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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for independent advice.

**If you have sold or transferred** all your shares in Shui On Land Limited, you should at once hand this circular to the purchaser(s) or the transferee(s) or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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瑞安房地產  
SHUI ON LAND

**Shui On Land Limited**  
瑞安房地產有限公司\*

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 272)**

**MAJOR AND CONNECTED TRANSACTION**

**CONDITIONAL DISPOSAL OF  
61.54% SHARE INTEREST AND THE RELATED LOANS  
IN RICHCOAST GROUP LIMITED**

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A letter from the Board is set out on pages 6 to 16 to of this circular.

\* *For identification purpose only*

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## DEFINITIONS

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

“associates”, “connected person(s)”, “subsidiaries” and “substantial shareholders”	each shall have the meaning ascribed to it under the Listing Rules;
“Assignable Onshore Debts”	the loans and debts as well as the receivables due by members of the Richcoast Group in the PRC to members of the Group in the PRC in an aggregate amount of approximately RMB1,164.11 million (equivalent to approximately HK\$1,369.06 million) at the date of the Sale and Purchase Agreement, which shall be assigned to the Purchaser or its designated assignee pursuant to the Sale and Purchase Agreement;
“Board”	the board of Directors;
“Business Day”	a day (other than a Saturday or Sunday) on which banks are open in Hong Kong and the PRC to the general public for business;
“Completion”	completion of the Disposal under the Sale and Purchase Agreement;
“Completion Date”	the date of Completion;
“Company”	Shui On Land Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the main board of the Stock Exchange (stock code: 272);
“Contributing Loans”	has the meaning ascribed to it under the section headed “Financial Assistance in relation to the Non-payment Fee under the Contribution Agreement” in the letter from the Board contained in this circular;
“Contribution Agreement”	the contribution agreement dated 31 December 2015 entered into among Main Zone Group Limited, Innovate Zone, the Purchaser and Richcoast in relation to (among other things) the provision of additional funding for the Dalian Tiandi Project;

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## DEFINITIONS

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“Dalian Tiandi Project”	the Dalian Tiandi property development project jointly developed and operated by the Group, the SOCAM Group and the Yida Group, being a large-scale integrated development in Dalian, the PRC, with an estimated developable gross floor area of approximately three million square metres comprising software offices, residential, commercial and retail properties, hotels and educational facilities;
“Deferred Payment”	has the meaning ascribed to it under the section headed “THE SALE AND PURCHASE AGREEMENT — Total Transaction Amount and payment terms” in the letter from the Board contained in this circular;
“Directors”	the directors of the Company;
“Disposal”	the disposal by Innovate Zone of the Sale Shares, the Offshore Loans and the Assignable Onshore Debts to the Purchaser pursuant to the Sale and Purchase Agreement;
“First Financial Support Agreement”	the financial support agreement dated 31 December 2015 entered into between Innovate Zone and Richcoast in relation to a unilateral loan of an amount up to RMB240 million, as further disclosed in the announcement of the Company dated 31 December 2015;
“Group”	collectively, the Company and its subsidiaries;
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Innovate Zone”	Innovate Zone Group Limited, a wholly-owned subsidiary of the Company incorporated in the British Virgin Islands with limited liability;
“Latest Practicable Date”	30 November 2017, being the latest practicable date for ascertaining certain information referred to in this circular prior to its printing;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Long Stop Date”	29 December 2017 (or such other date as may be agreed between the parties to the Sale and Purchase Agreement);
“Macau”	the Macau Special Administrative Region of the PRC;

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## DEFINITIONS

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“Mitsui”	Mitsui Fudosan Residential Co. Ltd., a company incorporated in Japan with limited liability, and a project partner of certain investment in the Dalian Tiandi Project;
“Mr. Frankie Wong”	Mr. Frankie Y. L. Wong;
“Mr. Vincent Lo”	Mr. Vincent H. S. Lo;
“Non-Assignable Onshore Debts”	the loans and debts due by members of the Richcoast Group in the PRC to members of the Group in the PRC in an aggregate amount of RMB288.24 million (equivalent to approximately HK\$338.99 million) at the date of the Sale and Purchase Agreement, which shall be repaid to the Group incidental to the Disposal;
“Non-payment Fee”	has the meaning ascribed to it under the section headed “Financial Assistance in relation to the Non-payment Fee under the Contribution Agreement” in the letter from the Board contained in this circular;
“Offshore Loans”	the shareholder’s loans due by members of the Richcoast Group outside PRC to Innovate Zone in aggregate amount of approximately RMB1,911.38 million (equivalent to approximately HK\$2,247.89 million) at the date of the Sale and Purchase Agreement, which shall be assigned to the Purchaser or its designated assignee pursuant to the Sale and Purchase Agreement;
“Outstanding Disposal Offshore Consideration”	has the meaning ascribed to it under the section headed “THE SALE AND PURCHASE AGREEMENT — Total Transaction Amount and payment terms” in the letter from the Board contained in this circular;
“PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, Taiwan and Macau);
“Purchaser”	Many Gain International Limited, a wholly-owned subsidiary of Yida incorporated in the British Virgin Islands with limited liability;
“Richcoast”	Richcoast Group Limited, a company incorporated in the British Virgin Islands with limited liability, which was held as to 61.54% by the Group through Innovate Zone, 28.20% by the SOCAM Group through Main Zone Group Limited and 10.26% by the Yida Group through the Purchaser at the Latest Practicable Date;

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## DEFINITIONS

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“Richcoast Group” or “Disposal Group”	collectively, Richcoast and its subsidiaries;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale and Purchase Agreement”	the sale and purchase agreement dated 14 November 2017 entered into among Innovate Zone, SODH, the Purchaser and Yida in relation to the Transaction, as supplemented from time to time;
“Sale Shares”	480 ordinary shares of US\$1.00 each in Richcoast, representing 61.54% of the issued share capital of Richcoast;
“Second Financial Support Agreement”	the financial support agreement dated 5 December 2016 entered into between Innovate Zone and Richcoast in relation to a unilateral loan of an amount up to RMB289 million, as further disclosed in the announcement of the Company dated 5 December 2016;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong);
“Shares”	the ordinary shares of the Company with nominal value of US\$0.0025 each;
“Shareholders”	holders of the Shares;
“SOCAM”	SOCAM Development Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the main board of the Stock Exchange (stock code: 983);
“SOCAM Disposal”	has the meaning ascribed to it under the section headed “Information on the Richcoast Group” in the letter from the Board contained in this circular;
“SOCAM Group”	collectively, SOCAM and its subsidiaries;
“SODH”	Shui On Development (Holding) Limited, an exempted company incorporated in the Cayman Islands with limited liability and a wholly-owned subsidiary of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Total Transaction Amount”	the total consideration for the Disposal and the debt repayment amount, being RMB3,160 million (equivalent to approximately HK\$3,716.34 million);
“Transaction”	the Disposal and the repayment of the Non-Assignable Onshore Debts;

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## DEFINITIONS

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“Unilateral Loans”	has the meaning ascribed to it under the section headed “Financial Assistance in relation to the Non-payment Fee under the Contribution Agreement” in the letter from the Board contained in this circular;
“US\$”	United States Dollars, the lawful currency of the United States of America;
“Yida”	Yida China Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the main board of the Stock Exchange (stock code: 3639);
“Yida Group”	collectively, Yida and its subsidiaries; and
“%”	per cent.

*For the purpose of this circular, the exchange rate at HK\$1 = RMB0.8503 has been used for illustrative purpose only and do not constitute a representation that any amount has been, could have been or may be exchanged at such rates.*

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LETTER FROM THE BOARD

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瑞安房地產  
SHUI ON LAND

**Shui On Land Limited**  
**瑞安房地產有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 272)**

*Executive Directors:*

Mr. Vincent H. S. LO (*Chairman*)  
Mr. Douglas H. H. SUNG (*Chief Financial Officer*)

*Non-executive Director:*

Mr. Frankie Y. L. WONG

*Independent Non-executive Directors:*

Sir John R. H. BOND  
Dr. William K. L. FUNG  
Professor Gary C. BIDDLE  
Dr. Roger L. McCARTHY  
Mr. David J. SHAW  
Mr. Anthony J. L. NIGHTINGALE

*Registered Office:*

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Cayman Islands

*Place of Business in Hong Kong:*

34th Floor, Shui On Centre  
6-8 Harbour Road  
Wan Chai  
Hong Kong

5 December 2017

*To the Shareholders*

Dear Sir or Madam,

**MAJOR AND CONNECTED TRANSACTION**

**CONDITIONAL DISPOSAL OF  
61.54% SHARE INTEREST AND THE RELATED LOANS  
IN RICHCOAST GROUP LIMITED**

**INTRODUCTION**

On 14 November 2017, the Board announced that Innovate Zone and SODH entered into the Sale and Purchase Agreement with the Purchaser and Yida in respect of the Transaction. Upon Completion, Richcoast will cease to be a subsidiary of the Company.

\* *For identification purpose only*



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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with, among other things, further details of the Sale and Purchase Agreement and the Transaction and other information required under the Listing Rules.

### REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE SALE AND PURCHASE AGREEMENT

In accordance to the “Asset Light Strategy” the Group has been pursuing since 2015, the Transaction enables the Group to optimize the value of some of its mature and/or underperforming properties, to improve its overall asset turnover rate, and to recycle its capital into other new opportunities. The Transaction is estimated to deliver, after deducting taxes and transaction costs, a total net proceeds from the disposal of approximately RMB3,102 million (equivalent to approximately HK\$3,648.12 million), and a net gearing reduction of 6%. Upon Completion, Richcoast will cease to be a subsidiary of the Company under the Listing Rules.

### THE SALE AND PURCHASE AGREEMENT

#### Date

14 November 2017

#### Parties

1. Innovate Zone, a wholly-owned subsidiary of the Company holding 61.54% share interest in Richcoast at the Latest Practicable Date, as the seller;
2. Many Gain International Limited, a wholly-owned subsidiary of Yida holding 10.26% share interest in Richcoast at the Latest Practicable Date, as the Purchaser;
3. SODH, as the guarantor of the obligations of Innovate Zone under the Sale and Purchase Agreement; and
4. Yida, as the guarantor of the obligations of the Purchaser under the Sale and Purchase Agreement.

Save for the information set out in the sections headed “Information on the Richcoast Group” and “Implications of the Listing Rules” below, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, the Purchaser, Yida and their respective beneficial owners are independent of the Company and its connected persons.

#### Subject Matters

Pursuant to the Sale and Purchase Agreement, (i) Innovate Zone has conditionally agreed to sell and procure the sale of, and the Purchaser has conditionally agreed to acquire the Sale Shares (representing 61.54% of the issued share capital of Richcoast), the Offshore Loans and the Assignable Onshore Debts; and (ii) the Purchaser has conditionally agreed to procure the repayment of the Non-Assignable Onshore Debts.

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## LETTER FROM THE BOARD

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### Total Transaction Amount and payment terms

The Total Transaction Amount, comprising consideration for the Disposal and the debt repayment amount, is RMB3,160 million (equivalent to approximately HK\$3,716.34 million) which includes:

- (i) **Consideration for the Disposal:** a sum of approximately RMB2,871.76 million (equivalent to approximately HK\$3,377.35 million) being the consideration payable to Innovate Zone for the Disposal, comprising:
  - (a) an amount of RMB3,186 (equivalent to approximately HK\$3,746.91) for the Sale Shares;
  - (b) an amount of approximately RMB1,804.37 million (equivalent to approximately HK\$2,122.04 million) for the Offshore Loans; and
  - (c) an amount of approximately RMB1,067.39 million (equivalent to approximately HK\$1,255.31 million) for the Assignable Onshore Debts; and
- (ii) **Debt repayment amount:** an amount of approximately RMB288.24 million (equivalent to approximately HK\$338.99 million) for the repayment of the Non-Assignable Onshore Debts by Richcoast PRC subsidiaries to the Group via their self operating funds.

The Total Transaction Amount shall be paid and settled, or procured to be paid and settled, by the Purchaser in cash in the following manner:

- (i) earnest money of RMB10 million (equivalent to approximately HK\$11.76 million) that has been paid prior to the date of the Sale and Purchase Agreement was converted into part of the deposit upon signing of the Sale and Purchase Agreement;
- (ii) an amount of approximately RMB333.63 million (equivalent to approximately HK\$392.37 million), being the remaining deposit, was paid within three Business Days upon signing of the Sale and Purchase Agreement;
- (iii) (a) an amount of approximately RMB364.89 million (equivalent to approximately HK\$429.13 million); and (b) an amount of up to approximately RMB77.94 million (equivalent to approximately HK\$91.66 million), subject to the cash balance available on the books of the members of the Richcoast Group in the PRC, shall be paid/settled on the Completion Date;
- (iv) an amount of approximately RMB212.56 million (equivalent to approximately HK\$249.98 million) shall be paid/settled by 29 December 2017; and

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## LETTER FROM THE BOARD

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- (v) the remaining balance of the Total Transaction Amount, being the Total Transaction Amount of RMB3,160 million less the accumulative amount paid/settled on or before the later of the Completion Date or 29 December 2017, shall be paid/settled within 12 months after the Completion Date, of which accumulative amount of at least RMB1,672.56 million (equivalent to approximately HK\$1,967.02 million) shall be paid/settled within six months after the Completion Date.

The Purchaser shall pay interest calculated on a daily basis at the rate of 5% per annum on the balance of the Total Transaction Amount outstanding at the Completion Date (the “**Deferred Payment**”) until the date of actual payment (both dates inclusive). The interest rate was determined after arm’s length negotiations having taken into account interest rates applicable to similar arrangement. As security, the Purchaser shall on Completion issue to Innovate Zone a promissory note for an amount equivalent to the outstanding balance of the consideration for the Sale Shares and the Offshore Loans (the “**Outstanding Disposal Offshore Consideration**”) and carrying the aforesaid interest. Upon the settlement of any of the Outstanding Disposal Offshore Consideration (including the accrued interest thereon), a corresponding amount of the Purchaser’s obligations under the promissory note shall be reduced proportionately. The promissory note will be returned to the Purchaser upon full payment of the Outstanding Disposal Offshore Consideration and the accrued interest thereon. Moreover, the Sale and Purchase Agreement provides for certain further financial control measures to secure the payment of the Deferred Payment, including that funds arising from new loan facilities of and assets disposal by the Richcoast Group in certain circumstances shall be placed in a joint custody account and Innovate Zone shall have the right to appoint a designated financial supervisor to the Richcoast Group until and unless all the Deferred Payment (including the accrued interest thereon) is settled.

The Total Transaction Amount was determined after arm’s length negotiations between Innovate Zone and the Purchaser with reference to the carrying value of the Group’s interest in the Richcoast Group (which holds 78% interest in the Dalian Tiandi Project) as well as the Group’s cumulative cash investment cost in the Richcoast Group, and after taking into account the following factors:

- (i) Dalian Tiandi Project is a joint-venture project in which the Group has a 48% effective interest, and subject to various restrictions as set out in the joint venture agreement; and
- (ii) the Richcoast Group has a net loss (before taxation) of RMB681.48 million (equivalent to approximately HK\$801.46 million) and RMB691.48 million (equivalent to approximately HK\$813.22 million) for the years ended 31 December 2016 and 31 December 2015 respectively.

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## LETTER FROM THE BOARD

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### Conditions

Completion is conditional upon, among other things, the satisfaction or, as applicable, waiver of the following conditions on or before the Long Stop Date:

- (i) there being (a) no government resumption or surrender of; (b) no change in ownership of; and (c) no encumbrance created on, the Richcoast Group's properties on or before the Completion Date, which would have a material adverse effect to the Richcoast Group's properties;
- (ii) the Shareholders' approval having been obtained by the Company in respect of the Sale and Purchase Agreement and the Transaction contemplated thereunder pursuant to the Listing Rules;
- (iii) the shareholders' approval having been obtained by Yida in respect of the Sale and Purchase Agreement and the Transaction contemplated thereunder pursuant to the Listing Rules;
- (iv) banks' consents having been obtained in relation to the assignment of the related Assignable Onshore Debt, or where applicable, in relation to the Disposal;
- (v) financial institutions' consents having been obtained in relation to the release on the Completion Date of the corporate guarantees provided by the Group in favour of certain financial institutions for the benefit of the Richcoast Group;
- (vi) financial institutions' consents having been obtained in relation to the change of control of Richcoast;
- (vii) (a) consent of Mitsui having been obtained in relation to the release of the corporate guarantee executed by the Company in its favour for the benefit of the Richcoast Group; or (b) its exit from the relevant investment in the Dalian Tiandi Project prior to Completion; and
- (viii) a supplemental agreement having been entered into between one of the Richcoast PRC subsidiaries and an independent third party in relation to the development of a school on the project site of the Dalian Tiandi Project.

