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

If you have sold or transferred all your shares in Greenland Hong Kong Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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GREENLAND HONG KONG HOLDINGS LIMITED **綠地香港控股有限公司**

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 337)

MAJOR AND CONNECTED TRANSACTION: DISPOSAL OF 100% EQUITY INTEREST IN NANCHANG SHENYANG

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



Octal Capital Limited

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

A letter from the Board is set out on pages 4 to 9 of this circular.

A letter from the Independent Board Committee containing its recommendations to the Independent Shareholders is set out on pages 10 to 11 of this circular.

A letter from Octal Capital containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 12 to 26 of this circular.

A form of proxy for the EGM is enclosed with this circular. Whether or not you intend to attend the EGM, you are requested to complete the form of proxy and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be). The completion and return of a form of proxy will not preclude you from attending and voting at the EGM in person.

30 November 2018

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DEFINITIONS

In this circular and the appendices to it, unless the context otherwise requires, the following terms and expression have the following meanings:

“Agreement”	the share transfer agreement dated 13 November 2018 between True Crown and the Purchaser in respect of the Transaction
“Board”	board of Directors
“Company”	Greenland Hong Kong Holdings Limited (綠地香港控股有限公司), a company incorporated with limited liability in the Cayman Islands whose ordinary shares are listed on the Stock Exchange (stock code: 337)
“Completion”	completion of the Transaction in accordance with the terms and conditions of the Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the total consideration for the disposal of 100% of the equity interest in Nanchang Shenyang, being US\$283 million (approximately HK\$2,216 million)
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purposes of approving the Agreement
“Greenland Group”	Greenland Holdings and its subsidiaries (for the purposes of this circular, excluding the Group)
“Greenland Holdings”	綠地控股集團股份有限公司(Greenland Holdings Corporation Limited*), a company established under the laws of PRC and listed on the Shanghai Stock Exchange (stock code: 600606. SH), which is the controlling shareholder of the Company
“Group”	collectively, the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the committee of the Board comprising all the independent non-executive Directors (namely, Mr. Cheong Ying Chew, Henry, Mr. Fong Wo, Felix, JP and Mr. Kwan Kai Cheong) established for the purposes of advising the Independent Shareholders in connection with the Agreement
“Independent Shareholders”	Shareholders other than those who are required by the Listing Rules to abstain from voting in the EGM on the resolution approving the Agreement
“Latest Practicable Date”	23 November 2018, being the latest practicable date prior to the printing of this circular for the purposes of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nanchang Shenyang”	南昌申陽置業有限公司 (Nanchang Shenyang Real Properties Limited*), a company established under the laws of the PRC with limited liability, owned as to 100% by True Crown Holdings Limited
“Octal Capital”	Octal Capital Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities, which is the independent financial advisers
“PRC”	People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Purchaser”	南昌綠地申飛置業有限公司 (Nanchang Shenfei Real Property Limited*), a company established under the laws of the PRC with limited liability and owned as to 100% by Greenland Group
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.50 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s) in the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Transaction”	the disposal of 100% of the equity interest in Nanchang Shenyang as contemplated under the Agreement
“True Crown”	True Crown Holdings Limited (Group) Co., Ltd.* (尚毅控股有限公司), a company established under the laws of Hong Kong with limited liability, which is a wholly owned subsidiary of the Company
“US\$”	United States dollar(s), the lawful currency of the United States of America
“%”	per cent.

For the purposes of this circular, the exchange rates of HK\$1.00=RMB0.89 and US\$1.00=HK\$7.83 have been used for currency translation, where applicable. Such exchange rates are for illustration purposes only and does not constitute representations that any amount in HK\$ or RMB has been, could have been or may be converted at such rate.

** For identification purposes only*

LETTER FROM THE BOARD

GREENLAND HONG KONG HOLDINGS LIMITED
綠地香港控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 337)

Executives Directors:

Mr. Chen Jun (*Chairman and Chief Executive Officer*)

Mr. Wang Weixian (*Honorary Chairman*)

Mr. Hou Guangjun (*Chief Operation Officer*)

Mr. Wu Zhengkui

Ms. Wang Xuling

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Independent Non-Executive Directors:

Mr. Cheong Ying Chew, Henry

Mr. Fong Wo, Felix, JP

Mr. Kwan Kai Cheong

*Principal place of business
in Hong Kong:*

Unit 5711, 57th Floor

The Center

99 Queen's Road Central

Hong Kong

30 November 2018

To the Shareholders

Dear Sir or Madam,

**MAJOR AND CONNECTED TRANSACTION:
DISPOSAL OF 100% EQUITY INTEREST IN
NANCHANG SHENYANG**

INTRODUCTION

Reference is made to the announcement of the Company dated 13 November 2018 in relation to the Transaction.

The purpose of this circular is to provide you with, among other things, further information on the Transaction and other information of the Group for information purposes only.

LETTER FROM THE BOARD

THE AGREEMENT

The principal terms of the Agreement are summarised as follows:

- Date : 13 November 2018
- Parties : (i) True Crown as the seller
(ii) the Purchaser as the purchaser
- Consideration : The total Consideration is US\$283 million (approximately HK\$2,216 million).
- Subject matter : The 100% equity interest in Nanchang Shenyang. Nanchang Shenyang is principally engaged in the property development project in respect of the properties (the "Properties"), which mainly consists of residential property units. The Properties is located at the intersection of the old town of Xihu District and the new town area in Chaoyang District, Nanchang, the PRC with a total gross floor area of approximately 475,000 square meters. The property units in the Properties are still under construction. Almost all of the residential property units of the development project have been pre-sold. There remains around 2,000 car parks and commercial area of approximately 20,000 square meters to be disposed of.

CONDITION

Completion of the Transaction is conditional upon the Company having obtained the Independent Shareholders' approval as required under the Listing Rules.

PAYMENT TERMS

The Consideration shall be settled in cash by the Purchaser to True Crown in the following manner:

1. 50% of the Consideration of US\$141.50 million (approximately HK\$1,108 million) shall be paid within thirty days upon the execution of the Agreement; and
2. The remaining 50% of the Consideration of US\$141.50 million (approximately HK\$1,108 million) shall be paid upon Completion.

Upon Completion, Nanchang Shenyang will cease to be a subsidiary of the Group.

LETTER FROM THE BOARD

It is agreed that in the event that any of the above payments cannot be settled on time due to the fact that governmental filing, registration and approval have not been obtained and completed, the parties shall negotiate on friendly basis on how to resolve the issues, and the Purchaser shall not be liable for any breach of contract.

BASIS OF DETERMINING THE TOTAL CONSIDERATION

The Consideration was arrived at after arm's length negotiation between the parties and was determined with reference to the financial position and business prospects of Nanchang Shenyang, and the equity appraisal report (which is set out in Appendix III to this circular) prepared by an independent valuer as at 30 September 2018 in respect of the consolidated net asset value of Nanchang Shenyang.

According to the said report, the appraised consolidated net asset value of Nanchang Shenyang as at 30 September 2018 was approximately RMB1,947 million (approximately HK\$2,188 million). The net loss attributable to Nanchang Shenyang before and after taxation for the year ended 31 December 2016 were approximately RMB6.28 million (approximately HK\$7.06 million) and RMB4.71 million (approximately HK\$5.29 million), respectively. The net loss attributable to Nanchang Shenyang before and after taxation for the year ended 31 December 2017 were approximately RMB31.12 million (approximately HK\$34.97 million) and RMB23.35 million (approximately HK\$26.24 million), respectively.

Upon Completion, it is estimated that the Group will realise a disposal gain of approximately RMB442 million (approximately HK\$497 million), which is calculated by deducting, (i) the unaudited net asset value of Nanchang Shenyang of approximately RMB1,487 million and (ii) the taxation expenses arising from the disposal gain of approximately RMB33 million, from the Consideration of approximately RMB1,962 million. The actual gain on disposal to be recorded is subject to audit and may be different from the estimated amount as the actual gain will depend on, amongst other factors, the actual net asset value of Nanchang Shenyang as at Completion.

True Crown has held its equity interest in Nanchang Shenyang for more than 12 months.

GENERAL INFORMATION

The Company is an investment holding company. The Group is principally engaged in property development, property and hotel investment and property management.

True Crown is principally engaged in real estate investment.

The Purchaser is principally engaged in real estate development.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Directors consider that the Transaction will enhance the Company's cashflow position, and provide additional capital resources for the Company to capture other investment opportunities. The proceeds generated from the Transactions will be used for general working capital and future business developments of the Group.

LETTER FROM THE BOARD

The Board (including the independent non-executive Directors after receiving the advice of Octal Capital) considers that the Transaction is on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Mr. Chen Jun and Mr. Wu Zheugkui abstained from voting at the meeting of the Board due to conflict of interest.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio under the Listing Rules in respect of the Transaction is more than 25% but less than 75%, the Transaction constitutes a major transaction for the Company, and is subject to the notification, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this circular, Greenland Holdings indirectly holds approximately 59% of the issued ordinary share capital of the Company and is a connected person of the Company under the Listing Rules. Greenland Group holds approximately 100% of the equity interest in the Purchaser. Accordingly, the Purchaser is also a connected person of the Company under the Listing Rules. As the highest applicable percentage ratio for the Transaction exceeds 5%, the Transaction constitutes a connected transaction for the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee, comprising all independent non-executive Directors, has been formed to advise the Independent Shareholders on the terms of the Agreement and on how to vote on the resolution to be proposed at the EGM taking into account the recommendation of the independent financial adviser. Octal Capital has been appointed as the independent financial adviser to make recommendations to the Independent Board Committee and the Independent Shareholders in respect of the same.

As at the Latest Practicable Date, Gluon Xima, being the controlling shareholder of the Company, controls over the voting rights in respect of 1,650,244,409 Shares, representing approximately 59% of the entire issued ordinary share capital of the Company. Save for Gluon Xima, none of Greenland Holdings and its associates control or are entitled to exercise control over the voting rights in respect of any Shares. There are no voting trusts or other agreements or arrangements or understandings or obligations or entitlements whereby Gluon Xima has or may have temporarily or permanently passed control over the exercise of the voting rights in respect of its Shares to a third party, either generally or on a case-by-case basis. Greenland Holdings, Gluon Xima and their respective associates will be required to abstain from voting on the shareholders' resolution in relation to the Agreement. Save as disclosed, as at the Latest Practicable Date, the Company is not aware of any other Shareholder which would be required to abstain from voting in respect of the transactions contemplated under the Agreements.

As at the Latest Practicable Date, Mr. Chen Jun and Mr. Wu Zhengkui had not held any shares in the Company.

LETTER FROM THE BOARD

EGM AND PROXY ARRANGEMENT

The notice convening the EGM is set out in pages EGM-1 to EGM-2 of this circular. At the EGM, an ordinary resolution will be proposed to approve the Agreement and the Transaction contemplated thereunder.

As the register of members will not be closed for the purposes of determining the Shareholders' eligibility to attend and vote at the EGM, only persons who are registered holders of Shares after close of business on 18 December 2018 (based on the register of members of the Company) will qualify for attending and voting at the EGM.

In order to qualify for attending and voting at the EGM, unregistered holders of Shares should ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 18 December 2018.

A form of proxy for appointing proxy is despatched with this circular and published on the websites of HKExnews (<http://www.hkexnews.hk>) and the Company (<http://www.greenlandhk.com>), respectively. Whether or not you intend to attend the EGM or any adjournment thereof (as the case may be), please complete and return the enclosed form of proxy in accordance with the instructions printed on the form of proxy as soon as practicable, but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be), to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment meeting (as the case may be) if you so wish and, in such event, the instrument appointing a proxy will be deemed to be revoked.

Pursuant to rule 13.39(4) of the Listing Rules, the resolution proposed to be approved at the EGM will be taken by poll and an announcement for the results of the EGM will be made by the Company after the EGM.

RECOMMENDATIONS

The Independent Board Committee, having taken into account the advice of Octal Capital, considers that the terms of Agreement are on normal commercial terms and fair and reasonable, and are also in the interest of the Company and its Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolution in relation to the Agreement to be proposed at the EGM. The text of the letter from the Independent Board Committee is set out on pages 10 and 11 of this circular, and the text of the letter from Octal Capital is set out on pages 12 to 26 of this circular.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

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

By order of the Board
Greenland Hong Kong Holdings Limited
Chen Jun
Chairman

GREENLAND HONG KONG HOLDINGS LIMITED
綠地香港控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 337)

30 November 2018

To the Independent Shareholders

Dear Sir or Madam,

**MAJOR AND CONNECTED TRANSACTION:
DISPOSAL OF 100% EQUITY INTEREST IN
NANCHANG SHENYANG**

We refer to the circular dated 30 November 2018 of the Company (“**Circular**”) of which this letter forms part. Terms defined in the Circular bear the same meanings herein unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to consider and to advise the Independent Shareholders whether the terms of the Agreement are fair and reasonable and whether the transaction contemplated thereunder are in the interests of the Company and the Shareholders as a whole, taking into account the recommendations of the independent financial adviser appointed to advise us.

Octal Capital has been appointed as the independent financial adviser to advise us and the Independent Shareholders in the above mentioned context. Your attention is drawn to the “Letter from the Board” and the “Letter from Octal Capital” in the Circular, which contain, inter alia, information about the Agreement and the advice from Octal Capital in respect of the transaction contemplated under the Agreement.

Having taking into account the reasons for and benefits of the transaction contemplated under the Agreement, the principal factors and reasons considered by Octal Capital in arriving at its opinion regarding such transactions as set out in the “Letter from Octal Capital” on pages 12 to 26 of the Circular, we consider that although the entry into the Agreement is not in the usual and ordinary course of business of the Company, the terms of the Agreement and the transaction contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend that the Independent Shareholders vote in favour of the ordinary resolution as set out in the notice of EGM to be held on 19 December 2018 and thereby approve the transactions contemplated under the Agreement.

Yours faithfully

For and on behalf of

Independent Board Committee

Cheong Ying Chew, Henry

Independent

Non-executive

Director

Fong Wo, Felix, JP

Independent

Non-executive

Director

Kwan Kai Cheong

Independent

Non-executive

Director

LETTER FROM OCTAL CAPITAL



Octal Capital Limited
801-805, 8th Floor, Nan Fung Tower
88 Connaught Road Central
Hong Kong

30 November 2018

To the Independent Board Committee and the Independent Shareholders

Dear Sirs/Madams,

MAJOR AND CONNECTED TRANSACTION: DISPOSAL OF 100% EQUITY INTEREST IN NANCHANG SHENYANG

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 Agreement in respect of the disposal of the 100% equity interest in Nanchang Shenyang to the Purchaser under the Specific Mandate, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company dated 30 November 2018 (the “**Circular**”), of which this letter forms a part. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as ascribed to them under the section headed “Definitions” in the Circular.

As set out in the Letter from the Board, on 13 November 2018, True Crown, a wholly owned subsidiary of the Company, entered into the Agreement to sell to the Purchaser the 100% of the equity interest in Nanchang Shenyang for a total consideration of approximately US\$283 million (approximately HK\$2,216 million).

As the highest applicable percentage ratio under the Listing Rules in respect of the Transaction is more than 25% but less than 75%, the Transaction constitutes a major transaction for the Company, and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of the Circular, Greenland Holdings indirectly holds approximately 59% of the issued ordinary share capital of the Company and is a connected person of the Company under the Listing Rules. Greenland Group holds approximately 100% of the equity interest in the Purchaser. Accordingly, the Purchaser is also a connected person of the Company under the Listing Rules. As the highest applicable percentage ratio for the Transaction exceeds 5%, the Transaction constitutes a connected transaction for the Company and is subject to the reporting, announcement and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM OCTAL CAPITAL

An independent board committee, comprising all the independent non-executive Directors, namely Mr. Cheong Ying Chew, Henry, Mr. Fong Wo, Felix, JP, and Mr. Kwan Kai Cheong, has been established to (i) advise the Independent Shareholders as to whether the terms of the Agreement are fair and reasonable and the transactions contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned, conducted on normal commercial terms or better and in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole; and (ii) give a recommendation to the Independent Shareholders in respect of the voting on the resolutions to be proposed at the EGM.

We, Octal Capital, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the Agreement in this regard. We are not connected with the directors, chief executive and substantial shareholders of the Company or any of their respective subsidiaries or their respective associates and do not have any shareholding, directly or indirectly, in any member of the Group or 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 and therefore is considered suitable to give independent advice to the Independent Shareholders. During the last two years, we were engaged as the independent financial adviser to the Company (the “**Previous Engagements**”) in respect of (i) the connected transactions in relation to appointment of connected persons as contractor for construction works in respect of the Group’s property development projects (details of which are set out in the circular of the Company dated 14 June 2017); (ii) the connected transactions in relation to appointment of connected persons as contractor for construction works in respect of the Group’s property development projects (details of which are set out in the circular of the Company dated 1 December 2017); (iii) the connected transaction in relation to issue of new shares under specific mandate (details of which are set out in the circular of the Company dated 14 February 2018); (iv) the continuing connected transaction in relation to entering into hotel management framework agreement (details of which are set out in the announcement of the Company dated 31 May 2018); and (v) the connected transactions in relation to appointment of connected persons as contractor for construction works in respect of the Group’s property development projects (details of which are set out in the circular of the Company dated 6 August 2018).

Under the Previous Engagements, we were required to express our opinion on and give recommendation to the independent committee of the Board comprising all the independent non-executive Directors and independent Shareholders in respect of the relevant transactions. Apart from normal professional fees payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Group or the directors, chief executive and substantial shareholders of the Company or any of its subsidiaries or their respective associates. Despite the Previous Engagements, we consider our independence in regard of our engagement to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Agreement (the “**Current Engagement**”) unaffected due to the facts that (i) under Previous Engagements, we were entitled to receive normal professional fees that are comparable to market rates and in line with general market practice; (ii) we have discharged our responsibilities with due care and skill and performed our duties with

LETTER FROM OCTAL CAPITAL

impartiality in respect of each of our engagements with the Company; and (iii) each of the engagement was handled independently as an individual task. Therefore, we consider ourselves eligible to act as the independent financial adviser to the Company under the requirements of the Listing Rules.

In formulating our opinion, we have relied on the accuracy of the information and representations contained in the Circular and have assumed that all information and representations made or referred to in the Circular as provided by the management of the Company (the “**Management**”) were true at the time they were made and continue to be true as at the date of the Circular. We have also relied on our discussion with the Management regarding the Agreement including the information and representations contained in the Circular. We have also assumed that all statements of belief, opinion and intention made by the Management respectively in the Circular were reasonably made after due enquiry. We consider that we have reviewed sufficient information to reach an informed view, to justify our reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our advice. We have no reason to suspect that any material facts have been omitted or withheld from the information contained or opinions expressed in the Circular nor to doubt the truth, accuracy and completeness of the information and representations provided to us by the Management. We have not, however, conducted any independent investigation into the business and affairs of the Group, the Purchaser and their respective associates, nor have we carried out any independent verification of the information supplied to us.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion regarding the terms of the Agreement, we have considered the following principal factors and reasons:

1. Information of the Group

1.1 Business of the Group

The Group is principally engaged in property development, property and hotel investment and property management. The Group’s strategy is to innovate, transform and upgrade its capital platform and industrial sector by materializing the overall strategy of Greenland Holdings and to promote the strategy of themed towns and increase industrial synergistic effect with a view to establish a comprehensive industry group with business presence in the PRC.

LETTER FROM OCTAL CAPITAL

1.2 *Financial performance of the Group*

As extracted from the Company's interim reports for the six months ended 30 June 2017 (the "2017 Interim Report") and 30 June 2018 (the "2018 Interim Report") and the annual reports for the year ended 31 December 2016 (the "2016 Annual Report") and 31 December 2017 (the "2017 Annual Report"), the following table summarizes the financial performance of the Group for the three years ended 31 December 2017 and the six months ended 30 June 2018 respectively:

	For the year ended 31 December			For the six months ended	
				30 June	
	2015	2016	2017	2017	2018
	(Audited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Revenue	5,687,953	16,919,188	14,618,872	4,754,481	5,301,961
Gross profit	1,040,565	2,827,992	3,591,301	993,761	1,247,968
Profit before tax	556,920	2,085,371	3,255,305	926,420	996,925
Profit for the year attributable to owners of the Company	220,240	1,112,543	1,319,308	227,077	331,821

For the year ended 31 December 2016

From the above table, we noted the Group recorded total revenue of approximately RMB16,919 million for FY2016, representing an increase of approximately 197.5% as compared to that for FY2015. The net profit attributable to owners of the Company was approximately RMB1,113 million for FY2016, representing an increase of approximately 405.2% as compared to that for FY2015. The basic earnings per Share from continuing operation of the Company was approximately RMB0.39 per Share for FY2016, representing an increase of approximately 387.5% as compared to that for FY2015. As set out in the 2016 Annual Report, such increases in revenue and net profit for the year ended 31 December 2015 was mainly due to the sharp increase in GFA sold and delivered during the year.

LETTER FROM OCTAL CAPITAL

For the year ended 31 December 2017

The Group recorded total revenue of approximately RMB14,619 million for the year ended 31 December 2017, representing a decrease of approximately 13.6% as compared to that for the year ended 31 December 2016. The net profit attributable to owners of the Company was approximately RMB1,319 million for the year ended 31 December 2017, representing an increase of approximately 18.6% as compared to that for the year ended 31 December 2016. The basic earnings per Share from continuing operation of the Company was approximately RMB0.46 per Share for the year ended 31 December 2017, representing an increase of approximately 17.9% as compared to that for the year ended 31 December 2016. As set out in the 2017 Annual Report, such decrease in revenue for the year ended 31 December 2017 was mainly due to decrease in revenue arising from sales of properties during the period. However, the Group still recorded the increase in net profit for the year ended 31 December 2017 which was mainly due to the improvement on the gross margin and the decrease in administrative expenses, offset by the decrease in the revenue arising from sales of properties.

