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THE HONG KONG PARKVIEW GROUP LIMITED

僑福建設企業機構*

(incorporated in Bermuda with limited liability)

(Stock code: 207)

ANNOUNCEMENT

PROPOSED PLACING OF THE PLACING SHARES CONTINUING CONNECTED TRANSACTIONS AND ANNOUNCEMENT PURSUANT TO RULE 13.18

PROPOSED PLACING OF THE PLACING SHARES

The Company refers to the announcement dated 24 September 2013 in relation to, among other things, the Acquisition.

The Company entered into the Placing Agreement on 29 November 2013 for the issuance and allotment of 1,955,174,000 Placing Shares to professional and institutional investors. Each of the Placing Agents has conditionally agreed with the Company, subject to the terms and conditions of the Placing Agreement, to act as the agent for the Company to procure purchasers to purchase, failing which to purchase itself, the Placing Shares at the Placing Price.

* For identification purposes only

The Placing is conditional upon, among other things, the Completion, the Specific Mandate having been granted by the Independent Shareholders at the SGM and the approval of the listing of, and permission to deal in, the Placing Shares on the Stock Exchange having been granted by the Stock Exchange (and such approval not subsequently being revoked prior to the completion of the Placing). In the event that the Acquisition is not approved by the Independent Shareholders at the SGM or the Completion does not occur due to other reasons, the Placing will not proceed to completion. The Placing Agreement is subject to termination by the Placing Agents under certain circumstances.

The Placing shall complete simultaneously with the Completion. The Placing Shares will be allotted and issued pursuant to the Specific Mandate proposed to be obtained at the SGM.

The aggregate gross proceeds from the Placing are approximately HK\$3,910.3 million and the net proceeds from the Placing are estimated to be approximately HK\$3,770.5 million (equivalent to approximately RMB3,003.6 million). All of the net proceeds from the Placing will be retained by the Enlarged Group and applied primarily to the development of property projects (including any potential new mixed-use complex projects) by the Enlarged Group.

ISSUE OF CONSIDERATION SHARES AND CPS UNDER THE ACQUISITION AGREEMENT

As the Company has entered into the Placing Agreement for the placing of 1,955,174,000 Placing Shares, based on option (b) for the settlement of the Consideration in the Acquisition Agreement, the Company shall, upon Completion, issue 5,988,199,222 Consideration Shares and 1,095,300,778 CPS to Achieve Bloom in settlement of the Consideration.

CONTINUING CONNECTED TRANSACTIONS

Upon the Company acquiring the Target Group at Completion, any transactions between the Enlarged Group and the COFCO Group (which for the purpose of this announcement, includes the associates of COFCO Corporation) will constitute connected transactions or continuing connected transactions of the Company. Set out below is a summary of the continuing connected transactions of the Company upon Completion:

Non-exempt continuing connected transactions

Rule 14A.35 — subject to the reporting, annual review, announcement and independent shareholders' approval requirements

- (a) Leasing of properties to the COFCO Group
- (b) Provision of project consultation, property management and hotel management services

- (c) Provision of insurance services by the COFCO Group
- (d) Sourcing of staple supplies and catering services from the COFCO Group
- (e) Entrusted arrangements with respect to certain Retained Joy City Projects
- (f) Advance from Shanghai Top Glory to Taiwan Hotel Ltd

Existing continuing connected transactions

Rule 14A.41 — comply with applicable reporting, annual review and announcement requirements

- (a) Entrusted arrangements with respect to certain projects owned by the Target Group
- (b) Existing Leases with respect to leasing of properties to the COFCO Group

CONNECTED TRANSACTION AGREEMENTS

On 1 November 2013, Shanghai Top Glory and Taiwan Hotel Ltd, both members of the Target Group, entered into the Entrustment Loan Agreement, and on 29 November 2013, the Company entered into other Connected Transaction Agreements (including the Master Lease Agreement, the Master Property Management Agreement, the Master Insurance Agreement, the Master Sourcing Agreement and the Retained Joy City Projects Entrustment Contracts), pursuant to which the Enlarged Group will enter into the Non-Exempt Continuing Connected Transactions with the COFCO Group after Completion.

THE CONNECTED PERSONS

COFCO Corporation, through its wholly-owned subsidiaries, COFCO (HK) and Achieve Bloom, was indirectly interested in approximately 69.27% of the issued share capital of the Company as at the date of this announcement. Upon Completion, COFCO Corporation will be indirectly interested in approximately 75% of the issued share capital of the Company and will continue to be the controlling shareholder of the Company. COFCO Corporation, together with other members of the COFCO Group and their respective associates, will continue to be the Company's connected persons under Chapter 14A of the Listing Rules.

LISTING RULES IMPLICATIONS FOR THE NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

As one or more of the applicable percentage ratios calculated based on (i) the Annual Caps for each of the Master Agreements and the Retained Joy City Projects Entrustment Contracts; and (ii) the amount of the Entrustment Loan, exceed 5%, the transactions under each of the Master Agreements, the Retained Joy City Projects Entrustment Contracts and the Entrustment Loan Agreement constitute continuing connected transactions of the Company upon Completion under Rule 14A.35 of the Listing Rules, which are subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE CIRCULAR AND THE SGM

The Independent Board Committee has been established to consider, among other things, the Non-Exempt Continuing Connected Transactions and the Annual Caps. Somerley Limited has been appointed as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in connection with the Acquisition and the Non-Exempt Continuing Connected Transactions.

The Circular containing, among other things, further details on the Acquisition, the Placing, the Specific Mandate, the Non-Exempt Continuing Connected Transactions and the Annual Caps, a letter from the Independent Board Committee to the Independent Shareholders, a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, together with a notice convening the SGM, will be despatched to the Shareholders on or around 30 November 2013.

Investors should be aware that the Acquisition, the Placing and the Non-Exempt Continuing Connected Transactions may or may not be approved by the Independent Shareholders at the SGM. The Placing is subject to the satisfaction of a number of conditions which are more particularly set out in the section headed “Conditions precedent” below and is subject to termination under certain circumstances. There is no assurance that any of the conditions to the Placing will be fulfilled and therefore the Placing may or may not proceed at all. Investors should therefore exercise caution when dealing in the Shares.

The Company refers to the announcement dated 24 September 2013 (the “**Announcement**”) in relation to, among other things, the Acquisition. Unless otherwise indicated, capitalised terms defined in the Announcement shall have the same meanings when used herein.

The Company announces that it entered into the Placing Agreement with the Placing Agents on 29 November 2013. It and certain members of the Target Group entered into the Connected Transaction Agreements. Further details of these aforesaid agreements are set out below.

THE PLACING AGREEMENT

Date

29 November 2013

Parties

- (1) the Company (as the issuer);
- (2) The Hongkong and Shanghai Banking Corporation Limited (as the Placing Agent);
- (3) BOCI Asia Limited (as the Placing Agent);
- (4) J.P. Morgan Securities (Asia Pacific) Limited (as the Placing Agent); and

(5) Standard Chartered Securities (Hong Kong) Limited (as the Placing Agent).

Each of the Placing Agents has conditionally agreed with the Company, subject to the terms and conditions of the Placing Agreement, to act as the agent for the Company to procure purchasers to purchase, failing which to purchase itself, the Placing Shares at the Placing Price.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Placing Agents and/or their respective ultimate beneficial owners is a connected person of the Company or any of its subsidiaries.

Conditions precedent

The Placing is conditional upon, among other things, the Completion, the Specific Mandate having been granted by the Independent Shareholders at the SGM, and the approval of the listing of, and permission to deal in, the Placing Shares on the Stock Exchange having been granted by the Stock Exchange (and such approval not subsequently being revoked prior to the completion of the Placing). In the event that the Acquisition is not approved by the Independent Shareholders at the SGM or the Completion does not occur due to other reasons, the Placing will not proceed to completion.

The Placing Agreement is subject to termination by the Placing Agents under certain circumstances. If, pursuant to the terms of the Acquisition Agreement, the Company decides to proceed to the Completion notwithstanding the Placing is not completed simultaneously, the Company shall issue a supplemental circular to the Shareholders to provide further details of the Acquisition and its impact on the Group, for the purpose of seeking the Independent Shareholders' approval.

The Placing shall complete simultaneously with the Completion.

