

# THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the Merger, this document or as to the action to be taken, you should consult a licensed securities dealer or other registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in the Company, you should at once hand this document and the accompanying forms of proxy to the purchaser(s) or the transferee(s), or to the bank, licensed securities dealer or registered institution in securities, or other agent through whom the sale or the transfer was effected for transmission to the purchaser(s) or the transferee(s).

The Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document and the accompanying forms of proxy, make no representation as to their 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 document and the accompanying forms of proxy.

**Beijing Capital City Development Group Co., Ltd.\***  
北京首創城市發展集團有限公司  
*(a company incorporated in the People's Republic of China with limited liability)*

 **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) PROPOSED PRIVATISATION OF  
THE COMPANY BY THE OFFEROR BY WAY OF MERGER BY ABSORPTION  
(2) PROPOSED WITHDRAWAL OF LISTING  
(3) NOTICE OF THE EXTRAORDINARY GENERAL MEETING  
AND  
(4) NOTICE OF THE H SHAREHOLDERS' CLASS MEETING**

Financial Adviser to the Offeror



Independent Financial Adviser to the Independent Board Committee



Capitalised terms used on this cover page shall have the same meanings as those defined in the section headed "Definitions" in this document.

A letter from the Board is set out on pages 8 to 30 of this document. A letter from the Independent Board Committee to the Independent H Shareholders is set out on pages 31 to 32 of this document. A letter from Somerley Capital Limited, the Independent Financial Adviser, containing its advice to the Independent Board Committee, is set out on pages 33 to 67 of this document.

The notices convening the EGM and the H Shareholders' Class Meeting to be held at Block A, Fucheng Building, No. 98, Beilishi Road, Xicheng District, Beijing, PRC on Thursday, 23 September 2021 (i) in relation to the EGM, at 9:00 a.m., and (ii) in relation to the H Shareholders' Class Meeting, at 9:30 a.m., or immediately following the conclusion of the EGM or any adjournment thereof are contained in this document. Shareholders are advised to read the notices and to complete and return the enclosed forms of proxy for use at the EGM and the H Shareholders' Class Meeting in accordance with the instructions printed thereon. If you intend to attend the EGM and H Shareholders' Class Meeting, please complete and return the appropriate form of proxy in accordance with the instructions printed thereon as soon as possible, and in any event no less than 24 hours before the time appointed from the EGM and the H Shareholders' Class Meeting or any adjourned meeting thereof (as the case may be).

Whether or not you are able to attend and vote at the EGM and H Shareholders' Class Meeting or any adjournment thereof in person, you are requested to complete and return the accompanying forms of proxy in accordance with the instructions printed thereon and return them to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited (for holders of H Shares) at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong or to the Company's correspondence address at Block A, Fucheng Building, No. 98 Beilishi Road, Xicheng District, Beijing, PRC (for holders of Non-H Foreign Shares and Domestic Shares), together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof), as soon as possible and in any event not later than 24 hours before the time appointed for holding the EGM and the H Shareholders' Class Meeting or any adjournment thereof (as the case may be).

Completion and return of the forms of proxy will not preclude you from attending and voting in person at the EGM, the H Shareholders' Class Meeting or any adjournment thereof should you so wish and in such event, the forms of proxy shall be deemed to be revoked.

This document is jointly issued by the Offeror and the Company.

## PRECAUTIONARY MEASURES FOR THE EGM AND THE H SHAREHOLDERS' CLASS MEETING

Taking into account the recent development of the epidemic caused by the coronavirus disease (COVID-19), the Company will implement the following measures at the EGM and the H Shareholders' Class Meeting including:

- compulsory body temperature checks
- wearing of face masks throughout the EGM and the H Shareholders' Class Meeting
- no distribution of corporate gifts and refreshments
- seating at the EGM and the H Shareholders' Class Meeting will be arranged so as to allow for appropriate social distancing. The Company may limit the number of attendees at the EGM and the H Shareholders' Class Meeting as may be necessary

Any person who attend the EGM and the H Shareholders' Class Meeting on-site must pay attention in advance and comply with the applicable regulations and requirements in Beijing, PRC on health status declaration, quarantine and observation and the Company may implement additional measures according to the applicable regulations and requirements in Beijing, PRC on health status declaration, quarantine and observation.

Any person who does not comply with the precautionary measures will be denied entry into the venue of the EGM and the H Shareholders' Class Meeting.

Those being refused entry at the meeting venue would still be allowed to vote by submitting a voting slip to the scrutineer at the entrance of the venue.

\* For identification purpose only

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## EXPECTED TIMETABLE

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*The expected timetable set out below is indicative only and may be subject to change. Further announcement(s) will be made as and when appropriate.*

***Unless otherwise expressly stated, references to times and dates in this document are to Hong Kong times and dates.***

Latest time for lodging transfers of H Shares  
in order to be entitled to attend and vote at the EGM  
and the H Shareholders' Class Meeting . . . . . 4:30 p.m. on Thursday, 16 September 2021

Closure of registers for transfers of Shares for  
determination of the Shareholders entitled to attend  
and vote at the EGM and the H Shareholders' Class Meeting . . . . . Friday, 17 September 2021  
to Thursday, 23 September 2021  
(both dates inclusive)

Latest time for lodging proxy forms in respect of the EGM . . . . . 9:00 a.m. on  
Wednesday, 22 September 2021

Latest time for lodging proxy forms in respect of the  
H Shareholders' Class Meeting . . . . . 9:30 a.m. on Wednesday, 22 September 2021

Record date for Shareholders for the EGM and the  
H Shareholders for the H Shareholders' Class Meeting . . . . . Thursday, 23 September 2021

EGM <sup>(1)</sup> . . . . . 9:00 a.m. on Thursday, 23 September 2021

H Shareholders' Class Meeting <sup>(1)</sup> . . . . . 9:30 a.m. on Thursday, 23 September 2021,  
or immediately following the conclusion of the EGM  
or any adjournment thereof on Thursday, 23 September 2021

Announcement of the results of the EGM and the  
H Shareholders' Class Meeting and the satisfaction of  
all Conditions to Effectiveness <sup>(2)</sup>, last day for dealings in  
H Shares and expected date of withdrawal of listing of  
H Shares . . . . . by 7:00 p.m. on Thursday, 23 September 2021

Resumption of registers for transfer of Shares . . . . . Friday, 24 September 2021

Each of the Offeror and the Company notifies its creditors  
and makes a public announcement of the Merger  
pursuant to the PRC Company Law . . . . . Within 10 days (for the notice to creditors)  
and 30 days (for the announcement) following  
the EGM and the H Shareholders' Class Meeting

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## EXPECTED TIMETABLE

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Last day for dealings in H Shares . . . . .	Friday, 24 September 2021
Latest time for lodging transfers of H Shares in order to be entitled to receive the Cancellation Price. . . . .	4:30 p.m. on Tuesday, 28 September 2021
Closure of registers of members of the Company (until the Company's deregistration occurs) . . . . .	From Wednesday, 29 September 2021 onward
Expected date and time of withdrawal of listing of H Shares . . . . .	9:00 a.m. on Thursday, 30 September 2021
Announcement that all the Conditions to Implementation are satisfied (or waived, as applicable) <sup>(2)</sup> . . . . .	Thursday, 30 September 2021
Latest date for payment of the Cancellation Price to the H Shareholders <sup>(3)</sup> . . . . .	Tuesday, 12 October 2021
Latest date for payment of the Cancellation Price to the Non-H Foreign Shareholders <sup>(4)</sup> . . . . .	Monday, 8 November 2021
End of the period during which creditors may request the Offeror and the Company to pay off their respective indebtedness or provide guarantees . . . . .	Within 30 days after the receipt of notice by creditors or within 45 days after the issue of announcement to creditors if the aforesaid notice has not been received by creditors

*Notes:*

- (1) The Conditions to Effectiveness shall be satisfied upon passing of the requisite resolutions at the EGM and the H Shareholders' Class meeting as set out in "PRINCIPAL TERMS OF THE MERGER AGREEMENT - Condition to Effectiveness" in the "LETTER FROM THE BOARD" of this document.
- (2) The Offeror and the Company will jointly publish announcement(s) when or as soon as reasonably practicable after all Conditions to Effectiveness have been satisfied and the Conditions to Implementation have been satisfied or waived, as appropriate.
- (3) Pursuant to the Merger Agreement, if any Dissenting Shareholder is to exercise its right to request the Company and/or other Consenting Shareholders (or the Offeror, if so elected by the Company and/or the Consenting Shareholders) to acquire its Shares at a "fair price" during the Declaration Period (the "**Right**"), the Dissenting Shareholder must refund the Cancellation Price (if received) to the Offeror in order to be entitled to exercise the Right, failing which the Dissenting Shareholder will be deemed to have waived, and will no longer be able to exercise, the Right. The Offeror (if so elected by the Company and/or the Consenting Shareholders) will make the payment separately upon agreement on matters regarding the Right. For the avoidance of doubt, regardless of when the Dissenting Shareholder exercises the Right, the Dissenting Shareholder will be deemed to have ceased to have any right in respect of the Shares (other than the right to request for consideration pursuant to exercise of the Right) on the Delisting Date.  
  
Payment of Cancellation Price to the H Shareholders will be made by way of cheques, which will be sent by ordinary post at the risk of the persons entitled thereto.
- (4) The Offeror has applied to the Executive for, and the Executive has granted, a waiver from strict compliance with Rule 20.1 of the Takeovers Code in respect of the payment of Cancellation Price to Non-H Foreign Shareholders. For details, please refer to "3. PRINCIPAL TERMS OF THE MERGER AGREEMENT - Payment of consideration" in the "LETTER FROM THE BOARD" of this document.

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## EXPECTED TIMETABLE

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Shareholders and potential investors in the securities of the Company should be aware that the expected last day for dealings in H Shares will be Friday, 24 September 2021. In order for the transferee to be entitled to receive the Cancellation Price, the transfer documents and the relevant share certificates must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong by 4:30 p.m. on Tuesday, 28 September 2021.

If the transfer documents and the relevant share certificates are not lodged with the Company's H Share registrar by 4:30 p.m. on Tuesday, 28 September 2021 as set out above, the transferee will not be entitled to receive the Cancellation Price.

The Shareholders and potential investors in the securities of the Company should be aware that the Merger is subject to the Conditions as set out in this document being satisfied or waived, as applicable, and neither the Offeror nor the Company provides any assurance that any or all of Conditions can be satisfied, and thus the Merger Agreement may or may not become effective or, if effective, may or may not be implemented or completed. The Shareholders and potential investors in the securities of the Company should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

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## **IMPORTANT NOTICE**

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**IMPORTANT:** You must read the following disclaimer before continuing. The following disclaimer applies to this document following this disclaimer page and you are therefore advised to read this disclaimer page carefully before accessing, reading or making any other use of this document. In, and as a result of, accessing this document you agree, and you are deemed to agree, to be bound by the following terms and conditions.

### **NOTICE TO SHAREHOLDERS OUTSIDE OF HONG KONG**

The making of the proposal of the Merger to the Overseas Shareholders may be subject to the laws of the relevant jurisdictions. Overseas Shareholders should observe any applicable legal or regulatory requirements. It is the responsibility of the Overseas Shareholders wishing to accept the proposal to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due by the Overseas Shareholders in such jurisdiction.

In accordance with the Takeovers Code and Rule 14e-5(b) of the U.S. Exchange Act, CICC and its affiliates may continue to act as exempt principal traders in the Shares on the Stock Exchange. Such purchases of the Shares made by CICC and its affiliates as exempt principal traders may occur either in the open market at prevailing prices or in private transactions at negotiated prices, provided that any such purchase or arrangement complies with applicable law, including but not limited to the Takeovers Code, and is made outside the United States. Any information about such purchases will be reported to the SFC in accordance with the requirements of the Takeovers Code and, to the extent made public by the SFC, will be available on the respective websites of the SFC at <http://www.sfc.hk> and the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk).

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## ACTIONS TO BE TAKEN

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Whether or not they are able to attend the EGM or the H Shareholders' Class Meeting (where applicable) in person, the Shareholders are strongly urged to complete and sign the enclosed form of proxy in respect of the EGM in accordance with the instructions printed thereon and the H Shareholders are strongly urged to complete and sign the enclosed form of proxy in respect of the H Shareholders' Class Meeting in accordance with the instructions printed thereon as soon as possible, but in any case not later than the following respective times:

- (1) in the case of the form of proxy for use at the EGM, the Shareholders are requested to deposit such form of proxy no later than 9:00 a.m. on Wednesday, 22 September 2021 at the Company's registrar for H Shares (in respect of H Shareholders) at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong or to the Company's correspondence address (in respect of Non-H Foreign Shareholders and Domestic Shareholders) at Block A, Fucheng Building, No. 98 Beilishi Road, Xicheng District, Beijing, PRC; and
- (2) in the case of the form of proxy for use at the H Shareholders' Class Meeting, the H Shareholders are requested to deposit such form of proxy no later than 9:30 a.m. on Wednesday, 22 September 2021 at the Company's registrar for H Shares at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

In the event that the relevant form of proxy has been returned to the Company's registrar for H Shares or the Company (as the case may be) after the abovementioned deadline (where applicable), it will be considered to be invalid and will not be taken into account. The completion and return of a form of proxy for any of the meetings will not preclude you from attending and voting in person at the relevant meetings or any adjournment thereof, should you so wish. In the event that you attend and vote at any of the meetings or any adjournment thereof after having deposited the relevant form of proxy, that form of proxy will be deemed to have been revoked. Reply slips for the EGM and H Shareholders' Class Meeting are not required pursuant to the Articles.

For the purpose of determining the entitlements of the Shareholders to attend and vote at the EGM and the H Shareholders to attend and vote at the H Shareholders' Class Meeting, the Company's registers of members will be closed from Friday, 17 September 2021 to Thursday, 23 September 2021 (both dates inclusive). During such period, no transfer of Shares will be effected.

Only Shareholders whose names are on the Company's registers of members on Thursday, 23 September 2021 are entitled to vote at the relevant meetings. Each Shareholder on the Company's registers of members on Thursday, 23 September 2021 is entitled to cast one vote per Share in respect of the Merger in the EGM. Each Independent H Shareholder on the Company's registers of members on Thursday, 23 September 2021 is entitled to cast one vote per H Share in respect of the Merger in the H Shareholders' Class Meeting.

An announcement will be made in relation to the result of EGM and the H Shareholders' Class Meeting. Further announcement(s) will be made as and when appropriate in respect of the satisfaction and/or waiver (if applicable) of the Conditions to Effectiveness and Conditions to Implementation.

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## DEFINITIONS

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*In this document, the following expressions have the meanings set out below, unless the context requires otherwise:*

“Articles”	the articles of association of the Company (including the rules of procedures for shareholders’ general meetings and the rules of procedures for board meetings);
“BCG Chinastar”	BCG Chinastar International Investment Limited (首創華星國際投資有限公司), a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of Capital Group and a fellow subsidiary of the Offeror;
“Board”	board of Directors;
“Business Day”	a day on which the Stock Exchange is open for the transaction of business;
“Cancellation Price”	the cancellation price of HK\$2.80 per H Share payable in cash by or on behalf of the Offeror to the H Shareholders; RMB2.334080 per Non-H Foreign Share payable in cash by the Offeror to the Non-H Foreign Shareholders and RMB2.334080 per Domestic Share, to the Domestic Shareholder, which will be satisfied through the issuance of registered capital of the Offeror to the Domestic Shareholder, in each case as described in the section headed “3. PRINCIPAL TERMS OF THE MERGER AGREEMENT” in the “LETTER FROM THE BOARD” in this document;
“Capital Group”	Beijing Capital Group Co., Ltd* (北京首都創業集團有限公司), a state-owned enterprise under the direct supervision of the Beijing Municipal Government, which directly holds (i) 100% of the shares of the Offeror and (ii) approximately 56.70% of the Company’s issued share capital as at the Latest Practicable Date;
“CICC”	China International Capital Corporation Hong Kong Securities Limited, the financial adviser to the Offeror in respect of the Merger. CICC is a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO;
“Company”	Beijing Capital Land Ltd. (首創置業股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, whose H Shares are listed and traded on the Stock Exchange (stock code: 2868);



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## DEFINITIONS

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“Conditions”	collectively, the Conditions to Effectiveness and the Conditions to Implementation;
“Conditions to Effectiveness”	has the meaning given to it in the section headed “3. PRINCIPAL TERMS OF THE MERGER AGREEMENT” in the “LETTER FROM THE BOARD” in this document;
“Conditions to Implementation”	has the meaning given to it in the section headed “3. PRINCIPAL TERMS OF THE MERGER AGREEMENT” in the “LETTER FROM THE BOARD” in this document;
“Consenting Shareholders”	the Shareholders who have approved the Merger;
“CR Products”	China Resource Products Limited, a company which is held as to: <ul style="list-style-type: none"><li>(a) 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;</li><li>(b) based on public information, 40% by Guoda Limited (國達有限公司) which in turn is wholly owned by Beijing Rongtong Zhenghe Investment Management Co., Ltd.* (北京融通正和投資管理有限公司); and</li><li>(c) based on information provided by CR Products, (i) 5.27% by Wisdom Crest Limited; (ii) 3.2% by Xing Zhan Limited; and (iii) 20% by Marwicken Property Corp;</li></ul>
“Declaration Period”	a period commencing on the date on which the Merger is approved by the Shareholders and the H Shareholders at the EGM and the H Shareholders’ Class Meeting respectively and expiring on the fifth (5th) Business Day from (and including) the date on which the Merger is approved by the Shareholders and the H Shareholders at the EGM and the H Shareholders’ Class Meeting respectively, during which any Dissenting Shareholder may declare to exercise its right;
“Delisting Date”	the date on which the listing of the Company on the Stock Exchange has been withdrawn;
“Director(s)”	the director(s) of the Company;

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## DEFINITIONS

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“Dissenting Shareholder”	a Shareholder who has validly voted against all the resolutions in respect of the Merger at the EGM and (if applicable) the H Shareholders’ Class Meeting and has requested the Company or the Consenting Shareholders (or the Offeror, if so elected by the Company and/or the Consenting Shareholders) to acquire its Shares at a “fair price”;
“Domestic Share(s)”	the domestic shares of the Company, with a RMB denominated par value of RMB1.00 each, representing approximately 56.70% of the issued share capital of the Company as at the Latest Practicable Date;
“Domestic Shareholder(s)”	the holder(s) of Domestic Share(s);
“EGM”	the extraordinary general meeting of the Company to be convened, or any adjournment thereof, to consider and, if thought fit, approve the Merger Agreement, the Merger and relevant arrangements;
“Exchange Rate”	the exchange rate of HK\$1: RMB0.83360, which is the central parity rate of Hong Kong Dollar to RMB as at the date of the Joint Announcement as announced by the People’s Bank of China;
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director;
“Exercise Date”	the date on which the Company and/or the Consenting Shareholders (or the Offeror, if so elected by the Company and/or the Consenting Shareholders) pays cash consideration to Dissenting Shareholders who exercised their right to request the Company or the Consenting Shareholders (or the Offeror, if so elected by the Company and/or the Consenting Shareholders) to acquire the Shares held and effectively declared by them at “fair price”, which will be decided and announced by the Company;
“Group”	the Company and its subsidiaries;
“H Share(s)”	the ordinary shares issued by the Company, with a RMB denominated par value of RMB1.00 each, which are subscribed for and paid up in Hong Kong dollars and are listed and traded on the Stock Exchange, representing approximately 35.09% of the issued share capital of the Company as at the Latest Practicable Date;
“H Shareholder(s)”	the holder(s) of H Shares;
“H Shareholders’ Class Meeting”	the class meeting of the Company to be convened for H Shareholders, or any adjournment thereof, to consider and, if thought fit, approve the Merger Agreement, the Merger and relevant arrangements;

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## DEFINITIONS

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“HK\$” or “Hong Kong Dollar”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Board Committee”	the independent board committee of the Company established by the Company for the purposes of considering the Merger, which comprises all of the independent non-executive Directors, being Mr. Li Wang, Mr. Wong Yik Chung, John and Mr. Liu Xin;
“Independent Financial Adviser”	Somerley Capital Limited, the independent financial adviser appointed by the Independent Board Committee to advise the Independent Board Committee and the Independent H Shareholders in respect of the Merger;
“Independent H Shareholders”	H Shareholders other than the Offeror and the respective concert parties of the Offeror and Capital Group;
“IU Announcement”	the announcement jointly published by the Offeror and the Company dated 24 August 2021 in respect of the Reco Irrevocable Undertaking;
“Joint Announcement”	the announcement jointly published by the Offeror and the Company dated 9 July 2021, which states, amongst other things, the proposal of the Merger of the Offeror and the Company in accordance with the Merger Agreement;
“Last Trading Date”	7 July 2021, the last trading day prior to the suspension of trading in the H Shares on the Stock Exchange respectively pending the issue of the Joint Announcement;
“Latest Practicable Date”	Wednesday, 25 August 2021, being the latest practicable date prior to the printing of this document for the purpose of ascertaining certain information contained therein;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Long-stop Date”	9 July 2022, being the last date the Pre-Condition, the Conditions to Effectiveness and the Conditions to Implementation can be satisfied, unless the Offeror and the Company otherwise agree, subject to the consent of the SFC;
“Merger”	the proposed merger by absorption of the Company by the Offeror in accordance with the PRC Company Law and other applicable PRC Laws as contemplated under the Merger Agreement;

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## DEFINITIONS

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“Merger Agreement”	the merger agreement entered into between the Offeror and the Company on 9 July 2021 in relation to the Merger;
“MOFCOM”	the Ministry of Commerce of the PRC or its local authorities (as applicable);
“NDRC”	the National Development and Reform Commission of the PRC or its local authorities (as applicable);
“Non-H Foreign Share(s)”	the non-H foreign shares of the Company, with a RMB denominated par value of RMB1.00 each, representing approximately 8.21% of the issued share capital of the Company as at the Latest Practicable Date;
“Non-H Foreign Shareholder(s)”	the holder(s) of Non-H Foreign Share(s);
“Offer Period”	has the meaning ascribed to it under the Takeovers Code, being the period commencing on 9 July 2021 (the date of the Joint Announcement) and ending on the Delisting Date or the date on which the Merger is not approved or otherwise lapses, whichever is earlier;
“Offeror”	Beijing Capital City Development Group Co., Ltd.* (北京首創城市發展集團有限公司), a company incorporated in the PRC with limited liability which is wholly-owned by Capital Group;
“Overseas Shareholders”	Shareholders whose names appear on the register of members of the Company and whose addresses are in a place outside Hong Kong, if any
“PRC” or “China”	the People’s Republic of China, which for the purposes of this document does not include Hong Kong, the Macau Special Administrative Region and Taiwan unless the context otherwise specifies;
“PRC Company Law”	the Company Law of the PRC, as amended, supplemented or otherwise modified from time to time;
“PRC Laws”	any and all laws, regulations, statutes, rules, and other normative documents as may be currently in force in the PRC, including such amendments, supplements, interpretations or re-enactments from time to time;

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## DEFINITIONS

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“Pre-Condition”	has the meaning given to it in the section headed “3. PRINCIPAL TERMS OF THE MERGER AGREEMENT” in the “LETTER FROM THE BOARD” in this document;
“PwC”	PricewaterhouseCoopers Zhong Tian LLP;
“Reco Irrevocable Undertaking”	the irrevocable undertaking given by Reco Pearl Private Limited dated 24 August 2021 in favour of the Offeror as set out in the section headed “3. PRINCIPAL TERMS OF THE MERGER AGREEMENT – Reco Irrevocable Undertaking” in the “LETTER FROM THE BOARD” of this document;
“Reco Shares”	has the meaning given to it in the section headed “3. PRINCIPAL TERMS OF THE MERGER AGREEMENT – Reco Irrevocable Undertaking” in the “LETTER FROM THE BOARD” of this document;
“Relevant Period”	the period commencing from 9 January 2021 (i.e. the date that is six months prior to the date of the Joint Announcement) and ending on the Latest Practicable Date;
“Required Procedures”	has the meaning given to it in the section headed “3. PRINCIPAL TERMS OF THE MERGER AGREEMENT - Payment of consideration” in the “LETTER FROM THE BOARD” in this document;
“RMB”	Renminbi, the lawful currency of the PRC;
“SAFE”	the State Administration of Foreign Exchange of the PRC or its local authorities (as applicable);
“SAIC”	the State Administration for Industry and Commerce of the PRC or its local authorities (as applicable);
“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council, or its local authorities or authorised entities;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as revised, supplemented or otherwise modified from time to time);
“Shareholders”	collectively, H Shareholders, Domestic Shareholders and Non-H Foreign Shareholders;

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## DEFINITIONS

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“Shares”	collectively, H Shares, Domestic Shares and Non-H Foreign Shares;
“Somerley”	Somerley Capital Limited, the independent financial adviser of the Company in respect of the Estimate;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Code on Takeovers and Mergers published by the SFC (as revised, supplemented or otherwise modified from time to time);
“trading day”	a day on which the Stock Exchange is open for dealing or trading in securities;
“United States” or “U.S.”	the United States of America, its territories and possessions, any State of the United States and the District of Columbia;
“U.S. Exchange Act”	the U.S. Securities Exchange Act of 1934, as amended;
“Yieldwell”	Yieldwell International Enterprise Limited, a company wholly-owned by CR Products; and
“%”	per cent.

\* *For identification purpose only*

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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)

*Non-executive Director:*

Li Songping (*Chairman*)

*Executive Directors:*

Zhong Beichen (*President*)

Huang Ziquan

Hu Weimin

Fan Shubin

*Non-executive Director:*

Sun Baojie

*Independent non-executive Directors:*

Li Wang

Wong Yik Chung, John

Liu Xin

*Registered address:*

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PRC

*Place of business in the PRC:*

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No. 98, Beilishi Road

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*Place of business in Hong Kong:*

Suites 4602-05

One Exchange Square

Central

Hong Kong

27 August 2021

*To the Shareholders*

Dear Sir or Madam,

### **PROPOSED PRIVATISATION OF THE COMPANY BY THE OFFEROR BY WAY OF MERGER BY ABSORPTION**

#### **1. INTRODUCTION**

On 9 July 2021, the Offeror and the Company published the Joint Announcement to announce that the two companies have entered into the Merger Agreement with respect to the Merger. After the Merger, the Company will be merged into and absorbed by the Offeror in accordance with the PRC Company Law and other applicable PRC Laws.

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## LETTER FROM THE BOARD

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### 2. PROPOSED MERGER

Pursuant to the Merger Agreement, conditional upon the fulfilment (or waiver, as applicable) of the Pre-Condition and the Conditions set out in the section headed “3. PRINCIPAL TERMS OF THE MERGER AGREEMENT” below, the Offeror will pay the Cancellation Price in the amount of:

- (a) HK\$2.80 per H Share to the H Shareholders in cash;
- (b) RMB2.334080 per Non-H Foreign Share, which is equivalent to the Cancellation Price of each H Share based on the Exchange Rate, to the Non-H Foreign Shareholders (i.e. CR Products and Yieldwell, both being presumed concert parties of the Offeror) in cash\*; and
- (c) RMB2.334080 per Domestic Share, which is equivalent to the Cancellation Price of each H Share based on the Exchange Rate, to the Domestic Shareholders (being Capital Group, the parent of the Offeror), which will be satisfied through the issuance of registered capital of the Offeror to the Domestic Shareholder as described in the section headed “3. PRINCIPAL TERMS OF THE MERGER AGREEMENT” below).

\* *No fractions of a cent will be payable and the amount of Cancellation Price payable to a Non-H Foreign Shareholder will be rounded down to the nearest cent (RMB).*

The amount of aggregate Cancellation Price required to be paid by the Offeror to cancel (i) the H Shares held by H Shareholders and (ii) the Non-H Foreign Shares held by Non-H Foreign Shareholders are approximately HK\$4,287,175,200.00 and RMB835,596,672.06 (equivalent to approximately HK\$1,002,395,240.00 based on the Exchange Rate) respectively.

After the completion of the Merger, the Offeror will assume all assets, liabilities, interests, businesses, employees, contracts and all other rights and obligations of the Company and the Company will be eventually deregistered following completion of the applicable deregistration filing with SAIC.

On 18 August 2021, the Offeror and the Company jointly announced that the Pre-Condition had been satisfied.



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## LETTER FROM THE BOARD

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### 3. PRINCIPAL TERMS OF THE MERGER AGREEMENT

The principal terms and conditions of the Merger Agreement include:

- Parties**
- (1) The Offeror; and
  - (2) the Company.

**Overview of the Merger** Subject to the terms and conditions of the Merger Agreement, the Merger will be implemented by the Offeror merging the Company by way of merger by absorption.

After the completion of the Merger, the Offeror will assume all assets, liabilities, interests, businesses, employees, contracts and all other rights and obligations of the Company and the Company will be eventually deregistered following completion of the applicable deregistration filing with SAIC.

**Consideration** Pursuant to the Merger Agreement, conditional upon the fulfilment (or waiver, as applicable) of the Pre-Condition, the Conditions to Effectiveness and the Conditions to Implementation set out in the paragraphs headed “*Pre-Condition to the Merger Agreement becoming effective*”, “*Conditions to Effectiveness*” and “*Conditions to Implementation*” below, the Offeror will pay the Cancellation Price in the amount of (a) HK\$2.80 per H Share to the H Shareholders in cash; and (b) RMB2.334080 per Non-H Foreign Share, which is equivalent to the Cancellation Price of each H Share based on the Exchange Rate, to the Non-H Foreign Shareholders (i.e. CR Products and Yieldwell, both being presumed concert parties of the Offeror) in cash.

Settlement of the Cancellation Price to which the H Shareholders or the Non-H Foreign Shareholders are entitled will be implemented in full in accordance with the Merger Agreement without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such H Shareholders or Non-H Foreign Shareholders.

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## LETTER FROM THE BOARD

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**Pre-Condition to the Merger Agreement becoming effective**

The Merger Agreement was subject to the satisfaction of a non-waivable pre-condition, being the filing, registration or approval, as applicable, with or by (a) NDRC, (b) MOFCOM, (c) SAFE and (d) if applicable, SASAC, and such other applicable governmental approvals in respect of the Merger having been obtained or completed (the “**Pre-Condition**”). Save for the governmental approvals as mentioned in (a), (b), (c) and (d) above, the Offeror is not currently aware of any other applicable governmental approvals which are required in respect of the Merger.

On 18 August 2021, the Offeror and the Company jointly announced that the Pre-Condition had been satisfied.

**Conditions to Effectiveness**

In light of the fact that the Pre-Condition had been satisfied, the Merger Agreement shall become effective upon satisfaction of all of the following conditions (none of which is capable of being waived) (the “**Conditions to Effectiveness**”):

- (1) the passing of special resolution(s) by a majority of not less than two-thirds of the votes cast by way of poll by the Shareholders present and voting in person or by proxy at the EGM to approve the Merger under the Merger Agreement in accordance with the Articles and the PRC Laws;
- (2) the passing of special resolution(s) by way of poll approving the Merger under the Merger Agreement at the H Shareholders’ Class Meeting to be convened for this purpose, provided that: (a) approval is given by at least 75% of the votes attaching to the H Shares held by the Independent H Shareholders that are cast either in person or by proxy; and (b) the number of votes cast against the resolution(s) is not more than 10% of the votes attaching to all H Shares held by the Independent H Shareholders.

If the above Conditions to Effectiveness are not satisfied by the Long-stop Date, the Merger Agreement may be terminated by either party. Please also refer to the paragraph headed “Termination” in this section.

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## LETTER FROM THE BOARD

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### **Conditions to Implementation**

In light of the fact that the Pre-Condition had been satisfied, and provided that all the Conditions to Effectiveness have been satisfied by the Long-stop Date, the implementation of the Merger shall be subject to the following conditions being satisfied or waived, as applicable (the “**Conditions to Implementation**”, together with the Conditions to Effectiveness, collectively, the “**Conditions**”):

- (1) there being no error or omission of the representations and warranties given by the Offeror in the Merger Agreement on the Delisting Date which has a material adverse impact on the Merger. The Offeror shall comply with its undertakings under the Merger Agreement in all material respects and there being no breach of such undertakings which has a material impact on the Merger;
- (2) there being no error or omission of the representations and warranties given by the Company in the Merger Agreement on the Delisting Date which has a material adverse impact on the Merger. The Company shall comply with its undertakings under the Merger Agreement in all material respects and there being no breach of such undertakings which has a material impact on the Merger; and
- (3) there being no law, restriction or prohibition of any governmental authority, or any judgment, decision or adjudication of any court on the Delisting Date which restricts, prohibits or cancels the Merger.

The Company shall be entitled to waive Condition to Implementation (1) above and the Offeror shall be entitled to waive Condition to Implementation (2) above. Condition to Implementation (3) above is not capable of being waived. If the above Conditions to Implementation are not satisfied or if applicable, waived, by the Long-stop Date, the Merger Agreement will be automatically terminated.

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## LETTER FROM THE BOARD

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### **Domestic Shares held by Capital Group**

Pursuant to the Merger Agreement, in consideration for the cancellation of its Domestic Shares, Capital Group will be issued with such amount of registered capital denominated in RMB in the Offeror, which is equivalent to the Cancellation Price for each H Share based on the Exchange Rate, multiplied by the number of Domestic Shares so cancelled, subject to such adjustment which may arise from any difference between the Offeror's net asset value (to be audited in accordance with the requirements under the applicable PRC Laws) and registered capital.

The proposed cancellation of the Domestic Shares is conditional upon the satisfaction of the Pre-Condition and the Conditions as set out above.

### **Payment of consideration**

Pursuant to Rule 20.1 of the Takeovers Code, settlement in cash will have to be made within 7 Business Days after the fulfilment (or waiver) of the Pre-Condition and all the Conditions. As payment of the Cancellation Price to the Non-H Foreign Shareholders is subject to completion of certain administrative procedures required under the applicable PRC Laws (the "**Required Procedures**"), the payment of the Cancellation Price to the Non-H Foreign Shareholders may not be completed within seven (7) Business Days. In light of the above, so far as payment of the Cancellation Price to the Non-H Foreign Shareholders is concerned, the Offeror has applied to the Executive for, and the Executive has granted, a waiver from strict compliance with Rule 20.1 of the Takeovers Code.

After fulfilment (or waiver, if applicable) of the Pre-Condition and all the Conditions (being the Conditions to Effectiveness and the Conditions to Implementation), the Offeror shall:

- (a) as soon as possible and in any event within seven (7) Business Days, pay the Cancellation Price to all H Shareholders and issue the registered capital of the Offeror to Capital Group as the Domestic Shareholder as described in the paragraph headed "Domestic Shares held by Capital Group"; and
- (b) as soon as practicable following the completion of the Required Procedures and in any event within 25 Business Days, pay the Cancellation Price to the Non-H Foreign Shareholders.

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## LETTER FROM THE BOARD

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Subject to the satisfaction of all the Conditions to Implementation, all rights attaching to the H Shares, Non-H Foreign Shares and Domestic Shares shall cease to have effect and the relevant Shares shall be cancelled with effect from the Delisting Date. The share certificates for such H Shares, Non-H Foreign Shares and Domestic Shares will cease to have effect as documents or evidence of title. Subject to the completion of the applicable administrative filings and registration under the PRC Laws, the Merger will then be implemented. Upon completion of the Merger, the Offeror will assume all assets, liabilities, interests, businesses, employees, contracts and all other rights and obligations of the Company and the Company will be eventually deregistered following completion of the applicable deregistration filing with SAIC.

Payment of consideration to the H Shareholders is deemed to be completed once the Offeror or any entity designated by it has despatched to the H Shareholders the cheques for such consideration, while payment of consideration to the Non-H Foreign Shareholders is deemed to be completed once the Offeror or any entity designated by it has made remittance of such consideration by way of bank transfer. Payment of consideration to the Domestic Shareholder is deemed to be completed once the Offeror has delivered to Capital Group the Offeror's register of members and certification of capital contribution affixed with the Offeror's official seal reflecting the Offeror's shareholding structure after the issuance of the registered capital of the Offeror to Capital Group in accordance with the Merger Agreement.

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## LETTER FROM THE BOARD

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### **The Company's Undertakings**

Unless with the prior written consent of the Offeror, the Company shall not issue any Shares, conduct any major acquisitions or disposals which may constitute a discloseable transaction under Chapter 14 of the Listing Rules or declare, make or pay any dividend or other distribution (whether in cash or in kind) to the Shareholders from the date of the Merger Agreement to the date of termination of the Merger Agreement or the Delisting Date (whichever is earlier), save for any transactions which have been announced by the Company prior to the date of the Merger Agreement and which are pending completion, including the transaction as set out in the Company's announcement and circular dated 24 June 2021 and 24 August 2021 respectively.

As at the date of this document, the Company has no outstanding dividend that has been declared, made but not yet paid. In addition, the Company does not intend to declare, pay and/or make any dividend or other distribution between the date of this document up to the date on which all of the Pre-Condition and Conditions are satisfied or waived (as applicable), or the date on which the Merger is not approved or otherwise lapsed (as the case may be).

### **Right of a Dissenting Shareholder**

According to the PRC Company Law and the Articles, any Dissenting Shareholder may by written notice request the Company and/or other Consenting Shareholders to acquire its Shares at a "fair price".

If any Dissenting Shareholder exercises its right, the Offeror will, if so requested by the Company and/or the Consenting Shareholders, assume the obligation which the Company and/or the Consenting Shareholders may have towards such Dissenting Shareholder to acquire the Shares held by that Dissenting Shareholder at a "fair price".

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## LETTER FROM THE BOARD

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The exercise of its right by a Dissenting Shareholder is subject to the following criteria:

- (1) such Dissenting Shareholder having validly voted against all the resolutions in respect of the Merger at the EGM and (if applicable) the H Shareholders' Class Meeting;
- (2) such Dissenting Shareholder having been validly registered as a Shareholder on the share register of the Company since the record date for the EGM and (if applicable) the H Shareholders' Class Meeting, and having held such Share(s) in respect of which it intends to exercise its right until the Exercise Date; and
- (3) such Dissenting Shareholder having exercised its right during the Declaration Period.

A Shareholder is not entitled to exercise its right in respect of such Share(s) held by it if:

- (1) such Shareholder has undertaken to the Company to waive its right;
- (2) such Shareholder is prohibited from exercising its right in accordance with applicable laws; or
- (3) any Share held by such Shareholder is subject to a pledge, other third-party rights or judicial moratorium, without having legally obtained written consent or approval from the relevant pledgee, third party or competent authority.

Information on the procedure and the required documents for exercising such rights will be made available for collection at the office of the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong and the Company's place of Business in the PRC at Block A, Fucheng Building, No. 98, Beilishi Road, Xicheng District, Beijing, PRC by the Shareholders prior to the commencement of the Declaration Period.

There is no applicable PRC law or guidance with respect to how the "fair price" will be determined from the PRC law perspective. Under the Articles, whenever any disputes or claims arise between the H Shareholders and the Company, the H Shareholders and the Company's directors, supervisors, general manager or other senior management officers, or the H Shareholders, the Domestic Shareholders and the Non-H Foreign Shareholders, in respect of any rights or obligations arising from the Articles, the PRC Company Law or any rights or obligations conferred or imposed by any other relevant laws and administrative regulations concerning the affairs of the Company, such disputes or claims shall be referred by the relevant parties to arbitration.

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## LETTER FROM THE BOARD

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### **Termination**

The Merger Agreement may be terminated in any of the following circumstances:

- (1) by either the Offeror or the Company, if:
  - (i) any competent governmental authority issues any order, decree, ruling or take any other actions which permanently restricts, impedes or otherwise prohibits the Merger and which is final and not capable of being appealed (both the Offeror and the Company shall use reasonable endeavours to procure the withdrawal of such order, decree, ruling or action prior to exercising any right of termination); or
  - (ii) all Conditions to Effectiveness not having been satisfied on or before the Long-stop Date;
- (2) by the Offeror, if the Company commits a material breach of the representations, warranties and undertakings under the Merger Agreement or any other agreement related to the Merger Agreement, which has a material adverse impact on the Merger and such breach is not remedied by the Company within 30 days following written notice from the Offeror to the Company; or
- (3) by the Company, if the Offeror commits a material breach of the representations, warranties and undertakings under the Merger Agreement or any other agreement related to the Merger Agreement, which has a material adverse impact on the Merger and such breach is not remedied by the Offeror within 30 days following written notice from the Company to the Offeror.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror and the Company may only invoke any or all of the Conditions to Implementation (1) to (3) set out in the paragraph headed “Conditions to Implementation” in this section or terminate the Merger Agreement in accordance with the paragraph headed “Termination” in this section as a basis for not proceeding with the Merger only if the circumstances which give rise to the right to invoke any such condition or termination right are of material significance to the Offeror in the context of the Merger.



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## LETTER FROM THE BOARD

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### Reco Irrevocable Undertaking

As disclosed in the IU Announcement, the Offeror has received the Reco Irrevocable Undertaking from Reco Pearl Private Limited (which held approximately 11.83% of all the issued H Shares and 4.15% of the total issued share capital of the Company as at the Latest Practicable Date), pursuant to which Reco Pearl Private Limited has irrevocably and unconditionally undertaken, among other things, that:

- (a) it will exercise or procure the exercise of the voting rights attached to:
  - (i) 181,194,000 H Shares owned by Reco Pearl Private Limited as at the date of the IU Announcement (the “**Reco Shares**”); and
  - (ii) any other Shares in which Reco Pearl Private Limited has a direct or indirect interest after the date of the Reco Irrevocable Undertaking,to vote in favour of the special resolutions to approve the Merger Agreement (including the Merger) at the EGM and the H Shareholders’ Class Meeting; and
- (b) for the period from the date of the Reco Irrevocable Undertaking until the Delisting Date (if applicable), it shall not:
  - (i) sell, offer to sell, mortgage, charge, pledge, hypothecate or otherwise dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Reco Shares;
  - (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Reco Shares; or
  - (iii) enter into any transaction with the same effect as any transaction specified in paragraphs (b)(i) and (b)(ii) above.

The Reco Irrevocable Undertaking from Reco Pearl Private Limited shall terminate immediately if: (a) all the Pre-Condition and the Conditions are not satisfied or waived (if applicable) by the Longstop Date; (b) the Merger is not approved at the EGM and/or the H Shareholders’ Class Meeting; (c) the Merger Agreement is terminated, or the Merger otherwise lapses or is withdrawn; or (d) Reco Pearl Private Limited is required to withdraw from the Reco Irrevocable Undertaking by any governmental or regulatory body or court having jurisdiction over it due to illegality.

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## LETTER FROM THE BOARD

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### 4. CANCELLATION PRICE

#### (1) Comparison of value

The Cancellation Price is HK\$2.80 per H Share and RMB2.334080 per Non-H Foreign Share and Domestic Share (equivalent to the Cancellation Price of HK\$2.80 per H Share based on the Exchange Rate).

The Cancellation Price per H Share represents:

- (a) a premium of approximately 62.79% over the closing price per H Share of HK\$1.72 on the Stock Exchange on the Last Trading Date;
- (b) a premium of approximately 61.85% over the average closing price of HK\$1.73 per H Share based on the daily closing prices of H Shares as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Date;
- (c) a premium of approximately 77.22% over the average closing price of HK\$1.58 per H Share based on the daily closing prices of H Shares as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to and including the Last Trading Date;
- (d) a premium of approximately 127.64% over the average closing price of HK\$1.23 per H Share based on the daily closing prices of H Shares as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Date;
- (e) a premium of approximately 150.00% over the average closing price of HK\$1.12 per H Share based on the daily closing prices of H Shares as quoted on the Stock Exchange for the 60 consecutive trading days immediately prior to and including the Last Trading Date;
- (f) a premium of approximately 143.48% over the average closing price of HK\$1.15 per H Share based on the average closing price of H Shares on the Stock Exchange for the 90 consecutive trading days immediately prior to and including the Last Trading Date;
- (g) a premium of approximately 2.94% over the closing price per H Share of HK\$2.72 on the Stock Exchange on the Latest Practicable Date;
- (h) a discount of approximately 38.38% to the Group's audited net asset value attributable to the Shareholders per Share of approximately HK\$4.54 as at 31 December 2020, based on the exchange rate of HK\$1: RMB0.84164, being the median exchange rate on 31 December 2020 as announced by the People's Bank of China; and

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## LETTER FROM THE BOARD

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- (i) a discount of approximately 37.71% to the Group's unaudited net asset value attributable to the Shareholders per Share of approximately HK\$4.50 as at 30 June 2021, and a discount of approximately 49.04% to the Group's NAV as adjusted by the valuation report set out in Appendix II attributable to the Shareholders per Share of approximately HK\$5.50 as at 30 June 2021, based on the exchange rate of HK\$1: RMB0.83208, being the median exchange rate on 30 June 2021 as announced by the People's Bank of China. The above-mentioned adjustment is due to revaluation of properties as a result of the valuation report set out in Appendix II. Such revaluation has not been realised as at the Latest Practicable Date. Shareholders and potential investors in the securities of the Company should be aware that it takes time to identify and negotiate with suitable buyers before it may proceed to sell and realise the value in the properties, and therefore the valuation of properties might be impacted during such time. Shareholders and potential investors in the securities of the Company should consider the above factors in assessing their voting/investment decision.

For the purpose of this document, unless the context requires otherwise, amounts denominated in RMB have been translated into HK\$ at an exchange rate of HK\$1: RMB0.83360 which is the parity rate of RMB to Hong Kong Dollar as at the date of the Joint Announcement.

The Cancellation Price has been determined on a commercial basis after taking into account, among other things, the historical and prevailing prices of the Shares traded on the Stock Exchange and with reference to other privatisation transactions in Hong Kong in recent years. Based on the above, the Board (other than members of the Independent Board Committee, whose views are given in the section headed "LETTER FROM THE INDEPENDENT BOARD COMMITTEE" of this document) is of the view that the terms of the Merger Agreement, including the Cancellation Price, and the proposed Merger are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

**The Offeror will not increase the Cancellation Price as set out above, and the Offeror does not reserve the right to do so.**

### **(2) Funding for the Merger**

On the basis of (i) the Cancellation Price of HK\$2.80 per H Share, (ii) 1,531,134,000 H Shares in issue as at the Latest Practicable Date, (iii) the Cancellation Price of RMB2.334080 per Non-H Foreign Share (equivalent to the Cancellation Price of HK\$2.80 per H Share based on the Exchange Rate), (iv) 357,998,300 Non-H Foreign Shares in issue as at the Latest Practicable Date, and (v) the Cancellation Price for all the Domestic Shares (which comprise 2,473,808,550 Domestic Shares held directly by Capital Group) which is to be satisfied through the issuance of the registered capital of the Offeror to the Domestic Shareholder as described in the section headed "3. PRINCIPAL TERMS OF THE MERGER AGREEMENT" above, the amount of aggregate Cancellation Price required to be paid by the Offeror in cash to cancel the H Shares held by H Shareholders and the Non-H Foreign Shares held by Non-H Foreign Shareholders is HK\$5,289,570,440.00.