For the six months ended 30 June 2018

The Group recorded total revenue of approximately RMB5,302 million for the six months ended 30 June 2018, representing an increase of approximately 11.5% as compared to that for the six months ended 30 June 2017. The net profit attributable to owners of the Company was approximately RMB331.8 million for the six months ended 30 June 2018, representing an increase of approximately 46.1% as compared to that for the six months ended 30 June 2017. The basic earnings per Share from continuing operation of the Company was approximately RMB0.11 per Share for the six months ended 30 June 2018, representing an increase of approximately 57.1% as compared to that for the six months ended 30 June 2017. As set out in the 2018 Interim Report, such increases in revenue and net profit for the six months ended 30 June 2018 was mainly increase in the revenue arising from the sales of properties during the year.

LETTER FROM OCTAL CAPITAL

1.3 Financial position of the Group

As extracted from the 2016 Annual Report, 2017 Annual Report, 2017 Interim Report and 2018 Interim Report, the table below summaries the consolidated financial position of the Group as at 31 December 2015, 2016, 2017 and 30 June 2018:

	As at 31 December			As at 30 June
	2015 (Audited) (RMB'000)	2016 (Audited) (RMB'000)	2017 (Audited) (RMB'000)	2018 (Unaudited) (RMB'000)
Assets				
Non-current Assets				
Property, plant and equipment	1,546,906	1,282,241	1,228,459	1,198,322
Intangible assets	1,386	1,341	1,296	1,274
Prepaid lease payment	-	-	-	67,988
Land use rights	74,738	24,608	24,042	-
Equity instruments at fair value	-	-	-	182,000
Other financial assets	174,567	174,567	174,567	-
Investment properties	7,246,000	8,216,000	9,082,000	10,190,000
Properties under development	15,587,580	15,082,454	14,976,268	14,049,813
Interests in associates	-	-	6,084	197,493
Interests in joint ventures	296,187	541,203	686,413	704,653
Deferred tax assets	269,727	210,427	817,628	1,029,988
Total non-current assets	<u>25,197,091</u>	<u>25,532,841</u>	<u>26,996,757</u>	<u>27,621,531</u>
Current Assets				
Properties under development	8,716,805	3,928,278	8,945,329	16,477,318
Completed properties held for sale	4,885,603	9,707,441	11,669,969	8,910,376
Trade, other receivables and advance deposits	4,917,358	7,809,166	12,568,170	26,025,708
Tax recoverable	297,292	466,079	712,849	1,018,632
Other financial assets	143,000	866,059	-	-
Contract costs	-	-	-	58,471
Restricted bank deposits	621,618	1,436,984	2,401,495	4,476,209
Bank balance and cash	5,207,187	4,358,259	5,455,227	2,577,216
Total current assets	<u>24,788,863</u>	<u>28,572,266</u>	<u>41,753,039</u>	<u>59,543,930</u>
Total assets	<u>49,985,954</u>	<u>54,105,107</u>	<u>68,749,796</u>	<u>87,165,461</u>

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	As at 31 December			As at
	2015	2016	2017	30 June
	(Audited)	(Audited)	(Audited)	(Unaudited)
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Liabilities				
Non-current liabilities				
Interest-bearing loans	6,577,283	5,770,601	9,081,312	9,864,677
Long-term payable	26,494	-	-	-
Bonds	4,714,521	4,581,996	2,919,171	2,962,609
Deferred liabilities	875,234	899,639	957,999	1,705,775
Total non-current liabilities	12,193,532	11,252,236	12,958,482	14,533,061
Current liabilities				
Interest-bearing loans	3,265,938	3,713,620	1,480,500	3,068,741
Contract liabilities	-	-	-	27,101,342
Other financial liabilities	-	329,543	98,178	-
Trade and other payables	12,188,018	14,277,517	16,948,717	24,973,782
Pre-sale deposits	9,283,538	10,120,297	19,782,530	-
Tax payable	831,413	1,231,422	1,787,012	1,244,830
Bonds within one year	4,529,407	3,456,778	4,109,487	3,965,587
Total current liabilities	<u>30,104,314</u>	<u>33,129,177</u>	<u>44,206,424</u>	<u>60,354,282</u>
Total liabilities	<u>42,297,846</u>	<u>44,381,413</u>	<u>57,164,906</u>	<u>74,887,343</u>
Net assets attributable to owners of the Company	<u>6,929,432</u>	<u>8,829,798</u>	<u>9,859,129</u>	<u>9,785,666</u>

The total assets of the Group amounted to approximately RMB49,986 million, RMB54,105 million, RMB68,750 million and RMB87,165 million as at 31 December 2015, 2016, 2017 and 30 June 2018 respectively. As at 30 June 2018, the total assets of the Group primarily comprised properties under development, trade, other receivables and advance deposits and Investment properties, which respectively accounted for approximately 35.0%, 29.9% and 11.7% of the total assets of the Group as at 30 June 2018.

The total liabilities of the Group amounted to approximately RMB42,298 million, RMB44,381 million, RMB57,165 million and RMB74,887 million as at 31 December 2015, 2016, 2017 and 30 June 2018 respectively. As at 30 June 2018, the total liabilities of the Group primarily contract liabilities, trade and other payables, and interest bearing loans which respectively accounted for approximately 36.2%, 33.3% and 17.3% of the total liabilities of the Group as at 30 June 2018.

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The net assets attributable to the owners of the Company were approximately RMB9,786 million as at 30 June 2018. The gearing ratio of the Group (measured as total interest-bearing liabilities divided by total assets) was approximately 38.2%, 32.4%, 25.6% and 22.8% as at 31 December 2015, 2016, 2017 and 30 June 2018 respectively.

2. Information of the Purchaser

The Purchaser is principally engaged in real estate development.

3. Information of Nanchang Shenyang

Nanchang Shenyang was established in the PRC with limited liability in 2015. As at the Latest Practicable Date, Nanchang Shenyang has a total registered share capital of RMB1,553 million, which is wholly-owned by True Crown, an indirect wholly-owned subsidiary of the Company.

As set out in the Letter from the Board, Nanchang Shenyang is principally engaged in property development project in respect of the Properties and the major asset held by Nanchang Shenyang is inventory which mainly comprises the Properties located at the intersection of the old town of Xihu District and the new town area in Chaoyang District, Nanchang, the PRC. The relevant land use right for residential use and commercial use are 70 years and 40 years respectively. The site area and the total planned GFA (excluding car parking space) of the Properties are approximately 110,189 sq.m. and 651,626 sq.m. respectively. The Properties, a mixed development of residential, commercial and office, has two phases of the development, namely Phase I (the “Phase I”) and Phase II (the “Phase II”), with saleable GFA of approximately 330,564 sq. m. and 144,065 sq.m. respectively. For the Phase I, the construction has commenced since September of 2016. As at 30 September 2018, approximately 327,934 sq. m. GFA has been pre-sold, accounting for approximately 99% of the total saleable GFA. The completion and delivery of all units of the Phase I is expected to take place not earlier than late 2019. For the Phase II, the construction has commenced since December of 2017. As at 30 September 2018, approximately 122,286 sq. m. GFA has been pre-sold, accounting for approximately 85% of the total saleable GFA. The completion and delivery of all units of the Phase II is expected to take place not earlier than late 2021.

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According to the audited report of Nanchang Shenyang for the year ended 31 December 2017 and nine months ended 30 September 2018, we set out below certain financial information of Nanchang Shenyang during the period:

	For the year ended 31 December 2017 (audited) RMB'000	For the nine months ended 30 September 2018 (audited) RMB'000
Revenue	2,953	–
Net loss before tax	(31,120)	(38,261)
Net loss after tax	(23,353)	(38,261)
	As at 31 December 2017 (audited) RMB'000	As at 30 September 2018 (audited) RMB'000
Total assets	7,194,534	7,032,920
Total liabilities	5,669,530	5,546,176
Net assets	1,525,005	1,486,744

The revenue of Nanchang Shenyang for the year ended 31 December 2017 and nine months ended 30 September 2018 were approximately RMB3.0 million and nil respectively. The net loss after taxation of Nanchang Shenyang for the year ended 31 December 2017 and nine months ended 30 September 2018 were approximately RMB31.1 million and RMB38.3 million respectively. As at 30 September 2018, Nanchang Shenyang had audited net assets of approximately RMB1,486.7 million, of which approximately RMB2,317.1 million was the inventory and approximately RMB4,087.9 million was the other receivables.

4. Reasons for entering into the Transaction

The Group is principally engaged in property development, property and hotel investment and property management. The Group's strategy is to innovate, transform and upgrade its capital platform and industrial sector by materializing the overall strategy of Greenland Holdings and to promote the strategy of themed towns and increase industrial synergistic effect with a view to establish a comprehensive industry group with business presence in the PRC.

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The Directors consider that the Transaction will enhance the Company's cashflow position, and provide additional capital resources for the Company to capture other investment opportunities. With reference to the 2018 Interim Report, the Group will consistently focus on its real estate business, further explore and preserve high-quality land parcels, expand the high-end residential market, penetrate into the core cities in Pan-Yangtze River Delta and Pan-Pearl River Delta, stabilize its national presence, and address the multi-level consumers' demands in the real estate market. We understand that the Group has entered into several acquisitions to increase its land bank in core urban areas during the first half of 2018. These potential property development projects mainly include residential, commercial, office and hotel developments which require significant capital commitment of the Group. As such, the Transaction will allow the Group to unlock the value of its investment in Nanchang Shenyang, provide the Group with greater financial flexibility and increase the readily available cash on hand to capture any investment opportunities in the future and maintain sufficient of working capital for daily operation.

In addition, as mentioned in the section headed "Information of Nanchang Shenyang" of this letter, the completion and delivery of the all units of the Phase I and the Phase II are expected to take place not earlier than late 2019 and late 2021 respectively. If the Transaction cannot be materialized, the Group will therefore require devoting manpower and resources to Nanchang Shenyang for the marketing and administrative activities of the Properties. Therefore, the Transaction allows the Group to develop new business opportunities by deploying its manpower and effort more effectively.

During our discussion with the Management, we understand that the Group's business is exposed to macroeconomic factors, in particular the PRC economy and the PRC real estate market. During the past few years, the PRC economy has achieved significant growth. According to the National Bureau of Statistics of China, the nominal GDP increased from RMB54,037 billion in 2012 to RMB82,712 billion in 2017, representing a CAGR of approximately 8.9%. During the period, the fixed asset investment increased at a CAGR of 11.3% from RMB37,469 billion to RMB64,124 billion, demonstrating a significant growth in the investment in fixed assets in the PRC. In line with rapid economic development and growth of fixed asset investment, total real estate investment in the PRC also demonstrated fast and steady growth during the recent years. The real estate investment increased from RMB7,180 billion in 2012 to RMB10,980 billion in 2017, representing a CAGR of 8.9%. However, in order to avoid over-heating of the real estate market, the PRC government has promulgated various tightening measures to stabilize housing prices in recent years, including raising the minimum percentage of down payment of the purchase price, setting the minimum interest rate for personal mortgage loans, adopting lots drawing policy for the sales of residential properties, setting a credit cap for housing provident fund loans and restricting purchasers from acquiring second and more residential property. These regulatory measures and policies would have negative impact to the real estate market, which may continue to depress the real estate market, dissuade potential purchasers from making purchases, reduce transaction volume and selling prices of real estate properties.

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Moreover, with the intensification and escalation of the trade war, the PRC economy faced certain pressures and uncertainties, which in turn may dampen market sentiment of the PRC real estate market. Furthermore, the PRC has announced the GDP year-on-year growth for the third quarter of 2018 of 6.5%, representing the lowest growth rate since the first quarter of 2009 during the global financial crisis. Having considered the uncertainty brought by the factors mentioned above, we are of the view that the Transaction allows the Group to realise its investment in the Nanchang Shenyang at the current uncertain macro-economic environment and real estate market in the PRC and to allow the Group to enhance its financial resources for any future business opportunities.

Based on the Consideration of approximately USD283 million (equivalent to approximately HK\$2,216 million) and the consolidated net asset value of Nanchang Shenyang as at 30 September 2018 of approximately RMB1,487 million, the Group is expected to record an estimated net gain from the Transaction of approximately RMB442 million (equivalent to approximately HK\$497 million). After deducting the relevant transaction costs including professional fees, the net proceeds to the Company from the Transaction is estimated to be approximately USD283 million (equivalent to approximately HK\$2,216 million) which the Group intends to apply towards the working capital of the Group.

Having considered the above and in particular that the Transaction (i) provides the Group with the greater financial flexibility for the Group to capture future investment opportunities; (ii) enables the Group to deploy its manpower and effort more effectively; and (iii) allows the Group to realise the investment in Nanchang Shenyang at the current uncertain property market condition, we are of the view that even though the entering into of the Agreement is not in the ordinary and usual course of the business of the Group, the Transaction is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole.

5. Principal terms of the Agreement

Date	:	13 November 2018
Parties	:	(i) True Crown as the seller (ii) the Purchaser as the purchaser
Consideration	:	The total Consideration is approximately US\$283 million (approximately HK\$2,216 million)

The Consideration was arrived at after arm's length negotiation between the parties and was determined with reference to the financial position and business prospects of Nanchang Shenyang, and the valuation report prepared by the DP International Appraisal Limited (the "Valuer") as at 30 September 2018 in respect of the consolidated net asset value of Nanchang Shenyang (the "Business Valuation Report"). According to the Business Valuation Report, the appraised consolidated

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net asset value of Nanchang Shenyang as at 30 September 2018 was approximately RMB1,947 million (approximately HK\$2,188 million) as set out in the Business Valuation Report using the asset-based approach.

In compliance with the requirements of Rule 13.80 of the Listing Rules, we have reviewed and enquired the qualification and experience of the Valuer. Based on our review on the relevant working experience supporting documents, including a list of valuation projects which the Valuer has participated, we noted that the majority of those valuation projects were in relation to PRC properties being similar to the Properties and the nature of the PRC properties was similar to that of the Properties. Meanwhile, we understand from our enquiry with the Valuer that it is a third party independent of the Company and/or the Purchaser and the Greenland Group. We have also reviewed the scope of services provided under the engagement of the Valuer by the Company and we noted that the scope of work is appropriate to the opinion given and there were no limitations on the scope of work. Thus, we consider that the Valuer is qualified and possesses sufficient relevant experience in performing the valuation of the Nanchang Shenyang.

We have reviewed the Business Valuation Report prepared by the Valuer and we have also discussed with the Valuer regarding the methodology and principal basis and assumptions adopted for the valuation of Nanchang Shenyang. We understand that the assumptions adopted by the Valuer are (a) no material change of relevant current laws, regulations, policies and macroeconomics situation in the PRC; (b) no material change in the political, economic and social environment and natural environment in the region where Nanchang Shenyang located; (c) no material change in interest rates, exchange rates, tax bases and tax rates, and policy fees and the relevant price levels or standards at the base date are used in the valuation; (d) the industry and market in which Nanchang Shenyang is located maintains the current trend and will not undergo significant changes; (e) except as otherwise stated, described and considered in the Business Valuation Report, Nanchang Shenyang fully complies with all relevant laws and regulations; (f) no material change on the management team and employees of Nanchang Shenyang; (g) sales contract and service contract of Nanchang Shenyang will be executed normally in the future; and (h) no other majeure factors and unforeseen factors having a significant adverse impact on Nanchang Shenyang. Based on our discussion with the Valuer and our review on relevant documents including legal opinion of the Properties, construction approval letters and pre-sale certificate issued by government departments and corporate documents of Nanchang Shenyang, we are of the view that the assumptions are fair and reasonable.

Moreover, we understand that the Valuer has considered three generally accepted valuation approaches, namely the market approach, income approach and asset-based approach, in arriving at the valuation of Nanchang Shenyang. We further understand from the Valuer that the adoption of market approach may not be appropriate because Nanchang Shenyang is not a publicly listed company and the transactions of companies with comparable characteristics are limited. On the other hand, we understand from the Valuer that the adoption of income approach, which refers to the evaluation approach for determining the value of the appraisal

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object by capitalizing or discounting the expected income. However, Nanchang Shenyang does not own investment properties generating future stream of sustainable revenue and there are uncertainties as to whether Nanchang Shenyang can continue to acquire new land parcels for its property development business in future. Therefore, the Valuer considers that the adoption of income approach may not be appropriate. According to the Business Valuation Report, we understand that the asset-based approach represents an asset-based method of determining the value of the assessed assets by considering the fair value of Nanchang Shenyang by deducting the fair value of liabilities from the fair value of various assets. Considering that the core business of Nanchang Shenyang is the development of the Properties while its assets and liabilities, mainly including property, plant and equipment, inventory, cash and cash equivalents, deferred tax assets, receivables and payables are clearly identifiable, the Valuer can value each of the assets and liabilities in the balance sheet of Nanchang Shenyang as at the valuation date by appropriate valuation methodologies under the adoption of asset-based approach. Therefore, we are of the view that the asset-based approach is the most appropriate valuation methodology to determine the valuation of Nanchang Shenyang. With reference to the Business Valuation Report and our discussion with the Valuer, we understand that the Valuer has adopted different valuation methodologies in assessing the fair value for each of the assets and liabilities of Nanchang Shenyang under the asset-based approach. For the property, plant and equipment, as they mainly include computers and office equipment which are currently in use for Nanchang Shenyang's normal operation, the Valuer considered that it is appropriate to adopt cost approach in assessing their fair value. For the inventory, as it mainly includes the Properties which will be developed and completed in accordance with the latest development plan while the selling price and development costs are identifiable, the Valuer considered it is appropriate to adopt residual approach in assessing the fair value of the inventory. For the other assets and liabilities, mainly including cash and cash equivalent, other receivables, deferred tax assets, accounts payable, advanced payment and borrowings, the Valuer has taken into consideration their existence, ownership and recoverability and hence adopted their book value in the audited accounts as the valuation date. Based on above, as the Valuer has considered different nature of the assets and liabilities of Nanchang Shenyang and adopted appropriate valuation methodologies and assumptions in assessing their fair values under the asset-based approach, we are of the view that the adoption of asset-based approach to determine the valuation of Nanchang Shenyang, and the adoption of different valuation methodologies and assumptions for the valuation of assets and liabilities of Nanchang Shenyang are reasonable. Upon our review, we noted that in the valuations on above items, the appraised value of Nanchang Shenyang is higher than its net book value as at the valuation date. In this regard, we understand that the higher appraised valuation was primarily due to the appreciation of the inventory as a result of the ongoing development of the Properties.

Based on our review and analysis of the Business Valuation Report, having considered that the competence of the Valuer and the reasonableness of valuation approaches, basis and assumptions being adopted, we are of the view that the Consideration is fair and reasonable.

6. Financial effects of the Transaction

Upon Completion, Nanchang Shenyang will cease to be a subsidiary of the Group and its profits and losses, and assets and liabilities, will no longer be consolidated into the Group's consolidated financial statements. The financial effects of the Transaction set out below are purely for illustrative purposes only and do not reflect the future financial position of the Company or the Group after the Completion.

(i) Net asset value

According to the 2018 Interim Report, the net asset value and net asset value per Share of the Company as at 30 June 2018 amounted to approximately RMB12,278 million (equivalent to approximately HK\$13,796 million) and HK\$4.9 (based on 2,793,676,683 Shares in issue as at 30 June 2018). Upon Completion, the net asset value and net asset value per Share of the Company will increase.

(ii) Gearing

As set out in the 2018 Interim Report, the gearing ratio of the Group (measured as total interest-bearing liabilities divided by total assets) was approximately 22.8% as at 30 June 2018. Upon Completion, the equity of the Company will increase by the proceeds from the Transaction while the debt will keep unchanged. Therefore, the gearing ratio will be improved.

(iii) Cashflow

As set out in the 2018 Interim Report, the bank balances (general accounts) and cash of the Group as at 30 June 2018 amounted to RMB2,577 million. Given that the net proceeds from the Transaction will be satisfied in full by way of cash upon Completion, it is expected there will be a positive impact on the cashflow of the Group arising from the Transaction and the bank balances (general accounts) and cash would increase.

(iv) Liquidity

The current ratio of the Group was approximately 1.0 times as at 30 June 2018. In view that the Transaction will be settled in cash and the property interests of the Properties were recorded as non-current assets, it is expected that the current ratio of the Group will be improved upon Completion.

1. FINANCIAL INFORMATION OF THE GROUP

Management discussion and analysis and financial information of the Group for each of the three years ended 31 December 2015, 2016 and 2017, and the six months ended 30 June 2018 are disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.greenlandhk.com) respectively:

- the annual report 2015 of the Company for the year ended 31 December 2015 dated 21 March 2016 (pages 34 to 45 and 85 to 224) (<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0428/LTN20160428367.pdf>);
- the annual report 2016 of the Company for the year ended 31 December 2016 dated 27 March 2017 (pages 35 to 52 and 113 to 268) (<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0427/LTN201704271336.pdf>);
- the annual report 2017 of the Company for the year ended 31 December 2017 dated 28 March 2018 (pages 43 to 58 and 132 to 284) (<http://www.hkexnews.hk/listedco/listconews/SEHK/2018/0419/LTN201804191249.pdf>); and
- the interim report 2018 of the Company for the six months ended 30 June 2018 dated 27 September 2018 (pages 8 to 19 and 30 to 92) (<http://www.hkexnews.hk/listedco/listconews/sehk/2018/0927/LTN20180927647.pdf>).

