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If you are in any doubt as to any aspect of this Circular or as to the action to be taken, you should consult a licensed security dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Wanda Commercial Properties (Group) Co., Limited, you should at once hand this Circular, together with the enclosed form of proxy, to the purchaser or the transferee or to the licensed security dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.



萬達商業地產(集團)有限公司

WANDA COMMERCIAL PROPERTIES (GROUP) CO., LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 169)

**CONNECTED AND DISCLOSEABLE TRANSACTION
ACQUISITION OF LAND USE RIGHTS IN GUILIN,
GUANGXI ZHUANG AUTONOMOUS REGION, THE PRC
AND
FORMATION OF A JOINT VENTURE
IN RELATION TO THE DEVELOPMENT OF THE GUILIN LAND
AND
NOTICE OF SGM**

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



富強金融資本

FORTUNE FINANCIAL CAPITAL

Terms used in this cover shall have the same meanings as defined in this Circular.

A letter from the Board is set out on pages 5 to 14 of this Circular. A letter of advice containing the recommendation from the Independent Board Committee to the Independent Shareholders is set out on pages 15 to 16 of this Circular. A letter of advice from Fortune Financial Capital, the Independent Financial Adviser, to the Independent Board Committee and the Independent Shareholders is set out on pages 17 to 27 of this Circular.

A notice of the SGM to be held at Unit 3007, 30/F., Two Exchange Square, 8 Connaught Place, Central, Hong Kong on 3 April 2014 at 4:00 p.m. is set out on pages SGM-1 to SGM-2 of this Circular. Whether or not you are able to attend and vote at the SGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong (New Address: Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 31 March 2014) as soon as possible and in any event not later than 48 hours before the time appointed for holding the SGM or any adjournment thereof (as the case may be).

Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

17 March 2014

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DEFINITIONS

In this Circular, the following terms and expressions shall have the following meanings unless the context requires otherwise:

| | |
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| “associates” | has the meaning given in the Listing Rules |
| “Auction” | the public auction held by Guilin Gaoxin District Land Bureau at which the Guilin Land was offered for sale |
| “Auction Confirmation” | the auction confirmation notice (國有建設用地使用權掛牌競買成交通知書) dated 27 February 2014 issued by the Land Reserve Center to the HK Co. confirming the successful bidding at the Auction |
| “Board” | the board of Directors |
| “Circular” | this circular issued by the Company dated 17 March 2014 |
| “Company” | Wanda Commercial Properties (Group) Co., Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange |
| “connected person(s)” | has the meaning given in the Listing Rules |
| “controlling shareholder” | has the meaning given in the Listing Rules |
| “Dalian Hexing” | means 大連合興投資有限公司 (Dalian Hexing Investment Co., Ltd.*), a company incorporated in the PRC engaged in investment holding |
| “Dalian Wanda” | means 大連萬達集團股份有限公司 (Dalian Wanda Group Co., Ltd.*), a company incorporated in the PRC engaged in property development, hotel development and management, and operation of movie theatre and other cultural industry and investment holding |
| “Director” | a director of the Company |

DEFINITIONS

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|---|---|
| “DWCP” | 大連萬達商業地產股份有限公司(Dalian Wanda Commercial Properties Co., Ltd.*), a company established in the PRC with limited liability |
| “Group” | the Company and its subsidiaries |
| “Guilin Land” | A piece of land located at site P05 at north to Huan Cheng Nan Road No. 1, Guilin, Guangxi Zhuang Autonomous Region, the PRC (中國廣西壯族自治區桂林市環城南一路以北P05地塊) with a site area of approximately 73,041.1 sq.m. |
| “Guilin Gaoxin District Land Bureau” | 桂林市國家高新區國土資源局 (Guilin Gaoxin District Municipal Bureau of Land Resources) |
| “HK Co” | Wanda Commercial Properties Investment Limited (萬達商業地產投資有限公司), a company with limited liability incorporated in Hong Kong, the entire issued share capital of which is held by the JV Company |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Independent Board Committee” | the independent board committee of the Board comprising all the independent non-executive Directors, namely Mr. Liu Jipeng, Mr. Xue Yunkui and Mr. Ba Shusong, established to advise the Independent Shareholders in respect of the JV Agreement |
| “Independent Financial Adviser” or “Fortune Financial Capital” | Fortune Financial Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the JV Agreement |
| “Independent Shareholders” | all Shareholders other than Wanda Overseas and its associates |

