayuan and ancillary facilities Nos. 1 and 2	2014/10/10	26,558.41
(2015)0276-001	Block No. 3 of Rongdu Jiayuan	2015/4/30	13,498.16
(2015)0277-001	Block Nos. 4 and 5 of Rongdu Jiayuan and ancillary facilities No. 4	2015/4/30	11,823.87
<b>Total</b>			<b><u>51,880.44</u></b>

- (8) The development value of the property as if completed as at the Valuation Date was RMB2,423,000,000.
- (9) According to the information provided by the Company, various units with a total gross floor area of 1,973.59 sq m of the property have been contracted to be sold for a consideration of approximately RMB37,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (10) According to the information provided by the Company, the construction cost incurred as at the Valuation Date was approximately RMB154,000,000. The estimated total construction cost was approximately RMB732,000,000. In the course of our valuation, we have taken into account such costs.
- (11) According to Business Licence No. 120105000133362 dated 18 June 2014, Tianjin Xingtai Jihong Real Estate Co., Ltd. (天津興泰吉鴻置業有限公司) was established as a limited liability company with a registered capital of RMB30,000,000 for a valid operation period from 18 June 2014 to 17 June 2064.
- (12) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Real Estate Title Certificate of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Tianjin Xingtai Jihong Real Estate Co., Ltd. (天津興泰吉鴻置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Tianjin Xingtai Jihong Real Estate Co., Ltd. (天津興泰吉鴻置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) No material legal impediment is observed for the Company to obtain the Real Estate Title Certificate (building portion); and
  - (v) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.



- (13) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Real Estate Title Certificate	Yes (land only)
Grant Contract of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permits for Construction Works	Yes
Permits for Commencement of Construction Works	Yes
Commodity Housing Pre-sale Permits	Yes
Business Licence	Yes

- (14) Wu Fan, Valuer of DTZ Tianjin Office, inspected the property on 20 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-31. The property under construction known as Yantai Sunny Chief Yard Project, phase 2 of lot 3, north of Huifu Street, east of Songxia Road, Fushan District, Yantai, Shandong Province, the PRC  (中華人民共和國 山東省 煙台市 福山區匯福街以北、 松霞路以東 煙台陽光首院 3號地塊2期項目)	<p>The property comprises a composite development to be erected on 1 parcel of land with a total site area of 53,685.11 sq m.</p> <p>The property is situated in Fushan District. It is located to the north of Huifu Street and east of Songxia Road. Developments in the vicinity comprise mainly residential buildings such as Tianfu Garden, Fuhao Garden, Fuxiang Xinyuan, Yinhe Mingdu, Huijing Wenyuan etc. The property is served by public bus routes.</p> <p>According to the development scheme provided to us, the property has a total planned gross floor area of 83,461.46 sq m.</p> <p>The land use rights of the property have been granted for terms due to expire on 27 September 2077 for residential use and due to expire on 27 September 2047 for commercial use.</p>	The property is under construction and scheduled to be completed in 2015.	RMB329,000,000  (100% interest attributable to the Company: RMB329,000,000)

*Notes:*

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	56,090.62
Retail	2,110.84
Car Park	25,260.00
<b>Total</b>	<b>83,461.46</b>

(2) According to Certificate for the Use of State-owned Land No. (2011) 30015 dated 11 May 2011, the land use rights of north of Huifu Street and east of Songxia Road comprising a total site area of 53,685.11 sq m are vested in Yantai Yangguang Lidu Real Estate Development Co., Ltd. (煙台陽光驪都房地產開發有限公司) for terms due to expire on 27 September 2077 for residential use and due to expire on 27 September 2047 for commercial use.

(3) According to Grant Contract of State-owned Land Use Rights No. Yantai-01-2010-0285 dated 14 July 2010 and its Supplemental Agreement, the land use rights of the property comprising a total site area of 53,984.909 sq m have been contracted to be granted to Yantai Yangguang Lidu Real Estate Development Co., Ltd. (煙台陽光驪都房地產開發有限公司) for a term of 40 years for commercial use and 70 years for residential use. The salient conditions are set out as follows:

Location	:	South to Huifu Road, North to Yangchang Road, West to Planned Road, East to Songxia Road
Land Use	:	Commercial and residential
Site Area	:	53,984.91 sq m
Land Use Term	:	40 years for commercial use and 70 years for residential use
Plot Ratio	:	2.38
Land Premium	:	RMB210,851,599.3

(4) According to Planning Permit for Construction Use of Land No. 370611201000076 dated 28 May 2010, the construction site of the property with a total area of 53,985.00 sq m is in compliance with the urban planning requirements.

(5) Details of the Planning Permits for Construction Works are set out as follows:

Permit No.	Phase	Issue Date	Gross Floor Area (sq m)
370611201300146	X05, 3 Car park	24 May 2013	35,649.00
370611201300147	D12-D17, X3, X4	24 May 2013	<u>48,232.00</u>
<b>Total</b>			<b><u>83,881.00</u></b>

(6) According to Permit for Commencement of Construction Works No. (2013) 072 dated 30 September 2013, the construction works of the property with a gross floor area of 83,881.00 sq m are in compliance with the requirements for works commencement and have been permitted.

- (7) According to the Commodity Housing Pre-sale Permits, the construction works of the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
2014-117	6 August 2014	36, 37	9,574.88
2014-045	28 April 2014	41, 42,52, 8-(25-63, 72-78)	21,162.61
2013-164	25 November 2013	38, 43, 54	19,060.95
2013-188	13 December 2013	53	8,403.01
<b>Total</b>			<b><u>58,201.45</u></b>

- (8) The development value of the property as if completed as at the Valuation Date was RMB435,000,000.
- (9) According to the information provided by the Company, various units with a total gross floor area of 56,144.24 sq m of the property have been contracted to be sold for a consideration of approximately RMB380,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (10) According to the information provided by the Company, the construction cost incurred as at the Valuation Date was approximately RMB159,000,000. The estimated total construction cost was approximately RMB204,000,000. In the course of our valuation, we have taken into account such costs.
- (11) According to Business Licence No. 370611000000454 dated 24 December 2010, Yantai Yangguang Lidu Real Estate Development Co., Ltd. (煙台陽光驪都房地產開發有限公司) was established as a limited liability company with a registered capital of RMB50,000,000 for a valid operation period from 24 December 2010 to 24 December 2030.
- (12) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Yantai Yangguang Lidu Real Estate Development Co., Ltd. (煙台陽光驪都房地產開發有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Yantai Yangguang Lidu Real Estate Development Co., Ltd. (煙台陽光驪都房地產開發有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) No material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
  - (v) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.

- (13) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Certificate for the Use of State-owned Land	Yes
Grant Contract of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permits for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Commodity Housing Pre-sale Permits	Yes
Business Licence	Yes

- (14) Han Qidong, Manager of DTZ Qingdao Office, inspected the property on 18 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-32. The property under construction known as Qingdao Chengyang Project, Phase 2, No. 6 Changcheng South Road, Chengyang District, Qingdao, Shandong Province, the PRC  (中華人民共和國 山東省 青島市 城陽區長城南路6號 青島城陽項目)	<p>The property comprises office, retail and car park portions of Phase 2 erected on a parcel of land with a total site area of 92,455 sq m.</p> <p>The property is situated in Chengyang District. It is located to the west of Changcheng South Road and surrounded by Yingbin Street and Minhang Street. Developments in the vicinity comprise mainly office buildings such as Advanced Business Park, Ziyue International Building. The property is served by public bus routes.</p> <p>According to the development scheme provided to us, the property has a total planned gross floor area of 122,512.61 sq m.</p> <p>The land use rights of the property have been granted for a term of 40 years due to expire on 30 January 2051 for commercial use.</p>	The property is under construction and scheduled to be completed in 2015.	RMB797,000,000  (100% interest attributable to the Company: RMB797,000,000)

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Apartment	58,132.14
Retail	17,018.39
Office	27,524.32
Car park	19,124.38
Others	713.38
<b>Total</b>	<b>122,512.61</b>

- (2) According to Real Estate Title Certificate No. 201162178 dated 25 July 2011, the land use rights of Airport International Centre comprising a total site area of 92,455 sq m are vested in Qingdao Xinli Weiye Real Estate Development Co., Ltd. (青島信立偉業房地產開發有限公司) for a term due to expire on 30 January 2051 for commercial use.
- (3) According to Grant Contract of State-owned Land Use Rights No. 01-2011-2008 dated 31 January 2011, comprising a total site area of 92,455.00 sq m have been contracted to be granted to Qingdao Xinli Weiye Real Estate Development Co., Ltd. (青島信立偉業房地產開發有限公司) for terms due to expire on 30 January 2051 for commercial use. The salient conditions are set out as follows:

Location	:	South of Minhang Road, Chengyang District
Land Use	:	Commercial
Site Area	:	92,455.00 sq m
Land Use Term	:	40 years for commercial use
Plot Ratio	:	No more than 2
Permissible Gross Floor Area	:	184,910.00 sq m
Land Premium	:	RMB406,802,000.00

- (4) According to Planning Permit for Construction Use of Land No. 370200201116086 dated 20 June 2011, the construction site of the property with a total area of 92,455.00 sq m is in compliance with the urban planning requirements.
- (5) According to Planning Permit for Construction Works No. 370200201216063 dated 29 September 2012, the construction works of phase 2 of the property with a permitted gross floor area of 123,348.17 sq m are in compliance with the construction works requirements and have been approved.
- (6) Details of the Permits for Commencement of Construction Works issued are set out as follows:

Permit No.	Phase	Issue Date	Gross Floor Area (sq m)
370214201305150101	2	15 May 2013	31,162.75
370214201305150201	2	15 May 2013	92,185.42
<b>Total</b>			<b><u>123,348.17</u></b>

- (7) According to the Commodity Housing Pre-sale Permits, the construction works of phase 2 of the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Phase	Gross Floor Area (sq m)
(13) 68	21 November 2013	2	58,349.80
(13) 41	12 June 2014	2	31,033.54
(14) 98	26 November 2014	2	13,291.51
<b>Total</b>			<b><u>102,674.85</u></b>

- (8) The development value of the property as if completed as at the Valuation Date was RMB1,025,000,000.

- (9) According to the information provided by the Company, various units with a total gross floor area of 8,649.47 sq m of the property have been contracted to be sold for a consideration of approximately RMB90,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (10) According to the information provided by the Company, the construction cost incurred as at the Valuation Date was approximately RMB350,000,000. The estimated total construction cost was approximately RMB404,000,000. In the course of our valuation, we have taken into account such costs.
- (11) According to Business Licence No. 370214230049266 dated 26 December 2012, Qingdao Xinli Weiye Real Estate Development Co., Ltd. (青島信立偉業房地產開發有限公司) was established as a limited liability company with a registered capital of RMB90,000,000 for a valid operation period from 24 February 2011 to 23 February 2031.
- (12) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Real Estate Title Certificate of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Qingdao Xinli Weiye Real Estate Development Co., Ltd. (青島信立偉業房地產開發有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Qingdao Xinli Weiye Real Estate Development Co., Ltd. (青島信立偉業房地產開發有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) No material legal impediment is observed for the Company to obtain the Real Estate Title Certificate (building portion); and
  - (v) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (13) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |   |                 |
|---|-----------------|
| Real Estate Title Certificate                 | Yes (land only) |
| Grant Contract of State-owned Land Use Right  | Yes             |
| Planning Permit for Construction Use of Land  | Yes             |
| Planning Permit for Construction Works        | Yes             |
| Permit for Commencement of Construction Works | Yes             |
| Commodity Housing Pre-sale Permits            | Yes             |
| Business Licence                              | Yes             |
- (14) Liu Qian, Manager of DTZ Qingdao Office, inspected the property on 23 March 2015.



Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-33. The property under construction known as Chengdu Qinglongchang Project, plots A and B, Groups 2, 3 and 4 of Donglin Community, Qinglong Street, Chenghua District, Chengdu, Sichuan Province, the PRC  (中華人民共和國四川省成都市成華區青龍街道東林社區2、3、4組A、B地塊，成都青龍場項目)	<p>The property comprises Phases 1 and 2 of a composite development to be erected on two parcels of land with a total site area of 87,311.96 sq m.</p> <p>The property is situated in Chenghua District. It is located to the east of Jingzhu Road, and surrounded by Dongjing Road, Dongtai Road and Longmian Street. Developments in the vicinity comprise mainly residential buildings such as Coco International Community, Haina Time, Jinke City, etc. The property is served by public bus routes and subway.</p> <p>According to the development scheme provided to us, the property has a total planned gross floor area of 371,638.55 sq m.</p> <p>The land use rights of the property have been granted for terms due to expire on 21 August 2054 for commercial use, due to expire on 21 August 2084 for residential use.</p>	The property is under construction and scheduled to be completed in 2016.	RMB1,823,000,000  (100% interest attributable to the Company: RMB1,823,000,000)

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	228,572.16
Retail	39,585.73
Car park	73,322.59
Others	30,158.07
<b>Total</b>	<b>371,638.55</b>

- (2) According to the Certificates for the Use of State-owned Land, the land use rights of the property are vested in Chengdu Capital Zhenghua Real Estate Co., Ltd. (成都首創正華置業有限公司) with key details as follows:

Certificate No.	Land Plot No.	Issue Date	Land Use	Land Use Term	Site Area (sq m)
				Expiry Date	
(2014) 274	CH55-7-51	19 August 2014	Residential, Commercial	Residential: 21 August 2084 Commercial: 21 August 2054	53,625.38
(2014) 275	CH55-7-52	19 August 2014	Residential, commercial	Residential: 21 August 2084 Commercial: 21 August 2054	33,686.58
<b>Total</b>					<b>87,311.96</b>

- (3) According to Grant Contract of State-owned Land Use Rights No. 510100-2014-B-020 dated 16 July 2014, the land use rights comprising a total site area of 87,311.96 sq m have been contracted to be granted to Chengdu Capital Zhenghua Real Estate Co., Ltd. (成都首創正華置業有限公司) for terms due to expire on 21 August 2084 for residential use, and due to expire on 21 August 2054 for commercial use. The salient conditions are set out as follows:

Location	: Group 3 and 4, Qinglong Street, Chenghua District
Land Use	: Residential
Site Area	: 87,311.96 sq m
Land Use Term	: 70 years for residential use and 40 years for commercial use
Plot Ratio detail	: For plot 1 the above ground GFA shall not be more than 155,513 sp m; for plot 2 the above ground GFA shall not be more than 101,059 sp m.
Land Premium	RMB1,211,019,840

- (4) According to Planning Permit for Construction Use of Land No. 510108201426141 dated 13 August 2014, the construction site of the property with a total area of 112,151.51 sq m is in compliance with the urban planning requirements.

- (5) Details of the Planning Permits for Construction Works are set out as follows:

Permit No.	Phase	Issue Date	Gross Floor Area (sq m)
510108201430199	Phase 1	15 September 2014	227,847.06
510108201430235	Phase 2	5 November 2014	146,018.41
<b>Total</b>			<b>373,865.47</b>

- (6) Details of the Permits for Commencement of Construction Works are set out as follows:

Permit No.	Phase	Issue Date	Gross Floor Area (sq m)
510101201411040201	Block Nos. 4-7 and 11 of Phase 1	4 November 2014	113,527.50
510101201411060401	Block Nos. 1-3 and 8-10 Phase 1	6 November 2014	114,319.56
510101201501300401	Block Nos. 1-7 Phase 2	30 January 2015	<u>146,018.41</u>
<b>Total</b>			<b><u><u>373,865.47</u></u></b>

- (7) According to the Commodity Housing Pre-sale Permits, the construction works of Block Nos. 1, 2, 3, 4, 5 and retail 8, 9, 10 were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
10573	25 November 2014	Block No. 2 of Phase 1	18,544.13
10592	4 December 2014	Block No. 3 of Phase 1	15,261.61
10614	16 December 2014	Block Nos. 4, 5 and 10 of Phase 1	41,379.93
10728	18 March 2015	Block No. 6 of Phase 1	15,295.88
10815	18 May 2015	Block Nos. 1, 7, 8 and 9 of Phase 1	<u>68,260.95</u>
Total			<b><u><u>158,742.50</u></u></b>

- (8) According to Pre-Survey Report, the property located in Land Plot A has a total gross floor area of 226,388.19 sq m and Plot B has a total gross floor area of 145,250.36 sq m.

- (9) The development value of the property as if completed as at the Valuation Date was RMB2,763,000,000.

- (10) According to the information provided by the Company, various units with a total gross floor area of 75,637.27 sq m of the property have been contracted to be sold for a consideration of approximately RMB545,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.

- (11) According to the information provided by the Company, the construction cost incurred as at the Valuation Date was approximately RMB392,000,000. The estimated total construction cost was approximately RMB1,072,000,000. In the course of our valuation, we have taken into account such costs.

- (12) According to Business Licence No. 510108000308243 dated 9 July 2014, Chengdu Capital Zhenghua Real Estate Co., Ltd. (成都首創正華置業有限公司) was established as a limited liability company with a registered capital of RMB30,000,000 for a valid operation period from 9 July 2014 to perpetuity.

- (13) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:

- (i) The Certificates for the Use of State-owned Land of the property are valid, legal and enforceable under the PRC laws;

- (ii) Chengdu Capital Zhenghua Real Estate Co., Ltd. (成都首創正華置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Chengdu Capital Zhenghua Real Estate Co., Ltd. (成都首創正華置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) No material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
  - (v) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (14) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |  |     |
|--|-----|
| Certificate for the Use of State-owned Land    | Yes |
| Grant Contract of State-owned Land Use Rights  | Yes |
| Planning Permit for Construction Use of Land   | Yes |
| Planning Permits for Construction Works        | Yes |
| Permits for Commencement of Construction Works | Yes |
| Commodity Housing Pre-sale Permits             | Yes |
| Survey Report                                  | Yes |
| Business Licence                               | Yes |
- (15) Zhang Lu, Assistant Valuer of DTZ Chengdu Office, inspected the property on 19 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-34. The property under construction known as Shenyang Yinhe Bay Project, No. 18 Donglinnan Street, Dongling District, Shenyang, Liaoning Province, the PRC  (中華人民共和國 遼寧省 瀋陽市 東陵區東陵南街18號 瀋陽銀河灣項目)	The property comprises Phases 2 and 3 of a composite development to be erected on two parcels of land with a total site area of 420,317 sq m.  The property is situated in Dongling District. It is located in the north of Binshui Road. Developments in the vicinity comprise mainly villa projects such as Notting Hill, YIDA Forever, etc. The property is served mainly by public bus routes.  According to the development scheme provided to us, the property has a total planned gross floor area of 75,793.46 sq m.  The land use rights of the property have been granted for a term due to expire on 23 March 2076 for residential use, and due to expire on 23 March 2046 for commercial use.	The property is currently under construction. It is scheduled to be completed in 2015.	RMB777,000,000  (50% interest attributable to the Company: RMB388,500,000)

*Notes:*

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Villa	72,469.75
Retail	1,869.53
Others	1,454.18
<b>Total</b>	<b><u><u>75,793.46</u></u></b>

- (2) According to Certificate for the Use of State-owned Land No. (2014) 049 dated 30 May 2014, the land use rights of the property comprising a total site area of 420,317 sq m are vested in Shenyang Jitian Real Estate Co., Ltd. (瀋陽吉天置業有限公司) for terms due to expire on 23 March 2076 for residential use, and due to expire on 23 March 2046 for commercial use.

- (3) According to Grant Contract of State-owned Land Use Rights No. 20060003 dated 23 November 2006, the land use rights of the property comprising a total site area of 471,350.21 sq m have been contracted to be granted to 瀋陽吉天置業有限公司 (Shenyang Jitian Real Estate Co., Ltd.). The salient conditions are set out as follows:

Location	:	Dongling District (Hunnan New District, Shenyang)
Land Use	:	Residential, Commercial
Site Area	:	471,350.21 sq m
Land Use Term	:	70 years for residential use and 40 years for commercial use
Plot Ratio	:	1.7
Land Premium	:	RMB456,043,945

- (4) Details of the Planning Permits for Construction Use of Land are set out as follows:

Permit No.	Project Name	Issue Date	Gross Site Area (sq m)	Gross Floor Area (sq m)
210112201012033	Residential, commercial	23 November 2010	88,752.00	36,541
210112201410008	Residential, commercial	29 May 2014	<u>242,598.14</u>	<u>36,541</u>
<b>Total</b>			<b><u>331,350.14</u></b>	<b><u>73,082</u></b>

- (5) Details of the Planning Permits for Construction Works are set out as follows:

Permit No.	Project Name	Issue Date	Gross Floor Area (sq m)
210112201410002	Residential, commercial (Phase 2)	30 June 2014	34,790.00
210112201410004	Residential, commercial (Phase 3)	31 July 2014	<u>40,559.68</u>
<b>Total</b>			<b><u>75,349.68</u></b>

- (6) Details of the Permits for Commencement of Construction Works the construction works of the property was in compliance with the requirement of work commencement and was permitted to be developed with a total gross floor area of approximately 75,349.68 sq m with key details as follows:

Permit No.	Project Name	Issue Date	Gross Floor Area (sq m)
210133201409160801	2-1 to 2-28	16 September 2014	19,380.60
210133201409160901	2-29 to 2-59	16 September 2014	15,409.40
210133201409161001	3-1 to 3-28	16 September 2014	<u>40,559.68</u>
<b>Total</b>			<b><u>75,349.68</u></b>

- (7) According to the Commodity Housing Pre-sale Permits, the construction works of the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
14447	23 September 2014	No. 28 Shenzhongda Street, Dongling District, Phase 1	28,433.28
14446	30 September 2014	No. 28 Shenzhongda Street, Dongling District, Phase 1	<u>33,780.47</u>
<b>Total</b>			<b><u>62,213.75</u></b>

- (8) The development value of the property as if completed as at the Valuation Date was RMB951,000,000.
- (9) According to the information provided by the Company, various units with a total gross floor area of 16,858.18 sq m of the property have been contracted to be sold for a consideration of approximately RMB111,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (10) According to the information provided by the Company, the construction cost incurred as at the Valuation Date was approximately RMB394,000,000. The estimated total construction cost was approximately RMB469,000,000. In the course of our valuation, we have taken into account such costs.
- (11) According to Business Licence No. 2101100400010154 dated 8 May 2014, Shenyang Jitian Real Estate Co., Ltd. (瀋陽吉天置業有限公司) was established as a limited liability company with a registered capital of USD40,000,000 for a valid operation period from 22 February 2006 until 21 February 2021.
- (12) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Shenyang Jitian Real Estate Co., Ltd. (瀋陽吉天置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Shenyang Jitian Real Estate Co., Ltd. (瀋陽吉天置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) No material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
  - (v) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.

- (13) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Certificate for the Use of State-owned Land	Yes
Grant Contract of State-owned Land Use Rights	Yes
Planning Permits for Construction Use of Land	Yes
Planning Permits for Construction Works	Yes
Permits for Commencement of Construction Works	Yes
Commodity Housing Pre-sale Permits	Yes (part)
Business Licence	Yes

- (14) Tian Yuan, Valuer of DTZ Shenyang Office, inspected the property on 20 March 2015.



Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-35. The property under construction known as Shenyang Shenzhong Street Project, Nos. 26 and 28 Shenzhongda Street, Dongling District, Shenyang, Liaoning Province, the PRC  (中華人民共和國 遼寧省 瀋陽市 東陵區沈中大街26及28號 瀋陽沈中大街)	<p>The property comprises Phases 1 and 4 of a composite development to be erected on two parcels of land with a total site area of 194,248.88 sq m.</p> <p>The property is situated in Dongling District. It is located in the west of Shenzhongda Street. Developments in the vicinity comprise mainly some new projects such as Zhonghaikang City, Huamao Plaza, etc. The property is served mainly by sky train.</p> <p>According to the development scheme provided to us, the property has a total planned gross floor area of 405,593.82 sq m.</p> <p>The land use rights of the property have been granted for the latest terms due to expire on 19 January 2084 for residential use, and due to expire on 19 January 2054 for commercial use.</p>	The property is under construction now. It is scheduled to be completed in 2015 for Phase 1, and 2016 for Phase 4.	RMB1,376,000,000  (100% interest attributable to the Company: RMB1,376,000,000)

*Notes:*

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	316,192.04
Retail	19,043.96
Car Park	48,473.38
Others	21,884.44
<b>Total</b>	<b>405,593.82</b>

- (2) According to the Certificates for the Use of State-owned Land, the land use rights of the property are vested in Shenyang Capital Xinyun Real Estate Co., Ltd. (瀋陽首創新運置業有限公司) with key details as follows:

Certificate No.	Issue Date	Land Use	Land Use Term		Site Area (sq m)
			Expiry Date		
(2014) 0999	20 February 2014	Residential, Commercial	Residential: 19 January 2084 Commercial: 19 January 2054		68,218.28
(2013) 07190931	14 August 2013	Residential, Commercial	Residential: 24 July 2083 Commercial: 24 July 2053		126,030.60
<b>Total</b>					<b><u>194,248.88</u></b>

- (3) According to the Grant Contracts of State-owned Land Use Rights, the land use rights of the property have been contracted to be granted to Shenyang Capital Xinyun Real Estate Co., Ltd. (瀋陽首創新運置業有限公司) with key details as follows:

Contract No.	Issue Date	Land Use	Land Use		Site Area (sq m)	Land Premium (RMB)
			Expiry Date	Plot Ratio		
2101122013A0020	11 March 2013	Residential, commercial	Residential: 19 January 2084 Commercial: 19 January 2054	Not more than 3.0, not less than 1.2	68,218.28	256,227,859.68
2101122013A0019	11 March 2013	Residential, commercial	Residential: 24 July 2083 Commercial: 24 July 2053	Not more than 3.0, not less than 1.2	126,030.64	473,371,083.84
<b>Total</b>					<b><u>194,248.92</u></b>	<b><u>729,598,943.52</u></b>

- (4) Details of the Planning Permits for Construction Use of Land are set out as follows:

Permit No.	Project Name	Issue Date	Gross Site	Gross Floor
			Area (sq m)	Area (sq m)
210112201300028	Residential, commercial	19 March 2013	68,218.28	204,654
210112201300027	Residential, commercial	19 March 2013	<u>126,030.64</u>	<u>378,091</u>
<b>Total</b>			<b><u>194,248.92</u></b>	<b><u>582,745</u></b>

(5) Details of the Planning Permits for Construction Works are set out as follows:

Permit No.	Project Name	Issue Date	Gross Floor Area (sq m)
210112201400044	Residential, commercial (Phase 1)	22 July 2014	206,233.23
210112201400053	Residential, commercial (Phase 2)	11 August 2014	36,283.59
210112201300105	Residential, commercial (Phase 1)	15 August 2013	<u>158,127.00</u>
<b>Total</b>			<b><u><u>400,643.82</u></u></b>

(6) Details of the Permits for Commencement of Construction Works are set out as follows:

Permit No.	Block No.	Issue Date	Gross Floor Area (sq m)
210130201409241901	3, 4, 12-14, S5-S7 and CK1 (part) of Phase 1, and 1 and 2 of Phase 2	24 September 2014	118,430.32
210130201409252301	5-11, S1-S4 and CK1 (part) of Phase 1	25 September 2014	124,086.50
210100201309183901	1, 2, 3, 5, 8, 12 and 13 of Phase 1	18 September 2013	73,892.00
210100201310160401	4 of Phase 1	16 October 2013	2,466.00
210100201310220901	6, 7, 9, 10, 11, 14, 15, 16 and CK1 of Phase 1	22 October 2013	<u>81,769.00</u>
<b>Total</b>			<b><u><u>400,643.82</u></u></b>

(7) According to the Commodity Housing Pre-sale Permits, the construction works of the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
13503	23 September 2013	No. 28 Shenzhongda Street, Dongling District Phase 1	30,062.56
13546	30 September 2013	No. 28 Shenzhongda Street, Dongling District Phase 1	12,620.72
13555	12 October 2013	No. 28 Shenzhongda Street, Dongling District Phase 1	15,030.04
13612	5 November 2013	No. 28 Shenzhongda Street, Dongling District Phase 1	64,222.58
14165	20 May 2014	No. 28 Shenzhongda Street, Dongling District Phase 1	<u>9,545.44</u>
<b>Total</b>			<b><u><u>121,481.34</u></u></b>

- (8) The development value of the property if completed as at the Valuation Date is RMB2,209,000,000.
- (9) According to the information provided by the Group, various units with a total gross floor area of 62,196.85 sq m of the property have been contracted to be sold for a consideration of approximately RMB325,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (10) According to the information provided by the Group, the construction cost incurred is approximately RMB703,000,000. The estimated total construction cost is approximately RMB1,451,000,000. In the course of our valuation, we have taken into account such costs.
- (11) According to Business Licence No. 210112000040545 dated 15 October 2014, Shenyang Capital Xinyun Real Estate Co., Ltd. (瀋陽首創新運置業有限公司) was established as a limited liability company with a registered capital of RMB20,000,000 for a valid operation period from 31 January 2013, described as “long-term”.
- (12) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificates for the Use of State-owned Land of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Shenyang Capital Xinyun Real Estate Co., Ltd. (瀋陽首創新運置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Shenyang Capital Xinyun Real Estate Co., Ltd. (瀋陽首創新運置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee’s consent in advance;
  - (iv) No material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
  - (v) All land premium stated in the Grant Contracts of State-owned Land Use Rights has been paid and settled.
- (13) In accordance with the information provided by the Group, the status of title and grant of major approvals and licences are set out as follows:
- |  |            |
|--|------------|
| Certificates for the Use of State-owned Land   | Yes        |
| Grant Contracts of State-owned Land Use Rights | Yes        |
| Planning Permits for Construction Use of Land  | Yes        |
| Planning Permits for Construction Works        | Yes        |
| Permits for Commencement of Construction Works | Yes        |
| Commodity Housing Pre-sale Permits             | Yes (part) |
| Business Licence                               | Yes        |
- (14) Jeffery Wang, Real Estate Valuer of DTZ Shenyang Office, inspected the property on 18 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-36. The property under construction known as Chongqing Hong'ensi Project, Phase 4, Jiangbei District, Chongqing, the PRC  (中華人民共和國重慶市江北區重慶鴻恩寺項目)	<p>The property comprises Phase 4 of Hong'en International Living District of a composite development to be erected on a parcel of land with a total site area of 152,470.20 sq m.</p> <p>The property is situated in Jiangbei District. It is located to the East of Hongyuan Road and surrounded by Hongshi Road, Hongyuan Road and Hong'en Third Road. Developments in the vicinity comprise mainly Residential buildings such as Huarun Centre Park, Dongyuan Dream Town 7, etc. The property is served by public bus routes.</p> <p>According to the development scheme provided to us, the property has a total planned gross floor area of 135,113.22 sq m.</p> <p>The land use rights of the property have been granted for terms of 50 years due to expire on 15 November 2059 for residential use and 40 years due to expire on 15 November 2049 for commercial use.</p>	The property is under construction and scheduled to be completed in 2015.	RMB830,000,000  (100% interest attributable to the Company: RMB830,000,000)

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	87,139.49
Retail	23,174.91
Car Park	24,798.82
<b>Total</b>	<b>135,113.22</b>

- (2) According to Real Estate Title Certificate No. (2015) 00084 dated 3 February 2015, the land use rights of grant comprising a total site area of 152,470.20 sq m are vested in Chongqing Xinshi Real Estate Development Co., Ltd. (重慶首創新石置業有限公司) for terms due to expire on 15 November 2049 for commercial use and due to expire on 15 November 2059 for composite use.
- (3) According to Grant Contract of State-owned Land Use Rights No. (2009) 136 dated 10 November 2009, the land use rights of the property comprising a total site area of 229,314 sq m have been contracted to be granted to Chongqing Xinshi Real Estate Development Co., Ltd. (重慶首創新石置業有限公司) for terms due to 70 years for residential use. The salient conditions are set out as follows:

Location	:	K03-2/02, K, Dashiba Group, Jiangbei District
Land Use	:	Residential
Site Area	:	229,314 sq m
Land Use Term	:	70 years for residential use
Plot Ratio	:	Not more than 3.5
Permissible Gross Floor Area	:	802,598.125 sq m
Land Premium	:	RMB588,560,000

- (4) According to Planning Permit for Construction Use of Land No. 500105200900568 dated 25 November 2009, the construction site of the property with a total area of 229,313.75 sq m is in compliance with the urban planning requirements.
- (5) According to Planning Permit for Construction Works No. 500105201200113 dated 13 December 2012, the construction works of the property with a permitted gross floor area of 135,275.56 sq m are in compliance with the construction works requirements and have been approved.
- (6) According to Permit for Commencement of Construction Works No. 500000201311220101 dated 22 November 2013, the construction works of the property with a gross floor area of 135,275.56 sq m are in compliance with the requirements for works commencement and have been permitted.
- (7) According to the Commodity Housing Pre-sale Permits, the construction works of the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Block No.	Gross Floor Area (sq m)
(2014) 508	19 June 2014	1	43,569.83
(2014) 1102	21 November 2014	Parts of 1 and 2	55,802.79
(2015) 428	12 June 2015	3	<u>10,941.78</u>
<b>Total</b>			<b><u><u>110,314.40</u></u></b>

- (8) The development value of the property as if completed as at the Valuation Date was RMB1,185,000,000.
- (9) According to the information provided by the Company, various units with a total gross floor area of 89,561.97 sqm of the property have been contracted to be sold for a consideration of approximately RMB670,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.