2. INDEBTEDNESS

Borrowings

As at the close of business on 30 September 2018, being the latest practicable date for the purpose of preparing this statement of indebtedness, the Group had outstanding Renminbi borrowings of RMB10,118,570,000, United States dollars borrowings of USD262,971,000 (equivalent to a total amount of approximately RMB1,809 million using exchange rate of USD1 to RMB6.8792 for translation of United States dollars borrowings), Hong Kong dollars borrowings of HKD620,000,000 (equivalent to a total amount of approximately RMB546 million using exchange rate of HKD1 to RMB0.8800 for translation of Hong Kong dollars borrowings), United States dollars bonds of USD647,777,000 (equivalent to a total amount of approximately RMB4,456 million using exchange rate of USD1 to RMB6.8792 for translation of United States dollars bonds), which comprise the following:

	As at 30 September 2018 RMB'000
Current interest-bearing loans	
Current portion of non-current secured bank loans	3,086,525
Current portion of non-current unsecured bank loans	776,996
	<hr/>
	3,863,521

	As at 30 September 2018 <i>RMB'000</i>
Non-current interest-bearing loans	
Secured bank loans	10,118,570
Unsecured bank loans	2,354,601
Less: current portion of non-current secured bank loans	(3,086,525)
current portion of non-current unsecured bank loans	(776,996)
	<u>8,609,650</u>
2019 Notes	3,083,682
2019 Bond	<u>1,372,508</u>
	<u><u>16,929,361</u></u>

As at the close of business on 30 September 2018, the Group's secured bank loans amounted to approximately RMB10,119 million were secured by the Group's properties, land use rights, pledged time deposits and charges over equity interests of certain subsidiaries.

The Group's total interest bearing loans and bonds as at 30 September 2018 were repayable as follows:

	As at 30 September 2018 <i>RMB'000</i>
Within 1 year or on demand	8,319,711
Over 1 year but less than 2 years	6,804,650
Over 2 years but less than 5 years	1,597,000
Over 5 years	<u>208,000</u>
	<u><u>16,929,361</u></u>

Contingent liabilities

As at the close of business on 30 September 2018, the outstanding guarantees amounted to approximately RMB13.91 billion.

Disclaimer

Save as aforesaid and apart from intra-group liabilities and normal trade payable, as at the close of business on 30 September 2018, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans, debt securities, guaranteed or unguaranteed indebtedness or other similar indebtedness, liabilities under acceptance (other than normal trade bills and payables) or acceptance credits, debentures, mortgages, charges, hire purchase or other finance lease commitments, guarantees or other material contingent liabilities.

The Directors have confirmed that there has been no material change in the indebtedness and contingent liabilities of the Group since 30 September 2018.

3. WORKING CAPITAL

After taking into account of the Group's internal resources, cash flow from operations, the present banking facilities available and also the effect of the Transaction, the Directors are of the opinion that the Group has sufficient working capital to satisfy its present requirements for at least twelve months from the date of this circular in the absence of unforeseen circumstances.

4. PROPERTY INTERESTS AND PROPERTY VALUATION

D&P China (HK) Limited, an independent property valuer, has valued the property interest of Target Company as of 30 September 2018. Texts of its letter, summary of valuation and valuation certificate issued by D&P China (HK) Limited are included in Appendix II to this circular.

The table below sets out the reconciliation of the net book value of the Target Company's property interest as of 30 June 2018 with the valuation of such interests as of 30 September 2018 as stated in Appendix II to this circular.

	<i>(RMB in thousands)</i>
Net book value as of 30 June 2018	2,248,811
Add: Cost addition	68,284
	<hr/>
Net book value as of 30 September 2018	2,317,095
Add: Estimated costs to be incurred (unaudited)	2,363,095
Add: Estimated income tax (unaudited)	275,579
Add: Estimated developer's profit and cost of capital (unaudited)	367,423
Add: Estimated cost of disposal and taxes accrued (unaudited)	741,723
Valuation surplus as of 30 September 2018 (<i>Note a</i>)	519,905
	<hr/>
Valuation as if completed as of 30 September 2018 as per Appendix II to this circular	6,585,600
Less: Estimated completion status	(1,842,900)
	<hr/>
Valuation as of 30 September 2018 as per Appendix II to this Circular	4,742,700
	<hr/> <hr/>

Note a: slightly variance due to rounding issue.



Protect, Restore and Maximize Value

30 November 2018

Greenland Hong Kong Holdings Limited

No. 193 Xiehe Road,
Changning District, Shanghai,
The People's of Republic of China

Dear Sirs,

In accordance with the instruction of Greenland Hong Kong Holdings Limited (the "Company") to provide our opinion of the market value of a composite development in the People's Republic of China (the "PRC") (or hereafter referred as the "Property" or the "property interests") held by Nanchang Shenyang Property Co., Ltd. ("Target Company"). We confirm that we have carried out inspection of the Property, made relevant enquiries and obtained such further information as we consider necessary for providing the market value of such property interest as of 30 September 2018 (referred to as the "Valuation Date").

This letter which forms part of our valuation report explains the basis and methodology of valuation, and clarifies our assumptions made, title investigation of property and the limiting conditions.

No third party shall have the right of reliance on this valuation report and neither receipt nor possession of this valuation report by any third party shall create any express or implied third-party beneficiary rights.

BASIS OF VALUATION

Our valuation is our opinion of the *Market Value* which is defined in accordance with the HKIS Valuation Standards of the Hong Kong Institute of Surveyors 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".

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

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This estimate specifically excludes an estimated price inflated or deflated by special considerations or concessions granted by anyone associated with the sale, or any element of special value.

VALUATION METHODOLOGY

The Property are currently under development, we have assumed that it will be developed and completed in accordance with the development plan provided to us. In the course of our valuation, we have adopted the direct comparison method where comparison based on prices realized on actual sales or market price information of comparable properties is made. Comparable properties of similar size, character and location are analyzed and carefully weighed against all the respective advantages and disadvantages of each property interest in order to arrive at a Market Value. We have also taken into account the accrued construction costs relevant to the stage of construction as of the Valuation Date and the remainder of the costs expected to be incurred to complete the development provided by the Target Company to reflect the quality of the completed development.

TITLE INVESTIGATION

We have been provided with copies of documents in relation to the title of the property interests. However, due to the current registration system of the PRC, no investigation has been made for the legal title or any liabilities attached to the Property. We have also not scrutinized the original documents to verify ownership or to verify any amendments which may not appear on the copies handed to us.

We have relied to a considerable extent on the information provided by the Company and the PRC legal opinion provided by the PRC legal adviser, Yuzhang Law Firm, on the PRC Law regarding the Property located in the PRC.

All legal documents disclosed in this letter and valuation certificate are for reference only and no responsibility is assumed for any legal matters concerning the legal title to the property interests set out in this letter and valuation certificate.

ASSUMPTIONS

Our valuations have been made on the assumption that the owner sells the property interests on the market in its existing state without the benefit of deferred terms contracts, leaseback, joint ventures, management agreements or any similar arrangement which would serve to affect the value of the property interests.

No allowance has been in our valuations for any charges, mortgages or amounts owing on the Property valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, all the property interests are free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

We have assumed that the owner of the property interests have free and uninterrupted rights to use, lease or mortgage the property interests. We have also assumed that the property interests are freely disposable and transferable.

We have valued the property interests on the assumption that it is developed in accordance with the development proposals or building plans given to us. We have assumed that all consents, approvals and licences from relevant government authorities for the buildings and structures erected or to be erected thereon have been granted. Also, we have assumed that unless otherwise stated, all buildings and structures erected on the land parcels are held by the owner or permitted to be occupied by the owner.

It is assumed that all applicable zoning, land use regulations and other restrictions have been complied with unless a non-conformity has been stated, defined and considered in the valuation certificate. Further, it is assumed that the utilization of the land and improvements is within the boundaries of the property interests described and that no encroachment or trespass exists unless noted in the valuation certificate.

Other special assumptions of the Property, if any, have been stated in the footnotes of the valuation certificate.

LIMITING CONDITIONS

We have relied to a considerable extent on the information provided by the Target Company and have accepted advice given to us by the Target Company on such matters as statutory notices, easements, tenure, occupancy, site areas and floor areas and all other relevant matters. Dimensions and areas included in the valuation certificate are based on information contained in the documents provided to us and are only approximations.

Having examined all relevant documentation, we have had no reason to doubt the truth and accuracy of the information provided to us. We have assumed that no material factors have been omitted from the information to reach an informed view, and have no reason to suspect that any material information has been withheld.

We have not carried out detailed site measurements to verify the land areas or building areas in respect of the property but have assumed that the areas provided to us are correct. All dimensions and areas are approximations only.

Our Mr. Calvin Chan and Ms. Valerie Li have inspected the Property on 28 May 2018. No structural survey has been made and we are therefore unable to report as to whether the Property is or is not free of rot, infestation or any other structural defects. No tests were carried out on any of the services.

No site investigations have been carried out to determine the suitability of the ground conditions or the services for the sites.

No environmental impact study has been ordered or made. Full compliance with applicable national, provincial and local environmental regulations and laws is assumed unless otherwise stated, defined, and considered in the report. It is also assumed that all required licenses, consents, or other legislative, or administrative authority from any local, provincial, or national government or private entity or organization either have been or can be obtained or renewed for any use which the report covers.

REMARKS

In valuing the property interests, we have complied with all the requirements contained in Paragraph 34(2) and (3) of Schedule 3 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32), Chapter 5 and Practice Note 12 to the Listing Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and The HKIS Valuation Standards (2017 Edition) published by the Hong Kong Institute of Surveyors.

We hereby certify that we have neither present nor prospective interest in the Property or the value reported. This valuation report is issued subject to our Assumptions and Limiting Conditions.

Unless otherwise stated, all monetary amount stated in this report is in Renminbi (RMB).

Yours faithfully,
For and on behalf of
D&P China (HK) Limited

Calvin K.C. Chan
CFA, MRICS, MHKIS, MCIREA, RPS (GP)
Director

Notes: Mr. Calvin K. C. Chan, who is a Chartered Surveyor and Registered Professional Surveyor, has over 20 years' experience in valuation of properties in Hong Kong and the People's Republic of China. Mr. Chan has been admitted to the Hong Kong Institute of Surveyors' approved List of Property Valuers to undertake valuation for incorporation or reference in Listing Particulars and Circulars and valuation in connection with that takeovers and mergers.

Ms. Valerie Li, who is a Chinese Registered Real Estate Appraiser has over 15 years' experience in valuation of properties in the PRC.

SUMMARY OF VALUE

Property	Market Value in existing state as of 30 September 2018 (RMB)
A Composite Development known as “Greenland Chaoyang Center”, located at No.1979 Yanjiang Avenue South, Xihu District Nanchang City, Jiangxi Province, The PRC 中國江西省南昌市西湖區沿江南大道1979號「綠地朝陽中心」	4,742,700,000
Total:	<u>4,742,700,000</u>

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as of 30 September 2018																																																
A Composite Development known as "Greenland Chaoyang Center", located at No.1979 Yanjiang Avenue South, Xihu District Nanchang City, Jiangxi Province, The PRC 中國江西省南昌市西湖區沿江南大道1979號「綠地朝陽中心」	The subject property is a composite development known as "Greenland Chaoyang Center" erected on four land parcels (Land Nos. #1 - #4) with a total site area of 110,189 square metres. The Property is divided into two phases (Phase I on Land Nos. #1 and #2) and Phase II on Land Nos. #3 and #4). As advised, the status of construction works of the development is tabulated below:	The Property was under different stages of construction works as of the valuation date.	RMB4,742,700,000																																																
	<table border="1"> <thead> <tr> <th>Building Categories</th> <th>Completion Date</th> </tr> </thead> <tbody> <tr> <td colspan="2">Phase I – (Land Nos. #1 and #2)</td> </tr> <tr> <td>Normal Residential</td> <td>31 December 2018</td> </tr> <tr> <td>Riverview Luxury Apartment</td> <td>31 December 2018</td> </tr> <tr> <td>Decorated Residential</td> <td>31 December 2019</td> </tr> <tr> <td>Retail (Level 1-2)</td> <td>31 December 2018</td> </tr> <tr> <td>Car Parking Spaces</td> <td>31 December 2018</td> </tr> <tr> <td>Kindergarten</td> <td>31 December 2019</td> </tr> <tr> <td colspan="2">Phase II – (Land Nos. #3 and #4)</td> </tr> <tr> <td>Apartment</td> <td>30 September 2020</td> </tr> <tr> <td>Retail (Level 1-6)</td> <td>30 September 2020</td> </tr> <tr> <td>Car Parking Spaces</td> <td>30 September 2020</td> </tr> <tr> <td>48-storey Office</td> <td>31 August 2021</td> </tr> </tbody> </table> <p>Upon completion, the total gross floor area ("GFA") of the Property is about 651,626 square metres (including basement), the salient details are tabulated below:</p> <table border="1"> <thead> <tr> <th>Building Categories</th> <th>GFA (sq.m.)</th> </tr> </thead> <tbody> <tr> <td colspan="2">Phase I – (Land Nos. #1 and #2)</td> </tr> <tr> <td>Normal Residential</td> <td>160,844</td> </tr> <tr> <td>Riverview Luxury Apartment</td> <td>58,948</td> </tr> <tr> <td>Decorated Residential</td> <td>76,922</td> </tr> <tr> <td>Retail (Level 1-2)</td> <td>32,623</td> </tr> <tr> <td>Car Parking Spaces (2,581 lots)</td> <td>87,301</td> </tr> <tr> <td>Kindergarten</td> <td>3,200</td> </tr> <tr> <td>Management Office</td> <td>611</td> </tr> <tr> <td>Public Utilities Area</td> <td>12,971</td> </tr> <tr> <td>Sub-total</td> <td>433,420</td> </tr> </tbody> </table>	Building Categories	Completion Date	Phase I – (Land Nos. #1 and #2)		Normal Residential	31 December 2018	Riverview Luxury Apartment	31 December 2018	Decorated Residential	31 December 2019	Retail (Level 1-2)	31 December 2018	Car Parking Spaces	31 December 2018	Kindergarten	31 December 2019	Phase II – (Land Nos. #3 and #4)		Apartment	30 September 2020	Retail (Level 1-6)	30 September 2020	Car Parking Spaces	30 September 2020	48-storey Office	31 August 2021	Building Categories	GFA (sq.m.)	Phase I – (Land Nos. #1 and #2)		Normal Residential	160,844	Riverview Luxury Apartment	58,948	Decorated Residential	76,922	Retail (Level 1-2)	32,623	Car Parking Spaces (2,581 lots)	87,301	Kindergarten	3,200	Management Office	611	Public Utilities Area	12,971	Sub-total	433,420		
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Property	Description and tenure	Particulars of occupancy	Market Value in existing state as of 30 September 2018
	Building Categories	GFA (sq.m.)	
	Phase II – (Land Nos. #3 and #4)		
	Apartment	41,875	
	Retail (Level 1-6)	24,318	
	Car Parking Spaces (1,190 lots)	54,258	
	48-storey Office	82,660	
	12-storey Office	9,959	
	Management Office	327	
	Public Utilities Area	4,809	
	Sub-total	218,206	
	Grand-total	651,626	

As advised, residential portions, office and retail portions of both Phases I and II of the Greenland Chaoyang Center with a gross floor area of 450,220 sq.m. (excluding car parking spaces) have been sold to individual third parties by various contracts. The remaining total gross floor area of about 22,462 sq.m. of the Property were held by the Target Company for sale. Regarding the car parking spaces, 1,489 units have been sold to various individual third parties, while the remaining 2,282 units were held by the Target Company for sale.

The 12-storey office building will be hand over to the Nanchang City No.3 Grain Warehouse upon completion.

The land use rights of the Property have been granted for terms expiring on 6 December 2055 for commercial and business uses and 6 December 2085 for residential use.

Notes:

- Pursuant to a State-owned Land Use Rights Contract (國有建設用地使用權出讓合同) (the "Contract"), No. 362015011300013, entered into between Nanchang City Land Administrative Bureau (南昌市國土資源局) and True Crown Holdings Limited (尚毅控股有限公司) dated 7 December 2015, the land use rights of the Property with a site area of 110,189 sq.m. have been granted to True Crown Holdings Limited for terms of 40 years for commercial and business and 70 years for residential uses at a consideration of RMB1,520,603,600.
- Pursuant to the State-owned Land Use Rights Contract mentioned in Note 1 above, True Crown Holdings Limited was required to build an office building, with a total gross floor of about 12,000 sq.m. including about 9,000 sq.m. office spaces and about 3,000 sq.m. commercial spaces, for Nanchang City No.3 Grain Warehouse (南昌市第三糧庫) under Nanchang City State Administration of Grain (南昌市糧食局) with no compensation. In the course of our valuation, we have not considered the value of abovementioned office building.

3. Pursuant to an amended State-owned Land Use Rights Contract, No. 362015011300013-1, entered into between Nanchang City Land Administrative Bureau (南昌市國土資源局) (“Party A”), True Crown Holdings Limited (尚毅控股有限公司) (“Party B”) and Nanchang Shenyang Property Co., Ltd. (南昌申陽置業有限公司) (“Party C”) signed in 2016, all parties have agreed the change of buyer of the captioned Contract as mentioned in Note 1 above from Party B to Party C.
4. Pursuant to four Bu Dong Chan Quan Certificate (不動產權證書), Gan (2016) Nan Chang Shi Bu Dong Chan Quan Di Nos. 1107117, 1107174, 1106493 and 1106494 issued by the People’s Government of Nanchang City (南昌市人民政府), the land use rights of the Property with a total site area of 110,189 sq.m. are held by Nanchang Shenyang Property Co., Ltd. (南昌申陽置業有限公司) for terms expiring on 6 December 2055 for commercial and business uses and 6 December 2085 for residential use.

Land Certificate No.	Certificate No.	Land Use Start	Land Use Term for different permitted uses	Site Area (sq.m.)
I	1107117	7 December 2015	40 years for Commercial and Business; 70 years for Residential	12,587
II	1107174	7 December 2015	40 years for Commercial and Business; 70 years for Residential	27,933
III	1106493	7 December 2015	40 years for Commercial and Business; 70 years for Residential	10,504
IV	1106494	7 December 2015	40 years for Commercial and Business; 70 years for Residential	59,165
Total				110,189

5. Pursuant to twenty-nine Construction Works Planning Permits (建築工程規劃許可證), Jian Zi Di Nos., 360100201600528–360100201600546, 360100201600656–360100201600661 and 360100201700218–360100201700221 issued by Nanchang City Urban and Rural Planning Bureau (南昌市中心鄉規劃局) dated 30 June 2016, 6 September 2016 and 24 April 2017 respectively, the construction works of the Property have been approved.
6. Pursuant to three Construction Works Commencement Permits (建設工程施工許可證), Hong Jian Wei Shi Zi Nos. 36010120160920101, 360101201704280101 and 360103201712280101 issued by Nanchang City Urban and Rural Planning and Construction Committee (南昌市中心鄉建設委員會) dated 20 September 2010, 28 April 2017 and 28 December 2017 and a Construction Works Commencement Permit No.360103201806260101 issued by Nanchang City Administration Approval Bureau (南昌市政府審批局) dated 26 June, 2018, commencement of construction works of the whole of proposed development have been approved.
7. Pursuant to twenty Forward Sell Licence For Commodity House (商品房預售許可證), issued by Nanchang City Residential Insurance and Real Estate Management Bureau (南昌市住房保障和房產管理局) dated between 27 September 2016 and 12 June 2018, the presale of the residential, retail and office building and serviced apartment have been approved.
8. Pursuant to a Sales Contract about a Super-high Rise Office Building on Land No. 4 of Greenland Chaoyang Center – (Saleable commercial portion) 關於綠地朝陽中心4號地塊1號樓辦公超高層(可售商業辦公部分)買賣協議, entered into between Target Company (“Seller”) and Jiangxi Futingyuan International Hotel Co., Ltd. (江西富庭苑國際酒店有限責任公司) (“Buyer”), Target Company has agreed to sell the 48-storey office building, with a saleable area of about 81,889.04 sq.m. to be erected on the Land No. 4 of the development site of Greenland Chaoyang Center, to the Buyer. The total consideration is about RMB835,268,208, the Seller has agreed to deliver this property to the Buyer before 30 August 2021.
9. As advised by the Target Company, the construction cost has been paid in respect of the Property as of the valuation date is RMB2,312,371,400, while the outstanding construction cost is RMB2,332,214,100. The construction works of the whole Phase I development is scheduled to be completed by 31 December 2019, while the whole of Phase II is scheduled to be completed by 31 August 2021.