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## LETTER FROM THE BOARD

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### Completion

Completion shall take place on the second Business Day after the date on which all of the conditions are satisfied or waived (except for the conditions under paragraphs (ii) and (iii) above which cannot be waived) in accordance with the Sale and Purchase Agreement, or on such other date as agreed between Innovate Zone and the Purchaser in writing.

At the Latest Practicable Date, Richcoast was a subsidiary of the Group under the Listing Rules but was accounted for as an associate of the Company in the financial statements of the Group. Following Completion, Richcoast will cease to be a subsidiary of the Company and the Group will no longer hold any shareholding interest in Richcoast.

### Guarantee

SODH has agreed to guarantee to the Purchaser the performance by Innovate Zone of all its obligations under the Sale and Purchase Agreement until Innovate Zone's obligations thereunder have been satisfied in full.

Yida has agreed to guarantee to Innovate Zone the performance by the Purchaser of all its obligations under the Sale and Purchase Agreement until the Purchaser's obligations thereunder have been satisfied in full.

### INFORMATION ON THE RICHCOAST GROUP

At the Latest Practicable Date, Richcoast was held as to 61.54% by the Group through Innovate Zone, 28.20% by the SOCAM Group through Main Zone Group Limited and 10.26% by the Yida Group through the Purchaser.

Richcoast, through its subsidiaries, holds 78% interest in the Dalian Tiandi Project and the remaining 22% interest in the Dalian Tiandi Project is held by the Yida Group. The Richcoast Group was formed in 2007 for the development and operation of the Dalian Tiandi Project, which is a property development and investment project jointly developed and operated by the Group, the SOCAM Group and the Yida Group, being a large-scale integrated development in Dalian, the PRC, with an estimated developable gross floor area of approximately three million square metres comprising software offices, residential, commercial and retail properties, hotels and educational facilities.

The Board has been informed by the SOCAM Group that Main Zone Group Limited (a wholly-owned subsidiary of SOCAM) has on 14 November 2017 entered into a sale and purchase agreement to dispose of its entire shareholding interest in Richcoast to the Purchaser, details of which has been set out in an announcement of SOCAM dated 14 November 2017 (the "**SOCAM Disposal**").

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## LETTER FROM THE BOARD

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Set out below is a summary of the audited financial information of the Richcoast Group for the two years ended 31 December 2015 and 2016:

	For the year ended 31 December			
	2016		2015	
	<i>Equivalent to approximately</i>		<i>Equivalent to approximately</i>	
	<i>RMB million</i>	<i>HK\$ million</i>	<i>RMB million</i>	<i>HK\$ million</i>
Net loss (before taxation)	(681.48)	(801.46)	(691.48)	(813.22)
Net loss (after taxation)	(569.74)	(670.05)	(598.82)	(704.25)

The unaudited consolidated total equity, including non-controlling interest, of the Richcoast Group at 30 June 2017 was approximately RMB1,230.01 million (equivalent to approximately HK\$1,446.56 million).

### FINANCIAL IMPACT ON THE GROUP AND USE OF PROCEEDS

The Group expects to recognise a loss of approximately RMB495 million (equivalent to approximately HK\$582.15 million) on the Transaction, being the difference between (i) the Total Transaction Amount; and (ii) the unaudited carrying value of the Group's investment in Richcoast of approximately RMB3,597 million (equivalent to approximately HK\$4,230.27 million), as well as the costs and expenses relating to the Transaction of approximately RMB58 million (equivalent to approximately HK\$68.21 million). Such estimated disposal loss will be partly offset by the interest accrued on the Deferred Payment of approximately RMB93 million (equivalent to approximately HK\$109.37 million), which is to be recognised as income of the Group after Completion until full settlement of the Deferred Payment.

Shareholders should note that the financial impact set out above is for illustrative purpose only, which will have to be ascertained with reference to the carrying value of the Group's investment in Richcoast at the Completion Date.

Upon Completion, the Richcoast Group will cease to be an associate of the Group; and the Group will no longer record any share of the result in the Richcoast Group in its consolidated financial statements.

Following the Disposal, the Group's net assets would decrease by approximately RMB495 million (equivalent to approximately HK\$582.15 million). The profits of the Group will decrease due to the loss from the disposal of the Sale Shares. There will not be any impact on the liabilities of the Group as a result of the Completion because the liabilities of Richcoast Group were not consolidated in the financial statements of the Group.

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## LETTER FROM THE BOARD

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The net proceeds of RMB3,102 million (equivalent to approximately HK\$3,648.12 million) from the Transaction, after deducting the transaction costs and expenses, will be used by the Group to further reduce bank borrowings and for general working capital purpose. The exact allocation of the net proceeds will depend on the proportion of bank borrowings that may be renewed, extended or refinanced under the prevailing credit market condition.

The deficit of the Total Transaction Amount under the unaudited proforma carrying value of the Group's investment in the Sale Shares at the Completion Date is approximately RMB437 million (equivalent to approximately HK\$514 million).

### FINANCIAL ASSISTANCE IN RELATION TO THE NON-PAYMENT FEE UNDER THE CONTRIBUTION AGREEMENT

Pursuant to the Contribution Agreement, Innovate Zone, the Purchaser and Main Zone Group Limited agreed to provide funding to the Richcoast Group by way of contributing loans of not exceeding RMB781 million (the “**Contributing Loans**”) in proportion to their effective shareholding ratio in the Richcoast Group. In addition, under the Contribution Agreement, any shareholders of Richcoast may from time to time extend additional loan(s) to the Richcoast Group which shall be matched by the other shareholders. Pursuant to the First Financial Support Agreement and the Second Financial Support Agreement, Innovate Zone further provided additional unilateral loans up to RMB240 million and RMB289 million (the “**Unilateral Loans**”) to the Richcoast Group, respectively.

At the Latest Practicable Date, the Purchaser did not provide any of its share of the Contributing Loans or make any matching loans corresponding to the Unilateral Loans to the Richcoast Group. In accordance with the terms of the Contribution Agreement, the Purchaser shall pay to Innovate Zone a fee equal to 12% per annum of the outstanding amount of the loans provided, and the excess corresponding Contributing Loans extended, by Innovate Zone multiplied by the Purchaser's effective shareholding ratio in the Richcoast Group, which amounted to approximately RMB52.08 million (equivalent to approximately HK\$61.25 million) (the “**Non-payment Fee**”).

As part of the Transaction, pursuant to the Sale and Purchase Agreement, Innovate Zone and the Purchaser has agreed that all Non-payment Fee payable by the Purchaser to Innovate Zone upon Completion shall be considered as fully settled. As the highest applicable percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Non-payment Fee exceeds 0.1% but is less than 5%, such financial assistance by the Group to the Yida Group constitutes a connected transaction of the Company which is subject to the reporting and announcement requirements but is exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. None of the Directors has any material interest in the arrangement in relation to the Non-payment Fee.

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## LETTER FROM THE BOARD

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### FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is accelerating its overall asset turnover and will continue to realise the value of existing assets. It is the Group's strategy to divest commercial properties in its portfolio that are mature and stabilized or are non-core assets at the right time and price. Increasing asset turnover will allow the Group to implement its strategic monetization plan for its commercial portfolio in the prevailing market conditions so as to increase profitability and help to strengthen the Group's cash flow and reduce debt.

For the first ten months of 2017, the Company's accumulated contracted sales was RMB15,226 million.

In relation to the development of the Group's properties, construction works of two residential sites situated at the Wuhan and Chongqing projects and phase 2 of one residential site situated at the Shanghai Taipingqiao project were completed in the second half of 2017. The second batch of Rui Hong Xin Cheng Phase 7 was successfully launched for pre-sale in April 2017 with good sales result. The remaining of Rui Hong Xin Cheng Phase 7 is scheduled to be launched for pre-sale afterwards. The Group will continue to launch new phases of residential properties in other projects in mainland China.

However, the PRC government has during 2017 introduced a series of local and national measures designed to stabilize the property market. The restrictive measures are unprecedented and include imposing controls on granting pre-sale permits, price controls, as well as restrictions on home purchases and residential mortgages.

The Directors are of the view that the PRC real estate market will continue to develop and grow in the long run, and that, as the Group implements its current strategies, this will lay a solid foundation for the Group's sustainable development and its long term prospects.

### IMPLICATIONS OF THE LISTING RULES

At the Latest Practicable Date, Mr. Vincent Lo, who is the Chairman of the Company and an executive Director, and his associates were together beneficially interested in approximately 57.23% of the issued shares of the Company. Mr. Vincent Lo is also the chairman and an executive director of SOCAM, and he and his associates were together beneficially interested in approximately 48.44% of the issued shares of SOCAM at the Latest Practicable Date. Mr. Vincent Lo did not have any interests in the Yida Group nor is he otherwise related or connected to the Yida Group and its connected person(s) at the Latest Practicable Date.

Mr. Frankie Wong, who is a non-executive Director, is also an executive director, the chief executive officer and chief financial officer of SOCAM. At the Latest Practicable Date, he was beneficially interested in approximately 0.81% of the issued shares of SOCAM and did not have any interests in the shares of the Company and Yida.

None of the Directors has any material interest in the Transaction. Nevertheless, to adhere to the highest level of good corporate governance, in view of the SOCAM Disposal, each of Mr. Vincent Lo and Mr. Frankie Wong voluntarily abstained from voting on the Board resolutions for approving the Transaction.



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## LETTER FROM THE BOARD

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Since the highest applicable percentage ratio for the Company in respect of the Transaction is 25% or more but is less than 75%, the Transaction (including the settlement arrangements in connection with the Deferred Payment after Completion) constitutes a major transaction for the Company subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules. The Company will comply with all disclosure obligations under the Listing Rules in respect of the Deferred Payment as and if appropriate.

The Purchaser is a substantial shareholder of Richcoast, an indirect non-wholly owned subsidiary of the Company, and is therefore a connected person of the Company at the subsidiary level under the Listing Rules. Accordingly, the Transaction also constitutes a connected transaction with a connected person at the subsidiary level for the Company subject to the reporting and announcement requirements but is exempt from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholders or any of their respective close associates have any material interest in the Transaction. As such, no Shareholder would be required to abstain from voting under the Listing Rules if the Company were to convene a general meeting for the approval of the Transaction.

Shui On Properties Limited, Shui On Investment Company Limited, Chester International Cayman Limited, Lanvic Limited, Boswell Limited, Merchant Treasure Limited and Doreturn Limited, which are controlled by Shui On Company Limited and which together constitute a closely allied group of Shareholders, held 675,493,996 Shares, 1,707,888,889 Shares, 183,503,493 Shares, 633,333,333 Shares, 908,448,322 Shares, 150,000,000 Shares and 323,319,781 Shares, respectively, and together representing approximately 56.84% of the issued share capital of the Company at the Latest Practicable Date.

The Company has obtained the written approval of Shui On Properties Limited, Shui On Investment Company Limited, Chester International Cayman Limited, Lanvic Limited, Boswell Limited, Merchant Treasure Limited and Doreturn Limited for the Sale and Purchase Agreement and the Transaction pursuant to Rule 14.44 of the Listing Rules and as a result, no extraordinary general meeting will be convened to consider the Sale and Purchase Agreement and the Transaction.

***Completion is subject to various conditions precedent set out in the section headed "The Sale and Purchase Agreement — Conditions" in the letter from the Board contained in this circular. As such, the Transaction may or may not materialise. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company.***

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## LETTER FROM THE BOARD

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### GENERAL INFORMATION

The Group is one of the leading property developers in the PRC and principally engages in the development, sale, leasing, management and ownership of high-quality residential, office, retail, entertainment and cultural properties in the PRC.

Innovate Zone is a wholly-owned subsidiary of the Company and its principal activity is investment holding.

Many Gain International Limited is a wholly-owned subsidiary of Yida and its principal activity is investment holding.

SODH principally engages in investment holding and debt financing.

The Yida Group principally engages in the development of business parks in the PRC.

### RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the view that the Sale and Purchase Agreement and the transactions contemplated thereunder (including the arrangement in relation to the Non-payment Fee) are on normal commercial terms, which are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and would recommend the Shareholders to vote in favour of the resolution to approve the Sale and Purchase Agreement and the transactions contemplated thereunder (including the arrangement in relation to the Non-payment Fee) if it had been necessary to hold a general meeting for such purpose.

### ADDITIONAL INFORMATION

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

By Order of the Board  
**Shui On Land Limited**  
**Vincent H. S. LO**  
*Chairman*

**1. FINANCIAL INFORMATION OF THE GROUP**

The unaudited consolidated financial statements of the Group for the six months ended 30 June 2017 is disclosed in the 2017 interim report of the Company published on 15 September 2017, from pages 31 to 63, and the audited consolidated financial information of the Group (i) for the year ended 31 December 2016 is disclosed in the annual report of the Company published on 20 April 2017, from pages 121 to 223; (ii) for the year ended 31 December 2015 is disclosed in the annual report of the Company published on 14 April 2016, from pages 117 to 219; (iii) for the year ended 31 December 2014 is disclosed in the 2014 annual report of the Company published on 22 April 2015, from pages 115 to 217; and all of which have been published on the website of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.shuionland.com](http://www.shuionland.com)).

**2. STATEMENT OF INDEBTEDNESS****Borrowings**

At the close of business on 31 October 2017, being the latest practicable date for the purpose of determining this indebtedness of the Group prior to the printing of this circular, the Group had total borrowings amounting to approximately RMB47,125 million, details of which are as follows:

- (i) senior notes of the Group with the aggregate carrying amount of RMB13,062 million (the aggregate principal amount of approximately RMB12,861 million) which were unsecured and guaranteed;
- (ii) bank borrowings of the Group with the aggregate carrying amount of approximately RMB33,819 million (the aggregate principal amount of approximately RMB33,983 million), of which RMB9,967 million (the corresponding principal amount of approximately RMB10,109 million) were unsecured, and RMB23,852 million (the corresponding principal amount of approximately RMB23,874 million) were secured by certain assets of the Group. Amongst these bank borrowings, borrowings with the aggregate carrying amount of RMB14,349 million (the corresponding aggregate principal amount of RMB14,504 million) were guaranteed;
- (iii) amounts due to non-controlling shareholders of subsidiaries of the Group with the aggregate principal amount of RMB25 million which were unsecured and not guaranteed; and
- (iv) amounts due to related companies of the Group with the aggregate principal amount of RMB219 million which were unsecured and not guaranteed.

**Mortgages and charge**

At 31 October 2017, the Group's secured borrowings were secured by certain of the Group's bank deposits, investment properties, property, plant and equipment, prepaid lease payments, properties under development for sale, properties held for sale, accounts receivables, benefits accrued to the relevant properties and equity interests in certain subsidiaries.

**Contingent liabilities**

In addition, at 31 October 2017, the Group had the following contingent liabilities:

- (i) Pursuant to an agreement entered into with the district government (the “**Hongkou Government**”) and the Education Authority of the Hongkou District, Shanghai, the PRC on 31 July 2002, guarantees of no more than RMB324 million will be granted by the Group to support bank borrowings arranged in the name of a company to be nominated by the Hongkou Government, as part of the financial arrangement for the site clearance work in relation to the development of a parcel of land. At 31 October 2017, such arrangement has not taken place;
- (ii) The Group has provided a guarantee to (i) a joint venture which was formed between Richcoast and Mitsui (a non-controlling shareholder of an associate’s subsidiary) and (ii) Mitsui for an aggregate amount not exceeding RMB55 million in respect of Richcoast’s payment obligations to the joint venture and Mitsui;
- (iii) The Group has issued financial guarantees to independent third parties in respect of outstanding amounts due from subsidiaries of an associate. The maximum amount that could be paid by the Group if the guarantee was called upon is RMB729 million; and
- (iv) The Group provided guarantees of RMB1,417 million at 31 October 2017 to banks in favour of its customers in respect of the mortgage loans provided by the banks to those customers for the purchase of the Group’s developed properties. These guarantees provided by the Group to the banks will be released upon receiving the building ownership certificates of the respective properties by the banks from the customers as a pledge for security to the mortgage loans granted.