- (10) According to the information provided by the Company, the construction cost incurred as at the Valuation Date was approximately RMB265,000,000. The estimated total construction cost was approximately RMB402,000,000. In the course of our valuation, we have taken into account such costs.
- (11) According to Business Licence No. 500000400015638 dated 23 April 2008, Chongqing Xinshi Real Estate Development Co., Ltd. (重慶首創新石置業有限公司) was established as a limited liability company with a registered capital of USD95,000,000 for a valid operation period from 23 April 2008 to 24 March 2028.
- (12) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Real Estate Title Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Chongqing Xinshi Real Estate Development Co., Ltd. (重慶首創新石置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Chongqing Xinshi Real Estate Development Co., Ltd. (重慶首創新石置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) No material legal impediment is observed for the Company to obtain the Real Estate Title Certificate (building portion); and
  - (v) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (13) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |   |                 |
|---|-----------------|
| Real Estate Title Certificate                 | Yes (land only) |
| Grant Contract of State-owned Land Use Rights | Yes             |
| Planning Permit for Construction Use of Land  | Yes             |
| Planning Permit for Construction Works        | Yes             |
| Permit for Commencement of Construction Works | Yes             |
| Commodity Housing Pre-sale Permits            | Yes             |
| Business Licence                              | Yes             |
- (14) Hu Yu, Assistant Valuer of DTZ Chongqing Office, inspected the property on 19 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-37. The property under construction known as Jiangsu Jiangyin Yuyue Project, Phase 2, east of Yingui Road, south of Mudan Road, west of Jingui Road, north of Beihenghe Road, Wushanwan, Jiangyin, Jiangsu Province, the PRC  (中華人民共和國江蘇省江陰市敵山灣銀桂路東、牡丹路南、金桂路西、北橫河路北側首創瑞府二期江蘇江陰敵悅項目)	The property comprises Phase 2 of a composite development to be erected on a parcel of land with a total site area of 41,629.00 sq m.  The property is situated in Jiangyin. It is located to east of Yingui Road, south of Mudan Road, west of Jingui Road, north of Beihenghe Road. Developments in the vicinity comprise mainly residential buildings such as Ai Jia Ming Di, Jing Ke Dong Fang Wang Fu, etc.  The property is served by public bus routes.  According to the development scheme provided to us, the property has a total planned gross floor area of 141,405.08 sq m.  The land use rights of the property have been granted for terms due to expire on 17 August 2081 for residential use and due to expire on 17 August 2051 for commercial use.	The property is under construction and scheduled to be completed in 2017.	RMB459,000,000  (100% interest attributable to the Company: RMB459,000,000)

*Notes:*

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	101,081.11
Retail	11,095.22
Car Park	7,730.00
Civil Defence	14,852.47
Ancillary Facilities	6,646.28
<b>Total</b>	<b>141,405.08</b>



(2) According to Certificate for the Use of State-owned Land No. (2012) 97 dated 6 January 2012, the land use rights of the property comprising a total site area of 41,629.00 sq m are vested in Jiangyin Yuyue Real Estate Development Co., Ltd. (江陰啟悅置業有限公司) for terms due to expire on 17 August 2081 for residential use and due to expire on 17 August 2051 for commercial use.

(3) According to Grant Contract of State-owned Land Use Rights No. 3202812011CR0181 dated 15 August 2011, the land use rights of the property comprising a total site area of 78,258.00 sq m have been contracted to be granted to Jiangyin Yuyue Real Estate Development Co., Ltd. (江陰啟悅置業有限公司) for terms due to 70 years for residential use and 40 years for commercial use. The salient conditions are set out as follows:

Location	:	East of Yingui Road, south of Mudan Road, west of Jingui Road, north of Beihenghe Road, Wushanwan
Land Use	:	Residential, Commercial, Villa prohibited
Site Area	:	78,258.00 sq m
Land Use Term	:	70 years for residential use and 40 years for commercial use
Plot Ratio	:	2.0 to 2.2
Permissible Gross	:	156,516.00 sq m to 172,167.60 sq m
Floor Area	:	
Land Premium	:	RMB489,000,000

(4) According to Planning Permit for Construction Use of Land No. 320281201100360 issued by the Planning Bureau of Jiangyin on 23 November 2011, the construction site of the property with a total area of 78,258.00 sq m is in compliance with the urban planning requirements.

(5) According to Planning Permit for Construction Works No. 320281201200360 dated 17 December 2012, the construction works of the property with a permitted gross floor area of 114,296.08 sq m are in compliance with the construction works requirements and have been approved.

(6) According to Permit for Commencement of Construction Works No. 320281020130081 dated 2 April 2013, the construction works of the property with a gross floor area of 114,296.08 sq m are in compliance with the requirements for works commencement and have been permitted.

(7) According to the information provided by the Company, the construction cost incurred as at the Valuation Date was approximately RMB93,000,000. The estimated total construction cost was approximately RMB457,000,000. In the course of our valuation, we have taken into account such costs.

(8) The development value of the property as if completed as at the Valuation Date was RMB1,006,000,000.

(9) According to Business Licence No. 320281400012940 dated 17 November 2011, Jiangyin Yuyue Real Estate Development Co., Ltd. (江陰啟悅置業有限公司) was established as a limited liability company with a registered capital of USD49,000,000 for a valid operation period from 09 September 2011 to 08 September 2061.

(10) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:

(i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;

- (ii) Jiangyin Yuyue Real Estate Development Co., Ltd. (江陰啟悅置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
- (iii) Jiangyin Yuyue Real Estate Development Co., Ltd. (江陰啟悅置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
- (iv) No material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
- (v) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (11) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |   |     |
|---|-----|
| Certificate for the Use of State-owned Land   | Yes |
| Grant Contract of State-owned Land Use Rights | Yes |
| Planning Permits for Construction Use of Land | Yes |
| Planning Permit for Construction Works        | Yes |
| Permit for Commencement of Construction Works | Yes |
| Business Licence                              | Yes |
- (12) Chen Qing, Valuer of DTZ Shanghai Office, inspected the property on 19 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-38. The property under construction known as Phase II of Joyous House, south of Nanweisi Road, Zhenjiang New District, Zhenjiang City, Jiangsu Province, the PRC  (中華人民共和國江蘇省鎮江市鎮江新區南緯四路以南首創悅府二期在建部分)	The property comprises Phase II of a composite development to be erected on a parcel of land with a total site area of 56,717.10 sq m.  Phase II is situated in Zhenjiang New District. It is located at the south of Nanweisi Road and surrounded by Jingqi Street, Sipingshan Street, Qiushan Road and Lvpu Street. Developments in the vicinity comprise mainly residential buildings such as Yinhu Garden, etc. The property is served by public bus routes and taxis.  According to the development scheme provided to us, the property has a total planned gross floor area of 135,784.55 sq m.  The land use rights of the property have been granted for a term of 70 years due to expire on 18 August 2081 for residential use.	The property is under construction and scheduled to be completed in 2015.	RMB537,000,000  (100% interest attributable to the Company: RMB537,000,000)

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	112,658.68
Club	1,782.70
Car Park	19,991.27
Others	1,351.90
<b>Total</b>	<b><u>135,784.55</u></b>

- (2) According to Certificate for the Use of State-owned Land No. (2011) 9619 dated 23 September 2011, the land use rights of Phase II comprising a total site area of 56,717.10 sq m are vested in Zhenjiang Xianji Real Estate Development Co., Ltd. (鎮江先基置業有限公司) for terms due to expire on 18 August 2081 for residential use.

- (3) According to Grant Contract of State-owned Land Use Rights No. 3211012011CR0041 dated 25 May 2011, the land use rights of the property comprising a total site area of 56,718.00 sq m have been contracted to be granted to Zhengjiang Xianji Real Estate Development Co., Ltd. (鎮江先基置業有限公司). The salient conditions are set out as follows:

Location	:	South of Nanweisi Road, North of Huanyuanxi Road
Land Use	:	Residential, ancillary facilities
Site Area	:	56,718 sq m
Land Use Term	:	70 years for residential use and 50 years for ancillary facilities use
Plot Ratio	:	Not more than 2.0, not less than 1.0
Land Premium	:	RMB228,000,000

- (4) According to Planning Permit for Construction Use of Land No. 321101201300035 issued by the Land Planning Bureau of Administration Committee of Zhenjiang on 16 May 2013, the construction site of the property with a total area of 56,717.10 sq m is in compliance with the urban planning requirements.
- (5) Details of 16 Planning Permits for Construction Works issued by the Land Planning Bureau of Administration Committee of Zhenjiang are set out as follows:

Permit No.	Building/Phase	Issue Date	Gross Floor Area (sq m)
321101201300236	Block No. 20 Phase II	8 June 2013	13,301.80
321101201300237	Underground Car Parks/Phase II	8 June 2013	18,100.27
321101201300238	Block No. 22 Community Service/Phase II	8 June 2013	1,782.70
321101201300239	Guard/Phase II	8 June 2013	16.00
321101201300240	Block No. 23 Phase II	8 June 2013	13,958.04
321101201300241	Block No. 24 Phase II	8 June 2013	13,958.04
321101201300242	Block No. 25 Phase II	8 June 2013	13,958.04
321101201300243	Block No. 26 Phase II	8 June 2013	6,662.02
321101201300244	Block No. 27 Phase II	8 June 2013	13,844.84
321101201300245	Block No. 28 Phase II	8 June 2013	6,006.79
321101201300246	Block No. 29 Phase II	8 June 2013	13,844.84
321101201300247	Block No. 30 Phase II	8 June 2013	4,030.49
321101201300248	Block No. 31 Phase II	8 June 2013	4,122.95
321101201300249	Block No. 32 Phase II	8 June 2013	3,809.30
321101201300250	Block No. 33 Phase II	8 June 2013	3,809.30
321101201300251	Block No. 21 Phase II	8 June 2013	4,579.23
<b>Total</b>			<b><u>135,784.65</u></b>

- (6) According to Permit for Commencement of Construction Works No. 321102201308080101 issued by Housing and Construction Bureau of Zhenjiang on 8 August 2013, the construction works of Phase II of the property with a gross floor area of 135,767.95 sq m are in compliance with the requirements for works commencement and have been permitted.

- (7) According to Commodity Housing Pre-sale Permits, the construction works of portions of the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Building/Phase	Gross Floor Area (sq m)
133037	30 August 2013	Block No. 20 Phase II	13,030.84
143010	7 May 2014	Block Nos. 21, 27 and 29 Phase II	30,372.93
133043	17 October	Block Nos. 23 and 25 Phase II	27,070.68
143009	30 April 2014	Block Nos. 30 and 31 Phase II	8,479.96
133049	20 December 2013	Block Nos. 24, 32 and 33 Phase II	<u>21,216.16</u>
<b>Total</b>			<b><u><u>100,170.57</u></u></b>

- (8) The development value of the property if completed as at the Valuation Date is RMB548,000,000.
- (9) According to the information provided by the Group, various units with a total gross floor area of 102,140.55 sq m of the property have been contracted to be sold for a consideration of approximately RMB444,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (10) According to the information provided by the Group, the construction cost incurred is approximately RMB341,000,000. The estimated total construction cost is approximately RMB382,000,000. In the course of our valuation, we have taken into account such costs.
- (11) According to Business Licence No. 321100400016848 dated 15 November 2010, Zhenjiang Xianji Real Estate Development Co., Ltd. (鎮江先基置業有限公司) was established as a limited liability company with a registered capital of USD30,000,000 for a valid operation period from 15 November 2010 to 10 November 2060.
- (12) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
  - (ii) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled;
  - (iii) Zhenjiang Xianji Real Estate Development Co., Ltd. (鎮江先基置業有限公司) is the sole legal land user of the property and have obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iv) Zhenjiang Xianji Real Estate Development Co., Ltd. (鎮江先基置業有限公司) has the rights to freely lease, transfer, mortgage and dispose of the land use rights of the property; and
  - (v) No material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property.

- (13) In accordance with the information provided by the Group, the status of title and grant of major approvals and licences are set out as follows:

Certificate for the Use of State-owned Land	Yes
Grant Contract of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Commodity Housing Pre-sale Permit	Yes (part)
Business Licence	Yes

- (14) Xu Wen, Manager of DTZ Shanghai Office, inspected the property on 2 April 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-39. The property under construction known as Kunshan Jinxi Project, Phase 2, west of Jiangpu Road, Jinxi Town, Kunshan, Jiangsu Province, the PRC  (中華人民共和國江蘇省昆山市錦溪鎮江浦路西側昆山錦溪項目二期)	The property comprises Phase 2 of a composite development to be erected on a parcel of land with a total site area of 197,585.70 sq m.  Kunshan Jinxi Project is situated in Jinxi Town. It is located to the west of Jiangpu Road, and surrounded by Jinshang Highway. Developments in the vicinity comprise mainly residential buildings such as Yihong Lanxi, La Vill De Fontainebleau, etc. The property is served by public bus routes.  According to the development scheme provided to us, the property has a total planned gross floor area of 69,395.24 sq m.  The land use rights of the property have been granted for terms due to expire on 9 August 2052 for commercial use and due to expire on 9 August 2082 for residential use.	The property is under construction and scheduled to be completed in 2016.	RMB145,000,000  (51% interest attributable to the Company: RMB73,950,000)

*Notes:*

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Villa	3,841.12
Townhouse	20,836.82
Superposition Villa	4,792.00
Apartment	8,160.00
Retail	17,869.30
Management Room	1,636.00
Kindergarten	4,300.00
Car Park	7,960.00
<b>Total</b>	<b><u>69,395.24</u></b>

- (2) According to Certificate for the Use of State-owned Land No. (2012) 2012119051 dated 21 August 2012, the land use rights of the land parcel comprising a total site area of 197,585.70 sq m are vested in Capital Qinglv Real Estate (Kunshan) Co., Ltd. (首創青旅置業(昆山)有限公司) for terms due to expire on 9 August 2052 for commercial use and due to expire on 9 August 2082 for residential use.

As advised by the Company, the property comprises portions of the site area as stated in the Certificate for the Use of State-owned Land mentioned above.

- (3) According to Grant Contract of State-owned Land Use Rights No. 3205832012CR0123 dated 15 June 2012, the land use rights of the land parcel comprising a total site area of 197,585.70 sq m have been contracted to be granted to Capital Qinglv Real Estate (Kunshan) Co., Ltd. (首創青旅置業(昆山)有限公司) for a term of 40 years for commercial use and 70 years for residential use. The salient conditions are set out as follows:

Location	:	West of Jiangpu Road, Jinxi Town, Kunshan
Land Use	:	Commercial and residential
Site Area	:	197,585.70 sq m
Land Use Term	:	40 years for commercial use and 70 years for residential use
Plot Ratio	:	Not less than 0.6, not more than 1.0
Land Premium	:	RMB235,126,983

As advised by the Company, the property comprises portions of the site area as stated in the Certificate for the Use of State-owned Land mentioned above.

- (4) According to Planning Permit for Construction Use of Land No. 20120278 dated 31 December 2012, the construction site of the land parcel with a total area of 197,585.70 sq m is in compliance with the urban planning requirements.
- (5) Details of the Planning Permits for Construction Works are set out as follows:

Permit No.	Block No.	Issue Date	Gross Floor Area (sq m)
320583201330830	2-7	11 April 2013	552.60
320583201330829	2-8	11 April 2013	552.60
320583201330828	2-9	11 April 2013	552.60
320583201330826	2-12	11 April 2013	771.64
320583201330825	2-13	11 April 2013	771.64
320583201330818	5-1 (Commercial)	11 April 2013	1,341.36
320583201330817	5-2 (Culture House)	11 April 2013	1,153.94
320583201530013	5-3	19 January 2015	2,546.88
320583201530014	9-1	19 January 2015	775.24
320583201530015	9-2	19 January 2015	775.24
320583201530016	9-3	19 January 2015	1,225.14
320583201530017	9-4	19 January 2015	1,700.98
320583201530018	9-5	19 January 2015	921.62
320583201530019	9-6	19 January 2015	1,761.03
320583201530020	10-1	19 January 2015	1,178.08
320583201530021	10-2	19 January 2015	615.36
320583201530022	10-3	19 January 2015	853.78



Permit No.	Block No.	Issue Date	Gross Floor Area (sq m)
320583201530023	10-4	19 January 2015	1,276.76
320583201530024	10-5	19 January 2015	1,700.98
320583201530025	10-6	19 January 2015	1,226.52
320583201530026	10-7	19 January 2015	1,700.98
320583201530027	10-8	19 January 2015	920.24
320583201530028	10-9	19 January 2015	920.24
320583201530029	10-10	19 January 2015	853.78
320583201530030	10-11	19 January 2015	615.36
320583201530031	10-12	19 January 2015	853.78
320583201530032	11-1	19 January 2015	6,718.34
320583201530033	11-2 and 11-3	19 January 2015	6,513.04
<b>Total</b>			<b><u>41,349.75</u></b>

(6) According to Permit for Commencement of Construction Works No. 3205832015032401 dated 24 March 2015, the construction works of the property with a gross floor area of 35,653.37 sq m are in compliance with the requirements for works commencement and have been permitted.

(7) According to the Commodity Housing Pre-sale Permits, the construction works of portions of the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Location	Gross Floor Area (sq m)
(2015) No. 044	29 April 2015	West side of Jiangpu Road, north side of Tongzhou Highway	1,761.03
(2015) No. 045	29 April 2015	West side of Jiangpu Road, north side of Tongzhou Highway	6,697.78
(2015) No. 070	28 May 2015	West side of Jiangpu Road, north side of Tongzhou Highway	10,238.22
(2015) No. 071	28 May 2015	West side of Jiangpu Road, north side of Tongzhou Highway	1,178.08
<b>Total</b>			<b><u>19,875.11</u></b>

(8) The development value of the property as if completed as at the Valuation Date was RMB608,000,000.

(9) According to the information provided by the Company, various units with a total gross floor area of 7,388.76 sq m of the property have been contracted to be sold for a consideration of approximately RMB85,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.

(10) According to the information provided by the Company, the construction cost incurred as at the Valuation Date was approximately RMB19,000,000. The estimated total construction cost was approximately RMB327,000,000. In the course of our valuation, we have taken into account such costs.

- (11) According to Business Licence No. 320583000201206050181N dated 5 June 2015, Capital Qinglv Real Estate (Kunshan) Co., Ltd. (首創青旅置業(昆山)有限公司) was established as a limited liability company with a registered capital of RMB300,000,000 for a valid operation period until 21 May 2062.
- (12) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Capital Qinglv Real Estate (Kunshan) Co., Ltd. (首創青旅置業(昆山)有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Portion of the relevant certificates and approval from the government in respect of the construction of the property are in the process of application;
  - (iv) Capital Qinglv Real Estate (Kunshan) Co., Ltd. (首創青旅置業(昆山)有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (v) No material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
  - (vi) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (13) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |  |            |
|--|------------|
| Certificate for the Use of State-owned Land    | Yes        |
| Grant Contract of State-owned Land Use Rights  | Yes        |
| Planning Permit for Construction Use of Land   | Yes        |
| Planning Permits for Construction Works        | Yes (part) |
| Permits for Commencement of Construction Works | Yes (part) |
| Commodity Housing Pre-sale Permits             | Yes (part) |
| Business Licence                               | Yes        |
- (14) Deng Yu, Manager of DTZ Shanghai Office, inspected the property on 19 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-40. The property under construction known as Qingdao Central Park No. 1 Project, Phases 3 and 4, east of G308, south of Xingyang Road, Chengyang District, Qingdao, Shandong Province, the PRC  (中華人民共和國 山東省 青島市 城陽區308國道東興陽路南 青島公園1號項目三、四期 青島公園1號項目)	The property comprises Phases 3 and 4 of a composite development to be erected on a parcel of land with a total site area of 9,352.00 sq m.  The property is situated in Chengyang District. It is located to the southeast of Changcheng Road and surrounded by Chongqingbei Street, Heilongjiang Street and Liyang Street. Developments in the vicinity comprise mainly residential buildings such as Vanke Meilizhicheng, Baolong City Plaza, etc. The property is served by public bus routes.  According to the development scheme provided to us, the property has a total planned gross floor area of 25,547.49 sq m.  The land use rights of the property have been granted for a term of 40 years due to expire on 23 October 2047 for commercial use.	The property is under construction and scheduled to be completed in 2016.	RMB82,000,000  (100% interest attributable to the Company: RMB82,000,000)

*Notes:*

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Apartment	19,221.00
Retail	1,893.49
Car Park	4,433.00
<b>Total</b>	<b>25,547.49</b>

- (2) According to Real Estate Title Certificate No. 20083592 dated 3 March 2008, the land use rights of phases 3 and 4 comprising a total site area of 9,352.00 sq m are vested in Qingdao Yangguang Binhai Properties Co., Ltd. (青島陽光濱海置業有限公司) for terms due to expire on 23 October 2047 for commercial use.

- (3) According to Grant Contract of State-owned Land Use Rights No. (2007) 121 dated 24 October 2007, the land use rights of the land parcel comprising a total site area of 81,016.00 sq m have been contracted to be granted to Qingdao Yangguang Binhai Properties Co., Ltd. (青島陽光濱海置業有限公司) for a term of 40 years for commercial use and 50 years for residential use. The salient conditions are set out as follows:

Location	:	South of Xingyang Road, East of G308, Liuting Avenue
Land Use	:	Commercial and residential
Site Area	:	81,016.00 sq m
Land Use Term	:	40 years for commercial use and 50 years for residential use
Plot Ratio	:	Not more than 1.5
Land Premium	:	RMB380,639,400

- (4) According to Planning Permit for Construction Use of Land No. 370200200816002 dated 25 March 2008, the construction site of the property with a total area of 9,352.00 sq m is in compliance with the urban planning requirements.

- (5) Details of the Planning Permits for Construction Works are set out as follows:

Permit No.	Phase	Issue Date	Gross Floor Area (sq m)
370200201116089	3	21 October 2011	1,978.00
370200201116091	4	21 October 2011	24,263.00
<b>Total</b>			<b><u>26,241.00</u></b>

- (6) Details of the Permits for Commencement of Construction Works are set out as follows:

Permit No.	Phase	Issue Date	Gross Floor Area (sq m)
370214200911260101	3	14 November 2014	73,687.00
370214201412170101	4	17 December 2014	23,654.00
<b>Total</b>			<b><u>97,341.00</u></b>

- (7) According to Commodity Housing Pre-sale Permit No. (14) 99, phase 3 of the property with a total gross floor area of 1,893.49 sq m was permitted for pre-sale.

- (8) The development value of the property as if completed as at the Valuation Date was RMB204,000,000.

- (9) According to the information provided by the Company, the construction cost incurred as at the Valuation Date was approximately RMB21,000,000. The estimated total construction cost was approximately RMB95,000,000. In the course of our valuation, we have taken into account such costs.

- (10) According to Business Licence No. 370214018019683 dated 8 December 2011, Qingdao Yangguang Binhai Properties Co., Ltd. (青島陽光濱海置業有限公司) was established as a limited liability company with a registered capital of RMB50,000,000 for a valid operation period from 23 October 2007 to 23 October 2027.

(11) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:

- (i) The Real Estate Title Certificate of the property is valid, legal and enforceable under the PRC laws;
- (ii) Qingdao Yangguang Binhai Properties Co., Ltd. (青島陽光濱海置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
- (iii) Qingdao Yangguang Binhai Properties Co., Ltd. (青島陽光濱海置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
- (iv) No material legal impediment is observed for the Company to obtain the Real Estate Title Certificate (building portion); and
- (v) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.

(12) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Real Estate Title Certificate	Yes (land only)
Grant Contract of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permits for Commencement of Construction Works	Yes
Commodity Housing Pre-sale Permits	Yes
Business Licence	Yes

(13) Liu Qian, Manager of DTZ Qingdao Office, inspected the property on 23 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-41. The property under construction known as Qingdao Yangbuzhai Project, No. 1 Changcheng Road, Chengyang District, Qingdao, Shandong Province, the PRC  (中華人名共和國 山東省 青島市 城陽區 長城路1號 青島楊埠寨項目)	<p>The property comprises Phase 1 of a composite development to be erected on two parcels of land with a total site area of 41,450 sq m.</p> <p>The property is situated in Chengyang District. It is located to the southeast of Changcheng Road and surrounded by Chongqingbei Street, Heilongjiang Street and Liyang Street. Developments in the vicinity comprise mainly residential buildings such as Vanke Meilizhicheng, Baolong City Plaza, etc. The property is served by public bus routes.</p> <p>According to the development scheme provided to us, the property has a total planned gross floor area of 66,663.05 sq m.</p> <p>The land use rights of the property have been granted for a term of 70 years due to expire on 12 June 2081 for residential use.</p>	The property is under construction and scheduled to be completed in 2015.	<p>RMB365,000,000</p> <p>(100% interest attributable to the Company: RMB365,000,000)</p>

*Notes:*

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	51,902.83
Affordable Housing	4,019.80
Price-limit Housing	1,772.25
Retail	1,045.42
Car park	3,970.00
Others	3,952.75
<b>Total</b>	<b>66,663.05</b>

- (2) According to the Real Estate Title Certificates, the land use rights of the property are vested in Qingdao Yangguang Binhai Properties Co., Ltd. (青島陽光濱海置業有限公司) with key details as follows:

Certificate No.	Land Plot No.	Issue Date	Land Use	Nature of land use rights	Land Use Term Expiry Date	Site Area (sq m)
201252209	1400300100004	3 May 2012	Residential	granted land	12 June 2081	38,805.40
201252215	1400300100004	3 May 2012	Residential	allocated land	-	2,644.60
Total						<u>41,450.00</u>

- (3) According to Grant Contract of State-owned Land Use Rights No. Qingdao-01-2011-2038 dated 13 June 2011, the land use rights of the property comprising a total site area of 41,450 sq m have been contracted to be granted to Qingdao Yangguang Binhai Properties Co., Ltd. (青島陽光濱海置業有限公司). The salient conditions are set out as follows:

Location	:	East of 308 Highway, Chengyang District
Land Use	:	Residential
Site Area	:	41,450 sq m
Land Use Term	:	70 years for residential use
Plot Ratio	:	1.7
Permissible Gross Floor Area	:	58,208.10 sq m
Land Premium	:	RMB155,415,627

- (4) According to Planning Permit for Construction Use of Land No. 370200201216008 dated 12 March 2012, the construction site of the property with a total area of 41,450.00 sq m is in compliance with the urban planning requirements.
- (5) According to Planning Permit for Construction Works No. 370200201316031 dated 25 April 2013, the construction works of the property with a permitted gross floor area of 77,343.85 sq m are in compliance with the construction works requirements and have been approved.
- (6) According to Permit for Commencement of Construction Works No. 370214201309030101 dated 3 September 2013, the construction works of the property with a gross floor area of 77,343.85 sq m are in compliance with the requirements for works commencement and have been permitted.

