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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 stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **Central China Real Estate Limited**, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

All capitalised terms on this cover page shall have the same meanings as those defined in this circular.



**建業地產股份有限公司 \***

**Central China Real Estate Limited**

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

(Stock Code: 0832)

**DISCLOSEABLE AND CONNECTED TRANSACTION  
EQUITY RESTRUCTURING AGREEMENT**

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

寶  
橋  
BRIDGE PARTNERS

**BRIDGE PARTNERS CAPITAL LIMITED**

A letter from the Board is set on pages 4 to 14 of this circular and a letter from the Independent Board Committee is set on pages 15 to 16 of this circular. A letter of advice from Bridge Partners to the Independent Board Committee and the independent Shareholders is set out on pages 17 to 32 of this circular.

\* For identification purposes only

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## DEFINITIONS

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

“Allocated Land”	the land of which the land use rights are obtained through governmental grant at no land grant premium, and the government does not set a fixed term for such land use rights;
“Board”	the board of Directors;
“Bridge Partners”	Bridge Partners Capital Limited, the independent financial adviser appointed to advise the Independent Board Committee and the independent Shareholders in relation to the Equity Restructuring Agreement and the transactions as contemplated thereunder;
“CapitaLand”	CapitaLand Limited, a limited liability company incorporated in Singapore and is the ultimate shareholder of CapitaLand (Cayman);
“CapitaLand (Cayman)”	CapitaLand LF (Cayman) Holdings Co., Ltd, a limited liability company incorporated in the Cayman Islands and is a substantial Shareholder as at the Latest Practicable Date and an indirect wholly-owned subsidiary of CapitaLand;
“CCRE China”	Central China Real Estate Group (China) Company Limited* (建業住宅集團(中國)有限公司), a wholly foreign-owned enterprise with limited liability which was incorporated in the PRC and is an indirect wholly-owned subsidiary of the Company;
“Central China Dahong”	Kaifeng Central China Dahong Real Estate Company Limited* (開封建業大宏住宅建設有限責任公司), a company with limited liability which was incorporated in the PRC and owned as to 60% by the Company and 40% as to Kaifeng Dahong as at the Latest Practicable Date;
“Company”	Central China Real Estate Limited (建業地產股份有限公司*), an exempted company incorporated under the laws of the Cayman Islands with limited liability, whose Shares are listed on the main board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Equity Restructuring Agreement”	the Equity Restructuring Agreement dated 17 June 2013 entered into among CCRE China, Kaifeng Dahong and the Target Companies in relation to certain equity restructuring arrangements on the Target Companies;

## DEFINITIONS

“Forest Peninsula”	Central China Forest Peninsula (Kaifeng) Real Estate Company Limited* (開封建業森林半島置業有限公司), a company with limited liability which was incorporated in the PRC and wholly-owned by Central China Dahong as at the Latest Practicable Date;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“HKFRS”	Hong Kong Financial Reporting Standards;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hotel Company”	Kaifeng Central China Dahong Northwest Lake Hotel Management Company Limited* (開封建業大宏西北湖酒店管理有限公司), a company with limited liability which was incorporated in the PRC and wholly-owned by Central China Dahong as at the Latest Practicable Date;
“Independent Board Committee”	an independent board committee of the Company comprising all the independent non-executive Directors namely Mr. Cheung Shek Lun, Mr. Wang Shi and Mr. Xin Luo Lin;
“Independent Third Parties”	third parties independent of the Company and its connected persons and are not connected persons of the Company;
“Joy Bright”	Joy Bright Investments Limited (恩輝投資有限公司), a limited liability company which was incorporated in the BVI and is wholly-owned by Mr. Wu Po Sum;
“Kaifeng CCRE”	Kaifeng Central China Real Estate Company Limited* (開封建業地產有限公司), a company with limited liability which was incorporated in the PRC and owned as to 80% by CCRE China and 20% as to Kaifeng Dahong as at the Latest Practicable Date;
“Kaifeng Dahong”	Kaifeng Dahong Real Estate Development Company Limited* (開封市大宏房地產開發有限公司), a company with limited liability which was incorporated in the PRC;
“Latest Practicable Date”	27 June 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

## DEFINITIONS

“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“S\$”	Singaporean dollar, the lawful currency of Singapore;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Law of Hong Kong);
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.10 each in the share capital of the Company;
“Shareholders”	holders of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Companies”	Central China Dahong, Forest Peninsula, Kaifeng CCRE and Hotel Company;
“US\$”	United States dollar, the lawful currency of the United States of America; and
“%”	per cent.

\* *For identification purposes only*

LETTER FROM THE BOARD



建業地產股份有限公司 \*

Central China Real Estate Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0832)

*Executive Directors:*

Mr. Wu Po Sum (Chairman)

Ms. Yan Yingchun

*Non-executive Directors:*

Mr. Lim Ming Yan

(alternate Director: Mr. Lucas Ignatius Loh Jen Yuh)

Mr. Leow Juan Thong Jason

Mr. Hu Yongmin

Ms. Wu Wallis (alias Li Hua)

*Independent non-executive Directors:*

Mr. Cheung Shek Lun

Mr. Wang Shi

Mr. Xin Luo Lin

*Registered office:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

*Place of business in Hong Kong:*

Rm.7701B-7702A, 77th Floor

International Commerce Center

1 Austin Road West

Kowloon

Hong Kong

28 June 2013

*To the Shareholders*

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION  
EQUITY RESTRUCTURING AGREEMENT**

**INTRODUCTION**

Reference is made to the announcement of the Company dated 17 June 2013 in relation to the Equity Restructuring Agreement entered into among CCRE China, an indirect wholly-owned subsidiary of the Company, with Kaifeng Dahong, Central China Dahong, Forest Peninsula, Kaifeng CCRE and Hotel Company.

\* For identification purposes only

## LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among others, (i) further information relating to the Equity Restructuring Agreement and the transactions as contemplated thereunder; (ii) the recommendation from the Independent Board Committee to the independent Shareholders; and (iii) the recommendation from the Independent Financial Adviser to the Independent Board Committee and the independent Shareholders.

### EQUITY RESTRUCTURING AGREEMENT

The principal terms of the Equity Restructuring Agreement are set out as follows:

- Date:** 17 June 2013
- Parties:** CCRE China;  
Kaifeng Dahong;  
Central China Dahong;  
Forest Peninsula;  
Kaifeng CCRE; and  
Hotel Company

### Subject matters and Consideration

Pursuant to the Equity Restructuring Agreement, the parties agreed that:

- (i) CCRE China shall sell 60% equity interest in Central China Dahong to Kaifeng Dahong for a consideration of RMB288,000,000 (the “**Consideration (Central China Dahong)**”);
- (ii) CCRE China shall acquire 20% equity interest in Kaifeng CCRE from Kaifeng Dahong for a consideration of RMB30,000,000 (the “**Consideration (Kaifeng CCRE)**”);
- (iii) CCRE China shall acquire 100% equity interest in Hotel Company from Central China Dahong for a consideration of RMB81,210,000 (the “**Consideration (Hotel Company)**”); and
- (iv) Kaifeng CCRE and Hotel Company shall repay the loans owed to Central China Dahong in the amounts of RMB134,458,000 and RMB10,800,000 respectively (the “**Central China Dahong Loans**”). As at the date of the Equity Restructuring Agreement, Central China Dahong and Forest Peninsula have no loan owed to CCRE China.

## LETTER FROM THE BOARD

### Restructuring Arrangements and Terms of Payments

The equity restructuring and the settlement of the payments shall be carried out in accordance with the following manners and are subject to the condition precedent under the Equity Restructuring Agreement:

1. After setting off the Consideration (Kaifeng CCRE) against the Consideration (Central China Dahong), Kaifeng Dahong shall pay an amount of RMB258,000,000 to CCRE China for the transfers of 60% equity interest in Central China Dahong and 20% equity interest in Kaifeng CCRE under the Equity Restructuring Agreement. Kaifeng Dahong shall pay the said amount to CCRE China by bank transfer in two instalments of RMB100,000,000 (the “**First Instalment**”) and of RMB158,000,000 (the “**Second Instalment**”) respectively.
2. Kaifeng Dahong shall transfer the First Instalment and the Second Instalment to two joint bank accounts opened by Kaifeng Dahong and Kaifeng CCRE (“**Account A**”) and Kaifeng CCRE and Central China Dahong (“**Account B**”) respectively within 3 working days from the date of the Equity Restructuring Agreement.
3. Within 15 working days after the date of the First Instalment and the Second Instalment having been transferred to Account A and Account B:
  - (i) Kaifeng Dahong shall transfer its 20% equity interest in Kafeng CCRE and Central China Dahong shall transfer its 100% equity interest in Hotel Company to CCRE China and complete the relevant business registrations; and
  - (ii) CCRE China shall transfer its 60% equity interest in Central China Dahong to Kaifeng Dahong and complete the relevant business registration.
4. Within 5 working days from the date of the Equity Restructuring Agreement, Kaifeng Dahong shall arrange payment of the First Instalment from Account A to CCRE China.
5. Within 5 working days from the date on which registration of the transfer of 60% equity interest in Central China Dahong is accepted by the relevant administration for industry and commerce:
  - (i) Kaifeng CCRE and Hotel Company shall repay their respective Central China Dahong Loans to Central China Dahong; and
  - (ii) Kaifeng Dahong shall arrange payment of the Second Instalment from Account B to Account A then to CCRE China.
6. Within 5 working days from the date on which the registration of the transfer of 100% equity interest in Hotel Company is completed, CCRE shall arrange payment of the Consideration (Hotel Company) in cash from the Group’s internal resources.



## LETTER FROM THE BOARD

### **Condition Precedent**

Completion of the Equity Restructuring Agreement is conditional upon the Company having complied with the relevant requirements under the Listing Rules in respect of the Equity Restructuring Agreement, which include but not limited to the reporting, announcement and independent Shareholders' approval requirements (if applicable) and other specific requirement(s) imposed by the Stock Exchange (if applicable).

### **Completion**

The parties agreed that completion of the Equity Restructuring Agreement shall take place before 30 June 2013.

As at the Latest Practicable Date and prior to completion of the Equity Restructuring Agreement, both Central China Dahong and Forest Peninsula (a wholly-owned subsidiary of Central China Dahong) are 60% owned subsidiaries of the Company. Upon completion of the Equity Restructuring Agreement, the Company will not have any equity interest or attributable interest in both Central China Dahong and Forest Peninsula and both Central China Dahong and Forest Peninsula will cease to be subsidiaries of the Company.

As at the Latest Practicable Date and prior to completion of the Equity Restructuring Agreement, Kaifeng CCRE is an 80% owned subsidiary of the Company. Upon completion of the Equity Restructuring Agreement, Kaifeng CCRE will become a wholly-owned subsidiary of the Company.

As at the Latest Practicable Date and prior to completion of the Equity Restructuring Agreement, the Company has a 60% attributable interest in Hotel Company. Upon completion of the Equity Restructuring Agreement, Hotel Company will become a wholly-owned subsidiary of the Company.

## LETTER FROM THE BOARD

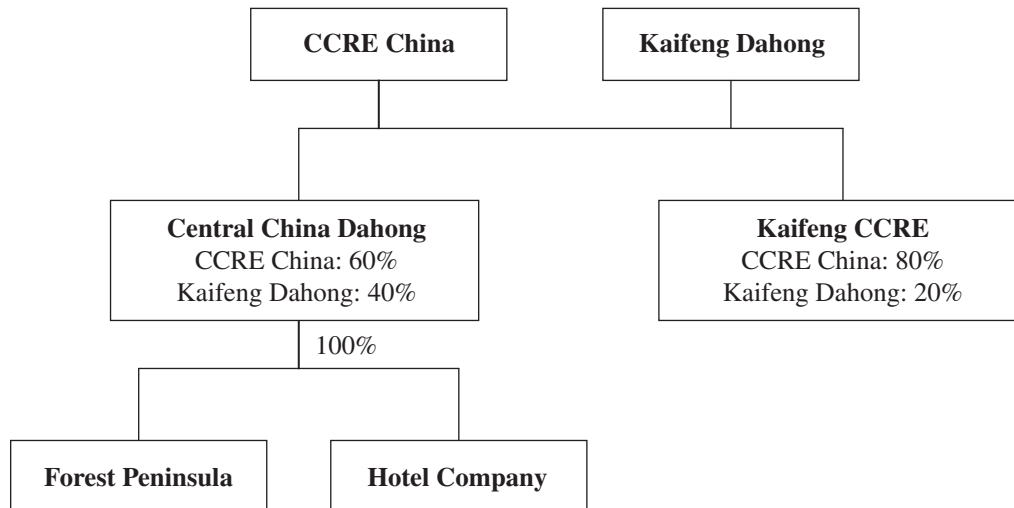
### Basis of the Consideration

The Consideration (Central China Dahong), the Consideration (Kaifeng CCRE) and the Consideration (Hotel Company) under the Equity Restructuring Agreement were determined after arm's length negotiations among the parties with reference to (i) the net asset values Central China Dahong, Kaifeng CCRE and Hotel Company attributable to the equity interests to be transferred under the Equity Restructuring Agreement; (ii) the preliminary valuation of the properties held by each of the Target Companies as at 30 April 2013 by Savills Valuation and Professional Services Limited, an independent property valuer. The net asset values of the Central China Dahong, Kaifeng CCRE and Hotel Company as at 31 May 2013 are set out as follows:

	<b>Net asset value</b> <i>(in RMB)</i>
Central China Dahong	197,961,666
Kaifeng CCRE	38,161,735
Hotel Company	4,656,175

### Shareholding Structure of the Target Companies

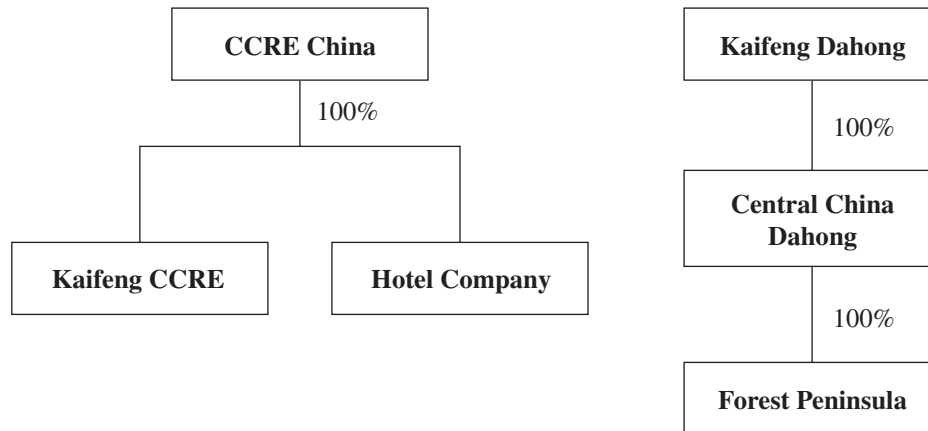
As at the Latest Practicable Date and immediately prior to completion of the Equity Restructuring Agreement, the shareholding structure of the Target Companies is as follows:



- (i) Central China Dahong is held as to 60% by CCRE China and 40% by Kaifeng Dahong;
- (ii) Forest Peninsula is wholly-owned by Central China Dahong;
- (iii) Kaifeng CCRE is held as to 80% by CCRE China and 20% by Kaifeng Dahong; and
- (iv) Hotel Company is wholly-owned by Central China Dahong.

## LETTER FROM THE BOARD

The shareholding structure of the Target Companies upon completion of the Equity Restructuring Agreement will be as follows:



- (i) both Central China Dahong and Forest Peninsula (a wholly-owned subsidiary of Central China Dahong) will cease to be subsidiaries of the Company; and
- (ii) both Kaifeng CCRE and Hotel Company will become wholly-owned subsidiaries of the Company.