DEFINITIONS

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| “Joint Venture” | the proposed joint venture between the Company and Wanda HK for developing the Guilin Land subject to the terms and conditions set out in, among others, the JV Agreement |
| “JV Agreement” | the agreement dated 27 February 2014 entered into between the Company, Wanda HK and the JV Company in relation to the Joint Venture |
| “JV Company” | Wanda Properties Investment Limited, a company with limited liability incorporated in the British Virgin Islands, the entire issued share capital of which is owned as to 51% by the Company and 49% by Wanda HK |
| “Land Reserve Center” | 桂林國家高新區七星區土地儲備交易中心(National High-tech Zone, Guilin Qixing District Land Reserve Center), the body authorized by the Guilin Gaoxin District Land Bureau to administer the Auction |
| “Land Use Rights Grant Contract” | Land Use Rights Grant Contract (國有建設用地使用權出讓合同) to be entered between Guilin Gaoxin District Land Bureau and the HK Co pursuant to the Auction Confirmation |
| “Latest Practicable Date” | 13 March 2014, being the latest practicable date prior to the printing of this Circular for ascertaining certain information contained therein |
| “Listing Rules” | The Rules Governing the Listing of Securities on the Stock Exchange |
| “Mr. Chen” | Mr. Chen Chang Wei, being a non-executive Director |
| “Mr. Wang” | Mr. Wang Jianlin (王健林), the ultimate controlling shareholder of Wanda HK |
| “PRC” | the People’s Republic of China excluding, for the purpose of this Circular, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |

DEFINITIONS

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|-----------------------|---|
| “SFO” | The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “SGM” | a special general meeting of the Company to be convened for the purpose of approving the JV Agreement |
| “Share(s)” | ordinary share(s) of HK\$0.10 each in the share capital of the Company |
| “Shareholders” | shareholders of the Company |
| “sq.m.” | Square metres |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “US\$” or “US dollar” | US dollar, the lawful currency of the United States of America |
| “Wanda HK” | Wanda Commercial Properties (Hong Kong) Co. Limited, a company incorporated in Hong Kong with limited liability |
| “Wanda Overseas” | Wanda Commercial Properties Overseas Limited, a company incorporated in the British Virgin Islands with limited liability |
| “WFOE” | 桂林高新萬達廣場有限公司 (Guilin High-tech Zone Wanda Plaza Co., Ltd.*), a wholly foreign-owned enterprise with limited liability established in the PRC on 7 March 2014 to undertake the development of the Guilin Land pursuant to the JV Agreement |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong from time to time |
| “RMB” | Renminbi, the lawful currency of the PRC from time to time |
| “%” | per cent. |

* For identification purposes only



萬達商業地產(集團)有限公司
WANDA COMMERCIAL PROPERTIES (GROUP) CO., LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 169)

Non-Executive Directors:

Mr. Ding Benxi (*Chairman*)

Mr. Qi Jie

Mr. Qu Dejun

Mr. Chen Chang Wei

Executive Director:

Mr. Liu Chaohui

Independent Non-Executive Directors:

Mr. Liu Jipeng

Mr. Xue Yunkui

Mr. Ba Shusong

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

Unit 3007, 30th Floor

Two Exchange Square

8 Connaught Place

Central

Hong Kong

Registered office:

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

17 March 2014

To the Shareholders

Dear Sir or Madam,

**CONNECTED AND DISCLOSEABLE TRANSACTION
ACQUISITION OF LAND USE RIGHTS IN GUILIN,
GUANGXI ZHUANG AUTONOMOUS REGION, THE PRC
AND
FORMATION OF A JOINT VENTURE
IN RELATION TO THE DEVELOPMENT OF THE GUILIN LAND
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A. INTRODUCTION

Reference is made to the announcement issued by the Company on 27 February 2014 in relation to the formation of a joint venture for the development of the Guilin Land, constituting a connected and discloseable transaction of the Company.

LETTER FROM THE BOARD

B. ACQUISITION OF LAND USE RIGHTS IN GUILIN, GUANGXI ZHUANG AUTONOMOUS REGION, THE PRC

The Board is pleased to announce that the HK Co, an indirectly 51% owned subsidiary of the Company, succeeded in the bid of the land use rights of the Guilin Land offered for sale by Guilin Gaoxin District Land Bureau (桂林市國家高新區國土資源局) at the Auction on 27 February 2014 for RMB337.5 million. The Auction Confirmation was issued by the Land Reserve Center to the HK Co on 27 February 2014. It is expected that HK Co will enter into the Land Use Rights Grant Contract with Guilin Gaoxin District Land Bureau on or before 25 March 2014.

The valuation of the Guilin Land was RMB340,000,000 as at 28 February 2014. Please refer to Appendix I to this circular for the valuation report by DTZ Debenham Tie Leung Limited.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Land Reserve Center and Guilin Gaoxin District Land Bureau are both third parties independent of the Company and its connected persons.