- (7) According to the Commodity Housing Pre-sale Permits, the construction works of the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Type of Property	Gross Floor Area (sq m)
13- 65	5 November 2013	residential	22,932.87
14-10	27 March 2014	residential	30,015.38
(2013) 015	19 November 2013	residential	4,019.80
(2013) 011	19 November 2013	residential	<u>1,772.25</u>
<b>Total</b>			<b><u><u>58,740.30</u></u></b>

- (8) The development value of the property as if completed as at the Valuation Date was RMB467,000,000.
- (9) According to the information provided by the Company, various units with a total gross floor area of 58,652.60 sq m of the property have been contracted to be sold for a consideration of approximately RMB431,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (10) According to the information provided by the Company, the construction cost incurred as at the Valuation Date was approximately RMB140,000,000. The estimated total construction cost was approximately RMB175,000,000. In the course of our valuation, we have taken into account such costs.
- (11) According to Business Licence No. 370214018019683 dated 8 December 2011, Qingdao Yangguang Binhai Properties Co., Ltd. (青島陽光濱海置業有限公司) was established as a limited liability company with a registered capital of RMB50,000,000 for a valid operation period from 23 October 2007 to 23 October 2027.
- (12) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Real Estate Title Certificate of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Qingdao Yangguang Binhai Properties Co., Ltd. (青島陽光濱海置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Qingdao Yangguang Binhai Properties Co., Ltd. (青島陽光濱海置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) No material legal impediment is observed for the Company to obtain the Real Estate Title Certificate (building portion); and
  - (v) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.



- (13) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Real Estate Title Certificates	Yes (land only)
Grant Contract of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Commodity Housing Pre-sale Permits	Yes
Business Licence	Yes

- (14) Liu Qian, Manager of DTZ Qingdao Office, inspected the property on 23 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-42. The property under construction known as Qingdao Qianqianshu Project, Phase 2, west of Chongqing Road, east of Dongxiaozhuang, north of Xingguo Road, south of Tangshan Road, Licang District, Qingdao, Shandong Province, the PRC  (中華人民共和國 山東省 青島市 李滄區重慶路以西、 東小莊以東、 興國路以北、 唐山路以南 青島千千樹項目)	<p>The property comprises a composite development to be erected on three parcels of land with a total site area of 66,480.40 sq m.</p> <p>The property is situated in Licang District. It is located to the west of Chongqing Road, east of Dongxiaozhuang, north of Xingguo Road and south of Tangshan Road. Developments in the vicinity comprise mainly residential buildings such as central living district, Blueness Mountain Bay, etc. The property is served by public bus routes.</p> <p>According to the development scheme provided to us, the property has a total planned gross floor area of 81,461.97 sq m.</p> <p>The land use rights of the property have been granted for terms due to expire on 7 September 2076 for residential use and due to expire on 7 September 2046 for commercial use.</p>	The property is under construction and scheduled to be completed in 2015.	RMB417,000,000  (100% interest attributable to the Company: RMB417,000,000)

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	66,390.26
Retail	2,959.86
Apartment	6,189.33
Car park	2,341.48
Others	3,581.04
<b>Total</b>	<b>81,461.97</b>

- (2) According to the Real Estate Title Certificates, the land use rights of the property are vested in Qingdao Qianqianshu Investment Properties Co., Ltd. (青島千千樹置業有限公司) with key details as follows:

Certificate No.	Land Plot No.	Issue Date	Land Use	Land Use Term	Site Area (sq m)
				Expiry Date	
200811705	1300200020019000	16 June 2008	Residential,	7 September 2076	14,003.10
			Commercial	7 September 2046	
200811710	1300200020018000	16 June 2008	Residential,	7 September 2076	13,674.60
			Commercial	7 September 2046	
200811709	1300200020020000	16 June 2008	Residential,	7 September 2076	38,802.70
			Commercial	7 September 2046	
<b>Total</b>					<b><u>66,480.40</u></b>

- (3) According to Grant Contract of State-owned Land Use Rights No. (2006) 97 dated 8 September 2006, the land use rights of the property comprising a total site area of 96,694.9 sq m have been contracted to be granted to Qingdao Qianqianshu Investment Properties Co., Ltd. (青島千千樹置業有限公司). The salient conditions are set out as follows:

Location	:	West of Chongqing Road, North of Xingguo Road, Licang District
Land Use	:	Commercial, Residential
Site Area	:	96,694.9 sq m
Land Use Term	:	70 years for residential use and 40 years for commercial use
Land Premium	:	RMB196,248,000

- (4) According to Planning Permit for Construction Use of Land No. 370200200804003 dated 24 September 2008, the construction site of the property with a total area of 96,694.90 sq m is in compliance with the urban planning requirements.
- (5) According to Planning Permit for Construction Works No. 370200201104081 dated 30 August 2012, the construction works of phase 2 of the property with a permitted gross floor area of 89,781.99 sq m are in compliance with the construction works requirements and have been approved.
- (6) Details of the Permits for Commencement of Construction Works are set out as follows:

Permit No.	Phase	Issue Date	Gross Floor Area (sq m)
370213201305300101	2	30 May 2013	56,846.35
370213201211220201	2	22 November 2012	<u>32,935.64</u>
<b>Total</b>			<b><u>89,781.99</u></b>

- (7) According to the Commodity Housing Pre-sale Permits, the construction works of the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Location/Block No.	Gross Floor Area (sq m)
2014-035	29 May 2014	24-1 to 4 and 24-6 to 15	1,284.80
2013-067	18 September 2013	1, 2 and 4	19,563.10
2013-086	17 November 2013	19-24	23,009.03
2013-081	30 September 2013	15-18, 15-1 to 8 and 16-1 to 11	<u>25,493.19</u>
<b>Total</b>			<b><u><u>69,350.12</u></u></b>

- (8) The development value of the property as if completed as at the Valuation Date was RMB600,000,000.
- (9) According to the information provided by the Company, various units with a total gross floor area of 69,199.38 sq m of the property have been contracted to be sold for a consideration of approximately RMB528,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (10) According to the information provided by the Company, the construction cost incurred as at the Valuation Date was approximately RMB172,000,000. The estimated total construction cost was approximately RMB261,000,000. In the course of our valuation, we have taken into account such costs.
- (11) According to Business Licence No. 370213228064026 dated 8 December 2011, Qingdao Qianqianshu Investment Properties Co., Ltd. (青島千千樹置業有限公司) was established as a limited liability company with a registered capital of RMB20,000,000 for a valid operation period from 14 March 2007 until 14 March 2017.
- (12) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Real Estate Title Certificate of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Qingdao Qianqianshu Investment Properties Co., Ltd. (青島千千樹置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Qingdao Qianqianshu Investment Properties Co., Ltd. (青島千千樹置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) No material legal impediment is observed for the Company to obtain the Real Estate Title Certificate (building portion); and
  - (v) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.

- (13) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Real Estate Title Certificates	Yes (land only)
Grant Contract of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permits for Commencement of Construction Works	Yes
Commodity Housing Pre-sale Permits	Yes
Business Licence	Yes

- (14) Zhao Qibing, Valuer of DTZ Qingdao Office, inspected the property on 19 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-43. The property under construction known as Yantai Sunny Chief Yard Project, Phase 2 of plot 2, north of Huifu Street, east of Songxia Road, Fushan District, Yantai, Shandong Province, the PRC  (中華人民共和國 山東省 煙台市 福山區匯福街以北、 松霞路以東 煙台陽光 首院2號地塊2期 項目)	The property comprises a composite development to be erected on 1 parcel of land with a total site area of 71,643.91 sq m.  The property is situated in Fushan District. It is located to the north of Huifu Street and east of Songxia Road. Developments in the vicinity comprise mainly residential buildings such as Tianfu Garden, Fuhao Garden, Fuxiang Xinyuan, Yinhe Mingdu, Huijing Wenyuan etc. The property is served by public bus routes.  According to the development scheme provided to us, the property has a total planned gross floor area of 207,188.82 sq m.  The land use rights of the property have been granted for terms due to expire on 27 September 2077 for residential use and due to expire on 27 September 2047 for commercial use.	The property is under construction and scheduled to be completed in 2016.	RMB658,000,000  (100% interest attributable to the Company: RMB658,000,000)

*Notes:*

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	151,073.26
Retail	9,949.34
Facilities	2,997.05
Car Park	43,169.17
<b>Total</b>	<b>207,188.82</b>

(2) According to Certificate for the Use of State-owned Land No. (2011) 30014 dated 11 March 2011, the land use rights of north of Huifu Street and east of Songxia Road comprising a total site area of 71,643.91 sq m are vested in Yantai Yangguang Lizhen Real Estate Development Co., Ltd. (煙台陽光驪臻房地產開發有限公司) for terms due to expire on 27 September 2077 for residential use and due to expire on 27 September 2047 for commercial use.

(3) According to Grant Contract of State-owned Land Use Rights No. Yantai-01-2010-0285 dated 14 July 2010 and its Supplemental Agreement, the land use rights of the property comprising a total site area of 71,981.405 sq m have been contracted to be granted to Yantai Yangguang Lizhen Real Estate Development Co., Ltd. (煙台陽光驪臻房地產開發有限公司) for a term of 40 years for commercial use and 70 years for residential use. The salient conditions are set out as follows:

Location	:	South to Huifu Road, North to Yangchang Road, West to Planned Road, East to Songxia Road
Land Use	:	Commercial and residential
Site Area	:	71,981.405 sq m
Land Use Term	:	40 years for commercial use and 70 years for residential use
Plot Ratio	:	2.29
Land Premium	:	RMB281,141,427.1

(4) According to Planning Permit for Construction Use of Land No. 370611201000075 dated 28 May 2010, the construction site of the property with a total area of 71,982.00 sq m is in compliance with the urban planning requirements.

(5) Details of the Planning Permits for Construction Works are set out as follows:

Permit No.	Phase	Issue Date	Gross Floor Area (sq m)
370611201400321	G05, G06, 7 car park	24 November 2014	49,243.13
370611201300340	G07-G09, car park	24 October 2013	83,014
370611201400320	D04A-D06AD04B-D06B, car park	24 November 2014	<u>48,688.29</u>
<b>Total</b>			<b><u><u>180,945.42</u></u></b>

- (6) Details of the Permits for Commencement of Construction Works are set out as follows:

Permit No.	Phase	Issue Date	Gross Floor Area (sq m)
(2013) 081	G07-09	15 November 2013	83,014.00
(2014) 057	G06	24 November 2014	18,705.00
(2015) 023	D04A-D06A, D04B-D06B, car park	30 April 2015	48,688.00
(2015) 024	G05, car park	30 April 2015	30,536.00
<b>Total</b>			<b><u>180,943.00</u></b>

As advised by the Company, only portions of the property have been granted with the Permit for Commencement of Construction Works mentioned above.

- (7) According to the Commodity Housing Pre-sale Permits, the construction works of the property were permitted for pre-sale with key details as follows:

Permit No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
(2014) 186	2 December 2014	48	18,693.99
(2014) 047	28 April 2014	8-(1-14, 65 and 68)	1,301.14
(2013)189	8 April 2014	49 and 50	44,645.26
(2014)116	6 August 2014	51	23,657.49
(2015)087	26 June 2015	25, 26 and 30	14,185.3
(2015)050	8 May 2015	29, 33, 34 and 47	35,335.78
<b>Total</b>			<b><u>137,818.96</u></b>

- (8) The development value of the property as if completed as at the Valuation Date was RMB1,038,000,000.
- (9) According to the information provided by the Company, various units with a total gross floor area of 97,013.03 sq m of the property have been contracted to be sold for a consideration of approximately RMB546,000,000. In the course of our valuation, we have included such portions and taken into account such consideration in our valuation.
- (10) According to the information provided by the Company, the construction cost incurred as at the Valuation Date was approximately RMB307,000,000. The estimated total construction cost was approximately RMB450,000,000. In the course of our valuation, we have taken into account such costs.
- (11) According to Business Licence No. 370611000000462 dated 24 December 2010, Yantai Yangguang Lizhen Real Estate Development Co., Ltd. (煙台陽光驪臻房地產開發有限公司) was established as a limited liability company with a registered capital of RMB75,000,000 for a valid operation period from 24 December 2010 to 24 December 2030.
- (12) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:



- (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
- (ii) Yantai Yangguang Lizhen Real Estate Development Co., Ltd. (煙台陽光驪臻房地產開發有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
- (iii) Portion of the relevant certificates and approval from the government in respect of the construction of the property are in the process of application;
- (iv) Yantai Yangguang Lizhen Real Estate Development Co., Ltd. (煙台陽光驪臻房地產開發有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
- (v) No material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
- (vi) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.

- (13) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Certificate for the Use of State-owned Land	Yes
Grant Contract of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes (part)
Commodity Housing Pre-sale Permit	Yes
Business Licence	Yes

- (14) Han Qidong, Manager of DTZ Qingdao Office, inspected the property on 18 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
IV-44. The property under construction known as International School II, west of Guihuatong Chengsi Road, Gaocun Village, Wuqing District, Tianjin, the PRC  (中華人民共和國 天津市 武清區高村鄉規劃同城四路西側 國際學校二期)	The property comprises 5 buildings (including academic buildings, dormitory and canteen) to be erected on a parcel of land with a total site area of 46,408 sq m.  The property is situated in Gaocun Village and Wuqing District. It is located in the west of Guihuatong Chengsi Road. Developments in the vicinity comprise mainly residential buildings such as International Peninsula, etc.  According to the development scheme provided to us, the property has a total planned gross floor area of 20,733.47 sq m.  The land use rights of the property have been granted for a term due to expire on 3 March 2061 for education use..	The property is under construction and scheduled to be completed in 2015.	RMB147,000,000  (90% interest attributable to the Company: RMB132,300,000)

*Notes:*

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
International School II	<u>20,733.47</u>
<b>Total</b>	<b><u><u>20,733.47</u></u></b>

- (2) According to Real Estate Title Certificate No. 122051100611 dated 17 May 2011, the land use rights of the property comprising a total site area of 46,408 sq m are vested in Jingjin Tongcheng (Tianjin) Investment Co., Ltd. (京津同城(天津)投資有限公司) for terms due to expire on 3 March 2061 for education use.

- (3) According to Grant Contract of State-owned Land Use Rights No. TJ12182011003 dated 4 March 2011, the land use rights of the property comprising a total site area of 46,408 sq m have been contracted to be granted to Jingjin Tongcheng (Tianjin) Investment Co., Ltd. (京津同城(天津)投資有限公司) for terms due to expire on 3 March 2061 for education use. The salient conditions are set out as follows:

Location	:	West of Guihuatong Chengsi Road, Gaocun Village, Wuqing District
Land Use	:	Education
Site Area	:	46,408 sq m
Land Use Term	:	50 years for education use
Plot Ratio	:	1
Permissible Gross Floor Area	:	46,408 sq m
Land Premium	:	RMB22,971,960

- (4) According to 5 Completion and Acceptance Certificates for Construction Works, portions (International School II) of the property has been completed.

Certificate No.	Issue Date	Location/Phase	Gross Floor Area (sq m)
2015-125	31 March 2015	International School II of 1	6,757.86
2015-126	31 March 2015	International School II of 2	758.25
2015-127	31 March 2015	International School II of 3	6,757.86
2015-128	31 March 2015	International School II of 8	4,829.62
2015-129	31 March 2015	International School II of 9	1,629.88
<b>Total</b>			<b><u>20,733.47</u></b>

- (5) According to Business Licence No. 120222000053280 dated 18 September 2009, Jingjin Tongcheng (Tianjin) Investment Co., Ltd. (京津同城(天津)投資有限公司) was established as a limited liability company with a registered capital of RMB250,000,000 for a valid operation period from 18 September 2009 to 17 September 2029.

- (6) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:

- (i) The Real Estate Title Certificate of the property is valid, legal and enforceable under the PRC laws;
- (ii) Jingjin Tongcheng (Tianjin) Investment Co., Ltd. (京津同城(天津)投資有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
- (iii) Jingjin Tongcheng (Tianjin) Investment Co., Ltd. (京津同城(天津)投資有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
- (iv) No material legal impediment is observed for the Company to obtain the Real Estate Title Certificate (building portion); and

- (v) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (7) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |   |                 |
|---|-----------------|
| Real Estate Title Certificate                 | Yes (land only) |
| Grant Contract of State-owned Land Use Rights | Yes             |
| Completion and Acceptance Certificates        | Yes             |
| Business Licence                              | Yes             |
- (8) Niu Huixin, Assistant Manager of DTZ Tianjin Office, inspected the property on 20 March 2015.

## VALUATION CERTIFICATE

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

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
V-1. The development site for the proposed development known as Beijing Capital Outlets, Phase 2, Fangshan District, Beijing, the PRC  (中華人民共和國 北京市 房山區 北京奧特萊斯)	The property comprises a parcel of land with a total site area of 20,800.00 sq m.  The property is situated in Fangshan District. It is located to the west of East Ring Road and to the north of Ballet Town. Developments in the vicinity comprise mainly residential buildings such as Jiazhou Shuijun, Bigui Yuan, etc. The property is served by public bus routes and subway.  The total permissible gross floor area of the property is 61,142.03 sq m.  The land use rights of the property have been granted for a term due to expire on 5 April 2050 for commercial use.	The property is a vacant land pending development.	No commercial value  (100% interest attributable to the Company: No commercial value)  (See Note 1)

*Notes:*

- (1) According to its Grant Contract of Land Use Rights and its supplementary agreement, the property is subject to sale and transfer restrictions. Therefore, we have ascribed no commercial value to the property.

For the Group's management reference, however, we are requested to separately assess the market value on the assumptions that proper and unfettered title documents had been obtained without encumbrances and all relevant land premium for obtaining the release of such sale and transfer restrictions had been fully settled. The market value of the property on the said hypothetical basis in its existing state as at 30 June 2015 was RMB296,000,000 (100% interest attributable to the Company: RMB296,000,000).

- (2) According to Certificate for the Use of State-owned Land No. 2010-00099 dated 20 October 2010, the land use rights of the property comprising a total site area of 90,765.58 sq m are vested in Outlets Property Investment Fang Shan Ltd. (北京首創奧特萊斯房山置業有限公司) for a term due to expire on 5 April 2050 for commercial use.

- (3) According to Grant Contract of State-owned Land Use Rights No. (2010) 0082 dated 6 April 2010, the land use rights of Ballet Town comprising a total site area of 181,824.66 sq m have been contracted to be granted to Outlets Property Investment Fang Shan Ltd. (北京首創奧特萊斯房山置業有限公司) for terms due to expire on 5 April 2050 for commercial use and due to expire on 5 April 2080 for residential use. The salient conditions are set out as follows:

Location	:	Changyang Town in Fangshan District
Land Use	:	Residential/Commercial
Site Area	:	181,824.66 sq m
Land Use Term	:	40 years for commercial use and 70 years for residential use
Plot Ratio	:	Not more than 2
Permissible Gross Floor Area	:	288,594.0007 sq m
Land Premium	:	RMB925,780,000

Upon completion of the construction of the property, no less than 100,000 sq m of shopping mall should be held by the Group and are subject to restrictions on transfer and sales.

- (4) According to Planning Permit for Construction Use of Land No. (2010) 0008 issued by the Land Planning Bureau of Administration Committee of Beijing on 11 August 2010, the construction site of the property with a total area of 181,824.66 sq m is in compliance with the urban planning requirements.
- (5) According to Project Planning and Design Reply No. (2010) 0021 dated 31 August 2010, plots 03-03-03 and 03-04-01 of the property with a total gross floor area of 178,667 sq m (116,247 sq m above ground and 62,420 sq m underground) are in compliance with the urban planning requirements.
- (6) According to Business Licence No. 110000450137361 dated 21 May 2010, Outlets Property Investment Fang Shan Ltd. (北京首創奧特萊斯房山置業有限公司) was established as a limited liability company with a registered capital of USD127,000,000 for a valid operation period from 21 May 2010 to 20 May 2050.
- (7) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Outlets Property Investment Fang Shan Ltd. (北京首創奧特萊斯房山置業有限公司) is the legal land user of the property and portions of the relevant certificates and approval from the government in respect of the construction of the property are in the process of application;
  - (iii) The property is subject to the restrictions of the Grant Contract of Land Use Rights and its supplementary agreement; and
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.

- (8) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Certificate for the Use of State-owned Land	Yes
Grant Contract of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	No
Business Licence	Yes

- (9) Hu Teng, Assistant Analyst of DTZ Beijing Office, inspected the property on 19 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
V-2. The development site for the proposed development known as Zhejiang Huzhou Taihu Project, south of Meidong Pian Binhu Avenue, Huzhou, Zhejiang Province, the PRC  (中華人民共和國 浙江省 湖州 梅東片濱湖大道南側 浙江湖州太湖項目)	The property comprises two parcels of land with a total site area of 88,376.00 sq m.  The property is situated in Wuxing District. It is located to the south of Taihu Road. Developments in the vicinity comprise mainly commercial and residential buildings such as Sheraton Huzhou Hot Spring Resort, Landison Resort Huzhou, Taihu Sunny Holiday, etc.  The property is served by public bus routes.  The total permissible gross floor area of the property is 205,165.37 sq m.  The land use rights of the property have been granted for a term of 40 years due to expire on 10 February 2050 for commercial use.	The property is a vacant land pending development.	RMB63,000,000  (100% interest attributable to the Company: RMB63,000,000)

*Notes:*

- (1) According to Certificates for the Use of State-owned Land, the land use rights of the property are vested in Zhejiang Outlets Property Real Estate Co, Ltd. (浙江奧特萊斯置業有限公司) with key details as follows:

Certificate No.	Land Plot No.	Issue Date	Land Use	Land Use Term	Site Area (sq m)
				Expiry Date	
(2010) 13-19692	01-13-28-0001	1 September 2010	Commercial	10 February 2050	48,522
(2010) 13-19714	01-13-28-0003	1 September 2010	Commercial	10 February 2050	39,854
<b>Total</b>					<b>88,376</b>



- (2) According to Grant Contract of State-owned Land Use Rights No. 3305012009A21085 dated 7 January 2010, the land use rights of the property comprising a total site area of 302,693.00 sq m have been contracted to be granted to Zhejiang Outlets Property Real Estate Co, Ltd. (浙江奥特莱斯置业有限公司) for terms due to expire on 10 February 2050 for commercial use. The salient conditions are set out as follows:

Location	:	Plot A, south side of the Lake Avenue, Meidong area of the Taihu National Vacation Area
Land Use	:	Commercial
Site Area	:	302,693.00 sq m
Land Use Term	:	40 years for commercial use
Plot Ratio	:	1.0
Permissible Gross Floor Area	:	302,693.00 sq m
Land Premium	:	RMB136,450,000

- (3) According to Planning Permit for Construction Use of Land No. 330501201000029 dated 19 May 2010, the construction site of the property with a total area of 302,713 sq m is in compliance with the urban planning requirements.
- (4) According to Business Licence No. 330500400013041 dated 4 September 2013, Zhejiang Outlets Property Real Estate Co, Ltd. (浙江奥特莱斯置业有限公司) was established as a limited liability company with a registered capital of USD40,000,000 for a valid operation period from 6 May 2010 to 5 May 2050.
- (5) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificates for the Use of State-owned Land of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Zhejiang Outlets Property Real Estate Co, Ltd. (浙江奥特莱斯置业有限公司) is the legal land user of the property and portions of the relevant certificates and approval from the government in respect of the construction of the property are in the process of application;
  - (iii) Zhejiang Outlets Property Real Estate Co, Ltd. (浙江奥特莱斯置业有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance; and
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (6) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Certificate for the Use of State-owned Land	Yes
Grant Contract of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	No
Business Licence	Yes

- (7) Tseching, Manager of DTZ Hangzhou Office, inspected the property on 30 June 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
V-3. The development site for the proposed development known as Zhejiang Huzhou Taihu Project, Plot A, south of Meidong Pian Binhu Avenue, Huzhou, Zhejiang Province, the PRC  ( 中華人民共和國 浙江省湖州市 湖州梅東片濱湖大道南側 A地塊 浙江湖州太湖項目 )	The property comprises two parcels of land with a total site area of 243,307 sq m.  The property is situated in Wuxing District. It is located at Meizhou Road. Developments in the vicinity comprise mainly hotel buildings such as Sheraton Huzhou Hot Spring Resort, Landison Resort Huzhou, etc. The property is served by public bus routes.  The total permissible gross floor area of the property is 309,394.41 sq m.  The land use rights of the property have been granted for a term due to expire on 10 August 2080 for residential use and due to expire on 10 August 2050 for commercial use.	The property is a vacant land pending development.	RMB295,000,000  (100% interest attributable to the Company: RMB295,000,000)

## Notes:

- (1) According to Certificates for the Use of State-owned Land, the land use rights of the property are vested in Zhejiang Hualong Real Estate Development Co., Ltd. (浙江華隆置業有限公司) with key details as follows:

Certificate No.	Land Plot No.	Issue Date	Land Use	Land Use Term	Site Area (sq m)
				Expiry Date	
(2010) 029987	1-13-26-13	15 December 2010	Residential	10 August 2080 for residential use	98,154
(2010) 029988	1-13-29-3-2	15 December 2010	Residential	10 August 2080 for residential use	145,153
<b>Total</b>					<b>243,307</b>

- (2) According to Grant Contract of State-owned Land Use Rights No. 330501200921088 dated 11 January 2010, the land use rights of the property comprising a total site area of 364,535 sq m have been contracted to be granted to Shouchuang Hong Kong (Real Estate) Co., Ltd. (首創香港(置業)有限公司) for a term of 70 years for residential use and a term of 40 years for commercial use. The salient conditions are set out as follows:

Location	:	Plot B, north of the Lake Avenue, Meidong area of the Taihu National Vacation Area
Land Use	:	Residential
Site Area	:	364,535 sq m
Land Use Term	:	70 years for residential use and 40 years for commercial use
Plot Ratio	:	1.0
Permissible Gross Floor Area	:	364,535 sq m
Land Premium	:	RMB318,050,000

- (3) According to Planning Permit for Construction Use of Land No. 330501201000039 dated 5 July 2010, the construction site of the property with a total area of 364,535 sq m is in compliance with the urban planning requirements.
- (4) According to Business Licence No. 330500400013847 dated 31 December 2013, Zhejiang Hualong Real Estate Development Co., Ltd. (浙江華隆置業有限公司) was established as a limited liability company with a registered capital of USD67,000,000 for a valid operation period from 24 June 2010 to 24 June 2040.
- (5) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificates for the Use of State-owned Land of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Zhejiang Hualong Real Estate Development Co., Ltd. (浙江華隆置業有限公司) is the legal land user of the property and portions of the relevant certificates and approval from the government in respect of the construction of the property are in the process of application;
  - (iii) Zhejiang Hualong Real Estate Development Co., Ltd. (浙江華隆置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance; and
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (6) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Certificate for the Use of State-owned Land	Yes
Grant Contract of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	No
Business Licence	Yes

- (7) Tseching, Manager of DTZ Hangzhou Office, inspected the property on 30 June 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
V-4. The development site for the proposed development known as Zhejiang Huzhou Taihu Project, Plot B, south of Meidong Pian Binhu Avenue, Huzhou, Zhejiang Province, the PRC  (中華人民共和國浙江省湖州市湖州梅東片濱湖大道南側B地塊 浙江湖州太湖項目)	The property comprises two parcels of land with a total site area of 166,511 sq m.  The property is situated in Wuxing District. It is located to the south of Taihu Road. Developments in the vicinity comprise mainly commercial and residential buildings such as Sheraton Huzhou Hot Spring Resort, Landison Resort Huzhou, Taihu Sunny Holiday, etc.  The property is served by public bus routes.  The total permissible gross floor area of the property is 199,813.20 sq m.  The land use rights of the property have been granted for terms due to expire on 29 August 2081 for residential use.	The property is a vacant land pending development.	RMB201,000,000  (100% interest attributable to the Company: RMB201,000,000)

**Notes:**

- (1) According to the Certificates for the Use of State-owned Land, the land use rights of the property are vested in Zhejiang Shouxin Real Estate Development Co., Ltd. (浙江首信置業有限公司) with key details as follows:

Certificate No.	Land Plot No.	Issue Date	Land Use	Land Use Term Expiry Date	Site Area (sq m)
(2011) 016719	1-13-28-5	20 September 2011	Residential,	29 August 2081 for residential use	55,614
(2011) 016718	1-13-7-5	20 September 2011	Residential,	10 August 2080 for residential use	110,897
Total					<u><u>166,511</u></u>

- (2) According to Grant Contract of State-owned Land Use Rights No. 3305012009A21086 dated 11 January 2010, the land use rights of the property comprising a total site area of 166,511 sq m have been contracted to be granted to Feipeng Holdings Ltd. (飛鵬控股有限公司) for a term of 40 years for commercial use and a term of 70 years for residential use. The salient conditions are set out as follows:

Location	:	Plot B, south side of the Lake Avenue, Meidong area of the Taihu National Vacation Area
Land Use	:	Residential
Site Area	:	166,511 sq m
Land Use Term	:	40 years for commercial use, 70 years for residential use
Plot Ratio	:	1.2
Permissible Gross Floor Area	:	199,813.20 sq m
Land Premium	:	RMB148,950,000

- (3) According to Planning Permit for Construction Use of Land No. 330501201000038 dated 5 July 2010, the construction site of the property with a total area of 166,511 sq m is in compliance with the urban planning requirements.
- (4) According to Business Licence No. 330500400013381 dated 30 December 2013, Zhejiang Shouxin Real Estate Development Co., Ltd. (浙江首信置業有限公司) was established as a limited liability company with a registered capital of USD24,500,000 for a valid operation period from 3 June 2010 to 2 June 2020.
- (5) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificates for the Use of State-owned Land of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Zhejiang Shouxin Real Estate Development Co., Ltd. (浙江首信置業有限公司) is the legal land user of the property and portions of the relevant certificates and approval from the government in respect of the construction of the property are in the process of application;
  - (iii) Zhejiang Shouxin Real Estate Development Co., Ltd. (浙江首信置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance; and
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (6) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Certificate for the Use of State-owned Land	Yes
Grant Contract of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	No
Business Licence	Yes

- (7) Tseching, Manager of DTZ Hangzhou Office, inspected the property on 30 June 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
V-5. The development site for the proposed development known as Huzhou Outlets Hotel Project, Plot A, north of Binhu Avenue, Meidong Pian, Taihu Resort Huzhou, Zhejiang Province, the PRC  (中華人民共和國 浙江省 湖州市 湖州太湖度假區 梅東片濱湖大道北側 A地塊 奧特萊斯酒店項目)	The property comprises one parcel of land with a total site area of 49,940 sq m.  The property is situated in Wuxing District. It is located in the north-east corner of Meizhou Road Developments in the vicinity comprise mainly hotel buildings such as Sheraton Huzhou Hot Spring Resort, Landison Resort Huzhou, etc. The property is served by public bus routes.  The total permissible gross floor area of the property is 99,880 sq m.  The land use rights of the property have been granted for a term due to expire on 10 August 2050 for accommodation and catering uses.	The property is a vacant land pending development.	RMB59,000,000  (100% interest attributable to the Company: RMB59,000,000)