### REASONS FOR AND BENEFIT OF ENTERING INTO OF THE EQUITY RESTRUCTURING AGREEMENT

Since 2006, the Group and Kaifeng Dahong established a strategic cooperation relationship in respect of development of real estate projects in Kaifeng City, Henan Province and have in succession, established CCRE Dahong, Forest Peninsula, Kaifeng CCRE, and Hotel Company. The original intent of the parties was to take advantage of each party's competitive strengths in the market, that is, (i) the Company's well-known brand in Henan's real estate industry; and (ii) Kaifeng Dahong's presence in Kaifeng.

Following rollout of the PRC government's urbanisation plans in recent years, the Group began tapping into different county-level cities and diversifying its property portfolios in Henan Province. Since 2012, the Group has established its presence in 8 county-level cities of Henan, achieving prominent results in the expansion of these county-level markets which opened up broad prospects for ongoing further development of the Group's operations in Henan. In addition, the Group has continued to penetrate county markets in the region and vigorously identify potentials for new profitable property projects. However, as far as Group's management understands, Kaifeng Dahong does not share the same view. As such, the Group and Kaifeng Dahong decided to discontinue the strategic cooperation relationship and enter into the Equity Restructuring Agreement on 17 June 2013 based on arm's length negotiations. Considering that (i) the Group has all along been responsible for the overall management of the property projects undertaken by Kaifeng CCRE and Hotel Company and (ii) Kaifeng Dahong has no experience in hotel operation or management, the Group agreed to increase its equity holding in Kaifeng CCRE and Hotel Company and dispose of its 60% equity interest in Central China Dahong (including Forest Peninsula).

## **LETTER FROM THE BOARD**

It is expected that upon completion of the transactions as contemplated under the Equity Restructuring Agreement, the Group will record a gain of approximately RMB171 million (representing the difference between (i) the Consideration (Central China Dahong) for disposal of the Group's 60% equity interest in Central China Dahong and Forest Peninsula (being a wholly-owned subsidiary of Central China Dahong) of RMB288 million and (ii) 60% of the unaudited combined net asset value of Central China Dahong and Forest Peninsula as at 31 May 2013 in the amount of approximately RMB117 million) and net cash flow of RMB31.5 million, which can further enhance the liquidity of the Group and finance the Group in its future acquisition of land. On the other hand, in respect of the Group's acquisition of non-controlling interests in Kaifeng CCRE and Hotel Company, an amount of approximately RMB101.7 million (representing the difference between (i) the consideration payable by the Group for acquisition of 20% equity interest in Kaifeng CCRE and 40% equity interest in Hotel Company (that is, the aggregate of the Consideration (Kaifeng CCRE) and the Consideration (Hotel Company)) of HK\$111.2 million and (ii) the book value of the non-controlling interests to be acquired by the Group as at 31 May 2013 of approximately RMB9.5 million) will be debited into the capital reserve of the Company. Upon the disposal of Central China Dahong and Forest Peninsula, it is expected that the cash balances and bank loans of the Group will be reduced by RMB120 million and RMB360 million respectively as a result of the financial deconsolidation from Central China Dahong and Forest Peninsula. Accordingly, the Group will benefit from the transactions as contemplated under the Equity Restructuring Agreement in terms of a decrease in its net debts as well as an improvement in its gearing ratio.

In light of the above, the Directors (excluding the independent non-executive Directors who will express their opinion on the Equity Restructuring Agreement after taking into account of the advice from Bridge Partners) consider that the terms of the Equity Restructuring Agreement, which were reached based on arm's length negotiations among the parties thereto, are on normal commercial terms, fair and reasonable and in the interests of the Group and the Shareholders as a whole.

### **INFORMATION ABOUT KAIFENG DAHONG AND THE TARGET COMPANIES**

Kaifeng Dahong is a limited liability company established in the PRC. It is mainly engaged in real estate development and sales and real estate investment in Henan Province, the PRC.

Central China Dahong is a limited liability company established in the PRC and is held by CCRE China and Kaifeng Dahong as to 60% and 40% respectively. It is mainly engaged in property development of residential units.

## LETTER FROM THE BOARD

The following table sets out the audited financial information of Central China Dahong (including Forest Peninsula and other subsidiaries and associate) for the two years ended 31 December 2012 prepared in accordance with HKFRS:

	<b>For the year ended 31 December 2012 (RMB)</b>	<b>For the year ended 31 December 2011 (RMB)</b>
Net profit before taxation and extraordinary items	57,373,474	174,075,680
Net profit after tax taxation and extraordinary items	38,118,117	115,657,191

Forest Peninsula is a limited liability company established in the PRC and is wholly owned by Central China Dahong. It is mainly engaged in property development of residential units.

The following table sets out the audited financial information of Forest Peninsula for the two years ended 31 December 2012 prepared in accordance with HKFRS:

	<b>For the year ended 31 December 2012 (RMB)</b>	<b>For the year ended 31 December 2011 (RMB)</b>
Net profit before taxation and extraordinary items	28,829,405	156,708,851
Net profit after tax taxation and extraordinary items	15,850,250	104,305,311

Kaifeng CCRE is a limited liability company established in the PRC and is held by CCRE China and Kaifeng Dahong as to 80% and 20% respectively. It is mainly engaged in property development in residential units.

The following table sets out the audited financial information of Kaifeng CCRE for the two years ended 31 December 2012 prepared in accordance with HKFRS:

	<b>For the year ended 31 December 2012 (RMB)</b>	<b>For the year ended 31 December 2011 (RMB)</b>
Net loss before taxation and extraordinary items	(8,441,864)	(3,590,053)
Net loss after taxation and extraordinary items	(7,460,506)	(3,590,053)

## LETTER FROM THE BOARD

Hotel Company is a limited liability company established in the PRC and is wholly-owned by Central China Dahong. It is mainly engaged in management and operation of a hotel which is currently under construction.

The following table sets out the audited financial information of Hotel Company for the two years ended 31 December 2012 prepared in accordance with HKFRS:

	<b>For the year ended 31 December 2012 (RMB)</b>	<b>For the year ended 31 December 2011 (RMB)</b>
Net loss before taxation and extraordinary items	(142,104)	(2,653)
Net loss after taxation and extraordinary items	(142,119)	(2,954)

### INFORMATION ABOUT CCRE CHINA AND THE GROUP

CCRE China is a limited liability company established in the PRC. It is an indirect wholly-owned subsidiary of the Company and is mainly engaged in real estate development and sales and real estate investment in Henan Province, the PRC.

The Group is principally engaged in the real estate development and sales in Henan Province, the PRC.

### IMPLICATIONS UNDER THE LISTING RULES

As at the date of the date of the Equity Restructuring Agreement, Kaifeng Dahong did not hold any Shares or other securities of the Company but owned over 10% equity interest or attributable interest in each of the Target Companies, which are all indirect subsidiaries of the Company. As such, Kaifeng Dahong is a connected person of the Company and the Equity Restructuring Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the transactions as contemplated under the Equity Restructuring Agreement exceed(s) 5%, the Equity Restructuring Agreement is subject to reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the transactions as contemplated under the Equity Restructuring Agreement exceed(s) 5% but less than 25%, the Equity Restructuring Agreement also constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

On the bases that (i) no Shareholder has a material interest in the Equity Restructuring Agreement and the transactions contemplated thereunder, no Shareholder is required to abstain from voting if the Company convenes a general meeting for the approval of the transactions as contemplated under the Equity Restructuring Agreement; and (ii) written approvals of the

## LETTER FROM THE BOARD

Equity Restructuring Agreement are obtained from Joy Bright and CapitaLand (Cayman), being the closely allied group of Shareholders for the purpose of Rules 14.45 and 14A.43 of the Listing Rules entitled to vote on the transaction and together holding more than 50% of the issued share capital of the Company as at the Latest Practicable Date, the Company applied to and has obtained from the Stock Exchange the waiver from strict compliance with the requirement to hold a general meeting under Rule 14A.43 of the Listing Rules. The independent Shareholders' approval requirement is deemed to have been fulfilled and hence no physical general meeting will be convened to approve the transactions as contemplated under the Equity Restructuring Agreement pursuant to Rule 14A.43 of the Listing Rules.

Joy Bright and CapitaLand (Cayman) constitute "a closely allied group of Shareholders" under Rule 14.45 of the Listing Rules for the reasons as set out below:

- (a) Joy Bright beneficially owns 1,146,315,639 Shares (representing approximately 47.10% of the Company's issued share capital) and is wholly owned by Mr. Wu Po Sum (the founder of the Group, the chairman, an executive Director and a controlling Shareholder). CapitaLand beneficially owns 658,116,228 Shares (representing approximately 27.04% of the Company's issued share capital). It is a pre-IPO investor, which invested in the Group in December 2006 (prior to the Group's reorganization and the Company's incorporation) through its indirect wholly-owned subsidiary, CapitaLand (Cayman). CapitaLand appointed two representatives to the Board as non-executive Directors in connection with its investment in the Group. In the non-competition undertaking dated 16 May 2008 among CapitaLand China, CapitaLand (Cayman) and the Company, CapitaLand China agreed that in the event it identifies or is offered any opportunity to participate in any residential development project in any of the provinces of Henan, Hubei, Hunan, Shanxi, Anhui and Shaanxi in the PRC, it will notify the Company of such opportunity and that the Company shall have an option to negotiate and participate in such project subject to certain conditions as set out in the undertaking. As of the date of the Latest Practicable Date, CapitaLand (Cayman) has not disposed of any of its Shares in the Company. Based on the aforesaid, the Directors consider that CapitaLand's investment in the Group is of a long-term and strategic nature and that Joy Bright and CapitaLand (Cayman) have established and will maintain a long-term and stable business relationship with each other;
- (b) Each of Joy Bright and CapitaLand (Cayman) has been Shareholders since incorporation of the Company on 15 November 2007;
- (c) Joy Bright and CapitaLand (Cayman) are not parties "acting in concert" for the purposes of the Code on Takeovers and Mergers and Share Repurchases; and
- (d) Joy Bright and CapitaLand (Cayman) have voted unanimously on all Shareholders' resolutions since the Company's inception (except for the Shareholders' resolutions passed in the annual general meetings of the Company dated 12 May 2009, 18 May 2010, 30 May 2011, 24 May 2012 and 20 May 2013 as no representative from (or proxy appointed by) CapitaLand (Cayman) attended the meetings).

## LETTER FROM THE BOARD

### RECOMMENDATIONS

The entering into of the Equity Restructuring Agreement was approved by the Board. As no Director has any material interest in the Equity Restructuring Agreement, no Director was required to abstain from voting in the board resolutions in connection with the Equity Restructuring Agreement and the transactions contemplated thereunder.

Your attention is drawn to the letter from the Independent Board Committee set out on pages 15 to 16 of this circular. The Independent Board Committee, having taken into account the advice of Bridge Partners, the text of which is set out on pages 17 to 32 of this circular, considers that the terms of the Equity Restructuring Agreement are normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and accordingly recommends the independent Shareholders to approve the Equity Restructuring Agreement if a general meeting of the Company were to be convened in this regard.

### FURTHER INFORMATION

Your attention is drawn to (1) the letter from the Independent Board Committee; (2) the letter from Bridge Partners; (3) the valuation report as set out in Appendix I hereto; and (4) the general information as set out in Appendix II hereto.

Yours faithfully,  
By Order of the Board  
**Central China Real Estate Limited**  
**Wu Po Sum**  
*Chairman*





建業地產股份有限公司 \*

**Central China Real Estate Limited**

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

(Stock Code: 0832)

28 June 2013

*To the Shareholders*

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION  
EQUITY RESTRUCTURING AGREEMENT**

We refer to the circular of the Company to the Shareholders dated 28 June 2013 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as members to form the Independent Board Committee and to advise you as to whether, in our opinion, the terms of the Equity Restructuring Agreement are normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

We wish to draw your attention to the letter from Bridge Partners, the independent financial adviser appointed to advise the Independent Board Committee and the independent Shareholders on the terms of the Equity Restructuring Agreement as set out on the pages 17 to 32 of the Circular, and the letter from the Board set out on pages 4 to 14 of the Circular.

\* *For identification purpose only*

**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

Having considered, among other matters, the factors and reasons considered by, the opinion of Bridge Partners as stated in its letter of advice, we are of the view that the terms of the Equity Restructuring Agreement are normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Therefore, we recommend the Shareholders vote in favour of the resolutions proposed to approve the Equity Restructuring Agreement and the transactions contemplated thereunder if a general meeting of the Shareholders were to be convened in this regard.

Yours faithfully,  
Independent Board Committee of  
**Central China Real Estate Limited**

**Cheung Shek Lun**  
*Independent non-executive  
Director*

**Xin Luo Lin**  
*Independent non-executive  
Director*

**Wang Shi**  
*Independent non-executive  
Director*

## LETTER FROM BRIDGE PARTNERS

*The following is the text of a letter of advice to the Independent Board Committee and the Independent Shareholders from Bridge Partners regarding the Equity Restructuring Agreement and the transactions contemplated thereunder prepared for the purpose of inclusion in this circular.*



### BRIDGE PARTNERS CAPITAL LIMITED

Unit 605, 6/F, Grand Millennium Plaza  
181 Queen's Road Central  
Central, Hong Kong

28 June 2013

*To the Independent Board Committee  
and the Independent Shareholders of Central China Real Estate Limited*

Dear Sirs,

### DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO EQUITY RESTRUCTURING AGREEMENT

#### INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Equity Restructuring Agreement and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular dated 28 June 2013 issued by the Company to the Shareholders (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

As one or more of the applicable percentage ratios in respect of the transactions as contemplated under the Equity Restructuring Agreement exceed(s) 5% but less than 25%, the entering into the Equity Restructuring Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. As at the Latest Practicable Date, Kaifeng Dahong owned over 10% equity interest in each of the Target Companies, all of which are indirect subsidiaries of the Company. As such, Kaifeng Dahong is a connected person of the Company and the entering into the Equity Restructuring Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

An Independent Board Committee comprising Mr. Cheung Shek Lun, Mr. Wang Shi and Mr. Xin Luo Lin (all being independent non-executive Directors) has been established to advise the Independent Shareholders on whether the Equity Restructuring Agreement is on

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normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders in these regards.

### BASIS OF OUR OPINION

In arriving at our opinion and recommendation, we have relied on the information supplied, the opinion and representations expressed by the Directors and the management of the Company. We have reviewed, among others: (i) the annual report of the Company for the year ended 31 December 2012 (the “**2012 Annual Report**”) and the interim report of the Company for the six months ended 30 June 2012 (the “**Interim Report**”); (ii) the Circular; (iii) the Equity Restructuring Agreement; (iv) the financial accounts of Central China Dahong, Forest Peninsula, Kaifeng CCRE and Hotel Company; (v) the valuation reports of the properties held by Central China Dahong, Forest Peninsula, Kaifeng CCRE and Hotel Company as at 30 April 2013 (the “**Valuation Report**”) and (vi) the statistics on the property and tourism sectors in Henan Province, PRC. We have also sought and received confirmation from the Directors and management of the Group that all material relevant information has been supplied to us and that no material facts have been omitted from the information supplied and the opinions expressed to us. We have no reason to doubt the truth or accuracy of the information provided to us, or to believe that any material information has been omitted or withheld. We have performed all necessary steps as required under Rule 13.80 of the Listing Rules, including the notes thereto, so that we can reach an informed view and justify our reliance on the information provided so as to form a reasonable basis for our opinions. We consider that the information we have received is sufficient for us to reach our advice and recommendation as set out in this letter. We have assumed that all representations contained or referred to in the Circular are true, accurate or complete at the time they were made and continue to be true up to and including the date of the Circular.

