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

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SRE GROUP LIMITED

上置集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1207)

**MAJOR TRANSACTION
IN RELATION TO
THE DISPOSAL OF 49% EQUITY INTEREST IN
SHANGHAI JINXIN REAL ESTATE CO., LTD.**

* For identification purpose only

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DEFINITIONS

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

“Company”	SRE Group Limited, a company incorporated in Bermuda with limited liability, whose Shares are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Disposal
“Cooperation Framework Agreement”	the cooperation framework agreement dated 29 December 2016 entered into between the Company and the Purchaser in relation to the Disposal and the subsequent cooperation in the Qinhai Oasis Garden Project
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of a total of 49% equity interest in the Target Company by the Sellers to the Purchaser pursuant to the Cooperation Framework Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huarui Business”	瀋陽華銳商業管理發展有限公司 (Shenyang Huarui Business Management Development Co., Ltd.*), a limited liability company incorporated in the PRC and a subsidiary of the Company
“Huarui Shiji”	瀋陽華銳世紀資產管理有限公司 (Shenyang Huarui Shiji Asset Management Co., Ltd.*), a limited liability company incorporated in the PRC and a subsidiary of the Company
“Jiashun Holding”	嘉順(控股)投資有限公司 (Jiashun (Holding) Investment Limited), a company incorporated in Hong Kong and the controlling shareholder of the Company
“Jiaxing Lake”	嘉興湖畔華府置業有限公司 (Jiaxing Lake Richgate Real Estate Co., Ltd.*), a limited liability company incorporated in the PRC and a subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“Land”	the land for the Qinhai Oasis Garden Project located at nos. 717-719, Daxing Road, Huangpu District, Shanghai
“Latest Practicable Date”	19 January 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan region
“Purchaser”	上海中崇濱江實業發展有限公司 (Shanghai Zhongchong Binjiang Industrial Development Co., Ltd.*), a limited liability company incorporated in the PRC
“Qinhai Oasis Garden Project”	the real estate project being developed on the Land by the Target Company
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Sellers”	Huarui Shiji, Huarui Business, Jiaxing Lake and Wuxi Zhongqing
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	the holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	上海金心置業有限公司 (Shanghai Jinxin Real Estate Co., Ltd.*), a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company as at the Latest Practicable Date
“Valuer” or “JLL”	Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer

DEFINITIONS

“Wuxi Zhongqing”

無錫仲慶房地產開發有限公司 (Wuxi Zhongqing Real Estate Co., Ltd.*), a limited liability company incorporated in the PRC and a subsidiary of the Company

“%”

per cent

LETTER FROM THE BOARD



SRE GROUP LIMITED

上置集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1207)

Board of Directors:

Mr. He Binwu (*Chairman*)
Mr. Peng Xinkuang (*Chief Executive Officer*)
Mr. Chen Donghui
Mr. Chen Chao
Mr. Shi Janson Bing
Mr. Zhu Qiang
Ms. Qin Wenying
Mr. Zhuo Fumin*
Mr. Chan, Charles Sheung Wai*
Mr. Ma Lishan*
Mr. Han Gensheng*

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place of
business in Hong Kong:*

Suite 1307
13th Floor
AIA Central
1 Connaught Road Central
Hong Kong

* *independent non-executive Directors*

20 January 2017

To the Shareholders,

Dear Sir or Madam,

**MAJOR TRANSACTION
IN RELATION TO
THE DISPOSAL OF 49% EQUITY INTEREST IN
SHANGHAI JINXIN REAL ESTATE CO., LTD.**

INTRODUCTION

Reference is made to an announcement of the Company dated 29 December 2016.

The Board announces that on 29 December 2016, after trading hours, the Company and the Purchaser entered into the Cooperation Framework Agreement, pursuant to which the Company agreed to procure the Sellers to sell, and the Purchaser agreed to acquire a total of 49% equity interest in the Target Company at a total consideration of RMB2,305 million. Upon Completion of the Disposal, the Company will, through its subsidiaries, still hold 51% equity interest in the Target Company. Both parties agreed that the Company shall retain

* *For identification purpose only*

LETTER FROM THE BOARD

51% equity interest and remain as the largest shareholder of the Target Company, so as to facilitate the Target Company in obtaining financing from financial institutions by utilizing the financing resources of the Company.

Despite the shareholding percentage of the parties in the Target Company, the commercial agreement of the parties is the joint cooperation in the development of the Qinhai Oasis Garden Project according to a 50:50 ratio upon Completion of the Disposal. As such, the total consideration of the Disposal represents 50% of the fair value of the Land as described in the section headed “Consideration and its Payment” in this circular, and the investment gains of the Target Company will be distributed between the parties according to a 50:50 ratio as described in the section headed “Subsequent Cooperation in the Qinhai Oasis Garden Project” in this circular.

The purpose of this circular is to provide the Shareholders with further information on the Disposal and the Cooperation Framework Agreement.

THE MAIN PROVISIONS OF THE COOPERATION FRAMEWORK AGREEMENT

Date

29 December 2016

Parties

- (i) the Company, as the Sellers’ representative; and
- (ii) Shanghai Zhongchong Binjiang Industrial Development Co., Ltd., as the Purchaser.

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

Interest to be Disposed of

The interest to be disposed of under the Cooperation Framework Agreement is the 49% equity interest in the Target Company.

Consideration and its Payment

The total consideration of the Disposal is RMB2,305 million, of which RMB2,110 million is the consideration for the disposed equity interest in the Target Company, and RMB195 million is to be used to repay part of the shareholder’s loan advanced by the Group to the Target Company. The consideration was determined between the Company and the Purchaser after arm’s length negotiations with reference to, amongst others, (i) the market value of the Land of approximately RMB4,483 million estimated by the Company with reference to the land price in the surrounding area; (ii) the calculated amount of value of the Land of approximately RMB4,831 million after deducting the resettlement expenses

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as stated in the Property Valuation Report in Appendix II to this circular; (iii) the total amount of the shareholder's loan advanced by the Group to the Target Company of RMB390 million; and (iv) the reasons for and benefits of the Disposal stated in the section headed "Reasons for and Benefits of the Disposal" in this circular.