BCG Chinastar, a fellow subsidiary of the Offeror, has undertaken with the Offeror to pay on its behalf the total consideration for the cancellation of the H Shares. The payment of the total consideration for cancellation of the H Shares and the Non-H Foreign Shares will be financed by external financing (in the form of a banking facility made available by the Industrial Bank Co., Ltd., acting through its Hong Kong branch as lender) and internal resources.

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## LETTER FROM THE BOARD

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The Offeror has appointed CICC as its financial adviser in connection with the Merger. CICC, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror for the satisfaction of the Offeror's obligations in respect of the full implementation of the Merger (excluding the Cancellation Price payable to the Domestic Shareholder which is to be satisfied through the issuance of the registered capital of the Offeror to the Domestic Shareholder).

### 5. REASONS AND BENEFITS OF THE MERGER

The reasons and benefits of the Merger include:

**(1) For H Shareholders: an attractive opportunity to realise their investment in the Company at a compelling premium amidst a challenging environment**

*Excellent opportunity to realise investment at compelling premium in an illiquid market*

Transaction liquidity of the H Shares has been relatively low for an extended period of time. The average daily turnover of the H Shares for the following periods up to and including the Last Trading Date were as follows:

- (i) the period of three months up to and including the Last Trading Date, 9.53 million shares per trading day, representing only approximately 0.62% of the total issued H Shares on the Last Trading Date;
- (ii) the period of 12 months up to and including the Last Trading Date, 4.69 million shares per trading day, representing only approximately 0.31% of the total issued H Shares on the Last Trading Date; and
- (iii) the period of 24 months up to and including the Last Trading Date, 4.68 million shares per trading day, representing only approximately 0.31% of the total issued H Shares on the Last Trading Date.

The low trading volume of the Shares makes it difficult for the H Shareholders to execute substantial sales of the H Shares on-market without adversely affecting the price of the H Shares.

*Outlook for the PRC real estate development industry*

The business conditions of the PRC real estate development industry are expected to be challenging given that:

- (i) economic growth in the PRC has been maintained at a low to medium growth rate. For example, the annual GDP growth rate of the PRC has been maintained at approximately 5% to 7% from 2016 to 2019; and

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## LETTER FROM THE BOARD

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- (ii) more stringent regulations on the market and/or industry have been implemented, such as (a) a series of macro-control policies launched by the Ministry of Housing and Urban-Rural Development of the PRC launched in 2018 to stabilise the price of residential properties based on the inventory levels of residential properties in different regions and implementing city-specific policies; (b) regulations targeting property speculation and new policies on real estate financing introduced in the second half of 2020 and (c) the “three red lines” requirements imposed on PRC real estate development companies with a view to control the scale of interest-bearing debts of property developers in the PRC.

As a result of the economic conditions and the increasingly stringent regulatory requirements described above, there have been fluctuations in the operational performance of both the PRC real estate development industry and the Group. To illustrate, the year-on-year increase of the growth rate of the PRC real estate industry has slowed down from 2.4% in 2018 to 0.6% in 2019. In 2020, a year-on-year decrease of 3.0% of the growth rate of the PRC real estate development industry was recorded. The overall yearly growth rates of the PRC real estate development industry attained between 2018 to 2020 are also significantly lower than the previous years. As for the Group, the net income for the year ended 31 December 2020 was RMB1.27 billion, which represented a decrease of 50.5% and 47.4% as compared with the years ended 31 December 2019 and 2018 respectively. Likewise, the revenue of the Group for the years ended 31 December 2019 and 2020 fell by 10.6% and 8.6% respectively as compared with the year ended 31 December 2018.

Taking into account the uncertainty which may impact the trading price of the H Shares by the fluctuations in the operational performance of the PRC real estate development industry and the Group as a result of the increasingly stringent regulatory environment, and in view of the above factors, the Offeror is of the view that the Merger would provide the H Shareholders an excellent opportunity to monetise their investments in the Company with relatively low liquidity immediately for cash at a compelling premium over the market price.

**(2) For the Company: The Company has lost the advantage of a listing platform**

*Limited equity fundraising options*

As a real estate company listed on the Stock Exchange, the Company has been subject to various restrictions in utilising its equity fundraising options. For instance, any issue of H Shares by the Company involves complicated procedures and uncertainties as to the timing in obtaining approvals from relevant authorities including China Securities Regulatory Commission and SASAC. In addition, given that the Company is subject to the public float requirement under the Listing Rules and any further Shares issued by the Company to Capital Group (being the only Domestic Shareholder) will not be regarded as held by the public under the Listing Rules, the Company is also restrained from enlarging its share capital through further issuance of Domestic Shares.

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## LETTER FROM THE BOARD

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### *Low cost-efficiency in maintaining the listing status of the Company*

The H Shares have been trading at a significant discount as compared to the Group's book value over the past three years, with price to book ratios ranging from 0.21 to 0.52 during that period. The relatively low trading price range as compared to the Group's book value and sluggish trading volumes abovementioned significantly limit the Company's ability to raise funds from the equity market. At the same time, the cost of maintaining the Company's listing status (including those associated with regulatory compliance, disclosure and publication of financial statements) had been on the rise, defeating the original purpose for listing. After the privatisation, the Shares will be delisted from the Stock Exchange, which may benefit the Company from savings in costs related to the compliance and maintenance of the listing status of the Company. The Company's management will also be able to reallocate resources originally applied towards the Company's administration, compliance and other matters relating to its listing status towards the Group's business operations.

### **(3) For the Company: improved creditworthiness of the Company**

#### *Closer connection between the Company and Capital Group*

Upon the delisting of the H Shares, Capital Group will hold the entire interests in the Offeror and the Company. The Company would be able to maintain closer connection with Capital Group, and the impact of Capital Group (as a key state-owned enterprise in Beijing) on the creditworthiness of the Company would also be more direct.

#### *More efficient means of support from Capital Group*

Capital Group enjoys the benefit of having a diversified business. The core businesses of Capital Group include environmental protection industry, infrastructure, real estate and financial services. Upon the delisting of the H Shares, Capital Group will hold the entire interest in the Company, and it will be more efficient and feasible for Capital Group to provide capital support to the Company (which is a delisted entity no longer subject to the Listing Rules) by way of equity, debt or other appropriate means.

#### *Shifting to a long term development strategy*

The Offeror is committed to the long term development of the Company's business. After the delisting of the Company's H Shares, Capital Group will consider and may formulate and implement plans to optimise the holding structure of certain business, assets, properties and operation units within Capital Group to be determined with reference to the review to be conducted after the delisting of the Company's H Shares. The Offeror will also have full control over the Company's strategy and flexibility to manage the Company after the delisting of the H Shares.

The Board (other than members of the Independent Board Committee, whose views are given in the section headed "*LETTER FROM THE INDEPENDENT BOARD COMMITTEE*" of this document) is of the view that the terms of the Merger Agreement, including the Cancellation Price, and the proposed Merger are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

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## LETTER FROM THE BOARD

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### 6. FUTURE INTENTION OF THE OFFEROR

After the Merger, the Company will merge into the Offeror, with the Offeror as the surviving entity, and will cease to exist as a separate legal entity. It is the intention of the Offeror that it will continue to carry on its current business as stated in the paragraph headed “Information on the Offeror” in the section headed “7. INFORMATION OF THE OFFEROR AND THE COMPANY” below).

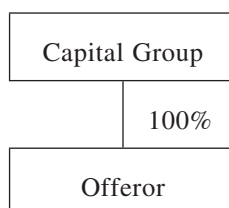
In view of the Merger, the Offeror will review the holding structure of certain business, assets, properties and operation units within the Group, and may implement changes to be determined with reference to such review to be conducted after the delisting of the Company’s H Shares which the Offeror deems necessary, appropriate or convenient, which may include redeployment of fixed assets of the Group.

The Offeror does not intend to make any significant changes to the continued employment of the employees of the Group. Following completion of the Merger, the employment contracts of all employees of the Company will continue with the Offeror as the surviving entity. The Board is willing to cooperate with the Offeror and act in the best interests of the Company and the Shareholders as a whole.

### 7. INFORMATION OF THE OFFEROR AND THE COMPANY

#### (1) Information on the Offeror

The Offeror is a company incorporated in the PRC with limited liability on 10 June 2021. The Offeror is wholly-owned by Capital Group, which is in turn under the direct supervision of the Beijing Municipal Government. The Offeror is newly incorporated by Capital Group for the purpose of the Merger. The business scope of the Offeror as set out in its business license includes sale and development of real estate, property management, hotel management and property and tourism consulting services.



#### (2) Information on the Company

The Company is a joint stock company with limited liability incorporated in the PRC. The Company is a leading large integrated real estate developer in the PRC, focusing primarily on developing the four main business streams of residential property development, integrated outlets, urban core integrated complex and primary land development, complemented by innovative business areas such as high-tech industrial properties, creative industries and rental housing.

Set out below is the audited consolidated financial information of the Group for the years ended 31 December 2019 and 2020 and the unaudited consolidated financial information of the Group for the six months ended 30 June 2021 as extracted from the annual report of the Company for the years ended 31 December 2019 and 2020 and the interim report of the Company for the six months ended 30 June 2021 respectively, prepared in accordance with the Accounting Standards for Business Enterprises of the PRC.

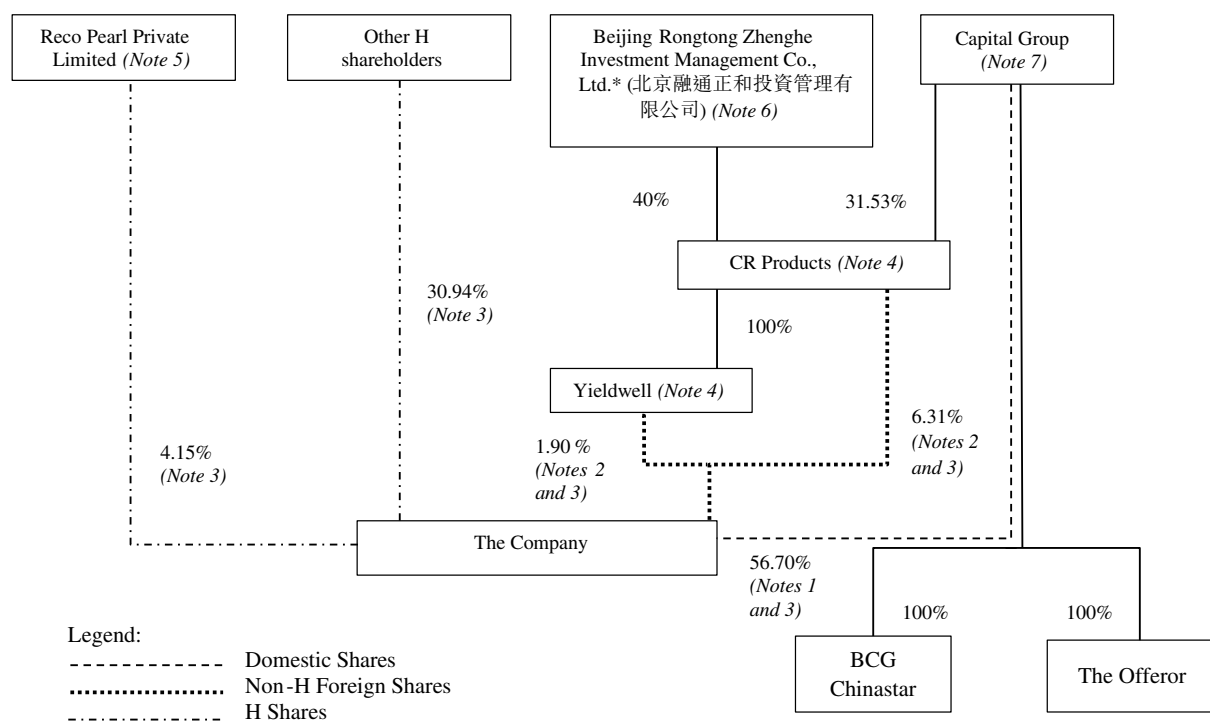
## LETTER FROM THE BOARD

	For the year ended 31 December 2019 <i>(RMB'000)</i> <i>(audited)</i>	For the year ended 31 December 2020 <i>(RMB'000)</i> <i>(audited)</i>	For the six months ended 30 June 2021 <i>(RMB'000)</i> <i>(unaudited)</i>
Total assets	185,269,318	210,549,900	213,401,790
Revenue	20,786,255	21,247,858	11,013,313
Net Profit	2,568,862	1,272,106	422,260

### (3) Shareholding in the Company

As at the Latest Practicable Date, the relevant securities of the Company in issue are 4,362,940,850 Shares, which comprise 1,531,134,000 H Shares, 2,473,808,550 Domestic Shares and 357,998,300 Non-H Foreign Shares.

Based on the Interim report of the Company for the six months ended 30 June 2021, each of the diagram and the table below sets out the simplified shareholding structure of the Company as at the Latest Practicable Date:





## LETTER FROM THE BOARD

Shareholders	Number of H Shares interested	Approximate % of the H Shares in issue	Number of Domestic Shares interested	Approximate % of the Domestic Shares in issue	Number of Non-H Foreign Shares directly interested	Approximate % of the Non-H Foreign Shares in issue	Number of Shares in issue	Approximate % of the Shares in issue
The Offeror	-	-	-	-	-	-	-	-
Capital Group (Note 7)	-	-	2,473,808,550	100%	-	-	2,473,808,550	56.70%
Yieldwell (Note 4)	-	-	-	-	82,762,100	23.12%	82,762,100	1.90%
CR Products (Note 4)	-	-	-	-	275,236,200	76.88%	275,236,200	6.31%
<b>The Offeror and its concert parties</b>	-	-	<b>2,473,808,550</b>	<b>100%</b>	<b>357,998,300</b>	<b>100%</b>	<b>2,831,806,850</b>	<b>64.91%</b>
Reco Pearl Private Limited (Note 5)	181,194,000	11.83%	-	-	-	-	181,194,000	4.15%
<b>Independent H Shareholders</b>	<b>1,531,134,000</b>	<b>100%</b>	-	-	-	-	<b>1,531,134,000</b>	<b>35.10%</b>
<b>Total number of Shares in issue</b>	<b>1,531,134,000</b>	<b>100%</b>	<b>2,473,808,550</b>	<b>100%</b>	<b>357,998,300</b>	<b>100%</b>	<b>4,362,940,850</b>	<b>100%</b>

*Notes:*

- (1) The Shares directly held by Capital Group are Domestic Shares.
- (2) The Shares directly held by CR Products and Yieldwell are Non-H Foreign Shares.
- (3) The percentages in the diagram above are expressed as percentages of the total issued Shares of the Company as at the Latest Practicable Date.
- (4) Capital Group owns 31.53% of the voting rights in CR Products. As such, each of CR Products and Yieldwell is presumed to be acting in concert with the Offeror under class (1) of the definition of “acting in concert” under the Takeovers Code.

Based on the information provided by CR Products, the remaining 28.47% of the voting rights in CR Products are held as to: (i) 5.27% by Wisdom Crest Limited; (ii) 3.2% by Xing Zhan Limited; and (iii) 20% by Marwicken Property Corp.

- (5) As disclosed in the Joint Announcement, the Offeror had applied to the Executive for rebutting the presumption that Reco Pearl Private Limited (an indirect wholly-owned subsidiary of GIC (Realty) Private Limited) is “acting in concert” with the Offeror under Class (1) of the definition of “acting in concert” under the Takeovers Code. The Offeror has since obtained the Executive’s ruling and Reco Pearl Private Limited is not considered as acting in concert with the Offeror for the purpose of the Merger.

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## LETTER FROM THE BOARD

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- (6) Based on public searches, the registered capital in Beijing Rongtong Zhenghe Investment Management Co., Ltd.\* (北京融通正和投資管理有限公司) are held as to 18.50% by Mr. Wu Haitao, 18.36% by Mr. Kong Lingguo, 18.32% by Mr. Gui Shengchun, 17.66% by Mr. Wang Guangyu, 14.69% by Mr. Zhao Ronghai and 12.47% by Mr. Weng Huanwen.
- (7) Capital Group is wholly-owned by the State-owned Assets Supervision and Administration Commission of the Beijing Municipal Government.
- (8) CICC is the financial adviser to the Offeror in respect of the Merger. Accordingly, CICC and members of the CICC group are presumed to be acting in concert with the Offeror in respect of shareholdings of the CICC group in the Company in accordance with class (5) of the definition of “acting in concert” under the Takeovers Code (except in respect of the Shares held by members of the CICC group which are exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purposes of the Takeovers Code and excluding the Shares held on behalf of non-discretionary investment clients). Exempt principal traders which are connected for the sole reason that they are under the same control as CICC are not presumed to be acting in concert with the Offeror. However:
- (a) As at the Latest Practicable Date, CICC group did not own or control any Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company (except for Shares held by member(s) of the CICC group acting in the capacity of exempt principal trader(s));
- (b) Shares held by members of the CICC group acting in the capacity of exempt principal traders will not be voted at the EGM or the H Shareholders’ Class Meeting (as applicable) unless the Executive allows such Shares to be so voted; and
- (c) Shares held by members of the CICC group acting in the capacity of exempt principal traders may, subject to consent of the Executive, be allowed to be voted at the EGM and/or the H Shareholders’ Class Meeting (as applicable) if: (i) such member of the CICC group holds the relevant Shares as a simple custodian for and on behalf of non-discretionary clients; (ii) there are contractual arrangements in place between such member of the CICC group and such non-discretionary client that strictly prohibit such member of the CICC group from exercising any voting discretion over such Shares; (iii) all voting instructions shall originate from such non-discretionary client only (if no instructions are given, then no votes shall be cast for such Shares held by such member of the CICC group); and (iv) such non-discretionary client is not a concert party of the Offeror.
- (9) Not all intermediate holding entities are shown in the diagram setting out the simplified shareholding structure for simplicity purposes.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, the Offeror does not own any Share. Capital Group, which directly and beneficially owns the entire equity interest of the Offeror, owns 2,473,808,550 Domestic Shares, representing approximately 56.70% of the total issued Shares in the Company.

As at the Latest Practicable Date, the Company does not have any outstanding options, warrants or convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue.

### 8. ARRANGEMENTS FOR IMPLEMENTATION OF THE MERGER AGREEMENT

The Pre-Condition has been fulfilled on 18 August 2021. As at the Latest Practicable Date, none of the Conditions to Effectiveness and Conditions to Implementation has been satisfied or (if applicable) waived.

The Company does not intend to retain its listing on the Stock Exchange upon satisfaction (or waiver, if applicable) of the Pre-Condition and Conditions and will apply to the Stock Exchange for voluntary withdrawal of the listing of the H Shares from the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules upon satisfaction of all the Conditions to Effectiveness.

The Company will issue separate announcement(s) notifying H Shareholders of the proposed withdrawal of listing and the exact dates and relevant arrangements for the last day for dealing in H Shares on the Stock Exchange and the date on which the formal delisting of the H Shares will become effective.

The listing of the H Shares on the Stock Exchange will not be withdrawn if the Merger is not approved or lapses or does not become unconditional for any reason. In such cases, no cancellation of Shares will take place pursuant to the Merger Agreement and the Company's public float will not be affected as a result of the Merger not being approved or otherwise lapses or does not become unconditional.

**The Shareholders are reminded that if the Merger is implemented and completed and the H Shares are delisted from the Stock Exchange, the Shares will cease to have effect and be cancelled and the Cancellation Price will be paid irrespective of their vote in respect of the Merger, and the Company will eventually be deregistered following completion of the applicable deregistration filing with SAIC.**

### 9. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Board has established the Independent Board Committee, consisting of all of the independent non-executive Directors, being Mr. Li Wang, Mr. Wong Yik Chung, John and Mr. Liu Xin. As (a) Mr. Li Songping, the chairman of the Board and the non-executive Director, is a director of Capital Group; and (b) Ms. Sun Baojie, the non-executive Director, is an employee holding managerial position in Capital Group, each of Mr. Li Songping and Ms. Sun Baojie is not included as a member of the Independent Board Committee. Such committee will advise the Independent H Shareholders as to: (a) whether the terms of the Merger are fair and reasonable for the purpose of the Takeovers Code; and (b) whether to vote in favour of the Merger at the EGM and the H Shareholders' Class Meeting.

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## LETTER FROM THE BOARD

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The Independent Board Committee has appointed Somerley Capital Limited as its Independent Financial Adviser to provide advice to the Independent Board Committee in respect of the Merger. For the opinions and advice of the Independent Financial Adviser, please refer to section headed “LETTER FROM THE INDEPENDENT FINANCIAL ADVISER” in this document.

### **10. EGM AND H SHAREHOLDERS’ CLASS MEETING**

The Company will convene the EGM and the H Shareholders’ Class Meeting for the Shareholders to consider and, if thought fit, approve matters including the Merger.

As the Merger constitutes a capital reorganisation to privatise the Company under Rule 2.10 of the Takeovers Code and the Takeovers Code is applicable to the Merger, in compliance with Rule 2.10 of the Takeovers Code, the Merger Agreement and the Merger are conditional on (i) the approval by way of poll by at least 75% of the votes attaching to the H Shares held by the Independent H Shareholders that are cast either in person or by proxy at the H Shareholders’ Class Meeting; and (ii) the number of votes cast against the resolution at the H Shareholders’ Class Meeting is not more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders.

The Independent H Shareholders who have been registered as holders of H Shares on the register of members of the Company kept by the registrar of H Shares, Computershare Hong Kong Investor Services Limited, on Thursday, 23 September 2021 and who have completed all necessary registration procedures will be entitled to attend the EGM and the H Shareholders’ Class Meeting.

#### **(1) Suspension of registration of Share transfers**

The register of members of the Company will be closed from Friday, 17 September 2021 to Thursday, 23 September 2021, during which no registration of transfers of Shares will be processed. If applicable, the Shareholders and the H Shareholders intending to attend the EGM and the H Shareholders’ Class Meeting respectively must lodge their respective transfer documents and relevant share certificates with (in respect of the H Shareholders) the Company’s H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong (for H Shareholders) or to the Company’s correspondence address (in respect of Non-H Foreign Shareholders and Domestic Shareholders) at Block A, Fucheng Building, No. 98 Beilishi Road, Xicheng District, Beijing, PRC no later than 4:30 p.m. on Thursday, 16 September 2021.

#### **(2) Proxy forms**

Whether or not you intend to attend the EGM or the H Shareholders’ Class Meeting, you are strongly urged to complete and return the proxy forms in accordance with the instructions printed thereon. The proxy forms should be returned as soon as possible (but in any event not less than 24 hours before the appointed time for holding the relevant meeting or any adjournment thereof). In the event that the relevant proxy form has been returned to the Company’s H Share registrar at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong or the Company (as the case may be) after the abovementioned deadline (where applicable) it will be considered to be invalid and will not be taken into account. After completion and return of the proxy forms, you may still attend and vote at the relevant meetings should you so wish.

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## LETTER FROM THE BOARD

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### (3) Voting at the EGM and the H Shareholders' Class Meeting

Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions will be passed by way of poll at the EGM and the H Shareholders' Class Meeting.

The PRC Company Law does not require any Shareholders to abstain from voting in respect of the Merger in the EGM. As the Offeror and its concert parties are not Independent H Shareholders, their votes will not be counted for the purpose of satisfying the requirements under Rule 2.10 of the Takeovers Code, as set out under paragraph (2) of the Conditions to Effectiveness in the section headed "3. PRINCIPAL TERMS OF THE MERGER AGREEMENT" in this document. There are no other restrictions imposed on any Independent H Shareholders to cast votes on the relevant resolutions at the H Shareholders' Class Meeting.

## 11. TAXATION

### (1) Non-tax advice

You should consult with your professional adviser to understand the possible tax implications of the Merger or the exercise of the Dissenting Shareholders' rights. None of the Company, the Offeror, CICC or the Independent Financial Adviser, nor their respective directors or any person participating in the Merger, assume any liability in respect of any tax incurred or other implication of any exercise of the Dissenting Shareholders' rights.

### (2) Hong Kong stamp duty

As implementation of the Merger involves cancellation of the H Shares but not the sale and purchase of Hong Kong stock, and in this respect only, no stamp duty will be payable pursuant to the Stamp Duty Ordinance, Chapter 117 of the Laws of Hong Kong.

For the Dissenting Shareholders who exercise their right to require acquisition of their H Shares, Hong Kong stamp duty is payable at the rate of 0.13% of the consideration by each of the seller and the buyer. The stamp duty payable by the seller will be deducted from the cash received by the relevant Dissenting Shareholders who exercise such right.

## 12. RECOMMENDATION OF THE BOARD

The Board (other than members of the Independent Board Committee, whose views are given in the section headed "LETTER FROM THE INDEPENDENT BOARD COMMITTEE" in this document) is of the view that the terms of the Merger Agreement, including the Cancellation Price, and the proposed Merger are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Having considered the terms of the Merger Agreement and taken into account the advice from the Independent Financial Adviser, the Independent Board Committee is of the view that the terms of the Merger Agreement and the proposed Merger are fair and reasonable so far as the Independent H Shareholders are concerned. Therefore, the Board recommends that the Shareholders vote in favour of the resolutions in relation to the Merger at the EGM and (if applicable) the H Shareholders' Class Meeting.

## 13. OTHER INFORMATION

Your attention is drawn to other information set out in the appendices to this document.

By Order of the Board  
**Beijing Capital Land Ltd.**  
**Li Songping**  
*Chairman*

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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)**

27 August 2021

*To the Independent H Shareholders*

Dear Sir or Madam,

**(1) PROPOSED PRIVATISATION OF  
THE COMPANY BY THE OFFEROR  
BY WAY OF MERGER BY ABSORPTION  
(2) PROPOSED WITHDRAWAL OF LISTING  
(3) NOTICE OF THE EXTRAORDINARY GENERAL MEETING  
AND  
(4) NOTICE OF THE H SHAREHOLDERS' CLASS MEETING**

### INTRODUCTION

We refer to the composite document dated 27 August 2021 jointly issued by the Company and the Offeror (the “**Composite Document**”), of which this letter forms part. Unless the context otherwise requires, terms defined in the Composite Document shall have the same meaning when used in this letter.

We have been appointed by the Board to form the Independent Board Committee to consider and to advise the Independent H Shareholders as to whether the terms of the Merger are, or are not, fair and reasonable and as to voting.

Somerley Capital Limited has been appointed with the approval of the Independent Board Committee as the Independent Financial Adviser to advise us as to whether or not the terms of the Merger are fair and reasonable so far as the Independent H Shareholders are concerned and as to voting. Details of its advice and the principal factors taken into consideration in arriving at its recommendation are set out in the letter from the Independent Financial Adviser on pages 33 to 67 of the Composite Document. We also wish to draw your attention to, and advise you to read, the letter from the Board on pages 8 to 30 of the Composite Document, the letter from Independent Financial Adviser on pages 33 to 67 of the Composite Document and the appendices to the Composite Document.

We, being the members of the Independent Board Committee, have declared that, we are independent and do not have any conflict of interest in respect of the Merger and are therefore able to consider the terms of the Merger and to make recommendations to the Independent H Shareholders.

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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### RECOMMENDATION

Having considered the principal factors and reasons considered by, and the advice of the Independent Financial Adviser as set out in its letter, we concur with the view of the Independent Financial Adviser and consider the terms of Merger to be fair and reasonable so far as the Independent H Shareholders are concerned.

Accordingly, we concur with the recommendation of the Independent Financial Adviser, and would recommend the Independent H Shareholders to vote in favour of the Merger.

Notwithstanding our views and recommendation in respect of the terms of the Merger, the Shareholders are strongly advised that their decision to realise or to hold their investment in the Company depends on their own individual circumstances and investment objectives. If in doubt, the Shareholders should consult their own professional advisers for professional advice.

Yours faithfully

For and on behalf of

**THE INDEPENDENT BOARD COMMITTEE**

**Li Wang**

*Independent Non-Executive Director*

**Wong Yik Chung, John**

*Independent Non-Executive Director*

**Liu Xin**

*Independent Non-Executive Director*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*Set out below is the letter of advice from Somerley Capital Limited, the Independent Financial Adviser to the Independent Board Committee regarding the Merger prepared for the purpose of incorporation in this Composite Document.*



### SOMERLEY CAPITAL LIMITED

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

27 August 2021

*To: the Independent Board Committee*

Dear Sirs,

## **PROPOSED PRIVATISATION OF THE COMPANY BY THE OFFEROR BY WAY OF MERGER BY ABSORPTION**

### **INTRODUCTION**

We refer to our appointment to advise the Independent Board Committee in connection with the Merger. Details of the Merger are set out in the composite document dated 27 August 2021 (the “**Composite Document**”), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context otherwise requires.

On 9 July 2021, the Company and the Offeror jointly announced that the Company and the Offeror entered into the Merger Agreement, pursuant to which the Offeror and the Company will implement the Merger on and subject to the terms and conditions of the Merger Agreement, including the Pre-Condition and the Conditions. After the Merger, the Company will be merged into and absorbed by the Offeror in accordance with the PRC Company Law and other applicable PRC Laws. Pursuant to the Merger Agreement, the Offeror will pay the Cancellation Price in the amount of (a) HK\$2.80 per H Share to the H Shareholders in cash; (b) RMB2.334080 per Non-H Foreign Share, which is equivalent to the Cancellation Price of each H Share based on the Exchange Rate, to the Non-H Foreign Shareholders in cash; and (c) RMB2.334080 per Domestic Share, which is equivalent to the Cancellation Price of each H Share based on the Exchange Rate to the Domestic Shareholder, which will be satisfied through the issuance of registered capital of the Offeror to the Domestic Shareholder.

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Li Wang, Mr. Wong Yik Chung, John and Mr. Liu Xin have been established to make a recommendation to the Independent H Shareholders as to (i) whether the terms of the Merger, including the Cancellation Price, are fair and reasonable; and (ii) whether to vote in favour of the Merger at the EGM and the H Shareholders' Class Meeting. As disclosed in the letter from the Board in the Composite Document, as (a) Mr. Li Songping, the chairman of the Board and the non-executive Director, is a director of Capital Group; and (b) Ms. Sun Baojie, the non-executive Director, is an employee holding managerial position in Capital Group, each of Mr. Li Songping and Ms. Sun Baojie is not included as a member of the Independent Board Committee. The Independent Board Committee has approved our appointment as the Independent Financial Adviser to advise the Independent Board Committee in these regards.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We are not associated with the Company, the Offeror, or any party acting, or presumed to be acting, in concert with any of them and save for our previous engagement by Capital Environment Holdings Limited (stock code 3989), being a subsidiary of Capital Group, as the independent financial adviser in relation to a connected issuance of cumulative perpetual non-voting and non-convertible offshore preference shares pursuant to specific mandate (details of which were disclosed in the circular dated 19 October 2020 of Capital Environment Holdings Limited), we did not act as an independent financial adviser to other transactions of the Company and its associates in the last two years. We do not consider our abovementioned past engagement gives rise to any conflict for us to act as the Independent Financial Adviser as regards the Merger and accordingly, we are considered eligible to give independent advice on the Merger. Apart from normal professional fees paid or payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company, the Offeror or any party acting, or presumed to be acting, in concert with any of them.

In formulating our opinion, we have relied on the information and facts supplied, and the opinions expressed, by the Directors and management of the Group, which we have assumed to be true, accurate and complete. We have reviewed, among other things, the annual reports of the Company for each of the two years ended 31 December 2019 (the “**2019 Annual Report**”) and 31 December 2020 (the “**2020 Annual Report**”), the interim report of the Company for the six months ended 30 June 2021 (the “**2021 IR**”), the property valuation report prepared by Cushman & Wakefield Limited (the “**Valuer**”), the trading performance of the H Shares on the Stock Exchange, and information set out in the Composite Document. We have sought and received confirmation from the Directors that no material facts have been omitted from the information supplied and opinions expressed to us. We consider that the information we have received is sufficient for us to reach our opinion and give our advice and recommendation set out in this letter. We have no reason to believe that any material information has been omitted or withheld, or to doubt the truth or accuracy of the information provided. We have, however, not conducted any independent investigation into the business and affairs of the Group, the Offeror or any of their respective associates or any party acting, or presumed to be acting, in concert with any of them, nor have we carried out any independent verification of the information supplied. We have also assumed that all representations contained or referred to in the Composite Document were true at the time they were made and at the Latest Practicable Date, and Independent H Shareholders will be informed of any material change as soon as possible.

We have not considered the tax and regulatory implications on the Independent H Shareholders of the implementation of the Merger since these are particular to their individual circumstances. In particular, the Independent H Shareholders who are overseas residents or subject to overseas taxation or Hong Kong taxation on securities dealings should consider their own tax position and, if in any doubt, should consult their own professional advisers.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### PRINCIPAL TERMS OF THE MERGER

#### The Merger and the Cancellation Price

Pursuant to the Merger Agreement, conditional upon the fulfilment (or waiver, as applicable) of the Pre-Condition and the Conditions, the Offeror will pay the Cancellation Price in the amount of:

- (a) HK\$2.80 per H Share to the H Shareholders in cash;
- (b) RMB2.334080 per Non-H Foreign Share, which is equivalent to the Cancellation Price of each H Share based on the Exchange Rate, to the Non-H Foreign Shareholders in cash\*; and
- (c) RMB2.334080 per Domestic Share, which is equivalent to the Cancellation Price of each H Share based on the Exchange Rate, to the Domestic Shareholder, which will be satisfied through the issuance of registered capital of the Offeror to the Domestic Shareholder.

\* No fractions of a cent will be payable and the amount of Cancellation Price payable to a Non-H Foreign Shareholder will be rounded down to the nearest cent (RMB).

The amount of aggregate Cancellation Price required to be paid in cash by the Offeror to cancel (i) the H Shares held by H Shareholders and (ii) the Non-H Foreign Shares held by Non-H Foreign Shareholders are approximately HK\$4,287,175,200.00 and RMB835,596,672.06 (equivalent to approximately HK\$1,002,395,240.00 based on the Exchange Rate) respectively.

After completion of the Merger, the Offeror will assume all assets, liabilities, interests, businesses, employees, contracts and all other rights and obligations of the Company and the Company will be eventually deregistered following completion of the applicable deregistration filing with SAIC.

As disclosed in the letter from the Board in the Composite Document, as at the Latest Practicable Date, the Company has no outstanding dividend that has been declared, made but not yet paid. In addition, the Company does not intend to declare, pay and/or make any dividend or other distribution between the date of the Composite Document up to the date on which all of the Pre-Condition and Conditions are satisfied or waived (as applicable), or the date on which the Merger is not approved or otherwise lapsed (as the case may be).

As disclosed in the letter from the Board in the Composite Document, the Offeror will not increase the Cancellation Price and the Offeror does not reserve the right to do so.

According to the letter from the Board, the Cancellation Price has been determined on a commercial basis after taking into account, among other things, the historical and prevailing prices of the Shares traded on the Stock Exchange, and with reference to other privatisation transactions in Hong Kong in recent years.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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During the Relevant Period, the highest closing price per H Shares as quoted on the Stock Exchange was HK\$2.72 on 25 August 2021 and the lowest closing price per H Shares as quoted on the Stock Exchange was HK\$0.97 on 1, 8 and 14 April 2021.

### **Funding for the Merger**

On the basis of (i) the Cancellation Price of HK\$2.80 per H Share, (ii) 1,531,134,000 H Shares in issue as at the Latest Practicable Date, (iii) the Cancellation Price of RMB2.334080 per Non-H Foreign Share (equivalent to the Cancellation Price of HK\$2.80 per H Share based on the Exchange Rate), (iv) 357,998,300 Non-H Foreign Shares in issue as at the Latest Practicable Date, and (v) the Cancellation Price for all the Domestic Shares (which comprise 2,473,808,550 Domestic Shares held directly by Capital Group) which is to be satisfied through the issuance of the registered capital of the Offeror to the Domestic Shareholder, the amount of aggregate Cancellation Price required to be paid by the Offeror in cash to cancel the H Shares held by H Shareholders and the Non-H Foreign Shares held by Non-H Foreign Shareholders is HK\$5,289,570,440.00.

BCG Chinastar, a fellow subsidiary of the Offeror, has undertaken with the Offeror to pay on its behalf the total consideration for the cancellation of the H Shares. The payment of the total consideration for cancellation of the H Shares and the Non-H Foreign Shares will be financed by external financing (in the form of a banking facility made available by the Industrial Bank Co., Ltd., acting through its Hong Kong branch as lender) and/or internal resources.

The Offeror has appointed CICC as its financial adviser in connection with the Merger. CICC, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror for the satisfaction of the Offeror's obligations in respect of the full implementation of the Merger (excluding the Cancellation Price payable to the Domestic Shareholder which is to be satisfied through the issuance of the registered capital of the Offeror to the Domestic Shareholder).

### **Pre-Conditions and Conditions of the Merger**

The Merger Agreement was subject to the satisfaction of a non-waivable pre-condition, being the filing, registration or approval, as applicable, with or by (a) NDRC, (b) MOFCOM, (c) SAFE and (d) if applicable, SASAC, and such other applicable governmental approvals in respect of the Merger having been obtained or completed (the "**Pre-Condition**"). Save for the governmental approvals as mentioned in (a), (b), (c) and (d) above, the Offeror is not currently aware of any other applicable governmental approvals which are required in respect of the Merger.

On 18 August 2021, the Offeror and the Company jointly announced that the Pre-Condition had been satisfied.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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In light of the fact that the Pre-Condition had been satisfied, the Merger Agreement shall become effective upon satisfaction of all of the following conditions (none of which is capable of being waived) (the “**Conditions to Effectiveness**”):

- 1) the passing of special resolution(s) by a majority of not less than two-thirds of the votes cast by way of poll by the Shareholders present and voting in person or by proxy at the EGM to approve the Merger under the Merger Agreement in accordance with the Articles and the PRC Laws; and
- 2) the passing of special resolution(s) by way of poll approving the Merger under the Merger Agreement at the H Shareholders’ Class Meeting to be convened for this purpose, provided that: (a) approval is given by at least 75% of the votes attaching to the H Shares held by the Independent H Shareholders that are cast either in person or by proxy; and (b) the number of votes cast against the resolution(s) is not more than 10% of the votes attaching to all H Shares held by the Independent H Shareholders.

If the above Conditions to Effectiveness are not satisfied by the Long-stop Date, the Merger Agreement may be terminated by either party. Further details were set out in the paragraph headed “Termination” in the letter from the Board in the Composite Document.

In light of the fact that the Pre-Condition had been satisfied, and provided that all the Conditions to Effectiveness have been satisfied by the Long-stop Date, the implementation of the Merger shall be subject to the following conditions being satisfied or waived, as applicable (the “**Conditions to Implementation**”, together with the Conditions to Effectiveness, collectively, the “**Conditions**”):

- 1) there being no error or omission of the representations and warranties given by the Offeror in the Merger Agreement on the Delisting Date which has a material adverse impact on the Merger. The Offeror shall comply with its undertakings under the Merger Agreement in all material respects and there being no breach of such undertakings which has a material impact on the Merger;
- 2) there being no error or omission of the representations and warranties given by the Company in the Merger Agreement on the Delisting Date which has a material adverse impact on the Merger. The Company shall comply with its undertakings under the Merger Agreement in all material respects and there being no breach of such undertakings which has a material impact on the Merger; and
- 3) there being no law, restriction or prohibition of any governmental authority, or any judgment, decision or adjudication of any court on the Delisting Date which restricts, prohibits or cancels the Merger.

The Company shall be entitled to waive Condition to Implementation (1) above and the Offeror shall be entitled to waive Condition to Implementation (2) above. Condition to Implementation (3) above is not capable of being waived. If the above Conditions to Implementation are not satisfied or if applicable, waived, by the Long-stop Date, the Merger Agreement will be automatically terminated.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As disclosed in the letter from the Board of the Composite Document, as at the Latest Practicable Date, none of the Conditions to Effectiveness and Conditions to Implementation has been satisfied or (if applicable) waived.

### **Reco Irrevocable Undertaking**

As disclosed in the Letter from the Board in the Composite Document, the Offeror has received the Reco Irrevocable Undertaking from Reco Pearl Private Limited (which held approximately 11.83% of all the issued H Shares and 4.15% of the total issued share capital of the Company as at the Latest Practicable Date), pursuant to which Reco Pearl Private Limited has irrevocably and unconditionally undertaken, among other things, that:

- (a) it will exercise or procure the exercise of the voting rights attached to:
  - (i) 181,194,000 H Shares owned by Reco Pearl Private Limited as at the date of the IU Announcement (the “Reco Shares”); and
  - (ii) any other Shares in which Reco Pearl Private Limited has a direct or indirect interest after the date of the Reco Irrevocable Undertaking,to vote in favour of the special resolutions to approve the Merger Agreement (including the Merger) at the EGM and the H Shareholders’ Class Meeting; and
- (b) for the period from the date of the Reco Irrevocable Undertaking until the Delisting Date (if applicable), it shall not:
  - (i) sell, offer to sell, mortgage, charge, pledge, hypothecate or otherwise dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Reco Shares;
  - (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Reco Shares; or
  - (iii) enter into any transaction with the same effect as any transaction specified in paragraphs (b)(i) and (b)(ii) above.

The Reco Irrevocable Undertaking from Reco Pearl Private Limited shall terminate immediately if: (a) all the Pre-Condition and the Conditions are not satisfied or waived (if applicable) by the Long-stop Date; (b) the Merger is not approved at the EGM and/or the H Shareholders’ Class Meeting; (c) the Merger Agreement is terminated, or the Merger otherwise lapses or is withdrawn; or (d) Reco Pearl Private Limited is required to withdraw from the Reco Irrevocable Undertaking by any governmental or regulatory body or court having jurisdiction over it due to illegality.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### Shareholding structure of the Company and effect of the Merger

As at the Latest Practicable Date, the Company has 4,362,940,850 Shares in issue, which comprise 1,531,134,000 H Shares, 2,473,808,550 Domestic Shares and 357,998,300 Non-H Foreign Shares. As at the Latest Practicable Date, the Company does not have any outstanding options, warrants or convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue.

As at the Latest Practicable Date, Capital Group, a state-owned enterprise under the direct supervision of the Beijing Municipal Government, directly holds (i) 100% of the Offeror; and (ii) approximately 56.70% of the Company's total issued Shares.

Following the satisfaction of Conditions to Implementation, and the withdrawal of listing of the Shares on the Stock Exchange, the Company will merge into the Offeror, with the Offeror as the surviving entity, and will cease to exist as a separate legal entity.

### Warnings:

**The Shareholders and potential investors in the securities of the Company should be aware that the Merger is subject to the Conditions as set out in the Composite Document being satisfied or waived, as applicable, and neither the Offeror nor the Company provides any assurance that any or all of Conditions can be satisfied, and thus the Merger Agreement may or may not become effective or, if effective, may or may not be implemented or completed. The Shareholders and potential investors in the securities of the Company should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

### PRINCIPAL FACTORS AND REASONS CONSIDERED

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

#### 1. Information of the Group

##### *1.1. Background information of the Group*

The Company is a joint stock company with limited liability incorporated in the PRC. The Shares have been listed on the Stock Exchange since 19 June 2003. The Group is a large integrated real estate developer in the PRC, focusing primarily on developing the four main business streams of residential property development, integrated outlets (mainly through Beijing Capital Grand Limited (stock code: 1329.HK) being owned as to approximately 72.94% by the Group as at the Latest Practicable Date), urban core integrated complex and primary land development, complemented by innovative business areas such as high-tech industrial properties, cultural and creative industries and rental housing. The Group has property projects in major cities across China including but not limited to Beijing, Shanghai, Tianjin, Chongqing and Chengdu.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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In the year 2020 and the six months ended 30 June 2021, the Group, together with its joint ventures and associated companies, completed the construction of projects with an aggregate GFA of approximately 1.87 million sq.m. and 1.43 million sq.m. respectively. In the year 2020 and the six months ended 30 June 2021, together with its joint ventures and associated companies, the Group achieved total contracted sales of approximately RMB70.86 billion and RMB40.27 billion, while the total contracted sales area for the aforesaid periods were around 2.927 million sq.m. with the average selling price of RMB24,000 per sq.m. and around 1.74 million sq.m. with the average selling price of RMB23,000 per sq.m. respectively.

As of 30 June 2021, the Group had total land bank with an aggregate GFA of 15.75 million sq.m. (10.24 million sq.m. was attributable to the Company's equity interests) and had a total ground area of 11.99 million sq.m. (7.79 million sq.m. was attributable to the Company's equity interests). Of the total land bank GFA, approximately 87% is for property development projects, and 13% is for investment properties and other uses.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### 1.2. Financial information of the Group

#### (i) Financial performance

Set out below is a summary of the Group's consolidated financial performance for the three years ended 31 December 2018, 2019 and 2020 ("FY2018", "FY2019" and "FY2020" respectively), and for the six months ended 30 June 2020 and 2021 ("1H2020" and "1H2021" respectively) (collectively, the "Period") as extracted from the 2019 Annual Report, the 2020 Annual Report and the 2021 IR:

	For the six months ended		For the financial year ended		
			31 December		
	2021	2020	2020	2019	2018
	(unaudited)	(unaudited)	(audited)	(audited)	(audited)
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue					
Property development, sales and related business	9,563,533	7,879,571	17,775,036	16,193,781	19,787,573
Investment properties business	583,593	268,697	814,748	769,494	518,049
Primary land development	580,618	795,150	1,908,449	3,513,542	2,902,844
Others	285,569	275,865	749,625	309,438	48,587
	<u>11,013,313</u>	<u>9,219,283</u>	<u>21,247,858</u>	<u>20,786,255</u>	<u>23,257,053</u>
Cost of sales	(8,755,237)	(6,882,475)	(15,908,085)	(13,713,906)	(16,949,443)
Taxes and surcharges	(415,635)	(554,268)	(972,606)	(2,036,764)	(2,172,662)
Selling and distribution expenses	(254,704)	(242,751)	(673,815)	(743,768)	(609,167)
General and administrative expenses	(381,409)	(480,537)	(909,624)	(1,425,045)	(1,069,626)
Financial expenses	(1,063,143)	(1,361,880)	(2,326,946)	(3,097,009)	(2,869,242)
Other income	27,703	20,506	27,855	95,238	54,414
Investment income	600,070	1,147,189	1,570,988	3,579,237	3,235,429
Other income/losses	(118,803)	288,524	(254,452)	108,220	283,291
	<u>652,155</u>	<u>1,153,591</u>	<u>1,801,173</u>	<u>3,552,458</u>	<u>3,160,047</u>
Operating profit					
Non-operating income	27,914	19,728	29,889	32,375	15,808
Non-operating expenses	(2,565)	(6,408)	(12,009)	(14,609)	(15,892)
	<u>677,504</u>	<u>1,166,911</u>	<u>1,819,053</u>	<u>3,570,224</u>	<u>3,159,963</u>
Profit before tax					
Income tax expense	(255,244)	(147,250)	(546,947)	(1,001,362)	(742,874)
	<u>422,260</u>	<u>1,019,661</u>	<u>1,272,106</u>	<u>2,568,862</u>	<u>2,417,089</u>
Profit/(loss) for the year					
Profit/(loss) attributable to:					
Owners of the Company	226,348	850,221	981,825	2,122,572	1,922,932
Non-controlling interests	195,912	169,440	290,281	446,290	494,157
	<u>422,260</u>	<u>1,019,661</u>	<u>1,272,106</u>	<u>2,568,862</u>	<u>2,417,089</u>



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *Revenue*

As shown from the above, revenue of the Group has been mainly contributed by its property development, sales and related business which consistently represented more than 77% of its total revenue for each of the aforesaid periods.