**Liabilities arising from rental guarantee arrangements**

The Group disposed of a number of properties to independent third parties (“purchasers”) in previous years. As part of the disposal, the Group also agreed to provide the purchasers with rental guarantees whereby the Group agreed to compensate the purchasers on a yearly basis, as follows:

The compensation is calculated from the date when the first instalment was received till January 2019 which could be further extended by the purchaser for three times, each for a one-year period when certain conditions are met - the shortfall between 8% of the consideration receivable by the Group from the purchaser and the net operating income to be generated by the property.

At 31 October 2017, the aggregate fair value of financial liabilities arising from these rental guarantee arrangements amounted to RMB443 million. In respect of the guarantee period from 31 October 2017 and beyond, the aggregate maximum amount the Group could be required to settle as if there were no operating income to be generated by the disposed properties was RMB986 million.

Save as aforementioned and apart from intra-group liabilities within the Group and normal trade business, at the close of business on 31 October 2017, the Group did not have any other outstanding borrowings, loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, finance leases, hire purchase commitments, guarantees or other material contingent liabilities.

### **3. WORKING CAPITAL**

The Directors are of the opinion that, after taking into account the net cash proceeds to be received from the Disposal, the present financial resources available to the Group including but not limited to revenue generated by its principal operations and funds through disposal of properties, cash and cash equivalents on hand, existing banking facilities, successful refinancing of certain banking facilities; and in the absence of unforeseen circumstances, the Group will have sufficient working capital for its business for the next twelve months from the date of this circular.

*The following is a text of the letter, summary of valuations and valuation certificates prepared for the purpose of incorporation in this circular issued by Cushman & Wakefield Limited, an independent property valuer, in connection with the valuations as at 30 September 2017 of the property interests held by the Disposal Group.*



16/F  
Jardine House  
Central  
Hong Kong

5 December 2017

The Directors  
Shui On Land Limited  
34th Floor, Shui On Centre  
6-8 Harbour Road  
Wan Chai  
Hong Kong

Dear Sirs,

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

In accordance with your instructions for us to value certain properties in the People's Republic of China (the "PRC") (as more particularly described in the attached valuation certificates), which Shui On Land Limited (referred to as the "Company") or its subsidiaries (collectively the "Group") have interests and intend to dispose of the equity interests of such properties' holding company, Richcoast Group Limited, 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 September 2017 for disposal reference.

### **Basis of Valuation**

Our valuation of each of the property interests represents its market value which in accordance with The HKIS Valuation Standards 2012 Edition published by The Hong Kong Institute of Surveyors is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

### **Valuation Basis and Assumptions**

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 held by the respective project companies in the PRC, unless otherwise stated, we have assumed that transferable land use rights in respect of each of the properties for its specific term at nominal annual land use fee have been granted and that any premium payable has already been fully paid. We have relied on the information and advice given by Richcoast Group Limited and its legal adviser, Liaoning Henghai Law Firm (遼寧恒海律師事務所), regarding the title to the properties and the interests of the respective project companies in the properties in the PRC. In valuing the properties, unless otherwise stated, we have assumed that the owners have enforceable title to the properties and have free and uninterrupted rights to use, occupy or assign the properties for the whole of the unexpired terms as granted.

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.

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 Hong Kong Limited and The HKIS Valuation Standards 2012 Edition published by the Hong Kong Institute of Surveyors.

### **Method of Valuation**

In valuing the property interests in Groups I and II which are completed properties held by for investment and for sale in the PRC respectively, we have mainly adopted the Investment Method by considering the capitalized rental incomes derived from the existing tenancies with due provision for any reversionary potential of the property interests or wherever appropriate the Direct Comparison Method by making reference to comparable sales evidence as available in the relevant market subject to suitable adjustments between the subject properties and the comparable properties.

In respect of the property interests in Group III which are held by under development in the PRC, our valuations are carried out on the basis that each of the properties will be developed and completed in accordance with the respective project companies' latest development proposals provided to us, if any. We have assumed that all consents, approvals and licences from relevant government authorities for the development proposal have been obtained without onerous conditions or delays. We have also assumed that the design and construction of the developments are in compliance with the local planning and other relevant regulations and have been or will be approved by the relevant authorities. In valuing the properties, we have used the Investment Method by capitalizing the rental income derived from the committed tenancies, if any, with due provision for reversionary potential of the properties, or wherever appropriate, by the Direct Comparison Method by making reference to comparable sales evidence as available in the relevant market so as to assess the development value as if completed. The development value as if completed represents our opinion of the aggregate values of the development assuming it would have been completed at the date of valuation. In arriving at the final value of the properties, we have also taken into account the development costs expended and the costs that will be expended to complete the development.

Regarding the property interests in Group IV which are vacant lots held for future development in the PRC, we have mainly adopted the Direct Comparison Method by making reference to comparable land sales evidence as available in the relevant market subject to suitable adjustments between the subject properties and the comparable properties.

### **Source of Information**

We have relied to a very considerable extent on the information given by the respective project companies and have accepted advice given to us on such matters as planning approvals, statutory notices, easements, tenure, identification of land and buildings, particulars of occupancy, site and floor areas, site and floor plans, number of parking spaces, construction costs, development time schedule, committed sales details and all other relevant matters.

Dimensions and measurements are based on the copies of documents or other information provided to us by the respective project companies and are therefore only approximations. No on-site measurement has been carried out. We have no reason to doubt the truth and accuracy of the information provided to us by the respective project companies which is material to the valuations. We were also advised by the respective project companies that no material facts have been omitted from the information provided.

We would point out that the copies of documents of the properties in the PRC provided to us are mainly compiled in Chinese characters and the transliteration into English represents our understanding of the contents. We would therefore advise you to make reference to the original Chinese editions of the documents and consult your legal advisers regarding the legality and interpretation of these documents.

### **Title Investigation**

We have not been able to cause title searches of the property interests in the PRC but we have been provided with extracts of documents in relation to the titles to the property interests. However, we have not inspected the original documents to verify ownership or to ascertain any amendments which may not appear on the copies handed to us. All documents have been used for reference only and all dimensions, measurements and areas are approximate.

In the course of our valuation of the property interests, we have assumed that transferable land use rights in respect of the property interests for their respective specific terms at nominal annual land use fees have been granted and that any premium payable has already been fully paid. We have relied on the advice given by Richcoast Group Limited or its legal adviser regarding the title to each of the property interests and the interests of the respective project companies in the properties. The status of titles and grants of major approvals and licences in respect of the property interests are set out in the notes in the respective valuation certificates.

### **Site Inspection**

Lucy Yu (Senior Manager and Registered China Real Estate Appraiser) and Grace Guo (Assistant Valuer) from our Dalian office inspected the exterior and, wherever possible, the interior of the properties on 25 October 2017. However, no structural survey has been made, but in the course of our



inspections, we did not note any serious defects. We are, however, not able to report whether the properties are free of rot, infestation or any other structural defects. No test was carried out on any of the services. Moreover, we have not carried out any soil investigations 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 expenses or delays will be incurred during the construction period. Unless otherwise stated, we have not been able to carry out detailed 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 monetary sums stated in our valuation certificates are in Renminbi (“RMB”) which is the official currency in the PRC.

### **Independence**

We confirm that we are an independent qualified valuer, as referred to Rule 5.08 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

We enclose herewith a summary of valuations and our valuation certificates for your attention.

Yours faithfully,  
For and on behalf of  
**Cushman & Wakefield Limited**  
**Andrew K.F. Chan**  
MSc, MRICS, MHKIS, MCIREA, RPS(GP)  
*Regional Director*  
*Valuation & Advisory Services, Greater China*

*Note:* Mr Andrew K.F. Chan is a Registered Professional Surveyor (General Practice) who has over 30 years’ experience in the valuation of properties in the PRC.

## SUMMARY OF VALUATIONS

Property	Market value in existing state as at 30 September 2017 (RMB)
<b>Group I — Property interests held for investment in the PRC</b>	
1. Portions of Plots D22/D14-1/E29-1/D10-1 of Huangnichuan Project, Dalian Tiandi held for investment, North of Lvshun South Road, High-Tech Zone, Dalian, Liaoning Province, the PRC	1,116,000,000
2. Plots C10/B02 of Huangnichuan Project, Dalian Tiandi, North of Lvshun South Road, High-Tech Zone, Dalian, Liaoning Province, the PRC	920,000,000
<b>Sub-total of Group I:</b>	<b>2,036,000,000</b>
<b>Group II — Property interests held for sale in the PRC</b>	
3. Unsold units of Plots E06/C14/E02A of Huangnichuan Project, Dalian Tiandi, North of Lvshun South Road, High-Tech Zone, Dalian, Liaoning Province, the PRC	148,000,000
4. Unsold units of Plots A8 (B09), A10 (B13), A11 (C01) and B4 (C03) of Hekou Bay Project, Dalian Tiandi, High-Tech Zone, Dalian, Liaoning Province, the PRC	177,000,000
<b>Sub-total of Group II:</b>	<b>325,000,000</b>
<b>Group III — Property interests held under development in the PRC</b>	
5. Plots D14-2/D10-2/D28-1/C22/E02B of Huangnichuan Project, Dalian Tiandi under construction, North of Lvshun South Road, High-Tech Zone, Dalian, Liaoning Province, the PRC	809,000,000

<b>Property</b>	<b>Market value in existing state as at 30 September 2017 (RMB)</b>
6. Portions of Hekou Bay Project, Dalian Tiandi under construction, High-Tech Zone, Dalian, Liaoning Province, the PRC	1,273,000,000
<b>Sub-total of Group III:</b>	<b>2,082,000,000</b>
<b>Group IV — Property interests held for future development in the PRC</b>	
7. The land for scientific research, residential and retail development of Huangnichuan Project, Dalian Tiandi, North of Lvshun South Road, High-Tech Zone, Dalian, Liaoning Province, the PRC	2,108,000,000
8. Plot C06 of Huangnichuan Project, Dalian Tiandi, North of Lvshun South Road, High-Tech Zone, Dalian, Liaoning Province, the PRC	155,000,000
9. Plots F02/F03 of Huangnichuan Project, Dalian Tiandi, North of Lvshun South Road, High-Tech Zone, Dalian, Liaoning Province, the PRC	No commercial value (see Note 1)
10. Vacant lands of Hekou Bay Project, Dalian Tiandi, High-Tech Zone, Dalian, Liaoning Province, the PRC	3,876,000,000
<b>Sub-total of Group IV:</b>	<b>6,139,000,000</b>
<b>Grand Total:</b>	<b>10,582,000,000</b>

*Note:*

- (1) The State-owned Land Use Rights Certificates of Plots F02 and F03 in Huangnichuan Project, Dalian Tiandi have not been issued. Therefore, we have ascribed no commercial value to the property on market value basis.

On the assumption that the State-owned Land Use Rights Certificates had been granted to the property, and land premium and relevant costs and expenses had been fully settled, the market value of the property in its existing state as at 30 September 2017 would be RMB153,000,000.

## VALUATION CERTIFICATE

## Group I — Property interests held for investment in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2017														
1. Portions of Plots D22/D14-1/E29-1/D10-1 of Huangnichuan Project, Dalian Tiandi held for investment, North of Lvshun South Road, High-Tech Zone, Dalian, Liaoning Province, the PRC	<p>The property comprises office and retail buildings.</p> <p>The portions in Plot D22 comprise 2 buildings of 5 storeys completed in about 2011 for office use.</p> <p>The portions in Plot D14-1 comprise 2 buildings of 6 storeys completed in about 2011 for office use.</p> <p>The portions in Plots E29-1 and D10-1 comprise unsold retail spaces completed in 2013.</p> <p>The property is situated in the software park of Huangnichuan Project, Dalian Tiandi, abutting Lvshun South Road on the south.</p> <p>The property is approximately 22 km to the city centre. The property is connected to the downtown of Lvshun to the west.</p> <p>The natural environment of the property is good. The property is served by public bus routes.</p> <p>The property has a total plot ratio gross floor area of 142,604.08 sq m.</p>	As at the date of valuation, the property was subject to various tenancies (see <i>Note (1)</i> below).	RMB1,116,000,000														
	<table border="1"> <thead> <tr> <th data-bbox="507 1368 555 1389">Plot</th> <th data-bbox="778 1368 951 1389">Gross Floor Area</th> </tr> <tr> <td></td> <td data-bbox="890 1410 951 1432"><i>(sq m)</i></td> </tr> </thead> <tbody> <tr> <td data-bbox="507 1453 555 1474">D22</td> <td data-bbox="858 1453 951 1474">41,521.19</td> </tr> <tr> <td data-bbox="507 1495 571 1517">D14-1</td> <td data-bbox="858 1495 951 1517">51,541.00</td> </tr> <tr> <td data-bbox="507 1538 571 1559">D10-1</td> <td data-bbox="858 1538 951 1559">41,007.56</td> </tr> <tr> <td data-bbox="507 1581 571 1602">E29-1</td> <td data-bbox="858 1581 951 1602"><u>8,534.33</u></td> </tr> <tr> <td data-bbox="507 1623 571 1644"><b>Total</b></td> <td data-bbox="858 1623 951 1666"><b><u><u>142,604.08</u></u></b></td> </tr> </tbody> </table>	Plot	Gross Floor Area		<i>(sq m)</i>	D22	41,521.19	D14-1	51,541.00	D10-1	41,007.56	E29-1	<u>8,534.33</u>	<b>Total</b>	<b><u><u>142,604.08</u></u></b>		
Plot	Gross Floor Area																
	<i>(sq m)</i>																
D22	41,521.19																
D14-1	51,541.00																
D10-1	41,007.56																
E29-1	<u>8,534.33</u>																
<b>Total</b>	<b><u><u>142,604.08</u></u></b>																
	<p>The land use rights of the property have been granted for terms due to expire on 2 March 2056 for scientific research use and due to expire on 29 June 2050 for commercial use.</p>																

Notes:

- (1) The tenancy status of the property as at the date of valuation is summarized as follows:

Plot	Occupancy Rate	Monthly Rent (RMB)	Tenancy Term	Latest Expiry Date
D22	80%	804,944	1-5 years	November 2020
D14-1	87%	1,072,543	8 years	30 November 2021
D10-1	55%	246,635	1-3 years	29 February 2024

- (2) Pursuant to 4 State-owned Land Use Rights Certificates issued by 大連市國土資源和房屋局高新園區分局(the Dalian State-owned Land Resources and Housing Bureau High-tech Industrial Zone Branch), the land use rights of the property have a total site area of 106,529.5 sq m with details as follows:

Certificate No.	Issue Date	Site Area (sq m)	Land Use	Expiry Date	Owner
GXYQGY (2010) 05089	25 November 2010	22,505.1	Scientific Research	2 March 2056	Dalian Jiadao Science & Technology Development Co., Ltd
GXYQGY (2010) 05052	19 July 2010	12,597.4	Commercial	29 June 2050	Dalian Software Park Zhongxing Kaifa Co., Ltd
GXYQGY (2010) D05088	25 November 2010	45,096.6	Scientific research	2 March 2056	Dalian Jiadao Science & Technology Development Co., Ltd
GXYQGY (2010) D05050	19 July 2010	26,330.4	Commercial	29 June 2050	Dalian Software Park Zhongxing Kaifa Co., Ltd
<b>Total</b>		<b><u>106,529.5</u></b>			

- (3) Pursuant to 3 Building Ownership Certificates issued by 大連高新技術產業園區房產局 (the Dalian High-tech Industrial Park Real Estate Bureau), the building ownership of the property with a total gross floor area of 50,055.52 sq m has been vested in 大連嘉道科技發展有限公司 and 大連軟件園中興開發有限公司 (Dalian Jiadao Science & Technology Development Co., Ltd and Dalian Software Park Zhongxing Kaifa Co., Ltd) with details as follows:

Certificate No.	Location	Issue Date	Gross Floor Area (sq m)	No. of Storeys	Building Use
DFQZGDZD2010002265	Nos. 28, 30, 32 and 34 Hongchuandong Road	21 May 2010	20,760.61	5	Non-Residential
DFQZGDZD2010002264	Nos. 20, 22, 24 and 26 Hongchuandong Road	21 May 2010	20,760.58	5	Non-Residential
DFQZGDZD2013004209	No. 61 Weichuanxi Street	24 June 2013	8,534.33	5	Retail
<b>Total</b>			<b><u>50,055.52</u></b>		

- (4) According to 2 Planning Permits for Construction Use of Land issued by 大連高新技術產業園區規劃建設局 (the Dalian High-tech Industrial Park Planning and Construction Bureau), the construction site with an area of 124,947.3 sq m is in compliance with the requirements of urban planning.