Principal Terms of the Auction Confirmation

| | | |
|-------------------------------------|---|---|
| Date of the Auction Confirmation | : | 27 February 2014 |
| Parties of the Auction Confirmation | : | the Land Reserve Center and the HK Co |
| Location of the Land: | : | Site P05, north to Huan Cheng Nan Road No. 1, Guilin, Guangxi Zhuang Autonomous Region, the PRC (中國廣西壯族自治區桂林市環城南一路以北 P05地塊) |
| Total site area: | : | approximately 73,041.1 sq.m |
| Nature of the land use rights | : | wholesale/retail use (with a portion of 40% for residential use) |
| Term of the land use rights | : | 40 years for wholesale/retail use and 70 years for residential use |
| Planned gross floor area | : | Approximately 248,340 sq.m |

LETTER FROM THE BOARD

Consideration : RMB337.5 million, of which 50% shall be settled within one month and the remaining 50% shall be settled within six months from the date of the Auction Confirmation

The consideration for the Guilin Land shall be settled in cash by the HK Co and, upon the establishment of the WFOE, the WFOE, which being the direct wholly-owned subsidiary of the HK Co.

C. FORMATION OF A JOINT VENTURE IN RELATION TO THE DEVELOPMENT OF THE GUILIN LAND

On 27 February 2014, the Company, Wanda HK and the JV Company entered into the JV Agreement in relation to the Joint Venture to develop the Guilin Land into a “Wanda Plaza”, which typically comprises commercial and residential properties. It is expected that the residential portion will be sold whereas not less than 75% of the commercial properties will be held for long term investment purpose. The Company’s initial plan is to commence the construction work as soon as possible after the obtaining of the relevant land use rights certificate for the Guilin Land, which is expected to be obtained in the second quarter of 2014, and start the pre-sale of the properties in the third quarter of 2014. It is expected that the entire development of the Guilin Land will be completed in the third quarter of 2015.

1. Parties to the Joint Venture

- (i) The Company;
- (ii) Wanda HK; and
- (ii) The JV Company.

2. Ownership of the JV Company

The JV Company has an issued share capital of US\$1.00, of which 51% is held by the Company and 49% is held by Wanda HK. WFOE has a registered capital of US\$180 million (not yet paid up) and is directly and wholly-owned by the HK Co, which in turn is directly and wholly-owned by the JV Company. The HK Co will first enter into the Land Use Rights Grant Contract. HK Co and the WFOE will then proceed with the necessary procedures with the relevant the PRC authorities in accordance with the PRC laws and regulations for the purpose of having the Guilin Land to be owned and developed by the WFOE. Based on the Company’s PRC legal advisers, there is no legal impediment for the WFOE to obtain the relevant land use rights for the Guilin Land after it has fully paid the consideration for the Guilin Land in accordance with the Land Use Rights Grant Contract.

LETTER FROM THE BOARD

The Company and Wanda HK, as shareholders of the JV Company, will participate in the profits of the JV Company in proportion to their shareholdings in the JV Company. The liability of each shareholder of the JV Company, being a limited liability, will be limited to the amount paid by each shareholder on their shares in the JV Company in the event of the JV Company's winding-up. This means that the shareholders of the JV Company would, in effect, bear the losses of the JV Company in proportion to their shareholdings in the JV Company subject to such limitation.

3. Principal terms of the JV Agreement

The principal terms of the JV Agreement are as follows:-

(a) *Scope of business*

The business of the JV Company is to acquire, own and develop the Guilin Land into a "Wanda Plaza", which typically comprises commercial and residential properties (in each case, by the JV Company and/or through one or more of its subsidiaries).

The Guilin Land has a site area of approximately 73,041.1 sq.m and its development is expected to comprise a gross floor area of approximately 248,340 sq.m (governmental planning approvals obtained with the exact numbers subject to government final approval).

(b) *Board composition*

The Company is entitled to appoint the sole director of the JV Company.

The JV Company, being the sole shareholder of the HK Co, will be able to determine the board of directors of the HK Co. The HK Co, as the sole shareholder, will be able to determine the board of directors of the WFOE and the WFOE's board of director will be responsible for the overall and day-to-day management of the WFOE, including but not limited to financing, human resources, planning and development of the Guilin Land. It is expected that the WFOE's board of directors will be assisted by a general manager, who will be nominated by Wanda HK, to take care of operational matters and to execute or implement the decisions of the WFOE's board.

(c) *Capital commitment*

The aggregate capital commitment (whether equity, loan or otherwise and including any contractual commitment to subscribe for capital and any guarantee or indemnity) to be provided by the Company and Wanda HK under the JV Agreement shall not exceed US\$180 million, which is equivalent to the registered capital of the WFOE, of which US\$91.8 million will be provided by the Company and US\$88.2 million will be provided by Wanda HK.

LETTER FROM THE BOARD

The respective capital commitment of the Company and Wanda HK under the JV Agreement is proportional to their respective shareholdings in the JV Company and was determined after arm's length negotiation between the Company and Wanda HK, with reference to the consideration of the Guilin Land and the estimated capital requirement of its development.