Total revenue of the Group decreased by approximately 10.62% from approximately RMB23,257.1 million in FY2018 to approximately RMB20,786.3 million in FY2019. The main reason for the slight decrease in revenue was due to decrease in revenue generated from its property development and sale business, and in particular, revenue generated from the Group's property development and sale business in Beijing. Total revenue of the Group moderately recovered by approximately 2.22% to approximately RMB21,247.9 million in FY2020 mainly because of higher revenue generated from the Group's property development and sale business in Eastern China and Chengdu and Chongqing despite the pandemic.

Total revenue of the Group for 1H2021 had also shown an increment by approximately 19.46% from approximately RMB9,219.3 million in 1H2020 to approximately RMB11,013.3 million in 1H2021. Such increment was mainly attributable to the increase in property development, sales and related business in Beijing of approximately RMB2,508.0 million, and mainly netted off by the drop in revenue in property development, sales and related business in Tianjin of approximately RMB1,120.2 million.

### *Operating profit*

In FY2019, operating profit increased by approximately 12.42% to approximately RMB3,552.5 million from approximately RMB3,160.0 million in FY2018 mainly due to higher gross profit margins associated with the properties sold in the Group's property development and sales business during the period. The Group's operating profit for FY2020 significantly decreased to approximately RMB1,801.2 million or by approximately 49.30% mainly because of lower gross profit margin associated with the property development and sales business as well as the rental reduction to lessees due to COVID-19.

During 1H2021, operating profit dropped by approximately 43.46% from approximately RMB1,153.6 million in 1H2020 to approximately RMB652.2 million in 1H2021, which was primarily due to, amongst others, (i) the increase in cost of sales from approximately RMB6,882.5 million in 1H2020 to approximately RMB8,755.2 million in 1H2021, (ii) accompanied by a drop by around 47.69% in investment income from approximately RMB1,147.2 million in 1H2020 to approximately RMB600.1 million in 1H2021 as a result of the absence of investment gains from business combination other than common control of approximately RMB680.4 million during 1H2021 and (iii) losses arising from changes in fair value of approximately RMB131.6 million for 1H2021 comparing with the gain arising from changes in fair value of approximately RMB291.2 million for the 1H2020 mainly due to (a) lower fair value gain reported for investment properties of approximately RMB128.7 million in 1H2021 as compared to RMB305.4 million in 1H2020;

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and (b) negative impacts in the amount of approximately RMB245.3 million resulting from foreign exchange rate fluctuations on the Company's overseas projects and financial assets and liabilities.

*Net profit attributable to owners of the Company*

The Group reported a net profit attributable to owners of the Company of approximately RMB2,122.6 million in FY2019 as compared to net profit attributable to owners of the Company of approximately RMB1,922.9 million in FY2018 mainly as a result of the increase in operating profit as discussed above. Net profit attributable to owners of the Company significantly decreased to approximately RMB981.8 million in FY2020 mainly due to reduction in operating profit for reasons stated above.

During 1H2021, as a result of the drop in operating profit for reasons as discussed above, the Group reported a significant drop in net profit attributable to owners of the Company by approximately 73.38% to approximately RMB226.3 million in 1H2021 as compared to that of approximately RMB850.2 million in 1H2020.

According to the Company's circular dated 24 August 2021 relating to the major transaction ("**Major Transaction Circular**") as regards the entering into of the cooperation framework agreement (the "**Transaction**") pursuant to which the Group has formed a joint venture company (the "**JV**") with Beijing Jinyuan Hongda Real Estate Co., Ltd.\* (北京金源鴻大房地產有限公司), a company incorporated under the laws of the PRC with limited liability and a wholly-owned subsidiary of Century Golden Resources Investment Group Co., Ltd. (世紀金源投資集團有限公司), and will transfer the economic rights to potential proceeds after tax that will be received from the No.5 Building (the "**Property**") under the Xanadu Project to the JV, it was disclosed that pursuant to the Transaction, an unaudited profit after tax of approximately RMB750 million (the "**Estimate**"), is estimated by the Company to be realised after obtaining the land use rights certificate for the Project and fulfilling the requirements for revenue recognition under the Accounting Standards for Business Enterprises. The transfer and registration of the Property to the JV will take place following the Property obtaining of the land use rights certificate (which is expected to be around May 2023) and subsequent approval for pre-sale of the Properties from the relevant PRC government authorities (which is expected to be around the third quarter of 2023). Pursuant to Rule 10 of the Takeovers Code, the aforementioned Estimate that may be realised by the Group in respect of the Transaction constituted a profit forecast and had been reported on by the reporting accountant and us, as the independent financial adviser of the Company, under Rule 10.4 of the Takeovers Code. Please refer to the Major Transaction Circular and the Composite Document for further details. The Board has reassessed the Estimate and confirmed that the Estimate remains valid for the purposes of the Merger.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *Dividend*

The Company resolved not to declare any dividend in FY2020 as compared to a final dividend of RMB0.17 per Share in FY2019. Dividend paid to Shareholders for FY2018 was RMB0.22 per share. The Company resolved not to declare any dividend for 1H2021 and 1H2020 respectively.

### *(ii) Financial position*

Set out below is a summary of the consolidated financial position of the Group as at 31 December 2019 and as at 31 December 2020, as extracted from the 2020 Annual Report and the consolidated financial position of the Group as at 30 June 2021 as extracted from the 2021 IR:

	<b>As at</b>		
	<b>30 June</b>	<b>31 December</b>	
	<b>2021</b>	<b>2020</b>	<b>2019</b>
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Current assets</b>			
Cash at bank and on hand	38,912,082	37,178,480	27,035,244
Trading financial assets	264,821	348,743	3,761,342
Trade receivables	1,583,204	1,495,686	5,218,581
Advances to suppliers	1,484,148	2,111,448	2,443,991
Other receivables	19,321,764	18,050,908	22,350,997
Inventories	100,361,060	102,546,959	85,928,699
Contract assets	5,348,115	5,019,400	5,734,719
Current portion of non-current assets	–	–	311,975
Other current assets	3,376,006	2,473,661	2,592,146
	<u>170,651,200</u>	<u>169,225,285</u>	<u>155,377,694</u>
<b>Non-current assets</b>			
Derivative financial assets	98,391	48,828	95,931
Long-term receivables	3,778,686	3,523,207	2,000
Long-term equity investments	7,571,366	6,702,922	5,700,367
Other equity instrument investments	54,201	98,457	288,283
Other non-current financial assets	5,635,072	5,803,041	3,450,024
Investment properties	19,251,364	18,722,830	16,743,273
Fixed assets	433,538	439,751	324,203
Right-of-use assets	1,311,732	1,394,713	915,045
Intangible assets	308,794	317,867	38,508
Long-term prepaid expenses	619,726	558,680	453,144
Deferred income tax assets	2,799,900	2,573,449	1,870,925
Other non-current assets	887,820	1,140,870	9,921

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	<b>30 June</b>	<b>As at</b>	
	<b>2021</b>	<b>31 December</b>	<b>2019</b>
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<u>42,750,590</u>	<u>41,324,615</u>	<u>29,891,624</u>
<b>TOTAL ASSETS</b>	<b><u>213,401,790</u></b>	<b><u>210,549,900</u></b>	<b><u>185,269,318</u></b>
<b>Current liabilities</b>			
Short-term borrowings	513,094	502,403	1,717,672
Trading financial liabilities	147,741	151,270	–
Derivative financial liabilities	173,113	238,764	–
Notes payables	236,917	101,072	51,817
Trade payables	11,561,475	12,644,877	8,551,640
Contract liabilities	32,769,268	26,221,026	19,475,282
Employee benefits payables	101,951	108,274	258,554
Taxes payable	4,417,817	4,904,579	5,204,477
Other payables	12,528,056	13,641,415	11,184,175
Current portion of non-current liabilities	28,386,337	32,027,389	22,819,073
Other current liabilities	<u>1,655,808</u>	<u>1,303,235</u>	<u>–</u>
	<u>92,491,577</u>	<u>91,844,304</u>	<u>69,262,690</u>
<b>Non-current liabilities</b>			
Long-term borrowings	42,874,365	41,727,674	39,728,054
Debentures payable	26,752,521	21,427,486	28,490,333
Lease liabilities	1,268,114	1,339,577	875,318
Long-term payables	6,607,201	4,022,380	2,717,476
Provisions	4,629	3,087	–
Deferred income tax liabilities	3,017,563	2,855,040	2,153,741
Other non-current liabilities	<u>80,749</u>	<u>416</u>	<u>600</u>
	<u>80,605,142</u>	<u>71,375,660</u>	<u>73,965,522</u>
<b>TOTAL LIABILITIES</b>	<b><u>173,096,719</u></b>	<b><u>163,219,964</u></b>	<b><u>143,228,212</u></b>

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**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

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	As at		
	<b>30 June 2021</b>	<b>31 December 2020</b>	<b>2019</b>
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Equity</b>			
Share capital	4,362,941	4,362,941	3,852,563
Other equity instruments	5,912,942	12,392,272	15,124,416
Capital reserve	262,434	553,105	395,293
Other comprehensive income	116,126	231,518	289,943
Surplus reserve	829,151	829,151	829,151
Retained earnings	<u>10,747,920</u>	<u>10,708,575</u>	<u>11,412,652</u>
Total equity attributable to owners of the Company	22,231,514	29,077,562	31,904,018
Non-controlling interests	<u>18,073,557</u>	<u>18,252,374</u>	<u>10,137,088</u>
<b>TOTAL EQUITY</b>	<u><u>40,305,071</u></u>	<u><u>47,329,936</u></u>	<u><u>42,041,106</u></u>

Total assets of the Group of approximately RMB213,401.8 million comprised current assets of approximately RMB170,651.2 million and non-current assets of approximately RMB42,750.6 million as at 30 June 2021.

Current assets of the Group as at 31 December 2019, 31 December 2020 and 30 June 2021 mainly comprised, among others, inventories, and cash at bank and on hand. Current assets increased from approximately RMB155,377.7 million as at 31 December 2019 to approximately RMB169,225.3 million as at 31 December 2020, or by 8.91%, mainly due to increases in inventories by around 19.34% from approximately RMB85,928.7 million as at 31 December 2019 to approximately RMB102,547.0 million as at 31 December 2020 as a result of increase in properties under development and held for sale, together with an increase in cash by around 37.52% from approximately RMB27,035.2 million as at 31 December 2019 to approximately RMB37,178.5 million as at 31 December 2020 mainly as a result of increase in advance proceeds received from sales of properties under development. Current assets of approximately RMB170,651.2 million as at 30 June 2021 was comparable to that of approximately RMB169,225.3 million as at 31 December 2020 with line items maintained similar balance as at 30 June 2021 comparing with that of 31 December 2020.

As at each of 31 December 2019, 31 December 2020 and 30 June 2021 respectively, non-current assets of the Group mainly comprised, among others, investment properties, long-term equity investments (which are mainly the Group's investment in joint ventures and associates) and other non-current financial assets (which represented mainly one project in Beijing and investments in Australia). Non-current assets as at 31 December 2020 increased by approximately 38.25% mainly because of the increases in, among others, investment properties, long-term equity investments and other non-current financial assets

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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from approximately RMB16,743.3 million, RMB5,700.4 million and RMB3,450.0 million respectively as at 31 December 2019 to approximately RMB18,722.8 million, RMB6,702.9 million and RMB5,803.0 million respectively as at 31 December 2020. Non-current assets of approximately RMB42,750.6 million as at 30 June 2021 was comparable to that of 31 December 2020 of approximately RMB41,324.6 million.

Total liabilities of the Group of approximately RMB173,096.7 million comprised current liabilities of approximately RMB92,491.6 million and non-current assets of approximately RMB80,605.1 million as at 30 June 2021.

Current liabilities of the Group as at 31 December 2019, 31 December 2020 and 30 June 2021 mainly comprised, among other things, current portion of non-current liabilities, contract liabilities, other payables and trade payables. Current liabilities increased from approximately RMB69,262.7 million as at 31 December 2019 to approximately RMB91,844.3 million as at 31 December 2020, represented an increase of around 32.60% which was mainly a result of the increases in (i) current portion of non-current liabilities by approximately 40.35%; and (ii) contract liabilities by approximately 34.64%. The increase in current portion of non-current liabilities was due to reclassification of certain debentures from non-current liabilities to current liabilities as they fall due. The increase in the carrying value for contract liabilities was primarily due to increase in advances from sales of properties under development. Current liabilities of the Group as at 30 June 2021 recorded a slight increase of approximately 0.70% from approximately RMB91,844.3 million as at 31 December 2020 to approximately RMB92,491.6 million, mainly attributable to the increase of contract liabilities by approximately RMB6,548.2 million due to increase in advances from sales of properties under development, and partially netted off by a decrease in current portion of non-current liabilities by approximately RMB3,641.1 million due to repayment of loans due.

Non-current liabilities of the Group as at 31 December 2019, 31 December 2020 and 30 June 2021 mainly comprised, among other things, long-term borrowings, and debentures payable. Non-current liabilities of the Group decreased from approximately RMB73,965.5 million as at 31 December 2019 to approximately RMB71,375.7 million as at 31 December 2020 mainly as a result of decrease in carrying value of debentures payable from approximately RMB28,490.3 million as at 31 December 2019 to approximately RMB21,427.5 million as at 31 December 2020, slightly offset by the increase in carrying value of long-term borrowings from approximately RMB39,728.1 million as at 31 December 2019 to approximately RMB41,727.7 million as at 31 December 2020 and increase in the balance for long-term payables from approximately RMB2,717.5 million as at 31 December 2019 to approximately RMB4,022.4 million as at 31 December 2020. Non-current liabilities increased by approximately 12.93% from approximately RMB71,375.7 million as at 31 December 2020 to approximately RMB80,605.1 million as at 30 June 2021, mainly due to the increases in debentures payable by approximately RMB5,325.0 million, long-term borrowings by approximately RMB1,146.7 million during the period and in long-term payables by approximately RMB2,584.8 million.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Based on the disclosures made in the 2020 Annual Report, gearing ratio (as represented by total liabilities divided by total assets) of the Group was approximately 77.5% as at 31 December 2020, represented an increase of approximately 0.2% as compared to that of approximately 77.3% as at 31 December 2019. Based on disclosures made in the 2021 IR, gearing ratio (as represented by total liabilities divided by total assets) was approximately 81.1% as at 30 June 2021, represented a further increase of approximately 3.6% which was mainly due to the increase in non-current liabilities for reasons as mentioned above.

Total equity attributable to owners of the Company decreased by approximately 8.86% from approximately RMB31,904.0 million as at 31 December 2019 to approximately RMB29,077.6 million as at 31 December 2020, and decreased further by approximately 23.54% to approximately RMB22,231.5 million as at 30 June 2021. The decreases in total equity attributable to owners of the Company as of 31 December 2020 and 30 June 2021 were mainly due to the decrease in balance of other equity instruments by around RMB2,732.1 million and RMB6,479.3 million respectively following certain repayments during the respective periods.

Based on the 2019 Annual Report and the 2020 Annual Report disclosures, the aforesaid other equity instruments mainly represented the perpetual securities issued by the Company from time to time and their carrying value were approximately RMB15,124.4 million, approximately RMB12,392.3 million and approximately RMB5,912.9 million respectively as at each of 31 December 2019, 31 December 2020 and 30 June 2021. We have confirmed with the Company that holders of the perpetual securities have the right to assets and income of the Company in the event of liquidation before of ordinary shareholders of the Company and given such perpetual securities have no fixed repayment terms and the payment of distribution could be deferred without frequency limitations, the perpetual securities are accounted for as equity instrument in the consolidated level financial statement. Against such backdrop and if only equity that attributable to Shareholders is concerned, the Group reported net assets (excluding other equity instruments) (“NAV”) per Share (“NAV per Share”) of approximately RMB3.82 (equivalent to approximately HK\$4.54, using the exchange rate of HK\$1: RMB0.84164 as stated in the Composite Document) as at 31 December 2020 and approximately RMB3.74 (equivalent to approximately HK\$4.50 (subject to rounding), using the exchange rate of HK\$1:RMB0.83208 as stated in the Composite Document) as at 30 June 2021, based on the total number of issued Shares of 4,362,940,850 as at the Latest Practicable Date.

### *1.3. Valuation on property interests of the Group*

The summary valuation report (the “**Valuation Report**”) prepared by the Valuer dated 27 August 2021 relating to the valuation of properties interests of the Group and its associated companies with significant property interests (the “**Properties**”), is set out in Appendix II to this Composite Document. According to the Valuation Report, value of the Properties includes the market value in existing state of the Properties as at 30 June 2021 (the “**Valuation Date**”) of approximately RMB126,596.3 million (the “**Market Value**”) and the investment value in existing state of the Properties as at the Valuation Date of approximately RMB 10,654.7 million.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We are satisfied that the terms, including the scope of work, of engagement between the Company and the Valuer are appropriate. We have discussed with the Valuer the methodologies and assumptions used in arriving at the market valuations of the Properties being valued. Details in respect of the valuation methodologies adopted by the Valuer are set out in the Valuation Report. We also note that the Valuer carried out site inspections of the Properties in between July and August 2021.

We have reviewed the Valuation Report and discussed with the Valuer methodologies of and bases and assumptions adopted for the valuations and adjustments made to arrive at the valuation. Properties in Groups I, II and III are completed properties in the PRC and the relevant title certificates including Construction Works Completion Examination Certificates, Building Ownership Certificates or Real Estate Title Certificates or such equivalent certificates or permits have been obtained. Properties in Group VI are completed properties held by the Group for owner occupation and for operation in France.

The properties in Group IV comprise Properties under development in the PRC and Permits for Commencement of Construction Works or such equivalent permits and land use rights certificates or such equivalent certificates have been obtained but Construction Works Completion Examination Certificates, Building Ownership Certificates or Real Estate Title Certificates or such equivalent certificates or permits have not been obtained.

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 State-owned Land Use Rights Certificates or Grant Contracts of Land Use Rights or such equivalent certificates or contracts have been obtained as at the Valuation Date.

We note that the Valuer has adopted the market comparison method in valuing Properties in Groups I and III by way of 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. We note such Properties have been completed and are held by the Group for sale and for owner occupation respectively in the PRC. We understand the use of market comparison method is considered to be in line with market practice and is appropriate in this case mainly because the Properties are mostly strata residential units, industrial units, ancillary commercial podium units and car parking spaces, and there are publicly available and comparable sales transactions and information.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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In valuing Properties in Group II and Group VI, which are completed Properties held by the Group for investment purposes in the PRC and completed Properties held by the Group for owner occupation and for operation in France respectively, the Valuer has adopted the investment method on the basis of capitalisation of rental incomes derived from the existing tenancies with due allowance for reversionary potential, and/or potential rental income, of each of the properties at appropriate capitalisation rates. We understand from the Valuer that for Properties in Group II, the market comparison approach is not appropriate in this case because transactions involving similar scale properties of the same nature and tenancy structure in the same districts are not frequent. For Properties in Group VI, transactions involving similar properties in the same districts are rare but rental reference from other districts is available. As such, having considered that most properties generate rental income from letting arrangements and such rental comparables are more readily available, the Valuer has considered and we would agree that the investment method, which is also commonly used in valuing properties for investment purposes and for owner occupation purposes, to be the most appropriate method to value these properties. We have discussed and understand from the Valuer that when using investment method, the Valuer have mainly made reference to lettings within the subject property as well as other relevant comparable rental evidences of properties of similar use type subject to appropriate adjustments including but not limited to location, accessibility, age, quality, size, time and other relevant factors. We understand these consideration factors are commonly used in the industry and would consider it reasonable.

As disclosed in the Valuation Report, the capitalisation rates adopted for the purpose of the valuation are based on the Valuer's analyses of the yields of properties of similar use type after due adjustments. We have discussed and understand such capitalisation rates are estimated with reference to the yields generally expected by the market for comparable properties of similar use type, which implicitly reflect the type and quality of the properties, the expectation of the potential future rental growth, capital appreciation and relevant risk factors. We are given to understand that the capitalisation rates adopted are in line with the market norm having regard to the analysed yields of transactions of the relevant use type.

In respect of the Properties in Group IV which are properties held by the Group under development in the PRC, we note that the Valuer have valued them on the basis that each of these properties will be developed and completed in accordance with the latest development scheme of the Group provided. In ascertaining a valuation for the Properties under this group, the Valuer has assumed all consents, approvals and licences from the relevant government authorities for the development scheme have been obtained without onerous conditions or delays and that the design and construction of the development are in compliance with the local planning regulations and have been approved by the relevant authorities. We have discussed and understand that the Valuer has adopted the market comparison method to assess the development value of the Properties in this group as if completed 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. We understand that the use of market comparison method is in line with market practice for properties of this type and is therefore appropriate.

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We note the Valuer has also adopted the market comparison method to value the Properties in Group V which are properties held by the Group for future development in the PRC 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. We have discussed and understand from the Valuer that this method is the most appropriate method for valuing land properties such as the Properties in this group. We note that the Valuer has also cross-checked the valuation for Properties in this group by considering the development value as if completed subject to allowance of relevant development costs and associated risks as a cross-check and noted no material deviations from the end result derived from the market comparison method. As such, we would consider such application to be prudent and reasonable.

We note that the Valuer has attributed no commercial value for civil defence car parking spaces in the PRC because these spaces are subject to the use by the public at no cost during war times and the Group does not have unfettered rights in such portions of properties, market value is not applicable. In addition, as further disclosed in the Valuation Report that certain portion of the Properties in Groups I, II and IV have not yet been granted with proper title certificate(s) of building ownership rights and/or have sales restrictions. Such portions of the Properties are not freely transferable as at 30 June 2021 and therefore, the Valuer has attributed no market value for these portions of the Properties. However, it is also disclosed in the Valuation Report that those aforesaid car parking spaces and portions of the Properties were valued on investment value basis, and the aggregate investment value for such Properties attributable to the Group as at 30 June 2021 were approximately RMB10,654.7 million. As such, if the aforesaid value is taken into account together with the Market Value, the valuation of the properties interests attributable to the Group as at 30 June 2021 would be approximately RMB137,250.9 million (the “**Valuation**”).

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### 1.4. Adjusted NAV

The Valuation of the Properties attributable to the Group as at the Valuation Date is approximately RMB137,250.9 million. The table below sets out the calculations of the adjusted consolidated net assets attributable to the Shareholders (the “Adjusted NAV”), which is provided by the Company and calculated based on the unaudited consolidated net assets attributable to the Shareholders as at 30 June 2021 and the Valuation.

	<i>RMB'000</i>
Unaudited consolidated net assets attributable to owners of the Company as 30 June 2021	22,231,514
<i>Subtract:</i>	
Perpetual bonds	(5,912,942)
	<b>16,318,572</b>
<i>Add:</i>	
Revaluation surplus arising from the Valuation	4,841,708
<i>Subtract:</i>	
Deferred tax (Note 1)	(1,211,558)
<b>Adjusted NAV</b>	<b>19,948,722</b>
<b>Adjusted NAV per Share (HK\$) (Note 2) (Note 3)</b>	<b>5.50</b>
<b>Cancellation Price (HK\$) (Note 3)</b>	<b>2.80</b>
<b>Discount represented by the Cancellation price to the Adjusted NAV per Share</b>	<b>49.04%</b>

Notes:

1. Deferred PRC and French taxes are calculated based on the appreciated value of the Properties multiplied by the applicable tax rate of 25% and 28% respectively.
2. Based on total issued Shares of 4,362,940,850 as at the Latest Practicable Date.
3. Conversion from RMB to HK\$ equivalent is based on the published exchange rate of HK\$1:RMB0.83208 as at 30 June 2021 as per the State Administration of Foreign Exchange website (<https://www.safe.gov.cn/big5/big5/www.safe.gov.cn:443/safe/rmbhlzjj/index.html>).
4. The Adjusted NAV has not taken into account future interest expenses in relation to property projects which will not be capitalised. As provided by the Company, historically such related interest expenses for the past 3 years between 2018 and 2020 were more than approximately RMB2,500 million each year.
5. Certain figures and/or percentages included in the above table as provided by the Company have been subject to rounding adjustments.

The Cancellation Price of HK\$2.80 per H Share represents a discount of appropriately 49.04% to the Adjusted NAV per Share.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### 2. Prospects of the Group

As discussed in detail in section headed “1.2 Financial information of the Group” above, the Group is principally engaged in the property development, sales and related business, investment properties and primary land development businesses in the PRC.

As discussed in the 2021 IR, the COVID-19 pandemic continued to evolve, bringing out complex trends, instability and uncertainty. Although economic recovery appears to be in pace in countries like China, however, recovery has been uneven across industries and will continue to face challenges. As also discussed in the 2021 IR, Chinese central government continued to tighten policies for the property sector and such policies repeatedly emphasised “housing is for people to live in, not for speculation” and “implementing city specific measures” concepts and pushed through various supply side reforms, and launching intensive land control policies. Furthermore, financial regulations in the real estate market continued to toughen with policies such as “three red lines” (caps for debt-to-cash, debt-to-assets and debt-to-equity ratios), which has been in force since 2020 and “the real estate loan concentration management”, which is further implemented in 2021.

Whilst the Group has been implementing series of actions such as its principle of “strengthening the business foundation, pursuing progress while ensuring stable development”, which includes, among others: (i) pursuing a strategy of quality sales, and accelerating destocking by leveraging synergies across projects and by reinforcing cash collection and strengthening employee performance evaluation and incentives for cash collection, so that the Group is able to increase cash collection rate and shorten the collection cycle by working closely with buyers and bank partners; (ii) pursuing a prudent investment strategy by improving regional market know-how and investing only in the best projects; and (iii) implementing anti-virus measures such as by taking advantage of both its scale and recovery of consumer demand to accelerate the integrated online-offline marketing approach of its outlet business to counter the effects of the COVID-19 pandemic, however, given the fact that stringent regulations on the property industry that are implemented by the Chinese central government is not likely to be relaxed in the near future, business and growth prospects of the Group in the near future are still be subject to uncertainties and challenges.

### 3. Reasons for and benefits of the Merger

Reasons for and benefits of the Merger are set out in the section headed “5. Reasons and benefits of the Merger” in the letter from the Board of the Composite Document. As set out in the aforesaid section in the Composite Document, transaction liquidity of H Shares has been relatively low, with the average daily turnover of the H Shares for the period of 24 months up to and including the Last Trading Day of only around 4.68 million shares per trading day. In addition, the H Shares have also been trading at a significant discount as compared to the Group’s book value over the past three years. The relatively low trading price range as compared to the Group’s book value and sluggish trading volumes abovementioned have significantly limited the Company’s ability to raise funds from the equity market and therefore, the Company is considered having lost the advantage as a listing platform with limited equity fund-raising ability. The Company may benefit from saving in the costs related to compliance and maintenance of the listing status after the Merger is implemented and the H Shares are delisted from the Stock Exchange.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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It is further disclosed that the Offeror is committed to the long term development of the Company's business. Upon completion of the Merger, the Offeror will have full control over the Company's strategy and flexibility to manage the Company such that it can formulate long-term strategies for the Company with more flexibility and avoid the pressure from market expectations and stock price fluctuation risks as a listed company.

The Cancellation Price represents a premium over the market price of H Shares of the Company. The Merger, if implemented, will therefore offer the H Shareholders an opportunity to realise their investments in the Company with a premium and reallocate the proceeds from the disposal of the H Shares to alternative investment opportunities with more liquidity. Further details on the comparison of the Cancellation Price and trading liquidity of the H Shares are set out in the section headed "5. Analysis on price performance and trading liquidity of the H Shares" of this letter below.

#### **4. Information on the Offeror and its intention towards the Group**

As stated in the letter from the Board of the Composite Document, the Offeror is a company incorporated in the PRC with limited liability on 10 June 2021. The Offeror is wholly-owned by Capital Group, which is in turn under the direct supervision of the Beijing Municipal Government. The Offeror is newly incorporated by Capital Group for the purpose of the Merger. The business scope of the Offeror as set out in its business license includes sale and development of real estate, property management, hotel management and tourism consulting services.

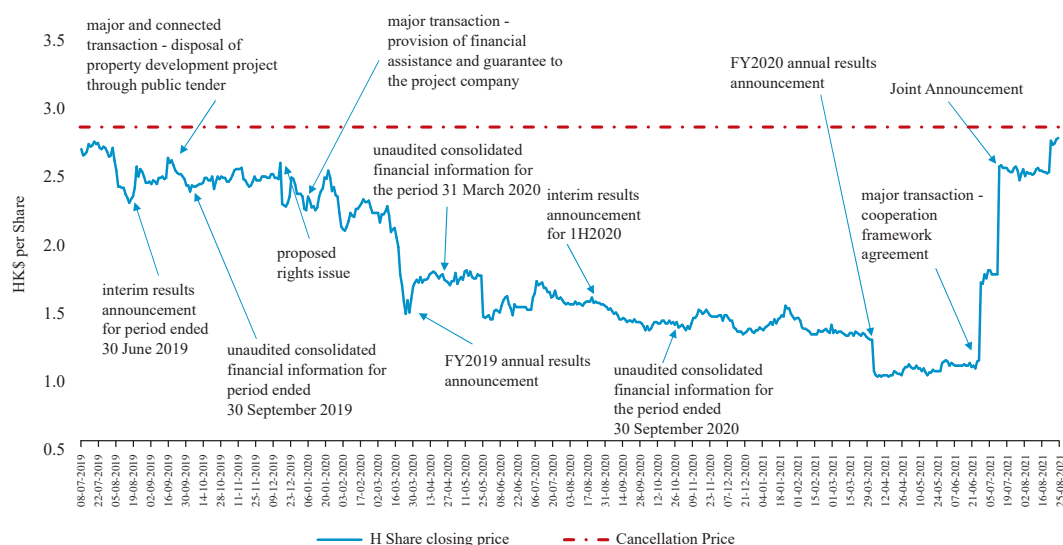
After the Merger, the Company will merge into the Offeror, with the Offeror as the surviving entity, and will cease to exist as a separate legal entity. It is the intention of the Offeror that it will continue to carry on its current business as stated in the paragraph headed "Information on the Offeror" in the section headed "7. Information of the Offeror and the Company" in the letter from the Board of the Composite Document). It is further disclosed in the letter from the Board of the Composite Document that the Offeror will review the holding structure of certain business, assets, properties, and operation units within the Group, and may implement changes to be determined with reference to such review to be conducted after the delisting of the Company's H Shares which the Offeror deems necessary, appropriate or convenient, which may include redeployment of fixed assets of the Group. The Offeror does not intend to make any significant changes to the continued employment of the employees of the Group.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### 5. Analysis on price performance and trading liquidity of the H Shares

#### 5.1. Historical price performance of the H Shares

Set out below is the movement of the closing prices of the H Shares during the period from 8 July 2019 to the Latest Practicable Date (the “**Review Period**”), and the announcements of the Company relating to certain corporate events that took place during the Review Period. The Review Period, which covers a period of around 24 months, is considered to be a sufficient period to provide a general overview of the recent market performance of the H Shares for the purpose of this analysis.



Source: Bloomberg

The closing prices of the H Shares ranged from HK\$0.97 to HK\$2.69 per H Share during the period between 8 July 2019 and the Last Trading Day (both dates inclusive, the “**Pre-announcement Period**”), with an average of around HK\$1.72. As shown in the chart above, except for the recent soar noted since end of June 2021, the H Share closing price has demonstrated in general a gradual downward trend throughout the Review Period.

Closing price per H Share exhibited a gradual decrease trend trading within the range of approximately HK\$2.24 and HK\$2.69 per H Share immediately prior to the publication of the Company’s interim results announcement for the period ended 30 June 2019. The Company published its interim results announcement for the period ended 30 June 2019 after trading hours on 16 August 2019 and closing price per H Shares gained approximately 6.63% as at close on 19 August 2019. Trading then continued within the tight price range of approximately HK\$2.38 and HK\$2.49 per H Share during the period between 20 August and 10 September 2019. On 10 September 2019 after trading hours, the Company published a major and connected transaction in relation to the disposal of property development project through public tender and closing price per H Shares increased by approximately 6.06% to approximately HK\$2.57 on 11 September 2019. The H Share closing prices remained within the tight range of between approximately HK\$2.33 and HK\$2.56 per H Share until the publication of the rights issue announcement before trading

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hours on 10 December 2019 and closing price per H Share fell by approximately 11.90% on the same day to approximately HK\$2.24. Since then H Share price gradually declined through December 2019 and further to HK\$1.44 each on 23 March 2020 and although the H Share price marginally recovered by approximately 6.94% on 24 March 2020 following the publication of its FY2019 annual results announcement to approximately HK\$1.54 per H Share, closing prices of H Shares remained at a relatively weak level. Closing price per H Shares fluctuated in a tight range and reached approximately HK\$1.65 on 4 May 2020 following the publication of its unaudited consolidated financial information for the 3 months period ended 31 March 2020 the previous night, and since then further down to approximately HK\$1.51 on 18 August 2020 following the publication of the Company's interim results announcement for 1H2020 after trading hours on 17 August 2020.

Closing price per H Shares continued its gradual downward trend, and reached its lowest point during the Review Period of approximately HK\$0.97 on 1 April 2021 for the first time after the publication of the Group's annual results for FY2020 after trading hours on 29 March 2021. Trading in H Shares then fluctuated around the HK\$1.00 mark until the publication of the Company's major transaction announcement in relation to a cooperation framework agreement on 24 June 2021 after trading hours and its H Share closing price increased by a significant 52.29% from approximately HK\$1.09 each on 24 June 2021 to approximately HK\$1.66 each on 25 June 2021. We note that following the publication of the Joint Announcement on 9 July 2021, the H Shares closing price increased further and reached approximately HK\$2.51 each on 12 July 2021, up by around 45.93% from approximately HK\$1.72 each on the Last Trading Date. The H Share closing price has since then fluctuated within a narrow range within HK\$2.41 and HK\$2.72, and the H Share closing price as at Latest Practicable Date was HK\$2.72.

The Cancellation Price of HK\$2.80 per H Share represents:

- (a) a premium of approximately 62.79% over the closing price per H Share of HK\$1.72 on the Stock Exchange on the Last Trading Date;
- (b) a premium of approximately 61.85% over the average closing price of HK\$1.73 per H Share based on the daily closing prices of H Shares as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Date;
- (c) a premium of approximately 77.22% over the average closing price of HK\$1.58 per H Share based on the daily closing prices of H Shares as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to and including the Last Trading Date;
- (d) a premium of approximately 127.64% over the average closing price of HK\$1.23 per H Share based on the daily closing prices of H Shares as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Date;

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- (e) a premium of approximately 150.00% over the average closing price of HK\$1.12 per H Share based on the daily closing prices of H Shares as quoted on the Stock Exchange for the 60 consecutive trading days immediately prior to and including the Last Trading Date;
- (f) a premium of approximately 143.48% over the average closing price of HK\$1.15 per H Share based on the average closing price of H Shares on the Stock Exchange for the 90 consecutive trading days immediately prior to and including the Last Trading Date;
- (g) a premium of approximately 2.94% over the closing price per H Share of HK\$2.72 as quoted on the Stock Exchange on the Latest Practicable Date;
- (h) a discount of approximately 38.38% to the Group's audited net asset value attributable to the Shareholders per Share of approximately HK\$4.54 as at 31 December 2020, based on the exchange rate of HK\$1: RMB0.84164, being the median exchange rate on 31 December 2020 as announced by the People's Bank of China; and
- (i) a discount of approximately 37.71% to the Group's unaudited net asset value attributable to the Shareholders per Share of approximately HK\$4.50 as at 30 June 2021, and a discount of approximately 49.04% to the Adjusted NAV per Share of approximately HK\$5.50 as at 30 June 2021, based on the exchange rate of HK\$1:RMB0.83208, being the median exchange rate on 30 June 2021 as announced by the People's Bank of China.

The H Share price movement following the publication of the Joint Announcement is likely to be driven by the Merger. As such, we consider that there is no assurance that H Share price will remain at the current levels if the Merger do not take place.



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### 5.2. Trading liquidity of H Shares

Set out below in the table are the average daily trading volume of H Shares and the percentages of the average daily trading volume to the total number of issued H Shares of the Company respectively during the Review Period:

	<b>Average daily trading volume of the H Shares</b>	<b>Approximate% of average daily trading volume to the total number of issued H Shares</b> <i>(Note 1)</i>
<b>2019</b>		
From 8 July to 31 July 2019	1,444,775	0.14%
August	2,141,532	0.21%
September	1,861,206	0.18%
October	2,864,716	0.28%
November	3,261,801	0.32%
December	6,026,720	0.59%
<b>2020</b>		
January	14,735,032	0.96%
February	4,104,682	0.27%
March	8,055,442	0.53%
April	5,096,579	0.33%
May	3,248,493	0.21%
June	2,792,939	0.18%
July	3,346,180	0.22%
August	2,816,066	0.18%
September	1,625,007	0.11%
October	2,159,878	0.14%
November	1,448,000	0.09%
December	1,576,678	0.10%
<b>2021</b>		
January	1,824,394	0.12%
February	6,385,406	0.42%
March	6,959,298	0.45%
April	3,545,476	0.23%
May	2,509,201	0.16%
June	16,863,776	1.10%
From 1 July to 7 July 2021 (being the Last Trading Date)	32,332,125	2.11%
Average during the Pre-announcement Period <i>(Note 2)</i>	4,679,129	0.35%
From 12 July 2021 to the Latest Practicable Date <i>(Note 3)</i>	25,692,115	1.68%

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

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*Notes:*

1. The calculation is based on the average daily trading volume of H Shares for the month divided by the total number of issued H Shares as at the end of the relevant month or as at the Last Trading Date or the Latest Practicable Date, as applicable.
2. The calculation is based on the average daily trading volume to total issued H Shares throughout the Pre-announcement period.
3. 12 July 2021, being the date of the first trading day immediately following the publication of the Joint Announcement.

From the table above, which outlines the average daily trading volume of H Shares as a percentage of the total number of issued H Shares, we note that the average daily trading volume of the H Shares has been generally thin. The average daily trading volume of H Shares during the Pre-announcement Period was around 4,679,129 H Shares, representing around 0.35% of the total number of issued H Shares of the Company. The publication of the Joint Announcement heightened the trading activity, with the average daily trading volume of H Shares increased to approximately 25,692,115 H Shares (representing around 1.68% of the total number of issued H Shares) in the period from 12 July 2021, being the date of the first trading day immediately after the publication of the Joint Announcement, to the Latest Practicable Date. The increased trading volume of the H Shares was still relatively thin. Independent H Shareholders should note that the improvement in liquidity of H Shares subsequent to the publication of the Joint Announcement may not be sustainable if the Merger do not take place.

Given the historical thin trading volume of the H Shares, it is uncertain whether there would be sufficient liquidity in H Shares for the Independent H Shareholders to dispose of a significant number of H Shares in the open market without causing an adverse impact on the market price of H Shares. The Merger, therefore, represents an opportunity for the Independent H Shareholders, particularly for those who hold a large volume of H Shares, to dispose of their entire holdings at the Cancellation Price if they so wish.

### **6. Historical discount of market price of H Shares to the NAV per Share**

We note that the Cancellation Price of HK\$2.80 per H Share represents a discount of (i) approximately 38.38% to the audited NAV per Share of approximately HK\$4.54 as at 31 December 2020; (ii) approximately 37.71% to the unaudited NAV per Share of approximately HK\$4.50 as at 30 June 2021; and (iii) approximately 49.04% to the Adjusted NAV per Share of approximately HK\$5.50 as at 30 June 2021.

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In assessing the reasonableness of the discount to the NAV per Share represented by the Cancellation Price, we have reviewed the performance of H Shares against the NAV per Share from 8 July 2019, being 24 months immediately prior to the Last Trading Date and after the publication of the Company's annual results announcement for year ended 31 December 2018, to the Last Trading Date. We consider such period to be a reasonably sufficient period to provide a general overview of the recent market performance of H Shares as compared to the NAV per Share for the purpose of this analysis:

Period	Published consolidated NAV per Share HK\$ eqv. (Note 1)	Closing price per H Share			Premium/(Discount) to NAV per Share		
		Highest	Lowest	Average	Highest	Lowest	Average
		HK\$	HK\$	HK\$	Approx.%	Approx.%	Approx.%
8 July 2019 <sup>(2)</sup> to 16 Aug 2019	5.89 <sup>(3)</sup>	2.69	2.24	2.53	(54.33)	(61.97)	(57.05)
19 Aug 2019 <sup>(2)</sup> to 22 Jan 2020	5.90 <sup>(3)</sup>	2.57	2.19	2.40	(56.44)	(62.88)	(59.32)
23 Jan 2020 <sup>(5)</sup> to 23 Mar 2020	4.66 <sup>(3)</sup>	2.30	1.43	2.06	(50.64)	(69.31)	(55.79)
24 Mar 2020 <sup>(2)</sup> to 17 Aug 2020	4.29 <sup>(3)</sup>	1.75	1.39	1.58	(59.21)	(67.60)	(63.17)
18 Aug 2020 <sup>(2)</sup> to 29 Mar 2021	4.19 <sup>(3)</sup>	1.52	1.24	1.36	(63.72)	(70.41)	(67.54)
30 Mar 2021 <sup>(2)</sup> to 7 July 2021 <sup>(4)</sup>	4.54 <sup>(3)</sup>	1.75	0.97	1.12	(61.45)	(78.63)	(75.55)
						<b>Simple average</b>	<b>(63.07)</b>

*Notes:*

- For illustrative purposes only, the exchange rate used for the conversion of NAV per Share is based on the exchange rate as per the State Administration of Foreign Exchange website (<https://www.safe.gov.cn/big5/big5/www.safe.gov.cn:443/safe/rmbhlzjj/index.html>) at each of the balance sheet dates.
- The first trading day immediately after the Company released its full year or interim results announcements.
- Based on the total equity attributable to the owners of the Company as extracted from the Company's respective annual results announcement or interim results announcement net of the balance of the perpetual securities, then divided by the total number of Shares in issue as at the respective period-end date.
- Being the Last Trading Date.
- Based on the Company's next day disclosure return filing dated 22 January 2020 filed after trading hours, 1,334,980,850 Domestic and H Shares were issued on 22 January 2020 pursuant to the Company's rights issue exercise announced on 9 and 24 December 2019. Consequently the total number of issued Share of the Company increased to 4,362,940,850. In view of the net proceeds of approximately RMB2,186,095,000 confirmed to be received by the Company from the rights issue exercise, the NAV of the Company has also been adjusted to account for the effects of the rights issue.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Based on the analysis set out above, we note that, since 8 July 2019, being 24 months immediately prior to the Last Trading Date and after the publication of the Company's annual results announcement for year ended 31 December 2018, up to the Last Trading Date, the average closing price of H Shares for each of the respective periods indicated above have traded at a discount (the "Average Discount(s)") to the then NAV per Share. As shown above, the Average Discounts ranged from approximately 55.79% to approximately 75.55%, with an average of approximately 63.07%.

The discounts represented by the Cancellation Price of approximately 38.38%, approximately 37.71% and approximately 49.04% to the audited NAV per Share as at 31 December 2020, the unaudited NAV per Share as at 30 June 2021 and the Adjusted NAV per Share respectively are all lower than the average, and even lower than low end of the range of the Average Discounts as shown above.

### 7. Peer companies

As discussed under the section "1.1. Background information of the Group" above, the Group is mainly engaged in real estate development and investment. In assessing the fairness and reasonableness of the Cancellation Price, we have conducted an exercise to identify entities (i) whose shares are listed on the Main Board of the Stock Exchange which are primarily engaged in property development and/or investment in PRC with over 50% of their total revenue generated from such business in their latest financial year and were profit-making for the latest full financial year; (ii) with market capitalisation ranging between approximately HK\$5 billion and approximately HK\$10 billion as at the Latest Practicable Date, being around  $\pm$ HK\$2.5 billion of the market capitalisation of the Company of approximately HK\$7.5 billion on the Last Trading Date; and (iii) having a similar business scale with revenue for their latest full financial year being in the range between RMB10 billion and RMB30 billion (representing the range of roughly  $\pm$ HK\$10 billion of the revenue of the Group of approximately RMB21.2 billion for FY2020). Based on the said criteria, we have identified 9 comparable entities which we considered to be fair, representative and is exhaustive.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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In conducting our analysis, we compared the price to earnings ratio (“**PER**”) and price to book ratio (“**PBR**”) of the Company implied by the Cancellation Price with those of the comparable entities based on their latest publicly available financial information. We consider the use of PER and PBR analyses appropriate because these ratios are widely accepted methods to evaluate a profitable property development and investment business.

Name of Stock	Stock Code	Market capitalisation as at the Latest Practicable Date <i>(approx. HK\$ million)</i>	PER as at the Latest Practicable Date <i>(times)</i>	PBR as at the Latest Practicable Date <i>(times)</i>
China Merchants Land Limited	978.HK	5,003.4	4.56	0.44
Joy City Property Limited	207.HK	6,048.2	4.56	0.17
Datang Group Holdings Limited	2117.HK	5,927.3	6.96	1.02
Leading Holdings Group Limited	6999.HK	6,367.1	6.17	0.73
Road King Infrastructure Limited	1098.HK	6,691.6	4.14	0.31
Poly Property Group Co., Limited	119.HK	7,612.4	4.05	0.21
Dexin China Holdings Company Limited	2019.HK	7,725.8	5.40	1.10
Redsun Properties Group Limited	1996.HK	8,929.6	4.48	0.49
Redco Properties Group Limited	1622.HK	8,630.4	5.55	1.06
		<i>Maximum</i>	6.96	1.10
		<i>Minimum</i>	4.05	0.17
		<i>Average</i>	5.10	0.61
		<i>Median</i>	4.56	0.49
The Company (based on the Cancellation Price)			28.45	0.62

*Source: Website of the Stock Exchange*

*Note:*

- (1) The PERs are calculated based on their respective latest trailing 12 months consolidated profits attributable to owners of the respective companies with reference to the annual reports for their latest full financial year and if available, most recently published interim results/reports, of the respective companies available by 4:00p.m. as of the Latest Practicable Date.
- (2) The PBRs are calculated based on their respective latest published audited/unaudited equity attributable to owners of the respective companies (excluding perpetual securities, if any) available by 4:00p.m. as of the Latest Practicable Date.