10. As per information provided by the Target Company, the total saleable area of the Property (excluding car parking spaces) is about 472,683 sq.m., while about 450,220 sq.m. have been sold to various third parties. The sold and unsold saleable area breakdown of the Property is tabulated below:

Building Categories	Saleable Area	Sold Area	Unsold Area
Phase I – (Land Nos. #1 and #2)			
Normal Residential	159,528.80 m ²	159,176.19 m ²	352.61 m ²
Riverview Luxury Apartment	58,332.00 m ²	58,001.06 m ²	330.94 m ²
Decorated Residential	76,290.61 m ²	76,290.61 m ²	–
Retail (Level 1-2)	31,266.24 m ²	31,266.24 m ²	–
Kindergarten	3,200.00 m ²	3,200.00 m ²	–
Sub-total (rounded):	328,618 m²	327,934.00 m²	684.00 m²
Phase II – (Land Nos. #3 and #4)			
Apartment	41,452.84 m ²	40,396.99 m ²	1,055.85 m ²
Retail (Level 1-6)	20,722.88 m ²	–	20,722.88 m ²
Office	81,889.04 m ²	81,889.04 m ²	–
Sub-total (rounded):	144,065.00 m²	122,286.00 m²	21,779.00 m²
Grand-total (rounded):	472,683 m²	450,220.00 m²	22,463.00 m²

11. The market value of the Property as if completed as of the valuation date according to the development plan as described above and which can be freely transferred in the market, would be RMB6,585,600,000. The market value in existing state is based on the percentage completion status between expected completion date and the overall 36-month construction period of Phase I development and 48-month construction period of Phase II development respectively. With reference to the completion schedule provided by the Target Company, the remaining construction periods of each building categories under Phase I ranged from 3 months to 15 months. The percentage of completion ranged from 58% to 92%. For Phase II, the remaining construction periods of each building categories under Phase II ranged from 24 months to 35 months. The percentage of completion ranged from 25% to 50%. The remaining construction period and completion schedule provided by the Target Company is as follows:

Building Categories	Remaining Construction Period (months)	% of Completion
Phase I - (Land Nos. #1 and #2)		
Normal Residential	3 months	92%
Riverview Luxury Apartment	3 months	92%
Decorated Residential	15 months	58%
Retail (Level 1-2)	3 months	92%
Car Parking Spaces (2,581 units)	3 months	92%
Kindergarten	15 months	58%
Phase II - (Land Nos. #3 and #4)		
Apartment	24 months	50%
Retail (Level 1-6)	24 months	50%
Car Parking Spaces (1,190 units)	24 months	50%
Office	35 months	25%

12. Greenland Chaoyang Center is an under-construction composite development erected beside Yanjiang Avenue South in Xihu District. It conforms with the neighboring environment, as it is surrounded by various commercial, hotels, residential developments and various public utilities such as schools, Xihu District Sports Culture Centre. It can be easily accessible as it is also closed to the Fuhe North Road on its north-eastern side within 10 minutes driving distance.
13. The PRC legal opinion states, inter alias, that:
- a) The Target Company possesses the proper title of the land use rights of the Property.
 - b) The construction works of the Property have obtained proper approvals, project environmental assessments, land use planning permits, construction works planning permits, construction works commencement and planning permits, so that all the construction works of the Property are legally compliance. The title of the construction works of the Property is clear and legally effective, the Target Company can deal with it legally.
 - c) Based on the twenty Forward Sell Licence For Commodity House (商品房預售許可證), the Target Company has been approved to deal with and presale the corresponding units of the Property.
 - d) Pursuant to a Maximum Mortgage Contract (最高額抵押合同) and a Real Estate Loan Contract (房地產借款合同), entered into between the Target Company and two banks known as CITIC Bank Nanchang Branch (中信銀行南昌分行) "CITIC Bank" and Industrial and Commercial Bank of China Limited Nanchang Dusiqian Branch (中國工商銀行股份有限公司南昌都司前支行) ("ICBC — Nanchang Dusiqian Branch") dated 26 September 2016 and 23 May 2017 respectively, the land use rights of Land Nos. #3 and #4 of the Property have been pledged to CITIC Bank for a highest borrowing amount of RMB1,400,000,000, while the land use rights of the Land No. #2 has been pledged to ICBC — Nanchang Dusiqian Branch for a highest borrowing amount of RMB420,000,000, the total borrowing amount of the three land parcels is RMB1,820,000,000 with the expiry date of 22 September 2019 and 23 May 2020 respectively. All these mortgages have been registered.
 - e) All the construction works of the Property have not been completed nor obtained any project final acceptance.

14. Our valuation has been made on the following basis and analysis:

In the valuation of the property as if completed, we had made reference to various recent sales prices of residential, commercial, serviced apartment and car parking spaces within the same district. These comparable properties are selected as they have characteristics comparable to the Property. We have gathered the comparables of the similar type of development within the same district. The price range of the pre-sold residential units of the Property range from RMB11,900 to RMB15,400 per square meter. The price range of serviced apartment premises range from RMB10,000 to RMB11,000 per square meter. The price range of commercial premises range from RMB18,000 to RMB30,000 per square meter. In respect of car parking spaces, the prices range from RMB100,000 to RMB122,000 per unit. The unit rates assumed by us are consistent with the sales prices of relevant comparables after due adjustment. Due adjustments to the unit rates of those sales prices have been made to reflect to the difference in building age, location, size, condition and other characters. In the course of our valuation, we have adopted average unit rate of RMB15,000 per sq.m. for residential portion, RMB11,000 for serviced apartment portion, RMB22,000 for Level 1 of retail, a further downward adjustment has been made on the unit rate for upper floors of retail portion and RMB122,000 per lot for the car parking space portion of Phase I and RMB100,000 per lot for the car parking space portion of Phase II.

SUMMARY OF APPRAISAL REPORT

on Value of Shareholders' Total Equity Interest in
Nanchang Shenyang Real Properties Limited*(南昌申陽置業有限公司)
DP Appraisal Bao Zi [2018] No. 040

Notice to readers and users of this report: *Contents of this summary are extracted from the text of DP Appraisal Bao Zi [2018] No. 040. For details of this appraisal project and a reasonable understanding of the appraisal conclusion, you should read the text of the appraisal report.*

DP International Appraisal Limited (the "Company") was entrusted by Nanchang Shenyang Real Properties Limited* (南昌申陽置業有限公司) ("Shenyang Real Properties" or "Entrusting Party") to appraise the value of shareholders' total equity interest ("Total Equity Interest") in Nanchang Shenyang Real Properties Limited* (南昌申陽置業有限公司) ("Shenyang Real Properties" or "Target Company") using the asset-based approach, pursuant to the relevant laws and regulations and making reference to the evaluation criteria as well as in accordance with necessary appraisal procedures. The appraisal report is summarized as follows:

Appraisal background and purpose: Shenyang Real Properties is contemplating equity interest transfer and has entrusted the Company to appraise the value of the Total Equity Interest for the reference purpose in its tax declaration in the PRC.

Appraisal object: Total Equity Interest in Shenyang Real Properties.

Appraisal type: Market value.

Appraisal Date: 30 September 2018.

Appraisal method: The Company adopted the asset-based approach when appraising the value of the Total Equity Interest in Shenyang Real Properties after taking account of the appraisal object, appraisal type and data collected.

Appraisal conclusion and expiration period:

Save for any special matters stated in this report, subject to the on-going operation and the appraisal purpose and value definition, appraisal assumptions and restrictions set out in this report, the Total Equity Interest in Shenyang Real Properties as at the Appraisal Date (i.e. 30 September 2018) was valued at RMB1,946,876,400.

The appraisal conclusion shall be valid only for the Appraisal Date. Generally, this appraisal report shall be invalid only if the period commencing from the Appraisal Date and ending on the date when relevant economic behaviour is achieved exceeds one year.

Special matters that may have an impact on the appraisal results:

1. The appraisal results based on the asset-based approach set out in this appraisal report did not take into account the impact of the market liquidity of equity in Shenyang Real Properties on the appraisal result, nor the impact of the premiums and discounts arising from such factors as controlling interests or minority interests and any potentially increased or decreased consideration due to extraordinary trading models.
2. This appraisal report did not take into account the impact of any future subsequent matters of the appraised enterprise on this appraisal conclusion.

DP Appraisal Bao Zi [2018] No. 040

APPRAISAL REPORT

on Value of Shareholders' Total Equity Interest in
Nanchang Shenyang Real Properties Limited* (南昌申陽置業有限公司)

Nanchang Shenyang Real Properties Limited* (南昌申陽置業有限公司):

DP International Appraisal Limited was entrusted by you to appraise the value of shareholders' total equity interest ("Total Equity Interest") in Nanchang Shenyang Real Properties Limited* (南昌申陽置業有限公司) ("Shenyang Real Properties" or "Target Company") as at 30 September 2018 using the asset-based approach, pursuant to the relevant laws and regulations and making reference to the evaluation criteria as well as in accordance with necessary appraisal procedures. The appraisal and the conclusion thereof are reported as follows:

I. INTRODUCTION TO ENTRUSTING PARTY AND TARGET COMPANY AND USERS OF THE APPRAISAL REPORT**(I) Profile of the Entrusting Party and the Target Company:***1. General information*

Company name: Nanchang Shenyang Real Properties Limited* (南昌申陽置業有限公司) ("Shenyang Real Properties" or "Target Company")

Enterprise type: a company with limited liability (wholly-owned by Taiwan, Hong Kong or Macau investor(s))

Domicile: No.788 Fusheng Road, Xihu District, Nanchang, Jiangxi Province

Legal representative: Chen Jun (陳軍)

Registered capital: US\$250 million

Date of incorporation: 24 December 2015

Term of operation: 24 December 2015 to 23 December 2045

Business scope: Real estate development and sale of the DABJ2015034 plot located in Nanchang; the leasing of self-owned properties (projects subject to approval from relevant departments in accordance with laws shall be carried out only after obtaining such approval).

2. *Historical financial information*

The summarized financial data of Shenyang Real Properties for the years of 2016 and 2017 and from January to September 2018 is as follows (in RMB'0,000):

Item	31 December	31 December	30 September
	2016/Year of 2016	2017/Year of 2017	2018/From January to September 2018
Total assets	347,519.44	719,453.45	703,291.97
Total liabilities	192,683.68	566,952.96	554,617.56
Owners' equity	154,835.76	152,500.49	148,674.40
Operating income	–	295.32	–
Operating costs	–	295.32	–
Taxes and surcharges	208.80	308.76	150.84
Selling expenses	410.66	3,225.16	3,844.44
Administrative expenses	10.35	35.33	168.37
Finance expenses	–1.71	–456.35	–332.42
Total profit	<u>–628.10</u>	<u>–3,111.95</u>	<u>–3,826.09</u>
Net profit	<u><u>–471.31</u></u>	<u><u>–2,335.27</u></u>	<u><u>–3,826.09</u></u>

The above data has been audited by an accounting firm with an unqualified audit report issued.

The key accounting policy adopted by Shenyang Real Properties is to recognize and measure transactions and matters actually incurred on an on-going operation basis and according to requirements of the Accounting Regulations for Enterprises in the People's Republic of China, and prepare corresponding financial statements.

Accounting period: the calendar year is adopted, namely from 1 January to 31 December in a calendar year.

Reporting currency: Renminbi.

3. *Key products or services of the Target Company*

Shenyang Real Properties is a real estate development company, and its principal development project is Chaoyang Center Project (朝陽中心項目) with a total site area of 110,189 m² (equivalent to approximately 165.28 mu) located in No.1979 Yanjiangnan Avenue, Xihu District, Nanchang, Jiangxi Province, which mainly consists of four parcels of land, i.e. Land Nos. 1#, 2#, 3# and 4#. Land Nos. 1# and 2# will mainly be developed for high-rise residential buildings and retail, Land Nos. 3# for service-based SOHO apartments and Land Nos. 4# for super high-rise buildings and unifiedly-constructed office buildings of the grain bureau.

(III) Relationship between the Entrusting Party and the Target Company

The Entrusting Party in this appraisal is the Target Company itself.

(IV) Users of the appraisal report

Users of the appraisal report shall be the Entrusting Party and other appraisal report users stated in accordance with state laws and regulations.

II. APPRAISAL PURPOSE, OBJECT AND SCOPE

Appraisal purpose: Shenyang Real Properties is contemplating equity interest transfer and has entrusted the Company to appraise the value of the Total Equity Interest for the reference purpose in its tax declaration in the PRC.

The Company has not conducted any study on the objectivity and feasibility of other purpose of all or part of this report in addition to the above-mentioned purpose, and hence shall not be responsible for any resulting consequence.

Appraisal object: Total Equity Interest in Shenyang Real Properties.

Appraisal scope: All assets and relevant liabilities as at the Appraisal Date (i.e. 30 September 2018) reported by Shenyang Real Properties, particulars of which are shown in the table below (in RMB'0,000):

Item	Book Value
Current assets	687,755.97
Non-current assets	<u>15,535.99</u>
Including: Available-for-sale financial assets	–
Fixed assets	12.58
Intangible assets	10.56
Deferred income tax assets	<u>15,512.85</u>
Total assets	<u>703,291.96</u>
Current liabilities	521,617.56
Non-current liabilities	<u>33,000.00</u>
Total liabilities	<u>554,617.56</u>
Net assets	<u><u>148,674.40</u></u>

The data in the table above has been audited by Jiangxi Wanjia Accounting Firm (江西萬佳會計師事務所) which has issued an audit report titled “Gan Wanjia Shen Zi (2018) No.152”.

The appraisal object and appraisal scope in this engagement are consistent with the appraisal object and appraisal scope involved in economic behaviours mentioned in the aforesaid appraisal purpose.

1. Title of major assets

As at the Appraisal Date, Shenyang Real Properties’ assets primarily consist of inventories — development costs, which specifically refers to the “Chaoyang Center” real estate development project located in No.1979 Yanjiangnan Avenue, Xihu District, Nanchang, Jiangxi Province, whose title is as follows:

On 7 December 2015, True Crown Holdings Limited (“True Crown”), the parent company of Shenyang Real Properties, signed the Contract for Assignment of State-owned Construction Land Use Rights (No. 362015011300013) with Nanchang Land and Resources Bureau, pursuant to which Nanchang Land and Resources Bureau assigned the parcel of land (Land No. 360151108003) which located at the south of Guanying Road, Xihu District, the east of Yanjiangnan Avenue, the north of Shuichang Road and the west of Liangku Road, with an area of land use rights of 110,189 square meters, to True Crown. In 2016, Nanchang Land and Resources

Bureau signed the Amendment (No. 362015011300013-1) to Contract for Assignment of State-owned Construction Land Use Rights with True Crown and Shenyang Real Properties, pursuant to which Nanchang Land and Resources Bureau agreed the change of assignee of Contract for Assignment of State-owned Construction Land Use Rights (No. 362015011300013) from True Crown to Shenyang Real Properties and Shenyang Real Properties' taking charge of the construction and development of the land. Shenyang Real Properties paid off land price and related tax fees on 5 September 2016, and obtained State-owned Land Use Rights Certificates which are as follows:

Nos. for State-owned Land Use Rights Certificates	Land area (sq.m)
Gan (2016) Nanchang Real Property Ownership No.1106494 (贛(2016)南昌市不動產權第1106494號)	59,165
Gan (2016) Nanchang Real Property Ownership No.1107174 (贛(2016)南昌市不動產權第1107174號)	27,933
Gan (2016) Nanchang Real Property Ownership No.1106493 (贛(2016)南昌市不動產權第1106493號)	10,504
Gan (2016) Nanchang Real Property Ownership No.1107117 (贛(2016)南昌市不動產權第1107117號)	12,587

The land is for business, retail and residential use. The tenure of the land is from 7 December 2015 to 6 December 2085, which includes 70 years for residential use and 40 years for retail and business use.

On 14 June 2016, Shenyang Real Properties obtained Construction Land Planning Permit (Di Zi No. 360100201600089) of an area of 105.2 mu.

On 30 June 2016, 6 September 2016 and 24 April 2017, Shenyang Real Properties obtained the following Construction Works Planning Permits:

Date obtained	Nos. of Permits	Name of building project
30 June 2016	Jian Zi No.360100201600528 (建字第360100201600528號)	1-1# retail and residential building
30 June 2016	Jian Zi No.360100201600529 (建字第360100201600529號)	1-2# retail, residential building
30 June 2016	Jian Zi No.360100201600530 (建字第360100201600530號)	1-3# retail, residential building
30 June 2016	Jian Zi No.360100201600531 (建字第360100201600531號)	1-4# residential building
30 June 2016	Jian Zi No.360100201600532 (建字第360100201600532號)	1-5# retail, residential building
30 June 2016	Jian Zi No.360100201600533 (建字第360100201600533號)	1-6# retail, residential building

Date obtained	Nos. of Permits	Name of building project
30 June 2016	Jian Zi No.360100201600534 (建字第360100201600534號)	1-7# retail, residential building
30 June 2016	Jian Zi No.360100201600535 (建字第360100201600535號)	1-8# retail, residential building
30 June 2016	Jian Zi No.360100201600536 (建字第360100201600536號)	1-9# retail, residential building
30 June 2016	Jian Zi No.360100201600537 (建字第360100201600537號)	1-10# retail, residential building
30 June 2016	Jian Zi No.360100201600538 (建字第360100201600538號)	1-11# commercial building
30 June 2016	Jian Zi No.360100201600539 (建字第360100201600539號)	1-12# commercial building
30 June 2016	Jian Zi No.360100201600540 (建字第360100201600540號)	1-13# commercial building
30 June 2016	Jian Zi No.360100201600541 (建字第360100201600541號)	1-14# commercial building
30 June 2016	Jian Zi No.360100201600542 (建字第360100201600542號)	1-15# commercial building
30 June 2016	Jian Zi No.360100201600543 (建字第360100201600543號)	1-16# commercial building
30 June 2016	Jian Zi No.360100201600544 (建字第360100201600544號)	1-17# commercial building
30 June 2016	Jian Zi No.360100201600545 (建字第360100201600545號)	1-18# commercial building
30 June 2016	Jian Zi No.360100201600546 (建字第360100201600546號)	underground parking garage
6 September 2016	Jian Zi No.360100201600656 (建字第360100201600656號)	2-1# residential, commercial building
6 September 2016	Jian Zi No.360100201600657 (建字第360100201600657號)	2-2# residential, commercial building
6 September 2016	Jian Zi No.360100201600658 (建字第360100201600658號)	2-3# residential, commercial building
6 September 2016	Jian Zi No.360100201600659 (建字第360100201600659號)	2-4# residential building
6 September 2016	Jian Zi No.360100201600660 (建字第360100201600660號)	2-5# kindergarten
6 September 2016	Jian Zi No.360100201600661 (建字第360100201600661號)	2# underground parking garage
24 April 2017	Jian Zi No.360100201700218 (建字第360100201700218號)	3-1# retail, service apartment building (hotel)
24 April 2017	Jian Zi No.360100201700219 (建字第360100201700219號)	4-1# retail, official building

Date obtained	Nos. of Permits	Name of building project
24 April 2017	Jian Zi No.360100201700220 (建字第360100201700220號)	4-2# retail, official building
24 April 2017	Jian Zi No.360100201700221 (建字第360100201700221號)	3#,4# underground parking garage

The overall economic and technical indicators for such project are as follows:

Project	Overall economic and technical indicators			Remarks
	Quantity	Unit	Proportion	
Total site area	110,188.81	m ²		Approximately 165 mu
Total gross floor area	650,606.07	m ²		
Including				
Total gross floor area excluding ground capacity	12,955.65	m ²		
Total gross floor area including ground capacity	495,849.64	m ²	100.00%	The proportion of residential gross floor area
Including				(including capacity) to total development gross floor area
Commercial gross floor area	192,159.53	m ²	38.75%	(including capacity) to total development gross floor area
Including				(including capacity) based on no larger than 60%
Grain Administration (糧食局) building	12,000.00	m ²		
Including				
Grain Administration office	10,074.97	m ²		
Grain Administration commerce	1,900.71	m ²		
Grain Administration management premises	24.32	m ²		
Office	125,928.12	m ²		
Retail	53,861.46	m ²		
Property management premises	369.95	m ²		
Residential gross floor area	297,449.77	m ²	59.99%	
Including				
Residential buildings	296,851.23	m ²		
Residential property and industry committee	598.54	m ²		
Community ancillary service premises	3,040.34	m ²	0.61%	
Including				
Grocery market	1,204.16	m ²		
Community ancillary houses	991.86	m ²		
Community comprehensive service station	201.13	m ²		
Community old-age service supplies	643.19	m ²		

Overall economic and technical indicators				
Project	Quantity	Unit	Proportion	Remarks
Kindergarten	3,200.00	m ²	0.65%	
Underground gross floor area	141,800.78	m ²		
Quantity of motor vehicles	3,863	units		Requirement of 3,860
Including				units pursuant to
Quantity of ground motor vehicles	171	units		planning
				indicators
Quantity of underground motor vehicles	3,692	units		
Quantity of underground non-motor vehicles	4,358	units		Planning
				requirement: 4,358
Including				
Quantity of ground non-motor vehicles	1,079	units		
Quantity of underground non-motor vehicles	3,279	units		
Floor area ratio	4.50			Planning
				requirement
				≤4.5
Site area	33,968.745	m ²		
Building density	30.83%			Planning
Green area	29,340.057	m ²		requirement
Green space ratio	26.63%			≤35%

On 20 September 2016, 28 April 2017 and 28 December 2017, Shenyang Real Properties obtained Hong Jian Wei Shi Zi No. 36010120160920101 Construction Works Commencement Permit, Hong Jian Wei Shi Zi No. 360101201704280101 Construction Works Commencement Permit and Hong Jian Wei Shi Zi No. 360103201712280101 Construction Works Commencement Permit respectively, which were issued by Nanchang Urban and Rural Construction Committee.