As the principal asset of the Target Company is the Land on which no saleable properties have been constructed, the Company considers that it is fair and reasonable to determine the total consideration of the Disposal based on the fair value of the Land. The commercial agreement of the parties is the joint cooperation in the development of the Qinhai Oasis Garden Project according to a 50:50 ratio. As such, both parties agreed that the total consideration of the Disposal shall represent 50% of the fair value of the Land as determined on the above basis. Upon the finalization of the valuation of the Land by the Valuer, given that the total consideration of the Disposal of RMB2,305 million is within the range of RMB2,242 million (being 50% of the market value of the Land estimated by the Company with reference to the land price in the surrounding area) and RMB2,416 million (being 50% of the calculated amount of value of the Land after deducting the resettlement expenses as stated in the Property Valuation Report in Appendix II to this circular), the Company considers that the total consideration of the Disposal is fair and reasonable. The consideration for the disposed equity interest in the Target Company of RMB2,110 million represents 50% of the fair value of the Land less 50% of the shareholder's loan advanced by the Group to the Target Company.

The total consideration of the Disposal was paid by the Purchaser as deposit on 22 December 2016, which was released to the Company on 29 December 2016 upon signing by the parties of the Cooperation Framework Agreement.

Completion

Completion of the Disposal shall take place within 20 business days after the Company has obtained the approval from the Shareholders in respect of the Disposal and received the payment of the total consideration from the Purchaser.

Upon Completion of the Disposal, the Company will, through its subsidiaries, still hold 51% equity interest in the Target Company. As at the Latest Practicable Date, the Company had no intention to dispose of the remaining 51% equity interest in the Target Company.

Subsequent Cooperation in the Qinhai Oasis Garden Project

The parties agreed to cooperate in the Qinhai Oasis Garden Project being developed by the Target Company in terms of construction capital injection, housing requisition, demolition and relocation, as well as subsequent development. Such cooperation mainly includes:

- (i) in respect of the capital required for the housing requisition, demolition and relocation, as well as the construction and development of the Qinhai Oasis Garden Project, the Company and/or the Target Company may seek loans from financial institutions, or the Company and the Purchaser may advance shareholders' loans to the Target Company according to a 50:50 ratio.

LETTER FROM THE BOARD

- (ii) the Company shall be responsible for coordinating the housing requisition and demolition in respect of the Qinhai Oasis Garden Project, while the Purchaser shall be responsible for coordinating the provision of relocation housing and providing assistance in the housing requisition and demolition.
- (iii) the parties shall fully utilize their experiences and strengths in real estate construction and sales to develop the Qinhai Oasis Garden Project, which shall be jointly managed by the parties using the brands of both parties.
- (iv) the Target Company shall have a board of directors made up of seven members, of which four shall be appointed by the Company, and three shall be appointed by the Purchaser. A director appointed by the Company shall act as the chairman, while a director appointed by the Purchaser shall act as the vice chairman. The parties agreed that the board of directors shall seek the Purchaser's views in deciding on material affairs and shall obtain the consent of at least one director appointed by the Purchaser.
- (v) the general manager of the Target Company in the stage of the housing requisition and demolition and in the stage of the construction and development of the Qinhai Oasis Garden Project shall be appointed by the Company and the Purchaser, respectively. In addition, the chief financial officer and the deputy chief financial officer of the Target Company shall be appointed by the Company and the Purchaser, respectively.
- (vi) the Target Company shall allocate investment gains between the parties according to a 50:50 ratio.

INFORMATION ON THE GROUP, THE SELLERS AND THE PURCHASER

The Group is an integrated real estate developer focusing on high-quality development projects and urban renewal projects in first-tier cities in the PRC, in particular core areas in Shanghai, which is geographically the base for the Group's property development business. While the Group is mainly focusing on high-quality property development, it is also seeking to explore new opportunities in urban development and renewal, medical and senior properties, and cultural tourism and innovative technology properties. The Group will also expand its investment businesses, accelerate the investment-withdrawal and gain-capturing process by adopting the "financing, investment, management and withdrawal" approach, and operate in a "light and heavy assets in parallel" model. The Group is also putting the strategy of internationalization into practice by seeking high-quality assets overseas, and will prudently attempt limited diversification, including the cultivation of real estate-related internet, funds and finance businesses, striving to become a fully integrated trans-sector real estate and finance group.

The Sellers in the Disposal are Huarui Shiji, Huarui Business, Jiaying Lake and Wuxi Zhongqing, all of which are subsidiaries of the Company. As at the Latest Practicable Date, Huarui Shiji, Huarui Business, Jiaying Lake and Wuxi Zhongqing hold 23%, 17%, 5% and 4% equity interest in the Target Company, respectively, and they are all principally engaged in the real estate development business.

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The Purchaser is principally engaged in the real estate development and operation business.

INFORMATION ON THE TARGET COMPANY

As at the Latest Practicable Date, the Target Company is an indirect wholly-owned subsidiary of the Company. The Target Company is principally engaged in the development of the Qinhai Oasis Garden Project, and its principal asset is the Land. The Land covers a site area of 37,129 square meters, and the Qinhai Oasis Garden Project has an expected aboveground gross floor area of 118,812.80 square meters. The Qinhai Oasis Garden Project will be developed into luxurious apartments, office and community commercial properties, and its construction is expected to be completed in 2020.