Placees

The Placing Agents will place the Placing Shares to no less than six placees (who will be professional and institutional investors) who and whose respective ultimate beneficial owners, as far as the Placing Agents and the Directors are aware, are not connected persons of the Company. It is expected that none of the placees will become a substantial shareholder of the Company immediately after the Completion.

Placing Shares

1,955,174,000 Shares, representing approximately 365.21% of the Company's issued share capital as at the date of this announcement, and approximately 20.42% of its issued share capital as enlarged by the issue of the Placing Shares, the Consideration Shares and the Conversion Shares (assuming full conversion of the CPS).

The Placing Shares will be issued as fully paid and will rank *pari passu* in all respects with the Shares in issue as at the Completion Date.

An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Placing Shares.

Placing Price

HK\$2.00 per Placing Share, which is the same as the Issue Price for the Consideration Shares and the CPS under the Acquisition Agreement.

The Placing Price represents:

- (a) a discount of approximately 50% to the latest closing price of the Shares of HK\$4.00 per Share as quoted on the Stock Exchange on 17 September 2013 (the date of suspension of trading of the Shares pending publication of the Announcement);
- (b) a discount of approximately 42.9% to the closing price of the Shares of HK\$3.50 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a discount of approximately 39.2% to the average of the closing price of the Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day of approximately HK\$3.29 per Share;
- (d) a discount of approximately 38.3% to the average of the closing price of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day of approximately HK\$3.24 per Share;
- (e) a discount of approximately 32.4% to the average of the closing price of the Shares as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day of approximately HK\$2.96 per Share;
- (f) a discount of approximately 26.5% to the closing price of the Shares as quoted on the Stock Exchange on 29 November 2013 (the last trading day for the Shares before the date of this announcement) of HK\$2.72 per Share; and
- (g) a premium of approximately 455.6% to the net asset value per Share of the Company as at 30 June 2013.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agents, having regard to the closing price of the Shares immediately before the entering into of the Placing Agreement and the terms of the Acquisition. The Directors consider that the terms of the Placing and the Placing Price are on normal commercial terms and are fair and reasonable based on current market conditions, and the Placing is in the interests of the Company and the Shareholders as a whole.

Reasons for the Placing

The Placing will have an effect of broadening the shareholder base of the Company and maintaining the minimum public float requirements under the Listing Rules immediately following Completion, and will raise additional capital for the Enlarged Group's future operations and project developments.

Use of proceeds

The aggregate gross proceeds from the Placing are approximately HK\$3,910.3 million and the net proceeds from the Placing are estimated to be approximately HK\$3,770.5 million (equivalent to approximately RMB3,003.6 million). All of the net proceeds from the Placing will be retained by the Enlarged Group and applied primarily to the development of property projects (including any potential new mixed-use complex projects) by the Enlarged Group.

The Company intends to use the net proceeds from the Placing for the purposes and in the amounts set forth below:

- (a) approximately RMB1,201.4 million (representing approximately 40% of the net proceeds) for funding capital contributions of the project companies and continual development of existing projects by the Enlarged Group, including the construction and development of the mixed-use complex project Chengdu Joy City. Please refer to the section headed “Business of the Target Group” in the Announcement for further details of the projects of the Enlarged Group;
- (b) approximately RMB1,501.8 million (representing approximately 50% of the net proceeds) for the development of new projects by the Enlarged Group, with a focus on potential new mixed-use complex projects in the PRC under the “Joy City” brand; and
- (c) approximately RMB300.4 million (representing approximately 10% of the net proceeds) as general working capital and for other general corporate purposes of the Enlarged Group.

Equity raising activities of the Company for the past 12 months

Save and except for the Placing, the Company did not conduct any equity fund raising activities in the past 12 months immediately before the date of this announcement.

ISSUE OF CONSIDERATION SHARES AND CPS UNDER THE ACQUISITION AGREEMENT

The Company also refers to the terms and conditions of the Acquisition Agreement as set out in the Announcement, in particular that the Consideration for the Acquisition shall be HK\$14,167 million, which shall be satisfied by either option as set out in paragraph (a) or (b) below:

- (a) if the Placing is not completed on Completion, 122,701,222 Consideration Shares and 6,960,798,778 CPS to be issued and allotted to Achieve Bloom (at the instruction of COFCO Land) at the Issue Price upon Completion; or
- (b) subject to the completion of the Placing on Completion, such maximum number of Consideration Shares to be issued and allotted to Achieve Bloom (at the instruction of COFCO Land) at the Placing Price that shall result in the Company being able to meet the minimum public float requirement under the Listing Rules immediately following Completion, and if there is a shortfall in the Consideration after the issue of such maximum number of Consideration Shares as a result of having less than 2,320,268,000

Placing Shares being placed under the Placing, such number of CPS to be issued and allotted to Achieve Bloom (at the instruction of COFCO Land) at the Placing Price that shall satisfy such shortfall.

As the Company has entered into the Placing Agreement for the placing of 1,955,174,000 Placing Shares, based on option (b) for the settlement of the Consideration in the Acquisition Agreement as set out above, the Company shall, upon Completion, issue 5,988,199,222 Consideration Shares and 1,095,300,778 CPS to Achieve Bloom in settlement of the Consideration.

PROPOSED GRANT OF SPECIFIC MANDATE

Pursuant to the Acquisition Agreement, the Company will issue 5,988,199,222 Consideration Shares and 1,095,300,778 CPS (which are convertible into 1,095,300,778 Conversion Shares) to Achieve Bloom in full settlement of the Consideration. The Company will also issue 1,955,174,000 Placing Shares to professional and institutional investors under the Placing. The Consideration Shares, the CPS, the Conversion Shares and the Placing Shares will be allotted and issued under the Specific Mandate proposed to be granted by the Independent Shareholders at the SGM.

EFFECT OF THE ACQUISITION AND THE PLACING ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Details of the shareholding structure of the Company as at the date of this announcement and immediately after completion of the Acquisition and the Placing are set out below:

	As at the date of this announcement		Immediately after Completion and the Placing (Note 1)		Immediately after Completion and the Placing and assuming all CPS have been converted into Conversion Shares (for illustration only) (Note 2)		
	Number of Shares held	Approximate percentage of total issued share capital	Number of Shares held	Approximate percentage of total issued share capital	Number of CPS held	Number of Shares held	Approximate percentage of total issued share capital
Achieve Bloom	370,844,138	69.27%	6,359,043,360	75.00%	1,095,300,778	7,454,344,138	77.86%
Director (Note 3)	6,000	0.00%	6,000	0.00%	—	6,000	0.00%
Public	164,509,120	30.73%	2,119,683,120	25.00%	—	2,119,683,120	22.14%
Total	<u>535,359,258</u>	<u>100%</u>	<u>8,478,732,480</u>	<u>100%</u>	<u>—</u>	<u>9,574,033,258</u>	<u>100%</u>

Notes:

1. This represents the shareholding structure of the Company upon Completion and completion of the Placing where 1,955,174,000 Placing Shares have been placed at the Placing Price of HK\$2.00 to public shareholders.
2. This represents the shareholding structure of the Company upon Completion where 1,955,174,000 Placing Shares are issued, and assuming that all 1,095,300,778 CPS issued to Achieve Bloom are converted into Conversion Shares. This is for illustration purposes only and does not reflect the actual shareholding structure of the Company upon Completion as the exercise of the conversion rights attaching to the CPS is subject to the Company meeting the minimum public float requirement under Rule 8.08 of the Listing Rules.
3. These shares are held by Mr. Lam Kin Ming, Lawrence, an independent non-executive Director.

CONTINUING CONNECTED TRANSACTIONS

Upon the Company acquiring the Target Group at Completion, any transactions between the Enlarged Group and the COFCO Group (which for the purpose of this announcement, includes the associates of COFCO Corporation) will constitute connected transactions or continuing connected transactions of the Company. It is expected that, upon Completion, the following transactions will constitute continuing connected transactions of the Company which are subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Set out below is a summary of the continuing connected transactions of the Company upon Completion:

Non-exempt continuing connected transactions

Rule 14A.35 — subject to the reporting, annual review, announcement and independent shareholders' approval requirements

- (a) Leasing of properties to the COFCO Group
- (b) Provision of project consultation, property management and hotel management services
- (c) Provision of insurance services by the COFCO Group
- (d) Sourcing of staple supplies and catering services from the COFCO Group
- (e) Entrusted arrangements with respect to certain Retained Joy City Projects
- (f) Advance from Shanghai Top Glory to Taiwan Hotel Ltd

Existing continuing connected transactions

Rule 14A.41 — comply with applicable reporting, annual review and announcement requirements

- (a) Entrusted arrangements with respect to certain projects owned by the Target Group
- (b) Existing Leases with respect to leasing of properties to the COFCO Group

THE CONNECTED PERSONS

COFCO Corporation, through its wholly-owned subsidiaries, COFCO (HK) and Achieve Bloom, was indirectly interested in approximately 69.27% of the issued share capital of the Company as at the date of this announcement. Upon Completion, COFCO Corporation will be indirectly interested in approximately 75% of the issued share capital of the Company and will continue to be the controlling shareholder of the Company. COFCO Corporation, together with other members of the COFCO Group and their respective associates, will continue to be the Company's connected persons under Chapter 14A of the Listing Rules.