As shown from the table above, the PBR implied by the Cancellation Price of approximately 0.62 times is comparable to the average PBR of the comparable entities of around 0.61 times and is higher than the median PBR of around 0.49 times as at the Latest Practicable Date. The PER of the Company of around 28.45 times is much higher than the average and median PER of the comparable entities of around 5.10 times and 4.56 times respectively as at the Latest Practicable Date, which are considered favourable.

**8. Privatisation precedents**

We have also compared the Merger to privatisation proposals of companies whose shares are listed on the Main Board of the Stock Exchange with over 50% revenue generated from property development and/or investment based on their latest published full year financial results/reports. These privatisation proposals were announced since 1 January 2016, approximately 5.5 years before the date of the Joint Announcement, and up to the Latest Practicable Date, but excluding privatisation proposals which were not/yet to be approved (the “**Privatisation Precedents**”), which represents an exhaustive list of privatisation proposals we were able to identify from the Stock Exchange’s website satisfying the above selection criteria. We consider the review period of around 5 years to be appropriate and sufficient as it provides us with a meaningful overview of the pricing and its trend of privatisation proposals involving companies engaged in a similar line of business as the Company.

We note that the financial performance and position and scale of the companies listed below may vary and some aspects of pricing may be company-specific and may also be specific to the market conditions at the time, however, in view of the fact that both the Group and the entities in the Privatisation Precedents are principally engaged in, among others, property development and/or investment, we consider that the Privatisation Precedents can provide us with a meaningful analysis of the market trend of the pricing of recent property-related privatisations in the Hong Kong equity capital market and is therefore a meaningful benchmark for the Independent H Shareholders when evaluating the premiums provided in the Merger. Based on the aforesaid, we regard the comparison of the Merger with the Privatisation Precedents having reference value and being one of our analyses in assessing the fairness and reasonableness of the Cancellation Price.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The table below illustrates the premium represented by the offer/cancellation price over the respective last trading day and the respective 5 days, 10 days, 30 days, 60 days and 90 days average share prices as well as the premium/discount represented by the offer/cancellation price over/to the respective adjusted NAV in respect of the Privatisation Precedents:

Date of the announcement	Company name and stock code	Cancellation price HK (\$)	Premium/(discount) of the offer/cancellation price over/(to) the (average) closing share price up to and including the						Last 90 trading days (%)	Premium/(discount) of cancellation price or offer price over/(to) adjusted consolidated NAV per share (%) (Note 1)	Remarks
			Last trading day (%)	Last 5 trading days (%)	Last 10 trading days (%)	Last 30 trading days (%)	Last 60 trading days (%)	Last 90 trading days (%)			
21-Jan-21	Polytec Asset Holdings Ltd (208.HK) ("Polytec Asset")	1.5	61.29	57.89	63.22	72.55	94.23	104.14	(54.61)		
17-Jan-21	HKC (Holdings) Limited (190.HK) ("HKC")	8.0	120.39	122.22	122.84	119.78	109.42	100.00	(68.27)	Note 3	
27-Feb-20	Wheelock and Company Limited (20.HK) ("Wheelock")	71.9	52.20	49.10	49.20	45.20	43.90	45.08	(1.80)	Note 2	
5-Dec-18	Hopewell Holdings Ltd (54.HK)	38.8	46.69	48.83	51.56	55.51	54.09	49.63	(42.98)		
29-Mar-17	Goldin Properties Holdings Limited (283.HK)	9.0	36.78	39.97	39.10	33.93	30.43	36.57	28.57	Note 4	
30-May-16	Dalian Wanda Commercial Properties Co Ltd (3699.HK)	52.8	36.08	40.09	39.72	50.17	44.62	32.66	(10.81)		
6-Jan-16	New World China Land Limited (917.HK)	7.8	25.60	28.50	29.35	40.79	45.79	53.85	(29.41)		
		<i>Maximum</i>	<b>120.39</b>	<b>122.22</b>	<b>122.84</b>	<b>119.78</b>	<b>109.42</b>	<b>104.14</b>	<b>28.57</b>		
		<i>Minimum</i>	<b>25.60</b>	<b>28.50</b>	<b>29.35</b>	<b>33.93</b>	<b>30.43</b>	<b>32.66</b>	<b>(68.27)</b>		
		<i>Average</i>	<b>54.15</b>	<b>55.23</b>	<b>56.43</b>	<b>59.70</b>	<b>60.35</b>	<b>60.28</b>	<b>(25.62)</b>		
9 July 2021	The Company		<b>62.79</b>	<b>61.85</b>	<b>77.22</b>	<b>127.64</b>	<b>150.00</b>	<b>143.48</b>	<b>(49.04)</b>		

Source: Bloomberg and the website of the Stock Exchange

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- Note 1:* The adjusted consolidated NAV per share for each of the Privatisation Precedents has been arrived at by adjusting the consolidated NAV by principally (i) the revaluation surplus arising from the valuation of respective property interests; and (ii) relevant tax effects, as disclosed in the relevant privatisation documents.
- Note 2:* The cancellation price of HK\$71.90 represents the aggregate of the scheme cash consideration of HK\$12.00 per scheme share and the value (based on their closing prices on the last trading day) of the Wharf Real Estate Investment Company Limited (1997.HK) share and The Wharf (Holdings) Limited (4.HK) share to be distributed per scheme share.
- Note 3:* As disclosed in the subject scheme document, the effect of the declaration of second interim dividend (HK\$0.13) was taken into account in the calculation of the premium to the share price and NAV of the company represented by its cancellation price.
- Note 4:* The last trading day for the cancellation price premium calculation is based on the last full trading day prior to the publication of Rule 3.7 of the Takeovers Code announcement dated 20 March 2017.
- Note 5:* We have excluded New Century Real Estate Investment Trust (1275.HK) (privatisation announcement published on 27 January 2021) in this analysis as the Code on Real Estate Investment Trust requires the real estate investment trust to distribute to its unitholders not less than 90% of its audited annual net income after tax which may potentially exert distortion on the result of our analysis.

Based on the table above, the average premium represented by the respective cancellation price/offer price of the Privatisation Precedents over their respective last trading day share price, 5 days, 10 days, 30 days, 60 days and 90 days share price averages were approximately 54.15%, 55.23%, 56.43%, 59.70%, 60.35% and 60.28% respectively. We note that the premiums represented by the Cancellation Price over the H Share closing price on all the abovementioned periods are all above the respective average premiums of the Privatisation Precedents, which is considered favourable.

It is evident from the table above that it is not uncommon for offer/cancellation prices of privatisation proposals involving property development and/or investment companies to be at a discount to adjusted NAV per share and such privatisation proposals were successfully completed after having received sufficient levels of shareholders' approval/acceptance. As also stated in the above table, the premium/discount represented by the respective cancellation price/offer price of the Privatisation Precedents to their respective adjusted NAV per share ranged from a premium of approximately 28.57% to a discount of approximately 68.27%, with an average of approximately 25.62%. Though the discount represented by the Cancellation Price to the Adjusted NAV per Share of approximately 49.04% is deeper than the average of the Privatisation Precedents, it is well within the range of all the Privatisation Precedents and in particular, close to the average discount of approximately 41.56% of the 3 Privatisation Precedents for the latest 2 years (including Polytec Asset, HKC and Wheelock) which were the most recent privatisation proposed under similar prevailing market condition and therefore, is considered of reference value. Based on the above, we consider the discount represented by the Cancellation Price to the Adjusted NAV per Share is in line with the market.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### DISCUSSION OF PRINCIPAL REASONS AND FACTORS

We consider that the terms of the Merger, including the Cancellation Price, to be fair and reasonable so far as the Independent H Shareholders are concerned after taking into account all of the above principal factors and reasons, in particular:

- (1) in view of, among others, adverse effect to China's real estate industry due to the COVID-19 pandemic and tightening policies implemented on the property sector by the Chinese government, the business prospects of the Group is subject to challenges and uncertainties as discussed in the section headed "2. Prospects of the Group" above and there is no guarantee that the existing level of profitability of the Group can be maintained;
- (2) the Cancellation Price represents a significant premium over the prevailing market prices of the H Shares and in particular, it is also significantly higher than the average H Share closing price for the Pre-announcement Period of around HK\$1.72 per H Share;
- (3) given the generally thin trading volume of H Shares as discussed in the section headed "5.2 Trading liquidity of H Shares" above, it is uncertain as to whether there would be sufficient liquidity in H Shares for the Independent H Shareholders to dispose of a significant number of H Shares in the open market without causing an adverse impact on the market price of H Shares and accordingly, the market trading price of H Shares may not necessarily reflect the proceeds that the Independent H Shareholders can receive by the disposal of their H Shares in the open market. The Merger, therefore, represent an opportunity and a viable alternative exit for the Independent H Shareholders, particularly, for those who are holding a large quantity of H Shares, to dispose of their entire holdings at a guaranteed price that represents a significant premium over the prevailing market prices of H Shares, if they so wish;
- (4) as illustrated in the "6. Historical discount of market price of H Shares to the NAV per Share" above, although the Cancellation Price represents discounts to the NAV per Share as at 31 December 2020 and 30 June 2021 respectively, however, such discounts are still lower than the average discounts noted by comparing the historical H Share price against the respective NAV per Share for the respective periods;
- (5) as also discussed in the section headed "7. Peer companies" above, the PER and PBR represented by the Cancellation Price compares favourably to its market comparables; and
- (6) as discussed in the section headed "8. Privatisation precedents" above, the premiums represented by the Cancellation Price under the Merger over the last trading day and the average H Share closing prices for the last 5 days, 10 days, 30 days, 60 days and 90 days are all above the corresponding average premiums of the Privatisation Precedents, whilst the discount represented by the Cancellation Price to the Adjusted NAV per Share is also in line with the market.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### OPINION AND RECOMMENDATIONS

Based on the above principal factors and reasons, we consider the terms of the Merger, including the Cancellation Price, are fair and reasonable so far as the Independent H Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend the Independent H Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM and the H Shareholders' Class Meeting respectively to approve the Merger.

The H Shares have been trading in the market below the Cancellation Price since 12 July 2021 and up to the Latest Practicable Date when they closed at HK\$2.72. However, there is still a possibility that the H Share price may exceed the Cancellation Price in the period since the Latest Practicable Date and up to 24 September 2021, being the expected last day for trading in the H Shares on the Stock Exchange. Accordingly, Independent H Shareholders are reminded to monitor the trading price and liquidity of H Shares during this period and, having regard to their own circumstances, consider selling their H Shares in the open market, if the proceeds obtained from such disposal of H Shares (after deducting all transaction costs) would be higher than HK\$2.80 per Share.

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

*Ms. Lyan Tam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Somerley Capital Limited to carry out Type 6 (advising on corporate finance) regulated activities under the SFO and has over 18 years of experience in corporate finance industry.*

## 1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The following is a summary of the financial results of the Group for each of the three years ended 31 December 2018, 2019 and 2020 and the six months ended 30 June 2021 as extracted from the annual reports for the years ended 31 December 2018, 2019 and 2020 and the interim report for the six months ended 30 June 2021, respectively, published by the Company in accordance with the Listing Rules.

	<b>For the six months ended 30 June 2021</b>	<b>For the year ended 31 December 2020</b>	<b>For the year ended 31 December 2019</b>	<b>For the year ended 31 December 2018</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>Unaudited</i>	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>
Revenue	11,013,313	21,247,858	20,786,255	23,257,053
Profit before income tax	677,504	1,819,053	3,570,224	3,159,963
Income tax expenses	(255,244)	(546,947)	(1,001,362)	(742,874)
Profit attributable to:				
Owners of the Company	226,348	981,825	2,122,572	1,922,932
Non-controlling interests	195,912	290,281	446,290	494,157
Total comprehensive income attributable to:				
Owners of the Company	110,956	923,400	1,973,769	1,949,517
Non-controlling interests	195,912	290,281	446,290	494,157
Dividends	–	–	741,700	666,151
Dividends per share (RMB)	–	–	0.17	0.22
Earnings per share				
– Basic and diluted (RMB Yuan)	0.01	0.01	0.43	0.45

There are no other items of income or expense which are material for each of the three years ended 31 December 2018, 2019 and 2020 and the six months ended 30 June 2021.

The consolidated financial statements of the Group for the three years ended 31 December 2018, 2019 and 2020 were audited by PricewaterhouseCoopers Zhong Tian LLP. No modified opinion, emphasis of matter or material uncertainty related to going concern was given by the auditors of the Group in respect of the Group's audited consolidated financial statements for the financial years ended 31 December 2018, 2019 and 2020.

## 2. AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE THREE YEARS ENDED 31 DECEMBER 2018, 2019 AND 2020

The Company is required to set out or refer to in this document the consolidated statement of profit or loss, the consolidated statement of financial position, the consolidated cash flow statement, the consolidated statement of changes of equity and any other primary statement as shown in (i) the audited consolidated financial statements of the Group for the year ended 31 December 2018; (ii) the audited consolidated financial statements of the Group for the year ended 31 December 2019; and (iii) the audited consolidated financial statements of the Group for the year ended 31 December 2020, together with the notes to the relevant published accounts which are of major relevance to the appreciation of the above financial information.

The audited consolidated financial statements of the Group for the year ended 31 December 2018 (including the notes thereto) are set out from pages 97 to 264 in the annual report of the Company for the year ended 31 December 2018 (the “**2018 Financial Statements**”) which was published on 21 March 2019 on the websites of the Company ([http://www.bjcapitalland.com.cn/en//upload/contents/2019/03//o\\_1d6ptis7n2g6p1elk81096hohb.pdf](http://www.bjcapitalland.com.cn/en//upload/contents/2019/03//o_1d6ptis7n2g6p1elk81096hohb.pdf)) and the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0321/ltn20190321971.pdf>).

The audited consolidated financial statements of the Group for the year ended 31 December 2019 (including the notes thereto) are set out from pages 101 to 248 in the annual report of the Company for the year ended 31 December 2019 (the “**2019 Financial Statements**”) which was published on 9 April 2020 on the websites of the Company ([http://www.bjcapitalland.com.cn/en//upload/contents/2020/04//o\\_1e5f38t4v172feaa1jo01afe11sb.pdf](http://www.bjcapitalland.com.cn/en//upload/contents/2020/04//o_1e5f38t4v172feaa1jo01afe11sb.pdf)) and the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0409/2020040900493.pdf>).

The audited consolidated financial statements of the Group for the year ended 31 December 2020 (including the notes thereto) are set out from pages 107 to 276 in the annual report of the Company for the year ended 31 December 2020 (the “**2020 Financial Statements**”) which was published on 12 April 2021 on the websites of the Company ([http://www.bjcapitalland.com.cn/upload/en//contents/2021/04//o\\_1f34itglc8vou40rulsbkvtrb.pdf](http://www.bjcapitalland.com.cn/upload/en//contents/2021/04//o_1f34itglc8vou40rulsbkvtrb.pdf)) and the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0412/2021041201489.pdf>).

The 2018 Financial Statements, the 2019 Financial Statements and the 2020 Financial Statements are incorporated by reference into this document and form part of this document.

## 3. UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE SIX MONTHS ENDED 30 JUNE 2021

The Company is required to set out or refer to in this document the consolidated statement of profit or loss and the consolidated statement of financial position as shown in the unaudited financial results of the Group for the six months ended 30 June 2021, and significant accounting policies together with any points from the notes to the relevant published accounts which are of major relevance to an appreciation of the above financial information (“**2021 Interim Financial Statements**”). The 2021 Interim Financial Statements are set out from pages 42 to 270 in the interim report of the Company for the six months ended 30 June 2021 which was published on 10 August 2021 on the websites of the Company ([http://www.bjcapitalland.com.cn/en//upload/contents/2021/08//o\\_1fcs3l6tc107m15n858gp9hv89b.pdf](http://www.bjcapitalland.com.cn/en//upload/contents/2021/08//o_1fcs3l6tc107m15n858gp9hv89b.pdf)) and the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0810/2021081001212.pdf>). The 2021 Interim Financial Statements are incorporated by reference into this document and form part of this document.

#### 4. STATEMENT OF INDEBTEDNESS

As at the close of business on 30 June 2021, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this Composite Document, the Group had aggregate outstanding borrowings of approximately RMB102,766,071,000 comprising:

- (a) outstanding bank borrowings of approximately RMB52,011,534,000, among which RMB800,000,000 were guaranteed by Capital Group, RMB600,000,000 were secured by the equity of subsidiaries of the Group, RMB2,771,590,000 were secured by properties and the land use rights, RMB9,532,467,000 were secured by certain relevant properties under development and RMB38,307,477,000 were unsecured;
- (b) other borrowings of approximately RMB7,757,701,000, among which RMB2,450,500,000 were secured by account receivables and RMB5,307,201,000 were unsecured; and
- (c) corporate bonds of approximately RMB42,996,836,000.

As at 30 June 2021, the Group provided (a) a guarantee for the amount of RMB153,000,000 for a long term borrowing of a subsidiary of a joint venture; (b) a guarantee for the amount of RMB704,600,000 for long term borrowings of associates; (c) a guarantee for the amount of RMB2,998,980,000 for long term borrowings of joint ventures; and (d) guarantees for the amount of RMB8,056,426,000 to secure repayments obligations of mortgage loan for certain customers.

As at 30 June 2021, lease liabilities of the Group amounted to RMB1,385,575,000.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, at the close of business on 30 June 2021, the Group did not have 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

Save as:

- (a) the Merger, details of which are set out in this document;
- (b) stated in the circular of the Company dated 24 August 2021 in relation to a major transaction (the “**Major Transaction**”) in connection with the entering into of the cooperation framework agreement pursuant to which the Group has formed a joint venture company with a wholly-owned subsidiary of Beijing Jinyuan Hongda Real Estate Co., Ltd.\* (北京金源鴻大房地產有限公司) (the “**Joint Venture Company**”) and will transfer the economic rights to potential proceeds after tax that will be received from the No.5 Building (the “**Property**”) under the Xanadu Project (the “**Project**”) to the Joint Venture Company, the financial effect on the Group as a result of the Major Transaction including that:
  - the first instalment of the consideration in respect of the Major Transaction of RMB1,150,000,000 paid in cash has increased the cash and cash equivalents of the total assets and the other payables of the total liabilities of the Group presented in the financial statements for the first half of 2021 by RMB1,150,000,000, respectively. Upon the future receipt of the remaining balance of the consideration of RMB1,150,000,000, the consideration in respect of the Major Transaction will be settled in full and the total assets and total liabilities of the Group will be increased by RMB2,300,000,000, respectively. During the period from the date of the definitive agreement and the actual transfer and registration of the Property to the Joint Venture Company, costs to be incurred for the Property will be paid by the Group first and then be reimbursed by the Joint Venture Company upon the completion of the transfer of the Property; and
  - after obtaining the land use rights certificate for the Project and fulfilling the requirements for revenue recognition under the Accounting Standards for Business Enterprises, it is expected that the Major Transaction will realize an unaudited profit after tax for the year ending 31 December 2023 of approximately RMB750,000,000, which is estimated by deducting the historical costs incurred for the Project and related taxes of approximately RMB1,550,000,000 responsible by the Group and involved in the Major Transaction from the consideration of RMB2,300,000,000;
- (c) disclosed in the Group’s interim report for the six months ended 30 June 2021 (“**1H2021**”) as referred to in Appendix I of this document,
  - (i) the decrease in net profit attributable to owners of the Company by around 73.4% as a result of, amongst others:
    - a. the decrease in investment income by approximately RMB547.1 million (or around 47.7%) for 1H2021 as compared to that in the six months ended 30 June 2020 (“**1H2020**”) due to the absence of investment gains from business combination other than common control of approximately RMB680.4 million recorded in the corresponding period in 2020; and

- b. the losses arising from changes in fair value of approximately RMB131.6 million in 1H2021 as compared with a gain arising from changes in fair value of approximately RMB291.2 million for the corresponding period in 2020, as a result of the (i) lower fair value gain reported for investment properties of approximately RMB128.7 million in 1H2021 as compared to RMB305.4 million in 1H2020; and (ii) negative impacts in the amount of approximately RMB245.3 million resulting from foreign exchange rate fluctuations on the Company's overseas projects and financial assets and liabilities,

despite,

- c. the increase in revenue of the Group by approximately RMB1,794.0 million (or around 19.5%) for 1H2021 as compared to that for the corresponding period in 2020 mainly attributable to the increase in revenue from sales of properties of approximately RMB1,721.0 million and rental income from investment properties of approximately RMB257.0 million; and
  - d. decrease in financial expenses by approximately RMB298.7 million (or 21.9%) in 1H2021 as compared to the corresponding period in 2020 mainly due to the increase in cost of capitalised interest deducted from the interest expense of approximately RMB518.9 million, netted off by the increase in interest expense of approximately RMB206.2 million;
- (ii) the increase in contract liabilities by approximately RMB6,548.2 million (or around 25.0%) as at 30 June 2021 as compared to that as of 31 December 2020, mainly attributable to the increase in advances from sales of properties under development of approximately RMB6,901.9 million during 1H2021;
  - (iii) the increase in debentures payable by approximately RMB5,325.0 million (or around 24.9%) as at 30 June 2021 as compared to the balance as at 31 December 2020, mainly attributable to the increase in non-current portion of the debentures payable following issuances of approximately RMB11,338.0 million but partially netted off by certain redemption of approximately RMB8,343.4 million during 1H2021;
  - (iv) the decrease in total equity attributable to owners of the Company as at 30 June 2021 by approximately RMB6,846.0 million (or around 23.5%) mainly due to, among others, the decrease in perpetual bonds as of 30 June 2021 by approximately RMB6,479.3 million (or around 52.3%) as compared to that of 31 December 2020 following certain redemptions of the perpetual securities by the Group during 1H2021,

the Directors confirm that there had been no other material change in the financial or trading position or outlook of the Group since 31 December 2020 (the date to which the latest audited consolidated financial statements of the Group were made up) and up to and including the Latest Practicable Date.

In respect of the Major Transaction, pursuant to Rule 10 of the Takeovers Code, the unaudited profit after tax of approximately RMB750,000,000 (the “**Estimate**”) that may be realized by the Group in respect of the Major Transaction constitutes a profit forecast and has been reported on by the reporting accountant and the independent financial adviser of the Company under Rule 10.4 of the Takeovers Code. The principal assumptions for the calculation of the Estimate are that (a) the value added tax, income tax and land appreciation tax used in the calculation of the Estimate and the current tax rates for such taxes with reference to similar projects of the Group are applicable to the Major Transaction and remain unchanged; and (b) there will be no material changes to the laws and regulations, taxes and the economic conditions in the PRC. Save as aforementioned, there are no other principal assumptions for the calculation of the Estimate. Shareholders should note that the actual financial impact of the Major Transaction is subject to the audit by the Company’s auditors and the actual circumstances of the Major Transaction, among others, the land appreciation tax of the Project to be actually borne by the Group, and therefore the actual net gain may differ from the above-mentioned amounts. For further details, please refer to the Company’s circular dated 24 August 2021 in relation to the Major Transaction, and the letter from Somerley on the Estimate and the letter from PwC on the Estimate, the texts of which are respectively set out in Appendices IIIA and IIIB to this document. The Board has reassessed the Estimate and confirmed that the Estimate remains valid for the purposes of the Merger.



*The following is the text of a letter and summary valuation report prepared for the purpose of incorporation in this Document received from Cushman & Wakefield Limited, an independent property valuer, in connection with its opinion of value of certain property interests of the Group in the PRC and France as at 30 June 2021. As stated in “Appendix IV – Documents Available for Inspection”, a copy of the full property valuation report is available for public inspection.*



27th Floor  
One Island East  
Taikoo Place  
18 Westlands Road  
Quarry Bay  
Hong Kong

27 August 2021

The Directors  
Beijing Capital Land Limited  
Suites 4602-05, One Exchange Square  
Central, Hong Kong

Dear Sirs,

#### **Instructions, Purpose & Valuation Date**

In accordance with your instructions for us to value certain properties in the People’s Republic of China (the “**PRC**”) and France (as more particularly described in the attached valuation summaries) in which Beijing Capital Land Limited (the “**Company**”) together with its subsidiaries (collectively the “**Group**”) have interests, and the associated companies with significant property interests, 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 2021 (the “**Valuation Date**”) (i) a summary valuation report of which would be incorporated into a composite document dated 27 August 2021 issued by the Company (the “**Summary Valuation Report**”); and (ii) the full report of which would be uploaded as an announcement on <https://www.hkexnews.hk/> and put on public display as a document on display in accordance with The Code on Takeovers and Mergers issued by the Securities and Futures Commission.

#### **Valuation Basis**

Our valuation of each of the properties represents its market value which in accordance with The HKIS Valuation Standards 2020 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 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 of The Code on Takeovers and Mergers issued by the Securities and Futures Commission and The HKIS Valuation Standards 2020 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 in the PRC, we have relied on the information and advice given by the Group and the legal opinion issued by the Company's legal advisers, JunZeJun Law Offices, on 24 August 2021 regarding the titles to the properties and the interests of the Group. Unless otherwise stated in the legal opinion, in valuing the properties, we have assumed that the Group has an enforceable title to each of the properties and has free and uninterrupted rights to use, occupy or assign the properties for the whole of the respective unexpired land use term as granted. France is considered as developed market, the rules governing developing market do not apply and thus no legal opinion is provided.

The status of titles and grant of major certificates, approvals and licences, in accordance with the information provided by the Group are set out in the notes of the respective valuation report.

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 outgoings of any onerous nature which could affect their values.

**Valuation Methods**

Some properties are subject to non-alienation restrictions, in default of complete legitimate procedures or in lack of marketability such that market value is not applicable in the valuation. Under such circumstances, our valuations are conducted on the basis of investment value which are stated separate from the market value.

Assessment on the basis of 'investment value', according to the International Valuation Standards, which the HKIS Valuation Standards follow, is defined as "the value of an asset to the owner or a prospective owner for individual investment or operational objectives". Investment value is an entity-specific basis of value which reflects the benefits received by an entity from holding the asset and, therefore, does not necessarily involve a hypothetical exchange. It must be emphasized that investment value is not market value.

(a) Properties in the PRC

As at the Valuation Date, the properties in Groups I, II and III are completed properties in the PRC and the relevant title certificates and approval documents including Construction Works Completion Examination Certificates, 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 whereby Permits for Commencement of Construction Works or such equivalent permits have been obtained but Construction Works Completion Examination Certificates, Building Ownership Certificates or Real Estate Title Certificates 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 State-owned Land Use Rights Certificates 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 Groups I and III which are completed properties held by the Group for sale and for owner occupation respectively in the PRC, we have adopted Market Comparison Method 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, industrial units, ancillary commercial podium units and car parking spaces, comparable sales transactions and information about such sales are generally available. We have therefore adopted Market Comparison Method 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 adopted Investment Method on the basis of capitalisation of rental incomes derived from the existing tenancies with due allowance for reversionary potential of each of the properties at appropriate capitalisation rates. Transactions involving similar 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 Investment Method, which is also commonly used in valuing properties for investment purpose, to be the best method to value these properties. When using Investment Method, we have mainly made reference to lettings within the subject property as well as other relevant comparable rental evidences of properties of similar use type subject to appropriate adjustments including but not limited to location, accessibility, age, quality, size, time and other relevant factors.

The capitalisation rates adopted in our valuations are based on our analyses of the yields of properties of similar use type after due adjustments. Such capitalisation rates are estimated with reference to the yields generally expected by the market for comparable properties of similar use type, which implicitly reflect the type and quality of the properties, the expectation of the potential future rental growth, capital appreciation and relevant risk factors. The capitalisation rates adopted are reasonable and in line with the market norm having regard to the analysed yields of transactions of the relevant use type.

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 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 adopted Market Comparison Method to assess the development value as if completed 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.

In valuing the properties in Group V which are properties held by the Group for future development in the PRC, we have mainly used Market Comparison Method 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. Besides, we have also considered the development value as if completed subject to allowance of relevant development costs and associated risks as a cross-check.

Civil defence car parking spaces in the PRC are subject to the use by the public at no cost during war times. As the Group does not have unfettered rights in such portions of properties, market value is not applicable. Valuation on the basis of investment value is provided for reference separately.

(b) Properties in France

In valuing the properties in Group VI which are completed properties held by the Group for owner occupation and operation in France, we have mainly adopted Investment Method on the basis of capitalisation of potential rental incomes of each of the properties at appropriate capitalisation rates. Transactions involving similar properties in the same districts are rare but rental reference from other districts is available, we consider Investment Method an appropriate method to value these properties.

The capitalisation rates adopted in our valuations are reasonable and in line with the market norm having regard to the nature of the properties.

Set out below are the key assumptions used in our valuations:

(a) *PRC properties*

Market unit price for

- (i) Residential: RMB4,360 to RMB132,000 per square meter (“sq m”) on gross floor area (“GFA”) basis
- (ii) Office: RMB6,000 to RMB61,840 per sq m on GFA basis

- (iii) Commercial: RMB8,000 to RMB96,964 per sq m on GFA basis
- (iv) Carpark: RMB30,300 to RMB1,550,000 per lot
- (v) Land: RMB1,400 to RMB62,000 per sq m (accommodation value)

Market monthly unit rent for

- (i) Office: RMB49 to RMB251 per sq m on GFA basis
- (ii) Commercial: RMB63 to RMB507 per sq m on GFA basis

Capitalisation rate for

- (i) Office: 4.5% to 8.75%
- (ii) Commercial: 5% to 9.25%

(b) *French properties*

Market annual unit rent for

- (i) Dormitory: EUR130 to EUR250 per sq m on covered area basis
- (ii) Office and school: EUR80 to EUR100 per sq m on covered area basis
- (iii) Multi-function assets, warehouse and garage: EUR50 to EUR70 per sq m on covered area basis
- (iv) Photovoltaic farm: EUR0.5 per sq m on covered area basis

Capitalisation rate for

- (i) Office: 9% to 13%
- (ii) Others: 12% to 13%

**Market Volatility**

The recent outbreak of the Novel Coronavirus (COVID-19) has brought high volatility to global financial markets and uncertainty to the property market. It is expected that property values will be very sensitive to development of the pandemic and changes in the financial markets. The extents of impact on different sectors of the market are different and the time for marketing and negotiating sale of a property may be longer than normal. There will be less certainty as to how long a valuation may sustain and property prices may fluctuate rapidly and materially over a short period of time. Our valuations of the properties are valid only at the Valuation Date and any subsequent changes in market conditions as well as the resulting impacts on property values after the Valuation Date cannot be taken into account. If any party intends to make reference to our valuations when entering into any transaction, he must bear in mind the high market volatility during this period of time and that property values may or may not have changed since the Valuation Date.

**Source of Information**

We have been provided by the Group with extracts of documents in relation to the titles to the properties. 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 in the PRC, we have relied on the information and advice given by the Group and the Company's legal adviser, JunZeJun Law Offices, regarding the title to the properties and the interests of the Group.

In respect of all properties, we have accepted advice given by the Group on such matters as planning approvals or statutory notices, easements, tenure, identification of land and buildings, completion date of buildings, number of car parking spaces, particulars of occupancy, pre-sale details, rental incomes and revenue, development or redevelopment schemes, development time schedules, construction costs, site and floor areas, interest attributable to the Group and all other relevant matters.

Dimensions, measurements and areas included in the valuation report 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 Group which is material to the valuations. We were also advised by the Group 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 and France provided to us are mainly compiled in Chinese and French characters respectively and the transliteration into English represents our understanding of the contents.

**Title Investigation**

We have been provided with extracts of documents relating to the titles of the properties, but no searches have been made in respect of the properties. However, we have not inspected 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 and we have therefore relied on the advice given by the Group for all properties or the Company's legal advisers regarding the interests of the Group in each of the properties in the PRC.

**Site Inspection**

We inspected the exterior and, wherever possible, the interior of the properties in between July and August 2021. 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.

**Currency**

Unless otherwise stated, all sums stated in our valuations are in Renminbi ("**RMB**") for the properties in the PRC and EURO ("**EUR**") for the properties in France.

Unless otherwise stated, the figures in EUR are converted into RMB at the rate of EUR1: RMB7.6862 (being the exchange rate used in this report) are for indicative purposes only, and should not be construed as a representation that any amount has been, could have been or may be, exchanged at this or any other rate.

**Potential Tax Liabilities**

As advised by the Group, the potential tax liabilities which would arise on the direct disposal of the properties held by the Group at the amounts valued by us mainly comprise the following:

*PRC properties*

- Enterprise income tax at 25% on gain
- Land appreciation tax at progressive rates from 30% to 60% on the appreciation in property value

- Stamp duty at 0.05% on the transaction amount
- Withholding tax at 10% if the net proceeds (minus taxes and statutory contributions) are repatriated outside the PRC as dividends (reduced to 5% if the Hong Kong-PRC double tax arrangement applies)
- Other surcharge at approximately 12% of value-added tax

*French properties*

- Enterprise income tax at 28-31% on gain
- Property tax on built properties at half the cadastral rental value, which is updated annually. Tax rates are voted by the territorial communities.

In respect of the properties held by the Group for investment, owner occupation and future development for investment and operation, the likelihood of the relevant tax liabilities being crystallised is remote as the Group has no plans for the disposal of such properties yet. In respect of the completed properties held for sale and the properties under development for sale, it is likely that the relevant tax liabilities will be crystallised upon sale.

We enclose herewith the Summary Valuation Report for your attention.

Yours faithfully,  
For and on behalf of  
**Cushman & Wakefield Limited**  
**Grace S.M. Lam**  
MRICS, MHKIS, RPS (GP)  
Director  
Valuation & Advisory Services, Greater China

*Note:* Ms. Grace Lam is a Member of the Royal Institution of Chartered Surveyors, a Member of the Hong Kong Institute of Surveyors and a Registered Professional Surveyor (General Practice). Ms. Lam has over 25 years of experience in the professional property valuation and advisory services in the Greater China region and various overseas countries. Ms. Lam has sufficient current national knowledge of the market, and the skills and understanding to undertake the valuations competently.

The valuations of the properties in Group VI in France were undertaken by Ms. Grace Lam in collaboration with Mr. Philippe Guillerm, Deputy Head of Valuation of our Paris Office. Mr. Philippe Guillerm is a fellow member of the Royal Institution of Chartered Surveyors with more than 30 years' experience in property valuation in France.



## Summary of Valuations

Property Group (Groups I-V)	No. of properties	Market value	Market value	Investment value <sup>(1)</sup>	Investment value <sup>(1)</sup>
		in existing state as at the Valuation Date	in existing state attributable to the Group as at the Valuation Date	in existing state as at the Valuation Date	in existing state attributable to the Group as at the Valuation Date
		(RMB)	(RMB)	(RMB)	(RMB)
<u>Properties held by the Group in the PRC</u>					
Group I – Completed properties held for sale in the PRC	78	33,613,770,000	25,402,150,871	488,500,000	415,806,000
Group II – Completed properties held for investment in the PRC	22	11,407,580,000	8,044,311,200	10,681,000,000	7,325,580,600
Group III – Completed properties held for owner occupation in the PRC	3	281,800,000	280,451,080	–	–
Group IV – Properties held under development in the PRC	65	115,251,400,000	84,039,968,600	4,958,000,000	2,913,266,900
Group V – Properties held for future development in the PRC	14	11,063,000,000	8,626,131,400	–	–
<b>Sub-Total</b>	<b>182</b>	<b>171,617,550,000</b>	<b>126,393,013,151</b>	<b>16,127,500,000</b>	<b>10,654,653,500</b>

*Note:*

- (1) Investment value of certain properties whereby market value is not applicable.

Property Group (Group VI)	No. of properties	Market value in existing state as at the Valuation Date (EUR)	Market value in existing state attributable to the Group as at the Valuation Date (EUR)
<u>Properties held by the Group in France</u>			
Group VI – Completed properties held for owner occupation and operation in France	3	26,444,360	26,444,360
<b>Sub-Total</b>	<b>3</b>	<b>26,444,360<sup>(1)</sup></b>	<b>26,444,360<sup>(2)</sup></b>

*Notes:*

- (1) The market value of the properties in France in existing state as at the Valuation Date was approximately RMB203,256,640.
- (2) The market value of the properties in France in existing state attributable to the Group as at the Valuation Date was approximately RMB203,256,640.

## Group I – Completed properties held for sale in the PRC as at 30 June 2021

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	GFA <sup>(1)</sup> (sq m)	Completion date	No. of car parking spaces	Market value <sup>(2)</sup> in existing state as at the Valuation Date (RMB)	Interest attributable to the Group (%)	Market value <sup>(2)</sup> in existing state attributable to the Group as at the Valuation Date (RMB)	Investment value <sup>(3)</sup> in existing state attributable to the Group as at the Valuation Date (RMB)
I-1	Portions of Ballet Scenery Town, Lianxing Road, Liji Town, Wanning, Hainan Province	Hainan Outlets Real Estate Development Co., Ltd.	Wanning	Liji Town	Residential	15 Mar 2081	Residential	3,131	2013	N/A	3,610,000	100%	3,610,000	41,100,000 <sup>(4)</sup>
I-2	Portions of Wanning Ballet Town, Lianxing Road, Liji Town, Wanning, Hainan Province	Hainan Outlets Property Real Estate Co., Ltd.	Wanning	Liji Town	Residential, Education	30 Dec 2061 and 30 Dec 2081	Residential, Kindergarten	2,074	2016	N/A	2,880,000	100%	2,880,000	9,000,000 <sup>(5)</sup>
I-3	Completed Portions of Phase 1 and Phase 2 of Xinyue Bay, North side of Lianxing Road, Liji Town, Wanning, Hainan Province	Hainan Capital Outlets Real Estate Co., Ltd.	Wanning	Liji Town	Residential	26 Feb 2084	Residential	39,741	2021	N/A	556,000,000	100%	556,000,000	N/A
I-4	Completed Portions of Happiness Mountain Mansion, Zengjiang Street, Shiwei Road, Zengcheng District, Guangzhou, Guangdong Province	Guangzhou Bqing Real Estate Development Co., Ltd.	Guangzhou	Zengcheng	Residential, Commercial	16 May 2058 and 16 May 2088	Residential, Commercial, Carpark	28,932	2020	1,094	570,000,000	51%	290,700,000	N/A
I-5	Portions of Chengdu International City, No. 5 Hemei West Road, Chenghua District, Chengdu, Sichuan Province	Beijing Capital Land Chengdu Co., Ltd.	Chengdu	Chenghua	Residential, Commercial	31 May 2047 to 31 May 2077	Residential, Commercial, Office, Storage, Carpark	16,225	2009	113	133,000,000	100%	133,000,000	35,900,000 <sup>(6)</sup>
I-6	Portions of Wanjiashan Courtyard, No. 909 Beiqian Road, Longquanyi District, Chengdu, Sichuan Province	Chengdu Capital Yidu Real Estate Development Co., Ltd.	Chengdu	Longquanyi	Residential, Auxiliary, Commercial, Basement storage	26 Oct 2047 to 3 Dec 2080	Commercial, Residential, Carpark	74,256	2014	2,352	161,000,000	55%	88,550,000	24,000,000 <sup>(7)</sup>

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	GFA <sup>(1)</sup> (sq m)	Completion date	No. of car parking spaces	Market value <sup>(2)</sup> in existing state as at the Valuation Date (RMB)	Interest attributable to the Group (%)	Market value <sup>(2)</sup> in existing state attributable to the Group as at the Valuation Date (RMB)		Investment value <sup>(3)</sup> in existing state attributable to the Group as at the Valuation Date (RMB)
													Market value <sup>(2)</sup> in existing state as at the Valuation Date (RMB)	Investment value <sup>(3)</sup> in existing state as at the Valuation Date (RMB)	
I-7	Portions of Flower & City, Dongli Road, Chenghua District, Chengdu, Sichuan Province	Chengdu Capital Zhenghua Real Estate Co., Ltd.	Chengdu	Chenghua	Residential, Commercial, Carpark	21 Aug 2054 to 21 Aug 2084	Residential, Commercial, Carpark	75,790	2017	1,462	705,000,000	100%	705,000,000	32,100,000 <sup>(8)</sup>	32,100,000
I-8	Portions of Xanadu Jade, No. 888 Tianfu South Avenue, Tianfu New Area, Chengdu, Sichuan Province	Chengdu Capital Huaifu Real Estate Co., Ltd.	Chengdu	Tianfu New Area	Residential, Ancillary, Commercial	1 Aug 2058 to 1 Aug 2088	Residential, Carpark	34,089	2020	1,122	177,000,000	100%	177,000,000	34,500,000 <sup>(8)</sup>	34,500,000
I-9	Portions of The Palace No. 68, No. 60 Tashuiqiao North Street, Chenghua District, Chengdu, Sichuan Province	Chengdu Capital Ruihua Real Estate Co., Ltd.	Chengdu	Chenghua	Commercial, Residential	20 May 2055 to 21 May 2085	Residential, Commercial, Carpark	89,550	2018	1,157	1,313,000,000	100%	1,313,000,000	50,100,000 <sup>(8)</sup>	50,100,000
I-10	Portions of Galaxy No. 1, West of Chenglong Road, Jinjiang District, Chengdu, Sichuan Province	Chengdu Jinhui Real Estate Co., Ltd.	Chengdu	Jinjiang	Commercial, Residential	4 Mar 2055 and 4 Mar 2085	Commercial, Carpark	54,962	2017	1,158	311,000,000	70.46%	219,130,600	N/A	N/A
I-11	Capital Land Hong en International Living Area, 138 Hongyuan Road, Jiangbei District, Chongqing	Chongqing Xinsi RealEstate Development Co., Ltd.	Chongqing	Jiangbei	Commercial, Residential	15 Nov 2049 to 15 Nov 2059	Residential, Commercial, Carpark	49,347	2015	1,313	155,000,000	100%	155,000,000	N/A	N/A
I-12	Eco-city, 19 Xishuang Road, Shapingba District, Chongqing	Chongqing Shouyong Real Estate Co., Ltd.	Chongqing	Shapingba	Residential	27 Feb 2053 to 27 Feb 2063	Residential, Commercial, Carpark	86,183	2015	2,448	284,000,000	96.39%	273,747,600	N/A	N/A
I-13	Xanadu Mountain & River, Tianwen Road, Nanan District, Chongqing	Chongqing Shouhao Real Estate Co., Ltd.	Chongqing	Nanan	Residential	12 May 2068	Residential, Carpark	64,492	2020	1,156	580,000,000	100%	580,000,000	N/A	N/A
I-14	The West Riverside, Lucheng Road, Jiulongpo District, Chongqing	Chongqing Haohua Real Estate Co., Ltd.	Chongqing	Jiulongpo	Residential	15 Aug 2062	Residential, Commercial, Carpark	94,238	2018-2020	1,140	403,000,000	30%	120,900,000	N/A	N/A

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	GFA <sup>(1)</sup> (sq m)	Completion date	No. of car parking spaces	Market value <sup>(2)</sup> in existing state as at the Valuation Date (RMB)	Interest attributable to the Group (%)	Market value <sup>(2)</sup> in existing state attributable to the Group as at the Valuation Date (RMB)	Investment value <sup>(3)</sup> in existing state attributable to the Group as at the Valuation Date (RMB)
I-15	Stratus City, Daping Main Street, Yuzhong District, Chongqing	Chongqing Hiaayu Shengnu Real Estate Development Co., Ltd.	Chongqing	Yuzhong	Residential	30 Jul 2067	Residential, Commercial, Carpark	19,242	2020	510	118,000,000	32.9967%	38,936,106	N/A
I-16	Tianyu Jialing China Cove, Jiaxin Road, Shapingba District, Chongqing	Chongqing Shouhui Real Estate Co., Ltd.	Chongqing	Shapingba	Residential, Commercial	9 Dec 2054 to 9 Dec 2064	Residential, Commercial, Carpark	357,963	2019	5,068	2,754,000,000	47.36%	1,304,294,400	N/A
I-17	Portions of Grand Canal Milestone I, No. 231 Fudi Road, Hebei District, Tianjin	Tianjin Xingtai Jitong Real Estate Co., Ltd.	Tianjin	Hebei	Residential	2 Sep 2084	Residential, Commercial, Carpark	8,252	2016	434	268,000,000	100%	268,000,000	N/A
I-18	Portions of Metropolis I, No. 33 Zhongshan Road, Hebei District, Tianjin	Tianjin Xingtai Jisheng Real Estate Co., Ltd.	Tianjin	Hebei	Commercial	17 May 2055	Commercial, Carpark	6,977	2019	217	56,500,000	100%	56,500,000	N/A
I-19	International Peninsula, Xueyuan Road, Wuqing District, Tianjin	Tianjin Hongtai Weiyue Real Estate Development Co., Ltd.	Tianjin	Wuqing	Commercial	15 Mar 2055 and 14 Apr 2056	Commercial, Apartment	54,436	2017-2019	N/A	517,000,000	100%	517,000,000	N/A
I-20	Plot 03-02 of International Peninsula, Shuyuan Road, Wuqing District, Tianjin	Tianjin Tianlang Ke'en Real Estate Development Co., Ltd.	Tianjin	Wuqing	Residential	22 Nov 2082	Residential	250	2015	N/A	4,410,000	100%	4,410,000	N/A
I-21	Portions of Mangrove Garden, No. 1078 Heyun Road, China-Singapore Tianjin Eco-city District, Tianjin	Tianjin Xingtai City Development Co., Ltd.	Tianjin	China-Singapore Tianjin Eco-city	Residential	25 Sep 2078	Residential	146	2013	N/A	1,660,000	100%	1,660,000	N/A
I-22	Plot 04-02 of International Peninsula, Shuyuan Road, Wuqing District, Tianjin	Tianjin tongsheng Real Estate Co., Ltd.	Tianjin	Wuqing	Residential	5 Dec 2083	Residential	1,661	2017	N/A	26,300,000	100%	26,300,000	N/A
I-23	International City, Station North Road, Binhai New Area, Tianjin	Tianjin Banshan Renjia Real Estate Co., Ltd.	Tianjin	Binhai	Commercial	9 May 2044	Commercial	603	2013	N/A	8,120,000	100%	8,120,000	N/A