According to the unaudited financial statements of the Target Company prepared under the Hong Kong Financial Reporting Standards, the unaudited net asset value of the Target Company was approximately RMB3,030 million as at 30 November 2016. The Target Company recorded an unaudited net loss before and after taxation of RMB1,802,454 for the year ended 31 December 2014, and an unaudited net loss before and after taxation of RMB752,670 for the year ended 31 December 2015.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is striving to become a fully-integrated trans-sector real estate and finance group. The Directors believe that disposing of a part of the equity interest in the Target Company may realise the value of the Target Company earlier, improve the resources of the Group and increase the return to the Shareholders. In the meanwhile, the Group may leverage on the advantages of the Purchaser in aspects of housing demolition and relocation, so as to ensure the smooth and timely completion of housing requisition of the Qinhai Oasis Garden Project.

Having considered the reasons for and benefits of the Disposal, the Directors are of the view that the terms of the Cooperation Framework Agreement, which were determined by the parties on an arm's length basis, are fair and reasonable, and the Disposal is conducted on normal commercial terms and is in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

While the Company will retain 51% equity interest in the Target Company and have the right to appoint the majority of the board of directors of the Target Company, the board of directors of the Target Company is required to seek the Purchaser's views in deciding on material affairs and obtain the consent of at least one director appointed by the Purchaser as stated in item (iv) in the subsection headed "Subsequent Cooperation in the Qinhai Oasis Garden Project" above. The Purchaser effectively has a veto power over the Target Company's material affairs that significantly affect the returns of the Target Company and the Company therefore does not have control over the board of directors of the Target Company. As such, upon Completion of the Disposal, the Target Company will cease to be a subsidiary of the Company and will become a joint venture from an accounting perspective,

LETTER FROM THE BOARD

and its financial results will no longer be consolidated into the financial statements of the Company. However, pursuant to the definition of “subsidiary” under the Listing Rules, the Target Company is still a subsidiary of the Company from the perspective of the Listing Rules. As such, the Company will comply with the relevant requirements of the Listing Rules with respect to the Target Company in relation to its transactions or corporate actions, to the extent applicable.

It is expected that the Group will record a gain on the Disposal of approximately RMB892 million. This represents the sum of the gain on the disposed equity interest of approximately RMB595 million, being the difference between the consideration for the disposed equity interest of RMB2,110 million and 50% of the net asset value of the Target Company of approximately RMB3,030 million (i.e. RMB1,515 million), and a further gain of RMB595 million on the re-measurement of the retained equity interest from its carrying value (i.e. RMB1,515 million which equals 50% of the net asset value of the Target Company of approximately RMB3,030 million) to fair value (which equals the consideration for the disposed equity interest of RMB2,110 million as this is an arm’s length transaction), less the potential tax liability associated with the Disposal of approximately RMB298 million. As the Target Company will become a joint venture of the Company upon Completion of the Disposal, equity accounting method will be adopted to re-measure the retained equity interest held by the Company.

As at 30 November 2016, the total assets and total liabilities of the Target Company was RMB3,452 million and RMB422 million respectively. The total assets were mainly comprised of the historical cost of the Land and the related capitalized interest expenses amounting to RMB1,808 million and prepayment of resettlement expenses of up to RMB1,560 million, while total liabilities were mainly the payables due to the Group of RMB390 million. Based on the unaudited financial information of the Group as at 30 November 2016, as a result of the Disposal, total assets of the Group will increase by approximately RMB768 million (being the total consideration from the Disposal of RMB2,305 million together with the fair value of the retained equity interest of RMB2,110 million, less the total assets of the Target Company of RMB3,452 million and less the shareholder’s loan of RMB195 million repaid by the Purchaser), while total liabilities of the Group will decrease by approximately RMB124 million (being the total liabilities of the Target Company of RMB422 million, less the tax liabilities of RMB298 million arising from the gain on the Disposal). Other than the gain on the Disposal, there will not be any material effect on the earnings of the Group as the Qin Hai Oasis Garden Project is in the initial stage of development and has not yet generated any revenue for the Group. The final financial impact on the Group as a result of the Disposal will, however, be subject to the financial position of the Target Company as at the date of Completion.

The proceeds to be received by the Company from the Disposal will be applied towards other real estate development projects of the Group.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

Pursuant to Chapter 14 of the Listing Rules, as the applicable ratios in respect of the Disposal are greater than 25% but less than 75%, the Disposal constitutes a major transaction of the Company and is subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules.

To the best of the Directors' knowledge and information, and having made all reasonable enquiries, no Shareholder has any material interest in the Disposal. As such, no Shareholder is required to abstain from voting if a general meeting of the Company were convened to approve the Disposal. The Company has obtained a written approval from Jiashun Holding in respect of the Disposal. Pursuant to Rule 14.44 of the Listing Rules, such written approval from Jiashun Holding can be accepted in lieu of holding a general meeting for the purpose of approving the Disposal. Jiashun Holding is the controlling shareholder of the Company, holding 12,500,000,000 Shares with voting rights (representing approximately 60.78% of the total issued shares with voting rights of the Company based on a total of 20,564,713,722 Shares in issue as at the Latest Practicable Date).

RECOMMENDATION

Although no general meeting will be convened for the purpose of approving the Disposal, the Directors (including the independent non-executive Directors) believe that the Disposal is fair and reasonable and in the best interests of the Company and the Shareholders as a whole. Accordingly, if a general meeting were to be convened by the Company, the Directors would have recommended the Shareholders to vote in favour of the Disposal.