## Notes:

- (1) According to Certificate for the Use of State-owned Land No. (2010) 13-19720 dated 1 September 2010, the land use rights of the property comprising a total site area of 49,940 sq m are vested in Zhejiang Huisheng Real Estate Co., Ltd. (浙江匯盛置業有限公司) for terms due to expire on 10 August 2050 for accommodation and catering uses.
- (2) According to Grant Contract of State-owned Land Use Rights No. 3305012009A21087 dated 11 January 2010, the land use rights of the property comprising a total site area of 49,940 sq m have been contracted to be granted to Outlets Premium Discount Development Co., Ltd. (奧特萊斯名牌折扣店發展有限公司) for a term of 40 years for accommodation and catering uses. The salient conditions are set out as follows:

Location	:	Plot A, north of the Lake Avenue, Meidong area of the Taihu National Vacation Area
Land Use	:	Accommodation and catering
Site Area	:	49,940 sq m
Land Use Term	:	40 years for accommodation and catering uses
Plot Ratio	:	2.0
Permissible Gross Floor Area	:	99,800 sq m
Land Premium	:	RMB20,750,000

- (3) According to Planning Permit for Construction Use of Land No. 330501201000030 dated 19 May 2010, the construction site of the property with a total area of 49,933 sq m is in compliance with the urban planning requirements.
- (4) According to Business Licence No. 330500400012557 dated 30 December 2013, Zhejiang Huisheng Real Estate Co., Ltd. (浙江匯盛置業有限公司) was established as a limited liability company with a registered capital of USD20,000,000 for a valid operation period from 10 March 2010 to 9 March 2050.
- (5) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Zhejiang Huisheng Real Estate Co., Ltd. (浙江匯盛置業有限公司) is the legal land user of the property and portions of the relevant certificates and approval from the government in respect of the construction of the property are in the process of application;
  - (iii) Zhejiang Huisheng Real Estate Co., Ltd. (浙江匯盛置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance; and
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (6) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |   |     |
|---|-----|
| Certificate for the Use of State-owned Land   | Yes |
| Grant Contract of State-owned Land Use Rights | Yes |
| Planning Permit for Construction Use of Land  | Yes |
| Planning Permit for Construction Works        | No  |
| Business Licence                              | Yes |
- (7) Delly Chen, Valuer of DTZ Hangzhou Office, inspected the property on 9 July 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
V-6. The development site for the proposed development known as Hainan Wanning Project, Liji town, Wanning City, Hainan Province, the PRC  (中華人民共和國 海南省 萬寧市 興隆旅游區蓮興公路北側、僑香路東側住宿餐飲、普通商品住房用地 海南萬寧項目)	The property comprises two parcels of land with a total site area of 188,513.39 sq m.  The property is situated in Wanning District. It is located to the north of Lianxing Road and surrounded by Qiaoxiang Road. Developments in the vicinity comprise mainly residential and commercial buildings such as Shimei Resort, Yulinhai, Shouchuang Outlets, etc. The property is served by public bus routes and subway.  The total permissible gross floor area of the property is 143,058.90 sq m.  The land use rights of the property have been granted for terms due to expire on 26 February 2054 for commercial use, and due to expire on 26 February 2084 for residential use.	The property is a vacant land pending development.	RMB201,000,000  (100% interest attributable to the Company: RMB201,000,000)

*Notes:*

- (1) According to the Grant Contracts of State-owned Land Use Rights, the land use rights of the property have been contracted with the key details as follows:

Contract No.	Land Plot No.	Issue Date	Land Use	Land Use	Site Area (sq m)	Land Premium (RMB)
				Expiry Date		
(2013) 19	2009-52-5	16 September 2013	Commercial	26 February 2054	115,464	94,210,000
(2013) 20	2009-52-6	16 September 2013	Residential	26 February 2084	73,050	80,460,000
<b>Total</b>					<b>188,514</b>	<b>174,670,000</b>



- (2) According to 2 Certificates for the Use of State-owned Land issued by Wanning City Land Resources Management Bureau (萬寧市土地管理局), the land use rights of the property are vested in Hainan Capital Outlets Real Estate Co., Ltd. (海南首創奧萊置業有限公司) with key details as follows:

Certificate No.	Issue Date	Land Use	Land Use Term		Site Area (sq m)
			Expiry Date		
(2015)500007	12 May 2015	Commercial	26 February 2054		15,463.74
(2015)500008	12 May 2015	Residential	26 February 2084		73,049.65
<b>Total</b>					<b><u>188,513.39</u></b>

- (3) According to Business Licence No. 469006000022523 dated 12 September 2013, Hainan Capital Outlets Real Estate Co, Ltd. (海南首創奧萊置業有限公司) was established as a limited liability company with a registered capital of RMB2,000,000 for a valid operation period from 12 September 2013 and described as “long-term”.

- (4) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, *inter alia*, the following information:

- (i) The Certificates for the Use of State-owned Land of the property are valid, legal and enforceable under the PRC laws;
- (ii) Hainan Capital Outlets Real Estate Co, Ltd. (海南首創奧萊置業有限公司) is the legal land user of the property and portions of the relevant certificates and approval from the government in respect of the construction of the property are in the process of application;
- (iii) Hainan Capital Outlets Real Estate Co, Ltd. (海南首創奧萊置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee’s consent in advance; and
- (iv) All land premium stated in the Grant Contracts of State-owned Land Use Rights has been paid and settled.

- (5) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Certificate for the Use of State-owned Land	Yes
Grant Contract of State-owned Land Use Rights	Yes
Business Licence	Yes

- (6) Jin Xiaodan, Senior Valuer of DTZ Shenzhen Office, inspected the property on 19 April 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
V-7. The development site for the proposed development known as Kunshan Capital Outlets Project, south of Jingwang Road, Economic and Development District, Kunshan, Jiangsu Province, the PRC  (中華人民共和國 江蘇省 昆山市 開發區景王路南側 昆山奧特萊斯項目)	The property comprises a parcel of land with a total site area of 107,427.80 sq m.  The property is situated in Economic and Development District. It is located to the south of Jingwang Road and surrounded by Jingwang Road and Jialingjiang Road. Developments in the vicinity comprise mainly residential and retail buildings such as Shimaodong Waitan, Shimao Plaza, etc. The property is served by public bus routes.  The total permissible gross floor area of the property is 363,748.08 sq m.  The land use rights of the property have been granted for terms due to expire on 17 November 2052 for commercial use, due to expire on 17 November 2082 for residential use.	The property is a vacant land pending development.	RMB411,000,000  (100% interest attributable to the Company: RMB411,000,000)

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	148,160.39
Apartment	26,010.00
Retail	85,220.00
Car Park	65,341.56
Others	39,016.13
<b>Total</b>	<b>363,748.08</b>

(2) According to Certificate for the Use of State-owned Land No. (2013) DW586 dated 23 September 2013, the land use rights of the property comprising a total site area of 107,427.80 sq m are vested in Kunshan Capital Xinkai Real Estate Co., Ltd. (昆山市首創新開置業有限公司) for terms due to expire on 17 November 2052 for commercial use, and due to expire on 17 November 2082 for residential use.

(3) According to Grant Contract of State-owned Land Use Rights No. 3205832012CR0103 dated 18 May 2012, the land use rights of the property comprising a total site area of 107,427.70 sq m have been contracted to be granted to Kunshan Capital Xinkai Real Estate Co., Ltd. (昆山市首創新開置業有限公司) for a term of 40 years for commercial use and 70 years for residential use. The salient conditions are set out as follows:

Location	: South of Jingwang Road, Economic and Development District, Kunshan
Land Use	: Commercial and residential
Site Area	: 107,427.70 sq m
Land Use Term	: 40 years for commercial use and 70 years for residential use
Plot Ratio	: not less than 2.0, not more than 2.5
Land Premium	: RMB324,968,792.50

(4) According to Business Licence No. 320583000201204120178N dated 12 April 2012, Kunshan Capital Xinkai Real Estate Co., Ltd. (昆山市首創新開置業有限公司) was established as a limited liability company with a registered capital of RMB10,000,000 for a valid operation period from 12 April 2012 to 11 April 2052.

(5) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:

- (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
- (ii) Kunshan Capital Xinkai Real Estate Co., Ltd. (昆山市首創新開置業有限公司) is the legal land user of the property and portions of the relevant certificates and approval from the government in respect of the construction of the property are in the process of application;
- (iii) Kunshan Capital Xinkai Real Estate Co., Ltd. (昆山市首創新開置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance; and
- (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.

(6) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Certificate for the Use of State-owned Land	Yes
Grant Contract of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	No
Planning Permit for Construction Works	No
Business Licence	Yes

(7) Deng Yu, Manager of DTZ Shanghai Office, inspected the property on 20 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
V-8. The development site for the proposed development known as Xi'an Fengcheng Road Project, Phase 5A, Feng Cheng 12th Road, Xi'an Economic and Technological Development Zone, Xi'an, Shaanxi Province, the PRC  (中華人民共和國 陝西省 西安市 西安經濟技術開發區鳳城十二路 西安鳳城路項目)	<p>The property comprises two parcels of land with a total site area of 70,821.77 sq m.</p> <p>The property is situated in Xi'an Economic and Technological Development Zone. It is located to the south of 3rd Ring Road and surrounded by Wenjing Road, Feng Cheng 12th Road and Feng Cheng North Road. Developments in the vicinity comprise mainly residential and commercial buildings such as Huitong Taigucheng, Fuedun International Fortune Center, etc.</p> <p>The property is served by public bus routes and subway.</p> <p>The total permissible gross floor area of the property is 382,047 sq m.</p> <p>The land use rights of the property have been granted for a term due to expire on 13 November 2057 for composite use.</p>	The property is a vacant land pending development.	RMB563,000,000  (92.56% interest attributable to the Company: RMB521,112,800)

*Notes:*

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Retail	69,065.00
Office	164,722.00
Hotel	48,100.00
Car park	100,160.00
<b>Total</b>	<b>382,047.00</b>

- (2) According to the Certificates for the Use of State-owned Land, the land use rights of the property are vested in Xi'an Capital Xinkai Real Estate Co., Ltd. (西安首創新開置業有限公司) with key details as follows:

Certificate No.	Issue Date	Land Use	Land Use Term		Site Area (sq m)
			Expiry Date		
(2012) 033	24 August 2012	Composite	13 November 2057		54,692.03
(2012) 037	24 August 2012	Composite	13 November 2057		16,129.74
<b>Total</b>					<b><u>70,821.77</u></b>

- (3) According to Grant Contract of State-owned Land Use Rights No. (2007) 19 dated 18 May 2012, the land use rights of the property comprising a total site area of 355,363.3 sq m have been contracted to be granted to Xi'an Capital Xinkai Real Estate Co., Ltd. (西安首創新開置業有限公司) for a term of 50 years for composite use and 70 years for residential use. The salient conditions are set out as follows:

Location	:	North of Shiyi Road, west of Wenjing Road, south of North Third Ring Road, Feng City
Land Use	:	Residential and composite
Site Area	:	355,363.3 sq m
Land Use Term	:	70 years for residential use and 50 years for composite use
Land Premium	:	RMB1,002,000,000

- (4) According to Business Licence No. 610100400001934 dated 18 February 2014, Xi'an Capital Xinkai Real Estate Co., Ltd. (西安首創新開置業有限公司) was established as a limited liability company with a registered capital of USD165,000,000 for a valid operation period from 24 December 2007 until 23 December 2027.

- (5) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:

- (i) The Certificates for the Use of State-owned Land of the property are valid, legal and enforceable under the PRC laws;
- (ii) Xi'an Capital Xinkai Real Estate Co., Ltd. (西安首創新開置業有限公司) is the legal land user of the property and portions of the relevant certificates and approval from the government in respect of the construction of the property are in the process of application;
- (iii) Xi'an Capital Xinkai Real Estate Co., Ltd. (西安首創新開置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance; and
- (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.

- (6) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Certificates for the Use of State-owned Land	Yes
Grant Contract of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	No
Planning Permit for Construction Works	No
Business Licence	Yes

- (7) Li Zhi, Assistant Manager of DTZ Xi'an Office, inspected the property on 20 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
V-9. The development site for the proposed development known as Yantai Sunny Chief Yard Project, Phase 2 of plot 1, north of Huifu Street, east of Songxia Road, Fushan District, Yantai, Shandong Province, the PRC  (中華人民共和國 山東省 煙台市 福山區匯福街以北、 松霞路以東 煙台陽光首院1號地塊2期 項目)	The property comprises a parcel of land with a total site area of 69,642.69 sq m.  The property is situated in Fushan District. It is located to the north of Huifu Street and east of Songxia Road. Developments in the vicinity comprise mainly residential buildings such as Tianfu Garden, Fuhao Garden, Fuxiang Xinyuan, Yinhe Mingdu, Huijing Wenyuan etc. The property is served by public bus routes.  The total permissible gross floor area of the property is 36,791.98 sq m.  The land use rights of the property have been granted for terms due to expire on 27 September 2077 for residential use and due to expire on 27 September 2047 for commercial use.	The property is a vacant land pending development.	RMB113,000,000  (100% interest attributable to the Company: RMB113,000,000)

*Notes:*

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	19,560.85
Kindergarten	3,001.38
Car park	14,229.75
<b>Total</b>	<b>36,791.98</b>

- (2) According to Certificate for the Use of State-owned Land No. (2010) 30058 dated 9 July 2010, the land use rights of north of Huifu Street and east of Songxia Road comprising a total site area of 69,642.69 sq m are vested in Yantai Yangguang Xinye Real Estate Development Co., Ltd. (煙台陽光新業房地產開發有限公司) for terms due to expire on 27 September 2077 for residential use, and due to expire on 27 September 2047 for commercial use.

- (3) According to Grant Contract of State-owned Land Use Rights No. Yantai-01-2010-0285 dated 14 July 2010, the land use rights of the property comprising a total site area of 69,642.686 sq m have been contracted to be granted to Yantai Yangguang Xinye Real Estate Development Co., Ltd. (煙台陽光新業房地產開發有限公司) for a term of 40 years for commercial use and 70 years for residential use. The salient conditions are set out as follows:

Location	:	West of the boundary of the planning land, north of Huifu Street, east of Songxia Road, south of Yanchang Street
Land Use	:	Commercial and Residential
Site Area	:	69,642.686 sq m
Land Use Term	:	40 years for commercial use and 70 years for residential use
Plot Ratio	:	0.51
Land Premium	:	RMB272,006,973.6

- (4) According to Planning Permit for Construction Use of Land No. 370611201000074 dated 28 May 2010, the construction site of the property with a total area of 69,643.00 sq m is in compliance with the urban planning requirements.
- (5) According to Planning Permit for Construction Works No. 370611201400327 dated 27 November 2014, the construction works of the property with a permitted gross floor area of 36,791.98 sq m are in compliance with the construction works requirements and have been approved.
- (6) According to Business Licence No. 370611000000044 dated 26 December 2011, Yantai Yangguang Xinye Real Estate Development Co., Ltd. (煙台陽光新業房地產開發有限公司) was established as a limited liability company with a registered capital of RMB75,000,000 for a valid operation period from 7 December 2007 to 6 December 2027.
- (7) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Yantai Yangguang Xinye Real Estate Development Co., Ltd. (煙台陽光新業房地產開發有限公司) is the legal land user of the property and portions of the relevant certificates and approval from the government in respect of the construction of the property are in the process of application;
  - (iii) Yantai Yangguang Xinye Real Estate Development Co., Ltd. (煙台陽光新業房地產開發有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance; and
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.



- (8) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Certificate for the Use of State-owned Land	Yes
Grant Contract of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Business Licence	Yes

- (9) Han Qidong, Manager of DTZ Qingdao Office, inspected the property on 18 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
V-10. The development site for the proposed development known as Vintage, No. 17 Shunyi New District, Shunyi District, Beijing, the PRC  (中華人民共和國北京市順義區順義新城17號郎園)	The property comprises a parcel of land with a total site area of 85,055.53 sq m.  The property is situated in Shunyi District. It is located to the south of Changjin Road and west of Binhe Road. Developments in the vicinity comprise mainly composite buildings such as Longhu Haowang Shan and No. 7 Luneng Yuan, etc.  The total permissible gross floor area of the property is 149,500.00 sq m.  The land use rights of the property have been granted for a term due to expire on 14 February 2085 for residential use, due to expire on 14 February 2065 for composite use, and due to expire on 14 February 2055 for commercial use.	The property is a vacant land pending development.	RMB645,000,000  (100% interest attributable to the Company: RMB645,000,000)

*Notes:*

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	64,300
Apartment	10,100
Villa	15,600
Pension	34,600
Car park	17,000
Others	7,900
<b>Total</b>	<b>149,500</b>

- (2) According to the Certificates for the Use of State-owned Land, the land use rights of the property are vested in Beijing Tianzhiying Real Estate Co., Ltd. (北京天智盈置業有限公司) with key details as follows:

Certificate No.	Land Plot No.	Issue Date	Land Use	Land Use Term		Site Area (sq m)
				Expiry Date		
2015 (00062)	110113007001GB00137	13 January 2015	Residential	Residential: 14 February 2085		28,253.75
				Retail: 14 February 2055		
2015 (00063)	110113007001GB00231	13 January 2015	Residential, Pension	Residential: 14 February 2085		56,801.78
				Composite: 14 February 2065		
				Retail: 14 February 2055		
<b>Total</b>						<b>85,055.53</b>

- (3) According to Grant Contract of State-owned Land Use Rights No. (2015) 0037 dated 15 February 2015, the land use rights of the property comprising a total site area of 85,055.53 sq m have been contracted to be granted to Beijing Langyuan Real Estate Co., Ltd. (北京郎園置業有限公司) for terms due to expire on 15 February 2085 for residential use, due to expire on 15 February 2065 for composite use, and due to expire on 15 February 2055 for commercial use. The salient conditions are set out as follows:

Location	: No. 17 Xincheng Street, Shunyi District
Land Use	: Residential, composite, commercial
Site Area	: 85,055.53 sq m
Land Use Term	: 70 years for residential use, 60 years for composite use and 40 years for commercial use
Plot Ratio	: Less than 1.5
Permissible Gross Floor Area	: 127,584 sq m
Land Premium	: RMB598,000,000

- (4) According to Business Licence No. 110113018717847 dated 6 March 2015, Beijing Tianzhiying Real Estate Co., Ltd. (北京天智盈置業有限公司) was established as a limited liability company with a registered capital of RMB50,000,000 for a valid operation period from 6 March 2015 until 5 March 2065.

- (5) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:

- (i) The Certificates for the Use of State-owned Land of the property are valid, legal and enforceable under the PRC laws;
- (ii) Beijing Tianzhiying Real Estate Co., Ltd. (北京天智盈置業有限公司) is the legal land user of the property and portions of the relevant certificates and approval from the government in respect of the construction of the property are in the process of application;

- (iii) Beijing Tianzhiying Real Estate Co., Ltd. (北京天智盈置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance; and
- (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (6) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |   |     |
|---|-----|
| Certificate for the Use of State-owned Land   | Yes |
| Grant Contract of State-owned Land Use Rights | Yes |
| Planning Permit for Construction Use of Land  | No  |
| Planning Permit for Construction Works        | No  |
| Business Licence                              | Yes |
- (7) Liu Hui, Assistant Manager of DTZ Beijing Office, inspected the property on 19 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
V-11. The development site for the proposed development known as Tianjin Huaming Project, south of Yangbei Road, Dongli District, Tianjin, the PRC  (中華人民共和國 天津市 東麗區楊北公路南側 天津華明項目)	<p>The property comprises two parcels of land with a total site area of 41,500.00 sq m.</p> <p>The property is situated in Dongli District. It is located to the south of Yangbei Road and surrounded by East Three Road, East Ten Road, East Thirteen Road and Jinhan Road. Developments in the vicinity comprise mainly residential buildings such as Tianfang Jinyuan, Huaxuan Jiayuan, etc. The property is served by public bus routes.</p> <p>The total permissible gross floor area of the property is 108,333.00 sq m.</p> <p>The land use rights of the property have been granted for a term due to expire on 18 June 2048 for commercial use.</p>	The property is a vacant land pending development.	RMB406,000,000  (40% interest attributable to the Company: RMB162,400,000)

*Notes:*

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Retail	24,100
Office	46,970
Basement car park	25,063
Others	12,200
<b>Total</b>	<b>108,333</b>

- (2) According to the Real Estate Title Certificates, the land use rights of the property are vested in Tianjin Xinming Real Estate Co., Ltd. (天津首創新明置業有限公司) with key details as follows:

Certificate No.	Issue Date	Land Use	Land Use Term		Site Area (sq m)
			Expiry Date		
2008 (134)	22 September 2008	Commercial	18 June 2048		28,100
110050800011	3 November 2008	Commercial	18 June 2048		13,400
<b>Total</b>					<b>41,500</b>

- (3) According to Grant Contract of State-owned Land Use Rights No. CR2007374 dated 31 October 2007, the land use rights of the property comprising a total site area of 271,829.6 sq m have been contracted to be granted to Tianjin Xinming Real Estate Co, Ltd. (天津首創新明置業有限公司) for 70 years for residential use, 40 years for commercial use. The salient conditions are set out as follows:

Location	:	South of Yangbei Road, Dongli District, Tianjin
Land Use	:	Residential, commercial
Site Area	:	271,829.6 sq m
Land Use Term	:	70 years for residential use and 40 years for commercial use
Permissible Gross Floor Area	:	279,600 sq m
Land Premium	:	RMB980,900,000

- (4) According to Planning Permit for Construction Use of Land No. 0292 (2007) dated 8 January 2008, the construction site of the property with a total area of 549,184 sq m is in compliance with the urban planning requirements.
- (5) According to Business Licence No. 120110000010220 dated 25 October 2007, Tianjin Xinming Real Estate Co., Ltd. (天津首創新明置業有限公司) was established as a limited liability company with a registered capital of USD9,500,000 for a valid operation period from 25 October 2007 until 10 April 2028.
- (6) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Real Estate Title Certificates of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Tianjin Xinming Real Estate Co., Ltd. (天津首創新明置業有限公司) is the legal land user of the property and portions of the relevant certificates and approval from the government in respect of the construction of the property are in the process of application;
  - (iii) Tianjin Xinming Real Estate Co., Ltd. (天津首創新明置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance; and
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.

- (7) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Real Estate Title Certificates	Yes (land only)
Grant Contract of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	No
Business Licence	Yes

- (8) Wu Fan, Valuer of DTZ Tianjin Office, inspected the property on 20 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
V-12. The development site for the proposed development known as Tianjin Shuanggang 121 Project, Phase IV, south of Lishuang Road Jinnan District, Tianjin, the PRC  (中華人民共和國 天津市 津南區梨雙公路南側 天津雙港121項目)	The property comprises a parcel of land with a total site area of 20,800.20 sq m.  The property is situated in Jinnan District. It is located to the south of Lishuang Road and surrounded by Weishan Road, Lishuang Road and Jinghe Street. Developments in the vicinity comprise mainly residential buildings such as Lingshijun, Fulitaoyuan, etc. The property is served by public bus routes and subway.  The total permissible gross floor area of the property is 47,470.00 sq m.  The land use rights of the property have been granted for a term due to expire on 3 June 2049 for commercial use.	The property is a vacant land pending development.	RMB183,000,000  (55% interest attributable to the Company: RMB100,650,000)

*Notes:*

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Apartment	31,285
Retail	8,015
Equipment room	1,986
Car park	6,184
<b>Total</b>	<b>47,470</b>

- (2) According to Real Estate Title Certificate No. 112051200145 dated 29 October 2009, the land use rights of the property comprising a total site area of 20,800.20 sq m are vested in Tianjin Capital Xinyuan Real Estate Development Co., Ltd. (天津首創新園置業有限公司) for terms due to expire on 3 June 2049 for commercial use.



- (3) According to Grant Contract of State-owned Land Use Rights No. CR2007372 dated 31 October 2007, the land use rights of the property comprising a total site area of 255,038.1 sq m have been contracted to be granted to Tianjin Capital Xinyuan Real Estate Development Co., Ltd. (天津首創新園置業有限公司) for 70 years for residential use, 40 years for commercial use. The salient conditions are set out as follows:

Location	: South of Lishuang Road, Jinnan District
Land Use	: Residential, commercial
Site Area	: 255,038.1 sq m
Land Use Term	: 70 years for residential use and 40 years for commercial use
Permissible Gross Floor Area	: Plot 01-01 not more than 159,700 sq m, Plot 01-02 not more than 112,300 sq m
Land Premium	: RMB1,042,943,500

- (4) According to Planning Permit for Construction Use of Land No. 0074 (2011) dated 26 May 2011, the construction site of the property with a total area of 255,038.10 sq m is in compliance with the urban planning requirements.
- (5) According to Business Licence No. 120112000008078 dated 13 June 2014, Tianjin Capital Xinyuan Real Estate Development Co., Ltd. (天津首創新園置業有限公司) was established as a limited liability company with a registered capital of USD95,000,000 for a valid operation period from 25 October 2007 to 16 March 2028.
- (6) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Real Estate Title Certificate of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Tianjin Capital Xinyuan Real Estate Development Co., Ltd. (天津首創新園置業有限公司) is the legal land user of the property and portions of the relevant certificates and approval from the government in respect of the construction of the property are in the process of application;
  - (iii) Tianjin Capital Xinyuan Real Estate Development Co., Ltd. (天津首創新園置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance; and
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (7) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Real Estate Title Certificate	Yes (land only)
Grant Contract of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	No
Business Licence	Yes

- (8) Liang Ruomiao, Senior Manager of DTZ Tianjin Office, inspected the property on 22 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
V-13. The development site for the proposed development known as Tianjin Hongni River Project, Xinzhuang Town, Jinnan District, Tianjin, the PRC  (中華人民共和國 天津市 津南區辛莊鎮 天津洪泥河項目)	The property comprises a parcel of land with a total site area of 11,556.00 sq m.  The property is situated in Jinan District. It is located to the Jingu Road and surrounded by Hongni River, Xincheng Road, Brown Stone Residence and Jingu Road.  Developments in the vicinity comprise mainly residential buildings such as Sunshine Boston, Brown Stone, etc. The property is served by public bus routes.  The total permissible gross floor area of the property is 28,889.00 sq m.  The land use rights of the property have been granted for a term due to expire on 8 August 2053 for commercial use.	The property is a vacant land pending development.	RMB60,000,000  (100% interest attributable to the Company: RMB60,000,000)

## Notes:

- According to Real Estate Title Certificate No. 112051300237 dated 23 August 2013, the land use rights comprising a total site area of 11,556 sq m are vested in Tianjin Xingtai Jifeng Real Estate Co., Ltd. (天津興泰吉豐置業有限公司) for terms due to expire on 8 August 2053 for commercial use.
- According to the Grant Contracts of State-owned Land Use Rights dated 11 April 2013, the land use rights of the property have been contracted to be granted to Tianjin Xingtai Jifeng Real Estate Co., Ltd. (天津興泰吉豐置業有限公司) with key details as follows:

Contract No.	Issue Date	Land Use	Land Use	Site Area	Plot Ratio	Land Premium (RMB)
			Expiry Date			
TJ1152013013	11 April 2013	Residential, commercial and education	70 years 40 years 50 years	123,426.20	Residential: 1.0-2.0 Commercial: ≤2.5 Education: ≤0.8	554,540,000
TJ1152013012	11 April 2013	Residential	70 years	133,666.60	1.0-2.0	601,240,000
<b>Total</b>				<b>257,092.80</b>		<b>1,155,780,000</b>

- (3) According to Planning Permit for Construction Use of Land No. 0069 (2013) dated 24 June 2013, the construction site of the property with a total area of 123,426.20 sq m is in compliance with the urban planning requirements.
- (4) According to Business Licence No. 120112000180491 dated 2 April 2013, Tianjin Xingtai Jifeng Real Estate Co., Ltd. (天津興泰吉豐置業有限公司) was established as a limited liability company with a registered capital of RMB50,000,000 for a valid operation period from 2 April 2013 until 1 April 2033.
- (5) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Real Estate Title Certificate of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Tianjin Xingtai Jifeng Real Estate Co., Ltd. (天津興泰吉豐置業有限公司) is the legal land user of the property and portions of the relevant certificates and approval from the government in respect of the construction of the property are in the process of application;
  - (iii) Tianjin Xingtai Jifeng Real Estate Co., Ltd. (天津興泰吉豐置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance; and
  - (iv) All land premium stated in the Grant Contracts of State-owned Land Use Rights has been paid and settled.
- (6) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |   |                 |
|---|-----------------|
| Real Estate Title Certificate                 | Yes (land only) |
| Grant Contract of State-owned Land Use Rights | Yes             |
| Planning Permit for Construction Use of Land  | Yes             |
| Planning Permit for Construction Works        | No              |
| Business Licence                              | Yes             |
- (7) Chen Shuya, Manager of DTZ Tianjin Office, inspected the property on 20 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
V-14. The development site for the proposed development known as Tianjin Beiyunhe Project, west of Jinpu North Road, Xiao Wang Zhuang, Hebei District, Tianjin, the PRC  (中華人民共和國 天津市 河北區小王莊津浦北路以西天津北運河項目)	The property comprises a parcel of land with a total site area of 30,815.20 sq m.  The property is situated in Hebei District. It is located to the west of Jinpu North Road and surrounded by Fudi Road, Mengjiashulin Street and Yangqiao Street. Developments in the vicinity comprise mainly residential buildings such as Tiantai Apartment, Yutai Jiayuan, etc. The property is served by public bus routes and subway.  The total permissible gross floor area of the property is 182,000 sq m.  The land use rights of the property have been granted for a term due to expire on 2 September 2054 for commercial use.	The property is a vacant land pending development.	RMB1,296,000,000  (100% interest attributable to the Company: RMB1,296,000,000)

*Notes:*

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Apartment	57,600
Office	67,400
Car Parks (Under Ground)	57,000
<b>Total</b>	<b>182,000</b>

- (2) According to Real Estate Title Certificate No. 105051400038 dated 23 October 2014, the land use rights comprising a total site area of 30,815.2 sq m are vested in Tianjin Xingtai Jihong Real Estate Co., Ltd. (天津興泰吉鴻置業有限公司) for terms due to expire on 2 September 2054 for commercial use.