We have not, however, conducted any form of in-depth investigation into the business affairs, financial position or future prospects of the Group or carried out any independent verification of the information supplied, representations made or opinions expressed by the Company, the Directors and the management of the Group, nor have we considered the taxation implication on the Group or the Shareholders as a result of the entering into the Equity Restructuring Agreement.

This letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Equity Restructuring Agreement (including the terms of the Equity Restructuring Agreement and the transactions contemplated thereunder), and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

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**PRINCIPAL FACTORS AND REASONS CONSIDERED**

In arriving at our opinions in respect of the Equity Restructuring Agreement (including the terms of the Equity Restructuring Agreement and the transactions contemplated thereunder), we have taken into consideration the following principal factors and reasons:

**(1) Information on the Group**

The Group is principally engaged in real estate development and sales in Henan Province, the PRC. Set out below is a summary of the financial results of the Group for the years ended 31 December 2011 and 31 December 2012, as extracted from the 2012 annual report of the Company.

	<b>For the year ended 31 December 2012 <i>(Audited)</i> RMB'000</b>	<b>For the year ended 31 December 2011 <i>(Audited)</i> RMB'000</b>
Turnover	6,345,527	6,638,354
Gross profit	2,245,814	2,574,438
Profit before taxation	1,846,062	1,817,750
Profit for the year	869,794	742,930
	<b>As at 31 December 2012 RMB'000</b>	<b>2011 RMB'000</b>
Total assets	24,348,264	19,478,300
Total liabilities	18,725,054	14,436,548
Total equity	5,623,210	5,041,752

For the year ended 31 December 2012, the Group's turnover was approximately RMB6,346 million, representing a decrease of 4.4% over the previous year, the drop was primarily due to a decrease in average selling price from approximately RMB6,323 per sq.m. in 2011 to approximately RMB5,667 per sq.m. in 2012. The decrease in average selling price was primarily the result of the change of the product mix. The net profit in 2012 increased by 17.1% to approximately RMB870 million as compared to approximately RMB743 million in 2011, which was mainly attributable to (i) an increase in other operating income to approximately RMB47 million in 2012 as compared to that of approximately RMB13 million in 2011 and (ii) an increase of approximately RMB17 million in fair value of the investment properties in 2012, as compared to an increase of approximately RMB2 million in 2011.

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The cash and cash equivalents of the Group increased from approximately RMB3,256 million as at 31 December 2011 to approximately RMB3,950 million as at 31 December 2012. Total borrowings of the Group increased from approximately RMB5,379 million as at 31 December 2011 to approximately RMB6,570 million as at 31 December 2012. The gearing ratio (which is measured by the net debt over total equity) increased from 40.5% as at 31 December 2011 to 44.7% as at 31 December 2012, representing an increase of 4.2%.

### (2) Information on the Target Companies

#### (a) Central China Dahong

Central China Dahong has been incorporated since 8 October 2006 and is owned as to 60% by CCRE China and 40% by Kaifeng Dahong. It is principally engaged in the property development of residential units. At the Latest Practicable Date, Central China Dahong held the entire issued share capital of Forest Peninsula, Hotel Company and a residential and commercial development project located at City Garden, Huanghe Avenue, Jinming District, Keifeng, Henan Province, PRC.

City Garden is a residential and commercial development located on a parcel of land with a site area of approximately 135,180.99 square metre. The property comprises various residential units of several 6-storey buildings of City Garden completed in year 2008.

Set out below is the summarized audited financial information of Central China Dahong (including its subsidiaries and associates) for the years ended 31 December 2011 and 31 December 2012 prepared in accordance with HKFRS:

	<b>For the year ended 31 December 2012 (RMB)</b>	<b>For the year ended 31 December 2011 (RMB)</b>
Net profit before taxation and extraordinary items	57,373,474	174,075,680
Net profit after taxation and extraordinary items	38,118,117	115,657,191

The profit from Central China Dahong was mainly generated from the development of Forest Peninsula (the “**Forest Peninsula Development**”). Forest Peninsula Development comprises a large-scale commercial and residential development and a city complex. The commercial and residential development of Forest Peninsula is proposed to be developed in 12 phases. As illustrated above, the profit after taxation of Central China Dahong dropped approximately 67.04% from approximately RMB115.66 million for the financial year ended 31 December 2011 to

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approximately RMB38.12 million for the financial year ended 31 December 2012. The drop in revenue was mainly attributable to reduction in sales in residential units in year 2012.

*(b) Forest Peninsula*

Forest Peninsula has been incorporated since 18 January 2008 and was owned as to 60% by CCRE China and 40% by Kaifeng Dahong. On 18 September 2008, CCRE Dahong entered into an acquisition agreement with Kaifeng Dahong, pursuant to which Kaifeng Dahong agreed to transfer its 40% equity interest in Forest Peninsula to CCRE Dahong at a consideration of RMB4 million (equivalent to approximately HK\$4,558,924 then). At the same date, CCRE China also entered into an acquisition agreement with Central China Dahong, pursuant to which CCRE China agreed to transfer its 60% equity interest in Forest Peninsula to Central China Dahong at a consideration of RMB6 million (equivalent to approximately HK\$6,838,386 then). Immediately prior to entering into the Equity Restructuring Agreement, Forest Peninsula was wholly owned by CCRE Dahong.

Set out below is the summarized audited financial information of Forest Peninsula for the years ended 31 December 2011 and 31 December 2012 in accordance with HKFRS:

	<b>For the year ended 31 December 2012 (RMB)</b>	<b>For the year ended 31 December 2011 (RMB)</b>
Net profit before taxation and extraordinary items	28,829,405	156,708,851
Net profit after taxation and extraordinary items	15,850,250	104,305,311

As confirmed with the Company, the profit of Forest Peninsula was generated mainly from the unsold residential units of Forest Peninsula Development. The net profit after taxation of Forest Peninsula decreased by approximately 84.80% from approximately RMB104.31 million for the financial year ended 31 December 2011 to approximately RMB15.85 million for the financial year ended 31 December 2012 as the sold gross floor area decreased from 115,650 square meters for the year ended 31 December 2011 to 46,003 square meters for the year ended 31 December 2012.

*(c) Kaifeng CCRE*

Kaifeng CCRE has been incorporated since 10 August 2007 and was owned as to 50% by CCRE China and 50% by CCRE Dahong. On 14 May 2013, CCRE Dahong sold 30% and 20% equity interest in Kaifeng CCRE to CCRE China and Kaifeng Dahong respectively. Immediately prior to entering into the Equity

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Restructuring Agreement, Kaifeng CCRE was owned as to 80% by CCRE China and 20% by Kaifeng Dahong. Kaifeng CCRE is principally engaged in the property development in residential units at Gulou District and Longting District, Kaifeng, Henan, PRC.

Set out below is the summarized audited financial information of Kaifeng CCRE for the years ended 31 December 2011 and 31 December 2012 which were prepared in accordance with HKFRS:

	<b>For the year ended 31 December 2012 (RMB)</b>	<b>For the year ended 31 December 2011 (RMB)</b>
Loss before taxation and extraordinary items	(8,441,864)	(3,590,053)
Loss after taxation and extraordinary items	(7,460,506)	(3,590,053)

As illustrated above, the loss after taxation of Kaifeng CCRE widened by approximately 1.08 times from approximately RMB3.59 million for the financial year ended 31 December 2011 to approximately RMB7.46 million for the financial year ended 31 December 2012. It was mainly because the parcels of land had not yet commenced construction and development in 2011 and 2012 and the pre-development costs were expensed during 2011 and 2012.

*(d) Hotel Company*

Hotel Company has been incorporated since 23 September 2008 as a wholly-owned subsidiary of Central China Dahong. As at the Latest Practicable Date, Hotel Company held a parcel of land located at Northwest Lake, Longting District, Kaifeng, Henan Province, PRC. Hotel Company is principally engaged in the management, operation and development of hotel in the PRC and the parcel of land is proposed to be developed into a 5-star hotel. At present, the hotel is under construction.



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Set out below is the summarized audited financial information of Hotel Company for the years ended 31 December 2011 and 31 December 2012 which were prepared in accordance with HKFRS:

	<b>For the year ended 31 December 2012 (RMB)</b>	<b>For the year ended 31 December 2011 (RMB)</b>
Loss before taxation and extraordinary items	(142,104)	(2,653)
Loss after taxation and extraordinary items	(142,119)	(2,954)

As confirmed by the management of the Company, the net loss was mainly due to the payment of the management fees during 2012.

### (3) Residential property industry in the Henan Province

According to the China Statistical Yearbook 2012, Henan Province was the third most populous province in China at the end of 2011. Henan Province's gross regional product increased from approximately RMB1,501.25 billion in 2007 to approximately RMB2,693.10 billion in 2011, representing a CAGR of approximately 16%. The average selling price for commodity properties in the nationwide property market in 2012 was RMB5,792 per square meter, representing a year-on-year growth of 8.1%. The table below sets out the selected economic statistics of Henan Province for the periods indicated.

	2007	2008	2009	2010	2011	CAGR (2007– 2011)
Gross Regional Product of Henan (RMB in billions)	1,501.25	1,801.85	1,948.05	2,309.24	2,693.10	15.88%
Population of Henan at year-end (in '0,000)	9,360	9,429	9,487	9,405	9,388	
Per capita GDP (RMB)	16,039	19,110	20,534	24,553	28,687	15.77%

*Source:* China Statistical Yearbook 2012

According to the China Statistical Yearbook 2012, a total GFA of 55.27 million sq.m. of commodity properties was completed in Henan Province in 2011, representing an increase of approximately 18.69% over 2007. For the same year, a total of 497,700 residential flats were sold. The total sales revenue attributable to sales of commodity properties in 2011 amounted to approximately RMB219.68 billion, representing an increase of approximately 2.48 times over 2007.

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In June 2012, the PRC tourism board released an article called “Promote local tourism proposal and local investment in China” 《關於鼓勵和引導民間資本投資旅遊業的實施意見》 relating to the tourism industry in China. The PRC tourism board encourages local enterprises to make an investment towards different sectors and facilities, including but not limited to, hotels, transportation networks, tourist facilities, hot spring, etc.. According to the article called “Promotion of Henan’s tourist industry in Central China economic zone” “推進中原經濟區建設河南旅遊業發展作用凸顯” released by The People’s Government of Henan Province, the number of overseas tourists in Henan Province in year 2012 amounted to 363 million, representing an increase of 18.04% as compared to the previous year. The revenue generated from tourism receipt in Henan Province amounted to approximately RMB33.64 billion, an increase of approximately 20.06% as compared to year 2011. It is evident that the tourism in Henan Province is overwhelming.

As stated in the Chairman’s Statement in the 2012 Annual Report, the Company will continue to penetrate in county-level cities, achieving results in the expansion of county-level markets such as Xuchang, Shangqiu, Jiaozuo, Pingdingshan, Zhumadian, Luohe, Xinxiang and Zhoukou for further development of the Henan market. The Company will also diversify its property portfolio of commercial properties, hotel properties and community commercial properties in Henan Province, PRC. The Directors are of the view that upon completion of the Equity Restructuring Agreement, the Group is estimated to realise a gain under the Disposal of approximately RMB171 million and net cash inflow of RMB31.5 million, which can further enhance the liquidity of the Group and finance the Group in future land acquisitions. As further confirmed by the Directors, the Group will continue to enhance its foothold in the real estate industry and the private economic sector in the Henan Province.

In view of the facts that (i) there is continuing economic growth in China and the encouragement of the tourism industry by the PRC government, (ii) the Group’s property development proposal will boost the development of residential and commodity properties in Henan Province in the long run and (iii) the Group will continue to enhance its foothold in the real estate industry and the private economic sector in the Henan Province, we consider that it is beneficial for the Company to enter into the Equity Restructuring Agreement. We also consider that the entering into of the Equity Restructuring Agreement is in the ordinary and usual course of business of the Group and the terms of which are in the interests of the Company and the Shareholders as a whole.

#### **(4) Background and reasons for entering into the Equity Restructuring Agreement**

The counter-party to the Equity Restructuring Agreement, Kaifeng Dahong, is a company established in the PRC with limited liability. It is principally engaged in real estate development and investment in Henan Province, the PRC. Since 2006, the Company has entered into a strategic relationship with Kaifeng Dahong in order to develop real estate projects in the city of Kaifeng. The original intent of the strategic relationship with Kaifeng Dahong was to develop synergy with each other by making use of (i) the Company’s well known brand in the real estate industry in Henan Province; and (ii) Kaifeng Dahong’s strong presence in the city of Kaifeng. As a result, the Company

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and Kaifeng Dahong have, in succession, established CCRE Dahong, Forest Peninsula, Kaifeng CCRE, and Hotel Company. Following the rollout of the PRC government's urbanization plans, the Company began tapping into different county-level cities and diversifying its property portfolios. As noted from the 2012 Annual Report, the Company has established its presence in 8 county-level cities of Henan as of the date of the 2012 Annual Report. The Company has continued to gain pace in tapping county-level cities, achieving prominent results in the expansion of these county-level markets. In addition, the Company has continued to vigorously identify new profitable property projects in those markets. However, Kaifeng Dahong does not share the same view with the Company as they have not tapped into any county-level cities of Kaifeng so far according to the management of the Company. As such, the Company and Kaifeng Dahong decided to discontinue their strategic cooperation relationship and enter into the Equity Restructuring Agreement. Based on arm's length negotiations, the Equity Restructuring Agreement provides the opportunity to the Company to realize the gain from disposal of its 60% equity interest in Central China Dahong and retain Kaifeng CCRE and the Hotel Company as its wholly-owned subsidiaries. The Company is also of the view that (i) the Group has all along been responsible for the overall management of the property projects undertaken by Kaifeng CCRE and Hotel Company; and (ii) Kaifeng Dahong has no experience in hotel operation or management, thus the Group agreed to increase its equity holding in Kaifeng CCRE and Hotel Company.

Kaifeng CCRE will develop a large-scale residential and commercial property called "Water System" and it is scheduled to be completed in various stages between 2013 and 2018 while Hotel Company will develop a 5-star hotel at the city centre of Kaifeng, where a scenic spot named Qingming Grand-River Park is located nearby. As mentioned above and confirmed with the Directors, the Company will continue to diversify its property portfolio and focus on the development of commercial properties, hotel properties and community commercial properties. As such, we are of the view that retaining the equity interests of Kaifeng CCRE and the Hotel Company is in the interests of the Company and its shareholders as a whole.

### **(5) Principal terms of the Equity Restructuring Agreement**

On 17 June 2013 (after trading hours), CCRE China (an indirect wholly-owned subsidiary), entered into the Equity Restructuring Agreement with Kaifeng Dahong, Central China Dahong, Forest Peninsula, Kaifeng CCRE and Hotel Company. Pursuant to the Equity Restructuring Agreement, (i) CCRE China shall sell 60% equity interest in Central China Dahong to Kaifeng Dahong for a consideration of RMB288,000,000 (the "**Consideration (Central China Dahong)**"); (ii) CCRE China shall acquire 20% equity interest in Kaifeng CCRE from Kaifeng Dahong for a consideration of RMB30,000,000 (the "**Consideration (Kaifeng CCRE)**"); (iii) CCRE China shall acquire 100% equity interest in Hotel Company from Central China Dahong for a consideration of RMB81,210,000 (the "**Consideration (Hotel Company)**") and (iv) Kaifeng CCRE and Hotel Company shall repay the loans owed to Central China Dahong in the amounts of RMB134,458,000 and RMB10,800,000 respectively (the "**Central China Dahong Loans**"). As at the date of the Equity Restructuring Agreement, Central China Dahong and Forest Peninsula have no loan owed to CCRE China.