FURTHER INFORMATION

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

Yours faithfully,
By Order of the Board
SRE Group Limited
He Binwu
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for each of the three years ended 31 December 2013, 2014 and 2015 together with the relevant notes thereto are disclosed in the annual reports of the Company for the years ended 31 December 2013, 2014 and 2015, respectively, which have been published and are available on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.equitynet.com.hk/sre>):

- The Annual Report 2013 of the Company for the year ended 31 December 2013 published on 24 April 2014 (pages 48 to 144) <http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0424/LTN20140424660.pdf>;
- The Annual Report 2014 of the Company for the year ended 31 December 2014 published on 23 April 2015 (pages 48 to 142) <http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0423/LTN20150423322.pdf>; and
- The Annual Report 2015 of the Company for the year ended 31 December 2015 published on 20 April 2016 (pages 49 to 136) <http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0420/LTN20160420447.pdf>.

2. INDEBTEDNESS

Borrowings

As at 30 November 2016, being the latest practicable date for this indebtedness statement, the details of the Group's outstanding borrowings were as follows:

		30 November 2016 RMB'000
Bank borrowings – self-guarantee, third party guarantee	(a)	–
Bank borrowings – self-guarantee, no third party guarantee	(a)	604,400
Bank borrowings – no self-guarantee, third party guarantee	(a)	–
Bank borrowings – no self-guarantee, no third party guarantee		1,161,813
Other borrowings – self-guarantee, third party guarantee	(b)	–
Other borrowings – self-guarantee, no third party guarantee	(b)	–
Other borrowings – no self-guarantee, third party guarantee	(b)	–
Other borrowings – no self-guarantee, no third party guarantee		<u>2,516,487</u>
Current portion		<u>4,282,700</u>
Bank borrowings – self-guarantee, third party guarantee	(a)	–
Bank borrowings – self-guarantee, no third party guarantee	(a)	1,098,410
Bank borrowings – no self-guarantee, third party guarantee	(a)	–
Bank borrowings – no self-guarantee, no third party guarantee		–
Other borrowings – self-guarantee, third party guarantee	(b)	560,000
Other borrowings – self-guarantee, no third party guarantee	(b)	–
Other borrowings – no self-guarantee, third party guarantee	(b)	–
Other borrowings – no self-guarantee, no third party guarantee		<u>1,932,870</u>
Non-current portion		<u>3,591,280</u>
Total		<u><u>7,873,980</u></u>

Notes:

- (a) As at the close of business on 30 November 2016, the Group's bank borrowings of approximately RMB1,702,810,000 was secured by the pledges of certain bank deposits, leasehold land, investment properties, properties held or under development for sale, property, plant and equipment, part of future property pre-sales proceeds and an equity interest of a subsidiary.
- (b) As at the close of business on 30 November 2016, the Group's other borrowings of approximately RMB560,000,000 was secured by the pledges of certain leasehold land, properties held or under development for sale and equity interests of certain subsidiaries.

Contingent liabilities

- (1) Reference is made to the announcement of the Company dated 24 September 2015 in relation to certain Financing Transactions (as defined therein). In connection with those Financing Transactions, the Company and/or certain of its subsidiaries were found to have executed certain guarantee and a mortgage in favour of banks for the third party indebtedness of certain connected persons of Mr. Shi Jian. The aggregate outstanding principal amount of the third party indebtedness as at 30 November 2016 was approximately RMB1,804 million. For further details, please refer the aforementioned announcement.
- (2) Save as aforesaid, and apart from intra-group liabilities and normal trade and other payables in the ordinary course of business of the Group, as at the close of business on 30 November 2016, the Group did not have any outstanding indebtedness in respect of any loan capital, bank overdrafts, loans, debt securities or other similar indebtedness, finance lease or hire purchases commitments, liabilities under acceptances (other than normal trade bills) or acceptable credits, debentures, mortgages, charges, guarantees or other material contingent liabilities.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the financial resources and credit facilities available to the Group and the net proceeds from the Disposal, the Group will have sufficient working capital to satisfy its present requirements for the next twelve months from the date of this circular in the absence of unforeseen circumstances.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

Upon Completion of the Disposal, the Company will receive net proceeds from the Disposal amounting to approximately RMB2,305 million. With this amount of net proceeds, the Company shall be able to meet its working capital needs and debt payment obligations for the coming year. Upon Completion of the Disposal, with the improvement in its overall financial position, including in particular the reduction in its gearing ratio, the Group will aim at speeding up the pace of development of the existing projects which have been progressing slowly due to financial constraints, and look for new opportunities to grow its business.

The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this circular received from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer and consultant, in connection with its valuation as at 30 November 2016 of the property interest to be disposed of by the Company.



仲量聯行

Jones Lang LaSalle Corporate Appraisal and Advisory Limited
6/F Three Pacific Place 1 Queen's Road East Hong Kong
tel +852 2846 5000 fax +852 2169 6001
Company Licence No.: C-030171

20 January 2017

The Board of Directors
SRE Group Limited
Suite 1307
13th Floor
AIA Central
1 Connaught Road Central
Hong Kong

Dear Sirs,

SRE Group Limited (the “**Company**” or the “**Vendor**”) agreed to dispose of 49% equity interest in Shanghai Jinxin Real Estate Co., Ltd. (the “**Target Company**”, a wholly-owned subsidiary of the Company). Upon Completion of the Disposal, the Company and Shanghai Zhongchong Binjiang Industrial Development Co., Ltd. (the “**Purchaser**”) agreed to cooperate in the Qinhai Oasis Garden Project being developed by the Target Company in terms of construction capital injection, housing requisition, demolition and relocation, as well as subsequent development. Jones Lang LaSalle Corporate Appraisal and Advisory Limited (“**JLL**” or “**we**”) is instructed by the Company to provide valuation service on the property in which the Target Company has interest for disclosure purpose. We confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion on the market value of the property interest as at 30 November 2016 (the “**valuation date**”).