- (3) According to Grant Contract of State-owned Land Use Rights No. TJ11102014021 dated 22 July 2014, the land use rights of the property comprising a total site area of 62,817.20 sq m have been contracted to be granted to Tianjin Xingtai Jihong Real Estate Co., Ltd. (天津興泰吉鴻置業有限公司) for 70 years for residential use and 40 years for commercial use. The salient conditions are set out as follows:

Location	: West of Jinpu North Road, Xiao Wang Zhuang, Hebei District, Tianjin
Land Use	: Residential and commercial
Site Area	: 62,817.2 sq m
Land Use Term	: 70 years for residential use and 40 years for commercial use
Permissible Gross Floor Area	: 231,850 sq m (including 106,850 sq m for residential use and 125,000 sq m for commercial use)
Land Premium	: RMB2,087,000,000

- (4) According to Planning Permit for Construction Use of Land No. 0007 (2014) dated 25 August 2014, the construction site of the property with a total area of 30,815.2 sq m is in compliance with the urban planning requirements.
- (5) According to Business Licence No. 120105000133362 dated 18 June 2014, Tianjin Xingtai Jihong Real Estate Co., Ltd. (天津興泰吉鴻置業有限公司) was established as a limited liability company with a registered capital of RMB30,000,000 for a valid operation period from 18 June 2014 to 17 June 2064.
- (6) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Real Estate Title Certificate of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Tianjin Xingtai Jihong Real Estate Co., Ltd. (天津興泰吉鴻置業有限公司) is the legal land user of the property and portions of the relevant certificates and approval from the government in respect of the construction of the property are in the process of application;
  - (iii) Tianjin Xingtai Jihong Real Estate Co., Ltd. (天津興泰吉鴻置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance; and
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (7) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Real Estate Title Certificate	Yes (land only)
Grant Contract of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	No
Business Licence	Yes

- (8) Wu Fan, Valuer of DTZ Tianjin Office, inspected the property on 20 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
V-15. The development site for the proposed development known as Tianjin Wuqing Project, Plot 07-02, south of Xueyuan Road, Gaocun Town, Wuqing District, Tianjin, the PRC  (中華人民共和國 天津市 武清區高村鎮學院道南側 天津武清項目)	The property comprises a parcel of land with a total site area of 49,870.90 sq m.  The property is situated in Wuqing District. It is located to the south of Xueyuan Road. Developments in the vicinity comprise mainly composite buildings such as Ibiza Town, etc.  The total permissible gross floor area of the property is 75,068 sq m.	The property is a vacant land pending development.	RMB88,000,000  (100% interest attributable to the Company: RMB88,000,000)

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Apartment	41,300
Retail	4,053
Office	29,440
Others	275
<b>Total</b>	<b>75,068</b>

- (2) According to Real Estate Title Certificate No. 122051500379 dated 23 March 2015, the land use rights of the property comprising a total site area of 49,870.9 sq m are vested in Tianjin Hongtai Weiye Real Estate Development Co., Ltd. (天津宏泰偉業房地產開發有限公司) for a term due to expire on 15 March 2055 for commercial use.

- (3) According to Grant Contract of State-owned Land Use Rights No. TJ11182014073 dated 9 December 2014, the land use rights of commercial comprising a total site area of 49,870.90 sq m have been contracted to be granted to Tianjin Hongtai Weiye Real Estate Development Co., Ltd. (天津宏泰偉業房地產開發有限公司) for a term of 40 years for commercial use. The salient conditions are set out as follows:

Location	: South of Xueyuan Road, Gaocun Town, Wuqing District, Tianjin
Land Use	: Commercial
Site Area	: 49,870.90 sq m
Land Use Term	: 40 years for Commercial use
Plot Ratio	: Not more than 1.5
Land Premium	: RMB78,000,000

- (4) According to Planning Permit for Construction Use of Land No. 2015-0030 dated 17 March 2015, the construction site of the property with a total area of 49,870.90 sq m is in compliance with the urban planning requirements.

- (5) According to Business Licence No. 120222000293634 dated 19 November 2014, Tianjin Hongtai Weiye Real Estate Development Co., Ltd. (天津宏泰偉業房地產開發有限公司) was established as a limited liability company with a registered capital of RMB30,000,000 for a valid operation period from 19 November 2014 and described as “long-term”.

- (6) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, *inter alia*, the following information:

- (i) The Real Estate Title Certificate of the property is valid, legal and enforceable under the PRC laws;
- (ii) Tianjin Hongtai Weiye Real Estate Development Co., Ltd. (天津宏泰偉業房地產開發有限公司) is the legal land user of the property and portions of the relevant certificates and approval from the government in respect of the construction of the property are in the process of application;
- (iii) Tianjin Hongtai Weiye Real Estate Development Co., Ltd. (天津宏泰偉業房地產開發有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee’s consent in advance; and
- (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.

- (7) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Real Estate Title Certificate	Yes
Grant Contract of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	No
Business Licence	Yes

- (8) Niu Huixin, Assistant Manager of DTZ Tianjin Office, inspected the property on 20 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
V-16. The development site for the proposed development known as Shenyang Yinhe Bay Project, No. 18 Donglinnan Street, Dongling District, Shenyang, Liaoning Province, the PRC  (中華人民共和國 遼寧省 瀋陽市 東陵區東陵南街18號 瀋陽銀河灣項目)	The property comprises a parcel of land with a total site area of 420,317 sq m.  The property is situated in Dongling District. It is located in the north of Binshui Road. Developments in the vicinity comprise mainly villa projects such as Notting Hill, YIDA Forever, etc. The property is served mainly by public bus routes.  The total permissible gross floor area of the property is 575,416.22 sq m.  The land use rights of the property have been granted for terms due to expire on 23 March 2076 for residential use, and due to expire on 23 March 2046 for commercial use.	The property is a land pending development.	RMB542,000,000  (50% interest attributable to the Company: RMB271,000,000)

## Notes:

- (1) According to Certificate for the Use of State-owned Land No. (2014) 049 dated 30 May 2014, the land use rights of the property comprising a total site area of 420,317 sq m are vested in Shenyang Jitian Real Estate Co., Ltd. (瀋陽吉天置業有限公司) for a term due to expire on 23 March 2076 for residential use and due to expire on 23 March 2046 for commercial use.
- (2) According to Grant Contract of State-owned Land Use Rights No. 20060003 dated 20 March 2006, the land use rights of the property comprising a total site area of 471,350.21 sq m have been contracted to be granted to Shenyang Jitian Real Estate Co., Ltd. (瀋陽吉天置業有限公司). The salient conditions are set out as follows:
- Location : Shenyang, Qiapashan International Tourist Zone, Qianling Community  
Land Use : Residential, commercial  
Site Area : 471,350.21 sq m  
Land Use Term : 70 years for residential use and 40 years for commercial use  
Plot Ratio : 1.7  
Land Premium : RMB456,043,945
- (3) According to Business Licence No. 2101100400010154 dated 8 May 2014, Shenyang Jitian Real Estate Co., Ltd. (瀋陽吉天置業有限公司) was established as a limited liability company with a registered capital of USD40,000,000 for a valid operation period from 22 February 2006 until 21 February 2021.



- (4) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Shenyang Jitian Real Estate Co., Ltd. (瀋陽吉天置業有限公司) is the legal land user of the property and portions of the relevant certificates and approval from the government in respect of the construction of the property are in the process of application;
  - (iii) Shenyang Jitian Real Estate Co., Ltd. (瀋陽吉天置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance; and
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (5) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |   |     |
|---|-----|
| Certificate for the Use of State-owned Land   | Yes |
| Grant Contract of State-owned Land Use Rights | Yes |
| Planning Permit for Construction Use of Land  | No  |
| Planning Permit for Construction Works        | No  |
| Business Licence                              | Yes |
- (6) Tian Yuan, Valuer of DTZ Shenyang Office, inspected the property on 20 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
V-17. The development site for the proposed development known as Shenyang Shenzhong Street Project, No. 28 Shenzhongda Street, Dongling District, Shenyang, Liaoning Province, the PRC  (中華人民共和國 遼寧省 瀋陽市 東陵區沈中大街28號 瀋陽沈中大街)	The property comprises a parcel of land with a total site area of 126,030.60 sq m.  The property is situated in Dongling District. It is located in the west of Shenzhongda Street. Developments in the vicinity comprise mainly some new projects such as Zhonghaikang City, Huamao Plaza, etc. The property is served mainly by sky train.  The total permissible gross floor area of the property is 285,171.09 sq m.  The land use rights of the property have been granted for a term due to expire on 24 July 2083 for residential use, and due to expire on 24 July 2053 for commercial use.	The property is a vacant land pending development.	RMB357,000,000  (100% interest attributable to the Company: RMB357,000,000)

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Residential	237,076.46
Retail	6,048.00
Basement car park	37,190.63
Others	4,856.00
<b>Total</b>	<b><u>285,171.09</u></b>

- (2) According to Certificate for the Use of State-owned Land No. (2013) 07190931 dated 14 August 2013, the land use rights of the property comprising a total site area of 126,030.60 sq m are vested in Shenyang Capital Xinyun Real Estate Co., Ltd. (瀋陽首創新運置業有限公司) for terms due to expire on 24 July 2083 for residential use and due to expire on 24 July 2053 for commercial use.

- (3) According to Grant Contract of State-owned Land Use Rights No. 2101122013A0019 dated 11 March 2013, the land use rights of the property comprising a total site area of 126,030.64 sq m have been contracted to be granted to Shenyang Capital Xinyun Real Estate Co., Ltd. (瀋陽首創新運置業有限公司). The salient conditions are set out as follows:

Location	:	Dongling District (Hunnan New District, Shenyang)
Land Use	:	Residential, Commercial
Site Area	:	126,030.64 sq m
Land Use Term	:	70 years for residential use and 40 years for commercial use
Plot Ratio	:	Not more than 3.0, not less than 1.2
Land Premium	:	RMB473,371,083.84

- (4) According to Planning Permit for Construction Use of Land No. 210112201300027 dated 19 March 2013, the construction site of the property with a total area of 126,030.64 sq m is in compliance with the urban planning requirements.

- (5) According to Business Licence No. 210112000040545 dated 15 October 2014, Shenyang Capital Xinyun Real Estate Co., Ltd. (瀋陽首創新運置業有限公司) was established as a limited liability company with a registered capital of RMB20,000,000 for a valid operation period described as “long-term”.

- (6) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, *inter alia*, the following information:

- (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
- (ii) Shenyang Capital Xinyun Real Estate Co., Ltd. (瀋陽首創新運置業有限公司) is the legal land user of the property and portions of the relevant certificates and approval from the government in respect of the construction of the property are in the process of application;
- (iii) Shenyang Capital Xinyun Real Estate Co., Ltd. (瀋陽首創新運置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee’s consent in advance; and
- (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.

- (7) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Certificate for the Use of State-owned Land	Yes
Grant Contract of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	No
Business Licence	Yes

- (8) Jeffery Wang, Real Estate Valuer of DTZ Shenyang Office, inspected the property on 18 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
V-18. The development site for the proposed development known as Shanghai Jiading Project, west of Shengxinbei Road and north of Huiyuan Road, Jiading Industrial Area, Jiading District, Shanghai, the PRC  (中華人民共和國 上海市 嘉定區 嘉定工業區勝辛北路以西 匯源路以北地塊 上海嘉定項目)	The property comprises two parcels of lands with a total site area of 123,089.50 sq m.  The property is situated in Jiading District. It is located to the north Shengxinbei Road and surrounded by Huiyuan Road, and Chaojing River. Developments in the vicinity comprise mainly commercial, educational facilities, and industrial buildings. The property is served by public bus routes.  The total permissible gross floor area of the property is 246,179.00 sq m.  The land use rights of the property have been granted for a term due to expire on 25 December 2084 for residential use.	The property is a vacant land pending development.	RMB1,627,000,000  (60% interest attributable to the Company: RMB976,200,000)

## Notes:

- (1) According to the Certificates for the Use of State-owned Land, the land use rights of the property are vested in Shanghai Capital Shoujia Real Estate Co., Ltd. (上海首嘉置業有限公司) with key details as follows:

Certificate No.	Land Plot No.	Issue Date	Land Use	Land Use Term		Site Area (sq m)
				Expiry Date		
2015 (001715)	Plot 20a	13 January 2015	Residential	25 December 2084		43,891.40
2015 (001717)	Plot 21	13 January 2015	Residential	25 December 2084		79,198.10
<b>Total</b>						<b>123,089.50</b>

- (2) According to Grant Contract of State-owned Land Use Rights No. (2014) 15 and its Supplemental Agreement (2014) 109 dated 27 November 2014, the land use rights of the property comprising a total site area of 123,089.50 sq m have been contracted to be granted to Shanghai Capital Shoujia Real Estate Co., Ltd. (上海首嘉置業有限公司) with terms of 70 years for residential use. The salient conditions are set out as follows:

Location	:	West of Shengxinbei Road, north of Huiyuan Road, Jiading Industrial Area, Jiading District, Shanghai
Land Use	:	Residential
Site Area	:	123,089.50 sq m
Land Use Term	:	70 years for residential use
Plot Ratio	:	2.0
Permissible Gross Floor Area	:	246,179.00 sq m
Land Premium	:	RMB1,332,000,000

- (3) According to Planning Permit for Construction Use of Land No. (2015) EA31011420154149 dated 11 February 2015, the construction site of the property with a total area of 123,089.50 sq m is in compliance with the urban planning requirements.
- (4) According to Business Licence No. 310114002797071 dated 11 October 2014, Shanghai Capital Shoujia Real Estate Co., Ltd. (上海首嘉置業有限公司) was established as a limited liability company with a registered capital of RMB50,000,000 for a valid operation period from 11 October 2014 until 10 October 2044.
- (5) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificates for the Use of State-owned Land of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Shanghai Capital Shoujia Real Estate Co., Ltd. (上海首嘉置業有限公司) is the legal land user of the property and portions of the relevant certificates and approval from the government in respect of the construction of the property are in the process of application;
  - (iii) Shanghai Capital Shoujia Real Estate Co., Ltd. (上海首嘉置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance; and
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (6) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Certificates for the Use of State-owned Land	Yes
Grant Contract of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	No
Business Licence	Yes

- (7) Liang Yunqing, Assistant Manager of DTZ Shanghai Office, inspected the property on 20 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
V-19. The development site for the proposed development known as Shanghai Yingpu Street Community Project, Plot 20-04, Yingpu Street, Qingpu District, Shanghai, the PRC  (中華人民共和國 上海市 青浦區 盈浦街道20-04地塊 上海青浦盈浦街道項目)	The property comprises a parcel of land with a total site area of 28,620.30 sq m.  The property is situated in Qingpu District. It is located to the Huangnilou Road and surrounded by Qingtai Road, Guanyun Road, and Dongheng Road. Developments in the vicinity comprise mainly commercial and residential buildings. The property is served by public bus routes.  The total permissible gross floor area of the property is 51,516.54 sq m.  The land use rights of the property have been granted for a term of 40 years for commercial use and 70 years for residential use.	The property is a vacant land pending development.	RMB594,000,000  (100% interest attributable to the Company: RMB594,000,000)

## Notes:

- (1) According to Grant Contract of State-owned Land Use Rights No. (2014) 61 and its Supplementary Agreement (2015) 03 dated 20 January 2015, the land use rights of the property comprising a total site area of 28,620.30 sq m have been contracted to be granted to Shanghai Capital Shoupu Real Estate Co., Ltd. (上海首浦置業有限公司) with terms of 40 years for commercial use and 70 years for residential use. The salient conditions are set out as follows:

Location	: Yingpu Street, Qingpu District,
Land Use	: Residential, commercial
Site Area	: 28,620.30 sq m
Land Use Term	: 40 years for commercial use and 70 years for residential use
Plot Ratio	: 1.8
Permissible Gross Floor Area	: 51,516.24 sq m
Land Premium	: RMB550,000,000

According to the information provided by the Company, all land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.

- (2) According to Business Licence No. 310118003085316 dated 9 January 2015, Shanghai Capital Shoupu Real Estate Co., Ltd. (上海首浦置業有限公司) was established as a limited liability company with a registered capital of RMB50,000,000 for a valid operation period from 9 January 2015 to 8 January 2025.

- (3) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Grant Contract of State-owned Land Use Rights of the property is valid, legal and enforceable under the PRC laws;
  - (ii) The application for obtaining Certificates for the Use of State-owned Land will be processed within 2015;
  - (iii) No material legal impediment is observed for the Company to obtain the Certificates for the Use of State-owned Land of the property; and
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (4) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |   |     |
|---|-----|
| Certificate for the Use of State-owned Land   | No  |
| Grant Contract of State-owned Land Use Rights | Yes |
| Planning Permit for Construction Use of Land  | No  |
| Planning Permit for Construction Works        | No  |
| Business Licence                              | Yes |
- (5) Liang Yunqing, Assistant Manager of DTZ Shanghai Office, inspected the property on 20 March 2015.
- (6) As advised by the Company, the Certificates for the Use of State-owned Land are expected to be obtained by end of 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
V-20. The development site for the proposed development known as Shanghai Yingpu Street Community Project, Plot 14-04, Shanghai Yingpu Street Community Project, Yingpu Street, Qingpu District, Shanghai, the PRC  (中華人民共和國 上海市 青浦區 盈浦街道14-04地塊 上海青浦盈浦街道項目)	The property comprises a parcel of land with a total site area of 38,444.00 sq m.  The property is situated in Qingpu District. It is located to the Huangnilou Road and surrounded by Qingtai Road, Guanyun Road, and Dongheng Road. Developments in the vicinity comprise mainly commercial and residential buildings. The property is served by public bus routes.  The total permissible gross floor area of the property is 69,199.20 sq m.  The land use rights of the property have been granted for a term due to expire on 2 March 2085 for residential use.	The property is a vacant land pending development.	RMB969,000,000  (100% interest attributable to the Company: RMB969,000,000)

## Notes:

- (1) According to Certificate for the Use of State-owned Land No. (2015) 004580 dated 7 April 2015, the land use rights of the land parcel comprising a total site area of 38,444.00 sq m are vested in Shanghai Capital Shouqing Real Estate Co., Ltd. (上海首青置業有限公司) for a term due to expire on 2 March 2085 for residential use.
- (2) According to Grant Contract of State-owned Land Use Rights No. (2014) 60 and its Supplementary Agreement (2015) 02 dated 20 January 2015, the land use rights of the property comprising a total site area of 38,444.00 sq m have been contracted to be granted to Shanghai Capital Shouqing Real Estate Co., Ltd. (上海首青置業有限公司) for a term of 70 years for residential use. The salient conditions are set out as follows:

Location	:	Yingpu Street, Qingpu District
Land Use	:	Residential
Site Area	:	38,444.00 sq m
Land Use Term	:	70 years for residential use
Plot Ratio	:	1.8
Permissible Gross Floor Area	:	69,199.20 sq m
Land Premium	:	RMB900,000,000



- (3) According to Business Licence No. 310118003085332 dated 9 January 2015, Shanghai Capital Shouqing Real Estate Co., Ltd. (上海首青置業有限公司) was established as a limited liability company with a registered capital of RMB50,000,000 for a valid operation period from 9 January 2015 until 8 January 2025.
- (4) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Shanghai Capital Shouqing Real Estate Co., Ltd. (上海首青置業有限公司) is the legal land user of the property and portions of the relevant certificates and approval from the government in respect of the construction of the property are in the process of application;
  - (iii) Shanghai Capital Shouqing Real Estate Co., Ltd. (上海首青置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance; and
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (5) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |   |     |
|---|-----|
| Certificate for the Use of State-owned Land   | Yes |
| Grant Contract of State-owned Land Use Rights | Yes |
| Planning Permit for Construction Use of Land  | No  |
| Planning Permit for Construction Works        | No  |
| Business Licence                              | Yes |
- (6) Liang Yunqing, Assistant Manager of DTZ Shanghai Office, inspected the property on 20 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
<p>V-21. The development site for the proposed development known as Kunshan Jinxi Project, Lot Nos. 4 and 6, west of Jiangpu Road and north of Tongzhou Highway, Jinxi Town, Kunshan, Jiangsu Province, the PRC  (中華人民共和國 江蘇省 昆山市 錦溪鎮江浦路西側，同周公路北側昆山錦溪項目4號、6號地塊 昆山錦溪項目)</p>	<p>The property comprises two parcels of land with a total site area of 352,450.90 sq m.</p> <p>Kunshan Jinxi Project is situated in Jinxi Town. It is located to north of Tongzhou Highway Road and surrounded by Jinshang Highway, Jiangpu Road. Developments in the vicinity comprise mainly residential buildings such as Yihong Lanxi, La Vill De Fontainebleau, etc. The property is served by public bus routes.</p> <p>The total permissible gross floor area of the property is 258,290.00 sq m.</p> <p>The land use rights of the land parcel with a total site area of 193,652.80 sq m have been granted for terms due to expire on 13 September 2052 for commercial use and due to expire on 13 September 2082 for residential use.</p> <p>The land use rights have been granted for a term of 40 years for commercial use and a term of 70 years for residential use.</p>	<p>The property comprises two vacant lands pending development.</p>	<p>RMB487,000,000  (51% interest attributable to the Company: RMB248,370,000)</p>

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Villa	32,120.00
Townhouse	26,070.00
Superposition Villa	102,300.00
Apartment	5,000.00
Retail	37,300.00
Hotel	50,000.00
Basement	<u>5,500.00</u>
<b>Total</b>	<b><u><u>258,290.00</u></u></b>

- (2) According to Certificate for the Use of State-owned Land (2014) No. DW372 dated 7 November 2014, the land use rights of the land parcel comprising a total site area of 193,652.80 sq m are vested in Capital Qinglv Real Estate (Kunshan) Co., Ltd. (首創青旅置業(昆山)有限公司) for terms due to expire on 13 September 2052 for commercial use and due to expire on 13 September 2082 for residential use.

- (3) According to 2 Grant Contracts of State-owned Land Use Rights entered into between Kunshan Land Resources Bureau (昆山市土地管理局) (“Party A”) and Capital Qinglv Real Estate (Kunshan) Co., Ltd. (首創青旅置業(昆山)有限公司) (collectively “Party B”), the land use rights of the property have been contracted to be granted to Party B with key details as follows:

Contract No.	Location	Issue Date	Land Use	Land Use Term	Site Area (sq m)	Land Premium (RMB)
3205832012CR0121	East of Jiangpu Road, Jinxi Town, Kunshan	15 June 2012	Residential, Commercial	40 years for commercial use; 70 years for residential use	158,798.10	190,557,720
3205832012CR0124	South of Wubao Lake, Jinxi Town, Kunshan	15 June 2012	Residential, Commercial	40 years for commercial use; 70 years for residential use	193,652.80	228,510,304
<b>Total</b>					<b><u><u>352,450.90</u></u></b>	<b><u><u>419,068,024</u></u></b>

- (4) According to Business Licence No. 320583000201206050181N dated 5 June 2012, Capital Qinglv Real Estate (Kunshan) Co., Ltd. (首創青旅置業(昆山)有限公司) was established as a limited liability company with a registered capital of RMB300,000,000 for a valid operation period from 22 May 2012 until 21 May 2062.

- (5) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Grant Contracts of State-owned Land Use Rights and the Certificate for the Use of State-owned Land of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Certificate for the Use of State-owned Land for portions of the land of the property with site area of 158,798.10 sq m has not been obtained and is in the process of application;
  - (iii) According to Certificate for the Use of State-owned Land (2014) No. DW372 dated 7 November 2014, Capital Qinglv Real Estate (Kunshan) Co., Ltd. (首創青旅置業(昆山)有限公司) is the legal land user of the property and has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) No material legal impediment is observed for the Company to obtain the Certificates for the Use of State-owned Land of the property; and
  - (v) All land premium stated in the Grant Contracts of State-owned Land Use Rights has been paid and settled.
- (6) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |   |            |
|---|------------|
| Certificate for the Use of State-owned Land   | Yes (part) |
| Grant Contract of State-owned Land Use Rights | Yes        |
| Planning Permit for Construction Use of Land  | No         |
| Planning Permit for Construction Works        | No         |
| Business Licence                              | Yes        |
- (7) Deng Yu, Manager of DTZ Shanghai Office, inspected the property on 19 March 2015.
- (8) As advised by the Company, the remaining Certificates for the Use of State-owned Land are expected to be obtained by end of 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
V-22. The development site for the proposed development known as Beijing Hujialou Project, Residential Block No. 5, No. 139 Chaoyang Road, Chaoyang District, Beijing, the PRC (中華人民共和國北京市朝陽區朝陽路139號院5號樓待建項目呼家樓項目)	<p>The property comprises a parcel of land with a total site area of 22,671.29 sq m.</p> <p>The property is situated in Chaoyang District. It is located to the north of Chaoyang Road and to the east of East 3rd Ring Road. Developments in the vicinity comprise mainly residential buildings such as Hujialou Nanli, Hujialou Xili, Xiangjun Nanli, etc.</p> <p>The property is served by public bus routes and subway.</p> <p>The total permissible gross floor area of the property is 16,572 sq m.</p> <p>The land use rights of the property have been granted for a term due to expire on 19 May 2074 for residential use, due to expire on 19 May 2054 for basement car park use, and due to expire on 19 May 2044 for commercial use.</p>	<p>The property is a vacant land pending development.</p>	<p>RMB427,000,000</p> <p>(100% interest attributable to the Company: RMB427,000,000)</p>

*Notes:*

- (1) According to Certificate for the Use of State-owned Land No. (2008) 0138 dated 17 April 2008, the land use rights of the property comprising a total site area of 22,671.29 sq m are vested in S.C. Real Estate Development Co., Ltd. (首創朝陽房地產發展有限公司) for a term due to expire on 19 May 2074 for residential use, due to expire on 19 May 2054 for basement car park use, and due to expire on 19 May 2044 for commercial use.

- (2) According to Grant Contract of State-owned Land Use Rights No. (2004) 0465 dated 20 May 2004, the land use rights of Xanadu comprising a total site area of 34,163.004 sq m have been contracted to be granted to S.C. Real Estate Development Co., Ltd. (首創朝陽房地產發展有限公司) for terms due to expire on 19 May 2074 for residential use, due to expire on 19 May 2054 for basement car park use, and due to expire on 19 May 2044 for commercial use. The salient conditions are set out as follows:

Location	:	Hujialou Residential and Business Zone (Phase 1), Chaoyang District
Land Use	:	Residential/Commercial/Car Park
Site Area	:	34,163.004 sq m
Land Use Term	:	40 years for commercial use, 50 years for car park use and 70 years for residential use
Plot Ratio	:	5.47
Permissible Gross Floor Area	:	186,788.00 sq m
Land Premium	:	RMB190,866,350

- (3) According to Planning Permit for Construction Works No. (2005) 0687 dated 30 December 2005, the construction works of the property with a permitted gross floor area of 186,788.00 sq m are in compliance with the construction works requirements and have been approved.
- (4) According to Business Licence No. 110000001493452 dated 1 June 2010, S.C. Real Estate Development Co., Ltd. (首創朝陽房地產發展有限公司) was established as a limited liability company with a registered capital of RMB640,000,000 for a valid operation period from 8 August 2000 until 7 August 2050.
- (5) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
  - (ii) S.C. Real Estate Development Co., Ltd. (首創朝陽房地產發展有限公司) is the legal land user of the property and portions of the relevant certificates and approval from the government in respect of the construction of the property are in the process of application;
  - (iii) S.C. Real Estate Development Co., Ltd. (首創朝陽房地產發展有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance; and
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (6) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Certificate for the Use of State-owned Land	Yes
Grant Contract of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	No
Planning Permit for Construction Works	Yes
Business Licence	Yes

- (7) Li Xinfeng, Manager of DTZ Beijing Office, inspected the property on 3 April 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
V-23. The development site for the proposed development known as Jingzhu Square 3, on the west side of Gaocun Fenggang Road, Wuqing District, Tianjin, the PRC  (中華人民共和國 天津市武清區 高村鄉規劃鳳港路西側 靜竹廣場3)	The property of Jingzhu Square 3 development to be erected on a parcel of land with a total site area of 18,102.9 sq m.  Jingzhu Square 3 is situated in Gaocun and Wuqing District. It is located on the west side of Fenggang Road. Developments in the vicinity comprise mainly residential and public facilities buildings such as International Peninsula (國際半島), Haileybury International School (黑利伯瑞國際學校), etc. The property surrounding road is spacious and traffic developed.  According to the development scheme provided to us, the property has a total planned gross floor area of 13,122.00 sq m.  The land use rights of the property have been granted for a term of 40 years due to expire on 13 June 2052 for commercial use.	The property is a vacant land pending development.	RMB19,000,000  (100 % interest attributable to the Company: RMB19,000,000)

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Hotel	13,122.00
<b>Total</b>	<b>13,122.00</b>

- (2) According to Real Estate Title Certificate No. 122051200443 dated 20 June 2012, the land use rights of commercial comprising a total site area of 18,102.9 sq m are vested in Tianjin Weiqing Investment Co., Ltd. (天津偉清投資有限公司) for a term due to expire on 13 June 2052 for commercial use.

- (3) According to Grant Contract of State-owned Land Use Rights No. TJ11182012031 dated 25 May 2012, the land use rights of commercial comprising a total site area of 18,102.9 sq m have been contracted to be granted to Tianjin Weiqing Investment Co., Ltd. (天津偉清投資有限公司) for a term of 40 years for commercial use. The salient conditions are set out as follows:

Location	:	on the northwest side of Gaocun Fenggang Yinqu Road, Wuqing District
Land Use	:	Commercial
Site Area	:	18,102.9 sq m
Land Use Term	:	40 years for commercial use
Plot Ratio	:	1
Permissible Gross Floor Area	:	18,102.9 sq m
Land Premium	:	RMB21,800,000.00
Building Covenant	:	To commence construction on or before 25 May 2013 To complete construction on or before 25 May 2015

- (4) According to Planning Permit for Construction Use of Land No. 2012 – 0138 issued by Tianjin Land Planning Bureau of Administration Committee of Wuqing District, the construction site of the property with a total area of 18,102.9 sq m is in compliance with the urban planning requirements.
- (5) According to Business Licence No. 120222000115450 dated 15 December 2011, Tianjin Weiqing Investment Co., Ltd. (天津偉清投資有限公司) was established as a limited liability company with a registered capital of RMB30,000,000 for a valid operation period from 15 December 2011 to 14 December 2041.
- (6) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Real Estate Title Certificate of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Tianjin Weiqing Investment Co., Ltd. (天津偉清投資有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Portion of the relevant certificates and approval from the government in respect of the construction of the property are in the process of application;
  - (iv) Tianjin Weiqing Investment Co., Ltd. (天津偉清投資有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance; and
  - (v) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.