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	GFA <sup>(1)</sup> (sq m)	Completion date	No. of car parking spaces	Market value <sup>(2)</sup> in existing state as at the Valuation Date (RMB)	Interest attributable to the Group (%)	Market value <sup>(2)</sup> in existing state attributable to the Group as at the Valuation Date (RMB)	Investment value <sup>(3)</sup> in existing state attributable to the Group as at the Valuation Date (RMB)
I-24	Portions of Fortune Class, the intersection of Lishuang Road and Weishannan Road, Shuangzang Village, Jinan District, Tianjin	Tianjin Capital Xinyuan Real Estate Development Co., Ltd.	Tianjin	Jinan	Commercial	3 Jun 2048 and 3 Jun 2049	Commercial, Apartment, Office, Carpark	41,814	2019	152	583,000,000	55%	320,650,000	N/A
I-25	International Peninsula, Fenggang Yinqiu Road, Wuqing District, Tianjin	Tianjin Yongyuan Real Estate Co., Ltd.	Tianjin	Wuqing	Residential	16 May 2081	Residential	1,836	2016	N/A	32,600,000	100%	32,600,000	N/A
I-26	Xi Rui Li, Xuefu Road, Wuqing District, Tianjin	Tianjin Ruitai Real Estate Co., Ltd.	Tianjin	Wuqing	Residential	12 Jul 2088	Residential	82,888	2021	N/A	1,825,000,000	50%	912,500,000	N/A
I-27	Portions of Landing House, Jinfeng Road, Xiqing District, Tianjin	Tianjin Xinqing Real Estate Co. Ltd.	Tianjin	Xiqing	Commercial	28 Feb 2048	Carpark	17,219	2016	390	85,000,000	40%	34,000,000	N/A
I-28	Portions of Xanadu Central I, Fujin Road, Xiqing District, Tianjin	Tianjin Rui Lin Real Estate Co., Ltd.	Tianjin	Xiqing	Residential	8 Oct 2087	Residential, Carpark	19,950	2020	302	264,000,000	50%	132,000,000	N/A
I-29	Portions of Poetic Life, Jianming Dao, Jinan District, Tianjin	Tianjin Xingtai Jucheng Real Estate Co., Ltd.	Tianjin	Jinan	Residential	29 Nov 2085	Residential, Commercial	2,711	2019	N/A	44,200,000	20%	8,840,000	N/A
I-30	Portions of Jinan Capital Outlets, North of Century Avenue, Licheng, Jinan, Shandong Province	Jinan Shoujin Real Estate Co., Ltd.	Jinan	Licheng	Commercial	15 Jan 2057	Commercial	2,569	2019	N/A	38,300,000	70.11%	26,852,130	N/A
I-31	Portions of IC Park, No. 9 Fenghuodong Road, Haidian District, Beijing	Zhongguancun Integrated Circuit Garden Development Co., Ltd.	Beijing	Haidian	Commercial, Carpark	28 Feb 2055 to 28 Feb 2065	Commercial, Office, Carpark	34,190	2019	529	423,000,000	50%	211,500,000	N/A

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	GFA <sup>(1)</sup> (sq m)	Completion date	No. of car parking spaces	Market value <sup>(2)</sup>		Market value <sup>(2)</sup>		Investment value <sup>(3)</sup>	
											in existing state as at the Valuation Date	Interest attributable to the Group (%)	in existing state as at the Valuation Date	Investment in existing state as at the Valuation Date	in existing state as at the Valuation Date	Interest attributable to the Group (%)
I-32	Portions of Eco-city, Shenzhongda Street, Hunnan District, Shenyang, Liaoning Province	Shenyang Capital Xinyun Real Estate Co., Ltd.	Shenyang	Hunnan	Residential, Commercial	19 Jan 2054 and 19 Jan 2084	Residential, Commercial, Carpark	28,765	2020	N/A	100%	39,400,000	100%	39,400,000	92,600,000 <sup>(1)</sup>	92,600,000
I-33	Portions of Xanadu Changhe, Gaokan Street, Qipanshan Development, Shenyang, Liaoning Province	Shenyang Haohua Real Estate Co., Ltd.	Shenyang	Qipanshan Development	Residential, Commercial	3 Feb 2060	Residential, Commercial	11,635	2020	N/A	100%	149,000,000	100%	149,000,000	N/A	N/A
I-34	Portions of International City, Shenyang Road, Hunnan District, Shenyang, Liaoning Province	Shenyang Capital Real Estate Co. Ltd.	Shenyang	Hunnan	Residential	20 Feb 2058	Commercial, Car park	41,093	2014	N/A	30%	174,000,000	30%	52,200,000	48,800,000 <sup>(2)</sup>	14,640,000
I-35	Portions of No. 1 Residence Around the Park, South of Xinyang Road, Chengyang District, Qingdao, Shandong Province	Qingdao Yangguang Binhai Properties Co., Ltd.	Qingdao	Chengyang	Residential, Commercial	23 Oct 2047	Residential, Commercial	595	2016	N/A	100%	6,020,000	100%	6,020,000	N/A	N/A
I-36	Portions of International Airport, No. 6 South Changcheng Road, Chengyang District, Qingdao, Shandong Province	Qingdao Xinit Weijie Real Estate	Qingdao	Chengyang	Residential, Commercial	31 Jan 2011 to 30 Jan 2051	Office, Commercial, Carpark	16,330	2021	6.5	100%	211,000,000	100%	211,000,000	N/A	N/A
I-37	Portions of Naming Capital Outlets, No. 406 Kumun Road, Xunging District, Nanning, Guangxi Province	Naming Capital Juda Outlets Real Estate Co., Ltd.	Nanning	Xingning	Commercial, Residential, Logistics and warehousing	14 Sep 2058 to 14 Sep 2068	Commercial	8,284	2021	N/A	70.11%	137,000,000	70.11%	96,050,700	N/A	N/A
I-38	Portions of Pinggu Daxing Village Project, Daxing Village, Pinggu District, Beijing	Beijing Taihao Shengyuan Real Estate	Beijing	Pinggu	Basement storage	23 Feb 2054	Basement storage	153	2016	N/A	87.51%	1,750,000	87.51%	1,531,425	N/A	N/A

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	GFA <sup>(1)</sup> (sq m)	Completion date	No. of car parking spaces	Market value <sup>(2)</sup>		Investment value <sup>(3)</sup> in existing state attributable to the Group as at the Valuation Date (RMB)
											Market value <sup>(2)</sup> in existing state as at the Valuation Date (RMB)	Market value <sup>(2)</sup> in existing state as at the Valuation Date (RMB)	
I-39	Portions of Xanadu Taihu Villa(T'jing), North of Binhu Avenue, Taihu Lake Resort, Wuxing District, Huzhou, Zhejiang Province	Zhejiang Hualong Real Estate	Huzhou	Wuxing	Residential	10 Aug 2080	Residential, Commercial	4,152	2016	N/A	79,600,000	79,600,000	N/A
I-40	Portions of Rich Mansion, Yingui Road, Wuxi, Jiangsu Province	Jiangyin Yuyue Real Estate Development Co., Ltd.	Wuxi	Jiangyin	Residential, Commercial	17 Aug 2051 and 17 Aug 2081	Commercial	1,411	2021	N/A	13,100,000	13,100,000	N/A
I-41	Portions of Joyful Mansion, No. 54 Xinming Middle Road, Xishan District, Wuxi, Jiangsu Province	Jiangsu Capital Real Estate Development Co., Ltd.	Wuxi	Xishan	Residential	27 Jun 2046 to 27 Jun 2076	Residential, Commercial, Carpark	11,192	2011-2015	915	59,400,000	59,400,000	N/A
I-42	Portions of Happiness Mansion, No. 1 Sugang Road, Xinwu District, Wuxi, Jiangsu Province	Wuxi Xindong Real Estate	Wuxi	Xinwu	Residential, Commercial	15 Jul 2049 and 15 Jul 2079	Commercial, Carpark	1,134	2013	40	6,820,000	6,820,000	N/A
I-43	Phase I Kun Shan Yue Du, Jingsang Road, Economic-Technological Development Zone, Kunshan, Jiangsu Province	Kunshan Capital Xinkai Real Estate Co., Ltd.	Kunshan	Economic-Technological Development Zone	Residential, Carpark	17 Nov 2052 and 17 Nov 2082	Residential, Carpark	67,247	2019	928	535,000,000	535,000,000	N/A
I-44	Portions of Kun Shan Yue Du, Minjia Road, Economic-Technological Development Zone, Kunshan, Jiangsu Province	Capital Dongxing (Kunshan) Real estate	Kunshan	Economic-Technological Development Zone	Residential	26 Jan 2083	Residential, Carpark	22,692	2015	886	88,600,000	88,600,000	N/A



Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	GFA <sup>(1)</sup> (sq m)	Completion date	No. of car parking spaces	Market value <sup>(2)</sup> in existing state as at the Valuation Date (RMB)	Interest attributable to the Group (%)	Market value <sup>(2)</sup> in existing state attributable to the Group as at the Valuation Date (RMB)	Investment value <sup>(3)</sup> in existing state as at the Valuation Date (RMB)	Investment value <sup>(3)</sup> in existing state attributable to the Group as at the Valuation Date (RMB)
I-45	Portions of Kan Shan Yue Du, Kunjia Road, Economic-Technological Development Zone, Kunshan, Jiangsu Province	Capital Outlets (Kunshan) Real Estate	Kunshan	Economic-Technological Development Zone	Residential	26 Jan 2083	Carpark	59,706.28	2015	2,052	205,000,000	100%	205,000,000	N/A	N/A
I-46	Portions of Xiyue Jade Mansion, No. 1755 lane of Dayingpu Road, Zhujiajie Town, Qingpu District, Shanghai	Shanghai Shouhu Investment Co., Ltd.	Shanghai	Minhang	Residential	27 Dec 2085	Residential, Carpark	38,225	2020	758	377,000,000	100%	377,000,000	N/A	N/A
I-47	Portions of Tianyue Riverside, Humin Road, Yangpu District, Shanghai	Shanghai Shouyang Investment Co., Ltd.	Shanghai	Yangpu	Residential	7 Oct 2085	Residential, Carpark	8,555	2020	151	355,000,000	100%	355,000,000	N/A	N/A
I-48	Portions of Happiness Mansion, Nanwei 4 Road, Jingkou District, Zhenjiang, Jiangsu Province	Zhenjiang Xianji Real Estate	Zhenjiang	Jingkou	Residential	8 Dec 2080 and 18 Aug 2081	Residential, Commercial, Carpark	11,261	2015	644	94,500,000	100%	94,500,000	N/A	N/A
I-49	Portions of Poly Song, No. 288 lane of Duqiao Road, Pudong New Area, Shanghai	Shanghai Xuanxi Real Estate Development Co., Ltd.	Shanghai	Pudong New Area	Residential	31 Aug 2086	Residential, Carpark	132,591	2020	1,089	5,377,000,000	51%	2,742,270,000	56,600,000 <sup>(3)</sup>	28,866,000
I-50	Portions of Capital Land Time Flowing In Villa, Fangsong Street, Songjiang District, Shanghai	Shanghai Songchuang Real Estate Co., Ltd.	Shanghai	Songjiang	Residential, Commercial	5 Jan 2084 and 5 Jan 2084	Residential, Commercial	5,048	2017	N/A	159,000,000	100%	159,000,000	N/A	N/A
I-51	Portions of Capital Land Xiyue Green Mansion, No. 287 lane of Huangliou Road, Yingpu Street, Qingpu District, Shanghai	Shanghai Capital Shioupu Real Estate Co., Ltd.	Shanghai	Qingpu	Residential, Commercial	02 Mar 2085 and 02 Mar 2085	Commercial, Carpark	23,332	2020	372	283,000,000	100%	283,000,000	N/A	N/A

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	GFA <sup>(1)</sup> (sq m)	Completion date	No. of car parking spaces	Market value <sup>(2)</sup> in existing state as at the Valuation Date (RMB)	Interest attributable to the Group (%)	Market value <sup>(2)</sup> in existing state as at the Valuation Date (RMB)	Investment value <sup>(3)</sup> in existing state attributable to the Group as at the Valuation Date (RMB)
I-52	Portions of Capital Land Xiyue, No. 588 lane of Zhujiajiao Road, Yingpu Street, Qingpu District, Shanghai	Shanghai Capital Shoujing Real Estate Co., Ltd.	Shanghai	Qingpu	Residential	2 Mar 2085	Residential	2,764	2017	54	42,000,000	100%	42,000,000	N/A
I-53	Portions of Capital Land Xiyue, No. 58 lane of Xuhle Road, Xujing Town, Qingpu District, Shanghai	Shanghai Shoujing Investment Co., Ltd.	Shanghai	Qingpu	Residential	28 Mar 2086	Residential, Carpark	2,223	2019	28	22,700,000	100%	22,700,000	1,000,000
I-54	Portions of Xiyue Fenghua Mansion, No. 108 lane of Huangnilou Road, Yingpu Street, Qingpu District, Shanghai	Shanghai Shouyue Real Estate Co., Ltd.	Shanghai	Qingpu	Residential	12 Sep 2088	Residential, Carpark	39,022	2020	667	596,000,000	100%	596,000,000	N/A
I-55	Portions of Minhang Huacao 08-05, No. 35 lane of Xuting Road, Minhang District, Shanghai	Shanghai Shouci Real Estate Co., Ltd.	Shanghai	Minhang	Residential	6 Sep 2088	Residential, Carpark	22,761	2021	98	450,000,000	100%	450,000,000	N/A
I-56	The Great City, Huiyuan Road, Jiading District, Shanghai	Shanghai Capital Shoujia Real Estate Co., Ltd.	Shanghai	Jiading	Residential	25 Dec 2084	Residential, Carpark	39,327	2016	1,124	79,800,000	60%	47,880,000	N/A
I-57	Chongqing Capital Outlets, 1999 Fulu Road, Baonn District, Chongqing	Chongqing Shouju Outlets Real Estate Co., Ltd.	Chongqing	Baonn	Commercial	30 Mar 2057	Commercial	5,615	2019	N/A	76,100,000	70.11%	53,355,710	N/A
I-58	Portions of Xanaadu, No. 139 Chaoyang Road, Chaoyang District, Beijing	Beijing Capital Chao Yang Real Estate Development Co., Ltd.	Beijing	Chaoyang	Residential, Commercial, Carpark	"19 May 2044 to 19 May 2074"	Apartment, Commercial, Carpark	1,177	2011	N/A	182,000,000	100%	182,000,000	N/A
I-59	Portions of The Reflections, No. 11 Yuyuantan South Road, Haidian District, Beijing	Beijing Anhua Shiji Real Estate Development Co., Ltd.	Beijing	Haidian	Residential, Ancillaries, Carpark	"28 Aug 2044 to 28 Aug 2074"	Ancillaries, Carpark	6,083	2007	109	59,300,000	100%	59,300,000	N/A

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	GFA <sup>(1)</sup> (sq m)	Completion date	No. of car parking spaces	Market value <sup>(2)</sup> in existing state as at the Valuation Date (RMB)	Interest attributable to the Group (%)	Market value <sup>(2)</sup> in existing state as at the Valuation Date (RMB)	Investment value <sup>(3)</sup> in existing state as at the Valuation Date (RMB)	Investment value <sup>(3)</sup> in existing state as at the Valuation Date (RMB)
I-60	Portions of The palace No. 4 Building, No. 139 Chaoyang Road, Chaoyang District, Beijing	Beijing Jinrit Wealth Investment Management Co., Ltd.	Beijing	Chaoyang	Carpark	19 May 2054	Carpark	3,421	2010	74	109,000,000	100%	109,000,000	N/A	N/A
I-61	Portions of Lize Site F05/Tian Yue Mansion, Lize Road, Fengtai District, Beijing	Capital Chaoyang Real Estate	Beijing	Fengtai	Commercial	03 Mar 2053 to 03 Mar 2063	Apartment, Carpark, Ancillaries	11,987	2018	101	70,400,000	100%	70,400,000	N/A	N/A
I-62	Portions of Xanadu Villa, Zhaoqianying Town Banqiao Village, Shunyi District, Beijing	Beijing Gujiamao Real Estate Co., Ltd.	Beijing	Shunyi	Residential, Commercial, Carpark	11 May 2054 to 11 May 2084	Residential, Commercial, Carpark	43,541	2017	571	690,000,000	100%	690,000,000	N/A	N/A
I-63	Portions of Capital of Vision, Xibeiwang Town, Haidian District, Beijing	Beijing Xijia Real Estate Co., Ltd.	Beijing	Haidian	Residential, Commercial, Carpark, Basement storage	31 May 2055 to 31 May 2085	Residential, Commercial, Carpark, Basement storage	37,314	2019	740	993,000,000	100%	993,000,000	N/A	N/A
I-64	Portions of Ealing County, Palace West Street, Fangshan District, Beijing	Beijing Anshunyan Real Estate Development Co., Ltd.	Beijing	Fangshan	Residential, Ancillaries, Commercial, Carpark	3 Jun 2044 to 9 Feb 2076	Residential, Commercial, Carpark	46,036	2017	579	1,031,000,000	95%	979,450,000	N/A	N/A
I-65	Portions of Novo Town, Changxing Road, Fangshan District, Beijing	Beijing Xingtai Jicheng Real Estate Co., Ltd.	Beijing	Fangshan	Residential, Commercial	22 Feb 2052 to 22 Feb 2082	Commercial, Carpark	2,516	2016	9	52,900,000	100%	52,900,000	N/A	N/A
I-66	Portions of Beijing Zhaoqianying Site F2-01 Project, Banqiao Village, Shunyi District, Beijing	Beijing Jinyifeng Real Estate Co., Ltd.	Beijing	Shunyi	Commercial, Carpark	12 Mar 2055 and 12 Mar 2065	Commercial	2,162	2018	N/A	82,800,000	100%	82,800,000	N/A	N/A
I-67	Portions of Xanadu Villa Riverside, Ruizhao Road, Shunyi District, Beijing	Beijing Lianchang Shengye Real Estate	Beijing	Shunyi	Residential, Commercial, Carpark	17 Mar 2054 to 17 Mar 2084	Residential, Commercial, Carpark	57,827	2018	433	1,667,000,000	100%	1,667,000,000	N/A	N/A

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	GFA <sup>(1)</sup> (sq m)	Completion date	No. of car parking spaces	Market value <sup>(2)</sup> in existing state as at the Valuation Date (RMB)	Interest attributable to the Group (%)	Market value <sup>(2)</sup> in existing state attributable to the Group as at the Valuation Date (RMB)	Investment value <sup>(3)</sup> in existing state attributable to the Group as at the Valuation Date (RMB)
I-68	Portions of Passion World, Beiguo Road, Shunyi District, Beijing	Beijing Yikaiyou Real Estate Co., Ltd.	Beijing	Shunyi	Commercial, Carpark	23 Feb 2054 and 23 Feb 2064	Office, Commercial	4,776	2019	N/A	147,000,000	100%	147,000,000	25,100,000
I-69	Portions of Xanadu Mountain Villa, No. 1 Henshidong Street and No. 3 Xiangdizhong Road, Shunyi District, Beijing	Beijing Tianzhiyong Real Estate Co., Ltd.	Beijing	Shunyi	Residential, Commercial	14 Feb 2085	Residential, Carpark	17,692	2019	261	205,000,000	100%	205,000,000	N/A
I-70	Portions of Landscape Villa, Mixi Road, Miyun District, Beijing	Beijing Xinbocheng Real Estate	Beijing	Miyun	Residential, Commercial, Carpark	23 Jan 2046 to 23 Jan 2076	Residential, Commercial, Carpark, Basement storage	52,383	2018	311	863,000,000	100%	863,000,000	N/A
I-71	Portions of Enjoyable City, No. 20 Shengshun Road, Daxing District, Beijing	Beijing Chuangrui Xiangan Real Estate Co., Ltd.	Beijing	Daxing	Residential, Commercial	9 Dec 2053 to 9 Dec 2083	Commercial, Office, Carpark, Basement storage	44,723	2016	56	868,000,000	100%	868,000,000	N/A
I-72	Portions of Nobles Mansion, No. 1 and No. 2 Zhixingxi Road, Fangshan District, Beijing	Beijing Chuangrui Hua'an Real Estate Co., Ltd.	Beijing	Fangshan	Residential	11 Aug 2084	Residential, Commercial, Carpark	34,561	2017	540	438,000,000	100%	438,000,000	37,700,000
I-73	Portions of Xiyue Villa, No. 5 Xindong Road, Miyun District, Beijing	Beijing Baochitong Real Estate Co., Ltd.	Beijing	Miyun	Residential, Commercial, Carpark	27 Dec 2055 to 27 Dec 2085	Residential, Commercial, Carpark, Basement storage	118,907	2021	2,209	1,181,000,000	100%	1,181,000,000	N/A
I-74	Portions of Grand Harmony, Huangyi Road, Yinghai Town, Daxing District, Beijing	Beijing Yuanchuang Xingmao Real Estate Co., Ltd.	Beijing	Daxing	Residential	10 Sep 2087	Residential, Commercial, Carpark, Basement storage	6,666	2021	N/A	328,000,000	30%	98,400,000	N/A
I-75	Portions of Jin Yu Ti Xiang, No. 10, Changshan Road, Fangshan District, Beijing	Beijing Wanzhu Real Estate Co., Ltd.	Beijing	Fangshan	Residential	19 Sep 2081	Residential, Commercial	5,484	2015	N/A	107,000,000	30%	32,100,000	N/A

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	GFA <sup>(1)</sup> (sq m)	Completion date	No. of car parking spaces	Market value <sup>(2)</sup> in existing state as at the Valuation Date (RMB)	Interest attributable to the Group (%)	Market value <sup>(2)</sup> in existing state attributable to the Group as at the Valuation Date (RMB)	Investment value <sup>(3)</sup> in existing state as at the Valuation Date (RMB)
I-76	Xanadu Tianzhu, Kechuang No. 11 Street, Yizhuang Town, Daxing District, Beijing	Beijing Chuangquan Yicheng Real Estate Co., Ltd.	Beijing	Yizhuang	Residential, Carpark, storage	21 Aug 2057 to 21 Aug 2087	Residential, Carpark, Basement storage	93,096	2021	1,547	1,762,000,000	50%	881,000,000	N/A
I-77	Portions of Jin Di Hua Zhu, Jiteshei Street, Haidian District, Beijing	Beijing Tongchuang Jinlong Real Estate Co., Ltd.	Beijing	Haidian	Residential, Commercial	04 Jan 2055 to 04 Jan 2085	Commercial, Residential, Carpark	639	2017	6	34,000,000	25%	8,500,000	N/A
I-78	Portions of Xi'an First City, Weijing Road, Economic-Technological Development Zone, Xian, Shaanxi Province	Xi'an Capital Xinkai Real Estate Co., Ltd.	Xi'an	Economic-Technological Development Zone		13 Nov 2057 to 13 Nov 2077	Residential, Commercial, Office, Carpark	142,543	2011-2017	3,282	722,000,000	70.11%	506,194,200	N/A
<b>Total</b>											33,613,770,000		25,402,150,871	488,500,000

## Notes:

- (1) All areas are stated in approximations.
  - (2) All values are stated in approximations.
  - (3) Investment value of certain property interest whereby market value is not applicable.
  - (4) Property No. I-1 Portions of Ballet Scenery Town:
- The sales offices with GFA of 2,877 sq m. have not obtained Real Estate Ownership Certificates as at the Valuation Date. Therefore market value is not applicable. Our valuation is on investment value basis, for management reference, the investment value of the sales office as at the Valuation Date is approximately RMB41,100,000.
- (5) Property No. I-2 Portions of Wanning Ballet Town:

According to the Grant Contract of Land Use Rights (Wan Guo Rang (He) Zi (2010) No. 26) signed between the Company and the government in 2011, the kindergarten with GFA of 1,913.80 sq m cannot be sold within 5 years, from 1 July 2020 to 30 June 2025. Therefore market value is not applicable. Our valuation is on investment value basis, for management reference, the investment value of the kindergarten as at the Valuation Date is approximately RMB9,000,000.

(6) Property No. I-5 Portions of Chengdu International City:

As advised by the Group, the property comprises 558 civil defence car parking spaces. None of these car parking spaces have obtained Real Estate Ownership Certificate. Civil defence car parking spaces are subject to the use by the public at no cost during war times. As the owner does not have unfettered rights in the property, therefore market value is not applicable. Our valuation is on investment value basis, for management reference, the investment value of such property (car parking spaces) as at the Valuation Date is approximately RMB35,900,000.

(7) Property No. I-6 Portions of Wanjianshan Courtyard:

As advised by the Group, the property comprises 1,169 civil defence car parking spaces. None of these car parking spaces have obtained Real Estate Ownership Certificate. Civil defence car parking spaces are subject to the use by the public at no cost during war times. As the owner does not have unfettered rights in the property, therefore market value is not applicable. Our valuation is on investment value basis, for management reference, the investment value of such property (car parking spaces) as at the Valuation Date is approximately RMB24,000,000.

(8) Property No. I-7 Portions of Flower & City:

As advised by the Group, the property comprises 588 civil defence car parking spaces. None of these car parking spaces have obtained Real Estate Ownership Certificate. Civil defence car parking spaces are subject to the use by the public at no cost during war times. As the owner does not have unfettered rights in the property, therefore market value is not applicable. Our valuation is on investment value basis, for management reference, the investment value of such property (car parking spaces) as at the Valuation Date is approximately RMB32,100,000.

(9) Property No. I-8 Portions of Xanadu Jade:

As advised by the Group, the property comprises 394 civil defence car parking spaces. None of these car parking spaces have obtained Real Estate Ownership Certificate. Civil defence car parking spaces are subject to the use by the public at no cost during war times. As the owner does not have unfettered rights in the property, therefore market value is not applicable. Our valuation is on investment value basis, for management reference, the investment value of such property (car parking spaces) as at the Valuation Date is approximately RMB34,500,000.

(10) Property No. I-9 Portions of The Palace No. 68:

As advised by the Group, the property comprises 379 civil defence car parking spaces. None of these car parking spaces have obtained Real Estate Ownership Certificate. Civil defence car parking spaces are subject to the use by the public at no cost during war times. As the owner does not have unfettered rights in the property, therefore market value is not applicable. Our valuation is on investment value basis, for management reference, the investment value of such property (car parking spaces) as at the Valuation Date is approximately RMB50,100,000.

(11) Property No. I-32 Portions of Eco-city:

As advised by the Group, the property comprises 1,052 civil defence car parking spaces. None of these car parking spaces have obtained Real Estate Ownership Certificate. Civil defence car parking spaces are subject to the use by the public at no cost during war times. As the owner does not have unfettered rights in the property, therefore market value is not applicable. Our valuation is on investment value basis, for management reference, the investment value of such property (car parking spaces) as at the Valuation Date is approximately RMB92,600,000.

(12) Property No. I-34 Portions of International City:

As advised by the Group, the property comprises 625 civil defence car parking spaces. None of these car parking spaces have obtained Real Estate Ownership Certificate. Civil defence car parking spaces are subject to the use by the public at no cost during war times. As the owner does not have unfettered rights in the property, therefore market value is not applicable. Our valuation is on investment value basis, for management reference, the investment value of such property (car parking spaces) as at the Valuation Date is approximately RMB48,800,000.

(13) Property No. I-49 Portions of Poly Song:

As advised by the Group, the property comprises 250 civil defence car parking spaces. None of these car parking spaces have obtained Real Estate Ownership Certificate. Civil defence car parking spaces are subject to the use by the public at no cost during war times. As the owner does not have unfettered rights in the property, therefore market value is not applicable. Our valuation is on investment value basis, for management reference, the investment value of such property (car parking spaces) as at the Valuation Date is approximately RMB56,600,000.

(14) Property No. I-53 Portions of Capital Land Xiyue:

As advised by the Group, the property comprises 6 civil defence car parking spaces. None of these car parking spaces have obtained Real Estate Ownership Certificate. Civil defence car parking spaces are subject to the use by the public at no cost during war times. As the owner does not have unfettered rights in the property, therefore market value is not applicable. Our valuation is on investment value basis, for management reference, the investment value of such property (car parking spaces) as at the Valuation Date is approximately RMB1,000,000.

(15) Property No. I-68 Portions of Passion World:

As advised by the Group, the property comprises 201 civil defence car parking spaces. None of these car parking spaces have obtained Real Estate Ownership Certificate. Civil defence car parking spaces are subject to the use by the public at no cost during war times. As the owner does not have unfettered rights in the property, therefore market value is not applicable. Our valuation is on investment value basis, for management reference, the investment value of such property (car parking spaces) as at the Valuation Date is approximately RMB25,100,000.

(16) Property No. I-72 Portions of Nobles Mansion:

As advised by the Group, the property comprises 337 civil defence car parking spaces. None of these car parking spaces have obtained Real Estate Ownership Certificate. Civil defence car parking spaces are subject to the use by the public at no cost during war times. As the owner does not have unfettered rights in the property, therefore market value is not applicable. Our valuation is on investment value basis, for management reference, the investment value of such property (car parking spaces) as at the Valuation Date is approximately RMB37,700,000.

## Group II – Completed properties held for investment in the PRC as at 30 June 2021

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	GFA <sup>(1)</sup> (sq m)	Completion date	No. of car parking spaces	Existing occupancy rate	Monthly passing rent (RMB)	Market value <sup>(2)</sup> in existing state as at the Valuation Date (RMB)	Interest attributable to the Group (%)	Market value <sup>(2)</sup> in existing state as at the Valuation Date (RMB)	Investment value <sup>(3)</sup> in existing state as at the Valuation Date (RMB)	Investment value <sup>(3)</sup> in existing state as at the Valuation Date (RMB)
II-1	Wanning Capital Outlets, West of Dong Xian Highway Liaohua Entrance, Liji Town, Wanning, Hainan Province	Hainan Outlets Tourism Development Co., Ltd.	Wanning	Liji Town	Commercial	29 Dec 2051	Commercial	102,325	2013/2015	N/A	69%	5,400,000	1,104,000,000	100%	1,104,000,000	N/A	N/A
II-2	Fortune Class HF Apartment, the intersection of Lishuang Road and Weishan Road, Shuanggang Village, Jinan District, Tianjin	Tianjin Capital Xinyuan Real Estate Development Co., Ltd.	Tianjin	Jinan	Commercial and Finance	3 Jun 2049	Apartment	5,198	2016	N/A	62%	140,000	32,000,000	55%	28,600,000	N/A	N/A
II-3	Kunshan Capital Outlets Project Phase I, No. 30 Dongcheng Street, Katia District, Kunshan, Jiangsu Province	Capital Outlets (Kunshan) Commercial Development Co., Ltd.	Kunshan	Development Zone	Commercial	26 Jan 2053	Commercial	49,362	2015	N/A	84%	3,200,000	N/A	70.11%	N/A	612,000,000 <sup>(4)</sup>	429,073,200
II-4	Portions of Bei Huan Project, Yimin Road, Xicheng District, Beijing	Capital Guoxin Asset Management Co., Ltd.	Beijing	Xicheng	Carpark	1 Jan 2056	Carpark	1,621	2006	44	100%	28,700	6,500,000	100%	6,500,000	N/A	N/A
II-5	Jinan Capital Outlets, West of Tangye Road, North of Shiji Street, Tangye Area, Licheng District, Jinan, Shandong Province	Jinan Shouji Real Estate Co., Ltd.	Jinan	Licheng	Commercial and Finance	15 Jan 2057	Commercial, Carpark	116,237	2019	1,138	92%	5,100,000	N/A	70.11%	N/A	914,000,000 <sup>(5)</sup>	640,805,400
II-6	ICPARK, No. 9 Fenghuo Dong Road, Zhongnancun Integrated Circuit Design Garden, Haidian District, Beijing	Zhongnancun Integrated Circuit Garden Development Co., Ltd.	Beijing	Haidian	Office, Commercial, Carpark	08 Feb 2055 and 08 Feb 2065	Office, Commercial, Carpark	71,037	2018/2019	91	81%	9,300,000	N/A	50%	N/A	2,458,000,000 <sup>(6)</sup>	1,229,000,000
II-7	Capital Group Plaza, No. 6 Chaoyangmen North Street, Dongcheng District, Beijing	Donghuan Ximing Investment Management Co., Ltd.	Beijing	Dongcheng	Comprehensive	10 Apr 2043 and 10 Apr 2053	Office, Commercial, Carpark	49,329	1998	143	84%	8,200,000	1,704,000,000	100%	1,704,000,000	N/A	N/A
II-8	Konggang International Center, No. 6 Changchun Road, Chengde District, Qingdao, Shandong Province	Qingdao Xiali Weiya Real Estate Development Co., Ltd.	Qingdao	Chengde	Commercial, Residential and Catering	30 Jan 2051	Office, Commercial	14,830	2015	N/A	100%	500,000	114,000,000	100%	114,000,000	N/A	N/A



Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	GFA <sup>(1)</sup> (sq m)	Completion date	No. of car parking spaces	Existing occupancy rate	Monthly passing rent (RMB)	Market value <sup>(2)</sup> in existing state as at the Valuation Date (RMB)	Interest attributable to the Group (%)	Market value <sup>(3)</sup> in existing state as at the Valuation Date (RMB)	Investment value <sup>(4)</sup> in existing state as at the Valuation Date (RMB)	Investment value <sup>(5)</sup> in existing state as at the Valuation Date (RMB)
II-9	Beijing Langyuan Vintage, No. 6 Lang Home Jianguomenwai, Chaoyang District, Beijing	Beijing Shanghai Investment Consultant Co., Ltd.	Beijing	Chaoyang	Industrial <sup>(7)</sup>	24 Mar 2047 and 20 Nov 2058	Office, Commercial <sup>(7)</sup>	34,247	2010/2017	N/A	74%	6,200,000	963,000,000	51%	491,130,000	N/A	N/A
II-10	Kunming Capital Outlets, Heilipu Street, Wuhua District, Kunming, Yunnan Province	Kunming Capital Outlets Commercial Management Co., Ltd.	Kunming	Wuhua	Commercial	26 Jun 2057	Commercial	133,670	2020	N/A	83%	3,200,000	862,000,000	59.59%	513,665,800	N/A	N/A
II-11	Huzhou Capital Outlets, South of Binhu Street, Meidong Area, Wuxing District, Huzhou, Zhejiang Province	Zhejiang Outlets Property Real Estate Co., Ltd.	Huzhou	Wuxing	Commercial	10 Feb 2050	Commercial	95,331	2013/2014	N/A	24%	1,000,000	926,000,000	70.11%	649,218,600	N/A	N/A
II-12	Chongqing Capital Outlets, Nanqian Street Lujiao, Banan District, Chongqing the PRC	Chongqing Shouji Outlets Real Estate Co., Ltd.	Chongqing	Banan	Commercial	30 Mar 2057	Commercial	110,363	2019	N/A	75%	2,300,000	726,000,000	70.11%	508,998,600	N/A	N/A
II-13	Hebei Capital Outlets, No. 258 Zunjiang Road, Binhu District, Hebei, Anhui Province	Hebei Chuangji Outlets Commercial Management Co., Ltd.	Hebei	Binhu	Commercial	25 Sep 2056	Commercial, Carpark	94,744	2018	1,179	84%	2,400,000	N/A <sup>(8)</sup>	70.11%	N/A	698,000,000 <sup>(8)</sup>	489,367,800
II-14	Lize Site FID/FID3 Business, No. 16 Lize Road, Fergana District, Beijing	Beijing Kaiyuan He'an Investment Management Co., Ltd.	Beijing	Fergana	Commercial, Office, Carpark	14 Mar 2053 and 14 Mar 2063	Commercial, Carpark	103,890	2017	281	N/A	N/A	2,588,000,000	49%	1,268,120,000	N/A	N/A
II-15	Capital of Vision I4F Building, HD-A02-A030 Pka, Zhongnancun Yongfeng Industrial Base, Haidian District, Beijing	Beijing Ajia Real Estate Co., Ltd.	Beijing	Haidian	Residential, Commercial, Comprehensive	31 May 2053 and 31 May 2065	Office, Commercial	30,114	2019	N/A	N/A	N/A	N/A <sup>(9)</sup>	100%	N/A	1,127,000,000 <sup>(9)</sup>	1,127,000,000
II-16	Kunshan Capital Outlets Project Phase II, No. 501 Dongcheng Street, Kaifu District, Kunshan, Jiangsu Province	Capital Dongxing (Kunshan) Commercial Development Co., Ltd.	Kunshan	Development Zone	Commercial	26 Jan 2053	Commercial	48,871	2016	N/A	90%	2,700,000	N/A <sup>(10)</sup>	70.11%	N/A	535,000,000 <sup>(10)</sup>	375,088,500
II-17	Wuhan Capital Outlets, North of Guozixun Road, East of Wugang High-speed Railway, Dongjia New Technology District, Wuhan, Hubei Province	Wuhan Capital Judo Outlets Business Management Co., Ltd.	Wuhan	Dongjia New Technology Zone	Commercial	12 Jan 2056	Commercial	94,975	2018	N/A	82%	4,800,000	N/A <sup>(11)</sup>	69.41%	N/A	775,000,000 <sup>(11)</sup>	537,927,500

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	GF A <sup>(1)</sup> (sq m)	Completion date	No. of car parking spaces	Existing occupancy rate	Monthly passing rent (RMB)	Market value <sup>(2)</sup> in existing state as at the Valuation Date (RMB)	Interest attributable to the Group (%)	Market value <sup>(2)</sup> in existing state as at the Valuation Date (RMB)	Investment value <sup>(3)</sup> in existing state as at the Valuation Date (RMB)	Investment value <sup>(3)</sup> in existing state as at the Valuation Date (RMB)	
I1-18	Hangzhou Capital Outlets, No. 889 Jiangbin East Street, Dongzhou Road, Fuyang District, Hangzhou, Zhejiang Province	Hangzhou Capital Outlets Real Estate Co., Ltd.	Hangzhou	Fuyang	Commercial	1 Mar 2056	Commercial Carpark	112,271	2017	909	89%	4,400,000	629,537,800	70.11%	898,000,000	898,000,000	N/A	N/A
I1-19	Nanchang Capital Outlets, No. 399 Mingqian Road, Xijian District, Nanchang, Jiangxi Province	Jiangxi Capital Outlets Real Estate Co., Ltd.	Nanchang	Xijian	Commercial, Carpark	22 Aug 2055	Commercial Carpark	123,794	2017	962	81%	1,700,000	N/A <sup>(12)</sup>	70.11%	N/A	758,000,000 <sup>(13)</sup>	758,000,000 <sup>(13)</sup>	531,433,800
I1-20	Fangshan Capital Outlets, No. 6 Yuesheng Road, Changyue Village, Fangshan District, Beijing	Outlets Property Investment Fang Shan Co., Ltd.	Beijing	Fangshan	Commercial	5 Apr 2050	Commercial	196,187	2012-2019	N/A	100%	24,700,000	N/A	70.11%	N/A	2,894,000,000 <sup>(15)</sup>	2,894,000,000 <sup>(15)</sup>	1,965,984,400
I1-21	Zhengzhou Capital Outlets, Northeast of intersection of Binhuang Road and Aokai Street, Jiayu Village, Xingyang District, Zhengzhou, Henan Province	Zhengzhou Jium Outlets Industrial Co., Ltd.	Zhengzhou	Xingyang	Commercial	21 May 2056	Commercial	83,901	2018	N/A	76%	3,200,000	646,000,000	70.11%	452,910,600	N/A	N/A	N/A
I1-22	Xi'an Capital Outlets, West of Yulin Road, East of Baiji Road, Gouxin District, Xi'an, Shaanxi Province	Xi'an Shoujin Commercial Development and Management Co., Ltd.	Xi'an	Gouxin	Commercial	29 Apr 2056	Commercial	120,919	2019	N/A	89%	4,000,000	818,000,000	70.11%	573,499,800	N/A	N/A	N/A
	Total							11,407,590,000					8,044,311,200		10,681,000,000		10,681,000,000	7,325,580,600

## Notes:

- (1) All areas are stated in approximations.
- (2) All values are stated in approximations.
- (3) Investment value of certain property interests whereby market value is not applicable.
- (4) Property No. II-3 Kunshan Capital Outlets Project Phase I:

According to the Real Estate Ownership Certificate, the property is subject to sales restrictions and shall not be sold until 26 January 2053, therefore market value is not applicable. Our valuation is on investment value basis. For the Group's management reference, should the Company be granted freely transferable land use rights and building ownership of the property, the market value for such portion as at 30 June 2021 would be RMB612,000,000 (70.11% interest attributable to the Group: RMB429,073,200).

- (5) Property No. II-5 Jinan Capital Outlets:

According to the Grant Contract of Land Use Rights, the property is subject to sales restrictions and shall not be sold until 15 January 2057, therefore market value is not applicable. Our valuation is on investment value basis. For the Group's management reference, should the Company be granted freely transferable land use rights and building ownership of the property, the market value for such portion as at 30 June 2021 would be RMB914,000,000 (70.11% interest attributable to the Group: RMB640,805,400).

- (6) Property No. II-6 ICPARK:

According to the Real Estate Ownership Certificate, office and commercial portion of the property is subject to a sales lock-up period of 20 years upon completion of the regarding building. After the 20 years sales lock-up, the properties can be sold with the approval of Haidian District government. Therefore, market value is not applicable. Our valuation is on investment value basis. For the Group's management reference, should the Company be granted freely transferable land use rights and building ownership of the property, the market value for such portion as at 30 June 2021 would be RMB2,458,000,000 (50% interest attributable to the Group: RMB1,229,000,000).

- (7) Property No. II-9 Beijing Langyuan Vintage:

According to the lawyer's legal opinion, the Company currently has little risk of administrative punishment or significant adverse impact on the operation regarding the inconsistency between the land use and the actual property use.

- (8) Property No. II-13 Hefei Capital Outlets:

According to the Real Estate Ownership Certificate, the property is subject to sales restrictions and shall not be sold until 25 September 2056, therefore market value is not applicable. Our valuation is on investment value basis. For the Group's management reference, should the Company be granted freely transferable land use rights and building ownership of the property, the market value for such portion as at 30 June 2021 would be RMB698,000,000 (70.11% interest attributable to the Group: RMB489,367,800).

(9) Property No. II-15 Capital of Vision 14# Building:

According to the Grant Contract of Land Use Rights, the office and commercial portions of the property are subject to a sales lock-up period of 20 years upon completion of the building. After the 20-year sales lock-up, the property can be sold subject to the approval of the Haidian District government. Therefore, market value is not applicable. Our valuation is on investment value basis. For the Group's management reference, should the Company be granted freely transferable land use rights and building ownership of the property, the market value for such portion as at 30 June 2021 would be RMB1,127,000,000 (100% interest attributable to the Group: RMB1,127,000,000).

(10) Property No. II-16 Kunshan Capital Outlets Project Phase II:

According to the Real Estate Ownership Certificate, the property is subject to sales restrictions and shall not be sold until 26 January 2053, therefore market value is not applicable. Our valuation is on investment value basis. For the Group's management reference, should the Company be granted freely transferable land use rights and building ownership of the property, the market value for such portion as at 30 June 2021 would be RMB535,000,000 (70.11% interest attributable to the Group: RMB375,088,500).

(11) Property No. II-17 Wuhan Capital Outlets:

According to the Real Estate Ownership Certificate, the property is subject to sales restrictions and shall not be sold until 12 January 2056, therefore market value is not applicable. Our valuation is on investment value basis. For the Group's management reference, should the Company be granted freely transferable land use rights and building ownership of the property, the market value for such portion as at 30 June 2021 would be RMB775,000,000 (69.41% interest attributable to the Group: RMB537,927,500).

(12) Property No. II-19 Nanchang Capital Outlets:

According to the Grant Contract of Land Use Rights, the property is subject to sales restrictions and shall not be sold until 22 August 2055, therefore market value is not applicable. Our valuation is on investment value basis. For the Group's management reference, should the Company be granted freely transferable land use rights and building ownership of the property, the market value for such portion as at 30 June 2021 would be RMB758,000,000 (70.11% interest attributable to the Group: RMB531,433,800).

(13) Property No. II-20 Fangshan Capital Outlets:

According to the Grant Contract of Land Use Rights and Supplementary agreement, the property is subject to sales restrictions and shall not be sold or transferred until 5 April 2050. Therefore, market value is not applicable. Our valuation is on investment value basis. For the Group's management reference, should the Company be granted freely transferable land use rights and building ownership of the property, the market value for such portion as at 30 June 2021 would be RMB2,804,000,000 (70.11% interest attributable to the Group: RMB1,965,884,400).

## Group III – Completed properties held for owner operation in the PRC as at 30 June 2021

Property No./Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	GFA <sup>(1)</sup> (sq m)	Completion date	No. of car parking spaces	Market value <sup>(2)</sup> in existing state as at the Valuation Date (RMB)	Interest attributable to the Group (%)	Market value <sup>(2)</sup> in existing state attributable to the Group as at the Valuation Date (RMB)
III-1	International Peninsula, Fenggang Road, Wuqing District, Tianjin	Tianjin	Wuqing	Commercial	13 Jun 2052	Commercial	4,704	2015	N/A	37,000,000	100%	37,000,000
III-2	Portions of Jinze Plaza, No. 2 Guangningbo Street, Xicheng District, Beijing	Beijing	Xicheng	Comprehensive	30 Jul 2052	Office	3,737	2004	N/A	234,000,000	100%	234,000,000
III-3	Portions of Pinggu Daxing Village Project, Daxing Village, Pinggu District, Beijing	Beijing	Pinggu	Commercial	23 Feb 2054	Commercial	1,000	2016	N/A	10,800,000	87.51%	9,451,080
	Total									281,800,000		280,451,080

Notes:

(1) All areas are stated in approximations.

(2) All values are stated in approximations.