Our valuation is carried out on a market value basis. Market value is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

Due to the lack of Land Use Right Certificate, we have attributed no commercial value to the property. For reference purpose, we are instructed to assess the value of property on clear and vacant site status. In arriving at our valuation on clear and vacant site basis, we have valued the property interest by the comparison approach assuming sale of the property on clear and vacant site status with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the relevant market. This

approach rests on the wide acceptance of the market transactions as the best indicator and pre-supposes that evidence of relevant transactions in the market place can be extrapolated to similar properties, subject to allowances for variable factors.

Our valuation has been made on the assumption that the seller sells the property interest in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the property interest.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interest valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

In valuing the property interest, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the RICS Valuation – Professional Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors; and the International Valuation Standards published by the International Valuation Standards Council.

We have relied to a very considerable extent on the information given by the Target Company, and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have been shown copies of various title documents including the State-owned Land Use Rights Grant Contract relating to the property interest and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the property interest in the PRC and any material encumbrance that might be attached to the property interest. We have relied considerably on the advice given by the Company's PRC legal advisers – Dentons Law Firm (大成律師事務所), concerning the validity of the property interest in the PRC.

We have no reason to doubt the truth and accuracy of the information provided to us by the Target Company. We have also sought confirmation from the Target Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the property. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the property is free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

The site inspection was carried out in 9 January 2017 by Ms. Chris Yu, who is a qualified China Real Estate Appraiser and has 9 years' property valuation experience in the PRC.

All monetary figures stated in this report are in Renminbi (RMB).

Our valuation certificate is attached.

Yours faithfully,
for and on behalf of
Jones Lang LaSalle Corporate Appraisal and Advisory Limited
Eddie T. W. Yiu
MRICS MHKIS RPS (GP)
Director

Note: Eddie T.W. Yiu is a Chartered Surveyor who has 23 years' experience in the valuation of properties in Hong Kong and the PRC as well as relevant experience in the Asia-Pacific region.

VALUATION CERTIFICATE

Property interest held by the Target Company for future development

Property	Description and tenure	Particulars of occupancy	Market value
			in existing state as at 30 November 2016 RMB
A parcel of land (Lot Nos.717-719) located at east of Daxing Road, south of Zhonghua Road and Huangjiaque Road, west of Yingxun Road and north of Lujiabang Road Huangpu District Shanghai The PRC	<p>According to the State-owned Land Use Rights Grant contract, the property comprises a parcel of land with a site area of approximately 37,129 sq.m. and the plot ratio is 3.2.</p> <p>A development complex named Qin Hai Oasis Garden with luxurious apartments, office and community commercial components is planned to be developed on the land. The complex has an estimated aboveground gross floor area of approximately 118,812.80 sq.m.</p> <p>The property is located at Huangpu District of Shanghai, and is well-served by convenient public transportation means along the main roads. It is within 5-10 minutes' walk to metro station Line 4, 8 and 9. The surrounding environment is a residential area.</p> <p>The land use rights of the property have been granted for residential and commercial uses.</p>	The property is currently held for future development with some old buildings erected thereon which are to be demolished.	No commercial value

Notes:

- Pursuant to a Shanghai State-owned Land Use Rights Grant Contract – Hu Fang Di Huang (2004) Chu Rang He Tong No. 47 dated 23 August 2004 entered into between Shanghai Huangpu District Building and Land Resources Bureau (上海市黄浦区房屋土地管理局) and Shanghai Qin Hai Real Estate Co., Ltd. (“Qin Hai Real Estate”, the former name of the Target Company), the land use rights of a parcel of land (Lot Nos.717-719) with a total site area of approximately 37,129 sq.m were contracted to be granted to Qin Hai Real Estate for residential and commercial uses with the land use rights terms of 70 years and 40 years respectively. Land premium was RMB32,822,000. As stated in the contract, the Target Company can be exempted from premium according to relative regulations. Instead, the Target Company need to pay RMB1 per sq.m as annual land using fee during the land use right term.
- Pursuant to Lot Nos. 717-719 Daxing Road Housing Levy Agreement entered into between Shanghai Huangpu District Construction and Transportation Committee and the Target Company, the total resettlement expenses of the property was estimated to be RMB5,178,000,000. According to 3 payment vouchers provided by the Target Company, approximately RMB1,560,000,000 of the resettlement expenses had been paid at valuation date. Therefore, approximately RMB3,618,000,000 of the resettlement expenses has further to be paid by the Target Company in the future.
- The property is currently occupied by old buildings to be demolished. Pursuant to an Announcement issued by Shanghai Huangpu District Housing Levy Center, the housing levy work had been completed over 85% in total.

4. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, inter alia, the following:
 - a. there will be no legal impediment for the Target Company to obtain State-owned Land Use Rights Certificate of the property after the housing levy work had been completed and resettlement expenses had been fully paid; and
 - b. the Target Company has the rights to occupy, use, transfer, lease, mortgage or otherwise dispose of the land use rights within the land use rights valid term when the Target company had obtained the Land Use rights Certificate of the property.

5. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to the property as title certificate of the property had not been obtained. However, for reference purpose, we are of the opinion that the market value of the property on clear and vacant site status as at the valuation date would be RMB8,449,000,000 assuming all relevant title certificates have been obtained and the property could be freely transferred as a clear and vacant site, and with the land use rights terms of 70 years and 40 years for residential use and commercial use respectively commencing from the valuation date. Furthermore, based on the advised resettlement expenses provided by the Target Company, the calculated amount of value after deducting the outstanding resettlement expenses of total RMB3,618,000,000 mentioned in note 2 is in the sum of RMB4,831,000,000.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

2.1 Interests of Directors

As at the Latest Practicable Date, the interests or short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange, were as follows:

Long position in Shares and underlying Shares

<u>Name of Director</u>	<u>Personal interests</u>	<u>Family interests</u>	<u>Total</u>	<u>Approximate percentage of shareholding</u>
He Binwu	160,000,000 (Note 1)	–	160,000,000	0.78%
Peng Xinkuang	160,000,000 (Note 1)	–	160,000,000	0.78%
Chen Donghui	80,000,000 (Note 1)	–	80,000,000	0.39%
Chen Chao	80,000,000 (Note 1)	–	80,000,000	0.39%
Shi Janson Bing	50,000,000 (Note 1)	–	50,000,000	0.24%
Zhu Qiang	120,000,000 (Note 1)	–	120,000,000	0.58%
Qin Wenying	120,000,000 (Note 1)	–	120,000,000	0.58%
Zhuo Fumin	–	160,000 (Note 2)	160,000	0.0008%

Notes:

1. This refers to the underlying Shares covered by share options granted, such options being unlisted physically settled equity derivatives.
2. These Shares were held by Madam He Pei Pei, the spouse of Mr. Zhuo Fumin.