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After setting off the Consideration (Kaifeng CCRE) against the Consideration (Central China Dahong), Kaifeng Dahong shall pay an amount of RMB258,000,000 to CCRE China for the transfers of 60% equity interest in Central China Dahong and 20% equity interest in Kaifeng CCRE under the Equity Restructuring Agreement. Kaifeng Dahong shall pay the said amount to CCRE China in two instalments of RMB100,000,000 (the “**First Instalment**”) and of RMB158,000,000 (the “**Second Instalment**”) respectively. Kaifeng Dahong shall settle the First Instalment and Second Instalment to two joint bank accounts opened by Kaifeng Dahong and Kaifeng CCRE (“**Account A**”) and Central China Dahong and Kaifeng CCRE (“**Account B**”) respectively within 3 working days from the date of the Equity Restructuring Agreement.

Within 15 working days after the date of the First and Second Instalments having been transferred to Account A and Account B, (i) Kaifeng Dahong shall transfer its 20% equity interest in Kaifeng CCRE and Central China Dahong shall transfer its 100% equity interest in Hotel Company to CCRE China and complete the relevant business registrations and (ii) CCRE China shall transfer its 60% equity interest in Central China Dahong to Kaifeng Dahong and complete the relevant business registration.

Within 5 working days from the date of the Equity Restructuring Agreement, Kaifeng Dahong shall arrange payment of the First Instalment from Account A to CCRE China.

Within 5 working days from the date on which registration of the transfer of 60% equity interest in Central China Dahong is accepted by the relevant administration for industry and commerce, (i) Kaifeng CCRE and Hotel Company shall repay their respective Central China Dahong Loans to Central China Dahong; and (ii) Kaifeng Dahong shall arrange payment of the Second Instalment from Account B to Account A then to CCRE China.

Within 5 working days from the date on which registration of the transfer of 100% equity interest in Hotel Company is completed, CCRE China shall arrange payment of the Consideration (Hotel Company) in cash from the Group’s internal resources to Central China Dahong.

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According to the Letter from the Board, the Consideration (Central China Dahong), the Consideration (Kaifeng CCRE) and the Consideration (Hotel Company) under the Equity Restructuring Agreement were determined after arm's length negotiations among the parties with reference to (i) the net asset values of Central China Dahong, Kaifeng CCRE and Hotel Company attributable to the equity interests to be transferred under the Equity Restructuring Agreement; and (ii) the preliminary valuation of the properties held by each of the Target Companies as at 30 April 2013 by Savills Valuation and Professional Services Limited. Below are the summarized valuation results with the valuation approach as extracted from the valuation certificate in the Valuation Report:

Category	Name of Properties	Valuation approach	Market value in existing state as at 30 April 2013
<b>Group 1</b>			
Properties held for sale by Forest Peninsula and Central China Dahong	Various units of Phase Nos 1, 3 to 5 & 8 to 9 of Forest Peninsula, South of Zhengkai Avenue, Jinming District, Kaifeng, Henan Province, PRC (“Property A”)	Direct comparison approach	RMB272,000,000
Properties held for sale by Central China Dahong	Various units of City Garden, Huanghe Avenue, Jinming District, Kaifeng, Henan Province, PRC (“Property B”)	Direct comparison approach	No commercial value
Properties held for sale by Kaifeng CCRE	Various units of Xihefu, located at Lot Nos. 3–4, Wansheng Street, Gulou District, Kaifeng, Henan Province, PRC (“Property C”)	Direct comparison approach	RMB14,400,000
<b>Group 2</b>			
Properties held under development by Forest Peninsula and Central China Dahong	Portion of Phase Nos. 3 to 5, and 10, Forest Peninsula, South of Zhengkai Avenue, Jinming District, Kaifeng, Henan Province, PRC (“Property D”)	Direct comparison approach	RMB336,000,000
Properties held under development by Kaifeng CCRE	Qishengjiao Project, Lot 2–1, South of Longting West Road, Longting District, Kaifeng, Henan Province, PRC (“Property E”)	Direct comparison approach	RMB110,000,000

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Category	Name of Properties	Valuation approach	Market value in existing state as at 30 April 2013
<b>Group 3</b>			
Properties held for future development by Forest Peninsula and Central China Dahong	Phase Nos. 11 to 12 and Lot A1, Forest Peninsula, South of Zhengkai Avenue, Jinming District, Kaifeng, Henan Province, PRC (“Property F”)	Direct comparison approach	RMB313,000,000
Properties held for future development by Kaifeng CCRE	Fourteen parcels of land located at Gulou District and Longting District, Kaifeng, Henan Province, PRC (“Property G”)	Direct comparison approach	RMB105,400,000
Properties held for future development by Hotel Company	A parcel of land located at Northwest Lake, Longting District, Kaifeng, Henan Province, PRC (“Property H”)	Direct comparison approach	RMB83,200,000

According to the Valuation Report, we understand that the valuation of the properties in the above three groups were conducted by using the Direct Comparison Method, which is a commonly adopted approach for valuing properties. In respect of the properties held for sale in the PRC (i.e. Group 1), the aggregate market value of the properties valued at approximately RMB286,400,000 according to the Valuation Report prepared by the independent valuer. We have reviewed and discussed with the valuer on the methodology adopted and assumptions used in arriving at the market value of the properties held for sale in the PRC. The valuer has adopted the direct comparison approach by making reference to the comparable sales transactions as available in the market assuming sales with the benefit of vacant possession. As confirmed by the valuer, the direct comparison approach is a commonly adopted approach for valuation of the properties held for sale and it is also consistent with the normal market practice.

As confirmed by the valuer, we understand that the Valuation Report has not only taken into account the actual number of sold and unsold residential units of the Property A and Property C, but also the comparable commercial/residential properties of similar size and location, in order to arrive at a fair comparison of values. The valuer has also taken into account of the pre-sold value of portions of Property A and Property C under various sales and purchase agreements at considerations of approximately RMB149,482,833.70 and RMB12,830,000 respectively. In respect of the valuation on various units of the Property B, we note that the valuer has assigned no commercial value as the land use rights of the property were held under the Allocated Land (i.e. the land of

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which the land use rights are obtained through governmental grant at land grant premium, and the government does not set a fixed term for such land use rights). During our discussion with the valuer, we have reviewed and have not identified any major factor which causes us to doubt the fairness and reasonableness of the principal basis and assumptions adopted in the Valuation Report.

In respect of the properties held under development in the PRC (i.e. Group 2) and the properties held for future development (i.e. Group 3), the aggregate market values of the properties valued at approximately RMB446,000,000 and RMB501,600,000 respectively. Pursuant to the Valuation Report, the estimated total construction cost for the completion of the Property D is approximately RMB495,200,000. The valuer has also taken into account of the pre-sold value of the property under various sales and purchases agreements at a consideration of approximately RMB476,350,039. As noted from the valuer, as if the Property D was completed as at 30 April 2013, the market value of the Property D would be approximately RMB746,000,000.

In relation to the Property E, the market value of the Property E was valued at approximately RMB110,000,000. The estimated total construction cost for the completion of the Property E is approximately RMB65,000,000. The Company advised that the construction cost was approximately RMB3,240,600 as at 30 April 2013 which had already been taken into account by the valuer. As noted from the valuer, as if the Property E was completed as at 30 April 2013, the market value of the Property E would be approximately RMB205,000,000. During our discussion with the valuer, we have reviewed and have not identified any major factor which causes us to doubt the fairness and reasonableness of the principal basis and assumptions adopted in the Valuation Report on Property D and Property E.

Furthermore, as noted from the Valuation Report, the aggregate market value of the Property F, Property G and Property H valued at approximately RMB501,600,000 as at 30 April 2013. The Property F is scheduled to be completed in various stages between 2015 and 2017. In order to arrive at a fair comparison of values, the valuer made with reference to comparable commercial/residential properties of similar size and location near to the Property F. In respect of the Property G, it is scheduled to be completed in various stages between 2013 and 2018. According to the Valuation Report, the valuer stated that the market value of the land use rights of the portion of the Property G, under the assumptions that all land premium has been settled, was in the sum of RMB1,597,000,000. We also noted that the valuer has ascribed no commercial value to certain portions of the Property G with a total site area of approximately 723,060.42 square meters as the land premium has not been fully settled as at 30 April 2013. During our discussion with the valuer, we have reviewed and have not identified any major factor which causes us to doubt the fairness and reasonableness of the principal basis and assumptions adopted in the Valuation Report on Property G.

In relation to the Property H, the market value of the Property H valued at approximately RMB83,200,000. According to the Company, the pre-development cost was approximately RMB34,600,000 as at 30 April 2013 which has been taken into account by

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the valuer. During our discussion with the valuer, we have not identified any major factors which causes us to doubt the fairness and reasonableness of the principal basis and assumptions adopted in the Valuation Report on Property H.

Set out below is the list of the appraised net asset value of each of the Target Companies (i.e. adjusted by the fair value of the properties and assets for each of the Target Companies):

	<b>Central China Dahong (including Forest Peninsula and its other subsidiaries and associates)</b> <i>RMB</i>	<b>Kaifeng CCRE</b> <i>RMB</i>	<b>Hotel Company</b> <i>RMB</i>
Properties	875,023,000	229,800,000	83,200,000
Other assets	469,161,001	543,387,332	577,952
Liabilities	(913,185,524)	(693,650,397)	(13,510,757)
<b>Appraised net assets value</b>	<b>430,998,477</b>	<b>79,536,935</b>	<b>70,267,195</b>

The Consideration (Central China Dahong) represents a premium of approximately of RMB29.40 million (being the difference between the Consideration (Central China Dahong) and the attributable 60% equity interest of the appraised net asset value of Central China Dahong (the net asset value of Central China Dahong adjusted by the fair value of its properties and assets) of RMB258.60 million (or approximately 11.37%) over the attributable 60% equity interest of appraised net asset value of Central China Dahong (including Forest Peninsula and its other subsidiaries and associates) (“**Central China Dahong Disposal Premium**”).

The Consideration (Kaifeng CCRE) represents a premium of approximately RMB14.09 million (being the difference between the Consideration (Kaifeng CCRE) and the attributable 20% equity interest of appraised net asset value of Kaifeng CCRE (the net asset value of Kaifeng CCRE adjusted by the fair value of its properties and assets) of RMB15.91 million) (or approximately 88.59%) over the attributable 20% equity interest of appraised net asset value of Kaifeng CCRE (“**Kaifeng CCRE Acquisition Premium**”).

The Consideration (Hotel Company) represents a premium of approximately RMB10.94 million (being the difference between the Consideration (Hotel Company) and the 100% equity interest of appraised net asset value of Hotel Company (the net asset value of Hotel Company adjusted by the fair value of its properties and assets) of RMB70.27 million) (or approximately 15.57%) over the 100% equity interest of appraised net asset value of Hotel Company (“**Hotel Company Acquisition Premium**”).



## LETTER FROM BRIDGE PARTNERS

Setting off Central China Dahong Disposal Premium against Kaifeng CCRE Acquisition Premium and Hotel Company Acquisition Premium means that the Company is entitled to receive a net premium of approximately RMB4.37 million (or approximately 17.46%) under the Equity Restructuring Agreement. We consider that it is reasonable to treat the consideration premiums on netting basis as the transactions under the Equity Restructuring Agreement are inter-conditional.

Taking into account of the fact that (i) the Valuation Report was prepared on a fair and reasonable basis; (ii) the Equity Restructuring Agreement could bring addition benefit to the Group, in particular, reduction of the Group's net debt level which may allow the Group access to a lower cost of debt in the international capital market; and (iii) the Company will be entitled to receive a premium of approximately RMB4.37 million as a result of the Equity Restructuring Agreement, we consider that the terms of the Equity Restructuring Agreement (including the basis of the consideration under the Equity Restructuring Agreement) are fair and reasonable and the entering into of the Equity Restructuring Agreement is in the interests of the Company and the Shareholders as a whole.

### **(6) Possible financial effects upon completion of the Equity Restructuring Agreement**

Upon completion of the Equity Restructuring Agreement, the Company will no longer have any equity interest in Central China Dahong and Forest Peninsula. Both Central China Dahong and Forest Peninsula (a wholly-owned subsidiary of Central China Dahong) will cease to be subsidiaries of the Company and the results of which will cease to be consolidated into the accounts of the Group, whilst both Kaifeng CCRE and Hotel Company will become wholly-owned subsidiaries of the Company. It is expected that upon completion of the Equity Restructuring Agreement, the Group will record a gain of approximately RMB171 million and net cash inflow of RMB31.5 million, which can further enhance the liquidity of the Group and finance the Group in its future land acquisitions. Upon the disposal of Central China Dahong and Forest Peninsula, it is also expected that the total liabilities of the Group will be decreased as a result of the financial deconsolidation from Central China Dahong and Forest Peninsula.

Shareholders should note that the aforementioned analyses are for illustrative purposes only and does not purport to represent how the financial position of the Group will be upon completion of the Equity Restructuring Agreement.

## LETTER FROM BRIDGE PARTNERS

### RECOMMENDATION

Having considered the above factors and reasons, we are of the opinion that the entering into the Equity Restructuring Agreement is on normal commercial terms and in the ordinary and usual course of business of the Company.

We are also of the view that the entering into the Equity Restructuring Agreement is fair and reasonable so far as the Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we would advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the resolution(s) to be proposed to approve the Equity Restructuring Agreement and the transactions contemplated thereunder if a physical Shareholders' meeting was to be held.

Yours faithfully,  
For and on behalf of  
**Bridge Partners Capital Limited**  
**Monica Lin**  
*Managing Director*

*The following is the text of a letter, summary of values and valuation certificates, prepared for the purpose of incorporation in this circular and received from Savills Valuation and Professional Services Limited, an independent property valuer, in connection with the valuation as at 30 April 2013 of the Property.*



The Directors  
Central China Real Estate Limited  
Room 7701B–7702A, 77th Floor  
International Commerce Centre  
1 Austin Road West  
Kowloon  
Hong Kong

Savills Valuation and  
Professional Services Limited  
23/F Two Exchange Square  
Central, Hong Kong  
T : (852) 2801 6100  
F : (852) 2530 0756  
EA Licence: C-023750  
savills.com

28 June 2013

Dear Sirs,

In accordance with the instructions from Central China Real Estate Limited (the “Company”) for us to value the properties held by Kaifeng Central China Dahong Real Estate Company Limited (“Central China Dahong”), Central China Forest Peninsula (Kaifeng) Real Estate Company Limited (“Forest Peninsula”), Kaifeng Central China Real Estate Company Limited (“Kaifeng CCRE”) and Kaifeng Central China Dahong Northwest Lake Hotel Management Company Limited (“Hotel Company”) (hereinafter together referred to as the “Target Companies”) in the People’s Republic of China (“PRC”), we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of values of such properties as at 30 April 2013 (“Date of Valuation”) for circular purpose.

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

The market value is understood as the value of an asset or liability estimated without regard to costs of sale and purchase (or transaction) and without offset for any associated taxes or potential taxes.

In valuing the properties in Group I, which are held for sale by the Target Companies in the PRC, we have adopted the direct comparison approach by making reference to the comparable sales transactions as available in the market assuming sales with the benefit of their vacant possessions.

In valuing the properties in Group II, which are held under development by the Target Companies, we have valued the properties on the basis that they will be developed and completed in accordance with the latest development proposals provided to us. We have assumed that all consents, approvals and licences from relevant government authorities for the development proposals have been obtained without onerous conditions or delays. In arriving at our opinion of values, we have adopted the direct comparison approach by making reference to the comparables sales transactions as available in the relevant markets and have also taken into account the construction costs that will be expended to complete the development to reflect the quality of the completed developments.