COFCO Corporation is a state-owned enterprise incorporated in the PRC under the purview of SASAC. COFCO Corporation is engaged in a wide range of businesses through its subsidiaries including property development and management in the PRC and overseas, agricultural commodities trading, agricultural products cultivation and processing, processing of animal by-products, food and beverages, dairy products and packaging materials, hotel management and provision of logistics and financial services in the PRC.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

(a) Leasing of properties to the COFCO Group

During the Track Record Period, the Target Group entered into various lease agreements for the leasing of commercial premises to the COFCO Group. The lease agreements were entered into mainly by (i) Beijing COFCO for the leasing of commercial premises in Beijing COFCO Plaza; and (ii) Bapton for the leasing of commercial premises in Top Glory Tower. Further details of these commercial premises are set out in the paragraph headed "Business of the Target Group" in the Announcement. As at 30 September 2013, there were 27 lease agreements entered into between the Target Group and the COFCO Group, amongst which 12 were for the leasing of premise in Beijing COFCO Plaza (including the Existing Leases, details of which are set out in the paragraph headed "Existing Leases with respect to leasing of properties to the COFCO Group" below) and 15 were for the leasing of premise in Top Glory Tower. These leased properties are generally occupied by relevant members of the COFCO Group as their headquarters, offices, sales offices or for other commercial uses.

The Company considers that the leasing of the commercial premises to the COFCO Group is conducted in the Target Group's ordinary and usual course of business based on the commercial needs of the Target Group and the COFCO Group. It is expected that the Enlarged Group will continue to lease the commercial premises to the COFCO Group pursuant to the existing lease arrangements and may renew the same after they expire, or enter into new lease agreements with other members of the COFCO Group. To better regulate the arrangements, the Company entered into the Master Lease Agreement on 29 November 2013 with COFCO Corporation to govern the terms of the lease arrangements between the Enlarged Group and the COFCO Group.

The aggregate rent and management fees related to the leased premises paid by the COFCO Group to the Target Group during the Track Record Period and the Annual Caps for the rent and management fees payable under the Master Lease Agreement are set out below:

RMB'000

Historical transaction amounts (financial year/period ended)

31 December 2010	33,259
31 December 2011	38,295
31 December 2012	41,082
30 June 2013	24,307

Annual Caps (financial year ending)

31 December 2013	80,000
31 December 2014	105,000
31 December 2015	116,000

Pursuant to the Master Lease Agreement, save and except for the Existing Leases details of which are set out in the paragraph headed “Existing Leases with respect to leasing of properties to the COFCO Group” below, the rent and management fees payable by the COFCO Group are subject to the general pricing terms as set out in the paragraph headed “Common terms of the Master Agreements” below, and are to be agreed between the relevant members of the Enlarged Group and the COFCO Group having regard to the quality and nature of the relevant property, its location, neighbourhood area and ancillary infrastructure facilities, and based on the rents payable under leases in the same building as those with tenants which are independent third parties and the prevailing market rents for similar premises in the vicinity of the relevant property.

Savills, an independent property valuer, has confirmed that, save and except for the Existing Leases, the annual rents and management fees payable under the lease agreements subject to the Master Lease Agreement are at the prevailing market rent level as at the commencement date of the respective lease agreement, and are considered fair and reasonable.

The Annual Caps have been determined based on (a) the historical transaction amounts of the lease agreements with the COFCO Group during the Track Record Period, with an annual growth rate ranging from approximately 7% to 18% compared to previous year (annualised based on the transaction amount in the first half of 2013 and compared to year 2012); (b) the increase of annual rent of certain existing lease agreements to align with the prevailing market rent when they expired in the second half of 2013, and the expected increase in annual rent of certain lease agreements the rent and management fee payable under which were significantly below the prevailing market rent (including the Existing Leases) upon their expiry; (c) the inclusion of three additional lease agreements for each financial year as the anticipated leasing of new office premises to other members of the COFCO Group; (d) the projected increase in the prevailing market rent of the relevant properties in the coming years; and (e) a

general annual growth in the Annual Caps of approximately 31% for the year 2014 (compared to 2013) and approximately 10% for the year 2015 (compared to 2014) having taken into account the above factors.

(b) Provision of project consultation, property management and hotel management services

(i) Provision of project consultation and property management services by the Target Group to the COFCO Group

The Target Group, through its members including Beijing Gloria Management, has been providing project consultation and property management services for its own property projects, as well as property projects of the COFCO Group and to other external customers.

In their ordinary and usual course of business, Beijing Gloria Management and other members of the Target Group have entered into project consultation and property management agreements with members of the COFCO Group, pursuant to which the Target Group provides project consultation and property management services to the property projects owned and developed by the COFCO Group. Upon Completion, such transactions pursuant to the existing project consultation and property management agreements between the Target Group and the COFCO Group and other new agreements which may be entered into after Completion will constitute continuing connected transactions of the Company.

The project consultation and property management services provided by the Target Group to the COFCO Group for its major property projects during the Track Record Period include but are not limited to the following projects:

Relevant member of the Target Group	Relevant member of the COFCO Group	Property management services provided to the COFCO Group
Beijing Gloria Management	Joy City (Tianjin) Co., Ltd.* (大悦城(天津)有限公司)	Provision of project consultation and property management services for Tianjin Joy City
Beijing Gloria Management	Shanghai Xinlan Real Estate Development Co., Ltd.* (上海新蘭房地產開發有限公司)	Provision of property management services for Shanghai Joy City
Beijing Gloria Management	Beijing Hongtaijiye Real Estate Co., Ltd.* (北京弘泰基業房地產有限公司)	Provision of property management services for Beijing Chaoyang Joy City and its residential units Joy City Residence (大悦公寓)

Relevant member of the Target Group	Relevant member of the COFCO Group	Property management services provided to the COFCO Group
Beijing Gloria Management	Beijing Xinaoxijun Real Estate Development Co., Ltd.* (北京新奧西郡房地產開發有限公司) (<i>Note 1</i>)	Provision of property management services for Beijing Xidan Joy City
Beijing Gloria Management	Yantai Joy City Co., Ltd.* (煙台大悅城有限公司)	Provision of project consultation services for Yantai Joy City
Beijing Gloria Management	COFCO Property Investment (Beijing) Co., Ltd.* (中糧地產投資(北京)有限公司)	Provision of project consultation services and property management services for Beijing COFCO Shine City International Residence Community (中糧祥雲國際生活區)
Beijing Gloria Management	COFCO Corporation and other members of the COFCO Group	Provision of property management services for COFCO Fortune Plaza (中糧福臨門大廈)
Beijing Gloria Management	COFCO Shanghai (<i>Note 2</i>)	Provision of property management services for Shanghai COFCO Tower
Beijing Gloria Management	Beijing COFCO (<i>Note 3</i>)	Provision of property management services for Beijing COFCO Plaza

Notes:

1. Beijing Xinaoxijun Real Estate Development Co., Ltd.* (北京新奧西郡房地產開發有限公司) changed its corporate name to Xidan Joy City Co., Ltd.* (西單大悅城有限公司) in October 2011.
2. COFCO Shanghai is a minority-held associate of the Target Group which is owned as to 50% by the Target Group and 50% by COFCO Commercial Property Investment Co. Ltd. (中糧置業投資有限公司), a subsidiary of COFCO Corporation. Accordingly, COFCO Shanghai is an associate of a connected person of the Company pursuant to Rule 14A.11(4) of the Listing Rules.
3. Beijing COFCO is a non-wholly owned subsidiary of the Target Group which is owned as to 60% by the Target Group and 40% by COFCO Commercial Property Investment Co. Ltd. (中糧置業投資有限公司), a subsidiary of COFCO Corporation. Accordingly, Beijing COFCO is a connected person of the Company pursuant to Rule 14A.11(5) of the Listing Rules.