As at the Appraisal Date, Shenyang Real Properties obtained the following Commodity House Pre-sale Permits:

No. of pre-sale permit	Project name	Gross floor area (sq.m)	Usage	Date of issue
(2016) Hong Fang Yu Shou Zheng Zi No. 28091	Hai Po Yue Ting (海珀悦庭) Nos. 1-1# commercial, residential building	28,564.25	Commercial/ residential building	27 September 2016
(2016) Hong Fang Yu Shou Zheng Zi No. 28587	Hai Po Yue Ting (海珀悦庭) Nos. 1-2# commercial, residential building	28,177.99	Commercial/ residential building	16 December 2016

No. of pre-sale permit	Project name	Gross floor area (sq.m)	Usage	Date of issue
(2016) Hong Fang Yu Shou Zheng Zi No. 28092	Hai Po Yue Ting (海珀悦庭) Nos. 1-3# commercial, residential building	26,888.52	Commercial/ residential building	27 September 2016
(2017) Hong Fang Yu Shou Zheng Zi No. 28993	Hai Po Yue Ting (海珀悦庭) Nos. 1-4# residential building	27,247.14	Residential building	17 March 2017
(2016) Hong Fang Yu Shou Zheng Zi No. 28093	Hai Po Yue Ting (海珀悦庭) Nos. 1-5# commercial, residential building	13,668.95	Commercial/ residential building	27 September 2016
(2016) Hong Fang Yu Shou Zheng Zi No. 28421	Hai Po Yue Ting (海珀悦庭) Nos. 1-6# commercial, residential building	29,667.61	Commercial/ residential building	18 November 2016
(2016) Hong Fang Yu Shou Zheng Zi No. 28259	Hai Po Yue Ting (海珀悦庭) Nos. 1-7# commercial, residential building	16,318.82	Commercial/ residential building	28 October 2016
(2016) Hong Fang Yu Shou Zheng Zi No. 28094	Hai Po Yue Ting (海珀悦庭) Nos. 1-8# commercial, residential building	20,873.32	Commercial/ residential building	27 September 2016
(2017) Hong Fang Yu Shou Zheng Zi No. 29194	Hai Po Yue Ting (海珀悦庭) Nos. 1-9# commercial, residential building	20,090.67	Commercial/ residential building	21 April 2017
(2017) Hong Fang Yu Shou Zheng Zi No. 29372	Hai Po Yue Ting (海珀悦庭) Nos. 1-10# commercial, residential building	20,970.50	Commercial/ residential building	16 June 2017
(2017) Hong Fang Yu Shou Zheng Zi No. 29301	Hai Po Yue Ting (海珀悦庭) Nos. 1-11# commercial building	3,441.16	Commercial building	27 May 2017
(2017) Hong Fang Yu Shou Zheng Zi No. 29293	Hai Po Yue Ting (海珀悦庭) Nos. 1-13# commercial building	374.78	Commercial building	27 May 2017
(2017) Hong Fang Yu Shou Zheng Zi No. 29294	Hai Po Yue Ting (海珀悦庭) Nos. 1-14# commercial building	321.94	Commercial building	27 May 2017

No. of pre-sale permit	Project name	Gross floor area (sq.m)	Usage	Date of issue
(2017) Hong Fang Yu Shou Zheng Zi No. 29042	Hai Po Yue Ting (海珀悦庭) Nos. 1-16# commercial building	867.47	Commercial building	24 March 2017
(2017) Hong Fang Yu Shou Zheng Zi No. 29043	Hai Bo Yue Tin (海珀悦庭) Nos. 1-17# commercial building	2,050.61	Commercial building	24 March 2017
(2017) Hong Fang Yu Shou Zheng Zi No. 29292	Hai Po Yue Ting (海珀悦庭) Nos. 2-1# residential, commercial building	27,995.00	Commercial/ residential building	27 May 2017
(2017) Hong Fang Yu Shou Zheng Zi No. 29783號	Hai Po Yue Ting (海珀悦庭) Nos. 2-2# residential, commercial building	14,463.50	Commercial/ residential building	25 August 2017
(2017) Hong Fang Yu Shou Zheng Zi No. 29371號	Hai Po Yue Ting (海珀悦庭) Nos. 2-3# residential, commercial building	13,385.04	Residential building	16 June 2017
(2017) Hong Fang Yu Shou Zheng Zi No. 29628號	Hai Po Yue Ting (海珀悦庭) Nos. 2-4# residential, commercial building	26,458.20	Residential building	21 July 2017
(2018) Hong Fang Yu Shou Zheng Zi No. 0015	Hai Po Yue Ting (海珀悦庭) Nos. 3-1# commercial, service apartment (hotel) building	62,175.72	Commercial, service apartment (non-residential) building	12 June 2018

2. Condition of major assets during site inspection:

Chaoyang Center Project currently being developed by Shenyang Real Properties is located at the junction of the old city district of Xihu and the new city area of Chaoyang in Nangchang, Jiangxi Province, with east to Liangku East Road (糧庫東路), south to Shuichang Road (水廠路), west adjacent to Yanjiang Avenue (水廠路) and north to Guanying Road (灌嬰路). The project is only 2 kilometers away from the core area of the old town, and 3 to 4 kilometers away from the central area of Honggutan. It is adjacent to the Gan River in the west, and enjoys developed road network and convenient traffic. The project, with a site area of 110,189 square meters, consists of four parcels of land:

- (1) Land No. 1# (Certificate No.: Gan (2016) Nanchang Real Property Ownership No.1106494; site area: 59,165 sq.m): 10 blocks of residential buildings (32 floors hand over under rough status) and ancillary retails (1-2 floors); with planned gross floor area of approximately 300,000

square meters (including approximately 220,000 square meters of residential space, approximately 26,000 square meters of retail space, approximately 48,000 square meters of basement space, and management office and public utilities area of 6,000 square meters). Currently, the project is ready for hand over and is expected to hand over in December 2018.

- (2) Land No. 2# (Certificate No.: Gan (2016) Nanchang Real Property Ownership No.1107174; site area: 27,933 sq.m): 4 blocks of residential buildings (29/30/32 floor hand over under fine decoration conditions) and a 3-storey kindergarten. The planned gross floor area of it is approximately 130,000 square meters (including approximately 77,000 square meters of residential space, approximately 6,000 square meters of retail space, approximately 3,200 square meters of kindergarten area, approximately 39,000 square meters of basement space, and management office and public utilities area of 5,000 square meters). At present, all outer frames have been completed, and it is expected to hand over in December 2019.

- (3) Land No. 3# and No.4#:

Land No. 3# (Certificate No.: Gan (2016) Nanchang Real Property Ownership No.1106493; site area: 10,504 sq.m) has two tower of apartments (17 floors) and a retail podium (6 floors). The planned gross floor area is approximately 64,000 square meters (including approximately 42,000 square meters of apartment space, approximately 21,000 square meters of retail space, and management office and public utilities area of 1,000 square meters). At present, the roof of south tower on Land No. 3# has been capped and the north tower is under the construction of bottom floor.

Land No. 4# (Certificate No.: Gan (2016) Nanchang Real Property Ownership No.1107117; site area: 12,587 sq.m) is built with a super high-rise (with 48 floors and 3 floors of basement) office building with the planned gross floor area of approximately 87,000 square meters (including approximately 83,000 square meters of office space, approximately 1,500 square meters of commercial space, and management office and public utilities area of 3,000 square meters) and a rebuilt office building of the Grain Administration (糧食局) (12- floor, approximately 12,000 square meters). At present, the super high-rise office building is under the construction of bottom floor, and the office building of the Grain Administration is under the construction of the third floor of basement.

The underground parking garage of Plot No. 3# and No. 4# covers 54,000 square meters (with 1,190 parking spaces).

The Company's description on the usage of the above assets during site inspection is based on our limited site inspection and spot checks on the limited information of the valued entity, and does not represent our assurance or commitment to the above.

III. APPRAISAL TYPE AND ITS DEFINITION

This appraisal adopted market value as its appraisal type after taking into account of the appraisal purpose, appraisal object, market conditions and available estimated information and data of the Entrusting Party.

Market value is defined as the estimated amount for which appraisal object should exchange on the date of appraisal between a willing buyer and a willing seller in an arm's length transaction, wherein the parties had each acted knowledgeably, prudently and without compulsion.

Market value has the following features:

1. It transacts in a currency permitted by law.
2. It has the voluntary buyer and the voluntary seller.
3. It pays in a lump sum and completes the transaction under no conditions.
4. Both the buyer and the seller have a full understanding of the assets' current situation, market supply and demand status, prevailing market conditions, etc. and there is economic environment and time for a reasonable promotion, selection, negotiation and transaction.
5. There is no material change of market conditions, price level and other situations between the time of transaction completion and the Appraisal Date.
6. With taking no account of trading arrangement involving special benefits, parties transact freely based on sufficient and reasonable market information as well as no compulsion.

IV. APPRAISAL DATE

The Appraisal Date is 30 September 2018. The Appraisal Date is determined by the Entrusting Party; the Appraisal Date is usually determined at the time of economic behaviors occurred and with taking account of factors such as the completeness of the accounting information of the enterprise; The relevant information reported by the enterprise is based on the Appraisal Date and the data used in the appraisal and all pricing are based on the Appraisal Date.

The Appraisal Date in this report is in line with that in appraisal commission contract.

V. APPRAISAL REFERENCE

This appraisal is based on the following laws and regulations.

(I) Laws and Regulations

1. *Asset Appraisal Law of the People's Republic of China*;
2. *The Company Law of the People's Republic of China*;
3. existing tax laws and regulations of the country.

(II) Professional Standards

1. *Notice of the Ministry of Finance on Issuing the Basic Rules for Asset Appraisal* (No. 43 [2017] of the Ministry of Finance) (財資[2017]43號《財政部關於印發〈資產評估基本準則〉的通知》) of the Ministry of Finance of the PRC;
2. *Professional Code of Ethics for the Appraisal of Assets* (No. 30 [2017] of the China Appraisal Society) (中評協[2017]30號《資產評估職業道德準則》) issued by China Appraisal Society;
3. *Practicing Standards for the Appraisal of Assets – Procedures of Asset Appraisal* (No. 31 [2017] of the China Appraisal Society) (中評協[2017]31號《資產評估執業準則—資產評估程序》) issued by China Appraisal Society;
4. *Practicing Standards for the Appraisal of Assets – Reporting of Asset Appraisal* (No. 32 [2017] of the China Appraisal Society) (中評協[2017]32號《資產評估執業準則—資產評估報告》) issued by China Appraisal Society;

5. *Practicing Standards for the Appraisal of Assets – Asset Appraisal Commission Contract* (No. 33 [2017] of the China Appraisal Society) (中評協[2017]33號《資產評估執業準則－資產評估委託合同》) issued by China Appraisal Society;
6. *Practicing Standards for the Appraisal of Assets – Asset Appraisal Files* (No. 34 [2017] of the China Appraisal Society) (中評協[2017]34號《資產評估執業準則－資產評估檔案》) issued by China Appraisal Society;
7. *Practicing Standards for the Appraisal of Assets – Enterprise Value* (No. 36 [2017] of the China Appraisal Society) (中評協[2017]36號《資產評估執業準則－企業價值》) issued by China Appraisal Society;
8. *Practicing Standards for the Appraisal of Assets – Real Estate* (No. 38 [2017] of the China Appraisal Society) (中評協[2017]38號《資產評估執業準則－不動產》) issued by China Appraisal Society;
9. *Practicing Standards for the Appraisal of Assets – Machinery and Equipment* (No. 39 [2017] of the China Appraisal Society) (中評協[2017]39號《資產評估執業準則－機器設備》) issued by China Appraisal Society;
10. *Guidelines for Business Quality Control of Asset Appraisal Institutions* (No. 46 [2017] of the China Appraisal Society) (中評協[2017]46號《資產評估機構業務質量控制指南》) issued by China Appraisal Society;
11. *Guiding Opinions on Types of Value for the Appraisal of Assets* (No. 47 [2017] of the China Appraisal Society) (中評協[2017]47號《資產評估價值類型指導意見》) issued by China Appraisal Society;
12. *Guiding Opinions on the Legal Titles of the Appraisal Objects for the Appraisal of Assets* (No. 48 [2017] of the China Appraisal Society) (中評協[2017] 48號《資產評估對象法律權屬指導意見》) issued by China Appraisal Society;
13. National Standards of the PRC GB/T50291-2015 *Regulations for Real Estate Appraisal* (中華人民共和國國家標準GB/T50291-2015《房地產估價規範》);
14. National Standards of the PRC GB/T18508-2014 *Regulations for Appraisal on Urban Land* (中華人民共和國國家標準GB/T18508-2014《城鎮土地估價規程》).

(III) Basis for Title

1. Business License for Enterprise Legal Person and Memorandum of Association of Shenyang Real Properties;
2. Contracts, agreements, invoices etc. for relevant assets and rights;
3. Commitment letter from Shenyang Real Properties for this appraisal;
4. Real Estate Ownership Certificates, Construction Land Planning Permit, Construction Works Planning Permit, etc.

(IV) Basis and Reference for Price Determination

1. Bank lending rates published by the People's Bank of China;
2. Statistical information and technical standard information published by relevant national authorities;
3. Sales contracts, engineering construction contracts and construction budget and other documents signed by Shenyang Real Properties;
4. Industrial information from Bloomberg;
5. Relevant information obtained by the valuer through on-site investigation and market research;
6. Price of online trading.

VI. ANALYSIS ON MACROECONOMIC ENVIRONMENT AND INDUSTRY

(I) Analysis on Economic Environment

The annual GDP was RMB82,712.2 billion in 2017, representing an increase of 6.9% as compared with last year, among which the added value of primary industry was RMB6,546.8 billion and increased by 3.9%; the added value of secondary industry was RMB33,462.3 billion and increased by 6.1%; the added value of tertiary industry was RMB42,703.2 billion and increased by 8.0%. The added values of primary industry, secondary industry and tertiary industry as a percentage of GDP were 7.9%, 40.5% and 51.6%, respectively. The contribution rates of final consumption expenditure, gross capital formation and net exports of goods and services to the growth of GDP for the whole year were 58.8%, 32.1% and 9.1%, respectively. Annual GDP per capita was RMB59,660, representing an increase of 6.3% as compared with last year. Annual gross national income was RMB82,501.6 billion, representing an increase of 7.0% as compared with last year.

The historical data of GDP:

Year	GDP (RMB'00 million), Calculated by prices for the indicated year	Real GDP growth rate (%)
2003	135,822	10.0%
2004	159,878	10.1%
2005	184,937	10.4%
2006	216,314	11.6%
2007	265,810	13.0%
2008	314,045	9.0%
2009	340,506	8.7%
2010	401,513	9.0%
2011	471,564	9.2%
2012	519,322	7.8%
2013	568,845	7.7%
2014	636,463	7.4%
2015	676,708	6.9%
2016	744,127	6.7%
2017	827,122	6.9%

Consumer price for the whole year increased by 1.6% as compared with last year. PPI (output) increased by 6.3%. PPI (input) increased by 8.1%. Fixed asset investment price increased by 5.8%. Prices of farm product producers declined by 3.5%. The historical data of national consumer price index in China is set out below:

Year	National consumer price index (%)
2003	101.2
2004	103.9
2005	101.8
2006	101.5
2007	104.8
2008	105.9
2009	99.3
2010	103.3
2011	105.4
2012	102.6
2013	102.6
2014	102
2015	101.4
2016	102
2017	101.6

The data above are extracted from 2017 National Economic and Social Development Statistic Bulletin published by National Bureau of Statistics of China on 31 December 2017.

(II) Status and Development Prospect of the Industry

The following information is extracted from “Analysis on the Status and Development Trend of Real Estate Industry in China in 2018” issued by <http://www.chinaidr.com/> on 21 July 2018.

1. *Analysis on current situation of regulatory policies on real estate*

In the first half of 2018, regulatory policies on real estate continued to actively restrain the irrational demand, while emphasizing the expansion and implementation of “effective supply”. However, it takes time for the short-term demand-side regulation and medium-to-long-term supply-side reform to interact and produce results, and the supply and demand situation in the market is still relatively austere. The transaction area of new housings in the market in key cities continued to shrink, and the decline in first-tier cities is the most significant among cities at different tiers; the transaction area of new housings in the third- and fourth-tier cities also declined, but its absolute scale was still at a historically high level.

Compared with 2017, in addition to the regulation being focused on the demand side, an emphasis was also put on the solution of the mismatch problem of supply-demand structure on the “supply side” in the first half of 2018. Short-term demand-side regulation which suppressed irrational demand and medium-to-long term supply-side reform which guaranteed effective supply were jointly conducted.

2. Analysis on sales in the real estate industry

From 2015 to 2017, the buoyant urban demand spread from the eastern region to the central and western regions, and sales of third- and fourth-tier cities also skyrocketed with the trading volume hitting a record high. After entering 2018, this demand spread horizontally and vertically, but the growth rate showed a slowdown. In the first four months of the year, national commodity housing sales area only increased by 1.3% year-on-year, and the year-on-year growth rate in April has turned negative. In terms of structure, the decline in growth rate is primarily due to the fact that the eastern region, especially the third- and fourth-tier cities, begins to experience a slowdown in growth rate while the demand in the third- and fourth-tier cities in the central and western regions, relatively speaking, remains as it was.

3. Analysis on the development trend of the real estate industry

(I) Stepped up efforts in real estate regulation and curb the precipitous rise in housing prices

In order to curb the precipitous rise in housing prices, local authorities have recently stepped up their efforts in real estate regulation successively and continually introduced new policies and measures. Meanwhile, the construction of the housing rental market is progressing steadily. A series of initiatives demonstrate that the confidence and determination of local governments on the regulation will not be shaken, and the positioning of “the house is used for living, not for speculation” will not change.

The traditional peak season for real estate sales is from April to May. In May, the selling prices of new commodity housing and second-hand housing in first-tier cities, second-tier cities and third-tier cities increased by 0.3% and 0.2%, 0.9% and 0.8%, and 0.7% and 0.6%, respectively.

Housing prices in the hotspot cities that have maintained stringent regulation are generally stable, but markets in some third- and fourth-tier cities are relatively more active, and the upward trend of housing prices is more obvious. For example, in May, among the 70 large and medium-sized cities, housing prices in the northeast regions and central and western regions are relatively concentrated. Many of these cities are third- and fourth-tier cities, and most of the cities that recently have released regulatory measures are also third- and fourth-tier cities.

(2) *Regulation will continue to be stringent*

In May, 61 new commodity housings in 70 large and medium-sized cities saw an increase in the price as compared with the previous month, and the local governments continued to adhere to the positioning of “house is used for living, not for speculation”, and constantly stepped up effort in regulation of the real estate market; more than 40 cities across the country issued a regulatory policy to prevent the housing prices from significantly rising too fast.

The policy pointed out that it is required to strengthen the qualification examination for buyers to purchase houses. If they do not meet the requirements of the regulation policies, the relevant purchase procedures will not proceed so as to resolutely curb real estate speculation. Those who arbitrarily relax their purchase conditions will be strictly accountable. In addition, it is also required to increase the supply of land in areas with tight housing stocks, and ensure a stable supply in the real estate market through works in land supply, working promotion and listing promotion.

The real estate development enterprises shall conduct a one-off public sale of all the housings available for sale within 10 days after the project obtains the pre-sale permit for commodity housing, and shall not sell the housings on basis of building by building, unit by unit or floor by floor or by batches. At the same time, it is pointed out that real estate development enterprises may not subscribe in any way until they have obtained the pre-sale permit for commodity housing.

Regulation and control will continue to be stringent. Once housing prices have risen precipitously, local governments will continue to introduce regulatory policies.

“From the comprehensive ‘destocking’ in 2015, to ‘city-based destocking policy’ in 2016, and then to ‘destocking’ in some third- and fourth-tier cities and county towns at the end of 2017, the ‘destocking’ in third- and fourth-tier cities have lasted for nearly three years since 2015.” Xia Lei (夏磊), deputy dean of the Evergrande Institute (恒大研究院) and chief real estate researcher, believes that the current national commodity residential inventory has basically fallen to the level of the end of 2012, and “destocking” has achieved remarkable results. In those cities that have been actively “destocking” in the past, once there is an imbalance between supply and demand in the market, it is easy to trigger the risk of rising housing prices. The policy should be appropriately adjusted to prevent the “destocking” policy from continuing to play its role to promote the excessive rise in housing prices after the market changes.

(3) *Vigorously developing the housing rental market*

At the same time of regulation, the construction of a long-term mechanism for real estate has also received much attention. Among them, vigorous development of the housing rental market is regarded as an important part of construction of the long-term mechanism for the real estate market. At present, local governments have introduced policies to vigorously develop the hire- purchase real estate market. Taking first-tier cities as an example, four cities (Beijing, Shanghai, Guangzhou and Shenzhen) have successively introduced important policies to support the development of the housing rental market.

VII. APPRAISAL ASSUMPTIONS

1. It is assumed that there are no material changes to current relevant laws, regulations and policies and national macroeconomic condition of the PRC.
2. It is assumed that there are no material changes to the political, economic, social environment and natural environment of the regions where the Target Company is located; there are no material adverse impacts resulted from other unforeseeable and force majeure factors.
3. It is assumed that there are no material changes to interest rates, foreign exchange rates, tax benchmark and tax rate, policy-based levies, etc., and relevant price levels or standards at the base date are adopted in appraisal.
4. It is assumed that current trends of the industry and the market in which the Target Company is operated prevail and have no material changes.
5. Unless otherwise stated, described or considered in this report, the valued enterprise is assumed to have fully complied with all relevant laws and regulations.
6. It is assumed that there are no material changes to the current or established function, purpose and use-pattern, scale, frequency and environment of various assets of the Target Company, and no material changes to its management team and staffs as if the valued enterprise may operate on an ongoing basis.
7. It is assumed that the sales contracts and service contracts currently signed by the Target Company will be normally implemented in the future.
8. There are no other force majeure factors and unforeseeable factors causing material adverse impact on the enterprise.

VIII. SELECTION OF APPRAISAL METHODS

Generally, appraisal professionals shall analyze the applicability of the income approach, the market approach and the cost approach (asset-based approaches) to select appropriate appraisal methodology as per, among others, appraisal purpose, appraisal object, appraisal type and information collected when conducting analysis on the appraisal of the enterprise value. Various appraisal approaches may be adopted to analyze and value in the event that such different appraisal approaches are applicable to the appraisal.