The capital commitment of the Company in relation to the formation of the Joint Venture is expected to be funded by the Company's internal resources.

The Company will use the proceeds raised from the rights issue completed in January 2014 to finance its capital commitment under the JV Agreement and it has no intention to finance such commitment by any debt/equity financing activities.

The preliminary estimate of the capital expenditure of the Guilin Land is approximately RMB2,800 million but this is subject to the various factors such as government approvals for the development plan, market conditions and raw material prices, etc. Apart from the registered capital of the WFOE in the amount of US\$180 million (as equivalent to approximately RMB1,080 million), it is expected the remaining capital expenditure will be financed by bank borrowings by WFOE in the amount of approximately RMB840 million and by proceeds from pre-sale of properties in the amount of approximately RMB880 million. As at the Latest Practicable Date, no negotiation is being conducted nor there has been any loan document signed with respect to the said loans to be raised by the WFOE from financial institutions. There is no assurance that the WFOE would be able to obtain financing on commercial viable terms. The shareholders of the JV Company will have to further discuss on any further capital contributions to the JV Company if required. In considering this, the Company will take into account its ability to fund any such further capital contributions to the JV Company. Any failure on the part of the Company to fund such further capital contributions, if any, might result in change to the proposed development of the Guilin Land or its timetable or might cause material adverse effect on the business and financial position of the JV Company and the Company. The Company will comply with the requirement of the Listing Rules as and when appropriate.

(d) *Conditions precedent*

The JV Agreement shall be conditional upon the Company having obtained the Independent Shareholders' approval of the JV Agreement.

(e) *Reserved matters*

The following matters shall require the consent of both the Company and Wanda HK:

- (i) any amendment to the articles of association of the JV Company or any of its subsidiaries;

LETTER FROM THE BOARD

- (ii) any change to the rights attaching to any class of shares in the JV Company or any of its subsidiaries which are not set out in the articles of association of the JV Company or that subsidiary (as the case may be);
 - (iii) the consolidation, sub-division, conversion or cancellation of any share capital of the JV Company or any of its subsidiaries;
 - (iv) the issue or allotment of any share capital of the JV Company or any of its subsidiaries or the creation of any option or right to subscribe or acquire, or convert any security into, any share capital of the JV Company or any of its subsidiaries;
 - (v) any reduction of the share capital of the JV Company or any of its subsidiaries;
 - (vi) the purchase or redemption of any share capital of the JV Company or any of its subsidiaries;
 - (vii) any application for the listing of any shares or other securities of the JV Company or any of its subsidiaries on any stock exchange or for permission for dealings in any shares or other securities of the JV Company or any of its subsidiaries in any securities market;
 - (viii) any resolution to wind up the JV Company or any of its subsidiaries;
 - (ix) the filing of a petition for winding up by the JV Company or any of its subsidiaries or the making of any arrangement with creditors of the JV Company or any of its subsidiaries generally or any application for the appointment of a receiver in respect of the JV Company or any of its subsidiaries;
 - (x) the repayment of capital or assets to members of the JV Company or any of its subsidiaries; and
 - (xi) any material change in the nature or scope of the business.
- (f) *Disposal of shares*

Neither shareholder of the JV Company may dispose of its shares in the JV Company without the consent of the other.

LETTER FROM THE BOARD

(g) *Events of default*

If an event of default (for example, any disposal of any shares of the JV Company in breach of the JV Agreement, any material or persistent breach of the provisions of the JV Agreement or any change of control or insolvency of a shareholder of the JV Company) occurs, the innocent shareholder of the JV Company will have the right to buy the shares of the defaulting shareholder in the JV Company at a price equal to the fair value of the shares.

4. Reasons and benefits for entering into the JV Agreement

The Company is an investment holding company whose subsidiaries are principally engaged in property development and property management. As stated in the composite offer and response document issued jointly by Wanda Overseas and the Company on 2 July 2013, Wanda Overseas may consider diversifying the business of the Group with an objective to broaden the Group's income sources should suitable investment or business opportunities arise.

As stated in the Company's voluntary announcement dated 10 January, 2014, it has received from Wanda HK a letter indicating support of the Company's business development, pursuant to which Wanda HK would grant to the Company a right of first refusal whether to participate the property development projects with Wanda HK by way of formation of joint ventures, in particular for projects located in the Southern China region, namely, Guangdong Province, Guangxi Zhuang Autonomous Region and Hainan Province. Since then, the Company and Wanda HK have from time to time exchanged ideas about possible project developments in the PRC on a joint basis. As at the Latest Practicable Date, no other project development in the PRC has materialized other than the Guilin Land.