- (7) In accordance with the information provided by the Group, the status of title and grant of major approvals and licences are set out as follows:

Real Estate Title Certificate	Yes (land only)
Grant Contract of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	No
Business Licence	Yes

- (8) Niu Huixin, Assistant Manager of DTZ Tianjin Office, inspected the property on 14 July 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
V -24. The development site for the proposed development known as Lize Financial Business District Project, Plot No. F-05, Financial District, Lugouqiao Village, Fengtai District, Beijing, the PRC  (中華人民共和國 北京市 豐台區 盧溝橋鄉麗澤金融商務區 F-05地塊 麗澤金融商務區)	<p>The property comprises a parcel of land with a total site area of 10,389.40 sq m.</p> <p>The property is situated in Fengtai District. It is located to the east of South Luotuowan Road and north of Liucun Road. Developments in the vicinity comprise mainly office buildings such as Jingmeng Tower, Zhongji Tower, etc. The property is served by public bus routes and subway.</p> <p>The total permissible gross floor area of the property is 97,603 sq m.</p> <p>The land use rights of the property have been granted for terms due to expire on 3 March 2053 for commercial and underground commercial use and due to expire on 3 March 2063 for composite, office, car park, and basement use.</p>	The property is a vacant land pending development.	RMB1,244,000,000  (100% interest attributable to the Company: RMB1,244,000,000)

*Notes:*

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Office	10,000
Apartment	30,000
Hotel	30,000
Ancillary	11,000
Car park	3,063
Bicycle	4,990
Equipment room	3,350
Energy station	5,200
<b>Total</b>	<b>97,603</b>

(2) According to Certificate for the Use of State-owned Land No. (2014) 00084 dated 24 April 2014, the land use rights of the property comprising a total site area of 10,389.40 sq m are vested in S.C. Real Estate Development Co., Ltd. (首創朝陽房地產發展有限公司) for terms due to expire on 3 March 2053 for commercial use and due to expire on 3 March 2063 for composite use.

(3) According to Grant Contract of State-owned Land Use Rights No. (2013) 0068 dated 4 March 2013 and its Supplemental Agreement, the land use rights of the property comprising a total site area of 10,389.40 sq m have been contracted to be granted to S.C. Real Estate Development Co., Ltd. (首創朝陽房地產發展有限公司) for a term of 40 years for commercial use and 50 years for composite use. The salient conditions are set out as follows:

Location	:	C2, Plot F-05, Lize Financial Business District, Lugouqiao Village, Fengtai District, Beijing
Land Use	:	Commercial and office
Site Area	:	10,389.40 sq m
Land Use Term	:	40 years for commercial and underground commercial and 50 years for composite, office, car park, and basement use
Plot Ratio	:	not more than 6.74
Land Premium	:	RMB1,020,818,800

(4) According to Planning Permit for Construction Use of Land No. (2014) 0003 issued by the Land Planning Bureau of Administration Committee of the property on 17 February 2014, the construction site of the property with a total area of 10,389.40 sq m is in compliance with the urban planning requirements.

(5) According to the information provided by the Company, the construction cost incurred as at the Valuation Date was approximately RMB4,870,467. The estimated total construction cost was approximately RMB833,000,000. In the course of our valuation, we have taken into account such costs.

(6) According to Business Licence No. 110000001493452 dated 29 April 2014, S.C. Real Estate Development Co., Ltd. (首創朝陽房地產發展有限公司) was established as a limited liability company with a registered capital of RMB640,000,000 for a valid operation period from 8 August 2000 until 7 August 2050.

(7) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:

- (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
- (ii) S.C. Real Estate Development Co., Ltd. (首創朝陽房地產發展有限公司) is the legal land user of the property and portions of the relevant certificates and approval from the government in respect of the construction of the property are in the process of application;
- (iii) S.C. Real Estate Development Co., Ltd. (首創朝陽房地產發展有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance; and
- (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.

- (8) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Certificate for the Use of State-owned Land	Yes
Grant Contract of State-owned Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	No
Business Licence	Yes

- (9) Li Yi, Manager of DTZ Beijing Office, inspected the property on 19 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
V-25. The development site for the proposed development known as Kunshan Capital Outlets, Phase II, east of Dongcheng Avenue, south of Jingwang Road, Economic and Development District, Kunshan, Jiangsu Province, the PRC  (中華人民共和國 江蘇省 昆山市 開發區東城大道東側、景王路南側 昆山奧特萊斯)	<p>The property comprises a commercial development to be erected on a parcel of land with a total site area of 45,517.30 sq m.</p> <p>The property is situated in Economic and Development District. It is located to east of Dongcheng Avenue, south Jingwang Road and surrounded by Jialingjiang Road. Developments in the vicinity comprise mainly residential and retail buildings such as Shimao Dongwaitan, Shimao Plaza, etc. The property is served by public bus routes.</p> <p>According to the development scheme provided to us, the property has a total planned gross floor area of 50,411.54 sq m.</p> <p>The land use rights of the property have been granted for a term of 40 years due to expire on 26 January 2053 for commercial use.</p>	<p>The property is a vacant land pending development.</p>	<p>No commercial value</p> <p>(100% interest attributable to the Company: No commercial value)</p> <p>(See Note 1)</p>

*Notes:*

- (1) According to its Certificate for the Use of State-owned Land, the property is subject to sale and transfer restrictions. Therefore, we have ascribed no commercial value to the property.

For the Group's management reference, however, we are requested to separately assess the market value on the assumptions that proper and unfettered title documents had been obtained without encumbrances and all relevant land premium for obtaining the release of such sale and transfer restrictions had been fully settled. The market value of the property on the said hypothetical basis in its existing state as at 30 June 2015 was RMB168,000,000 (100% interest attributable to the Company: RMB168,000,000).

- (2) The constituent gross floor areas are summarised as follows:

<b>Portion</b>	<b>Gross Floor Area</b> (sq m)
Retail	49,227.87
Others	<u>1,183.67</u>
<b>Total</b>	<b><u><u>50,411.54</u></u></b>

- (3) According to Certificate for the Use of State-owned Land No. (2014) DW245 dated 17 July 2014, the land use rights of the property comprising a total site area of 45,517.30 sq m are vested in Capital Dongxing (Kunshan) Commercial Development Co. Ltd. (首創東興(昆山)商業開發有限公司) for a term due to expire on 26 January 2053 for commercial use.

Upon completion of the construction of the property, no less than 50,000 sq m of shopping mall should be held by the Group and are subject to restrictions on transfer and sales.

As advised by the Company, only portions of the property have been granted with Certificate for the Use of State-owned Land mentioned above.

- (4) According to Grant Contract of State-owned Land Use Rights No. 3205832012CR0141 dated 27 July 2012 and its Supplemental Agreement, the land use rights of the property comprising a total site area of 46,790.10 sq m have been contracted to be granted to Capital Dongxing (Kunshan) Commercial Development Co. Ltd. (首創東興(昆山)商業開發有限公司) for a term of 40 years for commercial use. The salient conditions are set out as follows:

Location	: The north of Kunjia Road, Development Area, Kunshan
Land Use	: Commercial
Site Area	: 46,790.10 sq m
Land Use Term	: 40 years for commercial use
Plot Ratio	: Not less than 1.7, not more than 2.2
Land Premium	: RMB146,219,062

- (5) According to Planning Permit for Construction Use of Land No. (2014) 0046 dated 5 June 2014, the construction site of the property with a total area of 46,790.10 sq m is in compliance with the urban planning requirements.

- (6) Details of the Planning Permits for Construction Works are set out as follows:

<b>Permit No.</b>	<b>Issue Date</b>	<b>Gross Floor Area</b> (sq m)
(2014) 0282	2 July 2014	7,924.47
(2014) 0283	2 July 2014	9,669.76
(2014) 0284	2 July 2014	13,592.45
(2014) 0285	2 July 2014	<u>19,224.86</u>
<b>Total</b>		<b><u><u>50,411.54</u></u></b>

- (7) According to Business Licence No. 320583000201502050103 dated 5 February 2015, Capital Dongxing (Kunshan) Commercial Development Co. Ltd. (首創東興(昆山)商業開發有限公司) was established as a limited liability company with a registered capital of RMB100,000,000 for a valid operation period from 18 March 2013 to 17 March 2053.
- (8) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Capital Dongxing (Kunshan) Commercial Development Co. Ltd. (首創東興(昆山)商業開發有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) The property is subject to the restrictions of the Certificate for the Use of State-owned Land; and
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (9) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |   |     |
|---|-----|
| Certificate for the Use of State-owned Land   | Yes |
| Grant Contract of State-owned Land Use Rights | Yes |
| Planning Permit for Construction Use of Land  | Yes |
| Planning Permits for Construction Works       | Yes |
| Permit for Commencement of Construction Works | No  |
| Commodity Housing Pre-sale Permit             | No  |
| Survey Report                                 | No  |
| Business Licence                              | Yes |
- (10) Deng Yu, Manager of DTZ Shanghai Office, inspected the property on 20 March 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
V-26. The development site for the proposed development known as Shunyi Zhaoquanying F2-01 Project, Plot F02-01, F3, Banqiao Village, Zhaoquanying Town, Shunyi District, Beijing, the PRC  (中華人民共和國 北京市 順義區 趙全營F2-01項目)	The property comprises a parcel of land with a total site area of 17,277.40 sq m.  The property is situated in Shunyi District. It is located to the Beigao Road and surrounded by Changjin Road and Banqiao Bridge. Developments in the vicinity comprise mainly commercial buildings. The property is served by public bus routes.  The total permissible gross floor area of the property is 34,555.00 sq m.  The land use rights of the property have been granted for a term due to expire on 12 March 2055 for commercial use and 12 March 2065 for composite use.	The property is a vacant land pending development.	RMB230,000,000  (100% interest attributable to the Company: RMB230,000,000)

## Notes:

- According to Certificate for the Use of State-owned Land No. (2015) 00084 dated 20 July 2015, the land use rights of the property comprising a total site area of 17,277.40 sq m are vested in Beijing Jinyifeng Property Co. Ltd. (北京金億豐置業有限公司) for a term due to expire on 12 March 2055 for commercial use and 12 March 2065 for composite use.
- According to Grant Contract of State-owned Land Use Rights No. (2015) 0042 and its Supplementary Agreement (2015) 006 dated 13 March 2015, the land use rights of the property comprising a total site area of 17,277.40 sq m have been contracted to be granted to Beijing Jinyifeng Real Estate Co., Ltd. (北京金億豐置業有限公司) for a term of 40 years for commercial use and 50 years for composite use. The salient conditions are set out as follows:

Location	:	Plot F02-01, F3, Banqiao Village, Zhaoquanying Town, Shunyi District,
Land Use	:	Composite
Site Area	:	17,277.40 sq m
Land Use Term	:	40 years for commercial use and 50 years for composite use
Plot Ratio	:	2
Permissible Gross Floor Area	:	34,555.00 sq m
Land Premium	:	RMB220,000,000



- (3) According to Business Licence No. 11011301882516 dated 24 March 2015, Beijing Jinyifeng Real Estate Co., Ltd. (北京金億豐置業有限公司) was established as a limited liability company with a registered capital of RMB50,000,000 for a valid operation period from 24 March 2015 to 23 March 2065.
- (4) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Beijing Jinyifeng Property Co. Ltd. (北京金億豐置業有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Beijing Jinyifeng Property Co. Ltd. (北京金億豐置業有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance; and
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (5) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |   |     |
|---|-----|
| Certificate for the Use of State-owned Land   | Yes |
| Grant Contract of State-owned Land Use Rights | Yes |
| Planning Permit for Construction Use of Land  | No  |
| Planning Permit for Construction Works        | No  |
| Business Licence                              | Yes |
- (6) Liu Xiao, Assistant Manager of DTZ Beijing Office, inspected the property on 14 July 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
V-27. The development site for the proposed development known as Haidian Yongfeng Industrial Base Project Plot F1, HD-0402-0030, F1 Mixed Residential Land (with Public Rental Housing Ancillaries), Yong Feng Industrial Base of Zhong Guan Cun in North Haidian District, Beijing, the PRC  (中華人民共和國北京市海澱北部地區整體開發中關村永豐產業基地HD-0402-0030地塊F1住宅混合公建用地(配建公共租賃住房),海澱永豐產業基地F1項目)	The property comprises 1 parcel of land with a total site area of 62,219.27 sq m.  This land is situated in Hai Dian District. It is located to the west of Yong Jia North Road and surrounded by Yong Jia North Road, Yong Xu Street, Feng Xian East Road and Feng Xiu East Street. Developments in the vicinity comprise mainly composite buildings such as Zhong Guan Cun No. 1, Ding Chen Century Hi-Tech, Enterprise Club, etc. The property is served by public bus routes and subway.  The total permissible gross floor area of the property is 199,102.00 sq m.  The land use rights of the property have been granted for terms due to expire on 27 April 2085 for residential use, due to expire on 27 April 2065 for composite use and due to expire on 27 April 2055 for commercial use.	The property is a vacant land, pending for development.	RMB5,677,000,000  (100% interest attributable to the Company: RMB5,677,000,000)

## Notes:

- (1) According to Grant Contract of State-owned Land Use Rights No. 2015-0076 dated 1 June 2015, the land use rights of the property comprising a total site area of 62,219.27 sq m have been contracted to be granted to 北京郎園置業有限公司 (Beijing Langyuan Real Estate Co., Ltd.) for terms due to expire on 27 April 2085 for residential use, 27 April 2065 for composite use and 27 April 2055 for commercial use. The salient conditions are set out as follows:

Location	:	Yong Feng Industrial Base of Zhong Guan Cun in North Haidian District
Land Use	:	Residential, Composite, Commercial
Site Area	:	62,219.27 sq m
Land Use Term	:	27 April 2085 for residential use, 27 April 2065 for composite use and 27 April 2055
Plot Ratio	:	≤3.2

Permissible Gross Floor Area	:	199,102.00 sq m
Land Premium	:	RMB5,640,000,000
Building Covenant	:	To commence construction on or before 12 May 2016 To complete construction on or before 12 May 2019

According to the information provided by the Company, all land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.

- (2) According to 北京旭嘉置業有限公司 (Beijing Xujia Real Estate Co., Ltd.) and 北京郎園置業有限公司 (Beijing Langyuan Real Estate Co., Ltd.), the property's ownership was transferred from 北京郎園置業有限公司 (Beijing Langyuan Real Estate Co., Ltd.) to 北京旭嘉置業有限公司 (Beijing Xujia Real Estate Co., Ltd.) on 23 July 2015.
- (3) According to Business Licence No. 110108019089811 dated 12 May 2015, 北京旭嘉置業有限公司 (Beijing Xujia Real Estate Co., Ltd.) was established as a limited liability company with a registered capital of RMB50,000,000 for a valid operation period from 12 May 2015 to 11 May 2035.
- (4) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Grant Contract of State-owned Land Use Rights of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Due to the unpaid tax, Certificates for the Use of State-owned Land have not been obtained;
  - (iii) No material legal impediment is observed for the Company to obtain the Certificates for the Use of State-owned Land of the property; and
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (5) In accordance with the information provided by the Group, the status of title and grant of major approvals and licences are set out as follows:
- |   |     |
|---|-----|
| Certificate for the Use of State-owned Land   | No  |
| Grant Contract of State-owned Land Use Rights | Yes |
| Planning Permit for Construction Use of Land  | No  |
| Planning Permit for Construction Works        | No  |
| Business Licence                              | Yes |
- (6) Zien Ding, Assistant Analyst of DTZ Beijing Office, inspected the property on 14 July 2015.
- (7) As advised by the Company, the Certificates for the Use of State-owned Land are expected to be obtained by end of 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
V-28. The development site for the proposed development known as Haidian Yongfeng Industrial Base Project Plot B2, HD-0402-0078, B2 Commercial Land, Yong Feng Industrial Base of Zhong Guan Cun in North Haidian District, Beijing, the PRC  (中華人民共和國 北京市 海澱北部地區 整體開發中關村永豐產業 基地HD-0402-0078地塊 B2商務用地, 海澱永豐產業基地B2項目)	The property comprises 1 parcel of land with a total site area of 59,750.387 sq m.  This land is situated in Hai Dian District. It is located to the south of Bei Qing Road and surrounded by Beijing Road, Yong Feng Road, Feng Hao East Road and Yong Jia East Street. Developments in the vicinity comprise mainly composite buildings such as Zhong Guan Cun No. 1, Ding Chen Century Hi-Tech, Enterprise Club, etc. The property is served by public bus routes and subway.  The total permissible gross floor area of the property is 142,376 sq m.  The land use rights of the property have been granted for terms due to expire on 13 January 2065 for composite use and due to expire on 13 January 2055 for commercial use.	The property is a vacant land pending development.	RMB2,073,000,000  (50% interest attributable to the Company: RMB1,036,500,000)

**Notes:**

- (1) According to Grant Contract of State-owned Land Use Rights No. 2015-0034 dated 9 February 2015, the land use rights of the property comprising a total site area of 59,750.387 sq m have been contracted to be granted to 北京中關村集成電路設計園發展有限責任公司 (Beijing Zhongguancun IC Design Park Development Co., Ltd) for terms due to expire on 13 January 2065 for composite use and due to expire on 13 January 2055 for commercial use. The salient conditions are set out as follows:

Location	:	Yong Feng Industrial Base of Zhong Guan Cun in North Haidian District
Land Use	:	Composite, Commercial
Site Area	:	59,750.387 sq m
Land Use Term	:	13 January 2065 for composite use and due to expire on 13 January 2055
Plot Ratio	:	≤2.5
Permissible Gross Floor Area	:	142,376 sq m
Land Premium	:	RMB1,827,000,000

Building Covenant : To commence construction on or before 28 January 2016  
To complete construction on or before 28 January 2019

According to the information provided by the Company, all land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.

- (2) According to Business Licence No. 110108018607071 dated 5 February 2015, 北京中關村集成電路設計園發展有限責任公司 (Beijing Zhongguancun IC Design Park Development Co., Ltd) was established as a limited liability company with a registered capital of RMB500,000,000 for a valid operation period from 5 February 2015 to 4 February 2065.
- (3) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Grant Contract of State-owned Land Use Rights of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Due to the unpaid tax, Certificates for the Use of State-owned Land have not been obtained;
  - (iii) No material legal impediment is observed for the Company to obtain the Certificates for the Use of State-owned Land of the property; and
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (4) In accordance with the information provided by the Group, the status of title and grant of major approvals and licences are set out as follows:
- |   |     |
|---|-----|
| Certificate for the Use of State-owned Land   | No  |
| Grant Contract of State-owned Land Use Rights | Yes |
| Planning Permit for Construction Use of Land  | No  |
| Planning Permit for Construction Works        | No  |
| Business Licence                              | Yes |
- (5) Zien Ding, Assistant Analyst of DTZ Beijing Office, inspected the property on 14 July 2015.
- (6) As advised by the Company, the Certificates for the Use of State-owned Land are expected to be obtained by end of 2015.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
V-29. The development site for the proposed development known as Tianjin zhongshan Road Project, Southeast of the Junction of Zhongshan Road and Kunwei Road, Hebei District, Tianjin, the PRC  (中華人民共和國 天津市 河北區中山路與昆緯路交口東南側 天津中山路項目)	<p>The property comprises a parcel of land with a total site area of 22,455.30 sq m.</p> <p>The property is situated in Hebei District. It is located to the Zhongshan Road and surrounded by Kunwei Road, Xinda Road and East of Erjing Road. Developments in the vicinity comprise mainly residential buildings such as Juteng Apartment, Qianhua Yuan, etc. The property is served by public bus routes and subway.</p> <p>The total permissible gross floor area of the property is 182,500 sq m.</p> <p>The land use rights of the property have been granted for terms of 40 years due to expire on 17 May 2055 for commercial use and 70 years due to expire on 17 May 2085 for residential use.</p>	The property is a vacant land pending development.	RMB1,127,000,000  (100% interest attributable to the Company: RMB1,127,000,000)

*Notes:*

- (1) According to Real Estate Title Certificate No. 105051500084 dated 31 July 2015, the land use rights comprising a total site area of 22,455.30 sq m are vested in Tianjin Xingtai Jisheng Real Estate Co., Ltd. (天津興泰吉盛置業有限公司) for terms of 40 years due to expire on 17 May 2055 for commercial use and 70 years due to expire on 17 May 2085 for residential use.
- (2) According to Grant Contract of State-owned Land Use Rights dated 7 April 2015, the land use rights of the property comprising a total site area of 22,455.30 sq m have been contracted to be granted to Tianjin Xingtai Jisheng Real Estate Co., Ltd. (天津興泰吉盛置業有限公司) for 70 years for residential use and 40 years for commercial use. The salient conditions are set out as follows:

Location	:	Southeast of the Junction of Zhongshan Road and Kunwei Road, Hebei District, Tianjin
Land Use	:	commercial
Site Area	:	22,455.30 sq m
Land Use Term	:	40 years for commercial use and 70 years for residential use
Permissible Gross Floor Area	:	124,000 sq m (including 55,000 sq m for residential use and 69,000 sq m for commercial use)
Land Premium	:	RMB1,054,000,000

According to the information provided by the Company, all land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.

- (3) According to Business Licence No. 120105000149184 dated 6 March 2015, Tianjin Xingtai Jisheng Real Estate Co., Ltd. (天津興泰吉盛置業有限公司) was established as a limited liability company with a registered capital of RMB50,000,000 for a valid operation period from 6 March 2015 to 5 March 2045.
- (4) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
- (i) The Grant Contract of State-owned Land Use Rights of the property is valid, legal and enforceable under the PRC laws; and
- (ii) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.
- (5) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:
- |   |                 |
|---|-----------------|
| Real Estate Title Certificate                 | Yes (land only) |
| Grant Contract of State-owned Land Use Rights | Yes             |
| Planning Permit for Construction Use of Land  | No              |
| Planning Permit for Construction Works        | No              |
| Business Licence                              | Yes             |
- (6) Wu Fan, Valuer of DTZ Tianjin Office, inspected the property on 14 July 2015.

## VALUATION CERTIFICATE

## Group VI – Completed property held by the Group for self occupation in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
VI-1. Jingzhu Square 1, on the west side of Gaocun Fenggang Road, Wuqing District, Tianjin, the PRC  (中華人民共和國 天津市武清區 高村鄉規劃鳳港路西側 靜竹廣場1)	<p>The property of Jingzhu Square 1 development to be erected on a parcel of land with a total site area of 18,102.9 sq m.</p> <p>Jingzhu Square 1 is situated in Gaocun and Wuqing District. It is located on the west side of Fenggang Road. Developments in the vicinity comprise mainly residential and public facilities buildings such as International Peninsula (國際半島), Haileybury International School (黑利伯瑞國際學校), etc. The property surrounding road is spacious, and traffic developed.</p> <p>According to Completion and Acceptance Certificate for Construction Works, the property has a total planned gross floor area of 4,704.45 sq m.</p> <p>The land use rights of the property have been granted for a term of 40 years due to expire on 13 June 2052 for commercial use.</p>	<p>The property was completed on 31 March 2015, with a total gross floor area of 4,704.45 sq m and has been put into use.</p>	<p>RMB49,000,000</p> <p>(100% interest attributable to the Company: RMB49,000,000)</p>

## Notes:

- (1) The constituent gross floor areas are summarised as follows:

Portion	Gross Floor Area (sq m)
Retail	4,704.45
<b>Total</b>	<b>4,704.45</b>



- (2) According to Certificate for the Use of State-owned Land No. 122051200443 dated 20 June 2012, the land use rights of commercial comprising a total site area of 18,102.9 sq m are vested in Tianjin Weiqing Investment Co., Ltd. (天津偉清投資有限公司) for terms due to expire on 13 June 2052 for commercial use.
- (3) According to Grant Contract of State-owned Land Use Rights No. TJ11182012031 dated 25 May 2012, the land use rights of commercial comprising a total site area of 18,102.9 sq m have been contracted to be granted to Tianjin Weiqing Investment Co., Ltd. (天津偉清投資有限公司) for a term of 40 years for commercial use.
- (4) According to Planning Permit for Construction Use of Land No. 2012 0138, the construction site of the property with a total area of 18,102.9 sq m is in compliance with the urban planning requirements.
- (5) According to Planning Permit for Construction Works No. 2012 0152 t, the construction works of Jingzhu Square 1 of the property with a permitted gross floor area of 4,704.45 sq m are in compliance with the construction works requirements and have been approved.
- (6) According to Permit for Commencement of Construction Works No. 12222071201212005, the construction works of Jingzhu Square 1 of the property with a gross floor area of 4,704.45 sq m is in compliance with the requirements for works commencement and have been permitted.
- (7) According to Completion and Acceptance Certificate for Construction Works No. 2015131, portions (Jingzhu Square 1) of the property with a gross floor area of 4,704.45 sq m have been completed.
- (8) According to Business Licence No. 120222000115450 dated 15 December 2011, Tianjin Weiqing Investment Co., Ltd. (天津偉清投資有限公司) was established as a limited liability company with a registered capital of RMB30,000,000 for a valid operation period from 15 December 2011 to 14 December 2041.
- (9) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, *inter alia*, the following information:
  - (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Tianjin Weiqing Investment Co., Ltd. (天津偉清投資有限公司) is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Tianjin Weiqing Investment Co., Ltd. (天津偉清投資有限公司) has the rights to freely occupy, use, lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Company has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) Tianjin Weiqing Investment Co., Ltd. (天津偉清投資有限公司) has obtained the Completion and Acceptance Certificate for Construction Works and no material legal impediment is observed for the Company to obtain the Building Ownership Certificates of the property; and
  - (v) All land premium stated in the Grant Contract of State-owned Land Use Rights has been paid and settled.

- (10) In accordance with the information provided by the Company, the status of title and grant of major approvals and licences are set out as follows:

Certificate for the Use of State-owned Land	Yes
Building Ownership Certificate	No
Grant Contract of State-owned Land Use Rights	Yes
Completion and Acceptance Certificate for Construction Works	Yes
Business Licence	Yes

- (11) Niu Huixin, Assistant Manager of DTZ Tianjin Office, inspected the property on 14 July 2015.