(I) Analysis on Applicability of the Market Approach

The market approach used in evaluating the enterprise value refers to the appraisal method for determining the value of the appraisal object by comparing the appraisal object with comparable listed companies or comparable transaction cases. Appraisal professionals shall make an appropriate consideration of the applicability of the market approach according to adequacy and reliability of operational and financial data obtained of comparable companies and the number of the comparable companies collected. Two specific methods commonly used under the market approach are listed company comparison method or reference enterprise comparison method and transaction case comparison method.

Listed company comparison method refers to a specific appraisal method in which the value of a appraisal object is determined by conducting comparison analysis on the enterprise being valued after acquiring and analyzing the operational and financial data of the comparable listed companies and calculating the appropriate value ratio. Comparable companies under the listed company comparison method shall be listed companies normally traded on the open market, and the appraisal conclusion shall take into account the impact of liquidity on the value of the appraisal object.

The transaction case comparison method refers to a specific appraisal method in which the value of a appraisal object is determined by conducting comparison analysis on the enterprise being valued after acquiring and analyzing the information of the comparable enterprises in respect of transaction, acquisition and merger cases and calculating the appropriate ratio. The impact of differences between the appraisal object and the transaction cases on the value shall be taken into consideration in applying the transaction case comparison method.

It is often not easy to find a reference company with the same size, business scope, operating approach and market environment as the valued enterprise. Therefore, such method is not applicable to this appraisal. The merger and acquisition case comparison method is not applicable to this appraisal either due to failure in collecting recent comparable market transaction cases.

(II) Analysis on Applicability of the Asset-based Approach

The asset-based approach used in evaluating the enterprise value refers to the appraisal approach for determining the value of the appraisal object by evaluating the values of assets and liabilities on the balance sheet and of those that can be identifiable off the balance sheet, based on the balance sheet of the valued entity as at the Appraisal Date. The appraisal professionals shall require the valued entity to identify each asset and liability both on and off the balance sheet according to the accounting policies and business operation. Not every asset and liability can be identified and valued separately. The applicability of the asset-based approach should be considered when there are assets or liabilities which have a significant impact on the value of the appraisal object and are difficult to identify and value. Appraisal professionals apply the asset-based approach to evaluate the enterprise value, and an appropriate appraisal method shall be chosen based on specific circumstances to value each asset.

On the basis of the financial data on the Appraisal Date, the entrusted asset and liability provided by the valued entity has a clear scope and can be verified and evaluated item by item through financial information, purchase and construction information and on-site survey. Therefore, it is appropriate to apply the asset-based approach to this appraisal.

(III) Analysis on Applicability of the Income Approach

The income approach used in evaluating the enterprise value refers to the evaluation approach for determining the value of the appraisal object by capitalizing or discounting the expected income. The specific methods commonly used under the income approach include the dividend discount method and the discounted cash flow method. The dividend discount method refers to a specific method for determining the value of the appraisal object by discounting the expected dividends, and is usually applicable to evaluate of the value of the equity of no control attributable to the shareholders. The discounted cash flow method usually includes the discount model of free cash flow for the firm and the discount mode of free cash flow to equity. The cash flow can be forecasted from the perspective of either market participants or a particular investor.

Shenyang Real Properties is a real estate development company. It does not own investment properties that generate future stream of sustainable revenue. Other than the existing development projects, there exist substantial uncertainties as to whether the Company can continue to acquire new land parcels and the scale of land in respect of which land use right can be obtained in future. To date, there is no adequate information to demonstrate the company will be able to acquire property project resources on an ongoing basis in future, and the target company is unable to estimate future revenue. In addition, when the asset-based approach is used to evaluate the value of entire equity of the shareholders of Shenyang Real Properties, the core assets of the enterprise are valued by hypothetical development method (the residue method), the essence of which is to express the value opinion from the income channel. Therefore, the income approach is no longer used to evaluate the value of entire equity of the shareholders of the valued enterprise.

(IV) Selection of Appraisal Methods

Based on the above analysis, this appraisal has analysed and valued the equity value of “Shenyang Real Properties” by applying asset-based approach.

IX. APPLICATION OF APPRAISAL METHODS

(I) Appraisal Interpretation on Inventory-development Costs

1. Asset profile

“Shenyang Real Properties” has included its inventory-development costs with a carrying value of RMB2,317,094,873.83 in the scope of this appraisal. Such costs mainly represent the property development project named “Chaoyang Center” at No.1979 Yanjiang Avenue South, Xihu District, Nanchang, Jiangxi Province, the carrying value of which includes the following:

No.	Item	Amount (RMB)
1	Compensation for land expropriation and relocation	1,581,735,951.00
2	Preliminary engineering cost	83,368,277.59
3	Construction and installation cost	402,494,002.28
4	Infrastructure costs	57,491,707.77
5	Development overheads	192,004,935.19
	Total	<u>2,317,094,873.83</u>

Chaoyang Center Project's major properties are houses, retail, apartments, super-high rise office buildings and its marketable GFA is 472,682.41 sq. meters. As of the Appraisal Date, properties of 450,220.13 sq. meters and 1,489 parking spaces are with signed sales contracts and use right transfer contracts, and the types and sales of properties of the project are as follows:

Land	Types of Operation	Marketable GFA (sq. meter)	Sold		Unsold size (sq. meter)
			size (sq. meter)	Contract sum (RMB0'000)	
Phase I (Land No.1 & No.2)	Ordinary house (unfinished)	159,528.80	159,176.19	197,248.14	352.61
	Ordinary house (finished)	76,290.61	76,290.61	115,480.58	-
	Luxury house enjoying river view	58,332.00	58,001.06	85,198.01	330.94
	Retail	31,266.24	31,266.24	57,603.32	-
	Underground parking space	2,581.00	1,489.00	20,221.14	1,092.00
	Kindergarten	3,200.00	3,200.00	3,200.00	-
Phase II (Land No.3 & No.4)	Office	81,889.04	81,889.04	83,526.82	-
	Apartment	41,452.84	40,396.99	43,173.81	1,055.85
	Retail	20,722.88	-	-	20,722.88
	Underground parking space	1,190.00	-	-	1,190.00

2. Title

For details, please refer to "1. Title of major assets" of "II. APPRAISAL PURPOSE, OBJECT AND SCOPE" in this report.

3. Site inspection

For details, please refer to "2. Condition of major assets during site inspection" of "II. APPRAISAL PURPOSE, OBJECT AND SCOPE" in this report.

4. *Project Construction Scheme*

The project is positioned as a large-scale urban complex integrating super high-rise office buildings, creative offices, riverside retail, featured blocks, high-end communities and public facilities. The project comprises four parcels of land in total, among which, Land No.1 and No. 2 are for high-end residential areas, which will be constructed into a comprehensive residential community that meets the needs of Nanchang citizens for customization, humanization and socialization based on the product concept and function of “Ideal Home” (理想家) of Haipo series (海珀系); Land No.3 and No.4 are for riverside business districts, which will develop into an urban business cluster including multiple types of operation such as a 202-meter super high-rise office building, creative offices, riverside retail, Grain Administration buildings and others.

The project incorporates 14 high-rise residential buildings, 1 kindergarten, 1 super high-rise office and commercial building, 2 high-rise office and commercial podium buildings, 1 Grain Administration building and general retail etc. on the ground, and the parking garage is a large-scale underground garage.

5. *Factors Influencing Land Premium and Market Background Analysis*

(1) *City profile*

The information below is mainly extracted from the Internet-based Baidu Encyclopedia, the People’s Governmental Portal of Nanchang and the Statistical Communique of Nanchang on the 2017 National Economic and Social Development (《南昌市2017年國民經濟和社會發展統計公報》).

With a history of more than 2,200 years and a deeply rooted culture, Nanchang is named as a “Famous Historic and Cultural City” by the State Council. Nanchang is situated at the north of central part of Jiangxi Province, the lower reaches of Ganjiang River and Fuhe River and the southwestern coast of Poyang Lake. It is bounded on the north by Jiujiang City, on the east by Shangrao City, on the south by Fuzhou City and on the west by Yichun City. Nanchang currently has administration divisions of three counties, namely, Nanchang County, Jinxian County and Anyi County, six districts, being Donghu District, Xihu District, Qingyunpu District, Wanli District, Qingshanhu District, Xinjian District, three national-level development zones, namely, Nanchang High-tech Industrial Development Zone, Nanchang Economic and Technological Development Zone and Nanchang Xiaolan Economic and Technological Development Zone, together with Honggutan New District, Airport Economic Zone and Comprehensive Bonded Zone, with a gross area of 7,402.36 sq. km, of which, the size of

municipal district is 622 sq.km. By the end of November 2017, the total population of households of the whole city was 5,246,600, among which the urban population is 2,897,800.

With a rapid developing economy, Nanchang's gross regional product (GRP) has topped 500 billion and reached RMB500.319 billion in 2017, representing a year-on-year increase of 9.0% and a higher speed over the whole province and nation by 0.1 and 2.1 ppts, respectively. The whole year has seen the gross output value of farming, forestry, animal husbandry and fishery totaled to RMB32.139 billion, representing a year-on-year increase of 4.0%; the above-scale industrial added value increased by 9.5% on a year-on-year basis, representing a higher percentage point of 0.3 over the previous year. Its total retail sales of consumer goods has topped 200 billion and reached RMB209.696 billion, representing a year-on-year increase of 12.3%; the actual utilization of foreign capital amounted to USD3.181 billion, representing a year-on-year increase of 10.1% and a higher percentage point of 0.3 over the whole province, accounting for 27.7% of that of the whole province. The total financial income reached RMB78.282 billion, representing a year-on-year increase of 14.3%; the urban per capita disposable income amounted to RMB37,675, representing a year-on-year increase of 8.8%.

Nanchang, as China's only provincial capital adjoined Yangtze River Delta, Pearl River Delta and Southeast Fujian Delta, has the special strength of strategic position and regional hub by linking the east and west and connecting the south and north.

Nanchang is a city where railways like Jingjiu, Zhegan and Wangan railways go through its urban area and No.105, No.320 and No.316 National Road intersect. Changjiu, Liwan, Ganyue and other expressways are extending in all directions. Class 4D Changbei International Airport opened 116 routes to major cities both at home and abroad (such as Beijing, Shanghai, Hong Kong, Macau and Seoul), offering transfer routes to the United States, Canada, France, Singapore, etc. The opening of the international airport, the intersection of the south-north and east-west railways, the operation of the international container terminal and the joint of highway networks formed a smooth and convenient dimensional transport network for Nanchang, and made its envisagement of reaching the "Economy Circle" composing of the 8 nearby municipalities and provincial capitals by only 1 hour journey by air and 6 hours journey on the ground become true.

(2) *Condition of the real estate market in Nanchang*

The following information is extracted from the 2017 Annual Report of Nanchang Real Estate Market (二零一七年南昌房地產市場年報) published by Tospur on 25 January 2018.

1) Market policy

2017 was a year of frequent market control and the real estate market experienced dramatic fluctuations. In real estate market, the total turnover decreased and average price went up as a whole, driving strong land and non-residential markets. At the end of 2016, the “Suppress Bubbles in Real Estate Market” and “Housing Should Be for Living in, Not for Speculation” were explicitly put forward at the Central Financial Conference (中央財經會議), forming the dominant tone of the real estate adjustment in 2017.

In March 2017, the purchase restriction policies of the real estate market in Nanchang had seen a further upgrade: the strengthening of the purchase and loan restrictions for housing, the adjustment to the area, range and credit policy of purchase restrictions for housing, and the increase of the land and land supply. In September 2017, regulations for the management of Houses with 3 Limits (三限房) had been launched. Land market had been affected and the first batch of Houses with 3 Limits will be launched in 2018.

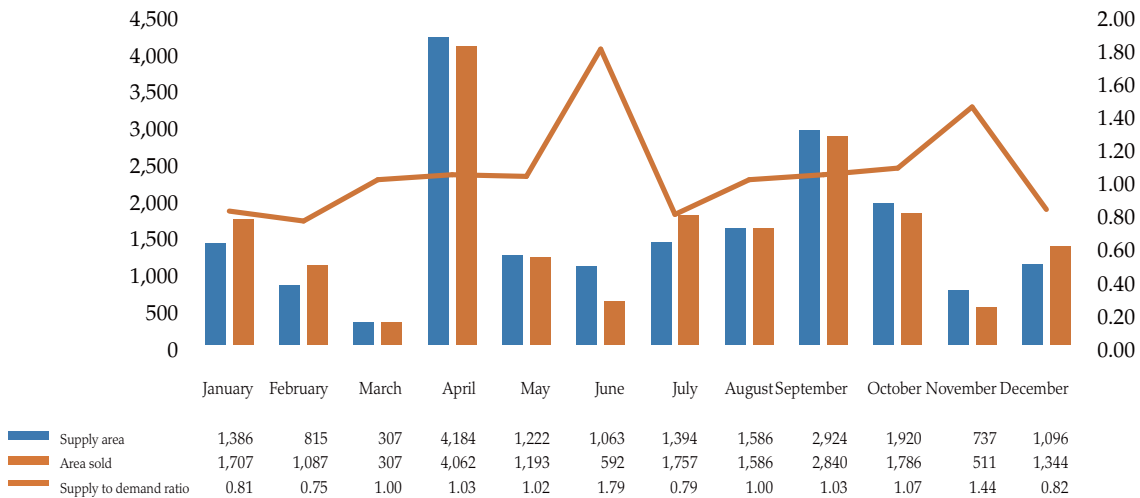
In November 2017, housing rental market in Jiangxi Province made fast development. People are optimistic about the non-residential market.

In 2018, the policy initiated the “Various Policies for One City” control direction by types under the “Housing Should Be for Living in, Not for Speculation” position, to control housing price level, improve the multi-level housing supply system, establish a housing system giving equal importance to housing purchase and lease, and promote the establishment and perfection of a long-term effective mechanism.

2) Condition of land market

In 2017, Nanchang (counties included) launched a total of 175 land parcels with an area of 18,634 mu. It concluded 177 land parcels with a total area of 18,772 mu; the total land premium reached RMB45.8 billion, including 83 transactions for non-industrial lands supply with a supply area of 6,323 mu; and concluded 89 land parcels with a total land premium of RMB44.3 billion with a total area of 6,912 mu, representing 36.82% of the total transactions. The demand of land market outstrips supply in Nanchang (counties included) in 2017. The supply and demand of land in Nanchang in 2017 concentrated in and after the second quarter, and a large fluctuation was seen in January mainly due to the supply took place in December 2016 but the transactions were concluded in January.

Overall Supply and Demand of Land of Nanchang in 2017 (mu)



3) Supply of property market

The overall supply in the commercial property market in urban areas of Nanchang in 2017 amounted 7,058,800 m², representing a decrease of 28.03% compared with last period; the aggregate turnover of commercial property market amounted to 5,992,100 m², representing a decrease of 26.74% compared with last period. The supply in the commercial property market in Nanchang in 2017 showed a significant decrease with a supply-sales ratio of 1.18:1. The supply was slightly higher than the demand and the supply-demand relationship has moved

toward a balance status year by year. The overall real estate market was steady with some rise in 2017. According to the monthly supply and demand, the supply from January to August was relatively smooth with faster destocking, supply fell short of need in general; the supply in September increased substantially, forming the supply peak period for the year; after September, every developer sprinted for the year-end sales by increasing the supply, however, the destocking speed was slow.

The whole year supply in the residential market in 2017 amounted 5,131,500 m², representing a decrease of 36% compared with 2016, and the non-residential supply decreased by approximately 17% compared with 2016. The overall supply of commercial property decreased significantly compared with last year.

As of 31 December 2017, there were a stock of 19,355 commercial properties in urban areas of Nanchang with an area of stock of 2,461,000 m², representing an increase of 29% compared with last period; and there were a stock of 40,488 non-residential properties with an area of stock of 3,407,000 m², representing a decrease of 9% compared with last period. Jingkai District and Wanli District faced more destocking pressures due to its high stock of residential properties. The non-residential stock, mainly at Honggutun and Jiulonghu districts, still stayed at a high level. The pressure faced by Gaoxing District in respect of its stock (mainly apartments and high-rises) was not small either.

4) Turnover of real estate market

Turnover of residential properties

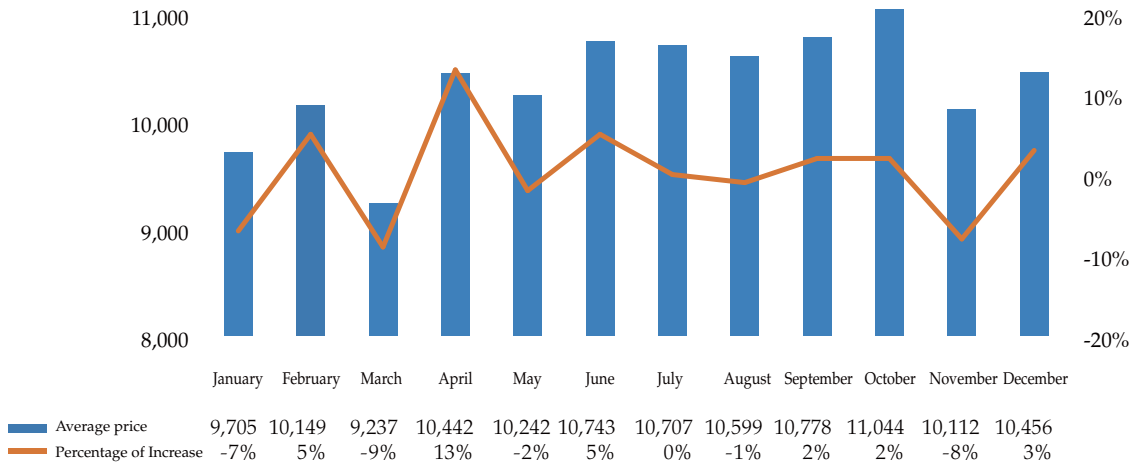
The turnover of new residential properties in 2017 decreased by 33.42% compared with 2016, representing a lower increase compared with 2016. According to the data, the turnover of residential properties was restrained due to the impact of policies on the real estate market in Nanchang.

In 2017, residential properties are still in dominant. Following the introduction of purchase restriction policies in September, the turnover of residential properties in the second quarter was quite low due to the impact of the upgrade of Nanchang purchase restriction policy in March. Turnover in August amounted to 462,700 m², reaching a peak value of turnover during 2017. The turnover decreased in September and October due to the impact of “3 Limits” policy. There was no more phenomenon of “Golden September and Silver October”. More new properties launched the market in October, and the turnover in November maintained at a higher level.

In 2017, Jiulong Lake, Economic Development Zone and Xihu District were ranked as the top three positions respectively. Among which, the total transacted area of Jiulong Lake was 1.3119 million m², accounting for 30.42% of the total transacted volume of residential properties in the city, mainly attributable to the fact that Jiulong Lake is a key development district of the city. The Economic Development Zone was ranked as the second with total transacted volume of 0.7311 million m² for residential properties, while Xihu District was ranked as the third in the city with transacted volume of 0.5864 million m². Compared with last year, except for the increase of transacted volume of residential properties in Donghu District, Wanli District and Qingyunpu, the transacted volume of residential properties in other regions has declined in varying extent.

In 2017, the average transaction price of residential property in Nanchang was 10,382 yuan/m², which increased more than 10% than that of last year. Based on the monthly performance, the transaction price of commodity housings in 2017 showed an upward trend. With the exception of January and March, other monthly average transaction prices were all above RMB10,000. The highest monthly price, which was RMB11,044/m², appeared in October and the lowest monthly price, which was RMB9,237/m², appeared in March.

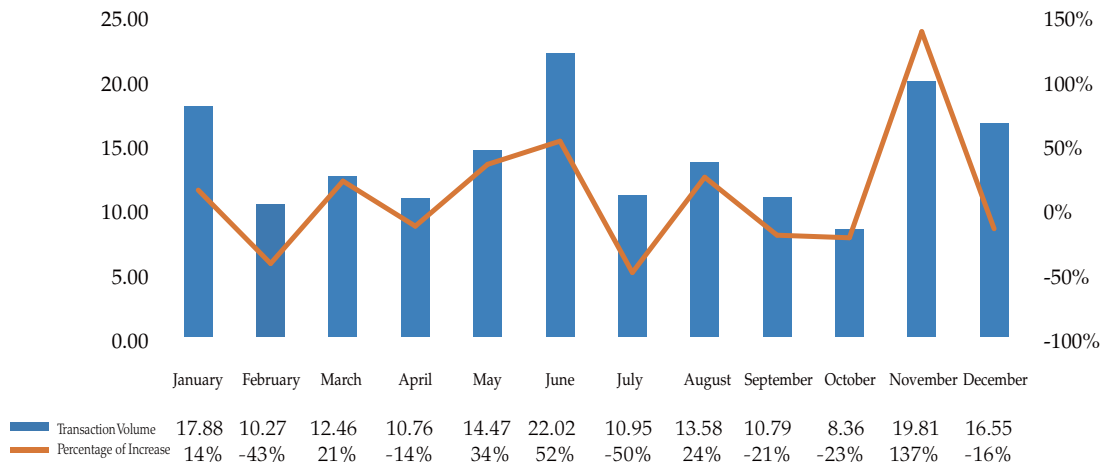
Average Transaction Price and Trend of Residential Property in Nanchang in 2017 (RMB/m²)



Non-residential Properties Transactions

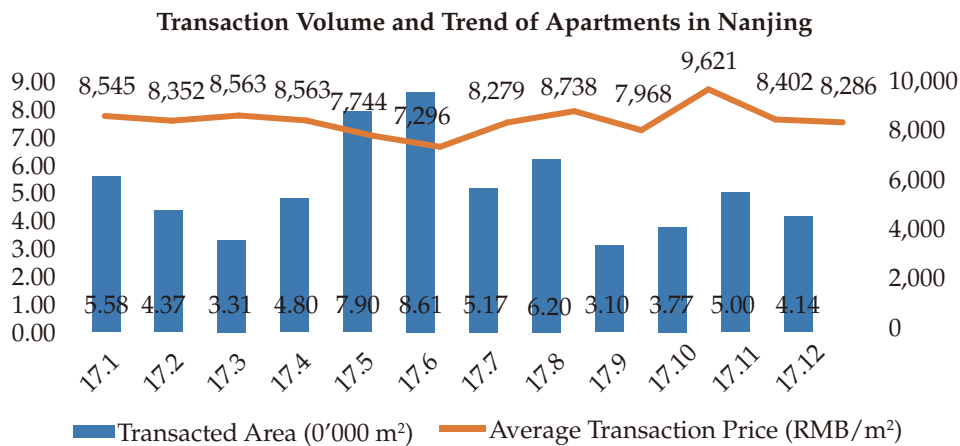
In 2017, the transaction volume of new non-residential properties in Nanchang increased significantly. In 2017, transactions of non-residential properties reached 1.679 million m², representing an increase of 43.17% as compared to that of last period. After purchase restriction was imposed on housing, transactions of non-residential property investment increased, with the highest volume, which was 220,200 m², appeared in June and the lowest, which was 83,600 m², appeared in October.