In valuing the properties in Group III, which are held for future development by the Target Companies, we have adopted the direct comparison approach by making reference to the comparable sales transactions as available in the market assuming sales with the benefit of their vacant possessions.

We have been provided with copies of extracts of title documents relating to the properties in the PRC, such as real estate title certificates, construction land planning permits, construction works planning permits, construction works commencement permits, and commodity housing pre-sale permit etc. However, we have not searched the original documents to verify ownership or to ascertain the existence of any amendments which may not appear on the copies handed to us.

We have relied to a considerable extent on the information given by the Company and its PRC legal adviser, Kingbird Law Firm, regarding the titles to the properties in the PRC. As advised by the Company, there are no investigations, notices, pending litigation or breaches of law against the properties. We have also accepted advice given by the Company on such matters as planning approvals or statutory notices, easements, tenures, completion dates, particulars of occupancy, development schemes, construction costs expended, site and floor areas and all other relevant matters. Dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided to us and are therefore only approximations. No on-site measurements have been taken. We have no reason to doubt the truth and accuracy of the information provided to us by the Company, which is material to our valuation. We were also advised by the Company that no material facts have been omitted from the information provided.

We have inspected the exterior and where possible, the interior of the properties. During the course of our inspection, we did not note any serious defects. No structural survey has been made and we are therefore unable to report whether the properties are free from rot, infestation or any other structural defects. No tests were carried out on any of the services.

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

The site inspections were carried out during the period from 5 March 2013 to 8 March 2013 by the following professional valuers and some other assistants:

*Tom C P Chow, a China Registered Real Estate Appraiser and China Registered Land Valuer; and Lily D Du, a China Registered Land Valuer.*

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

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

Our summary of values and valuation certificates are attached herewith.

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

*Note:* Mr. Lau is a chartered surveyor and has over 20 years’ experience in the valuation of properties in Hong Kong and the PRC.

## SUMMARY OF VALUES

No. Property	Market value in existing state as at 30 April 2013 RMB
<b>Group I — Properties held for sale by the Target Companies in the PRC</b>	
1 Various units of Phase Nos. 1, 3 to 5 & 8 to 9 of Forest Peninsula, South of Zhengkai Avenue, Jinming District, Kaifeng, Henan Province, PRC	272,000,000
2 Various units of City Garden, Huanghe Avenue, Jinming District, Keifeng, Henan Province, PRC	No commercial value
3 Various units of Xihefu located at Lot Nos. 3–4, Wansheng Street, Gulou District, Kaifeng, Henan Province, PRC	14,400,000
Sub-total	<u>286,400,000</u>
<b>Group II — Properties held under development by the Target Companies in the PRC</b>	
4 Portion of Phase Nos. 3 to 5, and 10, Forest Peninsula, South of Zhengkai Avenue, Jinming District, Kaifeng, Henan Province, PRC	336,000,000
5 Qishengjiao Project, Lot 2–1, South of Longting West Road, Longting District, Kaifeng, Henan Province, PRC	110,000,000
Sub-total	<u>446,000,000</u>

No. Property	Market value in existing state as at 30 April 2013 <i>RMB</i>
<b>Group III — Properties held for future development by the Target Companies in the PRC</b>	
6 Phase Nos. 11 to 12 and Lot A1, Forest Peninsula, South of Zhengkai Avenue, Jinming District, Kaifeng, Henan Province, PRC	313,000,000
7 Fourteen parcels of land located at Gulou District and Longting District, Kaifeng, Henan Province, PRC	105,400,000
8 A parcel of land located at Northwest Lake, Longting District, Kaifeng, Henan Province, PRC	83,200,000
	<hr/>
Sub-total	<hr/> 501,600,000
<b>Grand Total</b>	<b><u><u>1,234,000,000</u></u></b>

## VALUATION CERTIFICATE

## Group I — Properties held for sale by the Target Companies in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 April 2013										
1	Various units of Phase Nos. 1, 3 to 5 & 8 to 9 of Forest Peninsula, South of Zhengkai Avenue, Jinming District, Kaifeng, Henan Province, PRC	<p>Forest Peninsula (the “<b>Development</b>”) comprises a large-scale commercial and residential development and a city complex. The Development is located in a new development zone, which is about 7 km from the city centre of Kaifeng. Developments in the neighbourhood comprise mainly commercial and residential projects which are under construction. It takes about a 10-minute drive from the Development to the centre of Kaifeng.</p> <p>As advised by Central China Dahong and Forest Peninsula, the commercial and residential development is proposed to be developed into 12 phases. Phase Nos. 1, 3 to 5 &amp; 8 to 9 of the Development are proposed to comprise 38 three to 27 storey commercial and residential buildings, which are erected on two parcels of land with a total site area of approximately 236,571.35 sq.m.</p> <p>The property comprises various unsold residential units of Phase Nos. 1, 3 to 5 &amp; 8 to 9 completed in various stages between 2008 and 2013.</p> <p>The total gross floor area of the property is approximately 37,538.61 sq.m., the breakdown of which is as follows:</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Approximate gross floor area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>25,674.39</td> </tr> <tr> <td>Retail</td> <td>3,768.19</td> </tr> <tr> <td>Villa</td> <td>8,096.03</td> </tr> <tr> <td><b>Total:</b></td> <td><b><u>37,538.61</u></b></td> </tr> </tbody> </table> <p>The land use rights of the property were granted for two terms due to expire on 11 August 2048 and 11 August 2078 for commercial and residential uses respectively.</p>	Use	Approximate gross floor area (sq.m.)	Residential	25,674.39	Retail	3,768.19	Villa	8,096.03	<b>Total:</b>	<b><u>37,538.61</u></b>	As at the Date of Valuation, the property was vacant.	RMB272,000,000
Use	Approximate gross floor area (sq.m.)													
Residential	25,674.39													
Retail	3,768.19													
Villa	8,096.03													
<b>Total:</b>	<b><u>37,538.61</u></b>													



## Notes:

- (1) Pursuant to the following Real Estate Title Certificates all issued by the People's Government of Kaifeng, the land use rights of Phase Nos. 1 to 5 & 8 to 10 of the Development with a total site area of approximately 236,571.35 sq.m. were granted to Central China Dahong and Forest Peninsula for commercial and residential uses. Details of the said certificates are as follows:

No.	Certificate No.	Owner	Site Area (sq.m.)	Land Usage	Land Use Term Expiry Date	Issuance Date
i.	Bian Fang Di Chan Quan Zheng Di 234721	Forest Peninsula	164,814.88	commercial and residential	11 August 2048 and 11 August 2078	26 August 2008
ii.	Bian Fang Di Chan Quan Zheng Di 234128	Central China Dahong	71,756.47	commercial and residential	20 December 2047 and 20 December 2077	26 December 2007
<b>Total</b>			<b><u>236,571.35</u></b>			

The property forms part of the aforesaid Real Estate Title Certificates.

- (2) Pursuant to the following Construction Land Planning Permits issued by Kaifeng Construction Committee (開封市建設委員會) on 3 June 2008 and Kaifeng Urban and Rural Planning Bureau (開封市城鄉規劃局) on 25 January 2011 respectively, three parcels of land for Phase Nos. 1 to 12 of the Development with a total site area of approximately 474,431.50 sq.m. were permitted for use. Details of the said permits are as follows:

No.	Permit No.	Builder	Site Area (sq.m.)	Usage	Issuance Date
i.	Bian Di Zi Di 2008034	Forest Peninsula	353,270.00	commercial and residential	3 June 2008
ii.	Bian Di Zi Di 2008035	Central China Dahong	111,036.00	commercial and residential	3 June 2008
iii.	Bian Di Zi Di 2011001	Central China Dahong	6,125.50	commercial and residential	25 November 2008
<b>Total</b>			<b><u>474,431.50</u></b>		

The property forms part of the aforesaid Construction Land Planning Permits.

- (3) Pursuant to the following Construction Works Planning Permits issued by Kaifeng Construction Committee (開封市建設委員會) and Kaifeng Urban and Rural Planning Bureau (開封市城鄉規劃局), the construction scale of portions of Phase Nos. 1, 3 to 5 & 8 to 9 of the Development was approved with a total gross floor area of approximately 233,319.58 sq.m.. Details of the said permits are as follows:

No.	Permit No.	Portion	Builder	Construction Scale (sq.m.)	Usage	Issuance Date
i.	Jian Zi Di 2009-362	Block 27	Forest Peninsula	2,462.26	residential	27 October 2009
ii.	Jian Zi Di 2012-272	Block 32	Forest Peninsula	11,515.11	residential	14 November 2012
iii.	Jian Zi Di 2012-273	Block 33	Forest Peninsula	10,447.64	residential	14 November 2012
iv.	Jian Zi Di 2012-274	Block 34	Forest Peninsula	11,515.11	residential	14 November 2012
v.	Jian Zi Di 2012-275	Block 35	Forest Peninsula	11,515.11	residential	14 November 2012
vi.	Jian Zi Di 2012-276	Block 36	Forest Peninsula	11,924.93	residential	14 November 2012
vii.	Jian Zi Di 2011-175	Phase III Commercial Block	Forest Peninsula	13,313.85	ancillary facilities	18 April 2011

No.	Permit No.	Portion	Builder	Construction Scale (sq.m.)	Usage	Issuance Date
viii.	Jian Zi Di 2012-281	Block 43	Forest Peninsula	10,181.64	residential	14 November 2012
ix.	Jian Zi Di 2012-282	Block 44	Forest Peninsula	6,759.28	residential	14 November 2012
x.	Jian Zi Di 2012-283	Blocks 46 & 47	Forest Peninsula	23,458.21	residential	14 November 2012
xi.	Jian Zi Di 2012-284	Block 48	Forest Peninsula	11,638.11	residential	14 November 2012
xii.	Jian Zi Di 2012-277	Block 37	Forest Peninsula	17,509.76	residential	14 November 2012
xiii.	Jian Zi Di 2012-278	Block 39	Forest Peninsula	10,184.24	residential	14 November 2012
xiv.	Jian Zi Di 2012-279	Block 41	Forest Peninsula	6,958.81	residential	14 November 2012
xv.	Jian Zi Di 2012-280	Block 42	Forest Peninsula	6,751.80	residential	14 November 2012
xvi.	2010 DT Di 254	Block A1	Central China Dahong	5,335.54	residential	17 September 2010
xvii.	2010 DT Di 255	Block A2	Central China Dahong	4,049.04	residential	17 September 2010
xviii.	2010 DT Di 256	Block A3	Central China Dahong	5,674.19	residential	17 September 2010
xix.	2010 DT Di 257	Block A4	Central China Dahong	2,362.61	residential	17 September 2010
xx.	2010 DT Di 258	Block A5	Central China Dahong	5,451.29	residential	17 September 2010
xxi.	2010 DT Di 259	Block A6	Central China Dahong	4,075.73	residential	17 September 2010
xxii.	2010 DT Di 260	Block A7	Central China Dahong	6,728.52	residential	17 September 2010
xxiii.	2010 DT Di 261	Block A8	Central China Dahong	4,331.49	residential	17 September 2010
xxiv.	2010 DT Di 262	Block A9	Central China Dahong	2,362.61	residential	17 September 2010
xxv.	2010 DT Di 263	Block A10	Central China Dahong	3,808.65	residential	17 September 2010
xxvi.	2010 DT Di 264	Block A11	Central China Dahong	3,373.11	residential	17 September 2010
xxvii.	2010 DT Di 265	Block A24a	Central China Dahong	913.80	residential	17 September 2010
xxviii.	2010 DT Di 266	Block A24b	Central China Dahong	881.20	residential	17 September 2010
xxix.	2010 DT Di 267	Block A25	Central China Dahong	1,744.10	residential	17 September 2010
xxx.	2010 DT Di 268	Block A26	Central China Dahong	1,744.10	residential	17 September 2010
xxxi.	2010 DT Di 269	Block A27	Central China Dahong	1,744.10	residential	17 September 2010
xxxii.	2010 DT Di 270	Block A28	Central China Dahong	913.80	residential	17 September 2010
xxxiii.	2010 DT Di 271	Block A29	Central China Dahong	1,473.47	residential	17 September 2010
xxxiv.	2010 DT Di 272	Block A30	Central China Dahong	1,473.47	residential	17 September 2010
xxxv.	2010 DT Di 273	Block A31	Central China Dahong	1,473.47	residential	17 September 2010
xxxvi.	2010 DT Di 274	Block A32	Central China Dahong	1,473.47	residential	17 September 2010
xxxvii.	2010 DT Di 275	Block A33	Central China Dahong	2,897.98	residential	17 September 2010
xxxviii.	2010 DT Di 278	Block A36	Central China Dahong	2,897.98	residential	17 September 2010
				<b><u>233,319.58</u></b>		

The property with a total gross floor area of 37,538.61 sq.m. forms part of the aforesaid Construction Works Planning Permits.

- (4) Pursuant to the following Construction Works Commencement Permits issued by Kaifeng Housing and Urban and Rural Construction Bureau (開封市住房和城鄉建設局), the construction works of portions of Phase Nos. 1, 3 to 5 & 8 to 9 of the Development with a total gross floor area of approximately 230,003.68 sq.m. were approved for commencement. Details of the said permits are as follows:

No.	Permit No.	Portion	Builder	Construction Scale (sq.m.)	Issuance Date
i.	410204200810080201	Blocks 23–30	Forest Peninsula	23,240.00	8 October 2008
ii.	410204201006130101	Blocks 32–33	Forest Peninsula	22,153.00	13 June 2010
iii.	410204201103090101	Blocks 34–36	Forest Peninsula	3,486.00	9 March 2011
iv.	410204201103080101	Blocks 39, 41–44, 46–47	Forest Peninsula	65,106.00	8 March 2011
v.	410204201107140101	Phase III Commercial Block	Forest Peninsula	13,313.00	14 July 2011
vi.	410204201106020101	Blocks 37 & 48	Forest Peninsula	29,726.00	2 June 2011
vii.	410204201009290102	Blocks 7–11, 26–28, 31, 32, 35, 36	Central China Dahong	33,749.28	29 September 2010
viii.	410204201009290101	Blocks 1–6, 24a, 24b, 25, 29–30, 33–34	Central China Dahong	39,230.40	29 September 2010
				<b><u>230,003.68</u></b>	

The property with a total gross floor area of 37,538.61 sq.m. forms part of the aforesaid Construction Works Commencement Permits.