Save as disclosed in this paragraph 2.1 of this appendix, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in any Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange.

2.2 Interests of Substantial Shareholders

As at the Latest Practicable Date, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be entered in the register to be kept by the Company pursuant to section 336 of the SFO:

Long position in Shares

<u>Name of Shareholder</u>	<u>Capacity</u>	<u>Number of issued ordinary shares held</u>	<u>Approximate percentage of shareholding</u>
China Minsheng Investment Corp., Ltd.	Interest in controlled corporation	12,500,000,000 (Notes 1 & 2)	60.78%
China Minsheng Jiaye Investment Co., Ltd.	Interest in controlled corporation	12,500,000,000 (Notes 1 & 2)	60.78%
Jiixin Investment (Shanghai) Co., Ltd.	Interest in controlled corporation	12,500,000,000 (Notes 1 & 2)	60.78%
Jiasheng (Holding) Investment Limited	Interest in controlled corporation	12,500,000,000 (Notes 1 & 2)	60.78%
Jiashun (Holding) Investment Limited	Beneficial owner	12,500,000,000 (Notes 1 & 2)	60.78%

<u>Name of Shareholder</u>	<u>Capacity</u>	<u>Number of issued ordinary shares held</u>	<u>Approximate percentage of shareholding</u>
Shi Jian	Beneficial owner, spouse and corporate interest	2,902,668,443 (Notes 3 & 4)	14.11%
Si Xiao Dong	Beneficial owner, spouse and corporate interest	2,902,668,443 (Notes 3 & 4)	14.11%
SRE Investment Holding Limited	Beneficial owner	2,889,659,128 (Notes 3 & 4)	14.05%

Notes:

- (1) China Minsheng Investment Corp., Ltd. holds a 78.56% direct interest in China Minsheng Jiaye Investment Co., Ltd., which holds a 100% direct interest in Jiixin Investment (Shanghai) Co., Ltd., which in turn holds a 100% interest in Jiasheng (Holding) Investment Limited. Jiashun (Holding) Investment Limited is a wholly-owned subsidiary of Jiasheng (Holding) Investment Limited. Therefore China Minsheng Investment Corp., Ltd., China Minsheng Jiaye Investment Co., Ltd., Jiixin Investment (Shanghai) Co., Ltd. and Jiasheng (Holding) Investment Limited are all deemed to be interested in all the Shares held by Jiashun (Holding) Investment Limited for the purposes of the SFO.
- (2) 12,500,000,000 Shares held by Jiashun (Holding) Investment Limited (in which China Minsheng Investment Corp., Ltd., China Minsheng Jiaye Investment Co., Ltd., Jiixin Investment (Shanghai) Co., Ltd. and Jiasheng (Holding) Investment Limited are deemed to be interested) are charged to a bank in the PRC.
- (3) These Shares comprise 13,006,991 Shares held by Mr. Shi Jian, 2,324 Shares held by his spouse, Madam Si Xiao Dong and 2,889,659,128 Shares held by SRE Investment Holding Limited. As each of Mr. Shi Jian and Madam Si Xiao Dong owns more than 30% of SRE Investment Holding Limited, they are deemed to be interested in all the Shares held by SRE Investment Holding Limited for the purposes of the SFO.
- (4) 2,889,659,128 Shares held by SRE Investment Holding Limited (in which Mr. Shi Jian and Madam Si Xiao Dong are deemed to be interested) are charged to Jiahua Investment Limited. Madam Jiang Chuming holds a 100% direct interest in Jiahua Investment Limited.

2.3 Directors' Positions in the Substantial Shareholders

As at the Latest Practicable Date, China Minsheng Jiaye Investment Co., Ltd. was a company with interests which fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO.

As at the Latest Practicable Date, (i) Mr. Chen Chao, an executive Director, was the Chief Risk Management Officer of China Minsheng Jiaye Investment Co., Ltd.; (ii) Mr. Zhu Qiang, an executive Director, was the Chief Investment Officer of China Minsheng Jiaye Investment Co., Ltd.; and (iii) Mr. Chen Donghui, an executive Director, was the General Manager of China Minsheng Jiaye Investment Co., Ltd., a

director of each of Jiaxin Investment (Shanghai) Co., Ltd., Jiasheng (Holding) Investment Limited and Jiashun (Holding) Investment Limited and the legal representative of Jiaxin Investment (Shanghai) Co., Ltd..