Group IV – Properties held under development in the PRC as at 30 June 2021

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	Contract of Land Use Rights	Stare decisis <sup>4</sup> (sq m)	Stare decisis <sup>4</sup> (sq m)	Planned GFA <sup>10</sup> (sq m)	Date of commencement of construction	Scheduled completion date of construction	No. of car parking spaces	Present GFA <sup>11</sup> (sq m)	Present consideration (RMB Million)	Construction cost incurred (RMB Million)	Construction cost to be incurred (RMB Million)	Development value <sup>3</sup> as at the end of completed Valuation Date (RMB Million)	Market value <sup>3</sup> in existing state as at the Valuation Date (RMB)	Interest attributable to the Group (%)	Market value <sup>3</sup> attributable to the Group as at the Valuation Date (RMB)	Investment value <sup>3</sup> in existing state as at the Valuation Date (RMB)	Investment value <sup>4</sup> attributable to the Group as at the Valuation Date (RMB)
IV-1 <sup>18</sup>	Phase 2 and later development of Phase 1 and Phase 2 of Xinye Bay North side of Lianxing Road, Liji Town, Wanning, Hainan Province	Hainan Capital Outside Real Estate Co., Ltd.	Wanning	Liji Town	Residential	31 Feb 2084	Residential	73,080	73,080	34,130	NA	2018	5 Feb 2022	NA	NA	NA	91	37	379	231,000,000	100%	231,000,000	NA	NA
IV-2 <sup>18</sup>	Capital Land Business Tower, Minshi Street, Longshu District, Shenzhen, Guangdong Province	Shenzhen Shuanghai Real Estate Development Co., Ltd.	Shenzhen	Longshu	Commercial	27 Jun 2057	Apartment, Commercial, Office	5,519	5,519	62,415	NA	2018	1 Apr 2022	NA	882	61	88	202	2,816	2,382,000,000	100%	2,382,000,000	NA	NA
IV-3 <sup>18</sup>	Foshan Xi Yuhua, Xiangyang Sattima West Industry Area, Shikou Town, Nankai District, Foshan, Guangdong Province	Foshan Shuanghai Real Estate Development Co., Ltd.	Foshan	Nankai	Residential, Commercial	2 Apr 2058 and 12 Aug 2088	Residential, Commercial, Carpark	25,001	31,015 <sup>19</sup>	91,883	465	2019	25 Sep 2021	465	42,888	666	204	135	1,212	924,000,000	100.000%	924,000,000	NA	NA
IV-4 <sup>18</sup>	Xianhu Garden, Wuyue Road, Shikou Town, Nankai District, Foshan, Guangdong Province	Foshan Shuanghai Real Estate Development Co., Ltd.	Foshan	Nankai	Residential, Commercial	11 Feb 2059 and 11 Feb 2089	Residential, Commercial, Carpark	64,545	64,545	227,398	1,408	2019	30 Dec 2022	1,408	82,371	1,701	264	397	3,121	1,812,000,000	100%	1,812,000,000	NA	NA
IV-5 <sup>18</sup>	Landmark Hotel, the intersection of Bohou Road and Xuyi Road, Wangzhan Town, Dazhou, Guangdong Province	Dazhou Shuanghai Real Estate Development Co., Ltd.	Dazhou	Wangzhan Town	Residential, Commercial	19 Aug 2059 and 13 Jan 2089	Residential, Carpark	38,396	38,396	140,402	979	2019	30 Jun 2022	979	89,825	1,977	223	335	2,100	1,315,000,000	100%	1,315,000,000	NA	NA
IV-6 <sup>18</sup>	under-development premises of Happiness Mountain Mansion, Zenggang Street, Shuang Road, Zenggang District, Guangdong, Guangdong Province	Guangzhou Hing Real Estate Development Co., Ltd.	Guangzhou	Zenggang	Residential, Commercial	16 May 2058 and 16 Mar 2088	Residential, Commercial, Carpark	40,778	40,778	76,569	1,084	2018	30 Nov 2022	1,084	NA	NA	89	6	1,124	887,000,000	51%	482,700,000	NA	NA
IV-7 <sup>18</sup>	Premises of Xianhu Lake, No. 883 Tianji South Avenue, Tianjin District, Chengde, Sichuan Province	Chengde Capital Huarui Real Estate Co., Ltd.	Chengde	Tianjin District	Residential, Commercial	01 Apr 2058 and 01 Aug 2088	Commercial, Villa	48,322	48,322	12,578	NA	2018	1 Jun 2021	NA	682	16	291	11	320	246,000,000	100%	246,000,000	NA	NA
IV-8 <sup>18</sup>	Xianhu Shichuan, No. 155 Chengde West 6th Road, Chengde District, Chengde, Sichuan Province	Chengde Shuanghai Huanxing Real Estate Co., Ltd.	Chengde	Qingyang	Residential	09 Sep 2089	Residential, Carpark	48,437	48,437	123,084	685	2020	15 Oct 2021	685	64,661	1,583	343	490	2,274	1,675,000,000	100%	1,675,000,000	NA	NA

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	Land Use Rights Contract of Use Rights	Starex <sup>4</sup> (sqm)	Starex <sup>4</sup> (sqm)	Planned GFA <sup>10</sup> (sqm)	Date of commencement of construction	Scheduled completion date of construction	No. of parking spaces	Pre-set GFA <sup>10</sup> (sqm)	Pre-set consideration (RMB Million)	Construction cost incurred (RMB Million)	Construction cost to be incurred (RMB Million)	Development value <sup>3</sup> as at the end of completed construction (RMB Million)	Market value <sup>3</sup> in existing state as at the Valuation Date (RMB)	Interest attributable to the Group (%)	Market value <sup>3</sup> attributable to the Group as at the Valuation Date (RMB)	Investment value <sup>3</sup> in existing state as at the Valuation Date (RMB)	Investment value <sup>4</sup> in existing state attributable to the Group as at the Valuation Date (RMB)
IV-1 <sup>13</sup>	Yiya Western Mansion, Yingyue Village, Shanghai District, Shanghai	Chongqing Shuangyue Technology Development Co., Ltd.	Chongqing	Shapingba	Residential, Commercial, Office, Carpark	2 Aug 2009 to 2 Aug 2087	Residential, Commercial, Office, Carpark	164,738	164,738	370,994	2017	31 Dec 2021	3,463	91,865	1,156	201	984	3,232	1,694,000,000	100%	1,694,000,000	N/A	N/A	
IV-10 <sup>14</sup>	Grand Canal Mansion (No. 2)1, Fuli Road, Hebei District, Tianjin	Tianjin Xinguo Jiaoguo Real Estate Co., Ltd.	Tianjin	Hebei	Commercial	2 Sep 2014	Commercial, Office, Carpark	30,815	30,815	202,620	2017	30 Apr 2026	974	56,234	1,257	1,663	539	3,315	1,753,000,000	100%	1,753,000,000	N/A	N/A	
IV-11 <sup>15</sup>	Capitol Land City, Beiguan Road, Jinan District, Tianjin	Tianjin Xinguo Jiaoguo Real Estate Co., Ltd.	Tianjin	Jinan	Commercial	8 Aug 2013	Commercial, Service Apartment	124,426	11,156 <sup>6</sup>	28,889	2021	30 Jun 2023	N/A	N/A	15	176	339	954,000,000	100%	954,000,000	N/A	N/A		
IV-12 <sup>16</sup>	Capitol Horizon Jinchui Road, Hebei District, Tianjin	Tianjin T1 Metro MTR Construction Co., Ltd.	Tianjin	Hebei	Residential, Commercial	9 Dec 2015 and 9 Dec 2015	Residential, Commercial, Carpark	41,501	41,501	116,345	2019	30 Jun 2023	1,663	29,851	1,142	2,469	890	4,421	3,947,000,000	100%	3,947,000,000	N/A	N/A	
IV-13 <sup>17</sup>	Xianfu Garden Northside of the Intersection of Xingyue Road and Tianjin Road, Heilongjiang District, Tianjin	Tianjin Xinguo Jiaoguo Real Estate Co., Ltd.	Tianjin	Heilongjiang	Residential, Commercial, Carpark	6 Dec 2007	Residential, Commercial, Carpark	38,704	38,704	80,000	2019	30 Mar 2022	683	N/A	2,352	273	3,338	2,941,000,000	100%	2,941,000,000	N/A	N/A		
IV-14 <sup>18</sup>	Yiya Green Mansion, Jinnang Dao, Jinan District, Tianjin	Tianjin Xinguo Jiaoguo Real Estate Co., Ltd.	Tianjin	Jinan	Residential, Public Utility	7 Oct 2009 and 7 Oct 2009	Residential, Commercial, Carpark	86,088	86,088	244,933.36	2020	30 Apr 2022	1,229	22,485	45	2,492	738	3,490	2,566,000,000	100%	2,566,000,000	N/A	N/A	
IV-15 <sup>19</sup>	Tianjin Wuyang Project Site 410 West of Shiyuan Road, Wuyang District, Tianjin	Tianjin Wuyang Real Estate Co., Ltd.	Tianjin	Wuyang	Residential	09 Dec 2009	Residential	27,195	27,195	43,312	2020	30 Jun 2022	300	64,570	17,397	48	202	731	410,000,000	100%	410,000,000	N/A	N/A	
IV-16 <sup>20</sup>	Xianfu Mountain & River, Tianjin Road, Nantou District, Chongqing	Chongqing Shuangyue Real Estate Co., Ltd.	Chongqing	Nantou	Residential	12 Mar 2008	Residential, Carpark	95,992	95,992	107,052	2019	03 Sep 2020	178	N/A	N/A	311	1,442	1,059,000,000	100%	1,059,000,000	N/A	N/A		
IV-17 <sup>21</sup>	Xi He Chun Xuan Shuyuan Road, Wuyang District, Tianjin	Tianjin Xianfu Real Estate Co., Ltd.	Tianjin	Wuyang	Residential	27 Feb 2008	Residential	145,341	145,341	198,615	2019	31 Dec 2025	N/A	N/A	N/A	3,394	1,067	3,610	2,258,000,000	50%	1,104,000,000	N/A	N/A	
IV-18 <sup>22</sup>	Yiyue City Town, South Side of Yangjiu Highway, Dongli District, Tianjin	Tianjin Xianfu Real Estate Co., Ltd.	Tianjin	Dongli	Residential, Commercial	08 Jun 2008 and 18 Jun 2018	Residential, Commercial, Carpark	271,830	271,830	70,566	2021	30 May 2023	300	N/A	N/A	337	444	888	351,000,000	40%	140,800,000	N/A	N/A	
IV-19 <sup>23</sup>	Xianfu Central II, Tianjin Road, Xingyue District, Tianjin	Tianjin Bai Lin Real Estate Co., Ltd.	Tianjin	Xingyue	Residential	8 Oct 2007	Residential	41,175	41,175	49,005	2018	31 Dec 2022	N/A	N/A	N/A	808	141	1,065	429,000,000*	50%	214,500,000	32,000,000*	191,000,000	
IV-20 <sup>24</sup>	Xi He Kun Tian Gezhuo Road, Wuyang District, Tianjin	Tianjin Xianfu Real Estate Co., Ltd.	Tianjin	Wuyang	Residential	27 Feb 2008	Residential	132,169	132,169	194,009	2018	30 Apr 2025	1,134	N/A	N/A	3,392	945	3,468	2,333,000,000	50%	1,163,900,000	N/A	N/A	
IV-21 <sup>25</sup>	Yiya Spring Mansion, Jiaoguan Street, Pingliang District, Kunming, Yunnan Province	Kunming Shuangyue Real Estate Development Co., Ltd.	Kunming	Pingliang	Residential, Commercial, Carpark	01 Nov 2013	Residential, Commercial, Carpark	58,687	58,687	154,416	2019	29 Jun 2022	2,009	109,288	1,236	491	3,469	3,454,000,000	100%	2,454,000,000	N/A	N/A		

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	Contract of Land Use Rights	Starex <sup>0</sup> (sq m)	Starex <sup>0</sup> (sq per State-owned Land Use Rights Certificate)	Planned GFA <sup>10</sup> (sq m)	Date of commencement of construction	Scheduled completion date of construction	No. of construction spaces	Pre-sale GFA <sup>11</sup> (sq m)	Pre-sale consideration (RMB Million)	Construction cost incurred (RMB Million)	Construction cost to be incurred (RMB Million)	Development value <sup>12</sup> as of completed (RMB Million)	Market value <sup>13</sup> as at the Valuation Date (RMB)	Interest attributable to the Group (RMB)	Market value <sup>13</sup> attributable to the Group as at the Valuation Date (RMB)	Investment value <sup>14</sup> in existing state as at the Valuation Date (RMB)	Investment value <sup>15</sup> in existing state as at the Valuation Date (RMB)	Investment value <sup>16</sup> in existing state attributable to the Group as at the Valuation Date (RMB)
IV-21 <sup>04</sup>	Shouhang Yishi Feiguan, Chengde Road, Wuzhen District, Xiaogan, Hubei Province	Xiaogan Shouyi Kangde Real Estate Development Co., Ltd.	Xiaogan	Xiaogan	Commercial, Residential, Public facilities	1 Apr 2009 to 1 Apr 2089	Residential, Commercial	16,706	16,706	52,805	2019	15 Dec 2021	407	18,112	890	1,907	216	1,418	1,200,000,000	65%	780,000,000	N/A	N/A	N/A	
IV-21 <sup>05</sup>	Buwan of Future City, Xuewang Street, Guandui District, Kunming, Yunnan Province	Kunming Xintian Shouhui Real Estate Co., Ltd.	Kunming	Guandui	Residential	7 Jul 2009	Residential, Commercial, Cerpuk	27,625	27,625	156,116	2020	30 Nov 2022	995	42,888	781	179	518	2,073	1,065,000,000	48.85%	553,341,000	N/A	N/A		
IV-21 <sup>06</sup>	Xiaonan W. Bei Feiguan, Chengde Road, Wuzhen District, Xiaogan, Hubei Province	Xiaogan Shouyi Kangde Real Estate Co., Ltd.	Xiaogan	Xiaogan	Commercial, Residential	11 Jun 2009 and 11 Jun 2009	Residential, Commercial	31,042	31,042	101,202	2019	15 Oct 2022	808	34,219	1,088	2,022	537	2,704	2,050,000,000	100%	2,050,000,000	N/A	N/A		
IV-21 <sup>07</sup>	Jin Ba Jiang Sun, Jinghui Avenue, Development Zone, Wuhan, Hubei Province	Wuhan Rongshuo Xinchang Investment Development Co., Ltd.	Wuhan	Development Zone	Residential, Commercial	12 Mar 2009 and 12 May 2009	Residential, Commercial, Office, Apartment, Cerpuk	66,777	66,777	1,656,112	2020	30 Dec 2023	12,677	44,894	3,720	929	7,714	19,145	3,199,000,000	48.4%	4,052,366,000	N/A	N/A		
IV-26 <sup>04</sup>	Pkc 20191015 of Sixue Road, Pingguan Avenue, Pingguan District, Xuyi, Hubei Province	Hebei Rongshuo Xinchang Cultural Tourism Real Estate Co., Ltd.	Xuyi	Pingguan	Residential, Commercial	13 Apr 2009 to 13 Apr 2090	Residential, Commercial, Cerpuk	58,042	58,042	1,433,054	2020	30 Dec 2024	10,827	148,266	886	464	4,879	9,159	2,065,000,000	40%	826,000,000	N/A	N/A		
IV-27 <sup>04</sup>	Pkc 20191015 of Sixue Road, Pingguan Avenue, Pingguan District, Xuyi, Hubei Province	Hebei Rongshuo Xinchang Cultural Tourism Development Co., Ltd.	Xuyi	Pingguan	Commercial	13 Apr 2009	Commercial, Cerpuk	201,797	201,797	147,446	2020	15 Oct 2022	214	N/A	N/A	105	672	N/A <sup>17</sup>	452,000,000	40%	192,800,000	N/A	N/A		
IV-28 <sup>04</sup>	Peiwan of World Department, Biboqiao Street, Guandui District, Kunming, Yunnan Province	Yunnan Duanqi Real Estate Development Co., Ltd.	Kunming	Guandui	Residential	27 Jan 2009	Residential, Cerpuk	109,207	109,207	457,629	2020	30 Sep 2022	2,710	98,886	779	357	923	2,774	1,071,000,000	49%	524,790,000	N/A	N/A		
IV-29 <sup>04</sup>	Yongjin Plaza, Jinghui Avenue, Development Zone, Wuhan, Hubei Province	Wuhan Rongshuo Xinchang Investment Development Co., Ltd.	Wuhan	Development Zone	Commercial, Residential	22 Jun 2009 to 22 Jun 2090	Residential, Apartment, Commercial, Cerpuk	123,987	123,987	463,316	2021	30 Jun 2025	2,089	N/A	N/A	21	1,459	3,225	880,000,000	48.4%	434,200,000	N/A	N/A		
IV-30 <sup>04</sup>	Peiwan of Xuyi Star View, Beicun Road, Tiesi District, Shenyang, Liaoning Province	Shenyang Jinyang Real Estate Co., Ltd.	Shenyang	Tiesi	Commercial	24 Jun 2009	Residential, Commercial, Cerpuk	32,318	32,318	98,062	2019	30 Oct 2021	534	13,855	278	1,022	285	1,207	1,105,000,000	100%	1,105,000,000	N/A	N/A		



Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	Land Use Rights Contract of Use Rights	State-owned Land Use Rights Certificate	Planned GFA <sup>(1)</sup> (sq m)	Date of commencement of construction	Scheduled completion date of construction	No. of parking spaces	Pre-sale GFA <sup>(2)</sup> (sq m)	Pre-sale consideration (RMB Million)	Construction cost incurred (RMB Million)	Construction cost to be incurred (RMB Million)	Development value <sup>(3)</sup> as of completed (RMB Million)	Market value <sup>(3)</sup> in existing state as at the Valuation Date (RMB)	Interest attributable to the Group (%)	Market value <sup>(3)</sup> attributable to the Group as at the Valuation Date (RMB)	Investment value <sup>(3)</sup> in existing state as at the Valuation Date (RMB)	Investment value <sup>(4)</sup> attributable to the Group as at the Valuation Date (RMB)
IV-21 <sup>(6)</sup>	Xinye Sky & Sea, North of Cagan Road, Liang District, Qingdao, Shandong Province	Qingdao Caghai Weige Real Estate Development Co., Ltd.	Qingdao	Liang	Residential, Commercial, Basement carpark	23 Aug 2018 to 23 Aug 2088	Residential, Commercial, Carpark, Office	23,219	23,219	112,424	2020	30 Sep 2022	347	16,546	236	166	231	1,077	62,300,000 <sup>(6)</sup>	100%	62,300,000	25,000,000 <sup>(6)</sup>	25,000,000
IV-22 <sup>(6)</sup>	Xinye Wisdom Mansion, No. 866 Weifang Road, Jimo District, Qingdao, Shandong Province	Qingdao Shunhai Investment Development Co., Ltd.	Qingdao	Jimo	Residential, Commercial	16 Aug 2009 to 16 Aug 2097	Residential, Commercial, Carpark, Availability	17,049	17,049	371,660	2020	30 Jun 2023	2,717	19,402	207	25	54	3,237	1,310,000,000 <sup>(6)</sup>	100%	1,310,000,000	N/A	N/A
IV-23 <sup>(6)</sup>	Danoch center, No. 8 Jiaojiang East Street, Jiangpu District, Nanjing, Jiangsu Province	Nanjing Aidi Xinke Business Management Co., Ltd.	Nanjing	Jiangpu	Commercial	24 Nov 2000	Apartment, Office, Commercial, Carpark	53,532	53,532	330,696	2011	14 Feb 2024	1,997	N/A	N/A	118	1,400	4,299	1,236,000,000 <sup>(6)</sup>	75%	927,000,000	444,000,000 <sup>(6)</sup>	225,000,000
IV-24 <sup>(6)</sup>	Beijing Pinggu Jinhai Lake Huahang Village 1 Project, Huahang Village, Jinhai Lake, Pinggu District, Beijing	Beijing Taihangyuan Real Estate Co., Ltd.	Beijing	Pinggu	Commercial, Office	8 Mar 2018 and 8 Mar 2018	Residential, Commercial, Hotel, Carpark	176,100	176,100	230,892	2019	30 Aug 2022	1,188	N/A	N/A	302	628	3,498	1,786,000,000	100%	1,786,000,000	N/A	N/A
IV-25 <sup>(6)</sup>	Xiamen Capital Outlets, Southwest of the intersection of Beijingping Street and Xuanhuang Road, Xiang'an District, Xiamen, Fujian Province	Xiamen Capital Outlets Business Management Co., Ltd.	Xiamen	Xiang'an	Commercial	11 Dec 2018	Residential, Commercial, Office, Carpark	55,657	55,657	124,666	2019	1 Mar 2022	91	N/A	N/A	391	206	1,106	N/A <sup>(6)</sup>	70.11%	N/A	740,000,000 <sup>(6)</sup>	528,123,900
IV-26 <sup>(6)</sup>	Peterson of Nanjing Capital Outlets, No. 486 Anlin Road, Xingqian District, Nanjing, Jiangsu Province	Nanjing Capital Outlets Real Estate Co., Ltd.	Nanjing	Xiangqian	Comprehensive	14 Sep 2018 and 14 Sep 2018	Commercial, Carpark	101,974	101,974	145,453	2019	31 Aug 2021	1,487	N/A	N/A	571	90	1,029	N/A <sup>(6)</sup>	70.11%	N/A	930,000,000 <sup>(6)</sup>	632,023,000
IV-27 <sup>(6)</sup>	Qingdao Capital Outlets, South of Nanyi Lu, Yim Road, North of Tantai Road, Govan District, Qingdao, Shandong Province	Qingdao Capital Outlets Business Management Co., Ltd.	Qingdao	Govan	Commercial	19 Jun 2018	Commercial	93,972	93,972	97,598	2019	30 Oct 2021	816	N/A	N/A	236	23	944	664,000,000	70.11%	465,500,000	N/A	N/A
IV-28 <sup>(6)</sup>	Beijing Pinggu Jinhai Lake World Leisure Congress Project, Jinhai Town, Pinggu District, Beijing	Beijing Pinggu Culture Leisure Congress Project, Jinhai Town, Pinggu District, Beijing	Beijing	Pinggu	Recreation, Carpark	24 Jun 2018	Conference Center	48,800	48,800	65,680	2018	11 Feb 2021	N/A	N/A	N/A	206	22	N/A <sup>(6)</sup>	953,000,000	49%	466,670,000	N/A	N/A
IV-29 <sup>(6)</sup>	Beijing Pinggu Jinhai Lake Huahang Village Southwest B Project, Jinhai Town, Pinggu District, Beijing	Beijing Pinggu Changqian Real Estate Co., Ltd.	Beijing	Pinggu	Residential, Commercial, Basement	18 Apr 2019 to 18 Apr 2089	Residential, Commercial, Carpark, Underground Storage	133,408	133,408	246,084.61	2019	4 May 2024	845	16,312	365	98	992	3,120	1,645,000,000	49%	806,680,000	N/A	N/A

APPENDIX II

PROPERTY VALUATION REPORT

Property No.	Property name	Holding entity	City	District	Land use	Expire date of land use term	Type of property	Land Use Rights Contract of Use Rights (sq m)	Starex <sup>4</sup> (sq m)	Starex <sup>4</sup> (sq m)	Planned GFA <sup>10</sup> (sq m)	Date of commencement of construction	Scheduled completion date of construction	No. of parking or parking spaces	Pre-sale GFA <sup>10</sup> (sq m)	Pre-sale consideration (RMB Million)	Construction cost incurred (RMB Million)	Construction cost to be incurred (RMB Million)	Development cost of completed as at the Valuation Date (RMB Million)	Market value <sup>3</sup> as at the Valuation Date (RMB)	Interest attributable to the Group (%)	Market value <sup>3</sup> attributable to the Group as at the Valuation Date (RMB)	Investment value <sup>3</sup> in existing state as at the Valuation Date (RMB)	Investment value <sup>4</sup> in existing state attributable to the Group as at the Valuation Date (RMB)
IV-40 <sup>16</sup>	Xiya Western Mansion, Xiang Village, Shijingshan District, Beijing	Beijing Yuchang Real Estate Development Co., Ltd.	Beijing	Shijingshan	Residential, Commercial, Basement	11 Mar. 2016 to 11 Mar. 2069	Residential, Commercial, Cpnrk, Underground Storage	45,644	45,644	119,824	6,633	2019	1 Oct. 2022	1,435	119,824	6,633	208	649	7,380	6,327,000,000	49%	3,080,800,000	N/A	N/A
IV-41 <sup>16</sup>	Beijing Pinggu Jintai Lake Huazhong Village Middle B Project, No. 13 Huanqiangbei Street, Pinggu District, Beijing	Beijing Jintai Changyuan Real Estate Co., Ltd.	Beijing	Pinggu	Residential	18 Aug. 2009	Residential, Underground Storage, Cpnrk	33,643	33,643	N/A	N/A	2011	30 Dec. 2022	783	N/A	N/A	13	349	1,435	994,000,000	23%	339,000,000	N/A	N/A
IV-42 <sup>16</sup>	Kaixuan Western Mansion, Xihuang Village, Shijingshan District, Beijing	Beijing Jingrun Real Estate Co., Ltd.	Beijing	Shijingshan	Residential, Commercial, Cpnrk	1 Mar. 2009 to 1 Mar. 2099	Residential, Office, Commercial, Basement, Cpnrk	33,379	33,379	193,446	N/A	2011	27 Feb. 2024	1,439	N/A	N/A	8	1,108	6,109	3,391,000,000	57%	1,932,800,000	N/A	N/A
IV-43 <sup>16</sup>	Xianlu Taku Villa (Xianlu, North of Jinhai Avenue, Jintan Lake Resort, Wangfujing District, Hubei, Zhejiang Province)	Zhejiang Hubei Real Estate Development Co., Ltd.	Hubei	Wangfujing	Residential, Commercial	10 Aug. 2010 and 10 Aug. 2008	Residential, Commercial, Cpnrk	34,535	145,153 <sup>10</sup>	87,282.3	78,251	2019	15 Nov. 2021	96	78,251	1,714	423	370	1,453	961,000,000	100%	961,000,000	N/A	N/A
IV-44 <sup>16</sup>	Perkins of Asia Star The D., Jinqiang Road, Development Zone District, Kunshan, Jiangsu Province	Kunshan Capital Minxin Real Estate Co., Ltd.	Kunshan	Development Zone	Residential, Commercial	17 Nov. 2002 and 17 Nov. 2002	Residential, Commercial	107,428	107,428	106,437	N/A	2019	1 Apr. 2022	N/A	N/A	N/A	482	1,129	2,129	611,000,000	100%	611,000,000	N/A	N/A
IV-45 <sup>16</sup>	Perkins of Tianyu Riverside, Haimin Road, Yangpu District, Shanghai	Shanghai Shouping Investment Co., Ltd.	Shanghai	Yangpu	Residential, Commercial	1 Oct. 2016 and 1 Oct. 2005	Residential, Commercial, Cpnrk	32,359	32,359	51,549	32,359	2016	1 Sep. 2022	81	N/A	N/A	89	48	2,439	1,402,000,000	100%	1,402,000,000	N/A	N/A
IV-46 <sup>16</sup>	Capital Land Xiyue No. 281 line of Dabun Road, Yangang Street, Qipeng District, Shanghai	Shanghai Shouping Investment Co., Ltd.	Shanghai	Qipeng	Residential	25 Dec. 2007	Residential, Cpnrk	30,250	30,250	81,181	45,845	2018	30 Nov. 2021	517	45,845	1,966	307	152	2,547	2,544,000,000	100%	2,544,000,000	N/A	N/A
IV-47 <sup>16</sup>	Capital Land Xiyue No. 77 line of Zhongjiao Road, Yangpu Street, Qipeng District, Shanghai	Shanghai Lingrun Real Estate Co., Ltd.	Shanghai	Qipeng	Residential	5 Nov. 2007	Residential, Cpnrk	14,491	14,491	41,377	69	2018	30 Feb. 2021	382	22,640	89	85	52	1,260	1,260,000,000	100%	1,260,000,000	N/A	N/A
IV-48 <sup>16</sup>	Capital Land Xiyue No. 177 line of Ganpu Road, Yangpu Street, Qipeng District, Shanghai	Shanghai Shouling Real Estate Co., Ltd.	Shanghai	Qipeng	Residential	5 Nov. 2007	Residential, Commercial, Cpnrk	14,909	14,909	20,721	63	2018	30 Apr. 2022	288	15,299	63	98	105	978	844,000,000	100%	844,000,000	N/A	N/A
IV-49 <sup>16</sup>	Xianlu Jiaqian, Qishi Street, Lingpu District, Hangzhou Zhejiang Province	Hangzhou Linsheng Real Estate Co., Ltd.	Hangzhou	Lingpu	Residential	18 Sep. 2008	Residential, Cpnrk	83,997	83,997	214,813	3,794	2018	31 Dec. 2021	1,402	134,382	3,794	387	502	4,026	3,237,000,000	100%	3,237,000,000	N/A	N/A

Property No.	Property name	City	District	Land use	Expiry date of land use term	Type of property	Land Use Rights Contract of Use Rights (sq m)	Squares <sup>6</sup> (sq per Grant)	Squares <sup>6</sup> owned (sq per State-owned Land Use Rights Certificate) (sq m)	Planned GFA <sup>10</sup> (sq m)	Date of commencement of construction	Scheduled completion date of construction	No. of operating spaces	Pre-sale GFA <sup>10</sup> (sq m)	Pre-sale consideration (RMB Million)	Construction cost incurred (RMB Million)	Construction cost to be incurred (RMB Million)	Development value <sup>3</sup> as of completed (RMB Million)	Market value <sup>3</sup> in existing state as of the Valuation Date (RMB)	Interest attributable to the Group (%)	Market value <sup>3</sup> in existing state as of the Valuation Date (RMB)	Investment value <sup>3</sup> in existing state as of the Valuation Date (RMB)	Investment value <sup>6</sup> in existing state attributable to the Group as of the Valuation Date (RMB)
IV-50 <sup>14</sup>	Ming Huan09-04, No. 26 Lane of Ming Road, Minhang District, Shanghai	Shanghai	Minhang	Residential	27 Oct. 2039	Residential, Commercial	14,602	14,602	35,927	24,063	1,536	84	18	1,184,000,000	100%	1,184,000,000	N/A	N/A					
IV-51 <sup>14</sup>	Beina, No. 685 Fubang Street, Zhongnong Road, Kunshan, Jiangsu Province	Kunshan	Zhongnong Road	Residential	30 Oct. 2038	Residential	68,114	68,114	220,400	79,201	1,190	370	704	2,240,000,000	100%	2,240,000,000	N/A	N/A					
IV-52 <sup>14</sup>	Xianli Property Quak, 40-1 Land, Xinchang Town, Putong District, Shanghai	Shanghai	Putong	Residential	27 Oct. 2036	Residential, Commercial, Commercial	54,887	54,887	80,831	80,831	N/A	41	23	2,616,309,100,000	50%	1,045,800,000	N/A	N/A					
IV-53 <sup>14</sup>	Mengde, Yuan west plot, New city center, Ninghai District, Ningbo Zhejiang Province	Ningbo	Ninghai	Residential, Commercial	5 May 2039 and 5 May 2039	Residential, Commercial, Commercial	48,361	48,361	148,163	103,811	1,239	28	20	1,279,000,000	55%	703,800,000	N/A	N/A					
IV-54 <sup>14</sup>	Tangyuanjiaojia Ekt, Gulinan Road, Gongshu District, Hangzhou, Zhejiang Province	Hangzhou	Gongshu	Residential	1 Apr. 2039 and 1 Apr. 2039	Residential, Residential, Commercial	40,488	40,488	144,074	94,885	3,172	61	29	3,306,331,000,000	36%	1,191,600,000	N/A	N/A					
IV-55 <sup>14</sup>	Jiangyin Jushan Bei Dong Lu Road, Project No. 166 Hongqiang Road, Changshu District, Jiangyin, Jiangsu Province	Jiangyin	Changshu	Residential, Commercial	30 Oct. 2030 to 23 Oct. 2030	Residential, Commercial, Commercial	90,491	90,491	300,776	5,384	81	66	82	1,544,000,000	80%	1,235,200,000	N/A	N/A					
IV-56 <sup>14</sup>	Xi'er First City, Weijiang Road, Economic/Techological Development Area, Xian, Shaanxi Province	Xi'an	Economic/Techological Development Area	Comprehensive	13 Nov. 2037	Office, Commercial, Hotel, Underground parking	353,345	353,345	294,447	8,261	103	513	839	1,174,000,000	70.11%	823,001,400	N/A	N/A					
IV-57 <sup>14</sup>	No. 1 (Qing Yuan Road Project), Xinghua Street, Donging District, Beijing	Beijing	Donging	Commercial	27 May 2036 and 27 May 2036	Commercial, Office	33,620	33,620	221,332	N/A	N/A	28	80	4,687,000,000	100%	4,687,000,000	N/A	N/A					
IV-58 <sup>14</sup>	Perenos of Xianlu Villa, Zhaoqingyuan Town Baicao Village, Shunyi District, Beijing	Beijing	Shunyi	Residential, Commercial, Basement	11 May 2034 to 11 May 2034	Residential, Commercial, Commercial	104,245	104,245	50,075	N/A	N/A	N/A	573	399,000,000	100%	399,000,000	N/A	N/A					
IV-59 <sup>14</sup>	Perenos of Lakeside Villa, Min Road, Miyun District, Beijing	Beijing	Miyun	Residential, Commercial, Basement	23 Jan. 2036 to 23 Jan. 2036	Residential, Commercial, Commercial	334,655	334,655	153,944	3,299	113	82	73	388,000,000	100%	388,000,000	N/A	N/A					

Property No.	Property name	Holding entity	City	District	Land use	Expiry date of land use term	Type of property	Land Use Rights Contract of Use Rights	State <sup>4</sup> (as per State-owned Land Use Rights Certificate)	Planned GFA <sup>10</sup> (sq m)	Date of commencement of construction	Scheduled completion date of construction	No. of car parking spaces	Pre-sale GFA <sup>10</sup> (sq m)	Pre-sale consideration (RMB Million)	Construction cost incurred (RMB Million)	Construction cost to be incurred (RMB Million)	Development value <sup>3</sup> as of completed Valuation Date (RMB Million)	Market value <sup>3</sup> as of the Valuation Date (RMB)	Interest attributable to the Group (%)	Market value <sup>3</sup> attributable to the Group as of the Valuation Date (RMB)	Investment value <sup>3</sup> in existing state as of the Valuation Date (RMB)	Investment value <sup>3</sup> attributable to the Group as of the Valuation Date (RMB)	Investment value <sup>4</sup> in existing state attributable to the Group as of the Valuation Date (RMB)
IV-40 <sup>18</sup>	Palace of Great Harmony, Huangji Road, Yizhihai Town, Dongjiedistrict, Beijing	Beijing Yuanhang Jingmao Real Estate Co., Ltd.	Beijing	Dongjue	Residential	10 Sep. 2007	Residential, Commercial, Carpark, Basement storage	61,211	61,211	172,458	2018	31 Dec. 2021	1,223	N/A	N/A	642	508	4,569	3,992,000,000	30%	1,167,000,000	N/A	N/A	N/A
IV-41 <sup>18</sup>	Xianlu Yuanhua, Keshang No. 11 Street, Yizhuang District, Beijing	Beijing Chuangyan Yichang Real Estate Co., Ltd.	Beijing	Yizhuang	Residential, Carpark, Basement storage	21 Aug. 2007 to 21 Aug. 2007	Residential, Carpark, Basement storage	71,150	71,150	40,653	2018	31 Dec. 2019	N/A	N/A	N/A	25	29	2,144	1,737,000,000	50%	868,800,000	N/A	N/A	N/A
IV-42 <sup>18</sup>	Xuanfeng Ocean Park, Shohu Village, Chuang District, Beijing	Beijing Chuangyan Jingcheng Real Estate Co., Ltd.	Beijing	Chuangyang	Residential, Carpark	11 Feb. 2008 to 11 Feb. 2008	Residential, Commercial, Office, Carpark	90,394	90,394	210,056	2018	31 Dec. 2021	20	164,048	6,877	541	453	9,934	8,772,000,000	50%	4,586,000,000	N/A	N/A	N/A
IV-43 <sup>18</sup>	He Yuan, Wailishan Town, Shunyi District, Beijing	Beijing Yuanhang Chuankai Pension Service Co., Ltd.	Beijing	Shunyi	Residential, Personnel estate	14 Feb. 2005	Personnel estate	56,002	56,002	40,001	2019	31 Dec. 2021	N/A	N/A	N/A	577	107	676	570,000,000	40%	231,200,000	N/A	N/A	N/A
IV-44 <sup>18</sup>	Yunmengjiaquan, Deyuxia Village, Fegou District, Beijing	Beijing Chuangyan Xitao Real Estate Co., Ltd.	Beijing	Fengtai	Residential, Commercial (green industrial) land	11 Aug. 2010 and 11 Aug. 2010	Residential, Commercial, Basement storage	40,470	40,470	108,335	2019	16 Dec. 2022	48	2,164	174	3,153	1,957	5,747	3,298,000,000	85.01%	2,803,629,800	N/A	N/A	N/A
IV-45 <sup>18</sup>	Capital Land Sherry Town, Xialuhe Village, Chuangyang District, Beijing	Beijing Zhongyuan Xinhua Property Management Co., Ltd.	Beijing	Chuangyang	Green industrial land, Education <sup>19</sup>	13 Mar. 2002	Residential, Commercial, Carpark	N/A <sup>18</sup>	48,125	396,158	2019	31 Dec. 2022	1,810	N/A	N/A	296	1,973	5,103 <sup>19</sup>	N/A <sup>18</sup>	40%	N/A	2,438,000,000 <sup>18</sup>	1,194,620,000	
													Total		18,251,400,000		84,039,863,600		4,958,000,000		291,236,900			

Notes:

- (1) All areas are stated in approximations.
- (2) All values are stated in approximations.
- (3) Investment value of certain property interest whereby market value is not applicable.
- (4) Property No. IV-3 Foshan Xi Yue Tai, Xiaotang Sanhuan West Industry Area:

The site area (as per Grant Contract of Land Use Rights) is 25,001 sq m, all of which have been handed over by the government. The site area of the subject (as per State-owned Land Use Rights Certificate) is 24,163 sq m. The subject property with a planned GFA of 91,483 sq m, together with prior completed phases of the development, has been constructed on the abovementioned land.

(5) Property No. IV-11 Capital Land City:

The site area (as per Grant Contract of Land Use Rights) is 123,426 sq m, all of which have been handed over by the government. The site area of the subject (as per State-owned Land Use Rights Certificate) is 11,156 sq m. The subject property with a planned GFA of 28,889 sq m, together with prior completed phases of the development, has been constructed on the abovementioned land.

(6) Property No. IV-19 Xanadu Central II:

According to the Grant Contract of Land Use Rights, the property is subject to sales restrictions and shall not be sold and transferred until 8 October 2087. Therefore, market value is not applicable to such portions. For management reference, should the Company be granted freely transferable land use rights and building ownership of the property, the market value for such portion as at 30 June 2021 would be RMB382,000,000 (50% interests attributable to the Group: RMB191,000,000).

(7) Property No. IV-27 Portions of Sunac Resort:

As the skiing resort under development constitutes part of the entire commercial complex, there is no identifiable sales market of piecemeal components of a commercial complex to facilitate completion value assessment. As such, the valuation method being used comprises land value assessment subject to incurred costs. Therefore, no completion value is provided. However, in assessing the market value of the property, we have assumed an accommodation value of approximately RMB1,505 per sq m.

(8) Property No. IV-31 Xiyue Sky & Sea:

The land use rights of the portions of the property about 5,527.3 sq m are allocate land in nature, the property shall not be sold or transferred. Therefore, market value is not applicable to such portions. For management reference, should the Company be granted freely transferable land use rights and building ownership of the property, the market value for such portion as at 30 June 2021 would be RMB25,000,000 (100% interests attributable to the Group: RMB25,000,000).

(9) Property No. IV-33 Data tech center:

According to the Real Estate Certificate, the property is subject to sales restrictions and shall not be sold and transferred until 24 November 2060. Therefore, market value is not applicable to such portions. For management reference, should the Company be granted freely transferable land use rights and building ownership of the property, the market value for such portion as at 30 June 2021 would be RMB434,000,000 (75% interests attributable to the Group: RMB325,500,000).

(10) Property No. IV-35 Xiamen Capital Outlets:

According to the Grant Contract of Land Use Rights, the property is subject to sales restrictions and shall not be sold and transferred until 12 December 2058. Therefore, market value is not applicable to such portions. For management reference, should the Company be granted freely transferable land use rights and building ownership of the property, the market value for such portion as at 30 June 2021 would be RMB749,000,000 (70.11% interests attributable to the Group: RMB525,123,900).

(11) Property No. IV-36 Portions of Nanning Capital Outlets:

According to the Grant Contract of Land Use Rights, the property is subject to sales restrictions and shall not be sold and transferred until 14 September 2058. Therefore, market value is not applicable to such portions. For management reference, should the Company be granted freely transferable land use rights and building ownership of the property, the market value for such portion as at 30 June 2021 would be RMB930,000,000 (70.11% interests attributable to the Group: RMB652,023,000).

(12) Property No. IV-38 Beijing Pinggu Jinhai Lake World Leisure Congress Project:

As the conference center under development constitutes part of the entire commercial complex, there is no identifiable sales market of piecemeal components of a commercial complex to facilitate completion value assessment. As such, the valuation method being used comprises land value assessment subject to incurred costs. Therefore, no completion value is provided. However, in assessing the market value of the property, we have assumed an accommodation value of approximately RMB6,786 per sq m.

(13) Property No. IV-43 Xanadu Taihu Villa (Xirui):

The site area (as per Grant Contract of Land Use Rights) is 364,535 sq m, all of which have been handed over by the government. The site area of the subject (as per State-owned Land Use Rights Certificate) is 145,153 sq m. The subject property with a planned GFA of 97,126 sq m, together with prior completed phases of the development, has been constructed on the abovementioned land.

(14) Property No. IV-56 Xi'an First City:

The site area (as per State-owned Land Use Rights Certificate) is 54,962 sq m. The subject property with a planned GFA of 294,447 sq m, together with prior completed phases of the development, has been constructed on the abovementioned land. The site area (as per Grant Contract of Land Use Rights) is 355,363 sq m, all of which have been handed over by the government. The site area of the subject (as per State-owned Land Use Rights Certificate) is 54,962 sq m. The subject property with a planned GFA of 294,447 sq m, together with prior completed phases of the development, has been constructed on the abovementioned land.

(15) Property No. IV-65 Capital Land Starry Town:

According to the Real Estate Titleship certificate (Jing 2020 Chao Bu Dong Chan Quan no. 0041597), the land use rights of the property are collective construction land for green industrial land use purpose, which can only be used for the construction of leased housing, no transfer or subletting without approval.

(16) Property No. IV-65 Capital Land Starry Town:

The land use rights of the property are collective construction land in nature, and the government did not sign the Grant Contract of Land Use Rights with the Company.

(17) Property No. IV-65 Capital Land Starry Town:

The value of the property when completed on investment value (non-market value) basis to the Group as at the Valuation date was approximately RMB5,183,000,000.

(18) Property No. IV-65 Capital Land Starry Town:

The land use rights of the property are collective construction land in nature, the property shall not be sold or transferred. Therefore, market value is not applicable to such portions. For management reference, should the Company be granted freely transferable land use rights and building ownership of the property, the market value for such portion as at 30 June 2021 would be RMB2,438,000,000 (49% interests attributable to the Group: RMB1,194,620,000).

(19) Phase 3 and under development Portions of Phase 1 and Phase 2 of Xinyue Bay

According to Planning Permit for Construction Use of Land No. (2017)10 issued on 29 December 2017, the construction site of the development with a total site area of approximately 73,049.65 sq m is in compliance with the urban planning requirements.

According to Planning Permit for Construction Works No. (2017)16 issued on 29 December 2017, the construction works of the development with a total GFA of approximately 81,612.04 sq m is in compliance with the construction works requirements and has been approved. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

According to Permit for Commencement of Construction Works No. 4690062018053001501 issued on 30 May 2018, the construction works of the development with a total GFA of approximately 80,028.16 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(20) Capital Land Business Tower

According to Planning Permit for Construction Use of Land No. LA-2017-0024 issued on 15 August 2017, the construction site of the development with a total site area of approximately 9,518.58 sq m is in compliance with the urban planning requirements.

According to Planning Permit for Construction Works No. LA-2018-0009 issued on 15 May 2018, the construction works of the development with a total GFA of approximately 62,414.70 sq m is in compliance with the construction works requirements and has been approved.

According to Permit for Commencement of Construction Works No. 2018-0490 issued on 21 May 2018 together with other permits, the construction works of the development with a total GFA of approximately 62,414.70 sq m is in compliance with the requirement for works commencement and has been permitted.

(21) Foshan Xi Yue Tai

According to Planning Permit for Construction Use of Land No. 4406052018006639 issued on 25 October 2018, the construction site of the development with a total site area of approximately 25,000.50 sq m is in compliance with the urban planning requirements.

According to Planning Permit for Construction Works No. 440605201900131 issued on 28 January 2019 together with other permits, the construction works of the development with a total GFA of approximately 91,482.72 sq m is in compliance with the construction works requirements and has been approved. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

According to Permit for Commencement of Construction Works No. 440605201903180201-09 issued on 18 March 2019 together with other permits, the construction works of the development with a total GFA of approximately 91,482.72 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(22) Xanadu Garden

According to Planning Permit for Construction Use of Land No. 440605201900147 issued on 09 April 2019, the construction site of the development with a total site area of approximately 74,599.70 sq m is in compliance with the urban planning requirements. As advised by the Group, the property comprises a portion of the site area as stated in the permits mentioned above.

According to Planning Permit for Construction Works No. 440605201900927 issued on 08 August 2019 together with other permits, the construction works of the development with a total GFA of approximately 227,598.36 sq m is in compliance with the construction works requirements and has been approved. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

According to Permit for Commencement of Construction Works No. 440605201908300101-00 issued on 30 August 2019 together with other permits, the construction works of the development with a total GFA of approximately 226,445.03 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(23) Xanadu Mansion

According to Planning Permit for Construction Use of Land No. 2019-05-1002 issued on 30 June 2019, the construction site of the development with a total site area of approximately 38,796.20 sq m is in compliance with the urban planning requirements. As advised by the Group, the property comprises a portion of the site area as stated in the permits mentioned above.

According to Planning Permit for Construction Works No. 2019-05-1016 issued on 09 September 2019 together with other permits, the construction works of the development with a total GFA of approximately 140,401.99 sq m is in compliance with the construction works requirements and has been approved. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

According to Permit for Commencement of Construction Works No. 441900201912230101 issued on 23 December 2019 together with other permits, the construction works of the development with a total GFA of approximately 140,401.99 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(24) Under development portions of Happiness Mountain Mansion

According to Planning Permit for Construction Use of Land No. (2018)252 issued on 08 June 2018, the construction site of the development with a total site area of approximately 40,778.39 sq m is in compliance with the urban planning requirements.

According to Planning Permit for Construction Works No. (2018)3790 issued on 20 September 2018 together with another permit, the construction works of the development with a total GFA of approximately 139,277.00 sq m is in compliance with the construction works requirements and has been approved. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

According to Permit for Commencement of Construction Works No. 440183201810160101 issued on 16 October 2018 together with another permit, the construction works of the development with a total GFA of approximately 139,277.00 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(25) Xanadu Jade

According to Planning Permit for Construction Use of Land No. 510122201822125 issued on 24 August 2018, the construction site of the development with a total site area of approximately 48,322.05 sq m is in compliance with the urban planning requirements.

According to Planning Permit for Construction Works No. 510122201832162 issued on 04 September 2018 together with another permit, the construction works of the development with a total GFA of approximately 673,072.31 sq m is in compliance with the construction works requirements and has been approved. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

According to Permit for Commencement of Construction Works No. 510110201812240501 issued on 24 December 2018 together with other permits, the construction works of the development with a total GFA of approximately 197,834.31 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(26) Xanadu Shine

According to Planning Permit for Construction Use of Land No. 510105201920434 issued on 27 August 2019, the construction site of the development with a total site area of approximately 49,437.43 sq m is in compliance with the urban planning requirements.

According to Planning Permit for Construction Works No. 510105202030032 issued on 15 January 2020, the construction works of the development with a total GFA of approximately 123,184.20 sq m is in compliance with the construction works requirements and has been approved.

According to Permit for Commencement of Construction Works No. 510105202003051001 issued on 05 March 2020, the construction works of the development with a total GFA of approximately 123,184.20 sq m is in compliance with the requirement for works commencement and has been permitted.