- (5) Pursuant to the following Commodity Housing Pre-sale Permits issued by Kaifeng Housing and Urban and Rural Construction Bureau (開封市住房和城鄉建設局), portions of Phase Nos. 1, 3~5, 8 & 9 of the Development with a total gross floor area of approximately 123,163.73 sq.m. were approved for pre-sale. Details of the said permits are as follows:

No.	Permit No.	Portion	Builder	Construction Scale (sq.m.)	Usage	Issuance Date
i.	Bian Fang Shou Zheng Zi (2008) Di 091	Block 27	Forest Peninsula	2,400.00	residential	24 October 2008
ii.	Bian Zhu Jian Yu (Xiao) Shou Zheng Zi (2010) Di 001	Blocks 32–33	Forest Peninsula	22,269.59	residential	12 August 2010
iii.	Bian Zhu Jian Yu (Xiao) Shou Zheng Zi 2011 Di 046	Blocks 34–36	Forest Peninsula	33,540.66	residential	29 April 2011
iv.	Bian Zhu Jian Yu (Xiao) Shou Zheng Zi (2011) Di 083	Phase III Commercial Block	Forest Peninsula	8,479.27	retail	27 May 2011
v.	Bian Zhu Jian Yu (Xiao) Shou Zheng Zi (2011) Di 060	Blocks 24a, 24b, 25–27	Central China Dahong	4,819.28	residential	27 May 2011
vi.	Bian Zhu Jian Yu (Xiao) Shou Zheng Zi (2011) Di 061	Blocks 28–32	Central China Dahong	5,095.29	residential	27 May 2011
vii.	Bian Zhu Jian Yu (Xiao) Shou Zheng Zi (2011) Di 062	Block 33	Central China Dahong	2,175.02	residential	31 August 2011
viii.	Bian Zhu Jian Yu (Xiao) Shou Zheng Zi (2011) Di 090	Blocks 1–2	Central China Dahong	7,997.65	residential	25 October 2011
ix.	Bian Zhu Jian Yu (Xiao) Shou Zheng Zi (2011) Di 108	Block 3	Central China Dahong	4,768.53	residential	27 September 2011
x.	Bian Zhu Jian Yu (Xiao) Shou Zheng Zi (2011) Di 99	Blocks 4, 8 & 9	Central China Dahong	7,642.69	residential	24 June 2011
xi.	Bian Zhu Jian Yu (Xiao) Shou Zheng Zi (2011) Di 69	Blocks 5, 7 & 10–11	Central China Dahong	19,625.71	residential	24 June 2011

No.	Permit No.	Portion	Builder	Construction Scale (sq.m.)	Usage	Issuance Date
xii.	Bian Zhu Jian Yu (Xiao) Shou Zheng Zi (2011) Di 69	Blocks 35-36	Central China Dahong	4,350.04	residential	12 August 2011
				<u>123,163.73</u>		

- (6) As advised by Central China Dahong and Forest Peninsula, a portion of the property with a total gross floor area of approximately 20,607.03 sq.m. has been pre-sold under various sales and purchases agreements at a consideration of approximately RMB149,482,833.70. Accordingly, we have taken into account the said consideration in our valuation.
- (7) We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, Kingbird Law Firm, which contains, inter alia, the following information:
- i. Forest Peninsula and Central China Dahong have obtained the real estate title certificates and are entitled to use, transfer or mortgage the land use rights of the property within the residue of the land use term and such rights are protected by the law of the PRC;
  - ii. Forest Peninsula and Central China Dahong have fully settled the land grant premium of the sites under the aforesaid two real estate title certificates;
  - iii. the land use rights of the property are subject to two mortgages;
  - iv. Forest Peninsula and Central China Dahong have acquired the requisite permits and approvals for the construction of the property; and
  - v. Forest Peninsula and Central China Dahong have obtained approvals from the relevant government authorities for the pre-sale of the property.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 April 2013
2	Various units of City Garden, Huanghe Avenue, Jinming District, Keifeng, Henan Province, PRC	<p>City Garden is a residential and commercial development located on a parcel of land with a site area of approximately 135,180.99 sq.m.. It is located at the fringe of the city centre of Kaifeng, which is about 5-minute driving distance away. Developments in the neighbourhood comprise mainly commercial/residential buildings.</p> <p>The property comprises various residential units of several 6-storey buildings of City Garden completed in 2008.</p> <p>The total gross floor area of the property is approximately 10,663.47 sq.m..</p> <p>The land use rights of the property were allocated for residential use.</p>	<p>As at the Date of Valuation, portions of the property were subject to various tenancies with the latest one due to expire on 31 August 2014 at a total annual rental of approximately RMB2,000,039 for office use, exclusive of management fee, while the remaining portion of the property was vacant.</p>	<p>No commercial value</p> <p>(please see Note (5))</p>

## Notes:

- (1) Pursuant to the Real Estate Title Certificate No Bian Fang Di Chan Quan Zheng Di 234285 (汴房地產權證第234285號) issued by the People's Government of Kaifeng on 30 January 2008, the land use rights of City Garden with a site area of approximately 135,180.99 sq.m. have been allocated to Central China Dahong for residential use.

The property forms part of the aforesaid Real Estate Title Certificate.

- (2) Pursuant to the Construction Land Planning Permit No. 2007-020 issued by Kaifeng Construction Committee (開封市建設委員會) on 20 July 2007, a parcel of land of City Garden with a site area of approximately 160,231 sq.m. was permitted for use.

The property forms part of the aforesaid Construction Land Planning Permit.

- (3) Pursuant to the following Construction Works Planning Permits issued by Kaifeng Construction Committee (開封市建設委員會), the construction scale of Blocks 38, 39 and 73 was approved with a total gross floor area of approximately 14,155.25 sq.m.. Details of the said permits are as follows:

No.	Block No	Permit No.	Gross Floor Area (sq.m.)	Issuance Date
i.	No. 38 (commercial and residential building)	2008 110	3,993.13	3 April 2008
ii.	No. 39 (commercial and residential building)	2009 271	2,799.61	25 August 2009
iii.	No. 73 (commercial and residential building)	2008 123	<u>7,362.51</u>	3 April 2008
<b>Total</b>			<b><u>14,155.25</u></b>	

The property forms part of the aforesaid Construction Works Planning Permits.

- (4) Pursuant to two Construction Works Commencement Permit issued by Kaifeng Construction Committee (開封市建設委員會), the construction works of 41 blocks of City Garden with a total gross floor area of approximately 125,609.00 sq.m. were approved for commencement. Details of the said permits are as follows:

No.	Permit No.	Portion	Construction Scale (sq.m.)	Issuance Date
i.	410204200810200101	Blocks 1, 11, 12, 22, 39, 49	21,362.00	20 August 2008
ii.	410204200804210101	Blocks 8–10, 19–21, 28–29, 34–38, 45–48, 54–57, 69–73, 78–81, 87–90	104,247.00	21 April 2008
			<b><u>125,609.00</u></b>	

The property forms part of the aforesaid Construction Works Commencement Permit.

- (5) In the course of our valuation, we have assigned no commercial value to the property as the land use rights of the property are held under the Allocated Land. Pursuant to the Reply in relation to Selling Price of Economical Housing of City Garden (關於建業大宏城市花園經濟適用房銷售價格的批覆) No. Bian Fa Gai Fei Guan [2008]170 (汴發改費管[2008]170號) issued by Kaifeng Development and Reform Commission (開封市發展和改革委員會), the standard selling price of the property is RMB1,450 per sq.m..
- (6) We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, Kingbird Law Firm, which contains, inter alia, the following information:
- i. Central China Dahong has settled the land acquisition cost of the property; and
  - ii. Central China Dahong is required to implement the fixed selling price as stipulated in the document issued by Kaifeng Development and Reform Commission as mentioned in Note (5).

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 April 2013
3	Various units of Xihefu located at Lot Nos. 3-4, Wansheng Street, Gulou District, Kaifeng, Henan Province, PRC	<p>Xihefu (the "Development") is a residential development comprising six 5-storey residential buildings with ancillary facilities, which is erected on two parcels of land with a total site area of approximately 14,628.80 sq.m.. The Development is located in the city centre of Kaifeng where the surrounding developments are mainly aged buildings.</p> <p>The property comprises various unsold residential units of Xihefu completed in 2012.</p> <p>The total gross floor area of the property is approximately 2,452.97 sq.m..</p> <p>The land use rights of the property were granted for two terms due to expire on 5 December 2048 and 5 December 2078 for commercial and residential uses respectively.</p>	As at the Date of Valuation, the property was vacant.	RMB14,400,000

*Notes:*

- (1) Pursuant to the Real Estate Title Certificate No. Bian Fang Di Chan Quan Zheng Di 235005 (汴房地產權證第235005號) issued by the People's Government of Kaifeng, the land use rights of Xihefu with a total site area of approximately 14,628.80 sq.m. were granted to Kaifeng CCRE for two terms due to expire on 5 December 2048 and 5 December 2078 for commercial and residential uses respectively.

The property forms part of the aforesaid Real Estate Title Certificate.

- (2) Pursuant to the Construction Land Planning Permit No. Bian Di Zi Di 2008090 (汴地字第2008090號) issued by Kaifeng Construction Committee on 24 December 2008, the parcel of land of Xihefu with a site area of approximately 16,153.2 sq.m. was approved for use.

The property forms part of the aforesaid Construction Land Planning Permit.

- (3) Pursuant to the following Construction Works Planning Permits all issued by Kaifeng Urban and Rural Planning Bureau (開封市城鄉規劃局) between 8 March 2011 and 28 March 2011, the construction scale of portions of Xihefu was approved with a total gross floor area of approximately 18,494.50 sq.m.. Details of the said permits are as follows:

No.	Permit No.	Portion	Construction Scale (sq.m.)	Usage	Issuance Date
i.	2011 Di 080 (2011)第080號	Block 1	3,140.80	residential	28 March 2011
ii.	2011 Di 057 (2011)第057號	Block 2	3,191.66	residential	8 March 2011
iii.	2011 Di 058 (2011)第058號	Block 3	2,787.67	residential	8 March 2011
iv.	2011 Di 059 (2011)第059號	Block 4	3,393.04	residential	8 March 2011
v.	2011 Di 060 (2011)第060號	Block 5	3,193.66	residential	8 March 2011
vi.	2011 Di 061 (2011)第061號	Block 6	<u>2,787.67</u>	residential	8 March 2011
			<b><u>18,494.50</u></b>		

The property with a total gross floor area of 2,452.97 sq.m. forms part of the aforesaid Construction Works Planning Permits.

- (4) Pursuant to the Construction Works Commencement Permit No. 410204201105260101 issued by Kaifeng Housing and Urban and Rural Construction Bureau (開封市住房和城鄉建設局) on 26 May 2011, the construction works of Xihefu with a gross floor area of approximately 19,112.6 sq.m. were approved for commencement.

The property with a gross floor area of 2,452.97 sq.m. forms part of the aforesaid Construction Works Commencement Permit.

- (5) Pursuant to two Commodity Housing Pre-sale Permits both issued by Kaifeng Housing and Urban and Rural Construction Bureau (開封市住房和城鄉建設局) on 17 June 2011, portion of Xihefu with a gross floor area of approximately 18,073.26 sq.m. was approved for pre-sale. Details of the said permits are as follows:

No.	Permit No.	Portion	Construction Scale (sq.m.)	Usage	Issuance Date
i.	Bian Zhu Jian Yu (Xiao) Shou Zheng Zi (2011) Di 066	Blocks 1-5	15,379.98	residential	17 June 2011
ii.	Bian Zhu Jian Yu (Xiao) Shou Zheng Zi (2011) Di 067	Block 6	2,693.28	residential	17 June 2011
			<b><u>18,073.26</u></b>		

The property with a gross floor area of 2,452.97 sq.m. forms part of the aforesaid Commodity Housing Pre-sale Permits.



- (6) Pursuant to the following filing of Examination Upon Completion of Construction Project (工程竣工驗收備案表) all issued by Kaifeng Housing and Urban and Rural Construction Bureau (開封市住房和城鄉建設局) on 27 June 2012, portion of Xihefu with a total gross floor area of approximately 19,184.57 sq.m., including the property, were certified to be completed. Details of the said permits are as follows:

No.	Permit No.	Portion	Construction Scale (sq.m.)	Usage	Issuance Date
i.	Yu Kaifeng J201206-0024	Block 1	3,119.22	residential	27 June 2012
ii.	Yu Kaifeng J201206-0025	Block 2	3,131.75	residential	27 June 2012
iii.	Yu Kaifeng J201206-0026	Block 3	2,732.04	residential	27 June 2012
iv.	Yu Kaifeng J201206-0027	Block 4	3,337.77	residential	27 June 2012
v.	Yu Kaifeng J201206-0028	Block 5	3,131.75	residential	27 June 2012
vi.	Yu Kaifeng J201206-0029	Block 6	<u>2,732.04</u>	residential	27 June 2012
			<u><b>19,184.57</b></u>		

- (7) As advised by Kaifeng CCRE, a portion of the property with a total gross floor area of approximately 2,090.25 sq.m. has been pre-sold under various sales and purchases agreements at a total consideration of approximately RMB12,830,000. Accordingly, we have taken into account the said consideration in our valuation.
- (8) We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, Kingbird Law Firm, which contains, inter alia, the following information:
- i. Kaifeng CCRE has obtained the real estate title certificate and is entitled to use, transfer or mortgage the land use rights of the property within the residue of the land use term, and such rights are protected by the law of the PRC;
  - ii. Kaifeng CCRE has fully settled the land grant premium of the sites under the aforesaid real estate title certificate;
  - iii. Kaifeng CCRE has acquired the requisite permits and approvals for the construction of the property; and
  - iv. Kaifeng CCRE has obtained approvals from the relevant government authorities for the pre-sale of the property.

## Group II — Properties held under development by the Target Companies in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 April 2013
4	Portion of Phase Nos. 3 to 5, and 10, Forest Peninsula, South of Zhengkai Avenue, Jinming District, Kaifeng, Henan Province, PRC	Forest Peninsula (the “Development”) comprises a large-scale commercial and residential development and a city complex. The Development is located in a new development zone, which is about 7 km from the city centre of Kaifeng. Developments in the neighbourhood comprise mainly commercial and residential projects which are under construction. It takes about a 10-minute drive from the Development to the centre of Kaifeng.	As at the Date of Valuation, the property was under construction.	RMB336,000,000

As advised by Central China Dahong and Forest Peninsula, the commercial and residential development is proposed to be developed into 12 phases.

The property comprises portion of Phase Nos. 3 to 5 and 10 of the Development, which are erected on two parcels of land with a total site area of approximately 236,571.35 sq.m..

According to the information provided, the total planned gross floor area of the property is approximately 182,783.64 sq.m., the breakdown of which is as follows:

Use	Approximate gross floor area (sq.m.)
Residential	142,858.54
Retail	11,884.34
Ancillary facilities and car parks	<u>28,040.76</u>
<b>Total</b>	<b><u>182,783.64</u></b>

The property is scheduled to be completed in various stages between 2013 to 2015.

The land use rights of the property were granted for two terms due to expire on 11 August 2048 and 11 August 2078 for commercial and residential uses respectively.

## Notes:

- (1) Pursuant to the following Real Estate Title Certificates both issued by the People's Government of Kaifeng, the land use rights of Phase Nos. 1 to 5, 8 to 10 of the Development with a total site area of approximately 236,571.35 sq.m. were granted to Central China Dahong and Forest Peninsula for commercial and residential uses. Details of the said certificates are as follows:

No.	Certificate No.	Owner	Site Area (sq.m.)	Land Usage	Land Use Term Expiry Date	Issuance Date
i.	Bian Fang Di Chan Quan Zheng Di 234721	Forest Peninsula	164,814.88	commercial and residential	11 August 2048 and 11 August 2078	26 August 2008
ii.	Bian Fang Di Chan Quan Zheng Di 234128	Central China Dahong	71,756.47	commercial and residential	20 December 2047 and 20 December 2077	26 December 2007
<b>Total</b>			<b><u>236,571.35</u></b>			

The property forms part of the aforesaid Real Estate Title Certificates.

- (2) Pursuant to the following Construction Land Planning Permits issued by Kaifeng Construction Committee (開封市建設委員會) on 3 June 2008 and Kaifeng Urban and Rural Planning Bureau (開封市城鄉規劃局) on 25 January 2011 respectively, two parcels of land of Phase Nos. 1 to 12 of the Development with a total site area of approximately 464,306.00 sq.m. were permitted for use. Details of the said permits are as follows:

No.	Permit No.	Builder	Approximate Site Area (sq.m.)	Usage	Issuance Date
i.	Bian Di Zi Di 2008034	Forest Peninsula	353,270.00	commercial and residential	3 June 2008
ii.	Bian Di Zi Di 2008035	Central China Dahong	111,036.00	commercial and residential	3 June 2008
<b>Total</b>			<b><u>464,306.00</u></b>		

The property forms part of the aforesaid Construction Land Planning Permits.