Guilin is situated in the north-east of Guangxi Zhuang Autonomous Region, the south of Xiang-Gui Corridor and adjacent to Hunan province. With an area of approximately 27,800 km² and a total population of approximately 5,000,000, Guilin is well known for its scenery and has been one of the most important tourism cities in the PRC throughout its history. It has the first group of national high-tech industrial development zone, which is the industrial base for high-tech development in Guangxi Zhuang Autonomous Region. According to the preliminary audit of the statistic bureau of Guilin, GDP of Guilin was approximately RMB165.8 billion in 2013, representing a year-on-year increase of 11.0%; domestic and foreign tourists totalled approximately 35.84 million, representing a year-on-year growth of 8.9%; total revenue from tourism was approximately RMB34.8 billion, representing a year-on-year growth of 25.9%; per capita disposable income of urban households was RMB24,552, representing a year-on-year increase of 10.1%. It was among the front-runners in all aspects in Guangxi Zhuang Autonomous Region.

Given the development prospect of the Guilin Land, the Board believes that the Joint Venture provides an excellent investment opportunity. The Directors are also of the view that the formation of the Joint Venture will offer an opportunity for the

LETTER FROM THE BOARD

Group to broaden its income sources by expanding into the Guangxi markets. The Directors consider that the cooperation with Wanda HK is beneficial to the Company and the Shareholders as a whole as the Joint Venture could leverage the expertise and financial resources of both the Company and Wanda HK in developing the Guilin Land.

The Company, being a listed company, has access to international capital markets and this is critical in the business of property development which requires substantial capital input. Meanwhile, the holding company of Wanda HK is one of the leading property developers in the PRC and thus Wanda HK can provide the JV Company with the necessary local experience as well as business relationships or networks in the PRC.

5. Implications of the formation of the Joint Venture under the Listing Rules

Wanda HK is a controlling shareholder of the Company and therefore a connected person of the Company. The formation of the Joint Venture under the JV Agreement would therefore constitute a connected transaction of the Company under the Listing Rules. Since the applicable percentage ratios as defined in Rule 14A.10 of the Listing Rules in respect of the Joint Venture (taking into account the funding requirement of the parties under the JV Agreement) exceed 5% and the capital commitment of the Company under the JV Agreement is more than HK\$10,000,000, the formation of the Joint Venture pursuant to the JV Agreement is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The formation of Joint Venture pursuant to the JV Agreement also constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

D. INFORMATION ABOUT THE COMPANY

The Company is incorporated in Bermuda with limited liability and is listed on the Stock Exchange. It is an investment holding company whose subsidiaries are principally engaged in property development and property management.

E. INFORMATION ABOUT WANDA HK

Wanda HK is an investment holding company incorporated in Hong Kong with limited liability and is wholly owned by DWCP. DWCP is a company established in the PRC engaged in property development, property letting, property management and investment holding activities. DWCP is owned as to approximately 52.97% by Dalian Wanda, as to approximately 12.02% by Mr. Wang and his spouse, as to approximately 5.55% by the management of DWCP and as to approximately 29.46% by various minority shareholders who are third parties independent of the Company and its connected persons with individual stakes below 10%. Dalian Wanda is owned as to approximately 99.76% by Dalian Hexing and as to approximately 0.24% by Mr. Wang. Dalian Hexing is owned as to 98% by Mr. Wang. The sole director of Dalian Hexing is Mr. Wang.

LETTER FROM THE BOARD

As at the Latest Practicable Date, Wanda Overseas, an indirect wholly-owned subsidiary of Wanda HK, held approximately 65.02% of the issued Share capital of the Company.

F. GENERAL

1. The SGM

The SGM will be held for the purpose of considering and, if thought fit, approving the JV Agreement. Wanda Overseas and any other Shareholders with a material interest in the JV Agreement and their respective associates are required to abstain from voting on the relevant resolution. Apart from Wanda Overseas, the Company is not aware of any other shareholders who have a material interest in the JV Agreement.

A notice convening the SGM is set out on pages SGM-1 to SGM-2 of this Circular. Whether or not you intend to attend the meeting or any adjournment thereof, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof to the Hong Kong branch share registrar of the Company, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong (New Address: Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 31 March 2014). Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjournment meeting if you so wish.

2. Independent Board Committee

An Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Liu Jipeng, Mr. Xue Yunkui and Mr. Ba Shusong, has been established to advise the Independent Shareholders as to whether the terms of the JV Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote, taking into account the recommendations of Fortune Financial Capital, the Independent Financial Adviser. None of the members of the Independent Board Committee has a material interest in the transactions contemplated under the JV Agreement.

Your attention is drawn to the letter from the Independent Board Committee, which are set out on pages 15 to 16 of this Circular, containing its opinions as to whether the terms of the JV Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole and their recommendations as to voting.

3. Independent Financial Adviser

The Company has appointed Fortune Financial Capital as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the JV Agreement.