Save as disclosed above, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had any interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

Save for:

- (a) a service contract dated 3 June 2016 entered into between the Company and Ms. Qin Wenying in relation to the appointment of Ms. Qin Wenying as an executive Director for a term of 3 years commencing on 6 June 2016 for an annual remuneration of HK\$1,460,000, and the Company may serve a six-month advance notice in writing to terminate the said contract without payment of compensation other than statutory compensation;
- (b) a service contract dated 3 June 2016 entered into between the Company and Mr. Chen Donghui in relation to the appointment of Mr. Chen Donghui as an executive Director for a term of 3 years commencing on 6 June 2016 for an annual remuneration of HK\$60,000, and the Company may serve a six-month advance notice in writing to terminate the said contract without payment of compensation other than statutory compensation;
- (c) an appointment letter dated 31 March 2016 entered into between the Company and Mr. Ma Lishan in relation to the appointment of Mr. Ma Lishan as an independent non-executive Director for a term of 2 years commencing on 31 March 2016 for a director's fee of HK\$300,000, which was changed to HK\$360,000 on 12 October 2016 with effect from 1 November 2016, and the Company may serve a one-month advance notice in writing to terminate the said appointment letter without payment of compensation other than statutory compensation;
- (d) a service contract dated 4 December 2015 entered into between the Company and Mr. He Binwu in relation to the appointment of Mr. He Binwu as an executive Director for a term of 3 years commencing on 4 December 2015 for an annual remuneration of HK\$2,800,000, and the Company may serve a six-month advance notice in writing to terminate the said service contract without payment of compensation other than statutory compensation;
- (e) a service contract dated 4 December 2015 entered into between the Company and Mr. Peng Xinkuang in relation to the appointment of Mr. Peng Xinkuang as an executive Director for a term of 3 years commencing on 4 December 2015 for an

annual remuneration of HK\$2,680,000, and the Company may serve a six-month advance notice in writing to terminate the said service contract without payment of compensation other than statutory compensation;

- (f) a service contract dated 4 December 2015 entered into between the Company and Mr. Chen Chao in relation to the appointment of Mr. Chen Chao as an executive Director for a term of 3 years commencing on 4 December 2015 for an annual remuneration of HK\$60,000, and the Company may serve a six-month advance notice in writing to terminate the said service contract without payment of compensation other than statutory compensation;
- (g) a service contract dated 4 December 2015 entered into between the Company and Mr. Zhu Qiang in relation to the appointment of Mr. Zhu Qiang as an executive Director for a term of 3 years commencing on 4 December 2015 for an annual remuneration of HK\$60,000, and the Company may serve a six-month advance notice in writing to terminate the said service contract without payment of compensation other than statutory compensation;
- (h) a service contract dated 17 July 2015 entered into between the Company and Mr. Shi Janson Bing in relation to the appointment of Mr. Shi Janson Bing as an executive Director for a term of 2 years commencing on 17 July 2015 for an annual remuneration of HK\$1,600,000, and the Company may serve a six-month advance notice in writing to terminate the said contract without payment of compensation other than statutory compensation;
- (i) an appointment letter dated 25 May 2016 entered into between the Company and Mr. Zhuo Fumin in relation to the appointment of Mr. Zhuo Fumin as an independent non-executive Director for a term of 2 years commencing on 1 July 2016 for a director's fee of HK\$360,000, and the Company may serve a one-month advance notice in writing to terminate the said appointment letter without payment of compensation other than statutory compensation;
- (j) an appointment letter dated 25 May 2016 entered into between the Company and Mr. Chan, Charles Sheung Wai in relation to the appointment of Mr. Chan, Charles Sheung Wai as an independent non-executive Director for a term of 2 years commencing on 1 July 2016 for a director's fee of HK\$330,000, which was changed to HK\$360,000 on 12 October 2016 with effect from 1 November 2016, and the Company may serve a one-month advance notice in writing to terminate the said appointment letter without payment of compensation other than statutory compensation; and
- (k) an appointment letter dated 12 October 2016 entered into between the Company and Mr. Han Gensheng in relation to the appointment of Mr. Han Gensheng as an independent non-executive Director for a term of 2 years commencing on 12 October 2016 for a director's fee of HK\$360,000, and the Company may serve a one-month advance notice in writing to terminate the said appointment letter without payment of compensation other than statutory compensation.

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group, other than contracts expiring or terminable by the employer within one year without payment of compensation other than statutory compensation.

4. DIRECTORS' INTERESTS IN ASSETS OR CONTRACTS OR ARRANGEMENTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which have since 31 December 2015 (being the date to which the latest published audited consolidated financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors were materially interested, directly or indirectly, in any subsisting contract or arrangement entered into by any member of the Group which was significant in relation to the business of the Group.

5. COMPETING INTERESTS

As at the Latest Practicable Date, neither the Directors nor their respective close associates had any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

6. EXPERT AND CONSENT

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

Name	Qualification
JLL	independent property valuer

JLL has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and report dated 20 January 2017 and references to its names in the form and context in which they appear.

As at the Latest Practicable Date, JLL did not have any shareholding in any member of the Group nor 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, JLL did not have any direct or indirect interests in any assets which have since 31 December 2015 (being the date to which the latest published audited consolidated financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

7. LITIGATION

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

8. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by the members of the Group within the two years immediately preceding the date of this circular and are or may be material:

- (a) a non-binding memorandum of understanding dated 5 June 2015 entered into between the Company, Poly Real Estate Group Co., Ltd. and SRE Investment Holding Limited under which Poly Real Estate Group Co., Ltd expressed an interest to subscribe for Shares to be allotted and issued by the Company for subscription at HK\$0.25 per Share. Further details are contained in the Company's announcement dated 9 June 2015;
- (b) a termination agreement dated 14 August 2015 entered into between the Company, Poly Real Estate Group Co., Ltd. and SRE Investment Holding Limited to terminate the non-binding memorandum of understanding dated 5 June 2015 by mutual consent. Further details are contained in the Company's announcement dated 14 August 2015;
- (c) a memorandum of understanding dated 12 September 2015 entered into between the Company, China Minsheng Jiaye Investment Co., Ltd. and SRE Investment Holding Limited under which China Minsheng Jiaye Investment Co., Ltd expressed an interest to, directly or indirectly through a wholly-owned subsidiary, subscribe for Shares to be allotted and issued by the Company for subscription at HK\$0.10 per Share. Further details are contained in the Company's announcement dated 15 September 2015;
- (d) a subscription agreement dated 9 October 2015 entered into between the Company, six investors including China Minsheng Jiaye Investment Co., Ltd. and SRE Investment Holding Limited pursuant to which the investors subscribed for 14,900,000,000 Shares issued by the Company for a total consideration of HK\$1,490,000,000. Further details are contained in the Company's announcement dated 12 October 2015;
- (e) a sale and purchase agreement dated 30 October 2015 entered into between Sinopower Investment Limited (a wholly-owned subsidiary of the Company) as seller, Mainlandcn Ten Company Limited as purchaser and the Company as guarantor in relation to the disposal of 60% equity interest in Mayson Resources Limited and 60% of the shareholder's loan for a total consideration of RMB547,872,000. Further details are contained in the Company's announcement dated 30 October 2015;