- (3) Pursuant to the following Construction Works Planning Permits issued by Kaifeng Urban and Rural Planning Bureau (開封市城鄉規劃局), the construction scale of portions of Phase Nos. 3 to 5 and 10 of the Development was approved with a total gross floor area of approximately 163,237.04 sq.m.. Details of the said permits are as follows:

No.	Permit No.	Portion	Builder	Construction Scale (sq.m.)	Usage	Issuance Date
i.	Jian Zi Di 2012-274	Block 34	Forest Peninsula	11,515.11	residential	14 November 2012
ii.	Jian Zi Di 2012-275	Block 35	Forest Peninsula	11,515.11	residential	14 November 2012
iii.	Jian Zi Di 2012-276	Block 36	Forest Peninsula	11,924.93	residential	14 November 2012
iv.	Jian Zi Di 2011-203	Block 45	Forest Peninsula	11,286.99	residential	10 May 2011
v.	Jian Zi Di 2011-204	Block 49	Forest Peninsula	26,467.10	residential	10 May 2011
vi.	Jian Zi Di 2011-202	Block 40	Forest Peninsula	11,286.99	residential	10 May 2011
vii.	Jian Zi Di 2011-230	Block G6-1	Forest Peninsula	1,380.58	ancillary facilities	19 May 2011
viii.	Jian Zi Di 2012-353	Block 1	Central China Dahong	1,168.38	commercial	26 September 2012
ix.	Jian Zi Di 2012-354	Block 2	Central China Dahong	1,915.24	commercial	26 September 2012
x.	Jian Zi Di 2012-355	Block 3	Central China Dahong	640.00	commercial	26 September 2012

No.	Permit No.	Portion	Builder	Construction Scale (sq.m.)	Usage	Issuance Date
xi.	Jian Zi Di 2012-356	Block 4	Central China Dahong	1,885.03	commercial	26 September 2012
xii.	Jian Zi Di 2012-357	Block 53	Central China Dahong	25,349.77	residential	26 September 2012
xiii.	Jian Zi Di 2012-358	Block 54	Central China Dahong	10,666.20	residential	26 September 2012
xiv.	Jian Zi Di 2012-359	Block 55	Central China Dahong	10,770.99	residential	26 September 2012
xv.	Jian Zi Di 2012-360	Block 56	Central China Dahong	<u>25,464.62</u>	residential	26 September 2012
<b>Total</b>				<b><u>163,237.04</u></b>		

- (4) Pursuant to the following Construction Works Commencement Permits issued by Kaifeng Housing and Urban and Rural Construction Bureau (開封市住房和城鄉建設局), the construction works of portions of Phase Nos. 3 to 5, and 10 of the Development with a total gross floor area of approximately 165,005.00 sq.m. were approved for commencement. Details of the said permits are as follows:

No.	Permit No.	Portion	Builder	Construction Scale (sq.m.)	Issuance Date
i.	410204201103090101	Blocks 34-36	Forest Peninsula	34,864.00	9 March 2011
ii.	410204201105310101	Blocks 40, 45 & 49	Forest Peninsula	49,041.00	31 May 2011
iii.	410204201301150101	Block 53-54, Block 1-2	Central China Dahong	39,099.00	15 January 2013
iv.	410204201301150201	Block 55-56, Block 3-4	Central China Dahong	38,760.00	15 January 2013
v.	410204201301140101	Kingdergarten	Central China Dahong	3,241.00	14 January 2013
<b>Total</b>				<b><u>165,005.00</u></b>	

- (5) Pursuant to the following Commodity Housing Pre-sale Permits issued by Kaifeng Housing and Urban and Rural Construction Bureau (開封市住房和城鄉建設局), portions of Phase Nos. 3 to 5 of the Development with a total gross floor area of approximately 81,000.53 sq.m. have been approved for pre-sale. Details of the said permit are as follows:

No.	Permit No.	Portion	Owner	Construction Scale (sq.m.)	Usage	Issuance Date
i.	Bian Zhu Jian Yu (Xiao) Shou Zheng Zi 2011 Di 046	Blocks 34-36	Forest Peninsula	33,540.66	residential	29 April 2011
ii.	Bian Zhu Jian Yu (Xiao) Shou Zheng Zi 2012 Di 080	Blocks 40 & 45	Forest Peninsula	22,548.16	residential	24 August 2012
iii.	Bian Zhu Jian Yu (Xiao) Shou Zheng Zi 2012 Di 094	Block 49	Forest Peninsula	24,911.71	residential and others	29 September 2012
<b>Total</b>				<b><u>81,000.53</u></b>		

- (6) As advised by Central China Dahong and Forest Peninsula, the estimated total construction cost for the completion of Phase Nos. 3 to 5 and 10 of the Development is approximately RMB495,200,000. The construction cost expended as at the Date of Valuation was approximately RMB148,000,000, which has been taken into account in undertaking our valuation.

- (7) As advised by Central China Dahong and Forest Peninsula, a portion of the property with a total gross floor area of approximately 106,531.82 sq.m. has been pre-sold under various sales and purchases agreements at a consideration of approximately RMB476,350,039. Accordingly, we have taken into account the said consideration in our valuation.
- (8) The market value of the property as if completed as at the Date of Valuation is in the sum of RMB746,000,000.
- (9) We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, Kingbird Law Firm, which contains, inter alia, the following information:
- i. Forest Peninsula and Central China Dahong have obtained the real estate title certificates and are entitled to use, transfer or mortgage the land use rights of the property within the residue of the land use term and such rights are protected by the law of the PRC;
  - ii. Forest Peninsula and Central China Dahong have fully settled the land grant premium of the sites under the aforesaid two real estate title certificates;
  - iii. the land use rights of the property are subject to two mortgages;
  - iv. Forest Peninsula and Central China Dahong has acquired the requisite permits and approvals for the construction of the property;
  - v. Forest Peninsula and Central China Dahong have obtained approvals from the relevant government authorities for the pre-sale of the property; and
  - vi. Phase No. 10 of Forest Peninsula is a group buying-oriented development which does not meet the pre-sale requirements. The pre-sale contracts of Phase No. 10 of Forest Peninsula are probably declared invalid as the sellers have not obtained the Commodity Housing Pre-sale Permit prior to pre-sale. Therefore, Central China Dahong is probably required to (i) return deposit for purchase price with interest; (ii) compensate loss incurred; and (iii) bear the compensation for an amount not exceeding one time of the purchase price paid.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 April 2013								
5	Qishengjiao Project, Lot 2-1, South of Longting West Road, Longting District, Kaifeng, Henan Province, PRC	<p>The property comprises a commercial development named Qishengjiao (the “<b>Development</b>”) which is erected on a parcel of land with a site area of approximately 24,620.77 sq.m.. The Development is located in the city centre of Kaifeng where the surrounding developments are mainly aged buildings.</p> <p>According to the information provided, the total gross floor area of the property upon completion is approximately 14,526.49 sq.m., the breakdown of which is as follows:</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Approximate gross floor area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Retail</td> <td>13,108.50</td> </tr> <tr> <td>Ancillary facilities</td> <td><u>1,417.99</u></td> </tr> <tr> <td><b>Total</b></td> <td><b><u>14,526.49</u></b></td> </tr> </tbody> </table> <p>The property is scheduled to be completed in various stages between 2013 and 2014.</p> <p>The land use rights of the property were granted for two terms due to expire on 12 August 2048 and 12 August 2078 for commercial and residential uses respectively.</p>	Use	Approximate gross floor area (sq.m.)	Retail	13,108.50	Ancillary facilities	<u>1,417.99</u>	<b>Total</b>	<b><u>14,526.49</u></b>	As at the Date of Valuation, the property was under construction.	RMB110,000,000
Use	Approximate gross floor area (sq.m.)											
Retail	13,108.50											
Ancillary facilities	<u>1,417.99</u>											
<b>Total</b>	<b><u>14,526.49</u></b>											

*Notes:*

- (1) Pursuant to the Real Estate Title Certificate No. Bian Fang Di Chan Quan Zheng Di 235073 (汴房地產權證第235073號) issued by the People’s Government of Kaifeng on 9 March 2009, the land use rights of the property with a site area of approximately 24,620.77 sq.m. were granted to Kaifeng CCRE for two terms due to expire on 12 August 2048 and 12 August 2078 for commercial and residential uses respectively.
- (2) Pursuant to the Construction Land Planning Permit No. Bian Di Zi Di 2008091 (汴地字第2008091號) issued by Kaifeng Construction Committee (開封市建設委員會) on 25 December 2008, the land of the property with a site area of approximately 24,620.80 sq.m. was approved for use.
- (3) As advised by Kaifeng CCRE, the estimated total construction cost for the completion of the property is approximately RMB65,000,000. The construction cost expended as at the Date of Valuation was approximately RMB3,240,600, which has been taken into account in undertaking our valuation.
- (4) The market value of the property as if completed as at the Date of Valuation is in the sum of RMB205,000,000.

- (5) We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, Kingbird Law Firm, which contains, inter alia, the following information:
- i. Kaifeng CCRE has obtained the real estate title certificate and is entitled to use, transfer or mortgage the land rights of the property within the residue of the land use term and such rights are protected by the law of the PRC;
  - ii. Kaifeng CCRE has fully settled the land grant premium of the site under the aforesaid real estate title certificate;
  - iii. Kaifeng CCRE is now applying for the construction works commencement permit in accordance with the relevant preferential policies from the Kaifeng government; and
  - iv. the property is pledged.

## Group III — Properties held for future development by the Target Companies in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 April 2013												
6	Phase Nos. 11 to 12 and Lot A1, Forest Peninsula, South of Zhengkai Avenue, Jinming District, Kaifeng, Henan Province, PRC	<p>Forest Peninsula (the “<b>Development</b>”) comprises a large-scale commercial and residential development and a city complex. The Development is located in a new development zone, which is about 7 km from the city centre of Kaifeng. Developments in the neighbourhood comprise mainly commercial and residential projects which are under construction. It takes about a 10-minute drive from the Development to the centre of Kaifeng.</p> <p>As advised by Central China Dahong and Forest Peninsula, the commercial and residential development is proposed to be developed into 12 phases.</p> <p>The property comprises portion of four parcels of land and is planned to be developed into Phase Nos. 11–12 of the Development and a city complex.</p> <p>According to the information provided, the total planned gross floor area of the property is approximately 583,889.45 sq.m., the breakdown of which is as follows:</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Approximate gross floor area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>180,530.49</td> </tr> <tr> <td>Retail</td> <td>95,679.83</td> </tr> <tr> <td>Office</td> <td>174,513.44</td> </tr> <tr> <td>Ancillary facilities</td> <td><u>133,165.70</u></td> </tr> <tr> <td><b>Total</b></td> <td><b><u>583,889.45</u></b></td> </tr> </tbody> </table> <p>The property is scheduled to be completed in various stages between 2015 and 2017.</p> <p>The land use rights of the property were granted for different terms due to expire between 18 April 2051 and 18 April 2081 for commercial and residential uses respectively.</p>	Use	Approximate gross floor area (sq.m.)	Residential	180,530.49	Retail	95,679.83	Office	174,513.44	Ancillary facilities	<u>133,165.70</u>	<b>Total</b>	<b><u>583,889.45</u></b>	As at the Date of Valuation, the property was a vacant site.	RMB313,000,000
Use	Approximate gross floor area (sq.m.)															
Residential	180,530.49															
Retail	95,679.83															
Office	174,513.44															
Ancillary facilities	<u>133,165.70</u>															
<b>Total</b>	<b><u>583,889.45</u></b>															



## Notes:

- (1) Pursuant to the following Real Estate Title Certificates all issued by the People's Government of Kaifeng, the land use rights of Phase Nos. 6 to 7, 11 to 12 and the city complex of the Development with a total site area of approximately 226,569.80 sq.m. were granted to Central China Dahong and Forest Peninsula for commercial and residential uses. Details of the said certificates are as follows:

No.	Certificate No.	Owner	Site Area (sq.m.)	Usage	Land Use Term Expiry Date	Issuance Date
i.	Bian Fang Di Chan Quan Zheng Di 234720	Forest Peninsula	91,506.46	commercial and residential	11 August 2048 and 11 August 2078	26 August 2008
ii.	Bian Fang Di Chan Quan Zheng Di 234722	Forest Peninsula	95,951.91	commercial	11 December 2048	26 September 2008
iii.	Bian Fang Di Chan Quan Zheng Di 234129	Central China Dahong	32,985.93	commercial and residential	20 December 2047 and 20 December 2077	26 December 2007
iv.	Bian Fang Di Chan Quan Zheng Di 236187	Central China Dahong	6,125.50	commercial and residential	18 April 2051 and 18 April 2081	12 June 2011
<b>Total</b>			<b><u>226,569.80</u></b>			

The property forms part of the aforesaid Real Estate Title Certificates.

- (2) Pursuant to the following Construction Land Planning Permits issued by Kaifeng Construction Committee (開封市建設委員會), the land of Phase Nos. 1 to 12 and the city complex of the Development with a total site area of approximately 470,431.50 sq.m. was approved for construction. Details of the said permits are as follows:

No.	Permit No.	Builder	Site Area (sq.m.)	Usage	Issuance Date
i.	Bian Di Zi Di 2008034	Forest Peninsula	353,270.00	commercial and residential	3 June 2008
ii.	Bian Di Zi Di 2008035	Central China Dahong	111,036.00	commercial and residential	3 June 2008
iii.	Bian Di Zi Di 2011001	Central China Dahong	6,125.50	commercial and residential	25 January 2011
<b>Total</b>			<b><u>470,431.50</u></b>		

The property forms part of the aforesaid Construction Land Planning Permits.