## APPENDIX

Based on the information provided by the Company, the relationship between each of the respective property owners mentioned above in this Appendix II and the Company is set out below:

<b>Project name</b>	<b>Name of respective property owner</b>	<b>Relationship with the Company</b>
Holiday Inn Central Plaza	Central Plaza Xinrong Hotel Management Co., Ltd.	direct and indirect subsidiary
InterContinental Financial Street Beijing	Beijing Financial Street International Hotel Co., Ltd.	direct and indirect associate
Beijing Changyang Town Project	Outlets Property Investment Fang Shan Ltd.	indirect subsidiary
Beijing Capital Outlets	Outlets Property Investment Fang Shan Ltd.	indirect subsidiary
Beijing Daxingsun Village Project	Beijing Chuangrui Xiangnan Real Estate Co., Ltd.	indirect subsidiary
Beijing Fangshan Gaojiao Park Project	Beijing Chuangrui Hua'an Real Estate Co., Ltd.	indirect subsidiary
Beijing Changyang Land No. 4 Project	Beijing Xingtai Jicheng Real Estate Co., Ltd.	indirect subsidiary
Beijing Huang Xin Zhuang Project	Beijing Anshunyu Real Estate Development Co., Ltd.	indirect subsidiary
Huzhou Capital Outlets	Zhejiang Outlets Property Real Estate Co., Ltd.	indirect subsidiary
Zhejiang Huzhou Taihu Project		
Zhejiang Huzhou Taihu Project	Zhejiang Hualong Real Estate Development Co., Ltd.	indirect subsidiary
Zhejiang Huzhou Taihu Project	Zhejiang Shouxin Real Estate Development Co., Ltd.	indirect subsidiary
Huzhou Outlets Hotel Project	Zhejiang Huisheng Real Estate Co., Ltd.	indirect subsidiary
Huzhou Renhuangshan Project	Huzhou Capital Rongcheng Real Estate Co., Ltd.	indirect subsidiary
Hainan Capital Outlets	Hainan Outlets Tourism Development Co., Ltd.	indirect subsidiary
Hainan Wanning Project	Hainan Outlets Real Estate Development Co., Ltd.	indirect subsidiary
Hainan Wanning Project	Hainan Outlets Property Real Estate Co., Ltd.	indirect subsidiary
Hainan Wanning Project	Hainan Capital Outlets Real Estate Co., Ltd.	indirect subsidiary
Kunshan Capital Outlets	Capital Outlets (Kunshan) Commercial Development Co., Ltd.	indirect subsidiary
Kunshan Capital Outlets	Capital Dongxing (Kunshan) Commercial Development Co. Ltd.	indirect subsidiary
Kunshan Capital Outlets Project	Capital Outlets (Kunshan) Real Estate Development Co., Ltd.	indirect subsidiary

<b>Project name</b>	<b>Name of respective property owner</b>	<b>Relationship with the Company</b>
Kunshan Capital Outlets Project	Kunshan Capital Xinkai Real Estate Co., Ltd.	indirect subsidiary
Kunshan Capital Outlets Project	Capital Dongxing (Kunshan) Real estate Development Co. Ltd.	indirect subsidiary
Shanghai Songjiang Project	Shanghai Songchuang Real Estate Co., Ltd.	indirect subsidiary
Xi'an Feng-cheng Road Project Phases 3, 4, 5 and 6	Xi'an Capital Xinkai Real Estate Co., Ltd.	indirect subsidiary
Xi'an Feng-cheng Road Project Phase 7		
Xi'an Feng-cheng Road Project Phase 5A		
Lize Financial Business District Project Plot No. F-02	Beijing Tiancheng Yongtai Real Estate Co., Ltd.	indirect subsidiary
Lize Financial Business District Project Plot No. F-03	Beijing Tiancheng Yongyuan Real Estate Co., Ltd.	indirect subsidiary
Lize Financial Business District Project Plot No. F-05	S.C. Real Estate Development Co., Ltd.	direct subsidiary
Beijing Yuyuantan Project	Beijing Anhua Shiji Real Estate Development Co., Ltd.	direct and indirect subsidiary
Beijing Yuyuantan Project	Beijing Kaiyuan He'an Investment Management Co., Ltd.	indirect subsidiary
Beijing Hujialou Project	S.C. Real Estate Development Co., Ltd.	direct subsidiary
Xanadu		
Beijing Hujialou Project	Beijing Jinrui Wealth Investment Management Co., Ltd.	indirect subsidiary
Beijing Miyun Yun Feng Shan Zhuang Project	Beijing Xinbocheng Real Estate Development Co., Ltd.	indirect subsidiary
Beijing Zhaoquanying F1-01 Project	Beijing Yikaiyou Real Estate Co., Ltd.	indirect subsidiary
Beijing Zhaoquanying F02 Project	Beijing Lianchuang Shengye Real Estate Development Co., Ltd.	indirect subsidiary
Beijing Zhaoquanying F04 Project	Beijing Guijiamao Real Estate Co., Ltd.	indirect subsidiary
Vintage	Beijing Tianzhiying Real Estate Co., Ltd.	indirect subsidiary
Tianjin Banshan Project	Tianjin Banshan Renjia Real Estate Co., Ltd.	indirect subsidiary
Tianjin Huaming Project	Tianjin Xinming Real Estate Co, Ltd.	indirect associate
Tianjin Xiqing Project	Tianjin Xinqing Real Estate Co, Ltd.	indirect associate
Tianjin Shuanggang 121 Project	Tianjin Capital Xinyuan Real Estate Development Co., Ltd.	indirect subsidiary
Tianjin Shuanggang 122 Project	Tianjin Capital Xingang Real Estate Development Co., Ltd.	indirect subsidiary

<b>Project name</b>	<b>Name of respective property owner</b>	<b>Relationship with the Company</b>
Plot 03-02 of International Peninsula	Tianjin Tianlang Ke'en Real Estate Development Co., Ltd.	indirect subsidiary
Plot 08-02 of International Peninsula	Tianjin Yongyuan Investment Co. Ltd.	indirect subsidiary
Plot 04-02 of International Peninsula	Tianjin tongcheng Real Estate Co., Ltd.	indirect subsidiary
Plot 01-05 of International Peninsula	Tianjin Yiju Investment Co. Ltd.	indirect subsidiary
Tianjin Eco-city Project	Tianjin Shengtai Cheng Jiaming Ronghe Development Co., Ltd	indirect subsidiary
Tianjin Hongni River Project	Tianjin Xingtai Jifeng Real Estate Co., Ltd.	indirect subsidiary
Tianjin Lishuang Road Project	Tianjin Xingtai Jixin Real Estate Co., Ltd.	indirect subsidiary
Tianjin Beiyunhe Project	Tianjin Xingtai Jihong Real Estate Co., Ltd.	indirect subsidiary
International School I	Jingjin Tongcheng (Tianjin) Investment Co., Ltd.	indirect subsidiary
International School II		
Jingzhu Square 3	Tianjin Weiqing Investment Co., Ltd.	indirect subsidiary
Tianjin Wuqing Project	Tianjin Hongtai Weiye Real Estate Development Co., Ltd.	indirect subsidiary
Chengdu Shengli Village Project	Beijing Capital Land Chengdu Co., Ltd.	direct subsidiary
Chengdu Beiquan Road Project	Chengdu Capital Yidu Real Estate Development Co., Ltd.	indirect subsidiary
Chengdu SCE Project		
Chengdu Qinglongchang Project	Chengdu Capital Zhenghua Real Estate Co., Ltd.	indirect subsidiary
Shenyang Shenying Road Project	Shenyang Capital Real Estate Co, Ltd.	indirect associate
Shenyang Yinhe Bay Project	Shenyang Jitian Real Estate Co., Ltd.	indirect joint venture
Shenyang Shenzhong Street Project	Shenyang Capital Xinyun Real Estate Co., Ltd.	indirect subsidiary
Chongqing Hong'ensi Project	Chongqing Xinshi Real Estate Development Co., Ltd.	indirect subsidiary
Shanghai Jiading Project	Shanghai Capital Shoujia Real Estate Co., Ltd.	indirect joint venture
Shanghai Yingpu Street Community Project	Shanghai Capital Shoupu Real Estate Co., Ltd.	indirect subsidiary
Shanghai Yingpu Street Community Project	Shanghai Capital Shouqing Real Estate Co., Ltd.	indirect subsidiary
Wuxi Dongting Town Project	Jiangsu Capital Real Estate Development Ltd.	direct and indirect subsidiary
Wuxi Jichang Road Project	Wuxi Xindong Real Estate Development Co., Ltd.	direct subsidiary
Jiangsu Jiangyin Yuyue Project	Jiangyin Yuyue Real Estate Development Co., Ltd.	indirect subsidiary

<b>Project name</b>	<b>Name of respective property owner</b>	<b>Relationship with the Company</b>
Zhenjiang National University Science Park Project	Zhengjiang Xianji Real Estate Development Co., Ltd.	indirect subsidiary
Phase II of Joyous House		
Kunshan Jinxi Project	Capital Qinglv Real Estate (Kunshan) Co., Ltd.	indirect joint venture
Qingdao Central Park No. 1 Project	Qingdao Yangguang Binhai Properties Co., Ltd.	indirect subsidiary
Qingdao Yangbuzhai Project	Qingdao Yangguang Binhai Properties Co., Ltd.	indirect subsidiary
Qingdao Qianqianshu Project	Qingdao Qianqianshu Investment Properties Co., Ltd.	indirect subsidiary
Yantai Sunny Chief Yard Project	Yantai Yangguang Xinye Real Estate Development Co., Ltd.	indirect subsidiary
Yantai Sunny Chief Yard Project	Yantai Yangguang Lizhen Real Estate Development Co., Ltd.	indirect subsidiary
Yantai Sunny Chief Yard Project	Yantai Yangguang Lidu Real Estate Development Co., Ltd.	indirect subsidiary
Qingdao Chengyang Project	Qingdao Xinli Weiye Real Estate Development Co., Ltd.	indirect subsidiary
Sunshine Building	Beijing Sunshine city Commercial Investment Co. Ltd.	direct associate
Shunyi Zhaoquanying F2-01 Project	Beijing Jinyifeng Real Estate Co. Ltd.	indirect subsidiary
Haidian Yongfeng Industrial Base Project Plot F1	Beijing Xujia Real Estate Co. Ltd.	indirect subsidiary
Haidian Yongfeng Industrial Base Project Plot B2	Beijing Zhongguancun IC Design Park Development Co. Ltd.	indirect joint venture
Tianjin zhongshan Road Project	Tianjin Xingtai Jisheng Real Estate Co. Ltd.	indirect subsidiary

## 1. RESPONSIBILITY STATEMENT

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

This circular includes particulars given in compliance with the Takeovers Code for the purpose of giving information relating to the Group. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement in this circular misleading.

## 2. MARKET PRICE

The table below sets out the closing prices of the H Shares on the Stock Exchange on (i) the last trading day of each of the six months immediately preceding the date of the Announcement; (ii) the Last Trading Day; (iii) the last business day immediately preceding the date of the Announcement; and (iv) the Latest Practicable Date.

<b>Date</b>	<b>Closing price per H Share HK\$</b>
27 February 2015	3.98
31 March 2015	4.79
30 April 2015	6.42
29 May 2015	5.88
30 June 2015	5.96
31 July 2015	3.73
7 August 2015 (being the Last Trading Day)	3.81
31 August 2015	3.10
9 September 2015 (being the Latest Practicable Date)	3.26

The lowest and highest closing market prices of the H Shares recorded on the Stock Exchange during the period commencing on 10 February 2015 (being the six months immediately prior to the date of the Announcement) and ending on the Latest Practicable Date were HK\$2.75 per H Share (recorded on 25 August 2015) and HK\$7.20 per H Share (recorded on 5 May 2015), respectively.

As at the Latest Practicable Date, the 649,205,700 Domestic Shares and 357,998,300 Non-H Foreign Shares of the Company are not listed on any stock exchange and to the Company's best knowledge, no transactions in Domestic Shares and Non-H Foreign Shares have taken place during the six months immediately prior to the date of the Announcement and up to the Latest Practicable Date.

### 3. SHARE CAPITAL, SHARE OPTIONS AND CONVERTIBLE SECURITIES

#### (i) Share capital

The registered and issued share capital of the Company (i) as at the Latest Practicable Date; and (ii) immediately after Completion are set out below:

##### (a) As at the Latest Practicable Date

	<i>RMB</i>
<b>Registered capital</b>	
649,205,700 Domestic Shares of RMB1.00 each	649,205,700
357,998,300 Non-H Foreign Shares of RMB1.00 each	357,998,300
1,020,756,000 H Shares of RMB1.00 each	<u>1,020,756,000</u>
<b>Total</b>	<u><u>2,027,960,000</u></u>
<b>Issued and fully paid or credited as fully paid</b>	
649,205,700 Domestic Shares of RMB1.00 each	649,205,700
357,998,300 Non-H Foreign Shares of RMB1.00 each	357,998,300
1,020,756,000 H Shares of RMB1.00 each	<u>1,020,756,000</u>
<b>Total</b>	<u><u>2,027,960,000</u></u>



**(b) Immediately after Completion**

RMB

**Registered capital**

1,649,205,700 Domestic Shares of RMB1.00 each	1,649,205,700
357,998,300 Non-H Foreign Shares of RMB1.00 each	357,998,300
1,020,756,000 H Shares of RMB1.00 each	<u>1,020,756,000</u>
Total	<u><u>3,027,960,000</u></u>

**Issued and fully paid or credited as fully paid**

1,649,205,700 Domestic Shares of RMB1.00 each	1,649,205,700
357,998,300 Non-H Foreign Shares of RMB1.00 each	357,998,300
1,020,756,000 H Shares of RMB1.00 each	<u>1,020,756,000</u>
Total	<u><u>3,027,960,000</u></u>

The H Shares, Non-H Foreign Shares and Domestic Shares in issue are ordinary shares in the share capital of the Company. All existing Domestic Shares, Non-H Foreign Shares and H Shares rank *pari passu* in all respects with each other, including capital, dividends and voting rights. The H Shares are listed on the Hong Kong Stock Exchange and the Domestic Shares and Non-H Foreign Shares are privately held shares that are not listed on any stock exchanges.

The new Domestic Shares to be issued pursuant to the Domestic Share Subscription Agreement will rank, upon issue, *pari passu* in all respects with the Domestic Shares in issue at the time of allotment and issue of such new Domestic Shares, and will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of such Domestic Shares.

Since 31 December 2014 (being the date to which the latest published audited consolidated financial statements of the Group were prepared) and up to the Latest Practicable Date, no new Shares have been issued by the Company.

**(ii) Share options and convertible securities**

As at the Latest Practicable Date, the Company had no outstanding options, warrants, derivatives or securities convertible into Shares.

**4. DISCLOSURE OF INTERESTS**

- (a) As at the Latest Practicable Date, none of the Directors, supervisors and the chief executive of the Company or their associates had any interests or short positions in the shares or underlying shares of the Company or 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 in which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were 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 (for this purpose, the relevant provisions of the SFO will be interpreted as if they applied to the supervisors of the Company).
- (b) As at the Latest Practicable Date, Capital Group was directly interested in 649,205,700 Domestic Shares in the Company, representing approximately 32.01% of the Company's total issued share capital (as disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO). As at the Latest Practicable Date, each of Mr. Wang Hao, Mr. Song Fengjing and Mr. Shen Jianping was a director of Capital Group. Save as disclosed herein, as at the Latest Practicable Date, none of the other Directors or any proposed director of the Company was a director or employee of a company which had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO.
- (c) As at the Latest Practicable Date, none of the Directors had a service contract with any member of the Group which does not expire or is not terminable by such member of the Group within one year without payment of compensation (other than statutory compensation).
- (d) As at the Latest Practicable Date, none of the Directors had entered into any existing or proposed service contract with the Company, or any of its subsidiaries or associated companies which: (i) was a continuous contract with a notice period of 12 months or more; (ii) was a fixed term contract with more than 12 months to run irrespective of the notice period; (iii) has not been entered into or amended within 6 months before the commencement of the offer period (i.e. the date of the Announcement, being 10 August 2015) (including continuous and fixed term contracts); or (iv) was not expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation).
- (e) As at the Latest Practicable Date, none of the Directors had direct or indirect material interest in any assets which have been, since 31 December 2014 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to or by or proposed to be acquired or disposed of by or leased to or by any member of the Group.
- (f) There is no contract or arrangement subsisting at the date of this circular in which any of the Directors is materially interested and which is significant in relation to the business of the Group.

## 5. SUBSTANTIAL SHAREHOLDERS

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

Name of Shareholders	Number of Shares directly and indirectly held	Class of Shares	Approximate percentages in relevant class of shares (%)			Approximate percentages in total issued share capital (%)		
			Direct interests	Indirect interests	Aggregate interests	Direct interests	Indirect interests	Aggregate interests
Capital Group	1,649,205,700 (Note 1)	Non-listed Shares	163.74 (long position)	–	163.74	81.32 (long position)	–	81.32
Beijing Rong Tong Zheng He Investment Management Company Limited* (北京融通正和投资管理有限公司) (“Rongtong Zhenghe”)	275,236,200 (Note 2)	Non-listed Shares	–	27.33 (long position)	27.33	–	13.57 (long position)	13.57
Guoda Limited	275,236,200 (Note 3)	Non-listed Shares	–	27.33 (long position)	27.33	–	13.57 (long position)	13.57
China Resource Products Limited	275,236,200	Non-listed Shares	27.33 (long position)	–	27.33	13.57 (long position)	–	13.57
Yieldwell International Enterprise Limited	82,762,100	Non-listed Shares	8.22 (long position)	–	8.22	4.08 (long position)	–	4.08
Fexi Holdings Limited	82,762,100 (Note 4)	Non-listed Shares	–	8.22 (long position)	8.22	–	4.08 (long position)	4.08
Brocade City Holdings Limited	82,762,100 (Note 5)	Non-listed Shares	–	8.22 (long position)	8.22	–	4.08 (long position)	4.08
Ngai Shu Susanna	82,762,100 (Note 6)	Non-listed Shares	–	8.22 (long position)	8.22	–	4.08 (long position)	4.08

Name of Shareholders	Number of Shares directly and indirectly held	Class of Shares	Approximate percentages in relevant class of shares (%)			Approximate percentages in total issued share capital (%)		
			Direct interests	Indirect interests	Aggregate interests	Direct interests	Indirect interests	Aggregate interests
Reco Pearl Private Limited	165,070,000	H Shares	16.17 (long position)	–	16.17	8.14 (long position)	–	8.14
Recosia China Pte Ltd	165,070,000 (Note 7)	H Shares	–	16.17 (long position)	16.17	–	8.14 (long position)	8.14
Recosia Pte Ltd.	165,070,000 (Note 8)	H Shares	–	16.17 (long position)	16.17	–	8.14 (long position)	8.14
Government of Singapore Investment Corporation (Realty) Pte Ltd.	165,070,000 (Note 9)	H Shares	–	16.17 (long position)	16.17	–	8.14 (long position)	8.14
Templeton Asset Management Limited	81,460,200	H Shares	7.98 (long position)	–	7.98	4.02 (long position)	–	4.02
HSBC Global Asset Management (Hong Kong) Limited	51,386,000	H Shares	5.03 (long position)	–	5.03	2.53 (long position)	–	2.53

## Notes:

- 649,205,700 Shares are directly held by Capital Group and 1,000,000,000 Shares are deemed interests pursuant to the SFO in relation to the Domestic Share Subscription Agreement entered into by Capital Group. As at the Latest Practicable Date, China Resource Products Limited is also held as to 31.53% by Beijing Sunshine Real Estate Comprehensive Development Company\* (北京陽光房地產綜合開發公司), which in turn is wholly-owned by Capital Group. Accordingly, Capital Group is no longer deemed interested in 275,236,200 Shares through China Resource Products Limited pursuant to the SFO.
- 275,236,200 Shares are deemed corporate interests pursuant to the SFO indirectly held through Guoda Limited and China Resource Products Limited.
- 275,236,200 Shares are deemed corporate interests pursuant to the SFO indirectly held through China Resource Products Limited.
- 82,762,100 Shares are deemed corporate interests pursuant to the SFO indirectly held through Yieldwell International Enterprise Limited.

5. 82,762,100 Shares are deemed corporate interests pursuant to the SFO indirectly held through Yieldwell International Enterprise Limited and Fexi Holdings Limited.
6. 82,762,100 Shares are deemed corporate interests pursuant to the SFO indirectly held through Yieldwell International Enterprise Limited, Fexi Holdings Limited and Brocade City Holdings Limited.
7. 165,070,000 Shares are deemed corporate interests pursuant to the SFO indirectly held through Reco Pearl Private Limited.
8. 165,070,000 Shares are deemed corporate interests pursuant to the SFO indirectly held through Reco Pearl Private Limited and Recosia China Pte Ltd.
9. 165,070,000 Shares are deemed corporate interests pursuant to the SFO indirectly held through Reco Pearl Private Limited, Recosia China Pte Ltd. and Recosia Pte Ltd.

Save as disclosed, so far as is known to the Directors, there is no person (other than a Director or chief executive of the Company) who, as at the Latest Practicable Date, had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

## 6. SHAREHOLDINGS AND DEALINGS

As at the Latest Practicable Date:

- (a) there was no agreement, arrangement or understanding (including compensation arrangement) between Capital Group or its concert parties and any of the directors, recent directors, shareholders or recent shareholders of the Company having any connection with or dependence upon the Domestic Share Subscription and the Whitewash Waiver;
- (b) Capital Group directly holds 649,205,700 Domestic Shares in the Company, representing approximately 32.01% of the Company's total issued share capital. China Resource Products Limited is a party acting in concert with Capital Group and it holds 275,236,200 Non-H Foreign Shares, representing approximately 13.57% of the Company's total issued share capital. As such, Capital Group and its concert parties collectively hold an aggregate of 924,441,900 Domestic Shares and Non-H Foreign Shares, representing 45.58% of the total issued share capital of the Company as at the Latest Practicable Date. None of them had dealt for value in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the period beginning six months prior to the date of the Announcement and ending on the Latest Practicable Date;

- (c) none of the directors of Capital Group were interested in the shareholdings in the Company, and they have not dealt for value in any securities of the Company during the period beginning six months prior to the date of the Announcement and ending on the Latest Practicable Date;
- (d) no person had irrevocably committed themselves to vote for or against the resolutions to be proposed at the EGM and/or the Class Meetings approving the Domestic Share Subscription Agreement and transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver;
- (e) save for the Domestic Share Subscription Agreement and the transactions contemplated thereunder, Capital Group or its concert parties did not have any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with any other persons;
- (f) none of Capital Group or its concert parties has borrowed or lent any Shares, convertible securities, warrants, options or derivatives in the Company or similar right which are convertible or exchangeable into Shares from/to any person;
- (g) the Company did not hold, control or have any direction over any shares and any options, warrants, derivatives or convertible securities in respect of Capital Group, or its concert parties, and it had not dealt for value in any such securities of Capital Group or its concert parties during the period beginning six months prior to the date of the Announcement and ending on the Latest Practicable Date;
- (h) save as disclosed in the paragraph headed “4. Disclosure of Interests” in this appendix, none of the Directors were interested in the shareholdings in Capital Group, its concert parties or the Company, and they have not dealt for value in any such securities of Capital Group, its concert parties or the Company during the period beginning six months prior to the date of the Announcement and ending on the Latest Practicable Date. Therefore, the Directors will have no voting rights at the EGM and/or Class Meetings to accept or reject the resolutions therein;
- (i) none of (a) the subsidiaries of the Company and none of the pension funds of the Company and/or its subsidiaries, nor any adviser to the Company as specified in class (2) of the definition of “associate” under the Takeovers Code (excluding any exempt principal trader of such adviser(s) as recognised by the SFC as such for the purpose of the Takeovers Code); and (b) any fund managed on a discretionary basis by any fund manager connected with the Company (excluding any exempt fund manager as recognised by the SFC as such for the purpose of the Takeovers Code), owned or controlled any Shares, convertible securities, warrants, options or derivatives of the Company as at the Latest Practicable Date;

- (j) no person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or any person who is an associate of the Company by virtue of classes (1), (2), (3) and (4) of the definition of associate in the Takeovers Code;
- (k) neither the Company nor any Directors had borrowed or lent any Shares, convertible securities, warrants, options or derivatives in the Company or similar rights which are convertible or exchangeable into Shares;
- (l) there was no benefit to be given to any Directors as compensation for loss of office in any member of the Group or otherwise in connection with the Domestic Share Subscription Agreement and the transactions contemplated thereunder and the Whitewash Waiver;
- (m) there was no agreement, arrangement or understanding (including compensation arrangement) between any Directors and any other persons which is conditional on or dependent upon the outcome of the Domestic Share Subscription Agreement and the transactions contemplated thereunder and the Whitewash Waiver; and
- (n) there is no material contract entered into by Capital Group in which any Director has a material personal interest.

## **7. LITIGATION**

Neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

## **8. MATERIAL CONTRACTS**

The Group has entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years preceding 10 August 2015 which is or may be material:

- (a) the share purchase agreement dated 8 November 2013 made between Lian Wang Limited, Mr. Choi Lim Chi (both of which are independent third parties of the Company), Get Thrive Limited (a subsidiary of the Company) and BCG Chinastar International Investment Limited (a subsidiary of Capital Group) for the purchase of 112,200,000 shares and 19,800,000 shares of Juda International Holdings Limited (a subsidiary of the Company, now known as Beijing Capital Juda Limited) by Get Thrive Limited and BCG Chinastar International Investment Limited, respectively, from Lian Wang Limited on a several and not joint and several basis, representing respectively 56.1% and 9.9% of the entire issued share capital of Juda International Holdings Limited (now known as Beijing Capital Juda Limited) at a total consideration of HK\$351,120,000;

- (b) the share purchase agreement dated 24 December 2013 made between the Company, Rueyyuan Holding Company Limited (a subsidiary of the Company), ICBC International Investment Management Limited (an independent third party of the Company), Speed Plus Investments Limited (then a subsidiary of the Company) and Opal Treasure Holdings Limited (then a subsidiary of the Company) for the disposal by Rueyyuan Holding Company Limited of 63% of the issued share capital of Speed Plus Investments Limited to ICBC International Investment Management Limited at a consideration of US\$63 and the disposal by Rueyyuan Holding Company Limited of 100% of the issued share capital of Opal Treasure Holdings Limited and the shareholders' loan of US\$142,502,031 to Speed Plus Investments Limited at a consideration of US\$146,000,037;
- (c) the equity transfer agreement dated 30 December 2013 made between the Company, Beijing Shangboya Investment Consultant Company Limited (a subsidiary of the Company), Beijing Yangguang Xunchi Investment Management Company Limited (an independent third party of the Company) and Yunnan Jiangdong Real Estate Group Limited (an independent third party of the Company) for the disposal of the entire equity interest in Beijing Litong Shangyi Investment Company Limited (a subsidiary of the Company) by Beijing Shangboya Investment Consultant Company Limited to Beijing Yangguang Xunchi Investment Management Company Limited, with Yunnan Jiangdong Real Estate Group Limited as guarantor, at a consideration of RMB710,520,000;
- (d) the sale and purchase agreement dated 28 January 2014 entered into between the Reco Yanshan Private Limited (a connected person of the Company), Diversified Elite Limited (a subsidiary of the Company) and the Company in relation to the disposal of the entire issued share capital of Bantex Investments Limited by Diversified Elite Limited to Reco Yanshan Private Limited, with the Company as guarantor, pursuant to the terms and conditions of the sale and purchase agreement, the CPL loan arrangement and the put option at a consideration of approximately RMB998,554,500, details of which are set out in the circular published by the Company on 28 February 2014;
- (e) the subscription agreement dated 10 February 2014 made between the Company, Central Plaza Development Ltd. (a subsidiary of the Company), as the issuer, International Financial Center Property Ltd. (a subsidiary of the Company), as the guarantor, and Bank of China (Hong Kong) Limited, The Hongkong and Shanghai Banking Corporation Limited and Standard Chartered Bank (Hong Kong) Limited (all of which are independent third parties of the Company), as the joint lead managers, to carry out a drawdown under the "US\$1,000,000,000 guaranteed medium term note and perpetual securities programme" established on 10 February 2014 to offer and issue the drawdown notes in an aggregate nominal amount of RMB2,250,000,000 in two tranches at respective interest rates of 6.875% and 5.75%, as set out in the announcement published by the Company on 11 February 2014;



- (f) the pricing supplement dated 28 March 2014 was entered into between the Company, Central Plaza Development Ltd. (a subsidiary of the Company), International Financial Center Property Ltd. (a subsidiary of the Company), and DBS Bank Ltd. (an independent third party of the Company) to carry out a drawdown under the “US\$1,000,000,000 guaranteed medium term note and perpetual securities programme” established on 10 February 2014 to offer and issue the drawdown notes in an aggregate nominal amount of RMB1,000,000,000 by way of private placement transaction and are to be consolidated and form a single series with the RMB2,000,000,000 5.75% notes due 2017 issued by the Central Plaza Development Ltd. as set out in the announcement published by the Company on 17 February 2014;
- (g) the framework agreement dated 25 April 2014 was entered into between Beijing Rui Yuan Feng Xiang Property Limited (北京瑞元豐祥置業有限公司) (a subsidiary of the Company) and Beijing Zhong Rui Kai Hua Investment Management Limited (北京中瑞凱華投資管理有限公司) (a subsidiary of the Company), both as the sellers, and Zhuhai Hengqin Beijing Capital Land Zi Zhu Fang Equity Investment Centre (Limited Partner)(珠海橫琴首創置業自住房股權投資中心)(有限合夥) (a joint venture of the Company), as the purchaser, for the disposal of the entire equity interest in Beijing Tai Hao Sheng Yuan Property Limited (北京泰浩盛垣置業有限公司) (a subsidiary of the Company) and the shareholder’s loan with interest, at the consideration of approximately RMB564,984,600;
- (h) the equity transfer agreement dated 15 August 2014 entered into between Reco Ziyang Pte Ltd. (a connected person of the Company) and Asian Expert Limited (a subsidiary of the Company) in relation to the acquisition of 60% equity interest in Xi’an Capital Xin Kai Real Estate Ltd. (then an associate of the Company) by Asian Expert Limited from Reco Ziyang Pte Ltd. at the consideration of approximately RMB937.6 million;
- (i) the equity transfer agreement dated 15 August 2014 entered into between Far Reaching Company Limited (a subsidiary of Juda International Holdings Limited (a subsidiary of the Company, now known as Beijing Capital Juda Limited) and Asian Expert Limited (a subsidiary of the Company) in relation to the transfer of the entire equity interest in Xi’an Capital Xin Kai Real Estate Ltd. (an associate of the Company) at the consideration of a total of approximately RMB1,563 million;
- (j) the subscription agreement dated 15 August 2014 entered into between Get Thrive Limited (a subsidiary of the Company) and Juda International Holdings Limited (a subsidiary of the Company, now known as Beijing Capital Juda Limited) in relation to the subscription by Get Thrive Limited of convertible preference shares to be issued by Juda International Holdings Limited at the consideration of a total of approximately HK\$1,963.4 million;

- (k) the shareholders' agreement entered into between Beijing Capital Investment Limited (a subsidiary of Capital Group) and Beijing Zhongzhi Dingfu Real Estate Property Development Limited (a subsidiary of the Company) dated 18 September 2014 in relation to the increase of capital contribution of RMB360,000,000 by Beijing Zhongzhi Dingfu Real Estate Property Development Limited to Beijing Liujin Property Limited (an associate (as defined under the Listing Rules) of Capital Group);
- (l) the equity transfer agreement in relation to the equity interest of Tianjin Banshan Renjia Real Estate Co., Ltd.\* (天津伴山人家置業有限公司) and Chongqing equity transfer agreement in relation to the equity interest of Chongqing Xinshi Real Estate Development Co., Ltd\* (重慶首創新石置業有限公司), both dated 4 November 2014, made between Star Key Limited (a subsidiary of the Company), First Base Properties Ltd. (a subsidiary of the Company) and Reco Ziyang Pte Ltd. (a connected person of the Company), in relation to the transfer by Reco Ziyang Pte Ltd. of 45% equity interest of Tianjin Banshan Renjia Real Estate Co., Ltd.\* (天津伴山人家置業有限公司) (then held as to 55% of its equity interest by the Company) and of 50% equity interest of Chongqing Xinshi Real Estate Development Co., Ltd\* (重慶首創新石置業有限公司) (then held as to 50% of its equity interest by the Company) to Star Key Limited and First Base Properties Ltd., respectively, at a consideration of approximately RMB224.62 million and RMB581.74 million, respectively;
- (m) the non-competition deed dated 13 November 2014 and Juda International Holdings Limited (a subsidiary of the Company, now known as Beijing Capital Juda Limited) pursuant to which the Company have provided non-competition undertakings in favour of Juda International Holdings Limited not to engage in property business in selected target cities in the PRC and in consideration, Juda International Holdings Limited has provided non-competition undertakings in favour of the Company not to engage in property business in cities other than such selected target cities, incidental to the sale of 100% equity interest of Xi'an Capital Xin Kai Real Estate Ltd. (a subsidiary of the Company) by Asian Expert Limited (a subsidiary of the Company) to Far Reaching Company Limited (a subsidiary of Juda International Holdings Limited);
- (n) the sponsor agreement dated 25 November 2014 entered into among *inter alia*, Juda International Holdings Limited (a subsidiary of the Company, now known as Beijing Capital Juda Limited) Asian Expert Limited (a subsidiary of the Company) and HSBC Corporate Finance (Hong Kong) Limited (an independent third party of the Company), as sponsor, in relation to their rights and obligations in connection with the listing application of Juda International Holdings Limited at the sponsor's fees of US\$2 million;
- (o) the subscription agreement dated 25 November 2014 entered into between the Company, Central Plaza Development Ltd. (a subsidiary of the Company), as issuer, International Financial Center Property Ltd. (a subsidiary of the Company), as

guarantor, and DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, ICBC International Securities Limited and Standard Chartered Bank (all of which are independent third parties of the Company), as joint lead managers, to carry out a drawdown under the “US\$1,000,000,000 guaranteed medium term note and perpetual securities programme” established on 10 February 2014 to offer and issue the drawdown notes in an aggregate nominal amount of US\$450,000,000 at a distribution rate of 7.125% in relation to senior perpetual capital securities offered and issued by Central Plaza Development Ltd. and guaranteed by International Financial Center Property Ltd.;