LETTER FROM THE BOARD

Your attention is drawn to the letter from Fortune Financial Capital, which are set out on pages 17 to 27 of this Circular, containing its opinions as to whether the terms of the JV Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole and their recommendations as to voting.

G. RECOMMENDATION

The Board (other than (a) Mr. Ding Benxi, Mr. Qi Jie, Mr. Qu Dejun and Mr. Liu Chaohui, who are materially interested in the formation of the Joint Venture under the JV Agreement by virtue of their shareholdings in DWCP and, in the case of Mr. Ding Benxi, Mr. Qi Jie and Mr. Qu Dejun, being directors of DWCP and Mr. Liu Chaohui being senior management of Dalian Wanda and have abstained from voting at the board meeting held to consider the transactions, and (b) the independent non-executive Directors whose view is set out in the letter from the Independent Board Committee on pages 15 to 16 of this Circular) considers the JV Agreement to be on normal commercial terms, is of the view that their terms are fair and reasonable and that the Company's entry into the JV Agreement is in the interest of the Company and the Shareholders as a whole, and accordingly recommends the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the JV Agreement and the respective transactions contemplated thereunder.

H. FURTHER INFORMATION

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

Yours faithfully,

For and on behalf of the Board

WANDA COMMERCIAL PROPERTIES (GROUP) CO., LIMITED

Ding Benxi

Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of the letter of advice from the Independent Board Committee, prepared for the purpose of incorporation into this Circular, setting out its recommendation to the Independent Shareholders regarding the JV Agreement:



萬達商業地產(集團)有限公司
WANDA COMMERCIAL PROPERTIES (GROUP) CO., LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 169)

17 March 2014

To the Independent Shareholders

Dear Sir or Madam,

**CONNECTED AND DISCLOSEABLE TRANSACTION
ACQUISITION OF LAND USE RIGHTS IN GUILIN,
GUANGXI ZHUANG AUTONOMOUS REGION, THE PRC
AND
FORMATION OF A JOINT VENTURE
IN RELATION TO THE DEVELOPMENT OF THE GUILIN LAND
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NOTICE OF SGM**

We refer to the circular of the Company to the Shareholders dated 17 March 2014 (the “**Circular**”), of which this letter forms a part. Unless the context requires otherwise, capitalised terms used in this letter will have the same meanings given to them in the section headed “DEFINITIONS” of the Circular.

We are members of the Independent Board Committee which has been formed by the Board to advise the Independent Shareholders as to whether the terms of the JV Agreement are fair and reasonable so far as the Independent Shareholders are concerned.

We also wish to draw your attention to the letter of advice from Fortune Financial Capital, being the Independent Financial Adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the JV Agreement, which contains, among other things, Fortune Financial Capital’s advice, opinions and recommendations regarding the terms of the JV Agreement, as set out on pages 17 to 27 of the Circular, and the Letter from the Board as set out on pages 5 to 14 of the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having given due consideration to the reasons relating to the JV Agreement and its terms and to the advice and recommendations of Fortune Financial Capital stated in its letter of advice dated 17 March 2014:

We consider (i) the terms of the JV Agreement to be on normal commercial terms; (ii) the terms of the JV Agreement to be fair and reasonable so far as the Independent Shareholders are concerned; and (iii) the formation of the Joint Venture to be in the interests of the Company and the Shareholders as a whole and accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the JV Agreement and the transactions contemplated thereunder.

Yours faithfully,

**Independent Board Committee of
Wanda Commercial Properties (Group) Co., Limited**
Mr. Liu Jipeng Mr. Xue Yunkui Mr. Ba Shusong
Independent Non-executive Directors

LETTER FROM FORTUNE FINANCIAL CAPITAL

The following is the full text of the letter from the Independent Financial Adviser which sets out its advice to the Independent Board Committee and the Independent Shareholders for inclusion in this circular.



Fortune Financial Capital Limited

35th Floor
Office Tower Convention Plaza
1 Harbour Road, Wanchai
Hong Kong

17 March 2014

*To: The independent board committee and the independent shareholders of
Wanda Commercial Properties (Group) Co., Limited*

Dear Sirs,

CONNECTED AND DISCLOSEABLE TRANSACTION FORMATION OF A JOINT VENTURE

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the JV Agreement, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 17 March 2014 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 27 February 2014, the Company, Wanda HK and the JV Company entered into the JV Agreement in relation to the Joint Venture to develop the Guilin Land into a “Wanda Plaza”, which typically comprises commercial and residential properties.