The project consultation and property management services provided by the Target Group include the following:

- (a) project planning and development consultation services during the initial development stage, including land development planning, government approvals and corporate structure consultation, construction consultation and agency services, facilities and greenery planning, consultancy and advisory services on security systems, fire service systems, communication and network systems; and
- (b) property management services after completion of project development, including maintenance, repair and management of public facilities and public areas, managing car parking lots, cleaning services, security services, collecting rent from tenants and managing the leasing arrangements with tenants.

The aggregate consultation and management fees paid by the COFCO Group to the Target Group during the Track Record Period and the Annual Caps for the consultation and management fees payable by the COFCO Group pursuant to the Master Property Management Agreement are set out below:

	<i>RMB'000</i>
Historical transaction amounts (financial year/period ended)	
31 December 2010	63,489
31 December 2011	63,269
31 December 2012	34,062
30 June 2013	16,026
Annual Caps (financial year ending)	
31 December 2013	40,000
31 December 2014	44,000
31 December 2015	47,000

(ii) *Provision of hotel and property management services by the COFCO Group to the Target Group*

During the Track Record Period, certain members of the COFCO Group also provided hotel and property management services to the hotel projects and property projects developed by the Target Group, which include but are not limited to the following:

Relevant member of the COFCO Group	Relevant member of the Target Group	Hotel and property management services provided to the Target Group
Gloria International Hotel Limited	Nanchang Gloria Hotel (PRC)	Provision of hotel management services for Gloria Grand Hotel Nanchang
Gloria International Hotel Limited	Suzhou Gloria Hotel (PRC)	Provision of hotel management services for Gloria Plaza Hotel Suzhou
Gloria International Hotel Management (Beijing) Co., Ltd.* (凱萊國際酒店管理(北京)有限公司)	Yalong Development (Sanya)	Provision of hotel management services for Cactus Resort Sanya by Gloria
Top Glory Properties Management (HK) Limited	Bapton	Provision of property consultancy and rental management services for Top Glory Tower

Further details of the above hotel and property development projects are set out in the paragraph headed “Business of the Target Group” in the Announcement.

The hotel and property management services provided by the COFCO Group to the Target Group include the following:

- (a) hotel management services, including operating and managing restaurants, shops, recreational facilities and other facilities in the hotel premises, marketing services, catering services, setting and implementing policies and standards for use of hotel rooms, maintaining common area and public facilities, as well as other general property management services; and
- (b) property management services, including maintenance, repair and management of building, cleaning services, security services, fire and safety services, staff recruitment and training, preparing budgets, collecting rent from tenants and managing the leasing arrangements with tenants.

The aggregate service fees for the hotel and property management services paid by the Target Group to the COFCO Group during the Track Record Period and the Annual Caps for the service fees payable by the Enlarged Group pursuant to the Master Property Management Agreement are set out below:

RMB'000

Historical transaction amounts (financial year/period ended)

31 December 2010	7,715
31 December 2011	8,079
31 December 2012	7,702
30 June 2013	3,764

Annual Caps (financial year ending)

31 December 2013	9,000
31 December 2014	9,000
31 December 2015	9,000

Principal terms of the Master Property Management Agreement

The Company considers that it will be beneficial for the Enlarged Group to continue to provide project consultation and property management services to the COFCO Group, and for the COFCO Group to continue to provide hotel and property management services to the Target Group, after Completion. To better regulate the arrangements, the Company and COFCO Corporation entered into the Master Property Management Agreement on 29 November 2013 to govern the terms of the provision of project consultation, hotel and property management services.

Pursuant to the Master Property Management Agreement, the service fees for the project consultation, hotel and property management services are subject to the general pricing terms as set out in the paragraph headed “Common terms of Master Agreements” below. Detailed terms of the project consultation, hotel and property management services to be provided by the Target Group and the COFCO Group (as the case may be) and the pricing terms shall be set out in the specific property management service contracts to be entered into between the relevant members of the Enlarged Group and the COFCO Group which are ancillary to and subject to the terms and conditions of the Master Property Management Agreement.

The consideration to be paid by the respective members of the COFCO Group or the Target Group (as the case may be) pursuant to the Master Property Management Agreement shall be agreed between the relevant members of the Enlarged Group and the COFCO Group having regard to various factors such as the nature and scope of the services to be provided, the costs of providing such services and the market rate for similar services offered by other independent third party suppliers, or based on a prescribed fee schedule or charging rate as agreed between the relevant parties from time to time.

The Annual Caps for the consultation, management and service fees payable by the Enlarged Group or the COFCO Group (as the case may be) as set out above have been determined based on (a) the historical transaction amounts for the provision of project consultation, hotel and property management services during the Track Record Period; (b) the nature of services required under specific contracts signed or agreed between the relevant members of the Enlarged Group and the COFCO Group; (c) the projected increase in demand for the relevant services in anticipation of the new project developments of both the Enlarged Group and the COFCO Group; and (d) the projected increase in the average market prices for the similar services due to increased management and labour costs and other factors.

(c) Provision of insurance services by the COFCO Group

The COFCO Group conducts insurance business and provides insurance consultancy and brokerage services in the PRC through its members including AVIVA-COFCO Life Insurance Co., Ltd. (中英人壽保險有限公司) and AON-COFCO Insurance Brokerage Co., Ltd. (中怡保險經紀有限責任公司). The Target Group has been purchasing insurance products from the COFCO Group covering medical, accident and life insurance for its staff, and receiving insurance consultancy and brokerage services from the COFCO Group which include sourcing and referral of insurance products and services for the Target Group, general liaison with insurers on behalf of the Target Group and regular review of the insurance coverage of the Target Group.

The Company considers that it will be beneficial for the Enlarged Group to continue to purchase insurance products and receive insurance consultancy and brokerage services from the COFCO Group after Completion, as insurance services are generally required by the Enlarged Group's ordinary course of business and the Enlarged Group will have access to full insurance consultancy services provided by the COFCO Group. To better regulate the arrangements, the Company entered into the Master Insurance Agreement on 29 November 2013 with COFCO Corporation for the provision of insurance services by the COFCO Group to the Enlarged Group.

The aggregate insurance premium and consultancy fees for the insurance services provided by the COFCO Group to the Target Group during the Track Record Period and the Annual Caps for the insurance premium and consultancy fees payable pursuant to the Master Insurance Agreement are set out below:

	<i>RMB'000</i>
Historical transaction amounts (financial year/period ended)	
31 December 2010	712
31 December 2011	855
31 December 2012	980
30 June 2013	381
Annual Caps (financial year ending)	
31 December 2013	1,200
31 December 2014	1,490
31 December 2015	1,750

Pursuant to the Master Insurance Agreement, the insurance premium and service fees for the insurance services are subject to the general pricing terms as set out in the paragraph headed “Common terms of the Master Agreements” below, and shall be agreed between the relevant members of the Enlarged Group and the COFCO Group having regard to various factors such as the nature and coverage of the insurance policies, the scope of the insurance consultancy and brokerage services provided by the COFCO Group and the market fees for similar insurance services offered by other independent insurers, or based on a prescribed fee schedule or charging rate as agreed between the relevant parties from time to time. Detailed terms of the insurance services and the pricing terms shall be set out in the specific service contracts or confirmation orders to be entered into between the relevant member of the Enlarged Group and the COFCO Group which are ancillary to and subject to the terms and conditions of the Master Insurance Agreement.

The Annual Caps for the insurance premium and consultancy fees as set out above have been determined based on (a) the historical transaction amounts for the provision of insurance services by the COFCO Group during the Track Record Period, with an annual growth rate ranging from approximately 15% to 20% compared to previous year; (b) the nature, variety, coverage and insured amounts of insurance policies generally required for the business expansion of the Enlarged Group; (c) the projected increase in insurance services demand due to increase in number of staff with an annual growth rate of 20% following commencement of new project developments and construction projects by the Enlarged Group (such as Chengdu Joy City); (d) the projected increase in the average market prices with an annual growth rate of 20% for such insurance services; and (e) a general annual growth in the Annual Caps ranging from approximately 17% to 24% having taken into account the above factors.