(27) Xiyue Wisdom Mansion

According to Planning Permit for Construction Use of Land No. 500106202000010 issued on 16 May 2020, the construction site of the development with a total site area of approximately 164,738.00 sq m is in compliance with the urban planning requirements.

According to Planning Permit for Construction Works No. 500106202000063 issued on 11 August 2020 together with other permits, the construction works of the development with a total GFA of approximately 388,651.36 sq m is in compliance with the construction works requirements and has been approved. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

According to Permit for Commencement of Construction Works No. 500106202011190101 issued on 19 November 2020 together with other permits, the construction works of the development with a total GFA of approximately 388,651.36 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(28) Phase 2 of Grand Canal Milestone

According to Planning Permit for Construction Use of Land No. 20140007 issued on 25 August 2014, the construction site of the development with a total site area of approximately 30,815.20 sq m is in compliance with the urban planning requirements.

According to Planning Permit for Construction Works No. 20210006 issued on 14 May 2021 together with another permit, the construction works of the development with a total GFA of approximately 65,545.08 sq m is in compliance with the construction works requirements and has been approved. As informed by the Group, the above permits only contain portion of the property.

According to Permit for Commencement of Construction Works No. 1201052017070502160 issued on 20 April 2018 together with another permit, the construction works of the development with a total GFA of approximately 110,022.18 sq m is in compliance with the requirement for works commencement and has been permitted. As informed by the Group, the above permits only contain portion of the property.

(29) Business of Capital Land City

According to Planning Permit for Construction Use of Land No. 2013-0069 issued on 24 June 2013, the construction site of the development with a total site area of approximately 123,426.20 sq m is in compliance with the urban planning requirements. As advised by the Group, the property comprises a portion of the site area as stated in the permits mentioned above.

According to Planning Permit for Construction Works No. 2021-0001 issued on 14 January 2021, the construction works of the development with a total GFA of approximately 28,889.00 sq m is in compliance with the construction works requirements and has been approved.

According to Permit for Commencement of Construction Works No. 1201122021011505161 issued on 15 January 2021, the construction works of the development with a total GFA of approximately 35,589.00 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(30) Capital Horizon

According to Planning Permit for Construction Use of Land No. 20140004 issued on 26 March 2014, the construction site of the development with a total site area of approximately 66,887.70 sq m is in compliance with the urban planning requirements. As advised by the Group, the property comprises a portion of the site area as stated in the permits mentioned above.

According to Planning Permit for Construction Works No. 20180002 issued on 13 February 2018 together with other permits, the construction works of the development with a total GFA of approximately 201,515.42 sq m is in compliance with the construction works requirements and has been approved. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

According to Permit for Commencement of Construction Works No. 1201052018052206120 issued on 30 September 2019 together with other permits, the construction works of the development with a total GFA of approximately 224,650.00 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(31) Xanadu Garden

According to Planning Permit for Construction Use of Land No. 20180001 issued on 15 February 2018, the construction site of the development with a total site area of approximately 38,704.50 sq m is in compliance with the urban planning requirements. As advised by the Group, the property comprises a portion of the site area as stated in the permits mentioned above.

According to Planning Permit for Construction Works No. 20180003 issued on 07 September 2018, the construction works of the development with a total GFA of approximately 119,000.00 sq m is in compliance with the construction works requirements and has been approved. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

According to Permit for Commencement of Construction Works No. 1201062018092801121 issued on 28 September 2018, the construction works of the development with a total GFA of approximately 119,000.00 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(32) Xiyue Green Mansion

According to Planning Permit for Construction Use of Land No. 2019-0048 issued on 10 July 2019, the construction site of the development with a total site area of approximately 86,085.90 sq m is in compliance with the urban planning requirements. As advised by the Group, the property comprises a portion of the site area as stated in the permits mentioned above.

According to Planning Permit for Construction Works No. 2019-0084 issued on 16 August 2019 together with other permits, the construction works of the development with a total GFA of approximately 169,870.60 sq m is in compliance with the construction works requirements and has been approved. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

According to Permit for Commencement of Construction Works No. 1201122019092707121 issued on 27 September 2019 together with another permit, the construction works of the development with a total GFA of approximately 240,395.60 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(33) Tianjin Wuqing Project Site 4-10

According to Planning Permit for Construction Use of Land No. 20190065 issued on 23 December 2019, the construction site of the development with a total site area of approximately 27,195.10 sq m is in compliance with the urban planning requirements.

According to Planning Permit for Construction Works No. 20200033 issued on 24 June 2020, the construction works of the development with a total GFA of approximately 43,512.16 sq m is in compliance with the construction works requirements and has been approved.

According to Permit for Commencement of Construction Works No. 1201142020070113121 issued on 01 July 2020, the construction works of the development with a total GFA of approximately 65,569.88 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(34) Xanadu Mountain & River

According to Planning Permit for Construction Use of Land No. 500108201800018 issued on 19 June 2018, the construction site of the development with a total site area of approximately 95,092.40 sq m is in compliance with the urban planning requirements.

According to Planning Permit for Construction Works No. 500108201800085 issued on 26 October 2018, the construction works of the development with a total GFA of approximately 210,982.96 sq m is in compliance with the construction works requirements and has been approved. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

According to Permit for Commencement of Construction Works No. 500108201901170101 issued on 17 January 2019 together with another permit, the construction works of the development with a total GFA of approximately 210,982.96 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(35) Xi Rui Chun Xiao

According to Planning Permit for Construction Use of Land No. 201900016 issued on 19 March 2019, the construction site of the development with a total site area of approximately 145,340.80 sq m is in compliance with the urban planning requirements.

According to Planning Permit for Construction Works No. 20190053 issued on 14 May 2019 together with other permits, the construction works of the development with a total GFA of approximately 154,484.88 sq m is in compliance with the construction works requirements and has been approved. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

According to Permit for Commencement of Construction Works No. 1201142019061406121 issued on 14 June 2019 together with other permits, the construction works of the development with a total GFA of approximately 193,668.77 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(36) Noble City Town

According to Planning Permit for Construction Use of Land No. 2007-0292 issued on 08 January 2008, the construction site of the development with a total site area of approximately 549,184.00 sq m is in compliance with the urban planning requirements. As advised by the Group, the property comprises a portion of the site area as stated in the permits mentioned above.

According to Planning Permit for Construction Works No. 2013-0019 issued on 23 July 2013 together with another permit, the construction works of the development with a total GFA of approximately 70,820.00 sq m is in compliance with the construction works requirements and has been approved. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

According to Permit for Commencement of Construction Works No. 1201102021041410161 issued on 14 April 2021, the construction works of the development with a total GFA of approximately 26,952.00 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(37) Xanadu Central

According to Planning Permit for Construction Use of Land No. 2017-0045 issued on 22 September 2017, the construction site of the development with a total site area of approximately 41,174.80 sq m is in compliance with the urban planning requirements. As advised by the Group, the property comprises a portion of the site area as stated in the permits mentioned above.

According to Planning Permit for Construction Works No. 2018-0029 issued on 31 August 2018 together with another permit, the construction works of the development with a total GFA of approximately 58,937.96 sq m is in compliance with the construction works requirements and has been approved. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

According to Permit for Commencement of Construction Works No. 1201112018110102121 issued on 01 November 2018 together with another permit, the construction works of the development with a total GFA of approximately 70,161.77 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(38) Xi Rui Kun Ting

According to Planning Permit for Construction Use of Land No. 20170048 issued on 15 December 2017, the construction site of the development with a total site area of approximately 132,168.70 sq m is in compliance with the urban planning requirements.

According to Planning Permit for Construction Works No. 20180024 issued on 25 May 2018 together with other permits, the construction works of the development with a total GFA of approximately 194,008.83 sq m is in compliance with the construction works requirements and has been approved. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

According to Permit for Commencement of Construction Works No. 1201142018070502121 issued on 05 July 2018 together with another permit, the construction works of the development with a total GFA of approximately 137,506.69 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(39) Xiyue Spring Mansion

According to Planning Permit for Construction Use of Land No. 530101201300453 issued on 31 December 2013, the construction site of the development with a total site area of approximately 58,686.88 sq m is in compliance with the urban planning requirements. As advised by the Group, the property comprises a portion of the site area as stated in the permits mentioned above.

According to Planning Permit for Construction Works No. 201800212 issued on 24 August 2018, the construction works of the development with a total GFA of approximately 354,425.61 sq m is in compliance with the construction works requirements and has been approved.

According to Permit for Commencement of Construction Works No. 5301031709290101-SX-001 issued on 10 July 2019, the construction works of the development with a total GFA of approximately 354,425.61 sq m is in compliance with the requirement for works commencement and has been permitted.

(40) Xi Rui Chic(P02)

According to Planning Permit for Construction Use of Land No. 350213201915908 issued on 22 May 2019, the construction site of the development with a total site area of approximately 16,786.38 sq m is in compliance with the urban planning requirements. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

According to Planning Permit for Construction Works No. 350213201915027 issued on 01 July 2019, the construction works of the development with a total GFA of approximately 51,780.44 sq m is in compliance with the construction works requirements and has been approved. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

According to Permit for Commencement of Construction Works No. 350213201910250101 issued on 25 October 2019, the construction works of the development with a total GFA of approximately 52,305.26 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(41) Future City

According to Planning Permit for Construction Use of Land No. 201900249 issued on 30 August 2019, the construction site of the development with a total site area of approximately 27,625.33 sq m is in compliance with the urban planning requirements.

According to Planning Permit for Construction Works No. 202000004 issued on 06 January 2020, the construction works of the development with a total GFA of approximately 156,116.06 sq m is in compliance with the construction works requirements and has been approved.

According to Permit for Commencement of Construction Works No. 5301112002270101-SX-001 issued on 27 February 2020, the construction works of the development with a total GFA of approximately 156,116.06 sq m is in compliance with the requirement for works commencement and has been permitted.

(42) Xi Rui Chic(P04, P05)

According to Planning Permit for Construction Use of Land No. 350213201915911 issued on 20 August 2019 together with another permit, the construction site of the development with a total site area of approximately 31,042.46 sq m is in compliance with the urban planning requirements. As advised by the Group, the property comprises a portion of the site area as stated in the permits mentioned above.

According to Planning Permit for Construction Works No. 350213201915040 issued on 03 September 2019 together with another permit, the construction works of the development with a total GFA of approximately 101,301.59 sq m is in compliance with the construction works requirements and has been approved. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

According to Permit for Commencement of Construction Works No. 35021320191120101 issued on 12 November 2019 together with another permit, the construction works of the development with a total GFA of approximately 101,301.59 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(43) Jiu Pai Jiang Shan

According to Planning Permit for Construction Use of Land No. (2020) 005 issued on 30 April 2020 together with other permits, the construction site of the development with a total site area of approximately 667,777.20 sq m is in compliance with the urban planning requirements.

According to Planning Permit for Construction Works No. (2020) 027 issued on 02 June 2020 together with other permits, the construction works of the development with a total GFA of approximately 1,636,112.33 sq m is in compliance with the construction works requirements and has been approved. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

According to Permit for Commencement of Construction Works No. 4201972020050900114BJ4001 issued on 04 June 2020 together with other permits, the construction works of the development with a total GFA of approximately 1,471,452.15 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(44) Sunac Resort(2019-036—2019-046, 2019-048)

According to Planning Permit for Construction Use of Land No. 410725 2020 00004 issued on 12 March 2020 together with other permits, the construction site of the development with a total site area of approximately 550,341.68 sq m is in compliance with the urban planning requirements.

According to Planning Permit for Construction Works No. 410725 2020 00019 issued on 28 August 2020 together with other permits, the construction works of the development with a total GFA of approximately 781,412.69 sq m is in compliance with the construction works requirements and has been approved. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

According to Permit for Commencement of Construction Works No. 410725 2020 00014 issued on 15 June 2020 together with other permits, the construction works of the development with a total GFA of approximately 688,952.46 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(45) Sunac Resort(2019-035)

According to Planning Permit for Construction Use of Land No. 410725202000003 issued on 12 March 2020, the construction site of the development with a total site area of approximately 201,797.47 sq m is in compliance with the urban planning requirements.

According to Permit for Commencement of Construction Works No. 410725202000007 issued on 29 April 2020 together with other permits, the construction works of the development with a total GFA of approximately 63,256.71 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(46) World Reputation

According to Planning Permit for Construction Use of Land No. 202000008 issued on 19 January 2020, the construction site of the development with a total site area of approximately 109,407.16 sq m is in compliance with the urban planning requirements. As advised by the Group, the property comprises a portion of the site area as stated in the permits mentioned above.

According to Planning Permit for Construction Works No. 202000017 issued on 20 August 2020, the construction works of the development with a total GFA of approximately 457,628.92 sq m is in compliance with the construction works requirements and has been approved.

According to Permit for Commencement of Construction Works No. 5301112009230101-SX-001 issued on 23 September 2020 together with another permit, the construction works of the development with a total GFA of approximately 457,628.92 sq m is in compliance with the requirement for works commencement and has been permitted.

(47) Yongjin Palace

According to Planning Permit for Construction Use of Land No. (2020) 015 issued on 03 July 2020, the construction site of the development with a total site area of approximately 122,987.29 sq m is in compliance with the urban planning requirements.

According to Planning Permit for Construction Works No. (2020) 054 issued on 18 September 2020, the construction works of the development with a total GFA of approximately 405,305.35 sq m is in compliance with the construction works requirements and has been approved.

According to Permit for Commencement of Construction Works No. 4201972020070900114BJ4001 issued on 02 March 2021, the construction works of the development with a total GFA of approximately 405,305.35 sq m is in compliance with the requirement for works commencement and has been permitted.

(48) Xiyue Share View

According to Planning Permit for Construction Use of Land No. 210106201900004 issued on 07 July 2019 together with another permit, the construction site of the development with a total site area of approximately 32,817.81 sq m is in compliance with the urban planning requirements.

According to Planning Permit for Construction Works No. 210106201900012 issued on 02 September 2019 together with another permit, the construction works of the development with a total GFA of approximately 98,862.38 sq m is in compliance with the construction works requirements and has been approved. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

According to Permit for Commencement of Construction Works No. 210106201909300201 issued on 30 September 2019 together with another permit, the construction works of the development with a total GFA of approximately 98,862.38 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(49) Xiyue Sky & Sea

According to Planning Permit for Construction Use of Land No. 370200201814030 issued on 14 September 2018, the construction site of the development with a total site area of approximately 29,101.60 sq m is in compliance with the urban planning requirements. As advised by the Group, the property comprises a portion of the site area as stated in the permits mentioned above.

According to Planning Permit for Construction Works No. 370200201913107 issued on 26 March 2019 together with another permit, the construction works of the development with a total GFA of approximately 112,423.70 sq m is in compliance with the construction works requirements and has been approved.

According to Permit for Commencement of Construction Works No. 370200201904240101 issued on 24 April 2019 together with another permit, the construction works of the development with a total GFA of approximately 112,423.70 sq m is in compliance with the requirement for works commencement and has been permitted.

(50) Xiyue Wisdom Mansion

According to Planning Permit for Construction Use of Land No. 370201202020158 issued on 18 August 2020, the construction site of the development with a total site area of approximately 137,049.00 sq m is in compliance with the urban planning requirements.

According to Planning Permit for Construction Works No. 370201202020245 issued on 05 December 2020 together with other permits, the construction works of the development with a total GFA of approximately 371,659.84 sq m is in compliance with the construction works requirements and has been approved.

According to Permit for Commencement of Construction Works No. 370282202104260201 issued on 26 April 2021 together with other permits, the construction works of the development with a total GFA of approximately 158,162.19 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(51) Data tech center

According to Planning Permit for Construction Use of Land No. 320105202010127 issued on 11 August 2020, the construction site of the development with a total site area of approximately 59,352.36 sq m is in compliance with the urban planning requirements.

According to Planning Permit for Construction Works No. 320105202100064 issued on 22 March 2021, the construction works of the development with a total GFA of approximately 330,696.23 sq m is in compliance with the construction works requirements and has been approved. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

According to Permit for Commencement of Construction Works No. 320105202103261101 issued on 26 March 2021, the construction works of the development with a total GFA of approximately 330,696.23 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(52) Beijing Pinggu Jinhai Lake Hanzhuang Village A Project

According to Planning Permit for Construction Works No. 110117201800058 issued on 31 October 2018 together with other permits, the construction works of the development with a total GFA of approximately 230,592.20 sq m is in compliance with the construction works requirements and has been approved.

According to Permit for Commencement of Construction Works No. (2019)0029 issued on 30 April 2019 together with another permit, the construction works of the development with a total GFA of approximately 230,592.20 sq m is in compliance with the requirement for works commencement and has been permitted.

(53) Xiamen Capital Outlets

According to Planning Permit for Construction Use of Land No. 350213201916901 issued on 06 March 2019, the construction site of the development with a total site area of approximately 55,656.80 sq m is in compliance with the urban planning requirements.

According to Planning Permit for Construction Works No. 350213201916050 issued on 06 November 2019, the construction works of the development with a total GFA of approximately 124,866.16 sq m is in compliance with the construction works requirements and has been approved.

According to Permit for Commencement of Construction Works No. 350213201912240101 issued on 24 December 2019, the construction works of the development with a total GFA of approximately 124,866.16 sq m is in compliance with the requirement for works commencement and has been permitted.

(54) Nanning Capital Outlets

According to Planning Permit for Construction Use of Land No. 450101201800153 issued on 30 September 2018, the construction site of the development with a total site area of approximately 101,973.53 sq m is in compliance with the urban planning requirements. As advised by the Group, the property comprises a portion of the site area as stated in the permits mentioned above.

According to Planning Permit for Construction Works No. 450102201900161 issued on 17 September 2019 together with other permits, the construction works of the development with a total GFA of approximately 145,453.45 sq m is in compliance with the construction works requirements and has been approved.

According to Permit for Commencement of Construction Works No. 450101201905150201 issued on 15 May 2019 together with another permit, the construction works of the development with a total GFA of approximately 160,867.99 sq m is in compliance with the requirement for works commencement and has been permitted.

(55) Qingdao Capital Outlets

According to Planning Permit for Construction Use of Land No. 370200201819037 issued on 03 September 2018, the construction site of the development with a total site area of approximately 93,972.10 sq m is in compliance with the urban planning requirements.

According to Planning Permit for Construction Works No. 370200201819095 issued on 28 September 2019, the construction works of the development with a total GFA of approximately 97,597.71 sq m is in compliance with the construction works requirements and has been approved.

According to Permit for Commencement of Construction Works No. 370215201905150101 issued on 15 May 2019, the construction works of the development with a total GFA of approximately 97,597.71 sq m is in compliance with the requirement for works commencement and has been permitted.

(56) Beijing Pinggu Jinhai Lake World Leisure Congress Project

According to Planning Permit for Construction Use of Land No. 20180002 issued on 25 July 2018, the construction site of the development with a total site area of approximately 48,800.25 sq m is in compliance with the urban planning requirements.

According to Planning Permit for Construction Works No. 20180004 issued on 31 July 2018, the construction works of the development with a total GFA of approximately 65,680.00 sq m is in compliance with the construction works requirements and has been approved.

According to Permit for Commencement of Construction Works No. (2018)0036 issued on 14 December 2018, the construction works of the development with a total GFA of approximately 65,680.00 sq m is in compliance with the requirement for works commencement and has been permitted.



(57) Beijing Pinggu Jinhai Lake Hanzhuang Village Southern B Project

According to Planning Permit for Construction Works No. 110117201900027 issued on 30 September 2019 together with another permit, the construction works of the development with a total GFA of approximately 250,164.61 sq m is in compliance with the construction works requirements and has been approved. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

According to Permit for Commencement of Construction Works No. 110117201910310101 issued on 31 October 2019 together with other permits, the construction works of the development with a total GFA of approximately 250,164.61 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(58) Xiyue Wisdom Mansion

According to Planning Permit for Construction Works No. 110107201900007 issued on 25 July 2019, the construction works of the development with a total GFA of approximately 194,707.51 sq m is in compliance with the construction works requirements and has been approved. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

According to Permit for Commencement of Construction Works No. [2019]0073 issued on 29 October 2019, the construction works of the development with a total GFA of approximately 194,707.51 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(59) Beijing Pinggu Jinhai Lake Hanzhuang Village Middle B Project

According to Planning Permit for Construction Works No. 110117202000012 issued on 28 July 2020, the construction works of the development with a total GFA of approximately 119,612.45 sq m is in compliance with the construction works requirements and has been approved.

According to Permit for Commencement of Construction Works No. 110117202009220101 issued on 22 September 2020 together with another permit, the construction works of the development with a total GFA of approximately 119,612.45 sq m is in compliance with the requirement for works commencement and has been permitted.

(60) RichXanadu Wisdom Mansion

According to Planning Permit for Construction Works No. 110107202100014 issued on 23 March 2021, the construction works of the development with a total GFA of approximately 60,846.08 sq m is in compliance with the construction works requirements and has been approved. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

According to Permit for Commencement of Construction Works No. 110107202104200201 issued on 20 April 2021, the construction works of the development with a total GFA of approximately 60,846.08 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(61) Portions of Phase 2(Xirui) Residential&Commercial

According to Planning Permit for Construction Use of Land No. 330501201000039 issued on 05 July 2010, the construction site of the development with a total site area of approximately 364,535.00 sq m is in compliance with the urban planning requirements. As advised by the Group, the property comprises a portion of the site area as stated in the permits mentioned above.

According to Planning Permit for Construction Works No. 330507201900006 issued on 19 April 2019, the construction works of the development with a total GFA of approximately 167,285.23 sq m is in compliance with the construction works requirements and has been approved.

According to Permit for Commencement of Construction Works No. 330502201905280401 issued on 28 May 2019, the construction works of the development with a total GFA of approximately 167,285.23 sq m is in compliance with the requirement for works commencement and has been permitted.

(62) Kun Shan Yue Du

According to Planning Permit for Construction Use of Land No. (2016)0003 issued on 13 January 2016, the construction site of the development with a total site area of approximately 107,427.70 sq m is in compliance with the urban planning requirements. As advised by the Group, the property comprises a portion of the site area as stated in the permits mentioned above.

According to Planning Permit for Construction Works No. 510108201630167 issued on 17 May 2016 together with another permit, the construction works of the development with a total GFA of approximately 313,115.78 sq m is in compliance with the construction works requirements and has been approved. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

According to Permit for Commencement of Construction Works No. (2017)0085 issued on 07 March 2017 together with other permits, the construction works of the development with a total GFA of approximately 165,799.61 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(63) Tianyue Riverside

According to Planning Permit for Construction Use of Land No. (2016)EA31011020164095 issued on 02 February 2016, the construction site of the development with a total site area of approximately 32,923.00 sq m is in compliance with the urban planning requirements. As advised by the Group, the property comprises a portion of the site area as stated in the permits mentioned above.

According to Planning Permit for Construction Works No. (2018)FA31011020187751 issued on 31 October 2018, the construction works of the development with a total GFA of approximately 51,368.82 sq m is in compliance with the construction works requirements and has been approved.

According to Permit for Commencement of Construction Works No. 1502YP0156D02 issued on 27 February 2019, the construction works of the development with a total GFA of approximately 51,368.82 sq m is in compliance with the requirement for works commencement and has been permitted.

(64) Capital Land Xiyue((37-02))

According to Planning Permit for Construction Use of Land No. (2018)EA31011820185862 issued on 13 June 2018, the construction site of the development with a total site area of approximately 30,729.70 sq m is in compliance with the urban planning requirements.

According to Planning Permit for Construction Works No. (2018)FA31011820187872 issued on 23 November 2018, the construction works of the development with a total GFA of approximately 90,599.40 sq m is in compliance with the construction works requirements and has been approved. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

According to Permit for Commencement of Construction Works No. 1802QP0330D01 issued on 20 December 2018, the construction works of the development with a total GFA of approximately 90,599.40 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(65) Capital Land Xiyue((22-05)

According to Planning Permit for Construction Use of Land No. (2018)EA31011820185508 issued on 03 January 2018, the construction site of the development with a total site area of approximately 23,463.60 sq m is in compliance with the urban planning requirements. As advised by the Group, the property comprises a portion of the site area as stated in the permits mentioned above.

According to Planning Permit for Construction Works No. (2018)FA31011820187162 issued on 08 June 2018, the construction works of the development with a total GFA of approximately 50,822.75 sq m is in compliance with the construction works requirements and has been approved. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

According to Permit for Commencement of Construction Works No. 1802QP0060D01 issued on 21 June 2018, the construction works of the development with a total GFA of approximately 50,822.75 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(66) Capital Land Xiyue((25-04)

According to Planning Permit for Construction Use of Land No. (2018)EA31011820185509 issued on 03 January 2018, the construction site of the development with a total site area of approximately 17,710.40 sq m is in compliance with the urban planning requirements. As advised by the Group, the property comprises a portion of the site area as stated in the permits mentioned above.

According to Planning Permit for Construction Works No. (2018)FA31011820187206 issued on 19 June 2018, the construction works of the development with a total GFA of approximately 36,316.35 sq m is in compliance with the construction works requirements and has been approved. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

According to Permit for Commencement of Construction Works No. 1802QP0074D01 issued on 27 June 2018, the construction works of the development with a total GFA of approximately 36,316.35 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(67) Xi Rui Jiangnan Mansion

According to Planning Permit for Construction Use of Land No. 201801536028 issued on 05 June 2018, the construction site of the development with a total site area of approximately 85,897.00 sq m is in compliance with the urban planning requirements.

According to Planning Permit for Construction Works No. 330115201836008 issued on 22 October 2018, the construction works of the development with a total GFA of approximately 214,913.42 sq m is in compliance with the construction works requirements and has been approved.

According to Permit for Commencement of Construction Works No. 330110201901070101 issued on 07 January 2019 together with another permit, the construction works of the development with a total GFA of approximately 214,913.42 sq m is in compliance with the requirement for works commencement and has been permitted.

(68) Minghang Huacao 09-04

According to Planning Permit for Construction Use of Land No. (2019)EA310112201906088 issued on 28 November 2019, the construction site of the development with a total site area of approximately 16,901.50 sq m is in compliance with the urban planning requirements.

According to Planning Permit for Construction Works No. (2020)FA310112202000097 issued on 17 January 2020, the construction works of the development with a total GFA of approximately 38,105.34 sq m is in compliance with the construction works requirements and has been approved. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

According to Permit for Commencement of Construction Works No. 1902MH0578D01 issued on 22 January 2020, the construction works of the development with a total GFA of approximately 38,105.34 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(69) Begonia

According to Planning Permit for Construction Use of Land No. 3205831201920027 issued on 23 July 2019, the construction site of the development with a total site area of approximately 68,113.90 sq m is in compliance with the urban planning requirements.

According to Permit for Commencement of Construction Works No. 320583201912250301 issued on 25 December 2019, the construction works of the development with a total GFA of approximately 228,039.77 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(70) Xanadu Propitious Clouds

According to Planning Permit for Construction Use of Land No. (2016)EA31011520165100 issued on 07 December 2016, the construction site of the development with a total site area of approximately 56,886.60 sq m is in compliance with the urban planning requirements.

According to Planning Permit for Construction Works No. (2017)FA31011520174982 issued on 11 September 2017 together with another permit, the construction works of the development with a total GFA of approximately 123,824.12 sq m is in compliance with the construction works requirements and has been approved. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

According to Permit for Commencement of Construction Works No. LS200100257YS001 issued on 08 November 2017, the construction works of the development with a total GFA of approximately 123,824.12 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(71) Yue Jun Ming Hu Fu

According to Planning Permit for Construction Use of Land No. 330226201900456 issued on 13 May 2019, the construction site of the development with a total site area of approximately 48,361.00 sq m is in compliance with the urban planning requirements.

According to Planning Permit for Construction Works No. 330226201900588 issued on 28 June 2019, the construction works of the development with a total GFA of approximately 148,183.11 sq m is in compliance with the construction works requirements and has been approved.

According to Permit for Commencement of Construction Works No. 330226201907020201 issued on 02 July 2019, the construction works of the development with a total GFA of approximately 148,183.11 sq m is in compliance with the requirement for works commencement and has been permitted.

(72) Tianyue Yunheyuan Apartment

According to Planning Permit for Construction Use of Land No. 330100201900047 issued on 12 March 2019, the construction site of the development with a total site area of approximately 45,216.00 sq m is in compliance with the urban planning requirements. As advised by the Group, the property comprises a portion of the site area as stated in the permits mentioned above.

According to Planning Permit for Construction Works No. 330100201900099 issued on 29 March 2019, the construction works of the development with a total GFA of approximately 141,073.60 sq m is in compliance with the construction works requirements and has been approved.

According to Permit for Commencement of Construction Works No. 330105201905310000 issued on 31 May 2019, the construction works of the development with a total GFA of approximately 141,073.60 sq m is in compliance with the requirement for works commencement and has been permitted.

(73) Jiangyin Yushan Bay Dong Lu Project

According to Planning Permit for Construction Use of Land No. 320281202000111 issued on 20 October 2020, the construction site of the development with a total site area of approximately 90,491.00 sq m is in compliance with the urban planning requirements.

According to Planning Permit for Construction Works No. 320281202050029 issued on 08 December 2020 together with another permit, the construction works of the development with a total GFA of approximately 226,223.24 sq m is in compliance with the construction works requirements and has been approved. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

According to Permit for Commencement of Construction Works No. 320281202101070201 issued on 07 January 2021 together with another permit, the construction works of the development with a total GFA of approximately 299,363.85 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(74) Xi'an First City

According to Planning Permit for Construction Use of Land No. (2008)06 issued on 12 May 2008, the construction site of the development with a total site area of approximately 409,136.00 sq m is in compliance with the urban planning requirements. As advised by the Group, the property comprises a portion of the site area as stated in the permits mentioned above.

According to Planning Permit for Construction Works No. (2019)039 issued on 08 July 2019, the construction works of the development with a total GFA of approximately 294,447.47 sq m is in compliance with the construction works requirements and has been approved.

According to Permit for Commencement of Construction Works No. 610131202003250301 issued on 25 March 2020 together with another permit, the construction works of the development with a total GFA of approximately 294,447.47 sq m is in compliance with the requirement for works commencement and has been permitted.

(75) No. 1 Qing Yuan Road Project

According to Planning Permit for Construction Use of Land No. 20170002 issued on 23 February 2017, the construction site of the development with a total site area of approximately 33,619.79 sq m is in compliance with the urban planning requirements.

According to Planning Permit for Construction Works No. 20180008 issued on 20 April 2018, the construction works of the development with a total GFA of approximately 223,732.20 sq m is in compliance with the construction works requirements and has been approved. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

According to Permit for Commencement of Construction Works No. [2018]0093 issued on 30 October 2018, the construction works of the development with a total GFA of approximately 223,732.20 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(76) Xanadu Villa

According to Planning Permit for Construction Use of Land No. 20140039 issued on 21 November 2014, the construction site of the development with a total site area of approximately 110,844.60 sq m is in compliance with the urban planning requirements. As advised by the Group, the property comprises a portion of the site area as stated in the permits mentioned above.

According to Planning Permit for Construction Works No. 20150021 issued on 24 March 2015 together with other permits, the construction works of the development with a total GFA of approximately 937,267.24 sq m is in compliance with the construction works requirements and has been approved. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

According to Permit for Commencement of Construction Works No. 20150051 issued on 08 July 2015 together with other permits, the construction works of the development with a total GFA of approximately 207,786.14 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(77) Landscape Villa

According to Planning Permit for Construction Use of Land No. 110228200900040 issued on 18 December 2009, the construction site of the development with a total site area of approximately 334,854.57 sq m is in compliance with the urban planning requirements.

According to Planning Permit for Construction Works No. 110228201200058 issued on 15 November 2012 together with other permits, the construction works of the development with a total GFA of approximately 29,218.64 sq m is in compliance with the construction works requirements and has been approved. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

According to Permit for Commencement of Construction Works No. [2013]0144 issued on 21 February 2013 together with another permit, the construction works of the development with a total GFA of approximately 29,029.33 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(78) Grand Harmony

According to Planning Permit for Construction Use of Land No. 110115201700420170027 issued on 15 December 2017, the construction site of the development with a total site area of approximately 61,210.97 sq m is in compliance with the urban planning requirements.

According to Planning Permit for Construction Works No. 11011520180007620180015 issued on 04 June 2018, the construction works of the development with a total GFA of approximately 266,680.91 sq m is in compliance with the construction works requirements and has been approved. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

According to Permit for Commencement of Construction Works No. [2018]0051110115201806190201 issued on 19 June 2018 together with another permit, the construction works of the development with a total GFA of approximately 266,680.91 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(79) Xanadu Tianzhu

According to Planning Permit for Construction Use of Land No. 110301201700015 issued on 14 November 2017, the construction site of the development with a total site area of approximately 76,286.20 sq m is in compliance with the urban planning requirements. As advised by the Group, the property comprises a portion of the site area as stated in the permits mentioned above.

According to Planning Permit for Construction Works No. 20180035 issued on 05 July 2018 together with other permits, the construction works of the development with a total GFA of approximately 291,990.44 sq m is in compliance with the construction works requirements and has been approved. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

According to Permit for Commencement of Construction Works No. 110230201810150101 issued on 15 October 2018 together with other permits, the construction works of the development with a total GFA of approximately 188,758.65 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(80) Xanadu & Ocean Epoch

According to Planning Permit for Construction Use of Land No. 20180011 issued on 13 June 2018, the construction site of the development with a total site area of approximately 90,394.03 sq m is in compliance with the urban planning requirements.

According to Planning Permit for Construction Works No. 20180041 issued on 17 September 2018, the construction works of the development with a total GFA of approximately 231,654.00 sq m is in compliance with the construction works requirements and has been approved. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

According to Permit for Commencement of Construction Works No. [2018]0379 issued on 17 October 2018 together with another permit, the construction works of the development with a total GFA of approximately 231,654.00 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(81) He Yuan

According to Planning Permit for Construction Use of Land No. 20150017 issued on 20 August 2015, the construction site of the development with a total site area of approximately 85,055.53 sq m is in compliance with the urban planning requirements. As advised by the Group, the property comprises a portion of the site area as stated in the permits mentioned above.

According to Permit for Commencement of Construction Works No. [2020]0156 issued on 10 November 2020, the construction works of the development with a total GFA of approximately 15,110.21 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(82) A Crown of Stars

According to Planning Permit for Construction Works No. 110106202000170 issued on 18 December 2020, the construction works of the development with a total GFA of approximately 108,285.00 sq m is in compliance with the construction works requirements and has been approved. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

According to Permit for Commencement of Construction Works No. 110106202012310201 issued on 31 December 2020, the construction works of the development with a total GFA of approximately 108,285.00 sq m is in compliance with the requirement for works commencement and has been permitted. As advised by the Group, the property comprises a portion of the gross floor area as stated in the permits mentioned above.

(83) Capital Land Starry Town

According to Planning Permit for Construction Works No. 20190002 issued on 24 September 2019 together with other permits, the construction works of the development with a total GFA of approximately 396,157.57 sq m is in compliance with the construction works requirements and has been approved.

According to Permit for Commencement of Construction Works No. [2019]0587 issued on 22 October 2019 together with other permits, the construction works of the development with a total GFA of approximately 396,157.57 sq m is in compliance with the requirement for works commencement and has been permitted.



## Group V – Properties held for future development in the PRC as at 30 June 2021

Property No.	Property name	Holding entity	District	Land use	Land use	Expiry date of land use term	Type of property Rights	Site area <sup>(1)</sup> (as per Grant Contract of Land Use Rights) (sq m)	Site area <sup>(1)</sup> (as per State-owned Land Use Rights Certificate) (sq m)	Planned GFA <sup>(1)</sup> (sq m)	Scheduled completion date of construction	No. of car parking spaces	Market value <sup>(2)</sup> in existing state as at the Valuation Date		Market value <sup>(3)</sup> in existing state attributable to the Group as at the Valuation Date (RMB)
													(RMB)	(%)	
V-1	Phase 4 of Xinyue Bay, North side of Lianxing Road, Liji Town, Wanning, Hainan Province	Hainan Capital Outlets Real Estate Co., Ltd.	Wanning	Residential	Liji Town	26 Feb 2054	Apartment	115,464	115,464	69,278	2023	N/A	169,000,000	100%	169,000,000
V-2	Eco-city, 19 Xishuang Road, Shapingba District, Chongqing	Chongqing Shouyong Real Estate Co., Ltd.	Chongqing	Residential	Shapingba	27 Feb 2053 to 27 Feb 2063	Residential, Commercial	146,394	38,017 <sup>(3)</sup>	15,545	2022	N/A	191,000,000	96.39%	184,104,900
V-3	Metropolis II, No. 33 Zhongshan Road, Hebei District, Tianjin	Tianjin Xingjia Jisheng Real Estate Co., Ltd.	Tianjin	Commercial	Hebei	17 May 2055	Commercial, Office, Carpark	22,455	22,455	115,590	2023	665	696,000,000	100%	696,000,000
V-4	Capital Horizon, Jimpubei Road, Hebei District, Tianjin	Tianjin TJ-Metro MTR Construction Co. Ltd.	Tianjin	Commercial	Hebei	9 Dec 2053	Commercial, Office, Apartment	25,387	25,387	143,600	2026	N/A	1,279,000,000	100%	1,279,000,000
V-5	Ningde Project, Future Science and Technology City Beijing-Tianjin Cooperation Demonstration Zone, Binhai New Area, Tianjin	Tianjin Tianke Real Estate Co., Ltd.	Tianjin	Residential, Education	Binhai	5 May 2089 and 5 May 2069	Residential, Kindergarten	173,986	96,776 <sup>(4)</sup>	232,035	2023	N/A	1,074,000,000	100%	1,074,000,000
V-6	International Peninsula, Xuefu Road, Wuqing District, Tianjin	Tianjin Weiqing Real Estate Co., Ltd.	Tianjin	Commercial	Wuqing	13 Jun 2052	Commercial	7,854	7,854	13,598	2023	N/A	66,000,000	100%	66,000,000
V-7	Xanadu Villa, Xueyuan Road, Wuqing District, Tianjin	Tianjin Yongyuan Real Estate Co., Ltd.	Tianjin	Residential, Commercial	Wuqing	17 Apr 2087 and 17 Apr 2057	Residential, Commercial, Carpark	160,490	160,490	170,797	2025	1342	2,050,000,000	50%	1,025,000,000
V-8	Portions of Future City, Xiaobaiqiao Street, Guandu District, Kunming, Yunnan Province	Kunming Kunlun Shouzhi Real Estate Co., Ltd.	Kunming	Commercial, Residential	Guandu	7 Jul 2059 and 7 Jul 2089	Residential, Commercial, Carpark	24,089	24,089	110,948	2024	N/A	489,000,000	49.85%	243,766,500

Property No.	Property name	Holding entity	District	Land use	Land use	Expiry date of land use term	Type of property	Site area <sup>(1)</sup> (as per Grant Contract of Land Use Rights)	Site area <sup>(1)</sup> (as per State-owned Land Use Rights Certificate)	Planned GFA <sup>(1)</sup> of construction	Scheduled completion date of construction	No. of car parking spaces	Market value <sup>(2)</sup>		Market value <sup>(3)</sup> in existing state attributable to the Group as at the Valuation Date
													(RMB)	(%)	
V-9	Portions of World Reputation, Dabanqiao Street, Guandu District, Kunming, Yunnan Province	Yunnan Dianfu Real Estate Development Co., Ltd.	Kunming	Commercial, Residential	Commercial, Residential	27 Jan 2059 and 27 Jan 2089	Residential, Commercial, Carpark	399,054	399,035	950,492	2026	N/A	1,354,000,000	49%	663,460,000
V-10	Plot 2019-43 of Wuzhen Project, West of Wuzhen Avenue, Wuzhen Town, Tongxiang, Zhejiang Province	Tongxiang Anbo Real Estate Co., Ltd.	Tongxiang	Commercial, Residential	Commercial, Residential	25 Mar 2060 and 25 Mar 2090	Commercial, Residential	58,024	58,024	78,332	2024	N/A	390,000,000	40%	156,000,000
V-11	Plot 2019-44 of Wuzhen Project, West of Wuzhen Avenue, Wuzhen Town, Tongxiang, Zhejiang Province	Tongxiang Anm Real Estate Co., Ltd.	Tongxiang	Commercial, Residential	Commercial, Residential	25 Mar 2060 and 25 Mar 2090	Commercial, Residential	60,667	60,667	81,901	2024	N/A	392,000,000	40%	156,800,000
V-12	Portions of Beijing Zhaoyangyong Site F2-01 Project, Banqiao Village, Shunyi District, Beijing	Beijing Jinyifeng Real Estate Co., Ltd.	Beijing	Commercial, Office, Carpark	Commercial, Office, Carpark	12 Mar 2055 and 12 Mar 2065	Commercial, Office, Basement carpark	17,277	17,277	32,393	2024	N/A	302,000,000	100%	302,000,000
V-13	Portions of Xanadu Villa Riverside, Ruizhao Road, Shunyi District, Beijing	Beijing Lianchuang Shengye Real Estate Development Co., Ltd.	Beijing	Residential, Commercial, Comprehensive, Carpark	Residential, Commercial, Comprehensive, Carpark	17 Mar 2054 to 17 Mar 2084	Commercial, Office	114,154	86,792 <sup>(5)</sup>	28,838	2023	N/A	496,000,000	100%	496,000,000
V-14	Portions of Xanadu, No. 139 Chaoyang Road, Chaoyang District, Beijing	Beijing Capital Chao Yang Real Estate Development Co., Ltd.	Beijing	Residential, Commercial, Carpark	Residential, Commercial, Carpark	19 May 2044 to 19 May 2074	Apartment, Commercial, Carpark	34,163	N/A <sup>(6)</sup>	51,711	2025	510	2,115,000,000	100%	2,115,000,000
	Total												11,063,000,000		8,626,131,400

## Notes:

- (1) All areas are stated in approximations.
- (2) All values are stated in approximations.
- (3) Property No. V-2 Eco-city:

The site area (as per Grant Contract of Land Use Rights) is 146,394 sq m, all of which have been handed over by the government. The site area of the subject (as per State-owned Land Use Rights Certificate) is 38,017 sq m. The subject property with a planned GFA of 15,545 sq m, together with prior completed phases of the development, has been constructed on the abovementioned land. And this property has not been developed yet.

- (4) Property No. V-5 Ninghe Project:

The site area (as per Grant Contract of Land Use Rights) is 173,986 sq m. Parts of the land have not been handed over by the government. As at the Valuation Date, parts of the property with a site area of 96,776 sq m have been issued with State-Owned Land Use Rights Certificate. All land premium has been fully settled. According to the legal opinion, the company has obtained the state-owned land use right of the parcel through legal procedures, and the company has the right to request the transferor to transfer the parcel to the company. The subject property with a planned GFA of 232,035 sq m, together with other phases of the development, will be constructed on the abovementioned land.

- (5) Property No. V-13 Portions of Xanadu Villa Riverside:

The site area (as per Grant Contract of Land Use Rights) is 114,154 sq m, all of which have been handed over by the government. The site area of the subject (as per State-owned Land Use Rights Certificate) is 114,154 sq m. The subject property with a planned GFA of 86,792 sq m, together with prior completed phases of the development, has been constructed on the abovementioned land. And this property has not been developed yet.

- (6) Property No. V-14 Portions of Xanadu:

The long-term land use rights certificate of the property has not been obtained yet. According to the legal opinion, given that Beijing Capital Chao Yang Real Estate Development Co., Ltd. has signed that Land Grant Contract according to the law and paid the full land transfer fee according to the agreement, Beijing Capital Chao Yang Real Estate Development Co., Ltd. is entitled to apply and obtain the land use rights certificate. Thus, after the demolition and relocation of the existing middle school, there will be no legal impediment for Beijing Capital Chao Yang Real Estate Development Co., Ltd. to register and obtain the land use rights certificate of the subject property.

- (7) The properties held for future development in the PRC do not have immediate development potential as the permits for commencement of construction works have not been obtained yet.

## Group VI – Completed properties held by the Group for owner-occupation and operation in France as at 30 June 2021

Property No.	Property name	HOLDING ENTITY	City	District	Site area <sup>(1)</sup> (sq m)	Land tenure	Type of property	Covered area <sup>(1)</sup> (sq m)	Completion date	Market value in existing state as at the Valuation Date (EUR)	Interest attributable to the Group (%)	Market value in existing state attributable to the Group as at the Valuation Date (EUR)
VI-1	PESI - Marinerie Nord, 2 Chemin de Beaumont, 36130 Dsols	DATANG DEVELOPEMENT	Dsols	36630	250,000	Freehold	Multifunction (residential, refectory, sports field, school)	48,134	1960s	21,703,360	100%	21,703,360
VI-2	111 me Maryse Bastié, 36120 Etrechet	DATANG DEVELOPEMENT	Etrechet	36120	25,117	Freehold	Office, castle	5,124	2016 (office); early 20th century (castle)	2,899,000	100%	2,899,000
VI-3	ZI Marinerie SUD, 36130 Diors	DATANG DEVELOPEMENT	Diors	36130	836,791	Freehold	Warehouse, offices, garage, photovoltaic farm	400,908 (photovoltaic farm); 4,170 (office, garage & warehouse)	1960s	1,842,000	100%	1,842,000
	<b>Total</b>									<b>26,444,360</b>		<b>26,444,360</b>

Note:

(1) All areas are stated in approximations.

*The following is the text of a letter from Somerley for the purpose of incorporation in this document.*

**SOMERLEY CAPITAL LIMITED**

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

The Board of Directors  
**Beijing Capital Land Ltd.**  
Block A, Fucheng Building  
No. 98, Beilishi Road  
Xicheng District  
Beijing  
The PRC

27 August 2021

Dear Sirs,

We refer to the unaudited profit after tax (the “**Estimate**”) estimated to be realised as a result of the Major Transaction as set out in the section headed “Material Change” in Appendix I of the Composite Document, of which this letter form part. We note that the Estimate is regarded as a profit forecast under Rule 10 of the Takeovers Code. Terms used in this letter shall have the same meanings as defined in this Composite Document unless the context requires otherwise.

We have discussed with the Directors the bases upon the Estimate were prepared. We have also considered the “Letter from PwC on the Estimate” dated 27 August 2021 issued to you, the text of which is set out in Appendix IIIB of this Composite Document, which stated that, PwC is of the opinion that so far as the accounting policies and calculations are concerned, the Estimate has been properly compiled in accordance with the bases and assumptions made by the directors set out on page I-6 of the Composite Document and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. The preparation of the Estimate is the sole responsibility of, and has been approved by, the Directors.

Based on the above, we are satisfied that the Estimate have been prepared by the Directors after due care and consideration.