Non-Residential Property Transaction Volume and Trend of Property in Nanchang in 2017 (0'000 m²)



Apartment Transactions

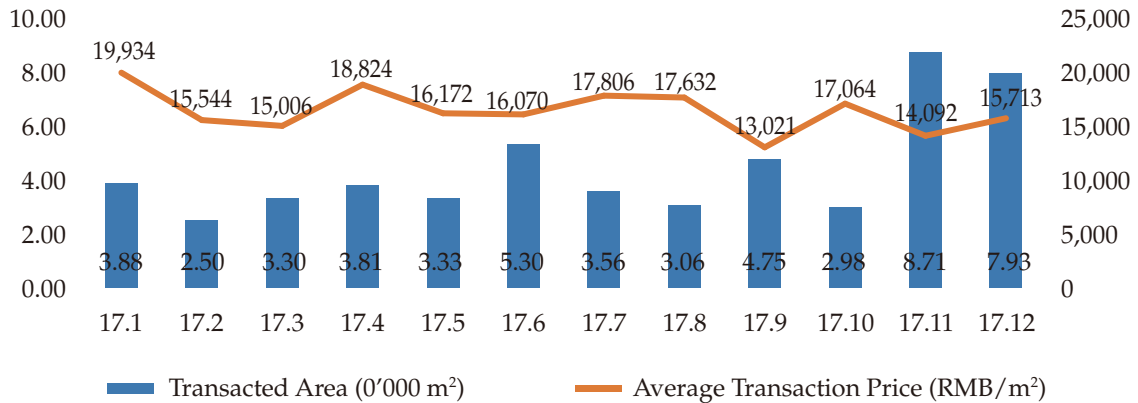
In 2017, 619,300 m² of apartment in Nanchang were transacted, representing an increase of 10.18% as compared to that of last period; the average transaction price was RMB8,244/m², up 4.9% as compared to that of last period. From 2014 to 2017, the transacted area of apartments in Nanchang has increased significantly. Xihu District, Jiulonghu District and High-tech Zone have become the dominant supply market for apartments in 2017. The highest transaction volume of apartment was seen in the second quarter of 2017. Since its introduction, investors have shifted their focus on the apartment as the rental market developed. Likewise, the area-to-price ratio is less than that of the ordinary houses. Compared to that, some of the buyers with rigid demand also choose smaller apartments as their temporary accommodation.



Retail Property Transaction

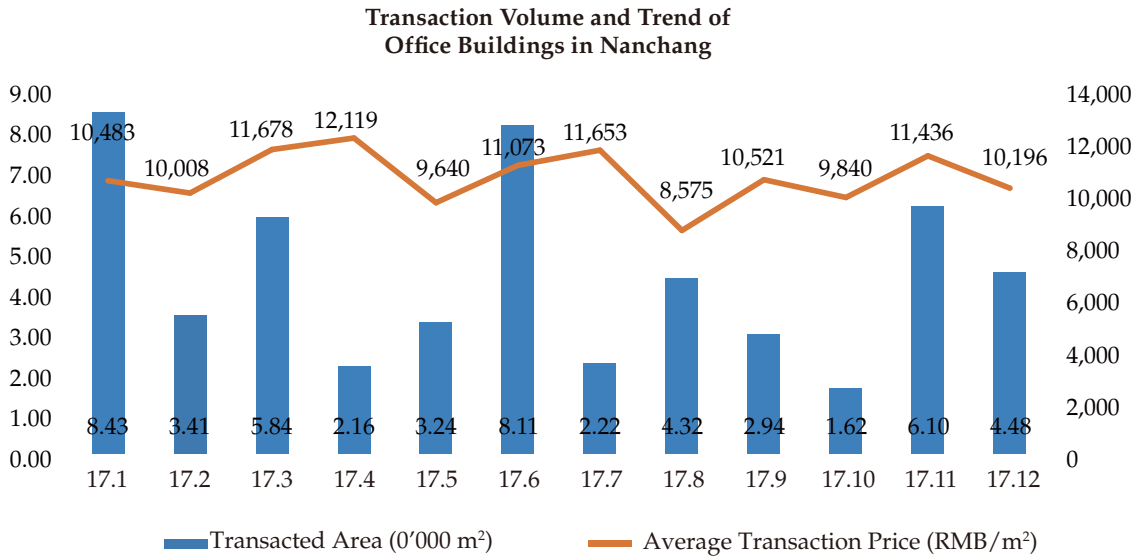
In 2017, the retail property market in Nanchang showed an upward trend as compared to last year. For monthly transaction, the market performance was fair in the months before June, when the transactions rose sharply. In the second half of the year, the retail property market showed an upward trend. The number of transactions in November was outstanding, but the average transaction price was low, which dragged the average monthly transaction price. Most of the retail properties transacted in the market this year were shops ancillary to residential property. Relatively speaking, retail properties in the complex projects were sold faster.

Transaction Volume and Price in Nanchang



Office Building Transactions

In 2017, the office building transactions in Nanchang was 528,700 m², representing an increase of 66% as compared to that of last period, and the average transaction price was RMB10,696/m², representing an increase of 6.2% as compared to that of last period. In January 2017, the transacted area of office building rose to its peak and reached one-third of the entire year. The main project area was Honggutan (紅穀灘). 81,000 m² of area for office buildings was transacted in Jiulonghu (九龍湖) District in June, resulting in a significant increase in the transacted area of office buildings in June. Gaoxin District has been the core sector for office building transactions in Nanchang, in which the price was relatively lower than that of the central sector, resulting in a lower market price as a whole. The market for office building transactions fluctuated in the second half of the year. In November, most of the transactions were contributed by Gaoxin District and Xihu District.



(3) Geographical location and planning status

The following information is extracted from the *Baidu Online Encyclopedia* on the Internet, the portal website of Nanchang Xihu Government, and the “Basic Idea of “13th Five-Year” Plan of Xihu District” (《西湖區“十三五”規劃基本思路》).

Chaoyang Center is located in Xihu District, Nanchang, a central district and an old town, which is a major district for economic development. Xihu District starts at Beijing-Kowloon Railway at the east, and is adjacent to Qingshanhu District, connecting the east section of Hongcheng Road in the south, and is bounded by the south section of Fuhe Road, Xianghu (象湖) and the Nange bank (南隔堤). It is located next to Qingyunpu District and Nanchang County, intersecting Honggutun New District via Ganjiang Center Line (贛江中心線) in the west, and joins Donghu District via West Beijing Road along Zhongshan Road. Xihu District is accessible by Nanchang Railway Station along the Beijing-Kowloon Railway, and the Nanchang Bus Station, Nanchang (南昌市南昌汽車站). The main exits of Nanchang, Nanchang Bridge (南昌大橋) and Shengmi Bridge (生米大橋), are originated from this district. To leave the district, it is a 5-minute drive to highway, and a 20-minute drive to the airport.

According to the “Basic Idea of “13th Five-Year” Plan of Xihu District” (《西湖區“十三五”規劃基本思路》), in 5 years, the economic zone for headquarters along the river in Xihu District will become a high class, high standard, and highly-concentrated economic concentration zone for the headquarters county-wide with comprehensive ancillary facilities, superior business environment, strong sense of headquarters, abundant human resources, and top-notch technology research. Together with the CBD of Honggutun on the west bank of Gan River, it

forms the skyline of “one river, two banks” in Nanchang, transforming itself to the “Bund in the East” in Nanchang.

6. *Appraisal Approach*

This appraisal was conducted with the adoption of the hypothetical development method according to the relevant conditions including the planned usage and nature of the development project, and the circumstances of data collection.

The hypothetical development method estimates the value of the subject after completion of the development, net of estimated general development costs, taxes, and profits. It is an objective and reasonable method for the appraisal of the subject.

The basic formula of the hypothetical development method:

Appraisal of the inventory development costs = Market value of property after completion of development – Costs of continued construction costs (including construction costs, and management fee) – Investment interests – Sales expenses and taxes – Land appreciation tax – Income tax – Investment profit.

where:

“Market value of property after completion of development” is derived from a fixed method after the appraisal personnel has estimated the sales price of the property after the completion of construction in the future by using the market method, according to the various functions of property under appraisal.

“Cost of continued construction costs (including construction costs, and management fee)” is determined according to the relevant information such as project budget and contract statistics provided by “Shenyang Real Properties,” with reference to the construction cost standard and the billing standards for same type of property.

“Investment interests” refers to the opportunity cost regarding the investment costs accounted for the capital during the normal continuation period.

“Sales expenses and taxes” refers to the sales taxes (added-value tax, municipal maintenance tax, education surcharge, and stamp duty) and sales expenses (expenses including sales agent and advertisement) payable in the course of property sales.

“Land appreciation tax and income tax” is calculated in accordance with the relevant provisions of the land appreciation tax and income tax.

“Investment profit” is the return on investment that is entitled from the investment cost during the continuation period of the development project.

7. Appraisal Processes

1) Chaoyang Center Phase I

A. Determination of Sales Revenue

The main type of the Chaoyang Center Phase I is residential, retail and underground parking spaces. Of which, housing sales contract in respect of 324,734.10 m² of houses and 1,489 parking spaces has been signed, and contract for transfer of house use rights in respect of 3,200 m² of public auxiliary facilities (kindergarten) has been entered into. During the course of appraisal, we calculated the portion of several sales contracts based on the contract amount of RMB4,775,111,895; the 683.55 m² of commodity housings under which the contract has not been signed, has determined the selling unit price of RMB15,000/m² with reference to the selling price under the signed sales contract.

The parking space are determined at a selling unit price of RMB122,000/per space, with reference to the unit price of the part of the signed sales contract.

Portion	Portion of signed sales contract		Unsold portion			Total sales revenue (RMB)
	Area (m ²)	Contracted amount (RMB)	Area (m ²)	Evaluated unit price (RMB)	Evaluated total price (RMB)	
General residential properties (Normal)	159,176.19	1,972,481,400	352.61	15,000	5,300,000	1,977,770,550
General residential properties (Decorated)	76,290.61	1,154,805,800				1,154,805,800
Riverview Luxury Apartment	58,001.06	851,980,090	330.94	15,000	5,000,000	856,994,190
Retail	31,266.24	576,033,205	-			576,033,205
Ground Floor Parking Space (no.)	1,489.00	202,211,400	1,092.00	122,000	133,220,000	335,435,400
Kindergarten	3,200	17,600,000				17,600,000
Total		<u>4,775,111,895</u>			<u>143,520,000</u>	<u>4,918,600,000</u> (Rounding)

- B. Determination of cost of continued construction (including construction cost, and management fee, etc.)

According to the relevant information such as project budget, contract statistics as provided by “Shenyang Real Properties”, combining with the construction cost standard and the billing standard for the same type of property, such that the cost of continued construction (including construction cost, management fee, etc.) of phase I of the project was determined at RMB1,387,237,900.

- C. Sales expenses and taxes, land appreciation tax, and income tax

We have analyzed the sales rates as announced by a number of real estate developer in the PRC, which are listed on the Hong Kong Stock Exchange, to be between 2.30% and 4.24%. As the sales of phase I of the project have been basically completed, the main unsold portion was the parking spaces. Therefore, we have calculated the sales expenses based on 2% of the sales revenue for the unsold portion of the commodity housing.

Taxes are calculated in accordance with the tax standards stipulated by relevant laws and regulations.

The evaluation processes are as follows:

No.	Item	Basis of calculation	Ratio	Amount (RMB)
1	Sales expenses	Sales revenue of the unsold portion	2%	2,870,000
2	Value added tax	Sales revenue	5%	245,930,000
3	Land appreciation tax	See Schedule		330,562,923
4	Income tax		25%	231,264,326
	Total			<u>810,627,249</u>

Schedule: Table for the calculation of land appreciation tax:
(Unit of amount: RMB)

Portion	Riverview	1# Land		1#, 2# Land		2# Land
	High Rise Luxury Apartment	General High Rise Residential Apartment	Total for Retail Property	Ground Floor Parking Garage	Kindergarten	Premium High Rise Residential Apartment
1 Taxable income	772,021,793	1,781,775,270	518,948,833	302,194,054	15,855,856	1,040,365,586
2 Total, net of cost	518,082,027	1,376,971,906	393,711,492	501,461,253	7,075,541	730,651,318
2.1 Deduction item (1)	395,189,502	1,051,511,889	302,854,993	384,433,947	5,374,226	557,545,096
1 Direct cost of project	411,416,833	1,102,514,698	311,760,482	392,851,389	5,692,109	572,440,809
1.1 Of which, capitalized borrowing expense	16,227,331	51,002,809	8,905,489	8,417,443	317,883	14,895,714
2.2 Net of item (2)	39,518,950	105,151,189	30,285,499	38,443,395	537,423	55,754,510
2.3 Net of item (3)	4,335,674	10,006,450	29,144,166,480	1,697,122	89,046	5,842,693
2.3.1 Other taxes and fees for the period	4,335,674	10,006,450	2,914,417	1,697,122	89,046	5,842,693
2.4 Net of item (4)	79,037,900	210,302,378	60,570,999	76,886,789	1,074,845	111,509,019
3 Value added amount	253,939,766	404,803,364	122,322,925	-199,267,199	8,780,315	309,714,268
4 Ratio of Value added amount to net of item	49%	29%	31%	-397373%	124%	42%
5 Taxes payable	76,181,930	121,441,009	36,696,878	0	3,328,826	92,914,280
Total						<u>330,562,923</u>

D. Investment profit

Residual value of development project = real estate value upon completion of development – costs of continued construction (including construction cost, management fee, etc.) – sales expenses and taxes – land appreciation tax – income tax = RMB2,720,734,850.

After analysis, the annual operating profit margin of a number of mainland real estate development enterprises listed on the Hong Kong Stock Exchange is within the range of 5%-31%, with an average of 21% and a median of 19%. By combining the remaining development period of this project, the profit margin of the investment in continued construction is determined to be 10% of the residual value. From this, the investment profit is RMB247,339,532.

E. Investment interest

Since the construction of Phase I project has entered the handover stage, the capital cost of the investment cost during the continued construction period of Phase I project would be excluded from calculation.

F. Results of Phase I development cost appraisal

Phase I development cost appraisal = real estate value upon completion of development – costs of continued construction (including construction cost, management fee, etc.) – sales expenses and taxes – land appreciation tax – income tax – investment profit – investment interest = RMB2,473,400,000 (after rounding)

2) *Chaoyang Center Phase II*

A. Determination of sales revenue

a. Determination of sales revenue of apartment

The sales of this project's apartment products were better on the appraisal base date, with a few areas remaining unsold. In the evaluation process, for the portion sold, we used the contract price to determine sales revenue; for the portion to be sold, we made reference to the sales price of portion sold to determine the unit price to be RMB11,000/sq.m.

b. Determination of sales revenue of retail portion

In the appraisal process, we made reference to the sales price of the retail of Phase I, and analysed and compared the market price of retail products sold in the surrounding areas, so as to determine the market price of the retail products of Chaoyang Center Phase II. The sales prices of shops in the surrounding area mainly concentrate in the range between RMB18,000/sq.m. and RMB30,000/sq.m. Particulars of main comparable cases are as follows:

SCE Uptown (中駿尚城) is located in the new town area in Chaoyang District of Xihu District, with Yongfu Road in the east, Yunhai Road in the south, Guidian Road in the west and Laozhou Street in the north (西湖區朝陽新城地段，東靠永富路，南臨雲海路，西接桂殿路，北沿老洲街).

The area is accessible by bus routes 241 and 818. The project has a site area of 19,210 sq.m. and a total gross floor area of approximately 1,800,000,000 sq.m. The project covers various types of operation, such as ordinary residential, LOFT and SOHO. At present, the project has shops for sale, and the sales price of the shops at ground floor of the street is between RMB27,000 and RMB30,000/sq.m.

Convergence of the Peak (朝陽峰匯) is located in Chaoyangzhou, Nanchang City, along the river of Hongcheng and at the east of Fusheng Road and north of Shuichang Road (南昌市朝陽洲，洪城沿脈，撫生路以東、水廠路以北). Convergence of the Peak has a total land area of 17,089 sq.m., which is a total of 23.64 mu (畝) and a gross floor area of 65,632.29 sq.m. The parcel plot ratio is 3, the building density is 25.53% and the green space ratio is 34.93%. The total number of households is 184 with 478 car parking spaces. Convergence of the Peak is planned to consist of a 25F office building and two 16-18F high-rise residential buildings, supporting by a commercial portion of approximately 5,300 sq.m. The shops with an area of 30 to 120 sq.m. at the ground floor of the street is priced at RMB30,000/sq.m.

We also made reference to the sales of Retail in Chaoyang Center Phase I. According to the sales breakdown provided by the Company, the average price of the Retail in Phase I is RMB18,000/sq.m.

We conducted a comprehensive analysis of the Retail for sale in the neighbouring markets, during which we have analysed and compared factors affecting housing prices, such as the location, transportation, environment, building product market positioning, architectural image and scale, with the retail products of the project, thereby determining the average price of the Retail portion at first floor to be RMB22,000/sq.m. in the first place. On such basis, the prices for the portion at second to sixth floors were adjusted respectively, and finally, the total price is divided by the total area to determine the average realisable market price of the commercial portion under the project to be RMB13,000/sq.m.

c. Determination of income from car parking spaces

There are no commercial car parking spaces for sale around the project, and we made reference to the sales of car parking spaces in Chaoyang Center Phase I project.

Considering that the car parking spaces in Phase II are mainly for commercial support, in this case, the spaces would have limited sales and difficulty in general assignment. Therefore, calculation is made at RMB100,000 per unit in the appraisal process.

d. Super-high rise office building on Land No. 4#

Pursuant to the "Sales Contract about a Super-high Rise Office Building on Land No. 4 of Greenland Chaoyang Center – (Saleable commercial portion)" (《關於綠地朝陽中心4號地塊1號辦公超高層(可售商業辦公部分)買賣協議》) entered into between "Shenyang Property" and Jiangxi Futingyuan International Hotel Co., Ltd. (江西富庭苑國際酒店有限公司) provided by the Company, the total area of the office building is 81,889.04 sq.m. and the total consideration for purchase of the building is RMB835,268,208. We adopted the contract price to determine the sales revenue for this appraisal.

Types of operation	Portion of contracted sales contract		Unsold portion		Total sales revenue (Yuan)	
	Area (sq.m.)	Contracted amount (Yuan)	Area (sq.m)	Valuated unit price (Yuan)		Valuated total price (Yuan)
Apartment (Land No. #3)	40,396.99	431,738,070	1,055.85	11,000	11,600,000	443,338,070
Retail (Land No. #3)			20,722.88	13,000	269,400,000	269,400,000
Car parking spaces			1,190	100,000	119,000,000	119,000,000
Land No. #3 in total					<u>400,000,000</u>	831,700,000 (after rounding)
Office (Land No. #4)						835,300,000 (after rounding)
	81,889.04	835,268,208				
Land No. #4 in total						835,300,000 (after rounding)

- B. Costs of continued construction (including construction cost, management fee, etc.)

According to the project budget, contract statistics and other related information provided by “Shenyang Property”, combined with the construction cost standard and fee collection standard of lands with similar usage, the costs of continued construction (including construction cost, management fee, etc.) of Land No. 3# of project Phase II and the costs of continued construction (including construction cost, management fee, etc.) of the land constructed for State Administration of Grain (糧食局) are determined to be RMB478,826,259 and RMB30,880,800, respectively. The costs of continued construction (including construction cost, management fee, etc.) of the super-high rise office building on Land No. 4# is RMB466,149,941.

- C. Sales expenses and taxes, land appreciation tax, income tax

Sales expenses and taxes and other indicators are all based on the fee collection standard, tax standard, industry average value and other value of the real estate industry, as detailed in the appraisal process of Chaoyang Center Phase I in this report with no repeated information here.