(d) Sourcing of staple supplies and catering services from the COFCO Group

During the Track Record Period, the Target Group had been sourcing certain staple supplies from the COFCO Group, including agricultural products, food, beverage, wine and confectionary, packaging materials and daily supplies such as oil, rice, sugar and tea, mainly used in the Target Group’s ordinary business operations, the catering services provided in the hotels and other commercial properties operated by the Target Group and as the Target Group’s staff benefits and corporate gifts to its customers and business partners. The COFCO Group also provides conference room facilities, accommodation, car parking lots and catering services to the Target Group for its general corporate uses, corporate events and promotional activities.

The Company considers that it will be beneficial to the Enlarged Group to continue to source staple supplies and catering services from the COFCO Group after Completion as it will allow the Enlarged Group to benefit from bulk purchase discounts and ensure a stable and reliable staple supply and provision of services which is crucial for its property and hotel business. To better regulate the arrangements, the Company entered into the Master Sourcing Agreement on 29 November 2013 with COFCO Corporation for the supply of staple supplies and catering services by the COFCO Group to the Enlarged Group.

The purchase amounts for staple supplies and catering services paid by the Target Group to the COFCO Group during the Track Record Period and the Annual Caps for the purchase amounts payable by the Target Group pursuant to the Master Sourcing Agreement are set out below:

RMB'000

Historical transaction amounts (financial year/period ended)

31 December 2010	2,451
31 December 2011	4,275
31 December 2012	4,035
30 June 2013	968

Annual Caps (financial year ending)

31 December 2013	5,900
31 December 2014	7,000
31 December 2015	8,300

Pursuant to the Master Sourcing Agreement, the prices for the staple supplies and catering services are subject to the general pricing terms as set out in the paragraph headed “Common terms of the Master Agreements” below, and shall be agreed between the relevant members of the Enlarged Group and the COFCO Group having regard to various factors such as the quantity and quality of the supplies and services, the market prices for the staple supplies and catering services, the prices offered by other independent third party suppliers and the procurement or manufacturing costs of the relevant members of the COFCO Group, or based on a prescribed fee schedule or purchase price as agreed between the relevant parties from time to time. Detailed terms of the provision of staple supplies and catering services and the pricing terms will be set out in the specific service contracts or confirmation orders to be entered into between the relevant members of the Enlarged Group and the COFCO Group which are ancillary to and subject to the terms and conditions of the Master Sourcing Agreement.

The Annual Caps for the purchase amounts for the staple supplies and catering services as set out above have been determined based on (a) the quantity and historical transaction amounts for the staple supplies and catering services sourced from the COFCO Group during the Track Record Period, with a significant increase in purchase amounts for the year 2011 (compared to year 2010); (b) the market prices for the staple supplies and catering services and the prices offered by independent third party suppliers; (c) the projected increase in demand by the Enlarged Group for the staple supplies and catering services due to opening of new hotels (such as Waldorf Astoria Beijing and W Beijing — Chang’an) and marketing and promotional activities for new development projects (such as Chengdu Joy City which is expect to complete in year 2015) by the Enlarged Group; (d) the projected increase in the average market prices for staple supplies and catering services (in particular for food, beverage and staple supplies); and (e) a general annual growth in the Annual Caps ranging from approximately 19% to 46% having taken into account the above factors.

COMMON TERMS OF THE MASTER AGREEMENTS

Each of the Master Agreements is a framework agreement comprising the general terms and conditions upon which the Enlarged Group and the COFCO Group are to carry out the particular type of Non-Exempt Continuing Connected Transaction contemplated thereunder. The common terms of the Master Agreements are set out below:

Term: The Master Agreements are conditional on the Completion and approval by the Independent Shareholders at the SGM, and will be effective from the Completion Date to 31 December 2015, which can be renewed on terms to be agreed upon between the Company and COFCO Corporation subject to compliance with the applicable Listing Rules.

Framework agreement: The Master Agreements are framework agreements which contain general terms and conditions upon which the Enlarged Group and the COFCO Group are to carry out the particular type of transaction contemplated thereunder.

Members of the Enlarged Group and the COFCO Group may from time to time enter into specific agreements in respect of the leases, services and/or products to be provided or received by the Enlarged Group, provided that the terms of such detailed agreements are not inconsistent with the terms of the relevant Master Agreement. The actual services and/or products to be provided or received by the Enlarged Group are subject to such detailed agreements entered into between the relevant members of the Enlarged Group and the COFCO Group from time to time during the terms of the Master Agreements.

Pricing basis: The purchase amounts, rent and service fees payable under each of the Master Agreements by the Enlarged Group or the COFCO Group (as the case may be) are to be agreed and determined on an arm's length basis between the relevant members of the Enlarged Group and the COFCO Group from time to time, which shall be comparable to, or no less favourable to the Enlarged Group than, the fair market rents or market prices for similar products and services offered by independent third parties to the Enlarged Group or by the Enlarged Group to independent third parties.

The relevant member of the Enlarged Group shall, before it enters into specific agreements in respect of the leases, services and/or products pursuant to the Master Agreements,

- (i) obtain price quotations from suppliers who are independent third parties for the supply of the same or similar products and/or services required by the Enlarged Group; or

- (ii) request the COFCO Group to provide it with sales records of the same or similar products and/or services offered by it to its customers, as the reference market price of such products and services.

If the relevant member of the Enlarged Group proceeds to place a purchase order or enters into a transaction with the COFCO Group for the products and/or services contemplated under the Master Agreements, the price and other conditions at which such products and/or services are to be offered shall be no less favourable to the Enlarged Group than any of the price quotations or sales records (as the case may be).

Termination: The Master Agreements may be terminated by either party giving the other party a written notice not less than 30 days before the intended date of termination.

(e) Entrusted arrangements with respect to certain Retained Joy City Projects

The Company entered into five entrusted operation and management contracts (the “Retained Joy City Projects Entrustment Contracts”) on 29 November 2013 with the following members of the COFCO Group which directly hold the respective Retained Joy City Projects, pursuant to which the Company was granted the right to manage the respective businesses and underlying assets (including the relevant Retained Joy City Projects) of these companies. Details of the parties to the Retained Joy City Projects Entrustment Contracts and the entrustment arrangements are set out below:

Relevant member of the COFCO Group	Relevant member of the Enlarged Group	Relevant Retained Joy City Project entrusted to the Enlarged Group
Joy City (Tianjin) Co., Ltd.* (大悦城(天津)有限公司)	The Company	Tianjin Joy City
Shanghai Xinlan Real Estate Development Co., Ltd.* (上海新蘭房地產開發有限公司)	The Company	Shanghai Joy City
Beijing Hongtaijiye Real Estate Co., Ltd.* (北京弘泰基業房地產有限公司)	The Company	Beijing Chaoyang Joy City
Xidan Joy City Co., Ltd.* (西單大悦城有限公司)	The Company	Beijing Xidan Joy City
Yantai Joy City Co., Ltd.* (煙台大悦城有限公司)	The Company	Yantai Joy City

Please refer to the section headed “Properties subject to the Call Options — the Retained Joy City Projects” in the Announcement for further details of the projects of the Retained Joy City Projects.

Subject to the approval of the Independent Shareholders at the SGM and Completion, the Retained Joy City Projects Entrustment Contracts will be effective immediately upon Completion until the expiry of their initial terms on 31 December 2015. If any of the Retained Joy City Projects is acquired by the Enlarged Group pursuant to the exercise of the call options to acquire the Retained Joy City Projects or relevant companies holding such Retained Joy City Projects to be granted by COFCO Corporation to the Company during the term of the Retained Joy City Projects Entrustment Contracts, the relevant contract will be terminated upon completion of the acquisition of the relevant Retained Joy City Project. If any of the Retained Joy City Projects remains owned by the COFCO Group on the date of expiry of the initial term of the Retained Joy City Projects Entrustment Contracts (31 December 2015), the respective contract may be renewed for a further term of three years on the same terms subject to compliance with the applicable Listing Rules by the Company. Unless there is a material breach of the Retained Joy City Projects Entrustment Contracts by the Company, the respective member of the COFCO Group shall not terminate the contracts during the term of the Retained Joy City Projects Entrustment Contracts.