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

*The following is the text of a letter from PwC for the purpose of incorporation in this document.*



普华永道

The Board of Directors  
**Beijing Capital Land Ltd.**  
Block A, Fucheng Building  
No. 98 Beilishi Road  
Xicheng District  
Beijing  
PRC

27 August 2021

Dear Sirs,

**Beijing Capital Land Ltd. (the “Company”)**

**Estimate of the profit in respect of the transfer of the economic rights in No.5 Building of Xanadu Project (the “Major Transaction”)**

We refer to the estimate of the profit after tax that may be realised by the Company and its subsidiaries (together, the “**Group**”) in respect of the Major Transaction (the “**Estimate**”) set out in the section headed “Material Change” in Appendix I of the composite document dated 27 August 2021 in connection with the proposed privatisation of Beijing Capital Land Ltd. (首創置業股份有限公司) (the “**Company**”) by Beijing Capital City Development Group Co., Ltd. (北京首創城市發展集團有限公司) (the “**Offeror**”) by way of a merger by absorption and proposed withdrawal of listing jointly issued by the Company and the Offeror (the “**Composite Document**”).

### **Responsibilities**

The Estimate has been prepared by the directors of the Company based on an estimate of the profit in respect of the Major Transaction.

The Company’s directors are solely responsible for the Estimate. It is our responsibility to form an opinion on the accounting policies and calculations of the Estimate based on our procedures.

### **Basis of opinion**

We carried out our work with reference to Hong Kong Standard on Investment Circular Reporting Engagements 500, Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and

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Statements of Indebtedness issued by the Hong Kong Institution of Certified Public Accountants (“**HKICPA**”) and with reference to China Standard on Other Assurance Engagements No.3101, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by Chinese Institute of Certified Public Accountant (“**CICPA**”). Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Company’s directors have properly compiled the Estimate in accordance with the bases and assumptions made by the directors and as to whether the Estimate is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. Our work is substantially less in scope than an audit conducted in accordance with China Standards on Auditing issued by the CICPA. Accordingly, we do not express an audit opinion.

**Opinion**

In our opinion, so far as the accounting policies and calculations are concerned, the Estimate has been properly compiled in accordance with the bases and assumptions made by the directors as set out on pages I-6 of the Composite Document and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the consolidated financial statements of the Company for the year ended 31 December 2020.

Yours faithfully,

**PricewaterhouseCoopers Zhong Tian LLP**  
Shanghai, the People’s Republic of China

## 1. RESPONSIBILITY STATEMENT

As at the date of this document, the Offeror's sole director is Mr. Yang Weibin. The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this document (other than in relation to the Company) and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this document (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this document the omission of which would make any of the statements in this document misleading.

As at the date of this document, the board of directors of Capital Group comprises Mr. He Jiangchuan (Chairman), Mr. Li Songping, Mr. Gong Yongtao, Mr. Cui Yeguang, Mr. Kan Zhenfang and Mr. Bai Yan. The directors of Capital Group jointly and severally accept full responsibility for the accuracy of the information contained in this document (other than in relation to the Company) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this document (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this document the omission of which would make any of the statements in this document misleading.

As at the date of this document, the Board comprises Mr. Li Songping (Chairman) who is the non-executive Director, Mr. Zhong Beichen (President), Mr. Huang Ziquan, Mr. Hu Weimin and Mr. Fan Shubin who are the executive Directors, Ms. Sun Baojie who is the non-executive Director, Mr. Li Wang, Mr. Wong Yik Chung, John and Mr. Liu Xin who are the independent non-executive Directors. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this document (other than in relation to the Offeror and Capital Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this document (other than those expressed by the sole director of the Offeror and the directors of Capital Group) have been arrived at after due and careful consideration and there are no other facts not contained in this document the omission of which would make any of the statements in this document misleading.

## 2. SHARE CAPITAL OF THE COMPANY

- (1) The Company does not have an authorised share capital. As at the Latest Practicable Date, the registered share capital of the Company was RMB4,362,940,850, and the total issued share capital of the Company was RMB4,362,940,850, consisting of 1,531,134,000 H Shares of a par value of RMB1.00 each, 357,998,300 Non-H Foreign Shares of a par value of RMB1.00 each and 2,473,808,550 Domestic Shares with a par value of RMB1.00 each.
- (2) All Shares rank *pari passu* in all respects with each other, including as regards rights to capital, dividends and voting.
- (3) As at the Latest Practicable Date, the Company had no outstanding options, warrants or derivatives or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) other than the Shares as disclosed above.



- (4) Since 31 December 2020 (being the date of the last audited consolidated financial statements of the Company), up to the Latest Practicable Date, the Company has not issued any Shares.
- (5) The H Shares are listed and traded on the Main Board of the Stock Exchange. No part of the Shares is listed or dealt in, nor is any listing or permission to deal in the Shares being or proposed to be sought, on any other stock exchange.

### 3. MARKET PRICES

The table below sets out the closing price of the H Shares on the Stock Exchange on (1) the last business day of each of the calendar months during the Relevant Period, (2) the Last Trading Date, and (3) the Latest Practicable Date:

<b>Date</b>	<b>Closing price of each H Share (HK\$)</b>
29 January 2021	1.38
26 February 2021	1.29
31 March 2021	0.98
30 April 2021	1.04
31 May 2021	1.08
30 June 2021	1.69
7 July 2021 (Last Trading Date)	1.72
30 July 2021	2.44
25 August 2021 (Latest Practicable Date)	2.72

During the Relevant Period, the highest closing price of the H Shares as quoted on the Stock Exchange was HK\$2.72 on 25 August 2021, and the lowest closing price of the H Shares as quoted on the Stock Exchange was HK\$0.97 on 1, 8 and 14 April 2021.

#### 4. DISCLOSURE OF INTERESTS IN THE SHARES BY THE COMPANY

##### (a) Interests of the directors, supervisors and chief executives of the Company in the securities of the Company and the securities of the associated corporations of the Company

As at the Latest Practicable Date, none of the directors, supervisors and chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) to be entered in the register required to be kept pursuant to section 352 of the SFO; or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules; or (iv) to be disclosed in accordance with the Takeovers Code.

##### (b) Interests of substantial shareholders in the securities of the Company

As at the Latest Practicable Date, the following persons or entities (other than the Directors and chief executives of the Company) had an interest or a short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange:

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	2,473,808,550 (L) (Note 1)	Domestic Share	87.36	-	87.36	56.70	-	56.70
Beijing Rongtong Zhenghe Investment Management Company Ltd* (北京融通正和投資管理有限公司)	357,998,300 (L) (Notes 1 and 2)	Non-H Foreign Shares	-	12.64	12.64	-	8.21	8.21
Guoda Limited	357,998,300 (L) (Note 3)	Non-H Foreign Shares	-	12.64	12.64	-	8.21	8.21
CR Products	357,998,300 (L) (Note 4)	Non-H Foreign Shares	9.72	2.92	12.64	6.31	1.90	8.21

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
Yieldwell	82,762,100 (L)	Non-H Foreign Shares	2.92	-	2.92	1.90	-	1.90
Reco Pearl Private Limited	181,194,000 (L)	H Shares	11.83	-	11.83	4.15	-	4.15
Recosia China Pte Ltd	181,194,000 (L) (Note 5)	H Shares	-	11.83	11.83	-	4.15	4.15
Recosia Pte Ltd.	181,194,000 (L) (Note 6)	H Shares	-	11.83	11.83	-	4.15	4.15
GIC (Realty) Pte Ltd.	181,194,000 (L) (Note 7)	H Shares	-	11.83	11.83	-	4.15	4.15
UBS Group AG	159,715,427 (L) (Note 8)	H Shares	-	10.43	10.43	-	3.66	3.66
Pentwater Capital Management LP	125,112,000 (L) (Note 9)	H Shares	-	8.17	8.17	-	2.87	2.87
JPMorgan Chase & Co.	99,434,770 (L) 52,262,217 (S) 865,999 (P) (Note 10)	H Shares H Shares H Shares	- - -	6.49 3.41 0.05	6.49 3.41 0.05	- - -	2.28 1.20 0.02	2.28 1.20 0.02

*L – Long position*

*S – Short position*

*P – Lending pool*

*Notes:*

- 2,473,808,550 Shares are directly held by Capital Group. As at the Latest Practicable Date, CR Products is 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 not deemed to be interested in 275,236,200 Shares held through CR Products and 82,762,100 Shares held through CR Products and Yieldwell pursuant to the SFO.
- 275,236,200 Shares are deemed corporate interests pursuant to the SFO indirectly held through Guoda Limited and CR Products. 82,762,100 Shares are deemed corporate interests pursuant to the SFO indirectly held through Guoda Limited, CR Products and Yieldwell.
- 275,236,200 Shares are deemed corporate interests pursuant to the SFO indirectly held through CR Products. 82,762,100 Shares are deemed corporate interests pursuant to the SFO indirectly held through CR Products and Yieldwell.
- 82,762,100 Shares are deemed corporate interests pursuant to the SFO indirectly held through Yieldwell.

5. 181,194,000 Shares are deemed corporate interests pursuant to the SFO indirectly held through Reco Pearl Private Limited.
6. 181,194,000 Shares are deemed corporate interests pursuant to the SFO indirectly held through Reco Pearl Private Limited and Recosia China Pte Ltd.
7. 181,194,000 Shares are deemed corporate interests pursuant to the SFO indirectly held through Reco Pearl Private Limited, Recosia China Pte Ltd. and Recosia Pte Ltd.
8. 159,715,427 Shares are deemed corporate interests pursuant to the SFO indirectly held by UBS Group AG.
9. 125,112,000 Shares are deemed corporate interests pursuant to the SFO indirectly held by Pentwater Capital Management LP.
10. JPMorgan Chase & Co. is indirectly interested in 99,434,770 H Shares in long position, 52,262,217 H Shares in short position and 865,999 H Shares in lending pool and therefore has deemed corporate interests in them pursuant to the SFO. The term “lending pool” is defined as (i) shares that the approved lending agent holds as agent for a third party which he is authorised to lend and other shares that can be lent according to the requirements of the Securities Borrowing and Lending Rules; and (ii) shares that have been lent by the approved lending agent and only if the right of the approved lending agent to require the return of the shares has not yet been extinguished.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors, no other persons or entities (other than the Directors and the chief executives of the Company) had any interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

**(c) Additional disclosure of interests**

As at the Latest Practicable Date:

- (a) none of the Directors was interested within the meaning of Part XV of the SFO in the Shares or any warrants, options, convertible securities or derivatives in respect of any Shares;
- (b) none of the subsidiaries of the Company, pension funds of the Company or of a subsidiary of the Company, or any person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of acting in concert in the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of “associate” in the Takeovers Code but excluding any exempt principal trader and exempt fund managers, owned or controlled any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares;
- (c) there was no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code which existed between the Company, or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of acting in concert, or any of the Company’s associates by virtue of classes (2), (3) or (4) of the definition of “associate” under the Takeovers Code, and any other person;

- (d) no fund managers (other than exempt fund managers) connected with the Company had managed any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares on a discretionary basis;
- (e) none of the Directors held any beneficial shareholdings in the Company which would otherwise entitle them to accept or reject the Merger; and
- (f) none of the Company or the Directors had borrowed or lent any Shares or any convertible securities, warrants, options or derivatives or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in respect of any Shares.

**5. DISCLOSURE OF INTERESTS IN THE SECURITIES OF THE OFFEROR BY THE COMPANY**

As at the Latest Practicable Date:

- (1) the Company did not own any shares, convertible securities, warrants, options, or derivatives in respect of any shares in the Offeror; and
- (2) none of the Directors had any interest within the meaning of Part XV of the SFO in the shares, convertible securities, warrants, options, or derivatives in respect of any shares in the Offeror.

**6. DEALINGS IN THE SHARES BY THE COMPANY**

- (a) During the Relevant Period, none of the Directors had dealt for value in any Shares, convertible securities, warrants, options, or derivatives in respect of any Shares;
- (b) During the period beginning from the date of the Joint Announcement up to the Latest Practicable Date, none of the subsidiaries of the Company, or pension funds of the Company or of a subsidiary of the Company, or any person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of acting in concert in the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of “associate” in the Takeovers Code but excluding exempt principal traders and exempt fund managers had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares;
- (c) During the period beginning from the date of the Joint Announcement up to the Latest Practicable Date, no fund managers connected with the Company (other than exempt fund managers) who managed funds on a discretionary basis had dealt for value in any Shares or any other convertible securities, warrants, options or derivatives in respect of any Shares; and

- (d) During the period beginning from the date of the Joint Announcement up to the Latest Practicable Date, no person between whom there is arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code and the Company, or any person who is presumed to be acting in concert with the Company virtue of classes (1), (2), (3) and (5) of the definition of acting in concert, or any of the Company's associates by virtue of classes, (2), (3) or (4) of the definition of "associate" under the Takeovers Code had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.

## **7. DEALINGS IN THE SECURITIES OF THE OFFEROR BY THE COMPANY**

During the Relevant Period, neither the Company nor any of the Directors had dealt for value in any shares, convertible securities, warrants, options or derivatives in respect of any shares in the Offeror.

## **8. DISCLOSURE OF INTERESTS IN THE SHARES BY THE OFFEROR**

As at the Latest Practicable Date:

- (1) the sole director of the Offeror was not interested in any Shares within the meaning of Part XV of the SFO or any convertible securities, warrants, options or derivatives in respect of the Shares;
- (2) save as disclosed in the sub-paragraph headed "(3) Shareholding in the Company" in the section headed "LETTER FROM THE BOARD", none of the Offeror or the concert parties of the Offeror owned or controlled any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares (excluding Shares held on behalf of non-discretionary investment clients of the CICC group);
- (3) save for the Reco Irrevocable Undertaking, there was no existing holding of voting rights and rights over Shares in respect of which the Offeror or the concert parties of the Offeror had received an irrevocable commitment in relation to the voting of the resolutions in respect of the Merger;
- (4) save for the Merger Agreement and the transactions contemplated thereunder and the Reco Irrevocable Undertaking, there was no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares which existed between the Offeror or the concert parties of the Offeror and any other person;
- (5) there was no agreement or arrangement (other than the Merger Agreement and the transactions contemplated thereunder) to which the Offeror was a party which related to the circumstances in which the Offeror might or might not invoke or seek to invoke a condition of the Merger;
- (6) none of the Offeror or any of the concert parties of the Offeror had borrowed or lent any Shares or any convertible securities, warrants, options or derivatives or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in respect of the Shares, save for any borrowed Shares which have been either on-lent or sold;

- (7) other than the Cancellation Price to be paid by the Offeror for every H Share and Non-H Foreign Share under the Merger, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or any of the parties acting in concert with it to the holders of the H Shares and Non H Foreign Shares in connection with the cancellation of the H Shares and the Non-H Foreign Shares respectively under the Merger; and
- (8) there was no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (i) any Shareholder; and (ii)(a) the Offeror, Capital Group and any person acting in concert with either of them or (b) the Company, its subsidiaries or associated companies as at the Latest Practicable Date.

#### **9. DEALINGS IN THE SHARES BY THE OFFEROR**

- (1) None of the Offeror or the sole director of the Offeror or any of the concert parties of the Offeror had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares (excluding non-proprietary trades conducted by members of the CICC group for and on behalf of clients of the CICC group) during the Relevant Period.
- (2) None of the person who has irrevocably committed themselves in relation to voting of the resolutions in respect of the Merger had dealt for value in the Shares or any convertible Securities warrants, options or derivatives in respect of the Shares during the Relevant Period.
- (3) No person who has an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Offeror or any of the concert parties of the Offeror had dealt for value in the Shares or any convertible securities, warrants, options or derivatives in respect of the Shares during the Relevant Period.

#### **10. ARRANGEMENTS IN CONNECTION WITH THE MERGER**

##### **(1) Arrangements affecting the Directors**

As at the Latest Practicable Date:

- (i) no benefit (save for statutory compensation required under applicable laws) would be given to any Director as compensation for loss of office or otherwise in connection with the Merger;
- (ii) save for the Merger, there were no agreements or arrangements between any Director and any other person which was conditional on or dependent upon the outcome of the Merger or otherwise connected with the Merger; and
- (iii) there were no material contracts entered into by the Offeror in which any Director had a material personal interest.

**(2) Arrangements with the Company in connection with the Merger**

- (i) As at the Latest Practicable Date, save for the Reco Irrevocable Undertaking, no person who owned or controlled any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares had irrevocably committed themselves to vote their Shares in favour of or against (as the case may be) the resolutions in respect of the Merger.

**(3) Arrangement with the Offeror in connection with the Merger**

- (i) Save as disclosed in paragraph headed “3. Principal Terms of the Merger Agreement” in the section headed “LETTER FROM THE BOARD”, there is no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror or any person acting in concert with it on the one hand and any of the Directors, recent Directors, Shareholders or recent Shareholders on the other hand having any connection with or dependence upon the Merger.
- (ii) Save for the Merger Agreement and the transactions contemplated thereunder, there is no agreement or arrangement to which the Offeror is a party which relate to the circumstances in which the Offeror may or may not invoke or seek to invoke a Condition to the Merger.
- (iii) As at the Latest Practicable Date, the Offeror did not have any intention to transfer, charge or pledge any Shares acquired pursuant to the Merger to any other person.

**11. MATERIAL CONTRACTS**

The following contracts (being contracts not entered into in the ordinary course of business carried on or intended to be carried on by the members of the Group) have been entered into by the Company or any of its subsidiaries within the two years immediately preceding the commencement of the Offer Period, and up to and including the Latest Practicable Date, which are or may be material.

- (a) the asset transaction agreement dated 25 October 2019 entered into between the Company and Bantex Investments Limited, in relation to the disposal of 50% equity interests in Beijing Tiancheng Yongyuan Investment Management Co., Ltd.\* (北京天城永元置業有限公司) by the Company to Bantex Investments Limited through public tender in China Beijing Equity Exchange for a total consideration of RMB3,025,130,808;



- (b) the placing agreement dated 9 December 2019 entered into between the Company, China International Capital Corporation Hong Kong Securities Limited (“CICC”), The Hongkong and Shanghai Banking Corporation Limited (“HSBC”), CMB International Capital Limited (“CMBI”) and Silk Road International Capital Limited (“Silk Road”), in relation to the placing of the unsubscribed H Shares and the H Shares that would have been provisionally allotted to overseas Shareholders under the proposed rights issue of 510,378,000 H Shares at the subscription price of HK\$1.87 per H Share on the basis of 5 H Shares for every 10 existing H Shares by the Company (the “H Share Rights Issue”) by CICC, HSBC, CMBI and Silk Road to independent third parties on a best effort basis and several (but not joint or joint and several) basis at the fee of 1.2% of the gross proceeds of such H Shares actually placed;
- (c) the underwriting agreement dated 9 December 2019 entered into between the Company, BCG Chinastar International Investment Limited, CMBI, HSBC and Silk Road in relation to the underwriting arrangement by BCG Chinastar International Investment Limited, CMBI, HSBC and Silk Road for the H Shares which are unsubscribed, not placed under the compensatory arrangements and unsold fractions of H Shares in accordance with their respective underwriting commitments under the underwriting agreement in respect of the H Share Rights Issue at the subscription price of HK\$1.87 per H Share;
- (d) the capital increase agreement dated 26 December 2019 entered into between Beijing Zhongzhi Dingfu Real Property Development Co., Ltd.\* (北京眾置鼎福房地產開發有限公司), a wholly-owned subsidiary of the Company, Agricultural Bank of China Financial Assets Investment Co., Ltd.\* (農銀金融資產投資有限公司) and Beijing Liujin Real Property Co., Ltd.\* (北京鑾金置業有限責任公司) in relation to the capital injection of RMB1,000,000,000 by Agricultural Bank of China Financial Assets Investment Co., Ltd.\* (農銀金融資產投資有限公司) to Beijing Liujin Real Property Co., Ltd.\* (北京鑾金置業有限責任公司) in consideration for the acquisition of 34.12% of the equity interest in Beijing Liujin Real Property Co., Ltd.\* (北京鑾金置業有限責任公司) (“Beijing Liujin”) by Agricultural Bank of China Financial Assets Investment Co., Ltd.\* (農銀金融資產投資有限公司), which resulted in the decrease in the Company’s interest in Beijing Liujin from 100% to 65.88% and thus constituting a deemed disposal for the Company under Chapter 14 of the Listing Rules;
- (e) the equity transfer agreement dated 27 December 2019 entered into between the Shoujin Xinchuang (Tianjin) Real Estate Development Co., Ltd.\* (首金新創(天津)置業發展有限公司), an indirect wholly-owned subsidiary of the Company, as the vendor and Shoujin Yingchuang Shouxin No. 3 Graded Private Equity Investment Fund\* (首金盈創首信三號分級私募股權投資基金), as the purchaser, and Shoujin Yuanchuang (Tianjin) Real Estate Development Co., Ltd.\* (首金元創(天津)置業發展有限公司) in relation to the transfer of 94% equity interest in Shoujin Yuanchuang (Tianjin) Real Estate Development Co., Ltd.\* (首金元創(天津)置業發展有限公司), which holds 51% of the equity interest in Suzhou Hongchang Real Estate Co., Ltd.\* (蘇州泓昶置業有限公司), by Shoujin Xinchuang (Tianjin) Real Estate Development Co., Ltd.\* (首金新創(天津)置業發展有限公司) to Shoujin Yingchuang Shouxin No. 3 Graded Private Equity Investment Fund\* (首金盈創首信三號分級私募股權投資基金) at a consideration of RMB1,066,000,000;

- (f) the partnership agreement dated 7 February 2020 entered into between Beijing CUFE Longma Capital Co., Ltd.\* (北京中財龍馬資本投資有限公司) (“**Beijing CUFE**”), Guoxin Yicheng Investment Management (Beijing) Co., Ltd.\* (國信易誠投資管理(北京)有限公司) (“**Guoxin Yicheng**”), a wholly-owned subsidiary of the Company, Shoujin Capital Management (Tianjin) Company Limited\* (首金資本管理(天津)有限公司) (“**Shoujin Capital Management**”), a wholly-owned subsidiary of the Company, and Union Life Insurance Co., Ltd.\* (合眾人壽保險股份有限公司) (“**Union Life**”) in relation to the establishment and management of the Tianjin Longma Venture Capital Investment Partnership (Limited Partnership)\* (天津龍馬合創股權投資合夥企業(有限合夥)). Pursuant to the partnership agreement, the total capital commitment of the partnership is RMB2,536,000,000, of which Beijing CUFE and Guoxin Yicheng, as general partners, will each invest RMB1,000,000, while Shoujin Capital Management and Union Life, as limited partners, will each invest RMB1,267,000,000, and the purpose of the partnership is to purchase the commercial properties located in Shanghai, the PRC to be developed and pre-sold by the Group;
- (g) the equity transfer agreement dated 22 April 2020 entered into between Beijing Jintang Tianrun Media Development Co., Ltd.\* (北京金唐天潤傳媒發展有限公司) (“**Beijing Jintang**”), as the seller, and Beijing Zhongrui Kaihua Investment and Management Co., Ltd.\* (北京中瑞凱華投資管理有限公司) (“**Beijing Zhongrui**”), a wholly-owned subsidiary of the Company, as the buyer, in relation to the acquisition of 20% equity interest in Beijing Kaichuang Jinrun Real Estate Co., Ltd.\* (北京開創金潤置業有限公司) (“**Beijing Kaichuang**”) at a consideration of RMB1,472,540 from Beijing Jintang by Beijing Zhongrui and its payment obligation of the registered capital of Beijing Kaichuang of RMB12,500,000 and the provision of funds to Beijing Kaichuang for its repayment of existing shareholders’ funds, together with related interest, of not more than RMB1,093,835,500 by Beijing Zhongrui;
- (h) the equity acquisition agreement dated 19 June 2020 entered into between Capital Xinchuang (Tianjin) Real Estate Development Co., Ltd.\* (首金新創(天津)置業發展有限公司), an indirect wholly-owned subsidiary of the Company, as the transferor, and Xingye International Trust Limited, as the purchaser, in relation to the transfer of 43% equity interest in Shoujin Ruizhi (Tianjin) Real Estate Development Co., Ltd.\* (首金睿志(天津)置業發展有限公司), which is wholly-owned by the transferor prior to the completion of the transfer, by Capital Xinchuang (Tianjin) Real Estate Development Co., Ltd.\* (首金新創(天津)置業發展有限公司) to Xingye International Trust Limited at a consideration of RMB1,410,400,000;

- (i) the equity transfer agreement dated 11 November 2020 entered into between Beijing City Green Foundations Development Company Limited\* (北京市綠化隔離地區基礎設施開發建設有限公司) (“**Beijing City Green Foundations**”), as the purchaser, and Prime Capital Qizhi (Tianjin) Investment Company Limited\* (首金祺志(天津)投資管理有限公司) (“**Prime Capital**”), an indirect wholly-owned subsidiary of the Company, as the seller, in relation to the transfer of 14.99% of the registered capital of Beijing Chuangyue Xinke Real Estate Company Limited\* (北京創閱新科置業有限公司) (“**Beijing Chuangyue**”), which is wholly-owned by the seller prior to the completion of the transfer, by Prime Capital to Beijing City Green Foundations at a cash consideration of RMB869,435 and the capital contribution of RMB14,990,000 by the purchaser to Beijing Chuangyue; and the capital increase of an aggregate amount of RMB1,380,000,000 in Beijing Chuangyue upon completion on pro rata basis in accordance with the then equity interests of the seller and the purchaser in Beijing Chuangyue; and the purchaser’s contribution of an unsecured shareholder’s loan of RMB472,185,000 upon completion at an interest rate of 7% per annum, of which RMB221,852,000 will be converted into equity of Beijing Chuangyue as the purchaser’s contribution;
- (j) the cooperation agreement dated 23 December 2020 entered into between Shoujin Xingjiang (Tianjin) Property Development Company Limited\* (首金興江(天津)置業發展有限公司) (“**Shoujin Xingjiang**”), a wholly-owned subsidiary of the Company, Tongxiang Ping An Investment Company Limited\* (桐鄉平安投資有限公司) (“**Tongxiang Ping An**”), Shenzhen Anchuang Investment Management Company Limited\* (深圳安創投資管理有限公司) (“**Shenzhen Anchuang**”), Shanghai Yijin Properties Company Limited\* (上海億晉置業有限公司) (“**Shanghai Yijin**”), Shanghai Yiwei Properties Company Limited\* (上海億薇置業有限公司) (“**Shanghai Yiwei**”), Shanghai Yiyi Properties Company Limited\* (上海億翊置業有限公司) (“**Shanghai Yiyi**”), Tongxiang Anyue Properties Company Limited\* (桐鄉市安悅置業有限公司) (“**Tongxiang Anyue**”), Tongxiang Anrun Properties Company Limited\* (桐鄉市安潤置業有限公司) (“**Tongxiang Anrun**”) and Tongxiang Anbo Properties Company Limited\* (桐鄉市安博置業有限公司) (“**Tongxiang Anbo**”) in relation to (a) the acquisition of 9.15% equity interest in Tongxiang Anyue by Shoujin Xingjiang from Tongxiang Ping An for an equity purchase price of RMB18,300,000 and the provision of not more than RMB25,640,000 to Tongxiang Anyue by Shoujin Xingjiang; (b) the acquisition of 40% equity interest in Tongxiang Anrun by Shoujin Xingjiang from Shenzhen Anchuang and as consideration, Shoujin Xingjiang will assume the obligation to contribute registered capital of RMB4,000,000 to Tongxiang Anrun and also provide capital of not more than RMB153,920,000 to Tongxiang Anrun; (c) the acquisition of 40% equity interest in Tongxiang Anbo by Shoujin Xingjiang from Shenzhen Anchuang and as consideration, Shoujin Xingjiang will assume the obligation to contribute registered capital of RMB4,000,000 to Tongxiang Anbo and also provide capital of not more than RMB153,080,000 to Tongxiang Anbo, and the provision of funding by Shoujin Xingjiang to Tongxiang Anyue, Tongxiang Anrun and Tongxiang Anbo for the development of future projects in an aggregate amount not exceeding RMB288,400,000;

- (k) the cooperation agreement dated 26 January 2021 entered into between Shoujin Huizhi (Tianjin) Property Development Company Limited\* (首金輝志(天津)置業發展有限公司) (“**Shoujin Huizhi**”), an indirect wholly-owned subsidiary of the Company, Ping An Real Estate Company Limited\* (平安不動產有限公司) and Tongxiang Ping An New Economy City Development Company Limited\* (桐鄉平安新經濟城開發有限公司) (“**Tongxiang Ping An**”) in relation to the acquisition of 50% equity interest in Tongxiang Ping An from Ping An Real Estate Company Limited\* (平安不動產有限公司) by Shoujin Huizhi at the consideration of RMB291,871,200 and the provision of capital of RMB6,000,000 by Shoujin Huizhi to Tongxiang Ping An for the repayment of its shareholder’s loan. In addition, Shoujin Huizhi shall contribute RMB250,000,000 to the registered capital of Tongxiang Ping An upon completion of the acquisition;
- (l) the Company on 28 May 2021 has arranged for the establishment of an asset-backed securities scheme known as Zhonglian BCG – Capital Outlets Phase II Asset – backed Securities Scheme\* (“**ABS Scheme**”), the size of the issuance being up to RMB3,268,000,000 (the “**Issuance**”). Pursuant to the Issuance, the Group has undergone certain internal restructuring steps including the equity transfer agreement dated 28 May 2021 entered into between Zhejiang Outlets Real Estate Co., Ltd.\* (浙江奧特萊斯置業有限公司), an indirect wholly-owned subsidiary of the Company, as seller, and Zhonglian BCG – Capital Outlets Phase II Private Equity Investment Fund\* (中聯首正德盛 — 首創鉅大奧特萊斯二期私募股權投資基金) (“**Zhonglian BCG – Capital Outlets**”), as purchaser, which is represented by Shouzheng Desheng Capital Management Co., Ltd.\* (首正德盛資本管理有限公司) (“**Shouzheng Desheng**”) as the fund manager, in relation to the transfer of the entire equity interest in Hangzhou Capital Outlets Property Limited at an aggregate consideration of approximately RMB410,370,000;
- (m) pursuant to the Issuance, an equity transfer agreement dated 28 May 2021 was entered into between Beijing Jinfu Longding Investment Management Co., Ltd.\* (北京錦富龍鼎投資管理有限公司), an indirect wholly-owned subsidiary of the Company, as seller, and Zhonglian BCG – Capital Outlets, as purchaser, which is represented by Shouzheng Desheng as the fund manager, in relation to the transfer of the entire equity interest in Jiangxi Capital Outlets Development Company Limited at an aggregate consideration of approximately RMB432,690,000;
- (n) pursuant to the Issuance, an equity transfer agreement dated 28 May 2021 was entered into between Beijing Hengsheng Huaxing Investment Management Co., Ltd.\* (北京恆盛華星投資管理有限公司), an indirect wholly-owned subsidiary of the Company, as seller, and Zhonglian BCG – Capital Outlets, as purchaser, which is represented by Shouzheng Desheng as the fund manager, in relation to the transfer of the entire equity interest in Jinan Shouju Real Estate Ltd at an aggregate consideration of approximately RMB374,130,000;

- (o) pursuant to the Issuance, an equity transfer agreement dated 28 May 2021 was entered into between Shanghai Juque Investment Management Co., Ltd.\* (上海鉅譽投資管理有限公司) and Capital Juda Operation Limited\* (首創鉅大營運有限公司), both indirect wholly-owned subsidiaries of the Company, as co-sellers, and Zhonglian BCG – Capital Outlets, as purchaser, which is represented by Shouzheng Desheng as the fund manager, in relation to the transfer of the entire equity interest in Hefei Chuangju Commercial Development and Management Co., Ltd. at an aggregate consideration of approximately RMB175,530,000;
- (p) the cooperation framework agreement dated 24 June 2021 entered into between Shoujin Xinchuang (Tianjin) Real Estate Development Co., Ltd.\* (首金新創(天津)置業發展有限公司), an indirect wholly owned subsidiary of the Company, and Beijing Jinyuan Hongda Real Estate Co., Ltd.\* (北京金源鴻大房地產有限公司) in relation to the establishment of a joint venture for the sole purpose of development and sales of the No. 5 building under the Xanadu project, and the transfer of the rights to potential proceeds after tax (including but not limited to revenue and rental income) that will be received from the property to be ultimately constructed by Beijing Jinchuang Xinyang Real Estate Development Co., Ltd.\* 北京金創新陽房地產開發有限公司 (the joint venture company) to the joint venture company at a consideration of RMB2,300,000,000; and
- (q) the Merger Agreement.

## 12. MATERIAL LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration or claim of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

**13. EXPERTS' QUALIFICATIONS AND CONSENT**

The following are the names and qualifications of the experts whose letter, opinions or advice are contained or referred to in this document:

<b>Name</b>	<b>Qualification</b>
CICC	the financial adviser to the Offeror, in connection with the Merger, a corporation licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO
Somerley Capital Limited	the Independent Financial Adviser, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser of the Company in respect of the Estimate
Cushman & Wakefield Limited	an independent qualified property valuer
PwC	Certified Public Accountants in the People's Republic of China and Recognised Public Interest Entity Auditor under the Financial Reporting Council Ordinance (Cap. 588)

Each of the above experts has given and has not withdrawn its written consent to the issue of this document with the inclusion therein of its opinions, reports, and the references to its name, opinions and reports in the form and context in which they respectively appear.

**14. SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing service contract with the Company or any of its subsidiaries or associated companies which (i) (including both continuous and fixed-term contracts) had been entered into, or amended within six months before the date of commencement of the Offer Period; (ii) was a continuous contract with a notice period of 12 months or more; (iii) was a fixed term contract with more than 12 months to run irrespective of the notice period; or (iv) was not determinable by the Company within one year without payment of compensation (other than statutory compensation).

## 15. OTHER INFORMATION

- (1) The registered address of the Offeror is High-End Industries Area, China (Beijing) Pilot Free Trade Zone, 0398, Block D, 12 Yushun Road, Daxing District, Beijing, the People's Republic of China.
- (2) The sole director of the Offeror is Mr. Yang Weibin.
- (3) The principal member of the Offeror's concert group is Capital Group. Details of the principal member of the Offeror's concert group are as follows:

Name of the principal member	Address	Director(s)
Capital Group	Registered office: #2 Building, No. 21 Chegongzhuang Street, Xicheng District, Beijing, China	Mr. He Jiangchuan Mr. Li Songping Mr. Gong Yongtao Mr. Cui Yeguang Mr. Kan Zhenfang Mr. Bai Yan

- (4) CICC is the financial adviser to the Offeror in relation to the Merger and its address is 29/F One International Finance Centre, 1 Harbour View Street, Central, Hong Kong.
- (5) The registered office address of the Company is Room 3071, 3/F Office, Block 4, No. 13 Kaifang East Road, Huairou District, Beijing, PRC and the principal place of business of the Company in Hong Kong is at Suites 4602-05, One Exchange Square, Central, Hong Kong.
- (6) As at the Latest Practicable Date, the Board comprises Mr. Li Songping, Mr. Zhong Beichen, Mr. Huang Ziquan, Mr. Hu Weimin, Mr. Fan Shubin, Ms. Sun Baojie, Mr. Li Wang, Mr. Wong Yik Chung, John and Mr. Liu Xin.
- (7) The address of the Independent Financial Adviser, Somerley Capital Limited, is at 20th Floor, China Building, 29 Queen's Road Central, Hong Kong.
- (8) The address of the property valuer, Cushman & Wakefield Limited, is at 27/F, One Island East, Taikoo Place, 18 Westlands Road, Quarry Bay, Hong Kong.
- (9) In case of inconsistency, the English version of this document shall prevail over the Chinese version.

**16. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection from the date of this document until the date on which the Offer Period ends (both dates inclusive): (1) at the Company's principal place of business in Hong Kong at Suites 4602-05, One Exchange Square, Central, Hong Kong during normal business hours (i.e. from 9:30 a.m. to 5:00 p.m. from Monday to Friday, excluding public holidays); (2) on the Company's website at <http://www.bjcapitalland.com>; and (3) on the SFC's website at [www.sfc.hk](http://www.sfc.hk):

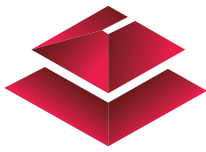
- (1) the Articles;
- (2) the articles of association of the Offeror;
- (3) the annual reports containing the financial statements of the Company for each of the three financial years ended 2018, 2019 and 2020 and the interim report containing the financial statements of the Company for the six months ended 30 June 2021;
- (4) the letter from the Board, the full text of which is set out in this document from pages 8 to 30;
- (5) the letter from the Independent Board Committee, the full text of which is set out in this document on pages 31 to 32;
- (6) the letter from the Independent Financial Adviser, the full text of which is set out in this document from pages 33 to 67;
- (7) the property valuation report from Cushman & Wakefield Limited, a summary of which is set out in Appendix II of this document;
- (8) the letter from Somerley on the Estimate, the text of which is set out in Appendix IIIA to this document;
- (9) the letter from PwC on the Estimate, the text of which is set out in Appendix IIIB to this document;
- (10) the Reco Irrevocable Undertaking;
- (11) the material contract(s) referred to in the section headed "11. Material Contracts" in this Appendix IV;
- (12) the letters of consent referred to in the section headed "13. Experts' Qualifications and Consent" in this Appendix IV; and
- (13) this document.



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## NOTICE OF EXTRAORDINARY GENERAL 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 EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “EGM”) of Beijing Capital Land Ltd. (the “Company”) will be held at 9:00 a.m. on Thursday, 23 September 2021 at Block A, Fucheng Building, No. 98, Beilishi Road, Xicheng District, Beijing, PRC, for the purpose of considering and, if thought fit, passing the following resolution. Unless otherwise stated, capitalised terms used herein shall have the same meanings as defined in the composite document (the “**Composite Document**”) jointly issued by the Company and Beijing Capital City Development Group Co., Ltd.\* (北京首創城市發展集團有限公司) (the “**Offeror**”) dated 27 August 2021.

#### AS SPECIAL RESOLUTION

1. (a) To consider and, if thought fit, to approve, confirm and ratify the Merger Agreement dated 9 July 2021 entered into between the Company and the Offeror and the Merger and the transactions contemplated under the Merger Agreement.
- (b) To consider and, if thought fit, to approve that any Director be authorised to do all such acts and things, to sign and execute all such other documents, deeds and instruments, to make applications to the relevant regulatory authorities and to take such steps as he may consider necessary, appropriate, expedient and in the interest of the Company to give effect to and in connection with any transactions contemplated under the Merger Agreement.

By Order of the Board  
**Beijing Capital Land Ltd.**  
**Li Songping**  
Chairman

Beijing, PRC

27 August 2021

*As at the date of this notice, the Board comprises Mr. Li Songping (Chairman) who is the non-executive Director, Mr. Zhong Beichen (President), Mr. Huang Ziquan, Mr. Hu Weimin and Mr. Fan Shubin who are the executive Directors, Ms. Sun Baojie who is the non-executive Director, Mr. Li Wang, Mr. Wong Yik Chung, John and Mr. Liu Xin who are the independent non-executive Directors.*

\* For identification purpose only

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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*Notes:*

1. As set out in the Composite Document, it is one of the conditions to the effectiveness of the Merger Agreement that the special resolution in the EGM approving the Merger under the Merger Agreement is passed by not less than two-thirds of the votes cast by way of poll by the Shareholders present and voting in person or by proxy at the EGM.
2. In order to determine the shareholders of H shares who will be entitled to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 17 September 2021 to Thursday, 23 September 2021, both days inclusive, during which period no transfer of the Company's shares will be registered. To be eligible to attend and vote at the EGM, all instruments of transfer accompanied by relevant share certificates must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (for holders of H Shares) or to the Company's correspondence address at Block A, Fucheng Building, No. 98 Beilishi Road, Xicheng District, Beijing, PRC (for holders of Non-H Foreign Shares and Domestic Shares), in each case not later than 4:30 p.m. on Thursday, 16 September 2021. Shareholders whose names are recorded in the register of members of the Company on Thursday, 23 September 2021 are entitled to attend the EGM.
3. A shareholder entitled to attend and vote at the EGM may appoint one or more proxies (whether or not he/she is a Shareholder) to attend and vote at the EGM on his or her behalf. The form of proxy shall contain the number of the shares to be represented by the proxy. If several persons are authorised as the proxies of a Shareholder, the form of proxy shall specify the number and class of shares to be represented by each proxy.
4. The form of proxy shall be signed by the appointer or his attorney duly authorised in writing or, in the case of a legal person, must be either executed under its common seal or under the hand of its directors or attorney duly authorised.
5. To be valid, the form of proxy must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (for holders of H Shares) or to the Company's correspondence address at Block A, Fucheng Building, No. 98 Beilishi Road, Xicheng District, Beijing, PRC (for holders of Non-H Foreign Shares and Domestic Shares) not less than 24 hours prior to the holding of the EGM. If the form of proxy is signed by another person under a power of attorney or other authorisation documents given by the appointer, such power of attorney or other authorisation documents shall be notarised. The notarised power of attorney or other authorisation documents shall, together with the form of proxy, be deposited at the specified place at the time set out in the form of proxy.
6. If the appointer is a legal person, its legal representative or any person authorised by resolutions of the board of directors or other governing bodies may attend the EGM on behalf of the appointer.
7. The Company has the right to request a proxy who attends the EGM on behalf of a shareholder to provide proof of identity. If a legal person shareholder appoints its representative to attend the meeting, the Company is entitled to require the representative to present his own identification document and a notarially certified copy of the resolution or power of attorney authorized by the board of directors or other competent body of such legal person shareholder (except for a recognized clearing house as defined by relevant ordinances in force from time to time in accordance with Hong Kong laws or its proxies).
8. The shareholder(s) attending the EGM shall bear the costs of accommodation, meals and transport.
9. Contact details of the Company in the PRC are as follows:

Address: Block A, Fucheng Building,  
No. 98 Beilishi Road  
Xicheng District  
Beijing, PRC

Telephone number: 86-10-6192 8888

Email: ir@bjcapitaland.com.cn

Contact details of the Company in Hong Kong are as follows:

Address: Suites 4602-05,  
One Exchange Square, Central,  
Hong Kong

Telephone: 852-2869 9098

Facsimile: 852-2869 9708

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## NOTICE OF H SHAREHOLDERS' 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 H SHAREHOLDERS' CLASS MEETING

**NOTICE IS HEREBY GIVEN** that an H shareholders' class meeting (the "**H Shareholders' Class Meeting**") of Beijing Capital Land Ltd. (the "**Company**") will be held at 9:30 a.m. or immediately following the conclusion of the EGM or any adjournment thereof on Thursday, 23 September 2021 at Block A, Fucheng Building, No. 98, Beilishi Road, Xicheng District, Beijing, PRC, for the purpose of considering and, if thought fit, passing the following resolution. Unless otherwise stated, capitalised terms used herein shall have the same meanings as defined in the composite document (the "**Composite Document**") jointly issued by the Company and Beijing Capital City Development Group Co., Ltd.\* (北京首創城市發展集團有限公司) (the "**Offeror**") dated 27 August 2021.

#### AS SPECIAL RESOLUTION

1. (a) To consider and, if thought fit, to approve, confirm and ratify the Merger Agreement dated 9 July 2021 entered into between the Company and the Offeror and the Merger and the transactions contemplated under the Merger Agreement.
- (b) To consider and, if thought fit, to approve that any Director be authorised to do all such acts and things, to sign and execute all such other documents, deeds and instruments, to make applications to the relevant regulatory authorities and to take such steps as he may consider necessary, appropriate, expedient and in the interest of the Company to give effect to and in connection with any transactions contemplated under the Merger Agreement.

By Order of the Board  
**Beijing Capital Land Ltd.**  
**Li Songping**  
Chairman

Beijing, PRC

27 August 2021

*As at the date of this notice, the Board comprises Mr. Li Songping (Chairman) who is the non-executive Director, Mr. Zhong Beichen (President), Mr. Huang Ziquan, Mr. Hu Weimin and Mr. Fan Shubin who are the executive Directors, Ms. Sun Baojie who is the non-executive Director, Mr. Li Wang, Mr. Wong Yik Chung, John and Mr. Liu Xin who are the independent non-executive Directors.*

\* For identification purpose only

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## NOTICE OF H SHAREHOLDERS' CLASS MEETING

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*Notes:*

1. As set out in the Composite Document, it is one of the conditions to the effectiveness of the Merger Agreement that (a) the special resolution in the H Shareholders' Class Meeting approving the Merger under the Merger Agreement is approved by at least 75% of the votes attaching to the H Shares held by the Independent H Shareholders that are cast either in person or by proxy; and (b) the number of votes cast against such resolution is not more than 10% of the votes attaching to the H Shares held by the Independent H Shareholders.
2. In order to determine the shareholders of H shares who will be entitled to attend and vote at the H Shareholders' Class Meeting, the register of members of the Company will be closed from Friday, 17 September 2021 to Thursday, 23 September 2021, both days inclusive, during which period no transfer of the Company's shares will be registered. To be eligible to attend and vote at the H Shareholders' Class Meeting, all instruments of transfer accompanied by relevant share certificates must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Thursday, 16 September 2021. Shareholders whose names are recorded in the register of members of the Company on Thursday, 23 September 2021 are entitled to attend the H Shareholders' Class Meeting.
3. A shareholder entitled to attend and vote at the H Shareholders' Class Meeting may appoint one or more proxies (whether he/she is a shareholder) to attend and vote at the H Shareholders' Class Meeting on his or her behalf. The form of proxy shall contain the number of the shares to be represented by the proxy. If several persons are authorised as the proxies of a shareholder, the form of proxy shall specify the number and class of shares to be represented by each proxy.
4. The form of proxy shall be signed by the appointer or his attorney duly authorised in writing or, in the case of a legal person, must be either executed under its common seal or under the hand of its directors or attorney duly authorised.
5. To be valid, the form of proxy must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 24 hours prior to the holding of the H Shareholders' Class Meeting. If the form of proxy is signed by another person under a power of attorney or other authorisation documents given by the appointer, such power of attorney or other authorisation documents shall be notarised. The notarised power of attorney or other authorisation documents shall, together with the form of proxy, be deposited at the specified place at the time set out in the form of proxy.
6. If the appointer is a legal person, its legal representative or any person authorised by resolutions of the board of directors or other governing bodies may attend the H Shareholders' Class Meeting on behalf of the appointer.
7. The Company has the right to request a proxy who attends the H Shareholders' Class Meeting on behalf of a shareholder to provide proof of identity. If a legal person shareholder appoints its representative to attend the meeting, the Company is entitled to require the representative to present his own identification document and a notarially certified copy of the resolution or power of attorney authorized by the board of directors or other competent body of such legal person shareholder (except for a recognized clearing house as defined by relevant ordinances in force from time to time in accordance with Hong Kong laws or its proxies).
8. The shareholder(s) attending the H Shareholders' Class Meeting shall bear the costs of accommodation, meals and transport.
9. Contact details of the Company in the PRC are as follows:

Address: Block A, Fucheng Building,  
No. 98 Beilishi Road  
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