- (p) the investment agreement dated 14 January 2015 entered into between the Company, Capital Group, certain subsidiaries of Capital Group including Beijing Agricultural Investment Co., Ltd. (北京市農業投資有限公司), Beijing Capital Investment & Guarantee Co., Ltd. (北京首創融資擔保有限公司), Beijing Capital Jingzhong (Tianjin) Investment Co., Ltd.\* (首創經中(天津)投資有限公司), Beijing Shuixing Investment management Co., Ltd.\* (北京水星投資管理有限責任公司) and Shouzheng Desheng Capital Management Co., Ltd.\* (首正德盛資本管理有限公司), Jiaxing Shoujin Heyi Investment Partnership Enterprise (Limited Partnership)\* (嘉興首金合益投資合夥企業(有限合夥)) (a limited partnership established under the laws of the PRC and an independent third party of the Company) and Dhc Software Co., Ltd. (東華軟件股份公司) (a public limited company (SZSE Stock Code: 002065) and an independent third party of the Company) in relation to the formation of the joint venture company, Beijing Capital Financial Asset Exchange Information Service Co., Ltd. (北京首創金融資產交易信息服務股份有限公司), pursuant to which the contribution of the Company is RMB20,000,000;
- (q) the agreement dated 17 March 2015 entered into between Shanghai Capital Zhengheng Property Co., Ltd.\* (上海首創正恒置業有限公司) (a subsidiary of the Company), Beijing Wan'an Jinrui Investment Management Co., Ltd.\* (北京萬安金瑞投資管理有限公司) (a subsidiary of the Company) and CIFI Group Co., Ltd. (旭輝集團股份有限公司) (an independent third party of the Company) in relation to the injection of registered capital into the project company, Shanghai Shoujia Property Company Limited\* (上海首嘉置業有限公司), pursuant to which the contributions of Shanghai Capital Zhengheng Property Co., Ltd.\* (上海首創正恒置業有限公司) and Beijing Wan'an Jinrui Investment Management Co., Ltd.\* (北京萬安金瑞投資管理有限公司) are RMB5,100,000 and RMB4,900,000, respectively;
- (r) the agreement dated 26 June 2015 entered into between Beijing Langyuan Real Estate Co., Ltd.\* (北京郎園置業有限公司) (a subsidiary of the Company) and independent third parties of the Company including Zhongguancun Development Group\* (中關村發展集團股份有限公司), Beijing Zhongguancun Software Park Development Co., Ltd.\* (北京中關村軟件園發展有限責任公司) and Beijing Zhongguancun IC Park Development Co., Ltd.\* (北京中關村集成電路設計園發展有限責任公司) in relation

to the injection of capital into the project company, Beijing Zhongguancun IC Park Development Co., Ltd.\* (北京中關村集成電路設計園發展有限責任公司) (the “Project Company”), pursuant to which Beijing Langyuan Real Estate Co., Ltd.\* (北京郎園置業有限公司) will inject RMB500,000,000 to the registered capital of the Project Company and provide up to RMB913,500,000 in shareholders’ loan to the Project Company;

- (s) the underwriting agreement dated 6 May 2015 entered into between the Company and China International Capital Corporation Limited (an independent third party of the Company), as underwriter, in relation to the underwriting arrangement in respect of the issue by the Company of 5-years RMB bonds in a principal amount of RMB3,000,000,000 with a coupon rate of 4.58% at a fee of 0.93% payable by the Company;
- (t) the subscription agreement dated 23 July 2015 entered into between Beijing Capital Juda Limited (a subsidiary of the Company), Rosy Capital Global Limited (a subsidiary of Beijing Capital Juda Limited) and Capital Group with The Hongkong and Shanghai Banking Corporation Limited and DBS Bank Ltd., ABCI Capital Limited, Bank of China (Hong Kong) Limited and China Construction Bank Corporation, Singapore Branch (all of which are independent third parties of the Company) in connection with the issue of RMB1,300,000,000 guaranteed notes at 5.25 per cent. due 2018 by Rosy Capital Global Limited;
- (u) the keepwell and liquidity support deed dated 30 July 2015 entered into between Beijing Capital Juda Limited (a subsidiary of the Company), Rosy Capital Global Limited (a subsidiary of Beijing Capital Juda Limited), Capital Group and The Hongkong and Shanghai Banking Corporation Limited (an independent third party of the Company), as trustee, pursuant to which Capital Group will, inter alia, cause each of Rosy Capital Global Limited and Beijing Capital Jude Limited to have a consolidated net worth position of at least US\$1.00 and RMB100,000,000, respectively, at all times, and to have sufficient liquidity to ensure timely payment of any and all amounts payable under or in respect of the RMB1,300,000,000 guaranteed notes at 5.25 per cent. due 2018 issued by Rosy Capital Global Limited;
- (v) the deed of equity interest purchase undertaking dated 30 July 2015 entered into between Beijing Capital Juda Limited (a subsidiary of the Company), Rosy Capital Global Limited (a subsidiary of Beijing Capital Juda Limited), Capital Group and The Hongkong and Shanghai Banking Corporation Limited (an independent third party of the Company), as trustee, pursuant to which Capital Group agreed to purchase certain equity interest following an event of default under the RMB1,300,000,000 guaranteed notes at 5.25 per cent. due 2018 issued by Rosy Capital Global Limited; and
- (w) the Domestic Share Subscription Agreement.

**9. EXPERT'S QUALIFICATION AND CONSENT**

The following is the qualification of the experts who have given opinions or advices for inclusion in this circular:

<b>Name</b>	<b>Qualification</b>
Ample Capital Limited	a licensed corporation to carry out type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO and the independent financial adviser as approved and appointed to advise the Independent Board Committee and the Independent Shareholders with regard to the Domestic Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver
DTZ	Independent property valuer
JunZeJun Law Offices	PRC legal advisers

Each of the above experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter(s), report(s), certificate(s) and/or opinion(s) (as the case may be) and the references to its name included herein in the form and context in which it is respectively included.

Each of the above experts confirmed that as at the Latest Practicable Date, it did not have any beneficial shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did it have any direct or indirect interests in any assets which have since 31 December 2014 (being the date to which the latest published audited consolidated financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

**10. DIRECTORS' INTERESTS IN COMPETING BUSINESS**

As at the Latest Practicable Date, none of the Directors or their close associates had interests in a business, apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with the business of the Group.

**11. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during normal business hours at the place of business of the Company in Hong Kong unless (i) a tropic cyclone warning signal number 8 or above is hoisted, or (ii) a black rainstorm warning signal is issued, except public holidays, and also on the website of the SFC at [www.sfc.hk](http://www.sfc.hk) and the website of the Company at [www.bjcapitalland.com.cn](http://www.bjcapitalland.com.cn), from the date of this circular up to and including the date of the EGM:

- (a) the Articles of the Company and the articles of association of Capital Group;
- (b) the letter from the Board, the text of which is set out on pages 6 to 26 of this circular;
- (c) the letter of recommendation from the Independent Board Committee, the text of which is set out on pages 27 to 28 of this circular;
- (d) the letter from the Independent Financial Adviser, the text of which is set out on pages 29 to 59 of this circular;
- (e) the property valuation report prepared by DTZ on the properties of the Group, the text of which is set out in Appendix II of this circular;
- (f) the material contracts referred to in the paragraph headed “Material Contracts” in this appendix;
- (g) the written consents referred to in the paragraph headed “Expert’s Qualification and Consent” in this appendix;
- (h) the annual reports of the Company for the financial years ended 31 December 2012, 2013 and 2014 respectively;
- (i) the interim report of the Company for the six months ended 30 June 2015;
- (j) the legal opinion given by JunZeJun Law Offices regarding the titles to the properties in the PRC;
- (k) the written consents of the financial advisers to the Company stating that they have given and not withdrawn their consent to the publication of their names in the document; and
- (l) this circular.

**12. MISCELLANEOUS**

- (a) The registered address of the Company is at Room 6008, Block 1, No. 26 Qingchun Road, Huairou District, Beijing, PRC.
- (b) The principal place of business of the Company in the PRC is at F17, Red Goldage, No.2, Guang Ning Bo Street, Beijing, PRC.
- (c) The principal place of business of the Company in Hong Kong is at Suites 2906-08, AIA Central, 1 Connaught Road Central, Hong Kong.
- (d) The Hong Kong share registrar of the Company is Computershare Hong Kong Investor Services Limited at shops 1712-1716, 17 Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (e) The company secretary is Mr. Lee Sze Wai, who is a member of the Hong Kong Institute of Certified Public Accountants.
- (f) The full name and address of Capital Group and its concert parties are as follows:

<b>Name</b>	<b>Address</b>
Beijing Capital Group Co., Ltd.* (北京首都創業集團有限公司)	The Capital Group Plaza, No.6 Chaoyangmen North Street, Dongcheng District, Beijing, China
China Resource Products Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands

- (g) The director(s) and the ultimate controlling shareholder(s) of Capital Group and its concert parties are as follows:

Name	Director(s)	Ultimate Controlling Shareholder(s)	Director(s) of the Ultimate Controlling Shareholder(s)
Capital Group	Wang Hao, Song Fengjing, Shen Jianping, Li Songping, Xie Dechun, Liu Longhua, Xu Jianjun, Yu Zhonghua	Capital Group is a state-owned enterprise directly under the supervision of SASAC	N/A
China Resource Products Limited	Zhao Ronghai (趙榮海)	Beijing Rong Tong Zheng He Investment Management Company Limited* (北京融通正和投資管理有限公司)	Zhao Ronghai (趙榮海)

- (h) The new Domestic Shares to be issued to Capital Group pursuant to the Domestic Share Subscription will not be transferred, charged or pledged to any other persons.
- (i) In the event of any inconsistencies, the English text of this circular and the proxy forms shall prevail over the Chinese text.



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## NOTICE OF EGM

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*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*  
(Stock Code: 2868)

### NOTICE OF THE EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**EGM**”) of Beijing Capital Land Ltd. (the “**Company**”) will be held on Monday, 28 September 2015 at 9:00 a.m. at F17, Red Goldage, No.2, Guang Ning Bo Street, Beijing, People's Republic of China (the “**PRC**”) to consider and, if thought fit, pass the following resolutions. Capitalised terms defined in the circular dated 11 September 2015 issued by the Company (the “**Circular**”) shall have the same meanings when used herein unless otherwise specified:

#### SPECIAL RESOLUTIONS

##### **Resolution in relation to the Domestic Share Subscription Agreement and the grant of Specific Mandate**

1. “**THAT:**
  - (a) the Domestic Share Subscription Agreement entered into between the Company and Capital Group in relation to the subscription of a total of 1,000,000,000 new Domestic Shares by Capital Group pursuant to which Capital Group has conditionally agreed to subscribe for and the Company has conditionally agreed to issue 1,000,000,000 Domestic Shares at RMB3.08 (equivalent to approximately HK\$3.90) per new Domestic Share, be and is hereby approved, confirmed and ratified, and all the transactions contemplated under the Domestic Share Subscription Agreement be and are hereby approved, confirmed and ratified and that the Board be and is hereby authorised to make changes or amendments to the Domestic Share Subscription Agreement as it may in its absolute discretion think fit, a copy of which is produced to the meeting marked “A” and signed by the Chairman of the EGM for the purpose of identification.
  - (b) the Board be and is hereby granted a specific mandate to issue the new Domestic Shares at the subscription price of RMB3.08 (equivalent to approximately HK\$3.90) per new Domestic Share upon completion of the Domestic Share Subscription Agreement to Capital Group pursuant to the Domestic Share Subscription Agreement.

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## NOTICE OF EGM

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- (c) any Director be and is hereby authorised to implement and take all steps and to do all acts and things which in his opinion may be necessary or desirable to give effect and/or to complete or in connection with the Domestic Share Subscription Agreement and transactions contemplated thereunder, including, without limitation, to approve any changes and amendments thereto, to obtain all necessary approvals from, and make all relevant registrations and filings with, the relevant PRC and other authorities, and to sign and execute such further documents, or to do any other matters incidental thereto and/or as contemplated thereunder.”

### **Resolution in relation to the amendments to the Articles**

2. **“THAT:**

- (a) the proposed amendments to the Articles to be made in order to reflect the corresponding increase in the registered capital and change in shareholding structure of the Company following completion of the Domestic Share Subscription Agreement (details of which were set out in section headed “7. Proposed amendments to the Articles” in the Letter from the Board in the Circular) be and are hereby approved and any one Director be and is hereby authorised to make such other modifications to the proposed amendments to the Articles as may be necessary to reflect the registered capital of the Company following completion of the Domestic Share Subscription Agreement or required by the relevant regulatory authorities in the PRC.
- (b) any Director be and is hereby authorised to implement and take all steps and to do all acts and things which in his opinion may be necessary or desirable to give effect and/or to complete or in connection with the proposed amendments to the Articles and transactions contemplated thereunder, including, without limitation, to approve any changes and amendments thereto, to obtain all necessary approvals from, and make all relevant registrations and filings with, the relevant PRC and other authorities, and to sign and execute such further documents, or to do any other matters incidental thereto and/or as contemplated thereunder.”

### **ORDINARY RESOLUTION**

#### **Resolution in relation to the whitewash waiver**

3. **“THAT”:**

subject to the granting of the whitewash waiver by the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong and any delegate of such Executive Director pursuant to Note 1 on dispensations from Rule 26 of the Hong Kong Code on Takeovers and Mergers in respect of the

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## NOTICE OF EGM

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obligation on the part of the Capital Group and its concert parties to make a mandatory general offer to the Shareholders for all issued Shares not already owned by Capital Group or its concert parties under Rule 26 of the Hong Kong Code on Takeovers and Mergers as a result of the subscription of the new Domestic Shares, such whitewash waiver be and is hereby approved.”

By Order of the Board  
**Beijing Capital Land Ltd.**  
**Lee Sze Wai**  
*Company Secretary*

Hong Kong, 11 September 2015

*Notes:*

**(1) Voting arrangements**

As disclosed in the Circular, Capital Group and its concert parties (including, among others, China Resource Products Limited) will (and any person who is involved or interested in the Domestic Share Subscription, the Specific Mandate and the Whitewash Waiver are required to) abstain from voting on the resolutions no. 1 and no. 3 above at the EGM and no Shareholder is required to abstain from voting on the resolution no. 2 above at the EGM. The Domestic Share Subscription Agreement and the transactions contemplated thereunder are also subject to the approval by the holders of H Shares by way of special resolution at the separate class meeting of the H Shareholders to be held on Monday, 28 September 2015 at 9:30 a.m. (or immediately after the conclusion of the EGM) and holders of Domestic Shares and Non-H Foreign Shares by way of special resolution at the separate class meeting of the Domestic Shareholders and Non-H Foreign Shareholders to be held on Monday, 28 September 2015 at 10:00 a.m. and (or immediately after the conclusion of the H Share Class Meeting). The Whitewash Waiver is also subject to the approval by the holders of H Shares by way of ordinary resolution at the separate class meeting of the H Shareholders to be held on Monday, 28 September 2015 at 9:30 a.m. (or immediately after the conclusion of the EGM) and holders of Domestic Shares and Non-H Foreign Shares by way of ordinary resolution at the Domestic Share Class meeting to be held on Monday, 28 September 2015 at 10:00 a.m. and (or immediately after the conclusion of the H Share Class Meeting. As disclosed in the Circular, Capital Group and its concert parties (including, among others, China Resource Products Limited) will (and any person who is involved or interested in the Domestic Share Subscription, the Specific Mandate and the Whitewash Waiver are required to) abstain from voting on the relevant resolutions in the Domestic Share Class Meeting.

**(2) Registration procedures for the EGM**

Shareholders who intend to attend the EGM have to return the reply slip together with any necessary registration documents to the Company in person or by post or fax on or before Sunday, 20 September 2015.

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## NOTICE OF EGM

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### (3) Proxy

- i. Any Shareholder entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote at the meeting on his or her behalf. A proxy need not be a Shareholder.
- ii. In order to be valid, the proxy form and, if such proxy form is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or authority, shall be deposited by holders of Domestic Shares or Non-H Foreign Shares at the place of business of the Company in the PRC not less than 24 hours before the time for holding of the EGM, or by the holder of H Shares at the place of business of the Company in Hong Kong or to the H Share registrar of the Company by such time. The H Share registrar of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17 Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong by such time.
- iii. Shareholders or their proxies shall produce their identification documents when attending the EGM.

### (4) Miscellaneous

- i. The duration of the EGM is expected not to exceed half a day. Shareholders who attend the EGM shall arrange for their own transportation and accommodation at their own expenses.
- ii. All voting at the EGM will be conducted by poll.
- iii. Place of business of the Company in the PRC:

F17, Red Goldage  
No.2, Guang Ning Bo Street  
Beijing, PRC

Telephone: 86-10-6652 3000

Facsimile: 86-10-6652 3171

- iv. Place of business of the Company in Hong Kong:

Suites 2906-08, AIA Central,  
1 Connaught Road Central,  
Hong Kong

Telephone: 852-2869 9098

Facsimile: 852-2869 9708

*The Board as of the date of this announcement comprises Mr. Wang Hao (Chairman), Mr. Tang Jun (President) and Mr. Zhang Shengli who are the Executive Directors, Mr. Liu Xiaoguang, Mr. Song Fengjing and Mr. Shen Jianping who are the Non-Executive Directors, Mr. Ng Yuk Keung, Mr. Wang Hong and Mr. Li Wang who are the Independent Non-Executive Directors.*

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## NOTICE OF THE H SHARE CLASS MEETING

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# 首創置業股份有限公司

## BEIJING CAPITAL LAND LTD.

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*  
(Stock Code: 2868)

## NOTICE OF THE H SHARE CLASS MEETING

**NOTICE IS HEREBY GIVEN** that an H shareholders class meeting (the “**H Share Class Meeting**”) of Beijing Capital Land Ltd. (the “**Company**”) will be held on Monday, 28 September 2015 at 9:30 a.m. (or immediately after the conclusion of the extraordinary general meeting (the “**EGM**”) at F17, Red Goldage, No.2, Guang Ning Bo Street, Beijing, People's Republic of China (the “**PRC**”) to consider and, if thought fit, pass the following resolutions. Capitalised terms defined in the circular dated 11 September 2015 issued by the Company (the “**Circular**”) shall have the same meanings when used herein unless otherwise specified:

### SPECIAL RESOLUTIONS

#### **Resolution in relation to the Domestic Share Subscription Agreement and the grant of Specific Mandate**

1. “**THAT:**

- (a) the Domestic Share Subscription Agreement entered into between the Company and Capital Group in relation to the subscription of a total of 1,000,000,000 new Domestic Shares by Capital Group pursuant to which Capital Group has conditionally agreed to subscribe for and the Company has conditionally agreed to issue 1,000,000,000 Domestic Shares at RMB3.08 (equivalent to approximately HK\$3.90) per new Domestic Share, be and is hereby approved, confirmed and ratified, and all the transactions contemplated under the Domestic Share Subscription Agreement be and are hereby approved, confirmed and ratified and that the Board be and is hereby authorised to make changes or amendments to the Domestic Share Subscription Agreement as it may in its absolute discretion think fit, a copy of which is produced to the meeting marked “A” and signed by the Chairman of the H Share Class Meeting for the purpose of identification.
- (b) the Board be and is hereby granted a specific mandate to issue the new Domestic Shares at the subscription price of RMB3.08 (equivalent to approximately HK\$3.90) per new Domestic Share upon completion of the Domestic Share Subscription Agreement to Capital Group pursuant to the Domestic Share Subscription Agreement.

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## NOTICE OF THE H SHARE CLASS MEETING

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- (c) any Director be and is hereby authorised to implement and take all steps and to do all acts and things which in his opinion may be necessary or desirable to give effect and/or to complete or in connection with the Domestic Share Subscription Agreement and transactions contemplated thereunder, including, without limitation, to approve any changes and amendments thereto, to obtain all necessary approvals from, and make all relevant registrations and filings with, the relevant PRC and other authorities, and to sign and execute such further documents, or to do any other matters incidental thereto and/or as contemplated thereunder.”

### ORDINARY RESOLUTION

#### **Resolution in relation to the whitewash waiver**

2. **“THAT:**

subject to the granting of the whitewash waiver by the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong and any delegate of such Executive Director pursuant to Note 1 on dispensations from Rule 26 of the Hong Kong Code on Takeovers and Mergers in respect of the obligation on the part of the Capital Group and its concert parties to make a mandatory general offer to the Shareholders for all issued Shares not already owned by Capital Group or its concert parties under Rule 26 of the Hong Kong Code on Takeovers and Mergers as a result of the subscription of the new Domestic Shares, such whitewash waiver be and is hereby approved.”

By Order of the Board  
**Beijing Capital Land Ltd.**  
**Lee Sze Wai**  
*Company Secretary*

Hong Kong, 11 September 2015

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## NOTICE OF THE H SHARE CLASS MEETING

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*Notes:*

**(1) Voting arrangements**

No H Shareholder is required to abstain from voting on the above resolutions at the H Share Class Meeting. The Domestic Share Subscription Agreement and the transactions contemplated thereunder are also subject to the approval by the Independent Shareholders by way of special resolution at the EGM to be held on Monday, 28 September 2015 at 9:00 a.m. and holders of Domestic Shares and Non-H Foreign Shares by way of special resolution at the separate class meeting of the Domestic Shareholders and Non-H Foreign Shares to be held on Monday, 28 September 2015 at 10:00 a.m. (or immediately after the conclusion of the H Share Class Meeting). The Whitewash Waiver is also subject to the approval by the Independent Shareholders by way of ordinary resolution at the EGM to be held on Monday, 28 September 2015 at 9:00 a.m. and by the holders of Domestic Shares and Non-H Foreign Shares by way of ordinary resolution at the Domestic Share Class Meeting of the Domestic Shareholders and Non-H Foreign Shareholders to be held on Monday, 28 September 2015 at 10:00 a.m. (or immediately after the conclusion of the H Share Class Meeting). As disclosed in the Circular, Capital Group and its concert parties (including, among others, China Resource Products Limited) will (and any person who is involved or interested in the Domestic Share Subscription, the Specific Mandate and the Whitewash Waiver are required to) abstain from voting on the relevant resolutions in the Domestic Share Class Meeting.

**(2) Registration procedures for the H Share Class Meeting**

Shareholders who intend to attend the H Share Class Meeting have to return the reply slip together with any necessary registration documents to the Company in person or by post or fax on or before Sunday, 20 September 2015.

**(3) Proxy**

- i. Any Shareholder entitled to attend and vote at the H Share Class Meeting is entitled to appoint one or more proxies to attend and vote at the meeting on his or her behalf. A proxy need not be a Shareholder.
- ii. In order to be valid, the proxy form and, if such proxy form is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or authority, shall be deposited by holder of H Shares at the place of business of the Company in Hong Kong or to the H Share registrar of the Company not less than 24 hours before the time for holding of the H Share Class Meeting. The H Share registrar of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17 Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
- iii. Shareholders or their proxies shall produce their identification documents when attending the H Share Class Meeting.

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## NOTICE OF THE H SHARE CLASS MEETING

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(4) **Miscellaneous**

i. The duration of the H Share Class Meeting is expected not to exceed half a day. Shareholders who attend the H Share Class Meeting shall arrange for their own transportation and accommodation at their own expenses.

ii. All voting at the H Share Class Meeting will be conducted by poll.

iii. Place of business of the Company in the PRC:

F17, Red Goldage  
No.2, Guang Ning Bo Street  
Beijing, PRC

Telephone: 86-10-6652 3000  
Facsimile: 86-10-6652 3171

iv. Place of business of the Company in Hong Kong:

Suites 2906-08, AIA Central,  
1 Connaught Road Central,  
Hong Kong

Telephone: 852-2869 9098  
Facsimile: 852-2869 9708

*The Board as of the date of this announcement comprises Mr. Wang Hao (Chairman), Mr. Tang Jun (President) and Mr. Zhang Shengli who are the Executive Directors, Mr. Liu Xiaoguang, Mr. Song Fengjing and Mr. Shen Jianping who are the Non-Executive Directors, Mr. Ng Yuk Keung, Mr. Wang Hong and Mr. Li Wang who are the Independent Non-Executive Directors.*



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## NOTICE OF THE DOMESTIC SHARE CLASS MEETING

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# 首創置業股份有限公司

## BEIJING CAPITAL LAND LTD.

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 2868)**

### NOTICE OF THE DOMESTIC SHARE CLASS MEETING

**NOTICE IS HEREBY GIVEN** that a domestic and non-H foreign shareholders class meeting (the “**Domestic Share Class Meeting**”) of Beijing Capital Land Ltd. (the “**Company**”) will be held on Monday, 28 September 2015 at 10:00 a.m. (or immediately after the conclusion of the H share class meeting (the “**H Share Class Meeting**”)) at F17, Red Goldage, No.2, Guang Ning Bo Street, Beijing, People’s Republic of China (the “**PRC**”) to consider and, if thought fit, pass the following resolutions. Capitalised terms defined in the circular dated 11 September 2015 issued by the Company (the “**Circular**”) shall have the same meanings when used herein unless otherwise specified:

#### **SPECIAL RESOLUTIONS**

##### **Resolution in relation to the Domestic Share Subscription Agreement and the grant of Specific Mandate**

1. “**THAT:**

- (a) the Domestic Share Subscription Agreement entered into between the Company and Capital Group in relation to the subscription of a total of 1,000,000,000 new Domestic Shares by Capital Group pursuant to which Capital Group has conditionally agreed to subscribe for and the Company has conditionally agreed to issue 1,000,000,000 Domestic Shares at RMB3.08 (equivalent to approximately HK\$3.90) per new Domestic Share, be and is hereby approved, confirmed and ratified, and all the transactions contemplated under the Domestic Share Subscription Agreement be and are hereby approved, confirmed and ratified and that the Board be and is hereby authorised to make changes or amendments to the Domestic Share Subscription Agreement as it may in its absolute discretion think fit, a copy of which is produced to the meeting marked “A” and signed by the Chairman of the Domestic Share Class Meeting for the purpose of identification.
- (b) the Board be and is hereby granted a specific mandate to issue the new Domestic Shares at the subscription price of RMB3.08 (equivalent to approximately HK\$3.90) per new Domestic Share upon completion of the Domestic Share Subscription Agreement to Capital Group pursuant to the Domestic Share Subscription Agreement.

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## NOTICE OF THE DOMESTIC SHARE CLASS MEETING

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- (c) any Director be and is hereby authorised to implement and take all steps and to do all acts and things which in his opinion may be necessary or desirable to give effect and/or to complete or in connection with the Domestic Share Subscription Agreement and transactions contemplated thereunder, including, without limitation, to approve any changes and amendments thereto, to obtain all necessary approvals from, and make all relevant registrations and filings with, the relevant PRC and other authorities, and to sign and execute such further documents, or to do any other matters incidental thereto and/or as contemplated thereunder.”

### ORDINARY RESOLUTION

#### Resolution in relation to the whitewash waiver

2. “**THAT:**

subject to the granting of the whitewash waiver by the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong and any delegate of such Executive Director pursuant to Note 1 on dispensations from Rule 26 of the Hong Kong Code on Takeovers and Mergers in respect of the obligation on the part of the Capital Group and its concert parties to make a mandatory general offer to the Shareholders for all issued Shares not already owned by Capital Group or its concert parties under Rule 26 of the Hong Kong Code on Takeovers and Mergers as a result of the subscription of the new Domestic Shares, such whitewash waiver be and is hereby approved.”

By Order of the Board  
**Beijing Capital Land Ltd.**  
**Lee Sze Wai**  
*Company Secretary*

Hong Kong, 11 September 2015

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## NOTICE OF THE DOMESTIC SHARE CLASS MEETING

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*Notes:*

**(1) Voting arrangements**

As disclosed in the Circular, Capital Group and its concert parties (including, among others, China Resource Products Limited) will (and any person who is involved or interested in the Domestic Share Subscription, the Specific Mandate and the Whitewash Waiver are required to) abstain from voting on the resolutions no. 1 and no. 2 above at the Domestic Share Class Meeting. The Domestic Share Subscription Agreement and the transactions contemplated thereunder are also subject to the approval by the Independent Shareholders by way of special resolution at the EGM to be held on Monday, 28 September 2015 at 9:00 a.m. and holders of H Shares by way of special resolution at the separate class meeting of the H Shareholders to be held on Monday, 28 September 2015 at 9:30 a.m. (or immediately after the conclusion of the EGM). The Whitewash Waiver is also subject to the approval by the Independent Shareholders by way of ordinary resolution at the EGM to be held on Monday, 28 September 2015 at 9:00 a.m. and by the holders of H Shares by way of ordinary resolution at the H Share Class Meeting to be held on Monday, 28 September 2015 at 9:30 a.m. (or immediately after the conclusion of the EGM).

**(2) Registration procedures for the Domestic Share Class Meeting**

Shareholders who intend to attend the Domestic Share Class Meeting have to return the reply slip together with any necessary registration documents to the Company in person or by post or fax on or before Sunday, 20 September 2015.

**(3) Proxy**

- i. Any Shareholder entitled to attend and vote at the Domestic Share Class Meeting is entitled to appoint one or more proxies to attend and vote at the meeting on his or her behalf. A proxy need not be a Shareholder.
- ii. In order to be valid, the proxy form and, if such proxy form is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or authority, shall be deposited by holders of domestic promoter shares or non-H foreign Shares at the place of business of the Company in the PRC not less than 24 hours before the time for holding of the Domestic Share Class Meeting.
- iii. Shareholders or their proxies shall produce their identification documents when attending the Domestic Share Class Meeting.

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## NOTICE OF THE DOMESTIC SHARE CLASS MEETING

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(4) **Miscellaneous**

- i. The duration of the Domestic Share Class Meeting is expected not to exceed half a day. Shareholders who attend the Domestic Share Class Meeting shall arrange for their own transportation and accommodation at their own expenses.
- ii. All voting at the Domestic Share Class Meeting will be conducted by poll.
- iii. Place of business of the Company in the PRC:

F17, Red Goldage  
No.2, Guang Ning Bo Street  
Beijing, PRC

Telephone: 86-10-6652 3000

Facsimile: 86-10-6652 3171

- iv. Place of business of the Company in Hong Kong:

Suites 2906-08, AIA Central,  
1 Connaught Road Central,  
Hong Kong

Telephone: 852-2869 9098

Facsimile: 852-2869 9708

*The Board as of the date of this announcement comprises Mr. Wang Hao (Chairman), Mr. Tang Jun (President) and Mr. Zhang Shengli who are the Executive Directors, Mr. Liu Xiaoguang, Mr. Song Fengjing and Mr. Shen Jianping who are the Non-Executive Directors, Mr. Ng Yuk Keung, Mr. Wang Hong and Mr. Li Wang who are the Independent Non-Executive Directors.*