Pursuant to the Retained Joy City Projects Entrustment Contracts, the relevant member of the COFCO Group shall entrust to the Enlarged Group the operation and management of its business and underlying assets (including the relevant Retained Joy City Project held by it). The Enlarged Group shall have day-to-day management rights and full discretion to deal with the operational matters of each of such companies and its underlying assets (including the relevant Retained Joy City Project), and the Enlarged Group’s rights include but are not limited to:

- (a) determining business development and operation policies, and implementing annual business plans;
- (b) project construction management;
- (c) cost management;
- (d) financial management; and
- (e) sales and operations management.

The relevant member of the COFCO Group shall be entitled to retain all revenue and profits and is responsible for all the losses and risks arising from the respective businesses and operations of the relevant Retained Joy City Project. In respect of Yantai Joy City, consent of the indirect minority shareholder of the project company holding Yantai Joy City is required if any action proposed to be taken by the Enlarged Group pursuant to the relevant Retained Joy City Projects Entrustment Contract is inconsistent or in conflict with the terms of the joint venture contract of the project company or other related agreements.

Each relevant member of the COFCO Group shall pay an entrustment fee of RMB500,000 per annum for the services provided by the Enlarged Group under the relevant Retained Joy City Projects Entrustment Contract, which was agreed and determined on an arm's length basis between the Company and the relevant members of the COFCO Group, having regard to the nature and scope of entrustment and management services to be provided by the Enlarged Group, the cost of the Enlarged Group providing such services, the rights and obligations assumed by the Enlarged Group under the Retained Joy City Projects Entrustment Contracts, and by reference to the annual entrustment fee of RMB500,000 payable by the Target Group to the COFCO Group under each of the Target Group Entrustment Contracts (being existing transactions between the Target Group and the COFCO Group of a similar nature to the Retained Joy City Projects Entrustment Contracts, details of which are set out in the paragraph headed "Entrusted arrangements with respect to certain projects owned by the Target Group" below). The Annual Caps for the Retained Joy City Projects Entrustment Contracts are RMB2.5 million for each of the three financial years ending 31 December 2015, which represent the total annual entrustment fees payable by the Enlarged Group under the five Retained Joy City Projects Entrustment Contracts.

(f) Advance from Shanghai Top Glory to Taiwan Hotel Ltd

Taiwan Hotel Ltd is a non-wholly owned subsidiary of the Target Group which is owned as to 51% by a member of the Target Group and 49% by COFCO Corporation. As the then indirect ultimate controlling shareholder of Taiwan Hotel Ltd, COFCO Corporation has been providing shareholder loans to Taiwan Hotel Ltd for its operating costs and business expansion prior to the Acquisition. For the purpose of minimising the financial reliance by the Target Group on the COFCO Group after Completion, all amounts due from the Target Group to the COFCO Group will be repaid on or before Completion.

As part of the arrangement to repay the amounts due from the Target Group to the COFCO Group, Shanghai Top Glory, a subsidiary of the Target Group, made available an intra-group advance to Taiwan Hotel Ltd in replacement of the existing shareholder loans provided by COFCO Corporation. In this connection, Shanghai Top Glory, Taiwan Hotel Ltd and China Construction Bank Beijing Branch entered into an entrustment loan agreement on 1 November 2013 (the "Entrustment Loan Agreement"), pursuant to which Shanghai Top Glory entrusted China Construction Bank Beijing Branch to lend RMB663.3 million to Taiwan Hotel Ltd (the "Entrustment Loan"). China Construction Bank Beijing Branch have received the same amount of cash deposit from Shanghai Top Glory and the corporate guarantee from Shanghai Top Glory as the security of the Entrustment Loan. The Entrustment Loan is for a term of one year from 1 November 2013 with a fixed interest rate of 6.68% per annum, which was determined with reference to the relevant The People's Bank of China (中國人民銀行) benchmark lending rates for one-year term loan and the prevailing market lending rates generally offered by commercial banks in the PRC.

As Taiwan Hotel Ltd is a non-wholly owned subsidiary of the Target Group which COFCO Corporation is interested in 49% of its equity interest, it is an associate of COFCO Corporation and will also become a connected person of the Company upon Completion pursuant to Rule 14A.11(5) of the Listing Rules. As such, the Entrustment Loan will constitute financial assistance by the Company to a connected person pursuant to Rule 14A.13(2)(a)(i) of the Listing Rules upon Completion.

The Entrustment Loan is only a short-term intra-group financing arrangement amongst the members of the Target Group to enable Taiwan Hotel Ltd to continue its business operations upon repayment of the shareholder loans owing to COFCO Corporation. In the long run, Taiwan Hotel Ltd will be financed by the capital contributions from its shareholders, cash generated from its operating activities and other internal resources. It is expected that Taiwan Hotel Ltd will repay the Entrustment Loan with its then available resources upon the maturity of the Entrustment Loan.

LISTING RULES IMPLICATIONS FOR THE NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

As one or more of the applicable percentage ratios calculated based on (i) the Annual Caps for each of the Master Agreements and the Retained Joy City Projects Entrustment Contracts; and (ii) the amount of the Entrustment Loan, exceed 5%, the transactions under each of the Master Agreements, the Retained Joy City Projects Entrustment Contracts and the Entrustment Loan Agreement constitute continuing connected transactions of the Company upon Completion under Rule 14A.35 of the Listing Rules, which are subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

EXISTING CONTINUING CONNECTED TRANSACTIONS BETWEEN THE TARGET GROUP AND THE COFCO GROUP

(a) Entrusted arrangements with respect to certain projects owned by the Target Group

The Target Group entered into three entrusted operation and management contracts (the “Target Group Entrustment Contracts”) on 26 September 2012 with COFCO Property, pursuant to which the management of the business and operations of certain project companies of the Target Group or companies holding interests in the relevant project company were entrusted to COFCO Property. The relevant parties to the Target Group Entrustment Contracts and the relevant properties and projects entrusted to COFCO Property are set out below:

Member of the Target Group	Member of the COFCO Group	Relevant properties and projects entrusted to the COFCO Group
Zhuoyuan Property	COFCO Property	Chengdu Joy City
Shanghai Top Glory	COFCO Property	Ocean One and Fraser Suites Top Glory Shanghai
COFCO Chengdu	COFCO Property	Chengdu Shine City (<i>Note</i>)

Note: COFCO Chengdu holds a 30% equity interest in Chengdu Yuecheng, which holds Chengdu Shine City.

Further details of the above property development projects are set out in the paragraph headed “Business of the Target Group” in the Announcement.

Each of the Target Group Entrustment Contracts has a term of three years commencing from 26 September 2012 and will expire in September 2015. Pursuant to the Target Group Entrustment Contracts, COFCO Property shall provide management services or implement operational policies for each of Zhuoyuan Property, Shanghai Top Glory and COFCO Chengdu and their respective underlying projects. COFCO Property shall receive an annual fee of RMB500,000 for each company while the profits and losses generated from these projects shall belong to the Target Group. The Target Group does not intend to renew or extend the terms of the Target Group Entrustment Contracts after they expire in September 2015.

Each relevant member of the Target Group shall pay an entrustment fee of RMB500,000 per annum for the services provided by COFCO Property, and the aggregate entrustment fee for the Target Group Entrustment Contracts amounts to RMB1,500,000 per annum.

The Target Group Entrustment Contracts were entered into by members of the Target Group in September 2012, which have taken effect and will continue after Completion until the expiry of their terms. The ongoing transactions under the Target Group Entrustment Contracts will constitute continuing connected transactions of the Company

upon Completion by virtue of the Target Group becoming part of the Enlarged Group. Accordingly, pursuant to Rule 14A.41 of the Listing Rules, the Company is required to comply with the applicable annual review, reporting and disclosure requirements under Chapter 14A of the Listing Rules in respect of the transactions under the Target Group Entrustment Contracts. The Company will comply in full with all applicable reporting, disclosure and, if applicable, independent shareholders' approval requirements under Chapter 14A of the Listing Rules upon any variation or renewal of such contracts.