- (f) an equity transfer agreement dated 18 March 2016 entered into between All Pride Investments Limited (an indirect subsidiary of the Company) as seller and Great Wall Guofu Real Estate Co., Ltd. as purchaser in relation to the disposal of 56% equity interest in Shanghai Skyway Hotel Co., Ltd. for a total consideration of RMB643,104,000. Further details are contained in the Company's announcement dated 18 March 2016;
- (g) an acquisition master agreement dated 20 April 2016 entered into between the Company as purchaser, China New Town Development Company Limited as seller and SRE Investment Holding Limited in relation to the acquisition of 100% equity interest in each of Chengdu Shanghai Real Estate Co., Ltd. and Shanghai Lake Malaren Hospital Investment Co., Ltd., 72.63% equity interest in each of Shanghai Lake Malaren Commercial Management Co., Ltd., Shanghai Lake Malaren Corporate Development Co., Ltd. and Shanghai Lake Malaren Real Estate Development Co., Ltd. and certain rights and obligations relating to the lease of Lake Malaren Golf Course, and the repayment of loans due from such companies to China New Town Development Company Limited and/or its subsidiaries for a total consideration of RMB1,315,198,723. Further details are contained in the Company's announcement dated 20 April 2016;
- (h) a sale and purchase agreement dated 2 September 2016 entered into between Cmsreuk Tower Hill Propco Limited (a wholly-owned subsidiary of the Company) as purchaser and Société Générale and SG Hambros Bank Limited as sellers in relation to the acquisition of the freehold interest in a 1.7 acre property site located in an established commercial district in Tower Hill, London and bound by Minories to the west, Shorter Street to the south, Mansell Street to the east, and the leasehold interest in a strip of land to the north of the said freehold property for a total consideration of £84,500,000. Further details are contained in the Company's announcement dated 2 September 2016;
- (i) a sale and purchase agreement dated 15 September 2016 entered into between Cmsreuk Moorgate Propco Limited (a wholly-owned subsidiary of the Company) as purchaser and aik Immobilien-Investmentgesellschaft mbH as seller in relation to the acquisition of the freehold property known as 12 Moorgate, London EC2R 6DA and registered at the Land Registry of the United Kingdom under title number 141657 for a total consideration of £32,500,000. Further details are contained in the Company's announcement dated 15 September 2016;
- (j) a partnership agreement dated 29 December 2016 entered into between Yingchuang Investment Management Co., Ltd. and Shanghai Shangpan Investment Management Co., Ltd. (an indirectly wholly-owned subsidiary of the Company) as general partners, and Huaneng Guicheng Trust Co., Ltd., Shanghai Oasis Garden Real Estate Co., Ltd. (a subsidiary of the Company) and Ningbo Meishan Baoshuigangqu Zhiao Investment Centre (a subsidiary of the Company) as limited partners, in relation to the formation of a limited partnership enterprise in the PRC with a total capital commitment of RMB5,116,000,002, the purpose of which is to acquire from China Minsheng Banking Corp., Ltd. the right to receive all proceeds derived from the development, construction, renovation, maintenance,

property management, lease, sale, use and disposal of certain property projects located in Beijing, Shanghai and Shenzhen. Further details are contained in the Company's announcement dated 29 December 2016; and

- (k) the Cooperation Framework Agreement.

9. GENERAL

- (a) The company secretary of the Company is Mr. Pang Ka Fai Angus, a fellow member of the Hong Kong Institute of Chartered Secretaries.
- (b) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the head office and principal place of business in Hong Kong is at Suite 1307, 13th Floor, AIA Central, 1 Connaught Road Central, Hong Kong.
- (c) The principal share registrar and transfer office of the Company is MUFG Fund Services (Bermuda) Limited at The Belvedere Building, 69 Pitts Bay Road, Pembroke MH08, Bermuda.
- (d) The Hong Kong branch share registrar and transfer office of the Company is Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (e) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text thereof.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection from 9:00 am to 5:00 pm on any weekday other than public holidays, at the principal place of business of the Company at Suite 1307, 13th Floor, AIA Central, 1 Connaught Road Central, Hong Kong from the date of this circular up to and including 3 February 2017 (being not less than 14 days from the date of this circular):

- (a) the memorandum of association and bye-laws of the Company;
- (b) the annual reports of the Company for the three years ended 31 December 2013, 2014 and 2015;
- (c) the material contracts referred to in the paragraph headed "Material contracts" in this appendix;
- (d) the service contracts and appointment letters referred to in the paragraph headed "Directors' Service Contracts" in this appendix;
- (e) the property valuation report prepared by the Valuer, the text of which is set out on pages II-1 to II-5 in this circular;

- (f) the written consent referred to in the paragraph headed “Expert and consent” in this appendix;
- (g) the Cooperation Framework Agreement;
- (h) the circulars issued by the Company since 31 December 2015; and
- (i) this circular.