Permit No.	Issue Date	Site Area (sq m)
DZD210211200820528	6 October 2008	67,600.0
DZD210211201058895	23 April 2010	<u>57,347.3</u>
<b>Total</b>		<b><u>124,947.3</u></b>

- (5) According to 2 Planning Permits for Construction Works issued by 大連高新技術產業園區規劃建設局 (the Dalian High-tech Industrial Park Planning and Construction Bureau), the property is permitted to be developed with a total gross floor area of 256,490 sq m.

Permit No.	Issue Date	Gross Floor Area (sq m)
JZD 210211200820531	29 December 2008	162,370
JZD210211201020016	27 July 2010	<u>94,120</u>
<b>Total</b>		<b><u>256,490</u></b>

- (6) According to 2 Permits for Commencement of Construction Works issued by 大連高新技術產業園區規劃建設局 (the Dalian High-tech Industrial Park Planning and Construction Bureau), the construction works of the development are permitted to commence with a total gross floor area of 208,656 sq m with details as follows:

Permit No.	Issue Date	Gross Floor Area (sq m)
210211201003250701	25 March 2010	114,536
210230201010152201	15 October 2010	94,120
<b>Total</b>		<b><u>208,656</u></b>

- (7) The Real Estate Surveying Reports have recorded the following gross floor areas:

Plot	Gross Floor Area (sq m)
D14-1	56,777.45
D10-1	95,551.23

- (8) According to Business Licence No. 91210200661123059Y, 大連嘉道科技發展有限公司 (Dalian Jiadao Science & Technology Development Co., Ltd) was established with a registered capital of RMB300,000,000 as a limited company on 20 June 2007.

According to Business Licence No. 91210231674071518B, 大連軟件園中興開發有限公司 (Dalian Software Park Zhongxing Kaifa Co., Ltd) was established with a registered capital of RMB1,900,000,000 as a limited company on 16 May 2008.

- (9) We have been provided with a legal opinion on the title to the property issued by Richcoast Group Limited's PRC legal adviser which contains, inter-alia, the following information:
- (a) 大連嘉道科技發展有限公司 (Dalian Jiadao Science & Technology Development Co., Ltd) and 大連軟件園中興開發有限公司 (Dalian Software Park Zhongxing Kaifa Co., Ltd) respectively have obtained the land use rights of the property and are the legal land users of the property. 大連嘉道科技發展有限公司 (Dalian Jiadao Science & Technology Development Co., Ltd) and 大連軟件園中興開發有限公司 (Dalian Software Park Zhongxing Kaifa Co., Ltd) are entitled to mortgage or otherwise transfer the land use rights of the property according to the Grant Contract of Land Use Rights;
  - (b) State-owned Land Use Rights Certificates, Planning Permits for Construction Use of Land, Planning Permits for Construction Works and Permits for Commencement of Construction Works of the property have been obtained. Subject to the issue of Construction Works Completion Examination Certificate, 大連嘉道科技發展有限公司 (Dalian Jiadao Science & Technology Development Co., Ltd) and 大連軟件園中興開發有限公司 (Dalian Software Park Zhongxing Kaifa Co., Ltd) have the rights to apply for Building Ownership Certificates;
  - (c) The property is subject to a mortgage; and
  - (d) As confirmed by 大連嘉道科技發展有限公司 (Dalian Jiadao Science & Technology Development Co., Ltd) and 大連軟件園中興開發有限公司 (Dalian Software Park Zhongxing Kaifa Co., Ltd), except for the mortgage mentioned above, the land use rights and projects under construction mentioned above are not subject to any foreclosure or compulsory acquisition.

(10) The status of title and grant of major approvals and licences in accordance with the information provided to us by the project companies are as follows:

State-owned Land Use Rights Certificate	Yes
Building Ownership Certificate	Yes (part)
Business Licence	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Real Estate Surveying Report	Yes (part)



## VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2017								
2. Plots C10/B02 of Huangnichuan Project, Dalian Tiandi, North of Lvshun South Road, High-Tech Zone, Dalian, Liaoning Province, the PRC	<p>The property comprises schools and apartments.</p> <p>The portions in Plot B02 comprise 12 buildings of 1—8 storeys completed in about 2011 for school use.</p> <p>The portions in Plot C10 comprise 3 apartment buildings completed in 2012.</p> <p>The property is situated in the software park of Huangnichuan Project, Dalian Tiandi, abutting Lvshun South Road on the south.</p> <p>The property is approximately 22 km to the city centre. The property is connected to the downtown of Lvshun to the west.</p> <p>The natural environment of the property is good. The property is served by public bus routes.</p> <p>The property has a total gross floor area of 151,490.74 sq m.</p> <table border="1"> <thead> <tr> <th>Plot</th> <th>Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>B02</td> <td>113,202.38</td> </tr> <tr> <td>C10</td> <td><u>38,288.36</u></td> </tr> <tr> <td><b>Total</b></td> <td><b><u>151,490.74</u></b></td> </tr> </tbody> </table> <p>The land use rights of the property have been granted for terms due to expire on 29 June 2060 for scientific education use and due to expire on 29 June 2080 for residential use.</p>	Plot	Gross Floor Area (sq m)	B02	113,202.38	C10	<u>38,288.36</u>	<b>Total</b>	<b><u>151,490.74</u></b>	As at the date of valuation, the property was subject to various tenancies (see <i>Note (1)</i> below).	RMB920,000,000
Plot	Gross Floor Area (sq m)										
B02	113,202.38										
C10	<u>38,288.36</u>										
<b>Total</b>	<b><u>151,490.74</u></b>										

*Notes:*

- (1) The tenancy status of the property as at the date of valuation is summarized as follows:

Plot	Occupancy Rate	Monthly Rent (RMB)	Tenancy Term	Latest Expiry Date
B02	100%	3,615,401	13 years	31 March 2023
C10	100%	273,810	4 years	16 October 2020

- (2) Pursuant to 2 State-owned Land Use Rights Certificates issued by 大連市國土資源和房屋局高新園區分局(the Dalian State-owned Land Resources and Housing Bureau High-tech Industrial Zone Branch), the land use rights of the property have a total site area of 88,301.7 sq m with details as follows:

Certificate No.	Issue Date	Site Area (sq m)	Land Use	Expiry Date	Owner
GXYQGY (2010) 05045	5 July 2010	73,112	Scientific education	29 June 2060	Dalian Jiadao Science & Technology Development Co., Ltd
GXYQGY (2010) 05049	19 July 2010	15,189.7	Residential	29 June 2080	Dalian Software Park Zhongxing Kaifa Co., Ltd
<b>Total</b>		<b><u>88,301.7</u></b>			

- (3) Pursuant to 15 Building Ownership Certificates issued by 大連高新技術產業園區房產局 (the Dalian High-tech Industrial Park Real Estate Bureau), the building ownership of the property with a total gross floor area of 151,490.74 sq m has been vested in 大連嘉道科技發展有限公司 (Dalian Jiadao Science & Technology Development Co., Ltd) with details as follows:

Certificate No.	Location	Issue Date	Gross Floor Area (sq m)	No. of Storeys	Building Use
DFQZGDZD2011006660	No. 70A Hongchundang Road	30 December 2011	7,464.90	6	Non-Residential
DFQZGDZD2011006659	No. 70B Hongchundang Road	30 December 2011	8,575.11	6	Non-Residential
DFQZGDZD2011006658	No. 70C Hongchundang Road	30 December 2011	9,350.07	6	Non-Residential
DFQZGDZD2011006657	No. 70D Hongchundang Road	30 December 2011	7,339.60	5	Non-Residential
DFQZGDZD2011006656	No. 70E Hongchundang Road	30 December 2011	7,731.52	4	Non-Residential
DFQZGDZD2011006654	No. 70F Hongchundang Road	30 December 2011	8,865.51	5	Non-Residential
DFQZGDZD2011006653	No. 70G Hongchundang Road	30 December 2011	16,850.75	8	Non-Residential
DFQZGDZD2011006651	No. 70H Hongchundang Road	30 December 2011	15,697.73	7	Non-Residential
DFQZGDZD2011006652	No. 70J Hongchundang Road	30 December 2011	8,342.27	7	Non-Residential
DFQZGDZD2011006650	No. 70K Hongchundang Road	30 December 2011	6,171.65	6	Non-Residential

Certificate No.	Location	Issue Date	Gross Floor Area (sq m)	No. of Storeys	Building Use
DFQZGDZD2011006655	No. 70M Hongchundang Road	30 December 2011	16,134.52	8	Non-Residential
DFQZGDZD2011006649	No. 70N Hongchundang Road	30 December 2011	678.75	1	Non-Residential
DFQZGDZD2014005460	No. 51, Jinchuannan Road, High-Tech Zone	8 July 2014	15,544.24	15	Engineer Apartment
DFQZGDZD2014005461	No. 81, Jinchuannan Road, High-Tech Zone	8 July 2014	15,470.77	15	Engineer Apartment
DFQZGDZD2014005462	No. 73, Jinchuannan Road, High-Tech Zone	8 July 2014	7,273.35	13	Engineer Apartment
<b>Total</b>			<b><u>151,490.74</u></b>		

- (4) According to Business Licence No. 91210200661123059Y, 大連嘉道科技發展有限公司 (Dalian Jiadao Science & Technology Development Co., Ltd) was established with a registered capital of RMB300,000,000 as a limited company on 20 June 2007.

According to Business Licence No. 91210231674071518B, 大連軟件園中興開發有限公司 (Dalian Software Park Zhongxing Kaifa Co., Ltd) was established with a registered capital of RMB1,900,000,000 as a limited company on 16 May 2008.

- (5) We have been provided with a legal opinion on the title to the property issued by Richcoast Group Limited's PRC legal adviser which contains, inter-alia, the following information:
- (a) 大連嘉道科技發展有限公司 (Dalian Jiadao Science & Technology Development Co., Ltd) and 大連軟件園中興開發有限公司 (Dalian Software Park Zhongxing Kaifa Co., Ltd) respectively have obtained the land use rights of the property and are the legal land users of the property. 大連嘉道科技發展有限公司 (Dalian Jiadao Science & Technology Development Co., Ltd) and 大連軟件園中興開發有限公司 (Dalian Software Park Zhongxing Kaifa Co., Ltd) are entitled to mortgage or otherwise transfer the land use rights of the property according to the Grant Contract of Land Use Rights.
  - (b) State-owned Land Use Rights Certificates, Planning Permits for Construction Use of Land, Planning Permits for Construction Works and Permits for Commencement of Construction Works of the property have been obtained. Subject to the issue of Construction Works Completion Examination Certificate, 大連嘉道科技發展有限公司 (Dalian Jiadao Science & Technology Development Co., Ltd) and 大連軟件園中興開發有限公司 (Dalian Software Park Zhongxing Kaifa Co., Ltd) have the rights to apply for Building Ownership Certificates;
  - (c) According to the Grant Contract of Land Use Rights, the property must be leased to certain types of tenants, and is subject to sale and transfer restrictions on strata unit basis. But the property can be transferred as a whole;
  - (d) The property is subject to a mortgage; and
  - (e) As confirmed by 大連嘉道科技發展有限公司 (Dalian Jiadao Science & Technology Development Co., Ltd) and 大連軟件園中興開發有限公司 (Dalian Software Park Zhongxing Kaifa Co., Ltd), except for the mortgage mentioned above, the land use rights and projects under construction mentioned above are not subject to any foreclosure or compulsory acquisition.

(6) The status of title and grant of major approvals and licences in accordance with the information provided to us by the project companies are as follows:

State-owned Land Use Rights Certificate	Yes
Building Ownership Certificate	Yes
Business Licence	Yes

## VALUATION CERTIFICATE

## Group II — Property interests held for sale in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2017
3. Unsold units of Plots E06/C14/E02A of Huangnichuan Project, Dalian Tiandi, North of Lvshun South Road, High-Tech Zone, Dalian, Liaoning Province, the PRC	<p>The property comprises unsold townhouses and residential units completed in 2016.</p> <p>The portions in E06 comprise a total townhouse gross floor area of 1,701.37 sq m and 134 car parking spaces.</p> <p>The portions in C14 comprise 236 car parking spaces.</p> <p>The portions in E02A comprise a total gross floor area of 1,553.65 sq m for residential and retail use and 485 car parking spaces.</p> <p>The property is situated in the west of the software park of Huangnichuan Project, Dalian Tiandi, abutting business center and experimental school of High-Tech Zone.</p> <p>The property is approximately 22 km to the city centre. The property is connected to the downtown of Lvshun to the west. The natural environment of the property is good. The property is served by public bus routes.</p> <p>The land use rights of the property have been granted for a term due to expire on 29 June 2080 for residential use.</p>	As at the date of valuation, the property was vacant.	RMB148,000,000

## Notes:

- (1) Pursuant to 3 State-owned Land Use Rights Certificates issued by 大連市國土資源和房屋局高新園區分局(the Dalian State-owned Land Resources and Housing Bureau High-tech Industrial Zone Branch), the land use rights of the property have a total site area of 197,998.60 sq m with details as follows:

Certificate No.	Issue Date	Site Area (sq m)	Land Use	Expiry Date	Owner
GXYQGY (2010) D05046	8 July 2010	120,522.60	Residential	29 June 2080	Dalian Software Park Zhongxing Kaifa Co., Ltd
GXYQGY (2010) D05059	9 August 2010	19,450.00	Residential	29 June 2080	Dalian Software Park Zhongxing Kaifa Co., Ltd
GXYQGY (2010) D05060	9 August 2010	58,026.00	Residential	29 June 2080	Dalian Software Park Zhongxing Kaifa Co., Ltd
<b>Total</b>		<b><u>197,998.60</u></b>			

- (2) According to Planning Permit for Construction Use of Land No. DZD210211201058896 issued by 大連高新技術產業園區規劃建設局 (the Dalian High-tech Industrial Park Planning and Construction Bureau) on 23 April 2010, the construction site with an area of 207,576.5 sq m is in compliance with the requirements of urban planning.

- (3) According to 3 Planning Permits for Construction Works issued by 大連高新技術產業園區規劃建設局 (the Dalian High-tech Industrial Park Planning and Construction Bureau), the property is permitted to be developed with a total gross floor area of 333,836.81 sq m.

Permit No.	Issue Date	Gross Floor Area (sq m)
JZD 210211201020011	23 July 2010	159,187.00
JZD 2102112011200020	5 May 2011	59,328.50
JZD 210211201320008	23 March 2013	115,321.31
<b>Total</b>		<b><u>333,836.81</u></b>

- (4) According to 4 Permits for Commencement of Construction Works issued by 大連高新技術產業園區規劃建設局(the Dalian High-tech Industrial Park Planning and Construction Bureau), the construction works of the development are permitted to commence with a total gross floor area of 333,836.81 sq m with details as follows:

Permit No.	Issue Date	Gross Floor Area (sq m)
210230201008261401	26 August 2010	68,186.00
210230201008261301	26 August 2010	91,001.00
210200201107040101	4 July 2011	59,328.50
210230201304011401	1 April 2013	<u>115,321.31</u>
<b>Total</b>		<b><u>333,836.81</u></b>

- (5) According to 5 Pre-sale Permits issued by 大連高新技術產業園區房產局 (the Dalian High-tech Industrial Park Real Estate Bureau) and 大連市國土資源和房屋局高新園區分局 (Dalian State-owned Land Resources and Housing Bureau High Tech Industrial Zone Branch), 大連軟件園中興開發有限公司 (Dalian Software Park Zhongxing Kaifa Co., Ltd) was permitted to pre-sell portions of the property with a total gross floor area of 226,219.84 sq m.