(b) Existing Leases with respect to leasing of properties to the COFCO Group

As at the date of this announcement, Beijing COFCO, a member of the Target Group, was a party to five lease agreements (the "Existing Leases") with respect to the leasing of commercial premises and a shopping mall unit in Beijing COFCO Plaza to certain members of the COFCO Group, the rent and management fee payable under which were significantly below the prevailing market rent. Details of the Existing Leases are set out below:

Members of the COFCO Group (as tenant)	Address of the property leased	Effective period of the lease agreements	Total annual rent and management fee	Total annual market rent and management fee (Note)
(1) COFCO Coca-Cola Beverages (China) Investment Ltd.* (中糧可口可樂飲料(中國)投資有限公司)	Units 1101-06 of Tower A of Beijing COFCO Plaza	1 August 2011 to 30 October 2014	RMB1,353,600	RMB2,401,200
(2) COFCO Coca-Cola Supply Chain (Tianjin) Investment Ltd.* (中糧可口可樂供應鏈(天津)有限公司)	Units 1107-26 of Tower A of Beijing COFCO Plaza	1 August 2011 to 30 October 2014	RMB5,398,428	RMB9,576,466
(3) Beijing Junding Château Wine Sales Co., Ltd.* (北京君頂名莊酒業銷售有限公司)	Units 1317-19 of Tower B of Beijing COFCO Plaza	1 July 2012 to 30 June 2014	RMB914,400	RMB1,030,224
(4) Beijing Junding Hua Yue Hotel Management Co., Ltd.* (北京君頂華悅酒店管理有限公司)	5th floor of Tower C of Beijing COFCO Plaza	1 October 2010 to 30 September 2018	RMB8,895,776	RMB15,177,168
(5) China Tea Joint Stock Co., Ltd.* (中國茶葉股份有限公司)	Shop F116 of Beijing COFCO Plaza	1 March 2013 to 30 April 2015	RMB238,680	RMB766,656

Note: The market rents and management fees were based on the estimates of Savills, an independent property valuer.

The Existing Leases have taken effect from their respective dates of execution and will continue after Completion. The Directors consider it impracticable for the Target Group to re-negotiate the agreed rents payable under the Existing Leases or to terminate the Existing Leases prior to the expiry of their terms as the Existing Leases constitute binding obligations of both the Target Group and the COFCO Group, and having considered that (i) each of the tenants under the Existing Leases numbered (1) to (4) above is a subsidiary of China Foods Limited (a company listed on the Main Board of the Stock Exchange, stock code: 00506), the termination of or revision of the rent payable under the Existing Leases prior to expiry of their terms will be subject to compliance of applicable Listing Rules requirements by China Foods Limited; and (ii) the Existing Lease numbered (5) relates to a shopping mall unit at a relatively less convenient location in Beijing COFCO Plaza which is currently occupied by the tenant as a showroom and tea cafe, therefore the agreed rent for such lease was generally lower than that of units in prime locations in the shopping mall.

Based on the estimated annual market rent and management fee, the aggregate shortfall in revenue or profit that the Enlarged Group would have received if the Existing Leases were based on market rent and management fee is immaterial to the Enlarged Group, the Directors consider that the continuance of the Existing Leases would not have a material adverse effect on the business operation or financial position of the Enlarged Group.

The ongoing transactions under the Existing Leases will constitute continuing connected transactions of the Company upon Completion by virtue of the Target Group becoming part of the Enlarged Group. Accordingly, pursuant to Rule 14A.41 of the Listing Rules, the Company is required to comply with the applicable annual review, reporting and disclosure requirements under Chapter 14A of the Listing Rules in respect of the transactions under the Existing Leases. The Company will comply in full with all applicable reporting, disclosure and, if applicable, independent shareholders' approval requirements under Chapter 14A of the Listing Rules upon any variation of such contract during their terms.

Upon expiry of any of the Existing Leases, any new lease agreement to be entered into with the relevant members of the COFCO Group for the leasing of the respective property under the Existing Leases will be governed by the Master Lease Agreement and subject to the general pricing terms as set out in the paragraph headed "Common terms of Master Agreements" above, and the annual rent and management fee under the new lease agreements shall be comparable to the rent of the leases in the same building as those with tenants which are independent third parties and the then prevailing market rent of Beijing COFCO Plaza.

CONFIRMATION FROM THE DIRECTORS

The Directors (with respect to the Non-Exempt Continuing Connected Transactions, excluding all the independent non-executive Directors, whose opinion after taking into account the advice from the Independent Financial Adviser will be included in the Circular) are of the view that (i) the Master Agreements, the Retained Joy City Projects Entrustment Contracts and the Target Group Entrustment Contracts have been entered into in the ordinary and usual course of business of the Target Group; (ii) save and except for the Existing Leases, all of the above agreements, the Entrustment Loan Agreement and the transactions contemplated therein have been negotiated on an arm's length basis, on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (iii) the respective Annual Caps for the Non-Exempt Continuing Connected Transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

ANNOUNCEMENT PURSUANT TO RULE 13.18 OF THE LISTING RULES

Bapton, a member of the Target Group, will become a wholly-owned subsidiary of the Company upon Completion. For the purpose of obtaining bank financing for the repayment of the borrowings from and amounts due to the COFCO Group and its associates, Bapton entered into a loan agreement (the "Loan Agreement") with The Hongkong and Shanghai Banking Corporation Limited (the "Lender") on 28 November 2013 for a HK\$1,250 million one year term-loan facility (the "Facility") which will be available on or before the Completion. The Facility will be guaranteed by the Company upon Completion.

Pursuant to the Loan Agreement, if (i) COFCO Corporation does not or ceases to maintain directly or indirectly more than 50% of all the issued share capital of, carrying directly or indirectly more than 50% of voting right in, the Company; or (ii) COFCO Corporation does not or ceases to have management control over the Company, it would constitute an event of default under the Loan Agreement and the Lender may cancel the commitment under the Facility and/or declare that the whole or any part of the loan under the Facility, together with accrued interest, be immediately due and payable.

COFCO Corporation, through its wholly-owned subsidiary Achieve Bloom, will be indirectly interested in approximately 75% of the issued share capital of the Company upon Completion. Please refer to the paragraph headed "Effect of the Acquisition and the Placing on the shareholding structure of the Company" above.

Upon Completion, the Company will continue to comply with the disclosure obligations under Rule 13.21 of the Listing Rules for so long as circumstance giving rise to the above obligation continue to exist.

INFORMATION ON THE GROUP

The Company was incorporated in Bermuda and the Shares are listed on the Main Board of the Stock Exchange. The Company is an investment holding company and the Group is principally engaged in the property investment business. As at the Latest Practicable Date, Achieve Bloom directly held approximately 69.27% of the issued share capital of the Company.

THE CIRCULAR AND THE SGM

The Independent Board Committee has been established to consider, among other things, the Non-Exempt Continuing Connected Transactions and the Annual Caps. Somerley Limited has been appointed as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in connection with the Acquisition and the Non-Exempt Continuing Connected Transactions.

The Circular containing, among others things, further details on the Acquisition, the Placing, the Specific Mandate, the Non-Exempt Continuing Connected Transactions and the Annual Caps, a letter from the Independent Board Committee to the Independent Shareholders, a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, together with a notice convening the SGM, will be despatched to the Shareholders on or around 30 November 2013.

The SGM will be convened to consider and, if thought fit, approve, among other things, the matters above.

Investors should be aware that the Acquisition, the Placing and the Non-Exempt Continuing Connected Transactions may or may not be approved by the Independent Shareholders at the SGM. The Placing is subject to the satisfaction of a number of conditions which are more particularly set out in the section headed “Conditions precedent” below and is subject to termination under certain circumstances. There is no assurance that any of the conditions to the Placing will be fulfilled and therefore the Placing may or may not proceed at all. Investors should therefore exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings.