- (3) We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, Kingbird Law Firm, which contains, inter alia, the following information:
- Forest Peninsula and Central China Dahong have obtained the real estate title certificates and are entitled to use, transfer or mortgage the land use rights of the property within the residue of the land use term and such rights are protected by the law of the PRC;
  - Forest Peninsula and Central China Dahong have fully settled the land grant premium of the sites under the aforesaid four real estate title certificates; and
  - the property are subject to various mortgages.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 April 2013										
7	Fourteen parcels of land located at Gulou District and Longting District, Kaifeng, Henan Province, PRC	<p>The property comprises 14 parcels of land with a total site area of approximately 763,926.02 sq.m. on which a large-scale residential and commercial development named “Water System” (the “Development”) is planned for construction. The Development is located in the city centre of Kaifeng where the surrounding developments are mainly aged buildings.</p> <p>According to the information provided, the total planned gross floor area of the property is approximately 1,326,820.70 sq.m., the breakdown of which is as follows:</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Approximate gross floor area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>919,853.79</td> </tr> <tr> <td>Retail</td> <td>142,421.23</td> </tr> <tr> <td>Ancillary facilities</td> <td><u>264,545.68</u></td> </tr> <tr> <td><b>Total</b></td> <td><b><u>1,326,820.70</u></b></td> </tr> </tbody> </table> <p>The property is scheduled to be completed in various stages between 2013 and 2018.</p> <p>The land use rights of the property were granted for different terms due to expire between 24 March 2049 and 24 March 2079 for commercial and residential uses respectively.</p>	Use	Approximate gross floor area (sq.m.)	Residential	919,853.79	Retail	142,421.23	Ancillary facilities	<u>264,545.68</u>	<b>Total</b>	<b><u>1,326,820.70</u></b>	As at the Date of Valuation, the property was vacant site.	RMB105,400,000 <i>(Refer to Note (3))</i>
Use	Approximate gross floor area (sq.m.)													
Residential	919,853.79													
Retail	142,421.23													
Ancillary facilities	<u>264,545.68</u>													
<b>Total</b>	<b><u>1,326,820.70</u></b>													

## Notes:

- (1) Pursuant to the following Real Estate Title Certificates all issued by the People’s Government of Kaifeng, the land use rights of portion of the property with a total site area of approximately 40,865.60 sq.m. were granted to Kaifeng CCRE for commercial and residential uses. Details of the said certificates are as follows:

No.	Certificate No.	Site Area (sq.m.)	Usage	Land Use Term Expiry Date	Issuance Date
i.	Bian Fang Di Chan Quan Zheng Di 234937	11,789.17	commercial and residential	12 August 2048 and 12 August 2078	13 November 2008
ii.	Bian Fang Di Chan Quan Zheng Di 234935	4,402.17	commercial and residential	12 August 2048 and 12 August 2078	13 November 2008
iii.	Bian Fang Di Chan Quan Zheng Di 234934	651.84	commercial and residential	12 August 2048 and 12 August 2078	13 November 2008

No.	Certificate No.	Site Area (sq.m.)	Usage	Land Use Term Expiry Date	Issuance Date
iv.	Bian Fang Di Chan Quan Zheng Di 234938	9,809.75	commercial and residential	12 August 2048 and 12 August 2078	13 November 2008
v.	Bian Fang Di Chan Quan Zheng Di 234933	406.94	commercial and residential	12 August 2048 and 12 August 2078	13 November 2008
vi.	Bian Fang Di Chan Quan Zheng Di 234936	942.39	commercial and residential	12 August 2048 and 12 August 2078	13 November 2008
vii.	Bian Fang Di Chan Quan Zheng Di 235156	3,922.07	commercial and residential	24 March 2049 and 24 March 2079	5 May 2009
viii.	Bian Fang Di Chan Quan Zheng Di 235157	645.74	commercial and residential	24 March 2049 and 24 March 2079	5 May 2009
ix.	Bian Fang Di Chan Quan Zheng Di 235158	3,989.73	commercial and residential	24 March 2049 and 24 March 2079	5 May 2009
x.	Bian Fang Di Chan Quan Zheng Di 235155	4,305.80	commercial and residential	24 March 2049 and 24 March 2079	5 May 2009
		<b><u>40,865.60</u></b>			

- (2) Pursuant to three Construction Land Planning Permits issued by Kaifeng Construction Committee (開封市建設委員會) on 24 December 2008, three parcels of land of the Development with a total site area of approximately 26,905.50 sq.m. were approved for use. Details of the said permits are as follows:

No.	Permit No.	Portion	Site Area (sq.m.)	Usage	Issuance Date
i.	Bian Di Zi Di 2008088	Blocks 4-6	942.8	commercial	24 December 2008
ii.	Bian Di Zi Di 2008089	Blocks 3-5	9,809.50	commercial	24 December 2008
iii.	Bian Di Zi Di 2008090	Blocks 3-4 & Blocks 3-6	16,153.20	commercial and residential	24 December 2008
<b>Total</b>			<b><u>26,905.50</u></b>		

- (3) In the course of our valuation, we have ascribed no commercial value to the portion of the property with a total site area of approximately 723,060.42 sq.m. as the land premium has not been settled fully. For indicative purpose, the market value of the land use rights of the said portion of the property under the assumption that all land premium has been settled as at the Date of Valuation was in the sum of RMB1,597,000,000.
- (4) We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, Kingbird Law Firm, which contains, inter alia, the following information:
- i. Kaifeng CCRE has obtained the real estate title certificates for the 10 parcels of land as mentioned in Note 1 and is entitled to use, transfer or mortgage the land use rights of the said land within the residue of the land use term and such rights are protected by the law of the PRC;
  - ii. Kaifeng CCRE has fully settled the land grant premium of the sites under the aforesaid ten parcels of land; and
  - iii. portion of the land of the property with a site area of 38,736.32 sq.m. is subject to a mortgage.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 April 2013								
8	A parcel of land located at Northwest Lake, Longting District, Kaifeng, Henan Province, PRC	<p>The property comprises a parcel of land with a site area of approximately 58,348.52 sq.m.. It is located at the city centre of Kaifeng, where a scenic spot named Qingming Grand-River Park (清明上河園) is located nearby.</p> <p>According to the information provided, the property is planned to be developed into a 5-star hotel with a total planned gross floor area is approximately 43,836 sq.m., the breakdown of which is as follows:</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Approximate gross floor area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Hotel</td> <td>12,814</td> </tr> <tr> <td>Ancillary facilities</td> <td><u>31,022</u></td> </tr> <tr> <td><b>Total</b></td> <td><b><u>43,836</u></b></td> </tr> </tbody> </table> <p>The land use rights of the property were granted for a term due to expire on 8 March 2049 for commercial use.</p>	Use	Approximate gross floor area (sq.m.)	Hotel	12,814	Ancillary facilities	<u>31,022</u>	<b>Total</b>	<b><u>43,836</u></b>	As at the Date of Valuation, the property was a vacant site.	RMB83,200,000
Use	Approximate gross floor area (sq.m.)											
Hotel	12,814											
Ancillary facilities	<u>31,022</u>											
<b>Total</b>	<b><u>43,836</u></b>											

## Notes:

- (1) Pursuant to the Real Estate Title Certificate No. Bian Fang Di Chan Quan Zheng Di 239328 (汴房地產權證第239328號) issued by the People's Government of Kaifeng on 25 January 2013, the land use rights of the property with a site area of approximately 58,348.52 sq.m. were granted to Hotel Company for a term due to expire on 8 March 2049 for commercial use.
- (2) Pursuant to the Construction Land Planning Permit No. Bian Di Zi Di 2009016 (汴地字第2009016號) issued by Kaifeng Construction Committee (開封市建設委員會) on 20 April 2009, a parcel of land of the property with a site area of approximately 58,348.609 sq.m. were approved for use.
- (3) As advised by Hotel Company, pre-development cost expended as at the Date of Valuation was approximately RMB34,600,000, which has been taken into account in undertaking our valuation.
- (4) We have been provided with a legal opinion on the title to the property issued by the Company's PRC legal adviser, Kingbird Law Firm, which contains, inter alia, the following information:
  - i. Hotel Company has obtained the real estate title certificate and is entitled to use, transfer or mortgage, the land use rights of the property within the residue of the land use term and such rights are protected by the law of the PRC; and
  - ii. Hotel Company has fully settled the land grant premium of the property.

## 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 in this circular misleading.

## 2. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

As at the Latest Practicable Date, save as disclosed below, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the 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 they are deemed or taken to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO to be entered into the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange:

### *Ordinary Shares of the Company*

Name	Long position/ short position	Capacity and nature of interest	Number of Shares interested	Approximate percentage of issued share capital of the Company
Wu Po Sum	Long position	Interest in a controlled corporation	1,146,315,639 <i>(Note 1)</i>	47.10%
		Beneficial owner	8,560,420 <i>(Note 2)</i>	0.35%
Yan Yingchun	Long position	Beneficial owner	1,320,160 <i>(Note 2)</i>	0.05%
Lim Ming Yan	Long position	Beneficial owner	2,563,000 <i>(Note 2)</i>	0.11%
Leow Juan Thong Jason	Long position	Beneficial owner	1,537,800 <i>(Note 2)</i>	0.06%
Wu Wallis (alias Li Hua)	Long position	Beneficial owner	1,500,000 <i>(Note 3)</i>	0.06%
Chen Jianye	Long position	Beneficial owner	7,792,040 <i>(Note 2)</i>	0.32%

### *Notes:*

1. Mr. Wu Po Sum has a controlling interest in Joy Bright and is therefore deemed to be interested in the 1,146,315,639 Shares held by Joy Bright for the purposes of the SFO.
2. Such interest in the Shares is held pursuant to the share options granted under the share option schemes of the Company.
3. 1,500,000 Shares are beneficially owned by the spouse of Ms. Wu Wallis (alias Li Hua), therefore Ms. Wu Wallis (alias Li Hua) is deemed to be interested in her spouse's Shares for the purposes of the SFO.

*Debentures of the Company*

— The S\$175,000,000 10.75% senior notes due 2016 (the “**S\$175M Senior Notes**”)

<b>Name</b>	<b>Capacity and nature of interest</b>	<b>Amount of debentures held</b>	<b>Approximate percentage of the interest in the S\$175M Senior Notes</b>
Lim Ming Yan	Beneficial owner	S\$500,000	0.29%
Leow Juan Thong Jason	Beneficial owner	S\$1,250,000	0.71%
Lucas Ignatius Loh Jen Yuh	Beneficial owner	S\$250,000	0.14%

— The US\$200,000,000 8% senior notes due 2020 (the “**US\$200M Senior Notes**”)

<b>Name</b>	<b>Capacity and nature of interest</b>	<b>Amount of debentures held</b>	<b>Approximate percentage of the interest in the US\$200M Senior Notes</b>
Leow Juan Thong Jason	Beneficial owner	US\$500,000	0.25%
Lucas Ignatius Loh Jen Yuh	Beneficial owner	US\$500,000	0.25%

### 3. SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, save as disclosed below, according to the list of substantial shareholders extracted from the website of the Stock Exchange (www.hkex.com.hk), the following companies or persons (except for the Directors or chief executives of the Company) had an interest or short position in the Shares and the register of interests kept by the Company under section 336 of the SFO and as far as is known to the Directors, no person other than a Director whose interests are disclosed above, had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group or had any option in respect of such capital:

Name	Capacity and nature of interest	Number of Shares interested	Approximate percentage of interest in the Company's issued share capital
Joy Bright ( <i>Note 2</i> )	Beneficial owner	1,146,315,639	47.10%
Mr. Wu Po Sum ( <i>Note 2</i> )	Interest in a controlled corporation	1,146,315,639	47.10%
CapitaLand (Cayman) ( <i>Note 3</i> )	Beneficial owner	658,116,228	27.04%
CapitaLand China Holdings Pte Ltd* (凱德置地中國控股私人有限公司) ("CapitaLand China") ( <i>Note 3</i> )	Interest in a controlled corporation	658,116,228	27.04%
CapitaLand Residential Limited ("CapitaLand Residential") ( <i>Note 3</i> )	Interest in a controlled corporation	658,116,228	27.04%
CapitaLand Limited ("CapitaLand") ( <i>Note 3</i> )	Interest in a controlled corporation	658,116,228	27.04%
Temasek Holdings (Private) Limited ( <i>Note 3</i> )	Interest in a controlled corporation	658,116,228	27.04%
FV Green Alpha Two Limited ( <i>Note 4</i> )	Beneficial owner	298,566,476	12.27%

*Notes:*

- The percentage shareholdings are based on a total of 2,433,641,600 Shares in issue as at the Latest Practicable Date.
- Mr. Wu Po Sum holds 100% of the entire issued share capital of Joy Bright and is therefore deemed to be interested in the 1,146,315,639 Shares held by Joy Bright for the purposes of the SFO.

\* For identification purposes only

3. CapitaLand (Cayman) is directly wholly owned by CapitaLand China, CapitaLand China is directly wholly owned by CapitaLand Residential and CapitaLand Residential is directly wholly owned by CapitaLand. Temasek Holdings (Private) Limited has an interest in approximately 40.93% of the issued share capital of CapitaLand. Therefore, each of CapitaLand China, CapitaLand Residential, CapitaLand and Temasek Holdings (Private) Limited is deemed or taken to be interested in the 658,116,228 Shares which are owned by CapitaLand (Cayman) for the purposes of the SFO.
4. On 5 August 2009, the Company entered into a subscription agreement (the “**Subscription Agreement**”) with FV Green Alpha II (“**FV Green**”) relating to the issue and subscription of the convertible bonds (the “**Convertible Bonds**”) at an aggregate principal amount of HK\$687 million which were issued in conjunction with the warrants (the “**Warrants**”) entitling FV Green to subscribe for a maximum of 68,338,594 Shares (“**Warrant Shares**”). On 28 June 2011, the Company completed the rights issue pursuant to which 428,000,000 rights shares were allotted and issued. Hence the conversion price of the Convertible Bonds and the Warrants were adjusted to HK\$2.984 per Share and HK\$3.947 per Share which were made in accordance with the terms of the Convertible Bonds and the Warrants respectively. Based on the conversion price of HK\$2.984 per Share and assuming full conversion of the Convertible Bonds at such conversion price, the Convertible Bonds will be convertible into 230,227,882 Shares (the “**Conversion Shares**”). As at the Latest Practicable Date, none of the Conversion Shares and/or the Warrant Shares was issued by the Company to FV Green.

#### 4. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or substantial Shareholders or any of their respective associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group which is required to be disclosed under Rule 8.10 of the Listing Rules.

#### 5. DIRECTORS' SERVICE CONTRACTS

Each of the executive and non-executive Directors (except Mr. Hu Yongmin) has entered into a service agreement with the Company for a term of three years commencing from 6 June 2011, which may be terminated by not less than three months' notice in writing served by either party on the other.

Each of the independent non-executive Directors has signed a letter of appointment for a term of three years commencing from 6 June 2011, which may be terminated by not less than three months' notice in writing served by either party on the other.

As at the Latest Practicable Date, none of the above service agreements and letters of appointment has been terminated.

Save as disclosed above, as at the Latest Practicable Date, there is no other existing service agreement entered into or proposed service agreement to be entered into between any Director and any member of the Group (excluding agreements expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).



## 6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse changes in the financial or trading position of the Group since 31 December 2012 (being the date to which the latest published audited accounts of the Company were made up).

## 7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

## 8. EXPERTS AND CONSENTS

The following is the qualifications of the expert who has given opinion or advice which is contained in this circular:

Name	Qualifications
Bridge Partners Capital Limited (“ <b>Bridge Partners</b> ”)	a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Savills Valuation and Professional Services Limited (“ <b>Savills</b> ”)	independent property valuer

As at the Latest Practicable Date, neither Bridge Partners nor Savills had any shareholding in any member of the Group nor have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, neither Bridge Partners nor Savills had any direct or indirect interest in any assets which had, since 31 December 2012 (being the date to which the latest published audited accounts of the Company were made up), been acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group.

Each of Bridge Partners and Savills has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which it appears.

## 9. GENERAL

- (a) None of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group or proposed to be so acquired, disposed of by or leased to any member of the Group since 31 December 2012, being the date to which the latest published audited accounts of the Company were made up, and up to the Latest Practicable Date.

- (b) As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group, which was subsisting and was significant in relation to the business of the Group.
- (c) The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (d) The principal place of business of the Company in Hong Kong is located at Room 7701B–7702A, 77th Floor, International Commence Centre, 1 Austin Road West, Kowloon, Hong Kong.
- (e) The branch share registrar 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, Wanchai, Hong Kong.
- (f) The company secretary of the Company is Mr. Kwok Pak Shing who is a member of the Hong Kong Institute of Certified Public Accountants.
- (g) The English text of this circular shall prevail over the Chinese text in the event of inconsistency.

#### **10. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the office of Messrs. Li & Partners at 22nd Floor, World-Wide House, Central, Hong Kong during normal business hours on any weekday (except public holidays) for a period of 14 days from the date hereof:

- (a) the letter from the Independent Board Committee, the text of which is set out on pages 15 to 16 of this circular;
- (b) the letter from Bridge Partners, the text of which are set out on pages 17 to 32 of this circular;
- (c) the written consents from the experts referred to under the section headed “Experts and Consents” in this Appendix;
- (d) the valuation report from Savills, the text of which is set out in Appendix I to this circular;
- (e) the Directors’ service contracts and letters of appointment;
- (f) the Equity Restructuring Agreement; and
- (g) this circular.