Permit No.	Gross Floor Area (sq m)	Issue Date
DGFYXZD20100015	45,966.00	30 September 2010
DGFYXZD20100020	58,036.48	10 December 2010
DGFYXZD20110030	32,528.84	21 November 2011
DGFYXZD20140002	57,970.40	12 May 2014
DGFYXZD20160005	<u>31,718.12</u>	18 May 2016
<b>Total</b>	<b><u>226,219.84</u></b>	

- (6) According to 2 Construction Works Completion Examination Certificates issued by 大連高新技術產業園區建設工程竣工驗收備案部門 (the Dalian High-tech Industrial Park Construction Works Completion Examination Department), portions of the development with a total gross floor area of 273,646.55 sq m have been completed.

Certificate No.	Gross Floor Area (sq m)	Issue Date
2012010	158,325.24	6 September 2012
2017022	<u>115,321.31</u>	27 May 2017
<b>Total</b>	<b><u>273,646.55</u></b>	

- (7) As advised by the project company, portions of the property with a total gross floor area of 859.57 sq m were committed to be sold at a total consideration of RMB8,500,000. We have included such portions in our valuation and taken into account such amount.

- (8) According to Business Licence No. 91210231674071518B, 大連軟件園中興開發有限公司 (Dalian Software Park Zhongxing Kaifa Co., Ltd) was established with a registered capital of RMB1,900,000,000 as a limited company on 16 May 2008.

(9) We have been provided with a legal opinion on the title to the property issued by Richcoast Group Limited's PRC legal adviser which contains, inter-alia, the following information:

- (a) 大連軟件園中興開發有限公司 (Dalian Software Park Zhongxing Kaifa Co., Ltd) has obtained the land use rights of the property and is the legal land user of the property. 大連軟件園中興開發有限公司(Dalian Software Park Zhongxing Kaifa Co., Ltd) is entitled to mortgage or otherwise transfer the land use rights of the property according to the Grant Contract of Land Use Rights;
- (b) State-owned Land Use Rights Certificates, Planning Permits for Construction Use of Land, Planning Permits for Construction Works and Permits for Commencement of Construction Works of the property have been obtained. Subject to the issue of Construction Works Completion Examination Certificate, 大連軟件園中興開發有限公司 (Dalian Software Park Zhongxing Kaifa Co., Ltd) has the rights to apply for Building Ownership Certificates; and
- (c) As confirmed by 大連軟件園中興開發有限公司 (Dalian Software Park Zhongxing Kaifa Co., Ltd), the land use rights and projects under construction mentioned above are not subject to any foreclosure or compulsory acquisition.

(10) The status of title and grant of major approvals and licences in accordance with the information provided to us by the project company are as follows:

State-owned Land Use Rights Certificate	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Pre-sale Permit	Yes
Business Licence	Yes
Construction Works Completion Examination Certificate	Yes



## VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2017																
4. Unsold units of Plots A8 (B09), A10 (B13), A11 (C01) and B4 (C03) of Hekou Bay Project, Dalian Tiandi, High-Tech Zone, Dalian, Liaoning Province, the PRC	<p>The property comprises various unsold units within Plots A8 (B09), A10 (B13), A11 (C01) and B4 (C03) completed in between 2014 and 2016.</p> <p>The property is situated on the Lvshun South Road Software Industry Belt. The property is located in the south of Lvshun South Road, and the east of Lingjing Hotel.</p> <p>The property is approximately 17 km to Dalian Railway Station, 16 km to Dalian Zhoushuizi International Airport. The property is served by public bus routes and Dalian Metro Lines 1 and 12.</p> <p>The unsold units in Hekou Bay Project have a total gross floor area of 52,524.77 sq m.</p>	As at the date of valuation, the property was vacant.	RMB177,000,000																
	<table border="1"> <thead> <tr> <th data-bbox="509 963 587 985">Portion</th> <th data-bbox="778 963 954 985">Gross Floor Area</th> </tr> <tr> <td></td> <td data-bbox="890 1008 954 1029"><i>(sq m)</i></td> </tr> </thead> <tbody> <tr> <td data-bbox="509 1053 619 1074">Residential</td> <td data-bbox="900 1053 954 1074">75.86</td> </tr> <tr> <td data-bbox="509 1098 571 1119">Retail</td> <td data-bbox="868 1098 954 1119">3,900.19</td> </tr> <tr> <td data-bbox="509 1142 612 1164">Apartment</td> <td data-bbox="868 1142 954 1164">4,352.98</td> </tr> <tr> <td data-bbox="509 1187 596 1208">Car Park</td> <td data-bbox="852 1187 954 1208">44,195.74</td> </tr> <tr> <td></td> <td data-bbox="772 1232 954 1253"><u>(520 car park lots)</u></td> </tr> <tr> <td data-bbox="509 1276 564 1298"><b>Total</b></td> <td data-bbox="852 1276 954 1298"><b><u>52,524.77</u></b></td> </tr> </tbody> </table>	Portion	Gross Floor Area		<i>(sq m)</i>	Residential	75.86	Retail	3,900.19	Apartment	4,352.98	Car Park	44,195.74		<u>(520 car park lots)</u>	<b>Total</b>	<b><u>52,524.77</u></b>		
Portion	Gross Floor Area																		
	<i>(sq m)</i>																		
Residential	75.86																		
Retail	3,900.19																		
Apartment	4,352.98																		
Car Park	44,195.74																		
	<u>(520 car park lots)</u>																		
<b>Total</b>	<b><u>52,524.77</u></b>																		
	<p>The land use rights of the property have been granted for terms due to expire on 31 July 2079 for residential use and due to expire on 31 July 2049 for commercial use.</p>																		

## Notes:

- (1) Pursuant to 4 State-owned Land Use Rights Certificates issued by 大連市國土資源和房屋局高新園區分局(the Dalian State-owned Land Resources and Housing Bureau High Tech Industrial Zone Branch), the land use rights of the property, comprising a total site area of 47,300 sq m, have been vested in 大連軟件園榮達開發有限公司 (Dalian Software Park Rongda Kaifa Co., Ltd).

Certificate No.	Location	Usage	Site area (sq m)
2009 (05047)	A8 (B09)	Residential	10,300
2009 (05049)	A10 (B13)	Residential	13,200
2009 (05050)	A11 (C01)	Residential	8,100
2009 (05053)	B4 (C03)	Residential	15,700
<b>Total</b>			<b>47,300</b>

- (2) According to Planning Permit for Construction Use of Land No. 210211200920556 issued by 大連高新技術產業園區規劃建設局 (the Dalian High Tech Industrial Park Planning and Construction Bureau) on 18 March 2009, the construction site with an area of 114,200 sq m is in compliance with the requirements of urban planning.

- (3) According to 4 Planning Permits for Construction Works issued by 大連高新技術產業園區規劃建設局 (the Dalian High Tech Industrial Park Planning and Construction Bureau), the construction works of portions of the development, with a total gross floor area of 192,396 sq m, are in compliance with the construction works requirements and have been approved with details follows:

Permit No.	Issue Date	Location	Gross Floor Area (sq m)
2102112011200019	5 May 2011	A8 (B09)	49,728
2102112011200018	5 May 2011	A10 (B13)	65,912
2102112011200033	4 August 2011	A11 (C01)	21,618
210211201420002	16 January 2014	B4 (C03)	55,138
<b>Total</b>			<b>192,396</b>

- (4) According to 4 Permits for Commencement of Construction Works issued by 大連高新技術產業園區規劃建設局 (the Dalian High Tech Industrial Park Planning and Construction Bureau), the construction works of portions of the development are permitted to commence with a total gross floor area of 192,396 sq m with details as follows:

Permit No.	Issue Date	Location	Gross Floor Area (sq m)
210200201107060101	6 July 2011	A8 (B09)	49,728
210200201107060201	6 July 2011	A10 (B13)	65,912
210200201203140401	14 March 2012	A11 (C01)	21,618
210230201405291001	29 May 2014	B4 (C03)	55,138
<b>Total</b>			<b>192,396</b>

- (5) According to 5 Pre-sale Permits issued by 大連市國土資源和房屋局高新園區分局 (the Dalian State-owned Land Resources and Housing Bureau High Tech Industrial Zone Branch), the permitted pre-sale area of portions of the development is 131,115.82 sq m with details as follows:

Permit No.	Plot No.	Usage	Gross Floor Area (sq m)
20130007	A8 (B09)	Residential	32,165.62
20130008	A10 (B13)	Residential	44,227.30
20130016	A11 (C01)	Residential	14,924.00
20150008	B4 (C03)	Residential	26,350.00
20150009	B4 (C03)	Commercial	13,448.90
<b>Total</b>			<b><u>131,115.82</u></b>

- (6) As advised by the project company, portions of the property with a total gross floor area of 649.75 sq m and 7 car park lots were committed to be sold at a total consideration of RMB6,000,000. We have included such portions in our valuation and taken into account such amount.
- (7) According to the copy of Business Licence No. 91210231683000199E, 大連軟件園榮達開發有限公司 (Dalian Software Park Rongda Kaifa Co., Ltd) was established with a registered capital of RMB660,000,000 as a limited company on 26 November 2008.
- (8) Pursuant to Construction Works Completion Examination Certificate No. 2015011 issued by 大連高新技術產業園區建設工程竣工驗收部門 (the Dalian High-Tech Industrial Park Construction Works Completion Examination Department) on 5 August 2015, portions of the development with a total gross floor area of 137,232.59 sq m have been completed.
- (9) We have been provided with a legal opinion on the title to the property issued by Richcoast Group Limited's PRC legal adviser which contains, inter-alia, the following information:
- 大連軟件園榮達開發有限公司 (Dalian Software Park Rongda Kaifa Co., Ltd) has obtained the land use rights and is the legal land user of the property. 大連軟件園榮達開發有限公司 (Dalian Software Park Rongda Kaifa Co., Ltd) is entitled to mortgage or otherwise transfer the land use rights of the property according to the Grant Contract of Land Use Rights;
  - State-owned Land Use Rights Certificates, Planning Permits for Construction Use of Land, Planning Permits for Construction Works and Permits for Commencement of Construction Works of the property have been obtained. Subject to the issue of Construction Works Completion Examination Certificate, 大連軟件園榮達開發有限公司 (Dalian Software Park Rongda Kaifa Co., Ltd) has the rights to apply for Building Ownership Certificates;
  - A portion of the property is subject to a mortgage; and
  - As confirmed by 大連軟件園榮達開發有限公司 (Dalian Software Park Rongda Kaifa Co., Ltd), except for the mortgage mentioned above, the land use rights and projects under construction mentioned above are not subject to any foreclosure and compulsory acquisition.

(10) The status of title and grant of major approvals and licences in accordance with the information provided to us by the project company are as follows:

State-owned Land Use Rights Certificate	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Pre-sale Permit	Yes
Business Licence	Yes
Construction Works Completion Examination Certificate	Yes (part)

## VALUATION CERTIFICATE

## Group III — Property interests held under development in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2017
5. Plots D14-2/D10-2/D28-1/C22/E02B of Huangnichuan Project, Dalian Tiandi under construction, North of Lvshun South Road, High-Tech Zone, Dalian, Liaoning Province, the PRC	<p>The property comprises five sites with a total site area of 74,267.33 sq m.</p> <p>Portions of Plot D14-2 are planned to be developed into an office building.</p> <p>Portions of Plot D10-2 are planned to be developed into a hotel.</p> <p>Portions of Plot D28-1 are planned to be developed into retail facilities.</p> <p>Portions of Plots C22 and E02B are planned to be developed into a residential development.</p> <p>The property is situated in the software park of Huangnichuan Project, Dalian Tiandi. The property is approximately 22 km to the city centre. The property is connected to the downtown of Lvshun to the west. The natural environment of the property is good. The property is served by public bus routes.</p> <p>The total planned gross floor area of the property is 141,493.3 sq m.</p>	As at the date of valuation, the property was under construction and scheduled to be completed in 2019.	RMB809,000,000
		<b>Planned Gross</b>	
	<b>Portion</b>	<b>Floor Area</b>	
		<i>(sq m)</i>	
	Office (D14-2)	36,359.00	
	Hotel (D10-2)	35,955.44	
	Retail (D28-1)	416.00	
	Residential (C22)	21,940.00	
	Residential (E02B)	<u>46,822.86</u>	
	<b>Total</b>	<b><u>141,493.30</u></b>	
	<p>The land use rights of Plots D14-2, D10-2 and D28-1 have been granted for terms due to expire on 2 March 2056 for scientific research use and 29 June 2050 for commercial and hotel uses respectively.</p> <p>The land use rights of Plots C22 and E02B have been granted for terms due to expire on 11 June 2078 and 29 June 2080 for residential use respectively.</p>		

## Notes:

- (1) Pursuant to 5 State-owned Land Use Rights Certificates issued by 大連市國土資源和房屋局高新園區分局(the Dalian State-owned Land Resources and Housing Bureau High-tech Industrial Zone Branch), the land use rights of the property together with other lots have a total site area of 210,216.30 sq m with details as follows:

Certificate No.	Issue Date	Site Area (sq m)	Land Use	Expiry Date	Owner
GXYQGY (2010) D05088	25 November 2010	45,096.60	Scientific research	2 March 2056	Dalian Jiadao Science & Technology Development Co., Ltd
GXYQGY (2010) D05050	19 July 2010	26,330.40	Commercial	29 June 2050	Dalian Software Park Zhongxing Kaifa Co., Ltd
GXYQGY (2010) D05075	16 September 2010	11,192.30	Commercial	29 June 2050	Dalian Software Park Zhongxing Kaifa Co., Ltd
GXYQGY (2009) D05013	29 December 2008	69,571.00	Residential	11 June 2078	Dalian Software Park Zhongxing Kaifa Co., Ltd
GXYQGY (2010) D05060	9 August 2010	58,026.00	Residential	29 June 2080	Dalian Software Park Zhongxing Kaifa Co., Ltd
<b>Total</b>		<b><u>210,216.30</u></b>			

- (2) According to 4 Planning Permits for Construction Use of Land issued by 大連高新技術產業園區規劃建設局 (the Dalian High-tech Industrial Park Planning and Construction Bureau), the construction site with an area of 834,035.80 sq m is in compliance with the requirements of urban planning.

Permit No.	Issue Date	Site Area (sq m)
DZD 210211200820528	6 October 2008	67,600.00
DZD 210211201058895	23 April 2010	57,347.30
DZD 210211200820532	21 October 2008	501,512.00
DZD 210211201058896	23 April 2010	207,576.50
<b>Total</b>		<b><u>834,035.80</u></b>

- (3) According to 5 Planning Permits for Construction Works issued by 大連高新技術產業園區規劃建設局 (the Dalian High-tech Industrial Park Planning and Construction Bureau), portions of the development are permitted to be developed with a total gross floor area of 349,052.83 sq m.