As at the Latest Practicable Date, Wanda Overseas, an indirect wholly-owned subsidiary of Wanda HK, held 2,413,938,806 Shares, representing approximately 65.02% of the issued share capital of the Company and therefore, Wanda HK is a controlling shareholder of the Company and a connected person of the Company. Accordingly, the transactions under the Joint Venture pursuant to the JV Agreement would constitute a connected transaction of the Company under the Listing Rules. Since the applicable percentage ratios as defined in Rule 14A.10 of the Listing Rules in respect of the Joint Venture (taking into account the funding requirement of the parties under the JV Agreement) exceed 5% but less than 25% and the capital commitment of

LETTER FROM FORTUNE FINANCIAL CAPITAL

the Company under the JV Agreement is more than HK\$10,000,000, the formation of Joint Venture pursuant the JV Agreement is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules and also constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

An Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Liu Jipeng, Mr. Xue Yunkui and Mr. Ba Shusong, has been established by the Company to advise the Independent Shareholders as to whether the terms of the JV Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote at the SGM on the resolution(s) for approving the JV Agreement and the transactions thereunder. We, Fortune Financial Capital Limited, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

BASIS OF OUR OPINION

In formulating our advice and recommendation to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors and the management of the Company. We have assumed that all information and representations provided by the Directors and the management of the Company, for which they are solely and wholly responsible, are true, accurate and complete in all material respects and not misleading or deceptive at the time when they were provided or made and will continue to be so up to the date of despatch of the Circular. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquires and careful considerations by the Directors and there are no other facts not contained in the Circular the omission of which would make any such statement contained in the Circular misleading. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations and opinions made to us untrue, inaccurate or misleading. We have not, however, carried out any independent verification of the information provided by the Directors and the management of the Company, nor have we conducted any independent investigation into the business, financial conditions and affairs of the Group or its future prospect.

The Directors have collectively and individually accepted full responsibility, including particulars given in compliance with the Listing Rules, for the purpose of giving information with regard to the Company. The Directors have confirmed, after having made all reasonable enquires, which to the best of their knowledge and belief, the information contained in the 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 the Circular misleading.

LETTER FROM FORTUNE FINANCIAL CAPITAL

This letter is issued to the Independent Board Committee and the Independent Shareholders solely in connection with their consideration in relation to the JV Agreement and except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purpose without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the JV Agreement, we have taken into consideration the following principal factors and reasons:

Information about the Group

The Company is an investment holding company whose subsidiaries are principally engaged in property development and property management.

On 25 June 2013, the controlling shareholder of the Company was changed to Wanda Overseas upon completion of a sale and purchase agreement dated 20 March 2013 relating to sale of 1,856,341,956 Shares and convertible bonds in principal amount of HK\$209 million issued by the Company by the former controlling shareholder of the Company to Wanda Overseas. On 23 July 2013, after close of the mandatory general offer, Wanda Overseas held 1,856,876,006 Shares, which constituted 65.02% of the total issued shares of the Company. Wanda Overseas is an indirect wholly-owned subsidiary of DWCP.

Set out below are the financial information of the Group for the six months ended 30 June 2013 and the two financial years ended 31 December 2012 as extracted from the Company's interim report for the six months ended 30 June 2013 (the "2013 Interim Report") and the annual report for the financial year ended 31 December 2012 (the "2012 Annual Report"):

| | For the six months ended 30 June 2013 <i>HK\$'000</i> (unaudited) | For the year ended 31 December 2012 <i>HK\$'000</i> (audited) | For the year ended 31 December 2011 <i>HK\$'000</i> (audited) | Change from 2011 to 2012 % |
|------------------------------|---|---|---|----------------------------------|
| Revenue | 1,146,089 | 2,773,419 | – | N/A |
| – Sales of properties | 1,090,925 | 2,728,045 | – | N/A |
| – Rental income | 45,139 | 43,124 | – | N/A |
| – Property management income | 10,025 | 2,250 | – | N/A |
| Profit for the year/period | 210,974 | 243,363 | 194,695 | 25.00 |

LETTER FROM FORTUNE FINANCIAL CAPITAL

| | As at 30 June 2013 HK\$'000 (unaudited) | As at 31 December 2012 HK\$'000 (audited) | As at 31 December 2011 HK\$'000 (audited) | Change from 2011 to 2012 % |
|--------------------------|--|--|--|----------------------------------|
| Restricted bank deposits | 63,175 | 42,904 | 349,423 | (87.72) |
| Cash at bank and in hand | 40,048 | 476,641 | 58,017 | 721.55 |
| Net assets | 1,226,017 | 795,178 | 464,088 | 71.34 |

We noted from the above table that while the Group did not generate any revenue for the year ended 31 December 2011, a turnover of approximately HK\$2,773 million was recorded for the year ended 31 December 2012. According to the 2012 Annual Report, such substantial increase was primarily attributable to the completion of the Hengli City project in 2012 which generated a turnover of approximately HK\$2,349.3 million for the Group whereas the lease of the commercial podium and other units of the Hengli City allowed the Group to record rental income of approximately HK\$43.1 million for the year ended 31 December 2012 while the Group had only pre-sold its properties in 2011.