“Annual Caps”	the maximum aggregate annual transaction amounts set for the Non-Exempt Continuing Connected Transactions for each of the three years ending 31 December 2013, 2014 and 2015
“Bapton”	Bapton Company Limited, a company incorporated in Hong Kong with limited liability on 22 August 1986, and a member of the Target Group
“Beijing COFCO”	Beijing COFCO Plaza Development Co. Ltd. (北京中糧廣場發展有限公司), a company incorporated in the PRC with limited liability on 14 September 1987, and a member of the Target Group
“Beijing Gloria Management”	Beijing Gloria Properties Management Co., Ltd. (北京凱萊物業管理有限公司), a company incorporated in the PRC with limited liability on 24 February 2000, and a member of the Target Group

“Chengdu Yuecheng”	Chengdu Yuecheng Real Estate Co., Ltd. (成都悦城實業有限公司), a company incorporated in the PRC with limited liability on 13 October 2009, an associate of the Target Group which is owned as to 30% by the Target Group
“COFCO Chengdu”	COFCO Top Glory (Chengdu) Real Estate Development Co., Ltd* (中糧鵬利(成都)實業發展有限公司), a company incorporated in the PRC with limited liability on 12 September 2005, and a member of the Target Group
“COFCO Property”	COFCO Property (Group) Co., Ltd. (中糧地產(集團)股份有限公司), a company incorporated in the PRC with limited liability on 8 October 1993, which is listed on the Shenzhen Stock Exchange (stock code: 000031) and owned as to approximately 50.65% by COFCO Corporation
“COFCO Shanghai”	Shanghai COFCO Property Development Co., Ltd.* (上海中糧置業發展有限公司), a company incorporated in the PRC with limited liability on 1 December 1994, an associate of the Target Group which is owned as to 50% by the Target Group
“Connected Transaction Agreements”	the Master Lease Agreement, the Master Property Management Agreement, the Master Insurance Agreement, the Master Sourcing Agreement, the Retained Joy City Projects Entrustment Contracts and the Entrustment Loan Agreement, and Connected Transaction Agreement shall refer to any one of them
“Consideration Shares”	the 5,988,199,222 new Shares to be allotted and issued by the Company credited as fully paid in settlement of part of the Consideration pursuant to the Acquisition Agreement
“Conversion Shares”	the 1,095,300,778 new Shares to be allotted and issued credited as fully paid by the Company upon the exercise of the conversion rights attaching to the CPS pursuant to the Acquisition Agreement
“CPS”	the 1,095,300,778 new non-redeemable convertible preference shares of HK\$0.10 each to be created as a new class of shares in the share capital of the Company upon Completion and to be allotted and issued by the Company credited as fully paid in settlement of part of the Consideration, and CPS shall refer to any one of them

“Entrustment Loan”	the entrustment loan in an amount of RMB663.3 million arranged by Shanghai Top Glory for the benefit of Taiwan Hotel Ltd subject to the terms and conditions of the Entrustment Loan Agreement
“Entrustment Loan Agreement”	the entrustment loan agreement dated 1 November 2013 entered into between Shanghai Top Glory, Taiwan Hotel Ltd and China Construction Bank Beijing Branch in connection with the Entrustment Loan
“Existing Leases”	five existing lease agreements entered into between the Target Group and the COFCO Group under which the rent and management fees payable were significantly below the prevailing market rent
“Master Agreements”	collectively the Master Lease Agreement, the Master Property Management Agreement, the Master Insurance Agreement and the Master Sourcing Agreement, and Master Agreement shall refer to any one of them
“Master Insurance Agreement”	the master insurance agreement entered into between the Company and COFCO Corporation on 29 November 2013 for the provision of insurance services by the COFCO Group to the Enlarged Group
“Master Lease Agreement”	the master lease agreement entered into between the Company and COFCO Corporation on 29 November 2013 for the leasing of properties by the Enlarged Group to the COFCO Group
“Master Property Management Agreement”	the master property management agreement entered into between the Company and COFCO Corporation on 29 November 2013 for the provision of project consultation, property management and hotel management services
“Master Sourcing Agreement”	the master sourcing agreement entered into between the Company and COFCO Corporation on 29 November 2013 for the sourcing of staple supplies and catering services by the Enlarged Group from the COFCO Group
“Nanchang Gloria Hotel (PRC)”	Nanchang Gloria Grand Hotel Co., Ltd. (南昌凱萊大飯店有限公司), a company incorporated in the PRC with limited liability on 17 July 1992, and a member of the Target Group
“Non-Exempt Continuing Connected Transaction(s)”	the transactions to be carried out pursuant to the Connected Transaction Agreements, which are subject to the reporting, annual review, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules

“Placing”	the placing of the Placing Shares at the Placing Price on the terms and conditions of the Placing Agreement
“Placing Agents”	The Hongkong and Shanghai Banking Corporation Limited, BOCI Asia Limited, J.P. Morgan Securities (Asia Pacific) Limited and Standard Chartered Securities (Hong Kong) Limited, acting as the placing agents for the placing of the Placing Shares in the Placing, and Placing Agent shall refer to any one of them
“Placing Agreement”	the placing agreement dated 29 November 2013 entered into between the Company and the Placing Agents in relation to the Placing
“Placing Price”	HK\$2.00 per Placing Share
“Placing Shares”	1,955,174,000 new Shares to be issued by the Company to professional and institutional investors at the Placing Price pursuant to the Placing
“Retained Joy City Projects”	Tianjin Joy City, Shanghai Joy City, Beijing Chaoyang Joy City, Beijing Xidan Joy City, Yantai Joy City and Shenyang Joy City, which are developed under the brand of “Joy City (大悦城)” and will be retained by COFCO Corporation upon Completion, details of which are set out in the section headed “Properties subject to the Call Options — the Retained Joy City Projects” in the Announcement
“Retained Joy City Projects Entrustment Contracts”	the five entrusted operation and management contracts entered into between relevant members of the COFCO Group and the Company on 29 November 2013 for the entrustment of the Retained Joy City Projects (except for Shenyang Joy City) to the Enlarged Group
“Savills”	Savills Valuation and Professional Services Limited, an independent property valuer appointed by the Company
“Shanghai Top Glory”	Shanghai Top Glory Real Estate Development Co., Ltd. (上海鵬利置業發展有限公司), a company incorporated in the PRC with limited liability on 5 May 1998, and a member of the Target Group
“Specific Mandate”	the specific mandate proposed to be granted by the Independent Shareholders to the Directors at the SGM to allot and issue the Consideration Shares, the CPS, the Conversion Shares and the Placing Shares (as the case may be)

“Suzhou Gloria Hotel (PRC)”	Suzhou Gloria Plaza Hotel Co., Ltd.* (蘇州凱萊大酒店有限公司), a company incorporated in the PRC with limited liability on 27 March 1997, and a member of the Target Group
“Taiwan Hotel Ltd”	Taiwan Hotel Co., Ltd.* (台灣飯店有限公司), a company incorporated in the PRC with limited liability on 2 January 1986, and a member of the Target Group which is owned as to 51% by the Target Group and 49% by COFCO Corporation
“Target Group Entrustment Contracts”	the three entrusted operation and management contracts all dated 26 September 2012 entered into between relevant members of the Target Group and COFCO Property
“Track Record Period”	the period comprising the three years ended 31 December 2012 and the six months ended 30 June 2013
“Yalong Development (Sanya)”	Yalong Development Company Limited (三亞亞龍灣開發股份有限公司), a company incorporated in the PRC with limited liability on 28 May 1992, and a member of the Target Group
“Zhuoyuan Property”	Zhuoyuan Property (Chengdu) Co., Ltd.* (卓遠地產(成都)有限公司), a company incorporated in the PRC with limited liability on 19 December 2006, and a member of the Target Group

In this announcement, unless the context otherwise requires, the terms “associate(s)”, “connected person(s)”, “connected transaction(s)”, “controlling shareholder(s)”, “subsidiary(ies)” and “substantial shareholder(s)” shall have the meanings given to such terms in the Listing Rules, as modified by the Stock Exchange from time to time.

For the purpose of this announcement, unless the context otherwise requires, conversion of Renminbi into Hong Kong dollars is based on the approximate exchange rate of RMB0.7966 to HK\$1.00. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in Hong Kong dollars or Renminbi have been, could have been or may be converted at such or any other rate or at all.

Certain amounts and percentage figures set out in this announcement have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables and the currency conversion or percentage equivalents may not be an arithmetic sum of such figures.

The percentage shareholding in the Company upon Completion represent the number of Shares held by the Shareholders as a percentage of the total number of issued Shares immediately upon Completion (without taking into account any CPS or Conversion Shares).

The English names of the Chinese companies, entities, departments, facilities, certificates, titles and the like marked with “” are translations of their Chinese names and are included in this announcement for identification purposes only, and should not be regarded as their official English translations. In the event of any inconsistencies, the Chinese names prevail.*

By order of the Board
The Hong Kong Parkview Group Limited
Ma Jianping
Chairman

Beijing, 29 November 2013

As at the date of this announcement, the Board comprises Mr. MA Jianping, Mr. ZHOU Zheng and Mr. HAN Shi as Executive Directors; Mr. SHI Zhuowei, Mr. MA Wangjun and Ms. JIANG Hua as Non-executive Directors; and Mr. LAU Hon Chuen, Ambrose, GBS, JP, Mr. LAM Kin Ming, Lawrence and Mr. WU Kwok Cheung, MH as Independent Non-executive Directors.