Permit No.	Issue Date	Gross Floor Area (sq m)
JZD 210211200820531	29 December 2008	162,370.00
JZD 210211201020016	27 July 2010	94,120.00
JZD 210211201420020	19 November 2014	416.00
JZD 2102112011200026	27 June 2011	30,749.60
JZD 210211201320009	23 March 2013	61,397.23
<b>Total</b>		<b><u>349,052.83</u></b>

- (4) According to 5 Permits for Commencement of Construction Works issued by 大連高新技術產業園區規劃建設局 (the Dalian High-tech Industrial Park Planning and Construction Bureau), the construction works of portions of the development are permitted to commence with a total gross floor area of 301,218.83 sq m with details as follows:

Permit No.	Issue Date	Gross Floor Area (sq m)
210211201003250701	25 March 2010	114,536.00
210230201010152201	10 October 2010	94,120.00
210230201504030601	3 April 2015	416.00
210230201112060501	6 December 2011	30,749.60
210230201304011501	1 April 2013	61,397.23
<b>Total</b>		<b><u>301,218.83</u></b>

- (5) According to 2 Pre-sale Permits Nos. DGFYXZD20170016 and DGFYXZD20170018 issued by 大連市國土資源和房屋局高新園區分局 (Dalian State-owned Land Resources and Housing Bureau High Tech Industrial Zone Branch) on 19 September 2017 and 12 October 2017 respectively, 大連軟件園中興開發有限公司 (Dalian Software Park Zhongxing Kaifa Co., Ltd) was permitted to pre-sell portions of the property with a total gross floor area of 46,822.86 sq m.
- (6) According to the information provided by the project companies, the expended construction cost as at 30 September 2017 was approximately RMB429,000,000. The estimated total construction cost was approximately RMB779,000,000. In the course of our valuation, such costs have been taken into account.
- (7) As advised by the project companies, portions of the property with a total gross floor area of 448.49 sq m were committed to be sold at a total consideration of RMB3,960,000. We have included such portions in our valuation and taken into account such amount.
- (8) The development value of the property as if completed as at 30 September 2017 was RMB1,384,000,000.
- (9) According to Business Licence No. 91210200661123059Y, 大連嘉道科技發展有限公司 (Dalian Jiadao Science & Technology Development Co., Ltd) was established with a registered capital of RMB300,000,000 as a limited company on 20 June 2007.

According to Business Licence No. 91210231674071518B, 大連軟件園中興開發有限公司 (Dalian Software Park Zhongxing Kaifa Co., Ltd) was established with a registered capital of RMB1,900,000,000 as a limited company on 16 May 2008.

(10) We have been provided with a legal opinion on the title to the property issued by Richcoast Group Limited's PRC legal adviser which contains, inter-alia, the following information:

- (a) 大連嘉道科技發展有限公司 (Dalian Jiadao Science & Technology Development Co., Ltd) and 大連軟件園中興開發有限公司 (Dalian Software Park Zhongxing Kaifa Co., Ltd) respectively have obtained the land use rights of the property and are the legal land users of the property. 大連嘉道科技發展有限公司 (Dalian Jiadao Science & Technology Development Co., Ltd) and 大連軟件園中興開發有限公司 (Dalian Software Park Zhongxing Kaifa Co., Ltd) are entitled to mortgage or otherwise transfer the land use rights of the property according to the Grant Contract of Land Use Rights;
- (b) The project under construction by 大連嘉道科技發展有限公司 (Dalian Jiadao Science & Technology Development Co., Ltd) and 大連軟件園中興開發有限公司 (Dalian Software Park Zhongxing Kaifa Co., Ltd) mentioned above have been legally approved by the relevant government departments without being repealed, modified and abolished. 大連嘉道科技發展有限公司 (Dalian Jiadao Science & Technology Development Co., Ltd) and 大連軟件園中興開發有限公司 (Dalian Software Park Zhongxing Kaifa Co., Ltd) are entitled to develop the project in compliance with the certificates;
- (c) State-owned Land Use Rights Certificates, Planning Permits for Construction Use of Land, Planning Permits for Construction Works and Permits for Commencement of Construction Works of the property have been obtained. Subject to the issue of Construction Works Completion Examination Certificate, 大連嘉道科技發展有限公司 (Dalian Jiadao Science & Technology Development Co., Ltd) and 大連軟件園中興開發有限公司 (Dalian Software Park Zhongxing Kaifa Co., Ltd) have the rights to apply for Building Ownership Certificates;
- (d) A portion of the property is subject to a mortgage; and
- (e) As confirmed by 大連嘉道科技發展有限公司 (Dalian Jiadao Science & Technology Development Co., Ltd) and 大連軟件園中興開發有限公司 (Dalian Software Park Zhongxing Kaifa Co., Ltd), except for the mortgage mentioned above, the land use rights and projects under construction mentioned above are not subject to any foreclosure or compulsory acquisition.

(11) The status of title and grant of major approvals and licences in accordance with the information provided to us by the project companies are as follows:

State-owned Land Use Rights Certificate	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Pre-sale Permit	Yes (part)
Business Licence	Yes



## VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2017
6. Portions of Hekou Bay Project, Dalian Tiandi, under construction, High-Tech Zone, Dalian, Liaoning Province, the PRC	<p>The property comprises five sites with a total site area of approximately 61,200 sq m.</p> <p>Portions of Plot B3 (B08) are planned to be developed into residential buildings and retail buildings. Portions of Plot C1 (B02) and C3/C4 (C04/C06) are planned to be developed into office buildings.</p> <p>Portions of Plot A9 (B10) are planned to be developed into residential buildings.</p> <p>The property is situated on the Lvshun South Road Software Industry Belt. The property is located in the south of Lvshun South Road, and the east of Lingjing Hotel.</p> <p>The property is approximately 17 km to Dalian Railway Station, 16 km to Dalian Zhoushuizi International Airport. The property is served by public bus routes and Dalian Metro Lines 1 and 12.</p> <p>The property is planned to be developed into a residential, commercial and office composite development with a total plot ratio area of 172,593.33 sq m.</p>	As at the date of valuation, the property was under construction and scheduled for completion in phases in between 2018 and 2019.	RMB1,273,000,000
		<b>Planned Gross</b>	
		<b>Portion</b>	<b>Floor Area</b>
			<i>(sq m)</i>
		Residential	92,611.33
		Retail	12,494.00
		Office	41,184.60
		Others	<u>26,303.40</u>
		<b>Total</b>	<b><u>172,593.33</u></b>
<p>The land use rights of the property have been granted for terms due to expire on 31 July 2079 for residential use, due to expire on 31 July 2049 for commercial use and due to expire on 31 July 2059 for office use.</p>			

*Notes:*

- (1) Pursuant to 2 State-owned Land Use Rights Certificates issued by 大連市國土資源和房屋局高新園區分局 (the Dalian State-owned Land Resources and Housing Bureau High Tech Industrial Zone Branch), the land use rights of portions of the property, comprising a total site area of 33,200 sq m, have been vested in 大連軟件園榮達開發有限公司 (Dalian Software Park Rongda Kaifa Co., Ltd).

<b>Certificate No.</b>	<b>Plot</b>	<b>Usage</b>	<b>Site area</b> (sq m)
2009 (05048)	A9 (B10)	Residential	23,300
2009 (05052)	B3 (B08)	Residential	9,900
<b>Total</b>			<b>33,200</b>

Pursuant to 3 State-owned Land Use Rights Certificates issued by 大連市國土資源和房屋局高新園區分局 (the Dalian State-owned Land Resources and Housing Bureau High Tech Industrial Zone Branch), the land use rights of portions of the property, comprising a total site area of 28,000 sq m, have been vested in 大連軟件園榮源開發有限公司 (Dalian Software Park Rongyuan Kaifa Co., Ltd) with details as follows:

<b>Certificate No.</b>	<b>Plot</b>	<b>Usage</b>	<b>Site area</b> (sq m)
2009 (05064)	C1 (B02)	Office	13,300
2009 (05066)	C3 (C04)	Office	7,500
2009 (05067)	C4 (C06)	Office	7,200
<b>Total</b>			<b>28,000</b>

- (2) According to 2 Planning Permits for Construction Use of Land issued by 大連高新技術產業園區規劃建設局 (the Dalian High Tech Industrial Park Planning and Construction Bureau) on 18 March 2009, the construction site of a parcel of land with a site area of 186,300 sq m is in compliance with the urban planning requirements with details as follows:

<b>Permit No.</b>	<b>Portion</b>	<b>Site Area</b> (sq m)
210211200920556	Dalian Software Park Rongda Kaifa Co., Ltd	114,200
210211200920557	Dalian Software Park Rongyuan Kaifa Co., Ltd	72,100
<b>Total</b>		<b>186,300</b>

- (3) According to 5 Planning Permits for Construction Works issued by 大連高新技術產業園區規劃建設局 (the Dalian High Tech Industrial Park Planning and Construction Bureau), the construction works of portions of the development, with a total gross floor area of 239,292 sq m, are in compliance with the construction works requirements and have been approved with details as follows:

Permit No.	Issue Date	Plot	Gross Floor Area (sq m)
2102112011200030	21 July 2011	C1 (B02)	65,503.00
2102112011200031	21 July 2011	C3/C4 (C04/C06)	12,500.00
210211201320034	13 December 2013	B3 (B08)	35,829.00
210211201520002	30 April 2015	A9 (B10)	75,556.32
210211201520003	30 April 2015	A9 (B10)	49,903.68
<b>Total</b>			<b><u>239,292.00</u></b>

- (4) According to 5 Permits for Commencement of Construction Works issued by 大連高新技術產業園區規劃建設局 (the Dalian High Tech Industrial Park Planning and Construction Bureau), the construction works of portions of the development are permitted to commence with a total gross floor area of 239,292 sq m with details as follows:

Permit No.	Issue Date	Plot	Gross Floor Area (sq m)
210230201209270701	27 September 2012	C1 (B02)	65,503.00
210230201312231901	23 December 2013	B3 (B08)	35,829.00
210230201507200601	20 July 2015	A9 (B10)	75,556.32
210285201703210101	21 March 2017	A9 (B10)	49,903.68
210285201703010101	1 March 2017	C3/C4 (C04/C06)	12,500.00
<b>Total</b>			<b><u>239,292.00</u></b>

- (5) According to 2 Pre-sale Permits issued by 大連市國土資源和房屋局高新園區分局 (the Dalian State-owned Land Resources and Housing Bureau High Tech Industrial Zone Branch), the permitted pre-sale area of portion of the property is 92,611.33 sq m, with details as follows:

Permit No.	Plot	Usage	Gross Floor Area (sq m)
20160009	A9 (B10)	Residential	43,085.39
20170011	A9 (B10)	Residential	49,525.94
<b>Total</b>			<b><u>92,611.33</u></b>

- (6) As advised by the project companies, the expended construction cost and the estimated total construction cost as at 30 September 2017 were approximately RMB441,000,000 and RMB833,000,000 respectively. In the course of our valuation, such costs have been taken into account.

- (7) As advised by the project companies, portions of the property with a total gross floor area of 65,581.19 sq m were committed to be sold at a total consideration of RMB78,000,000. We have included such portions in our valuation and taken into account such amount.

- (8) The development value of the property as if completed as at 30 September 2017 was approximately RMB1,977,000,000.
- (9) According to the copy of Business Licence No. 91210231683000199E, 大連軟件園榮達開發有限公司 (Dalian Software Park Rongda Kaifa Co., Ltd) was established with a registered capital of RMB660,000,000 as a limited company on 26 November 2008.

According to the copy of Business Licence No. 91210231683000172N, 大連軟件園榮源開發有限公司 (Dalian Software Park Rongyuan Kaifa Co., Ltd) was established with a registered capital of RMB350,000,000 as a limited company on 26 November 2008.

- (10) We have been provided with a legal opinion on the title to the property issued by Richcoast Group Limited's PRC legal adviser which contains, inter-alia, the following information:
- (a) 大連軟件園榮達開發有限公司 (Dalian Software Park Rongda Kaifa Co., Ltd) and 大連軟件園榮源開發有限公司 (Dalian Software Park Rongyuan Kaifa Co., Ltd) respectively have obtained the land use rights and are the legal land users of the property. 大連軟件園榮達開發有限公司 (Dalian Software Park Rongda Kaifa Co., Ltd) and 大連軟件園榮源開發有限公司 (Dalian Software Park Rongyuan Kaifa Co., Ltd) are entitled to mortgage or otherwise transfer the land use rights of the property according to the Grant Contract of Land Use Rights;
- (b) The project under construction by 大連軟件園榮達開發有限公司 (Dalian Software Park Rongda Kaifa Co., Ltd) and 大連軟件園榮源開發有限公司 (Dalian Software Park Rongyuan Kaifa Co., Ltd) mentioned above have been legally approved by the relevant government departments without being repealed, modified and abolished. 大連軟件園榮達開發有限公司 (Dalian Software Park Rongda Kaifa Co., Ltd) and 大連軟件園榮源開發有限公司 (Dalian Software Park Rongyuan Kaifa Co., Ltd) are entitled to develop the project in compliance with the certificates;
- (c) State-owned Land Use Rights Certificates, Planning Permits for Construction Use of Land, Planning Permits for Construction Works and Permits for Commencement of Construction Works of the property have been obtained. Subject to the issue of Construction Works Completion Examination Certificate, 大連軟件園榮達開發有限公司 (Dalian Software Park Rongda Kaifa Co., Ltd) and 大連軟件園榮源開發有限公司 (Dalian Software Park Rongyuan Kaifa Co., Ltd) have the rights to apply for Building Ownership Certificates;
- (d) The property is subject to a mortgage; and
- (e) As confirmed by 大連軟件園榮達開發有限公司 (Dalian Software Park Rongda Kaifa Co., Ltd) and 大連軟件園榮源開發有限公司 (Dalian Software Park Rongyuan Kaifa Co., Ltd), except for the mortgage mentioned above, the land use rights and projects under construction mentioned above are not subject to any foreclosure and compulsory acquisition.
- (11) The status of title and grant of major approvals and licences in accordance with the information provided to us by the project companies are as follows:

State-owned Land Use Rights Certificate	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Pre-sale Permit	Yes (part)
Business Licence	Yes

## VALUATION CERTIFICATE

## Group IV — Property interests held for future development in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2017
7. The land for scientific research, residential and retail development of Huangnichuan Project, Dalian Tiandi, North of Lvshun South Road, High-Tech Zone, Dalian, Liaoning Province, the PRC	<p>The property comprises a site with a total area of approximately 775,997.6 sq m and is proposed to be developed into a complex project including residential, retail, office and car parking facilities with a total planned plot ratio gross floor area of 864,961.18 sq m.</p> <p>The property is situated in the southeast, west and north of the software park of Huangnichuan Project, Dalian Tiandi, abutting Lvshun South Road on the south.</p> <p>Developments in the software park of the Huangnichuan Project, Dalian Tiandi, comprise mainly residential buildings, commercial buildings, office buildings and schools, etc.</p> <p>The property is approximately 22 km to the city centre. The property is connected to the downtown of Lvshun to the west. The natural environment of the property is good. The property is served by public bus routes.</p> <p>The land use rights of the property have been granted for terms due to expire on 2 March 2056 and 11 June 2058 for scientific research use, due to expire on 29 June 2080 or 11 June 2078 for residential use and due to expire on 29 June 2050 for commercial use.</p>	As at the date of valuation, the property was a vacant land.	RMB2,108,000,000 (See <i>Note (1)</i> below)

*Notes:*

- (1) State-owned Land Use Rights Certificate No. GXYQGY(2010) D0509 of Plot E23 has been issued by 大連市國土資源和房屋局高新園區分局 (the Dalian State-owned Land Resources and Housing Bureau High-tech Industrial Zone Branch). As advised by the project companies, such plot was originally and individually planned as a stand-alone ancillary facility. For the purpose of our valuation, the site area of such plot is not included in the area above.