Details of the calculation process are as follows: (Amount unit: RMB)

Order number	Item	Calculation formula	Land No. 3#	Land No. 4#
1	Sales expenses	Sales price of unsold portion*2%	8,000,000	0
2	Value-added tax	Sales revenue*5%	41,585,000	41,765,000
3	Land appreciation tax	See attached table	27,294,385	43,716,162
4	Income tax	25%	0	44,314,345
	Total		<u>76,879,385</u>	<u>129,795,507</u>

Attached table: table for calculation of land appreciation tax: (Amount unit: RMB)

Types of operation	Item	Land No. 3#		Land No. 4#	
		Soho service apartment	Retail	Underground garage on Land Nos. 3# and 4#	Super-high rise office
I	Taxable income	399,403,667	242,702,703	107,207,207	752,493,881
II	Total costs deducted	308,422,383	456,297,872	333,330,928	606,773,341
	2.1 Deduction item (I)	236,265,085	350,401,090	256,144,577	464,896,894
	1 Direct costs of the project	249,029,981	357,675,702	272,188,294	489,755,341
	1.1 Among them, borrowing costs capitalised	12,764,896	7,274,612	16,043,716	24,858,446
	2.2 Deduction item (II)	23,626,509	35,040,109	25,614,458	46,489,689
	2.3 Deduction item (III)	1,277,772	776,454	342,977	2,407,378
	2.3.1 Other taxes and expenses for the period	1,277,772	776,454	342,977	2,407,378
	2.4 Deduction item (IV)	47,253,017	70,080,218	51,228,915	92,979,379
III	Appreciation value	90,981,284	-21,360	-22,612	145,720,540
IV	Appreciation value to the deduction items	29%	-47%	-68%	24%
V	Taxable amount	<u>27,294,385</u>	<u>0</u>	<u>0</u>	<u>43,716,162</u>

D. Investment profit

Residual value of development project = real estate value upon completion of development – costs of continued construction (including construction cost, management fee, etc.) – sales expenses and taxes – land appreciation tax – income tax, in which: the residual value of Land No. 3# development project amounted to RMB245,151,626; the residual value of Land No. 4# development project amounted to RMB239,332,761.

By combining the description of the investment profit calculation in the appraisal explanation of Greenland Chaoyang Center project Phase I and consolidating the development period of the projects, it is determined that the investment profit ratios for continued construction of Land Nos. 3# and 4# development projects are 15% and 20%, respectively, resulting in the investment profit of RMB31,976,299 and RMB39,887,127 for Land Nos. 3# and 4#, respectively.

E. Investment interest

The remaining construction terms for Land Nos. 3# and 4# are 2 years and 2.92 years, respectively, of which the interest rate based on the lending rate of 4.75% for loans with a term of 1 to 3 years by the People's Bank of China set on the appraisal base date has increased by 10%, resulting in the capital cost of the investment cost during the continued construction period of Land Nos. 3# and 4# projects of RMB20,678,007 and RMB27,542,061, respectively.

F. Results of Phase II development cost appraisal

Phase II development cost appraisal = real estate value upon completion of development – costs of continued construction (including construction cost, management fee, etc.) – sales expenses and taxes – land appreciation tax – income tax – investment profit – investment interest.

From the above, it is calculated that the appraisal for development cost of Land No. 3# project is RMB192,000,000 (after rounding) and the appraisal for development costs of the projects is RMB171,900,000 (after rounding).

(II) Appraisal Explanation of Other Assets

In addition to the inventory-development cost, each of the current assets reported by "Shenyang Property" includes monetary funds, prepayments, other receivables and other current assets. Each of the non-current assets includes fixed assets, intangible assets and deferred income tax assets.

Prepayments represent prepaid work costs and municipal supporting fees; other receivables refer to current accounts of related parties, security deposit and advance expenses for utilities; other current assets represent prepaid income tax, land appreciation tax, value-added tax and tax surcharge; intangible assets represent CAD software purchased; deferred income tax assets refer to current income tax expenses provided based on profit approved by tax laws for advance receipts of housing payments.

Appraisal of other assets aforesaid is determined by audited carrying amount, except that unutilised value-added tax credited in other current assets is aggregated in inventory development cost for calculation.

Current assets mainly refer to office equipment such as computers, printers and photocopiers. Cost method is adopted for appraisal in this appraisal, of which the calculation formula for appraisal is: appraisal = replacement value × newness rate.

(III) Description of the Appraisal of Liabilities

“Shenyang Property” reports various liabilities for appraisal, including trade payables, receipt in advance, other payables, non-current liabilities due within one year and long-term borrowings.

Trade payables represent project payables, advertising expenses, etc.; receipt in advance represents the advance received from property sales; other payables include earnest money, amounts due from/to related parties, etc.; both non-current liabilities due within one year and long-term borrowings are bank borrowings, with appraisal confirmed by audited carrying amount.

X. IMPLEMENTATION PROCESS OF APPRAISAL PROCEDURES**(I) Duration of Appraisal**

This appraisal lasted from 30 September 2018 to the date of issuing the appraisal report.

(II) Main Appraisal Procedures Executed

1. From 30 September 2018 to 10 October 2018: Conducting preliminary investigation into the project, undertaking the commissioned project based on our understanding of the appraisal purpose, object, scope, appraisal base date, etc.; and formulating a appraisal plan and preparing a appraisal work plan.
2. From 11 October 2018 to 1 November 2018: Learning the history and status-quo of target estimation from customers, including company operation and related business records; collecting relevant financial reports, legal documents of the Company, etc.; collecting external industrial information and related professional market data; reviewing the data collected; conducting due diligence, site survey and interview with the management; determining the applicable appraisal method based on all the information and data obtained, establishing a appraisal model, and conducting analysis and calculation on the value of the entire equity interest of Shenyang Property.
3. From 2 November 2018 to the date of issuing the appraisal report: Preparing, auditing and issuing the appraisal report.

XI. CONCLUSIONS OF APPRAISAL

In addition to the special matters specified in this report, the total equity interest of “Shenyang Property” amounted to RMB1,946,876,400 on 30 September 2018 (i.e., the appraisal base date), subject to the going concern basis as well as the appraisal purpose and value definitions, appraisal assumptions and restrictions set out in this report. The specific appraisal results are shown in the following table (unit: RMB0,000):

Item	Carrying amount	Appraisal price	Appreciation value	Appreciation rate %
Current assets	687,755.97	733,770.56	46,014.59	6.69
Of which: Cash and cash equivalent	14,078.09	14,078.09	–	–
Prepayment	759.50	759.50	–	–
Other receivables	408,788.72	408,788.72	–	–
Inventories	231,709.49	283,700.00	51,990.51	22.44
Other current assets	<u>32,420.17</u>	<u>26,444.25</u>	<u>–5,975.93</u>	<u>–18.43</u>
Non-current assets	15,535.99	15,534.65	–1.34	–0.01
Of which: Fixed assets	12.58	11.23	–1.35	–10.73
Intangible assets	10.56	10.56	–	–
Deferred income tax assets	<u>15,512.85</u>	<u>15,512.85</u>	<u>–</u>	<u>–</u>
Total assets	<u>703,291.97</u>	<u>749,305.21</u>	<u>46,013.24</u>	<u>6.54</u>
Current liabilities	521,617.56	521,617.56	–	–
Non-current liabilities	<u>33,000.00</u>	<u>33,000.00</u>	<u>–</u>	<u>–</u>
Total liabilities	<u>554,617.56</u>	<u>554,617.56</u>	<u>–</u>	<u>–</u>
Net assets	<u>148,674.40</u>	<u>194,687.64</u>	<u>46,013.24</u>	<u>30.95</u>

XII. SPECIAL MATTERS

The appraisal conclusions set out in this report are merely a reflection of the market value determined by the appraisal object with reference to relevant appraisal criteria under the current appraisal purpose, value definitions, appraisal assumptions and restrictions. The following matters, which may affect the appraisal conclusions, should draw the attention of users and readers of this report.

1. The appraisal results derived by the asset-based approach as set out in this report do not take into account the impact of the market liquidity of the equity of “Shenyang Property” on the appraisal results, or the premium or discount generated by factors such as control rights or minority interests, and the price impact caused by the possible increase or reduction in payment by way of special trading methods.
2. As of the appraisal base date, the state-owned land use rights held by the Chaoyang Center Project, a property development project of “Shenyang Property” which is located in the south of Guanying Road, east of Jiangnan Avenue, north of Shuichang Road and west of Liangku Road in Xihu District (西湖區灌嬰路以南、沿江南大道以東、水廠路以北、糧庫路以西) (Certificate Number: Gan (2016) Nanchang Property Right No.1106493, Gan (2016) Nanchang Property Right No.1106494) have been pledged to China Citic Bank Corporation Limited (Nanchang Branch) (中信銀行股份有限公司南昌分行) from 23 September 2016 to 22 September 2019, to secure a mortgage loan of RMB1.4 billion. The state-owned land use rights of the land with the certificate number Gan (2016) Nanchang Property Right No.1107174 have been pledged to Industrial and Commercial Bank of China Limited (Nanchang Dusiqian Branch) (中國工商銀行股份有限公司南昌都司前支行) from 25 July 2017 to 20 May 2020, to secure a mortgage loan of RMB420 million.

This appraisal does not take into account the impact of other rights or title defects such as collaterals, mortgages and guarantees that have existed or may exist on the appraisal conclusions.

3. The appraisal conclusions referred to in this report represent our appraisal opinions for the purposes stated in this report, provided that the assets under appraisal maintain their uses on a going concern basis with conditions and external economic environments on the appraisal base date which shall bear no liability for any other purposes.
4. During the appraisal process, the principal and the enterprise under appraisal provided corresponding information such as property rights proofs, financial accounting data and corporate production operations. Such appraisal-related information serves as the basis for the Company in preparing this report. The principal and the enterprise under appraisal shall be responsible for the reliability, truthfulness, accuracy and completeness of the information offered by them. During the process of performing the appraisal procedures, the

appraisal personnel paid necessary attention to and conducted verification for the ownership documents and information on the appraisal object that were offered by the principal and the enterprise under appraisal. However, we do not express our view on the legal ownership of the appraisal object, since issuing confirmations or opinions on such legal ownership fell beyond the scope of the appraisal personnel's professional practice.

5. The appraisal conclusions in this report reflect the market value of the appraisal object determined by adopting the generally accepted appraisal method for the purpose of this appraisal, without taking into consideration the relevant expenses and taxes that may be borne during the property right registration or the ownership changing process for these assets or any taxable adjustment provisions for the additional amount of appraisal.
6. Should significant change occur to the appraisal object after the appraisal base date, such as changes in the amount of assets and pricing standard, then appropriate adjustment should be made rather than using the appraisal conclusion directly. In respect of other defects of the enterprise under appraisal which may influence the appraisal conclusions, the appraisal agency and its staff shall bear no relevant responsibilities if the principal and the enterprise under appraisal did not report or specify such defects and the appraisal personnel were generally unable to find out based on their practical experience.

Users of this appraisal report should note that the appraisal conclusions may change correspondingly to any changes in the aforementioned factors or situations or any inconsistency with the situations illustrated by us.

7. This report did not take into consideration the potential impact of any subsequent event of the enterprise under appraisal on the appraisal conclusions.

XIII. RESTRICTION ON THE USE OF THE APPRAISAL REPORT

1. The principal or other users may only use this appraisal report for the purposes and uses stated in the report.
2. The appraisal agency and its professional personnel shall bear no responsibility for any use of this appraisal report by the principal or other users that fails to comply with the laws, administrative regulations and the use scope stated in the appraisal report.
3. Except the principal, other users of the appraisal report as agreed in the appraisal appointment contract and the users of the appraisal report stipulated by the laws and administrative regulations, no other agency or individual shall be a user of the appraisal report.

4. Users of this appraisal report should have a correct understanding of the appraisal conclusions, which are not equivalent to a realizable price of the appraisal object and should not be regarded as a guarantee for the realizable price of the appraisal object.
5. The content of the appraisal report shall not be extracted, quoted or disclosed in the public media without an approval issued by the appraisal agency, except otherwise prescribed by the laws and administrative regulations and agreed by the parties concerned.
6. The appraisal conclusions were only established on the appraisal base date. Generally, the appraisal report can only be used when there is a gap of less than one year between the appraisal base date and the date of materializing the economic behavior.

XIV. DATE OF THE APPRAISAL REPORT

Date of the appraisal report: 9 November 2018.

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DP International Appraisal Limited (深圳道衡美評國際資產評估有限公司)

Shenzhen, the PRC

PRC asset valuer: Shen Cuiyuan

9 November 2018

PRC asset valuer: Huang Qiong

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTEREST

(a) Directors' and chief executives' interests and short position in Shares, underlying shares and debentures

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had 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 (i) were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules, to be notified to the Company and the Stock Exchange:

Long positions in the Shares:

Name of Director	Capacity/Nature of interest	Number of Shares	Approximately percentage of shareholding in the Company's issued share capital (Note 6)
Mr. WANG Weixian	Interest of controlled corporation	38,804,571 (Note 1)	1.39%
	Founder of discretionary trust	367,254,133 (Note 2)	13.15%
Ms. WANG Xuling	Beneficial owner	7,390,000	0.26%
	Interest of controlled corporation	7,010,448 (Note 3)	0.25%
	Beneficiary of discretionary trust	367,254,133 (Note 2)	13.15%

Name of Director	Capacity/Nature of interest	Number of Shares	Approximately percentage of shareholding in the Company's issued share capital (Note 6)
Mr. CHEONG Ying Chew, Henry	Beneficial owner	500,000	0.02%
Mr. FONG Wo, Felix, JP	Beneficial owner	500,000	0.02%
Mr. KWAN Kai Cheong	Beneficial owner	500,000	0.02%
Mr. CHEN Jun	Beneficial owner	3,500,000 (Note 4)	0.13%
Mr. HOU Guangjun	Beneficial owner	2,700,000 (Note 5)	0.10%

Notes:

1. Mr. WANG Weixian was deemed to be interested in 38,804,571 Shares which were held by Prestige Glory Enterprises Limited. The entire issued share capital of Prestige Glory Enterprises Limited was beneficially owned by Mr. WANG Weixian.
2. Each of Mr. WANG Weixian and Ms. WANG Xuling was deemed to be interested in an aggregate of 367,254,133 Shares, which were held by The Duanyuan Trust.
3. Ms. WANG Xuling was deemed to be interested in 7,010,448 Shares, which were held by Boom Rich Investments Limited which was in turn entirely beneficially owned by Ms. WANG Xuling. Ms. WANG Xuling beneficially owned 7,390,000 Shares, 3,390,000 Shares of which were deemed to be interested by her under the subscription agreement between her and the Company dated 23 January 2018 under the SFO.
4. Mr. CHEN Jun was deemed to be interested in 3,500,000 Shares under the subscription agreement between him and the Company dated 23 January 2018 under the SFO.
5. Mr. HOU Guangjun was deemed to be interested in 2,700,000 Shares under the subscription agreement between him and the Company dated 23 January 2018 under SFO.
6. Representing the issued and fully paid-up capital of the Company as at the Latest Practicable Date comprising 2,791,884,683 Shares.

(b) Other interests of the Directors

As at the Latest Practicable Date,

- (i) save as disclosed above and except for Mr. Chen Jun and Mr. Wu Zhengkui (being senior management of Greenland Holdings), none of

the Directors is a director or employee of a company which has an interest or short position in the Shares and underlying shares of the Company which fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO;

- (ii) none of the Directors had any interest, direct or indirect, in any asset which have been, since 31 December 2017 (being the date to which the latest published audited consolidated financial statements of the Group were made up) acquired or disposed of by or leased to, any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group;
- (iii) none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which was subsisting at the Latest Practicable Date, and which was significant in relation to the business of the Group.

3. MATERIAL CONTRACTS

Save for the following, the Group had not entered into any material contract (not being contracts entered into in the ordinary course of business of the Group) within the two years immediately preceding the date of this circular:

- (a) the subscription agreement dated 27 June 2017 entered into amongst the Company, Credit Suisse (Hong Kong) Limited, The Hongkong and Shanghai Banking Corporation Limited, China Everbright Bank Co., Ltd, Hong Kong Branch, Haitong International Securities Company Limited and UBS AG Hong Kong Branch in connection with the issue of 4.5% bonds due 2018 in the aggregate principal amount of USD200,000,000;
- (b) the subscription and placement agreement dated 24 July 2017 entered into amongst the Company, Credit Suisse Securities (Europe) Limited (the “**Sole Placing Agent**”), certain subscribers and the swap counterparty (i.e. such professional, institutional or other investor(s), procured by the Sole Placing Agent to invest in the additional bonds) in connection with the issue of 4.5% additional bonds due 2018 in the aggregate principal amount of USD200,000,000; and
- (c) the subscription agreement dated 19 June 2018 entered into amongst the Company, Credit Suisse (Hong Kong) Limited, The Hongkong and Shanghai Banking Corporation Limited, CEB International Capital Corporation Limited, China Industrial Securities International Brokerage Limited, Essence International Securities (Hong Kong) Limited, Guotai Junan Securities (Hong Kong) Limited, Haitong International Securities Company Limited, Morgan Stanley & Co. International plc. and Orient Securities (Hong Kong) Limited in connection with the issue of 7.875% bonds due 2019 in the aggregate principal amount of US\$200,000,000.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or proposed to enter into any service contract with the Company or any member of the Group which would not expire or was not determinable by the employer within one year without payment of compensation (other than statutory compensation).

5. 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 2017, being the date to which the latest published audited consolidated financial statements of the Group were made up.

6. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective close associate was interested in any businesses (apart from the businesses of the Group), which competed or were likely to compete, either directly or indirectly, with the businesses of the Group.

7. LITIGATION

As at the Latest Practicable Date, neither the Company nor any other member of the Group was engaged in any litigation or claims of material importance and no litigation or claims of material importance was known to the Directors to be pending or threatened by or against the Company or any other member of the Group.

8. EXPERT'S QUALIFICATION AND CONSENT

The following is the qualifications of the expert who has given its opinions and advice which are contained in this circular:

Name	Qualification
Octal Capital Limited	a licensed corporation under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities
D&P China (HK) Limited	Property Valuer
DP International Appraisal Limited	Valuer
Yuzhang Law Firm	PRC legal advisers to the Company

As at the Latest Practicable Date, the above experts did not have any shareholding, directly or indirectly, in any member of the Group or 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, the above experts did not have any interest, direct or indirect, in the promotion of, or in any assets which have been, since 31 December 2017 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to, any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

The above experts have given and have not withdrawn their written consent to the issue of this circular with the inclusion of their letter and the references to their name and/or their opinion and advice in the form and context in which they are included.

9. GENERAL

- (a) the registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands;
- (b) the headquarters of the Company is located at No. 193 Xiehe Road, Changning District, Shanghai, the PRC;
- (c) the principal place of business of the Company in Hong Kong is located at Unit 5711, 57th Floor, The Center, 99 Queen's Road Central, Hong Kong;
- (d) the Company's Hong Kong branch share registrar and transfer office is Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong;
- (e) the company secretary of the Company is Ms. Fung Wai Sum, ACS, ACIS; and
- (f) the English text of this circular prevails over the Chinese text in case of inconsistency.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours on any weekdays (except for Saturday, Sunday and public holidays) at the Company's principal place of business in Hong Kong for a period of 14 days from the date of this circular:

- (a) the memorandum and articles of association of the Company;
- (b) the material contracts referred to in the section headed "3. Material Contracts" in this Appendix;
- (c) the Agreement;

- (d) the letter from Octal Capital, the text of which is set out on pages 12 to 26 of this circular;
- (e) the property valuation report from the property valuer as set out in Appendix II to this circular;
- (f) the equity appraisal report from the valuer as set out in Appendix III to this circular;
- (g) the annual report of the Company for the two financial years ended 31 December 2017; and
- (h) all the circulars issued by the Company since 31 December 2017 pursuant to the requirements set out in Chapters 14 and/or 14A of the Listing Rules.

NOTICE OF EGM

GREENLAND HONG KONG HOLDINGS LIMITED

綠地香港控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 337)

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “EGM”) of Greenland Hong Kong Holdings Limited (the “Company”) will be held at 7th Floor, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on 19 December 2018 at 9:00 a.m. for the purposes of considering and, if thought fit, passing the following ordinary resolution of the Company:

“**THAT** the Agreement (as defined in the circular of the Company dated 30 November 2018) and the transactions contemplated thereunder be and are hereby approved, confirmed and authorised, and any one of the directors of the Company be and is hereby authorised to execute all such documents and to do all such acts as he/she may in his/her absolute opinion deem necessary, desirable or expedient to give effect to the transactions contemplated thereunder with such changes as he/she may in his/her absolute opinion deem necessary, desirable or expedient.”

By order of the Board
Greenland Hong Kong Holdings Limited
Chen Jun
Chairman

Hong Kong, 30 November 2018

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman, KYI-1111

Cayman Islands

Principal place of business in Hong Kong:

Unit 5711, 57/F

The Center

99 Queen’s Road Central

Hong Kong

Notes:

1. *Any Shareholder entitled to attend and vote at the EGM convened by this notice is entitled to appoint one or more (if he/she/it holds two or more shares) proxies to attend and vote in his/her/its place. A proxy need not be a member of the Company.*
2. *In order to be valid, the completed form of proxy together with a power of attorney or other authority (if any) under which it is signed (or a notarially certified copy of that power or other authority) must be deposited at the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be).*
3. *Completion and return of the form of proxy will not preclude a member from attending and voting in person at the EGM or at any adjournment thereof (as the case may be) and, in such event, the instrument appointing a proxy shall be deemed to be revoked.*

NOTICE OF EGM

4. *In the case of joint holders of any share(s), any one of such joint holders may vote (either in person or by proxy) in respect of such share(s) as if he/she/it was solely entitled thereto, but if more than one of such joint holders are present at the EGM (whether in person or by proxy), the vote of the joint holder whose name stands first in the register of members of the Company in respect of such share(s) shall alone be entitled to vote in respect thereof.*
5. *Record date for determine the entitlement of the shareholders of the Company to attend and vote at the EGM will be 18 December 2018. In order to qualify for the EGM, all transfers, accompanied by the relevant share certificates, have to be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on 18 December 2018.*
6. *The Chinese translation of this notice is for reference only. In case of any inconsistency, the English version shall prevail.*