- (2) Pursuant to 26 State-owned Land Use Rights Certificates issued by 大連市國土資源和房屋局高新園區分局(the Dalian State-owned Land Resources and Housing Bureau High-tech Industrial Zone Branch), the land use rights of the property with a total site area of approximately 784,874.6 sq m with details as follows:

<b>Certificate No.</b>	<b>Issue Date</b>	<b>Site Area</b> <i>(sq m)</i>	<b>Land Use</b>	<b>Expiry Date</b>	<b>Owner</b>
GXYQGY (2010) D05095	2 December 2010	31,681.9	Scientific Research	2 March 2056	Dalian Jiadao Science & Technology Development Co., Ltd
GXYQGY (2010) D05096	2 December 2010	12,253.2	Scientific Research	2 March 2056	Dalian Jiadao Science & Technology Development Co., Ltd
GXYQGY (2010) D05097	2 December 2010	11,265.8	Scientific Research	2 March 2056	Dalian Jiadao Science & Technology Development Co., Ltd
GXYQGY (2010) D05098	2 December 2010	10,432.9	Scientific Research	2 March 2056	Dalian Jiadao Science & Technology Development Co., Ltd
GXYQGY (2010) D05099	2 December 2010	20,214.3	Scientific Research	2 March 2056	Dalian Jiadao Science & Technology Development Co., Ltd
GXYQGY (2010) D05101	21 December 2010	18,443.8	Scientific Research	2 March 2056	Dalian Jiadao Science & Technology Development Co., Ltd
GXYQGY (2010) D05104	21 December 2010	4,068.4	Scientific Research	2 March 2056	Dalian Jiadao Science & Technology Development Co., Ltd
GXYQGY (2010) D05102	21 December 2010	17,521.4	Scientific Research	2 March 2056	Dalian Jiadao Science & Technology Development Co., Ltd
GXYQGY (2010) D05103	21 December 2010	12,037.9	Scientific Research	2 March 2056	Dalian Jiadao Science & Technology Development Co., Ltd
GXYQGY (2010) D05106	21 December 2010	23,920.3	Scientific Research	2 March 2056	Dalian Jiadao Science & Technology Development Co., Ltd

Certificate No.	Issue Date	Site Area (sq m)	Land Use	Expiry Date	Owner
GXYQGY (2010) D05105	21 December 2010	23,851.2	Scientific Research	2 March 2056	Dalian Jiadao Science & Technology Development Co., Ltd
GXYQGY (2010) D05107	21 December 2010	22,146.9	Scientific Research	2 March 2056	Dalian Jiadao Science & Technology Development Co., Ltd
GXYQGY (2010) D05108	21 December 2010	18,536.8	Scientific Research	2 March 2056	Dalian Jiadao Science & Technology Development Co., Ltd
GXYQGY (2010) D05090	2 December 2010	11,714.5	Scientific Research	2 March 2056	Dalian Jiadao Science & Technology Development Co., Ltd
GXYQGY (2009) D05009	29 December 2008	8,550.6	Scientific Research	11 June 2058	Dalian Software Park Shuion Kaifa Co., Ltd
GXYQGY (2009) D05001	29 December 2008	3,526.5	Scientific Research	11 June 2058	Dalian Software Park Shuion Kaifa Co., Ltd
GXYQGY (2009) D05011	2 December 2008	21,354	Scientific Research	11 June 2058	Dalian Software Park Shuion Kaifa Co., Ltd
GXYQGY (2012) D05070	12 October 2012	17,733.7	Scientific Education	11 June 2058	Dalian Software Park Shuion Kaifa Co., Ltd
GXYQGY (2012) D05069	12 October 2012	11,653.1	Scientific Education	11 June 2058	Dalian Software Park Shuion Kaifa Co., Ltd
GXYQGY (2009) D05004	29 December 2008	11,431.6	Scientific Research	11 June 2058	Dalian Software Park Shuion Kaifa Co., Ltd
GXYQGY (2009) D05012	29 December 2008	159,831	Residential/ Commercial	11 June 2078	Dalian Software Park Zhongxing Kaifa Co., Ltd
GXYQGY (2009) D05014	29 December 2008	272,110	Residential/ Commercial	11 June 2078	Dalian Software Park Zhongxing Kaifa Co., Ltd
GXYQGY (2010) D05071	10 September 2010	9,577.9	Residential	29 June 2080	Dalian Software Park Zhongxing Kaifa Co., Ltd

Certificate No.	Issue Date	Site Area (sq m)	Land Use	Expiry Date	Owner
GXYQGY (2010) D05074	16 September 2010	7,227.2	Retail	29 June 2050	Dalian Software Park Zhongxing Kaifa Co., Ltd
GXYQGY (2010) D05075	16 September 2010	11,192.3	Retail	29 June 2050	Dalian Software Park Zhongxing Kaifa Co., Ltd
GXYQGY (2010) D05052	19 July 2010	12,597.4	Retail	29 June 2050	Dalian Software Park Zhongxing Kaifa Co., Ltd
<b>Total</b>		<b><u>784,874.6</u></b>			

- (3) According to Business Licence No. 91210200661123059Y, 大連嘉道科技發展有限公司 (Dalian Jiadao Science & Technology Development Co., Ltd) was established with a registered capital of RMB300,000,000 as a limited company on 20 June 2007.

According to Business Licence No. 91210231674071518B, 大連軟件園中興開發有限公司 (Dalian Software Park Zhongxing Kaifa Co., Ltd) was established with a registered capital of RMB1,900,000,000 as a limited company on 16 May 2008.

According to Business Licence No. 91210231661125425H, 大連軟件園瑞安開發有限公司 (Dalian Software Park Shuion Kaifa Co., Ltd) was established with a registered capital of RMB600,000,000 as a limited company on 25 June 2007.

- (4) We have been provided with a legal opinion on the title to the property issued by Richcoast Group Limited's PRC legal adviser which contains, inter-alia, the following information:
- (a) 大連嘉道科技發展有限公司 (Dalian Jiadao Science & Technology Development Co., Ltd), 大連軟件園中興開發有限公司 (Dalian Software Park Zhongxing Kaifa Co., Ltd) and 大連軟件園瑞安開發有限公司 (Dalian Software Park Shuion Kaifa Co., Ltd) respectively have obtained the land use rights of the property and are the legal land users of the property. 大連嘉道科技發展有限公司 (Dalian Jiadao Science & Technology Development Co., Ltd), 大連軟件園中興開發有限公司 (Dalian Software Park Zhongxing Kaifa Co., Ltd) and 大連軟件園瑞安開發有限公司 (Dalian Software Park Shuion Kaifa Co., Ltd) are entitled to mortgage or otherwise transfer the land use rights of the property according to the Grant Contract of Land Use Rights;
- (b) A portion of the property is subject to a mortgage; and
- (c) As confirmed by 大連嘉道科技發展有限公司 (Dalian Jiadao Science & Technology Development Co., Ltd), 大連軟件園中興開發有限公司 (Dalian Software Park Zhongxing Kaifa Co., Ltd) and 大連軟件園瑞安開發有限公司 (Dalian Software Park Shuion Kaifa Co., Ltd), except for the mortgage mentioned above, the land use rights are not subject to any foreclosure or compulsory acquisition.



- (5) The status of title and grant of major approvals and licences in accordance with the information provided to us by the project companies are as follows:

State-owned Land Use Rights Certificate	Yes
Grant Contract of Land Use Rights	Yes (part)
Business Licence	Yes

## VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2017
8. Plot C06 of Huangnichuan Project, Dalian Tiandi, North of Lvshun South Road, High-Tech Zone, Dalian, Liaoning Province, the PRC	<p>The property comprises a site with a total site area of 24,352.5 sq m.</p> <p>Plot C06 is planned to be developed into an apartment development with a total plot ratio gross floor area of approximately 68,187 sq m.</p> <p>The property is situated in the north of the software park of Huangnichuan Project, Dalian Tiandi, abutting Lvshun South Road on the south.</p> <p>Developments in the software park of the Huangnichuan Project, Dalian Tiandi comprise mainly residential buildings, commercial buildings, office buildings and schools, etc.</p> <p>The property is approximately 22 km to the city centre. The property is connected to the downtown of Lvshun to the west. The natural environment of the property is good. The property is served by public bus routes.</p> <p>The land use rights of the property have been granted for a term due to expire on 29 June 2080 for residential use.</p>	As at the date of valuation, the property was a vacant land.	RMB155,000,000

*Notes:*

- (1) Pursuant to State-owned Land Use Rights Certificate No. GXYQGY (2010) D05055 issued by 大連市國土資源和房屋局高新園區分局 (the Dalian State-owned Land Resources and Housing Bureau High-tech Industrial Zone Branch) on 10 August 2010, the land use rights of the property has a total site area of 24,352.5 sq m.
- (2) According to Planning Permit for Construction Use of Land No. DZD210211201058894 issued by 大連高新技術產業園區規劃建設局 (the Dalian High-tech Industrial Park Planning and Construction Bureau) on 23 April 2010, the construction site with an area of approximately 39,542.2 sq m is in compliance with the requirements of urban planning.
- (3) According to Business Licence No. 91210231674071518B, 大連軟件園中興開發有限公司 (Dalian Software Park Zhongxing Kaifa Co., Ltd) was established with a registered capital of RMB1,900,000,000 as a limited company on 16 May 2008.
- (4) We have been provided with a legal opinion on the title to the property issued by issued by Richcoast Group Limited's PRC legal adviser which contains, inter-alia, the following information:
  - (a) 大連軟件園中興開發有限公司 (Dalian Software Park Zhongxing Kaifa Co., Ltd) has obtained the land use rights of the property and is the legal land user of the property. 大連軟件園中興開發有限公司 (Dalian Software Park Zhongxing Kaifa Co., Ltd) is entitled to mortgage or otherwise transfer the land use rights of the property according to the Grant Contract of Land Use Rights;

- (b) According to the Grant Contract of Land Use Rights, the property upon completion must be leased to certain types of tenants, and is subject to sale and transfer restrictions on strata unit basis. But the property can be transferred as a whole;
  - (c) The property is subject to a mortgage; and
  - (d) As confirmed by 大連軟件園中興開發有限公司 (Dalian Software Park Zhongxing Kaifa Co., Ltd), except for the mortgage mentioned above, the land use rights are not subject to any foreclosure or compulsory acquisition.
- (5) The status of title and grant of major approvals and licences in accordance with the information provided to us by the project company are as follows:

State-owned Land Use Rights Certificate	Yes
Planning Permit for Construction Use of Land	Yes
Business Licence	Yes

## VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2017
9. Plots F02/F03 of Huangnichuan Project, Dalian Tiandi, North of Lvshun South Road, High-Tech Zone, Dalian, Liaoning Province, the PRC	<p>The property comprises two sites with a total site area of approximately 50,886.2 sq m.</p> <p>The property is situated in the south of the software park of Huangnichuan Project, Dalian Tiandi, abutting Lvshun South Road on the south.</p> <p>Developments in the software park of the Huangnichuan Project, Dalian Tiandi comprise mainly residential buildings, commercial buildings, office buildings and schools, etc.</p> <p>The property is approximately 22 km to the city centre. The property is connected to the downtown of Lvshun to the west. The natural environment of the property is good. The property is served by public bus routes.</p>	As at the date of valuation, the property was a vacant land.	No commercial value (see <i>Note (1)</i> below)

*Notes:*

- (1) The State-owned Land Use Rights Certificates of Plots F02 and F03 in Huangnichuan Project, Dalian Tiandi have not been issued. Therefore, we have ascribed no commercial value to the property on market value basis.

On the assumption that the State-owned Land Use Rights Certificates had been granted to the property, and land premium, relevant costs and expenses had been fully settled, the market value of the property in its existing state as at 30 September 2017 would be RMB153,000,000.

- (2) Pursuant to Grant Contract of Land Use Rights No. 2010—27 dated 27 May 2010, the land use rights of portions of the property with a site area of approximately 22,400.6 sq m have been contracted to be granted to 大連軟件園中興開發有限公司 (Dalian Software Park Zhongxing Kaifa Co., Ltd) at a consideration of RMB43,600,000. As advised by the project companies, the land premium has been fully settled as at the date of valuation.
- (3) According to Business Licence No. 91210200661123059Y, 大連嘉道科技發展有限公司 (Dalian Jiadao Science & Technology Development Co., Ltd) was established with a registered capital of RMB300,000,000 as a limited company on 20 June 2007.

According to Business Licence No. 91210231674071518B, 大連軟件園中興開發有限公司 (Dalian Software Park Zhongxing Kaifa Co., Ltd) was established with a registered capital of RMB1,900,000,000 as a limited company on 16 May 2008.

According to Business Licence No. 912102006611226032, 大連德蘭軟件發展有限公司 (Dalian Delan Software Development Co., Ltd) was established with a registered capital of RMB300,000,000 as a limited company on 19 June 2007.

(4) We have been provided with a legal opinion on the title to the property issued by Richcoast Group Limited's PRC legal adviser which contains, inter-alia, the following information:

(a) 大連德蘭軟件發展有限公司 (Dalian Delan Software Development Co., Ltd), 大連嘉道科技發展有限公司 (Dalian Jiadao Science & Technology Development Co., Ltd) and 大連軟件園中興開發有限公司 (Dalian Software Park Zhongxing Kaifa Co., Ltd) have not obtained the State-owned Land Use Rights Certificates of the property.

(5) The status of title and grant of major approvals and licences in accordance with the information provided to us by the project companies are as follows:

State-owned Land Use Rights Certificate	No
Grant Contract of Land Use Rights	Yes (part)
Business Licence	Yes

## VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2017
10. Vacant lands of Hekou Bay Project, Dalian Tiandi, High-Tech Zone, Dalian, Liaoning Province, the PRC	<p>The property comprises fifteen land plots with a total site area of approximately 177,500 sq m.</p> <p>The property is situated on the Lvshun South Road Software Industry Belt. The property is located in the south of Lvshun South Road, and the east of Lingjing Hotel.</p> <p>Developments in the vicinity comprise mainly residential and office buildings, such as Star &amp; Sea Land, Haichuang Banshan No. 1, POFI Landao and Ascendants of Dalian Software Park.</p> <p>The property is approximately 17 km to Dalian Railway Station, 16 km to Dalian Zhoushuizi International Airport. The property is served by public bus routes and Dalian Metro Lines 1 and 12.</p> <p>The property is planned to be developed into a residential, commercial and office composite development with a total plot ratio area of 815,240.30 sq m.</p>	As at the date of valuation, the property was vacant lands pending for construction.	RMB3,876,000,000
		<b>Planned Gross</b>	
	<b>Portion</b>	<b>Floor Area</b>	
		<i>(sq m)</i>	
	Residential	267,644.43	
	Retail	359,136.27	
	Office	150,874.80	
	Others	<u>37,584.80</u>	
	<b>Total</b>	<b><u>815,240.30</u></b>	
<p>The land use rights of the property have been granted for terms due to expire on 31 July 2079 for residential use, due to expire on 31 July 2049 for commercial use and due to expire on 31 July 2059 for office use.</p>			

*Notes:*

- (1) Pursuant to 2 State-owned Land Use Rights Certificates issued by 大連市國土資源和房屋局高新園區分局(the Dalian State-owned Land Resources and Housing Bureau High Tech Industrial Zone Branch), the land use rights of portions of the property, comprising a total site area of 33,700 sq m, have been vested in 大連軟件園榮達開發有限公司 (Dalian Software Park Rongda Kaifa Co., Ltd).

<b>Certificate No.</b>	<b>Plot</b>	<b>Usage</b>	<b>Site area</b> (sq m)
2009 (05046)	A1 (A01)	Residential	11,100
2009 (05051)	B2 (B07)	Residential	22,600
<b>Total</b>			<b>33,700</b>

Pursuant to 10 State-owned Land Use Rights Certificates issued by 大連市國土資源和房屋局高新園區分局 (the Dalian State-owned Land Resources and Housing Bureau High Tech Industrial Zone Branch), the land use rights of portions of the property, comprising a total site area of 99,700 sq m, have been vested in 大連軟件園榮泰開發有限公司 (Dalian Software Park Rongtai Kaifa Co., Ltd) with details as follows:

<b>Certificate No.</b>	<b>Plot</b>	<b>Usage</b>	<b>Site area</b> (sq m)
2009 (05054)	A2 (A02)	Residential	8,400
2009 (05055)	A3 (A03)	Residential	10,600
2009 (05056)	A4 (A07)	Residential	6,800
2009 (05057)	A5 (A09)	Residential	7,400
2009 (05058)	A6 (A11)	Residential	4,500
2009 (05059)	A7 (A12)	Residential	11,000
2009 (05060)	B1 (B05)	Residential	30,800
2009 (05061)	E1 (A06)	Commercial	9,700
2009 (05062)	E2 (A08)	Commercial	4,600
2009 (05063)	E3 (A10)	Commercial	5,900
<b>Total</b>			<b>99,700</b>

Pursuant to 3 State-owned Land Use Rights Certificates issued by 大連市國土資源和房屋局高新園區分局(the Dalian State-owned Land Resources and Housing Bureau High Tech Industrial Zone Branch), the land use rights of portions of the property, comprising a total site area of 44,100 sq m, have been vested in 大連軟件園榮源開發有限公司 (Dalian Software Park Rongyuan Kaifa Co., Ltd) with details as follows:

<b>Certificate No.</b>	<b>Plot</b>	<b>Usage</b>	<b>Site area</b> (sq m)
2009 (05065)	C2 (B06)	Office	18,500
2009 (05068)	D1 (B03)	Office	12,500
2009 (05069)	D2 (B04)	Office	13,100
<b>Total</b>			<b>44,100</b>

- (2) According to 3 Planning Permits for Construction Use of Land issued by 大連高新技術產業園區規劃建設局(the Dalian High Tech Industrial Park Planning and Construction Bureau) on 18 March 2009, the construction site of three parcels of land with a total site area of 286,000 sq m is in compliance with the urban planning requirements with details as follows:

Permit No.	Portion	Site Area (sq m)
210211200920556	Dalian Software Park Rongda Kaifa Co., Ltd	114,200
210211200920557	Dalian Software Park Rongyuan Kaifa Co., Ltd	72,100
210211200920558	Dalian Software Park Rongtai Kaifa Co., Ltd	99,700
<b>Total</b>		<b>286,000</b>

- (3) According Planning Permit for Construction Works No. 2102112011200036 issued by 大連高新技術產業園區規劃建設局 (the Dalian High Tech Industrial Park Planning and Construction Bureau) on 21 August 2011, the construction works of Plot D1 (B03) with a total gross floor area of 60,028 sq m are in compliance with the construction works requirements and have been approved.

- (4) According to the copy of Business Licence No. 91210231683000199E, 大連軟件園榮達開發有限公司 (Dalian Software Park Rongda Kaifa Co., Ltd) was established with a registered capital of RMB660,000,000 as a limited company on 26 November 2008.

According to the copy of Business Licence No. 912102316830002012, 大連軟件園榮泰開發有限公司 (Dalian Software Park Rongtai Kaifa Co., Ltd) was established with a registered capital of RMB100,000,000 as a limited company on 26 November 2008.

According to the copy of Business Licence No. 91210231683000172N, 大連軟件園榮源開發有限公司 (Dalian Software Park Rongyuan Kaifa Co., Ltd) was established with a registered capital of RMB350,000,000 as a limited company on 26 November 2008.

- (5) We have been provided with a legal opinion on the title to the property issued by Richcoast Group Limited's PRC legal adviser which contains, inter-alia, the following information:

(a) 大連軟件園榮達開發有限公司 (Dalian Software Park Rongda Kaifa Co., Ltd), 大連軟件園榮源開發有限公司 (Dalian Software Park Rongyuan Kaifa Co., Ltd) and 大連軟件園榮泰開發有限公司 (Dalian Software Park Rongtai Kaifa Co., Ltd) respectively have obtained the land use rights and are the legal land users of the property. 大連軟件園榮達開發有限公司 (Dalian Software Park Rongda Kaifa Co., Ltd), 大連軟件園榮源開發有限公司 (Dalian Software Park Rongyuan Kaifa Co., Ltd) and 大連軟件園榮泰開發有限公司 (Dalian Software Park Rongtai Kaifa Co., Ltd) are entitled to mortgage or otherwise transfer the land use rights of the property according to the Grant Contract of Land Use Rights;

(b) A portion of the property is subject to a mortgage; and

(c) As confirmed by 大連軟件園榮達開發有限公司 (Dalian Software Park Rongda Kaifa Co., Ltd), 大連軟件園榮源開發有限公司 (Dalian Software Park Rongyuan Kaifa Co., Ltd) and 大連軟件園榮泰開發有限公司 (Dalian Software Park Rongtai Kaifa Co., Ltd), except for the mortgage mentioned above, the land use rights are not subject to any foreclosure and compulsory acquisition.



- (6) The status of title and grant of major approvals and licences in accordance with the information provided to us by the project companies are as follows:

State-owned Land Use Rights Certificate	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes (part)
Business Licence	Yes

## 1. RESPONSIBILITY STATEMENT

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

## 2. DISCLOSURE OF INTERESTS

### Interests of Directors and chief executive of the Company

At the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company 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 to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have been taken under such provisions of the SFO); or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) to be notified to the Company and the Stock Exchange were as follows:

#### (a) Long position in the Shares and the underlying Shares of the Company

Name of Director	Number of ordinary Shares			Interests in the underlying Shares (Note 3)	Total	Approximate percentage of interests to the issued share capital of the Company at the Latest Practicable Date (Note 4)
	Personal interests	Family interests	Other interests			
Mr. Vincent LO	—	1,849,521 (Note 1)	4,611,835,751 (Note 2)	—	4,613,685,272	57.23%
Mr. Douglas H. H. SUNG	—	—	—	437,000	437,000	0.0054%
Sir John R. H. BOND	250,000	—	—	—	250,000	0.003%
Dr. William K. L. FUNG	5,511,456	—	—	—	5,511,456	0.068%
Professor Gary C. BIDDLE	305,381	—	—	—	305,381	0.0038%
Dr. Roger L. McCARTHY	200,000	—	—	—	200,000	0.002%

*Notes:*

- (1) These Shares were beneficially owned by Ms. Loletta CHU (“**Mrs. Lo**”), the spouse of Mr. Vincent Lo. Mr. Vincent Lo was deemed to be interested in 1,849,521 Shares under Part XV of the SFO.
- (2) These Shares were held by Shui On Company Limited (“**SOCL**”) through its controlled corporations, comprising 675,493,996 Shares, 1,707,888,889 Shares, 183,503,493 Shares, 29,847,937 Shares, 633,333,333 Shares, 908,448,322 Shares, 150,000,000 Shares and 323,319,781 Shares held by Shui On Properties Limited (“**SOP**”), Shui On Investment Company Limited (“**SOI**”), Chester International Cayman Limited (“**Chester International**”), New Rainbow Investments Limited (“**NRI**”), Lanvic Limited (“**Lanvic**”), Boswell Limited (“**Boswell**”), Merchant Treasure Limited (“**Merchant Treasure**”) and Doreturn Limited (“**Doreturn**”) respectively whereas SOP, Chester International, Lanvic, Boswell, Merchant Treasure and Doreturn were all wholly-owned subsidiaries of SOI. NRI was a wholly-owned subsidiary of SOCAM which in turn was held by SOCL as to 48.38%. SOCL was held under the Bosrich Unit Trust, the trustee of which was Bosrich Holdings (PTC) Inc. (“**Bosrich**”). The units of the Bosrich Unit Trust were the property of a discretionary trust, of which Mr. Vincent Lo was a discretionary beneficiary and HSBC International Trustee Limited (“**HSBC Trustee**”) was the trustee. Accordingly, Mr. Vincent Lo, Mrs. Lo, Bosrich and HSBC Trustee were deemed to be interested in such Shares under Part XV of the SFO.
- (3) These represent the interests of share options granted to the Directors and/or their respective associate(s) for subscription of Shares under the share option scheme adopted by the Company on 8 June 2007.
- (4) These percentages had been compiled based on the total number of issued shares (i.e. 8,061,304,524 Shares) of the Company at the Latest Practicable Date.

*(b) Interests in the debentures of the associated corporation of the Company*

<b>Name of Director</b>	<b>Name of Associated Corporation</b>	<b>Nature of Interests</b>	<b>Amount of Debentures</b>
Mr. Vincent Lo	SODH	Family interests	US\$1,300,000
Mr. Douglas H. H. SUNG	SODH	Personal interests	US\$250,000
Sir John R. H. BOND	SODH	Personal interests	US\$813,000
Dr. William K. L. FUNG	SODH	Family interests	US\$500,000
Mr. Anthony J. L. NIGHTINGALE	SODH	Personal interests	US\$200,000

Save as disclosed herein, at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have been taken under such provisions of the SFO); or were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

At the Latest Practicable Date, none of the Directors was interested, directly or indirectly, in any assets which have been acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2016 (being the date to which the latest published audited financial statements of the Group were made up).

At the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement, which was subsisting and was significant in relation to the business of the Group.

At the Latest Practicable Date, save as disclosed below, none of the Directors or the proposed Directors was a director or employee of a company which had an interest or short position in the Shares, underlying Shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

<b>Name of Director</b>	<b>Names of companies which had such discloseable interest or short position</b>	<b>Position within such companies</b>
Mr. Vincent Lo	SOCL, SOP, SOI, NRI and Boswell	director
Mr. Frankie Wong	SOCL, SOP, SOI, NRI and Boswell	director

### **3. EXPERT AND CONSENT**

The following is the qualification of the expert who has provided advice referred to or contained in this circular:

<b>Name</b>	<b>Qualification</b>
Cushman & Wakefield Limited	Independent property valuer and chartered professional surveyors

Cushman & Wakefield Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its valuation report and certificates and/or references to its name in the form and context in which they respectively appear.

#### 4. EXPERT'S INTEREST

Cushman & Wakefield Limited has confirmed that at the Latest Practicable Date:

- (a) it did not have any shareholding interest in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group; and
- (b) it was not interested, directly or indirectly, in any assets which have been acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2016 (being the date to which the latest published audited financial statements of the Group were made up).

#### 5. SERVICE CONTRACTS

At the Latest Practicable Date, none of the Directors had entered into, with any member of the Group, a service agreement which is not expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation).

#### 6. MATERIAL LITIGATION

At the Latest Practicable Date, there was no litigation or claim of material importance that is known to the Directors to be pending or threatened against any member of the Group.

#### 7. COMPETING INTERESTS OF DIRECTORS

Mr. Vincent Lo is an executive Director and the Chairman of the Company, as well as the ultimate controlling shareholder, chairman and chief executive officer of SOCL and its subsidiaries (excluding SOCAM and its subsidiaries) (the “**Shui On Group**”). The core businesses of the Shui On Group include property development and investment projects in Hong Kong and the PRC, as more fully described in the section headed “Relationship with the Shui On Group” of the Company’s listing prospectus dated 20 September 2006 (the “**Listing Prospectus**”). The Company has entered into a deed of non-competition dated 30 May 2006 with SOCL and Mr. Vincent Lo pursuant to which SOCL and Mr. Vincent Lo have severally undertaken not to compete with the business of the Company. For more details, see the section headed “Relationship with the Shui On Group” of the Listing Prospectus. In addition, Mr. Vincent Lo is also the chairman and controlling shareholder of SOCAM, which is engaged in property development in the PRC.

Saved as disclosed above, at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or their respective close associates (as defined in the Listing Rules) had any interest in a business which competes or may compete with the business of the Group, or has or may have any other conflicts of interest with the Group pursuant to Rule 8.10 of the Listing Rules.

## 8. NO MATERIAL ADVERSE CHANGE

At the Latest Practicable Date, save as disclosed in the 2017 interim report of the Company, the Directors were not aware of any material adverse changes in the financial or trading position of the Group since 31 December 2016 (being the date to which the latest published audited financial statements of the Group were made up).

## 9. MATERIAL CONTRACTS

The following contracts have been entered into by the Group (not being contract entered into in the ordinary course of business) within two years preceding the date of this circular:

- (a) the share purchase agreement entered into between SODH and Taipingqiao 116 Development Company Limited (“**Taipingqiao 116**”) dated 18 December 2015, in relation to the acquisition of 74,558 issued shares of US\$0.001 each in the capital of Portspin Limited (“**Portspin**”) (subject to adjustment) and certain Taipingqiao 116’s rights to certain shareholder’s loans (together with interest accrued thereon) granted to Portspin for a maximum aggregate consideration of US\$563,000,000 (equivalent to approximately HK\$4,363,419,000) (subject to adjustment);
- (b) the sale and purchase agreement entered into between certain indirect wholly-owned subsidiaries of the Company and 佛山市順德區碧桂園地產有限公司(Foshan Shunde Country Garden Properties Company Limited\*) dated 14 April 2016, in relation to the disposal of 100% equity interests in 佛山源康房地產發展有限公司(Fo Shan Yuan Kang Property Development Co., Ltd.\*) at the consideration of RMB1,726,457,696 (subject to adjustment, if any);
- (c) the framework agreement dated 3 May 2016 entered into between SODH, 武漢瑞安天地房地產發展有限公司(Wuhan Shui On Tiandi Property Development Co., Ltd.\*), and 中信泰富(中國)投資有限公司 (CITIC Pacific China Holdings Limited\*) relating to the disposal of certain properties in Wuhan, Hubei, the PRC, consideration and details of which were set out in the announcement of the Company dated 3 May 2016 and the circular of the Company dated 24 June 2016;
- (d) the transaction cooperation agreement dated 26 May 2017 entered into among SODH, Grand Hope Limited, China Vanke Co., Ltd\* (萬科企業股份有限公司) and 重慶錦瀾實業有限公司 in relation to the disposal of 79.2% of all equity interests in Chongqing Shui On Tiandi Real Estate Development Company Limited\* (重慶瑞安天地房地產發展有限公司), representing 79.2% of the interests in the partnership portfolio, for a consideration of RMB4,133,000,000, subject to adjustment at the completion of the disposal;

\* For identification purposes only

- (e) the shareholders' agreement (the "**Shareholders' Agreement**") dated 9 August 2017 entered into among Shanghai Sheng Pu Enterprise Management Consulting Company Limited\* (上海盛甫企業管理諮詢有限公司) ("**Sheng Pu**"), Shanghai Guotai Junan Securities Asset Management Company Limited\* (上海國泰君安證券資產管理有限公司) (as the manager of Guojun Asset Management 2091 Oriented Asset Management Plan\* (國君資管2091定向資產管理計劃)) ("**Guotai Junan**") and Shanghai Hongfang (Group) Company Limited\* (上海虹房(集團)有限公司) ("**Hong Fang**"), pursuant to which Sheng Pu, Guotai Junan and Hong Fang have agreed to establish a joint venture company (the ("**JV Company**") held as to 49% by Sheng Pu, 31% by Guotai Junan and 20% by Hong Fang respectively, for the acquisition of Shanghai Bali Real Estate Development Company Limited\* (上海百麗房地產開發有限公司) (the "**Project Company**") from the Company, and Sheng Pu shall provide the capital contribution of RMB49,000,000 and up to approximately RMB2,226,050,000 additional funds to the JV Company; upon establishment of the JV Company, Top Faith Development Limited shall dispose to and the JV Company shall acquire the entire equity interest of the Project Company at a cash consideration of RMB110,000,000; pursuant to the terms of the Shareholders' Agreement, Sheng Pu has granted to Guotai Junan the put option, a right to put its entire equity interest in the JV Company to Sheng Pu at a cash consideration of RMB31,000,000;
- (f) the sale and purchase agreement dated 30 September 2017 entered into among SODH and Wisdom Forever Limited Partnership in relation to the disposal of 49% equity interest in Bright Power Enterprises Limited and Merry Wave Limited and the assignment of the shareholder loans of approximately RMB1,620,000,000 at the consideration of approximately RMB2,949,000,000 (subject to adjustment); and
- (g) the Sale and Purchase Agreement.

\* For identification purposes only

## 10. GENERAL

- (a) The registered office of the Company is at 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands.
- (b) The principal place of business of the Company in Hong Kong is at 34th Floor, Shui On Centre, 6-8 Harbour Road, Wan Chai, Hong Kong.
- (c) The principal share registrar and transfer office of the Company is SMP Partners (Cayman) Limited, Royal Bank House - 3rd Floor, 24 Shedden Road, P.O. Box 1586, Grand Cayman, KY1-1110, Cayman Islands.
- (d) The branch share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

- (e) The company secretary of the Company is Mr. UY Kim Lun, a qualified lawyer in Hong Kong.
- (f) This circular is in both English and Chinese. In the event of inconsistency, the English text shall prevail over the Chinese text.

#### **11. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours at 34th Floor, Shui On Centre, 6-8 Harbour Road, Wan Chai, Hong Kong from the date of this circular and up to and including the date which is 14 days from the date of this circular:

- (a) the memorandum and articles of association of the Company;
- (b) the property valuation report issued by Cushman & Wakefield Limited, the text of which is set out in Appendix II to this circular;
- (c) the written consent referred to in the section headed “Expert and Consent” in this appendix;
- (d) the material contracts referred to in the section headed “Material Contracts” in this appendix;
- (e) the annual reports of the Company for the years ended 31 December 2015 and 2016;
- (f) the circular dated 19 June 2017 issued by the Company in respect of disposal of majority equity interests in a real estate development project in Chongqing, the PRC; and
- (g) this circular.