As disclosed in the 2013 Interim Report, the Group's unaudited turnover for the six months ended 30 June 2013 was approximately HK\$1,146 million, representing a decrease of approximately 36.16% as compared to the same period in 2012. The decrease was mainly due to that Hengli City was completed in June 2012 and significant part of the pre-sales of the project since 2009 was recognized in June 2012.

Information about Wanda HK

Wanda HK is an investment holding company incorporated in Hong Kong with limited liability and is wholly owned by DWCP. DWCP is a company established in the PRC engaged in property development, property letting, property management and investment holding activities.

Formation of the Joint Venture

Parties to the Joint Venture

- (i) The Company;
- (ii) Wanda HK; and
- (iii) The JV Company.

LETTER FROM FORTUNE FINANCIAL CAPITAL

Ownership of the JV Company

The JV Company has an issued share capital of US\$1.00, of which 51% is held by the Company and 49% is held by Wanda HK. Pursuant to the JV Agreement, the parties will procure the WFOE to be established with a registered capital of US\$180 million and the WFOE will be directly and wholly-owned by the HK Co, which in turn is directly and wholly-owned by the JV Company. The HK Co will first enter into the Land Use Rights Grant Contract, the HK Co and the WFOE will then proceed with the necessary procedures with the relevant PRC authorities in accordance with the PRC laws and regulations for the purpose of having the Guilin Land to be owned and developed by the WFOE.

The Company and Wanda HK, as shareholders of the JV Company, will participate in the profits of the JV Company in proportion to their shareholdings in the JV Company.

Principal terms of the JV Agreement

The principal terms of the JV Agreement are as follows:

(a) Scope of business

The business of the JV Company is to acquire, own and develop the Guilin Land into a “Wanda Plaza”, which typically comprises commercial and residential properties (in each case, by the JV Company and/or through one or more of its subsidiaries).

The Guilin Land has a site area of approximately 73,041.1 sq.m and its development is expected to comprise a gross floor area of approximately 248,340 sq.m (governmental planning approvals obtained with the exact numbers subject to government final approval).

(b) Board composition

The Company is entitled to appoint the sole director of the JV Company. The Directors consider that such entitlement will allow the Company to have control over the decision making of the JV Company.

(c) Capital commitment

The aggregate capital commitment (whether equity, loan or otherwise and including any contractual commitment to subscribe for capital and any guarantee or indemnity) to be provided by the Company and Wanda HK under the JV Agreement shall not exceed US\$180 million, which is equivalent to the registered capital of the WFOE, of which US\$91.8 million will be provided by the Company and US\$88.2 million will be provided by Wanda HK.

LETTER FROM FORTUNE FINANCIAL CAPITAL

The respective capital commitment of the Company and Wanda HK under the JV Agreement is proportional to their respective shareholdings in the JV Company.

The capital commitment of the Company in relation to the formation of the Joint Venture is expected to be funded by the Company's internal resources.

(d) Conditions precedent

The JV Agreement shall be conditional upon the Company having obtained the Independent Shareholders' approval of the JV Agreement.

(e) Reserved matters

Matters which shall require the consent of both the Company and Wanda HK were set out in the paragraph headed "3. Principal terms of the JV Agreement" in the Board Letter (the "**Reserved Matters Requirements**"). The Directors considered that the Company's interest in the JV Company can be further protected by the Reserved Matters Requirements.

(f) Disposal of shares

The Company or Wanda HK may not dispose of its shares in the JV Company without the consent of the other. The Directors considered that such restriction would protect the Company's interest in the JV Company from unexpected introduction of new investor(s) in the JV Company and secure the commitment of Wanda HK in the JV Company.

(g) Events of default

If an event of default (for example, any disposal of any shares of the JV Company in breach of the JV Agreement, any material or persistent breach of the provisions of the JV Agreement or any change of control or insolvency of a shareholder of the JV Company) occurs, the innocent shareholder of the JV Company will have the right to buy the shares of the defaulting shareholder in the JV Company at a price equal to the fair value of the shares.

Further details of the principal terms of the JV Agreement are set out in the paragraph headed "3. Principal terms of the JV Agreement" in the Board Letter.

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We have identified three companies listed on the main board of the Stock Exchange (the “**Comparables**”) which entered into connected transactions in respect of formation of joint venture since 1 August 2013, all of which are related to property development or land bidding (collectively, the “**Relevant Transactions**”). The Comparables are exhaustive based on the criteria mentioned. Set out below is a summary of the Comparables:

| Company Name (Stock code) | Date of announcement | Transaction contemplated thereunder |
|---|-----------------------------|--|
| Greentown China Holdings Limited (3900.HK) | 18 December 2013 | Land bidding and property development |
| U-Home Group Holdings Limited (Formerly known as Jiwa Bio-Pharm Holdings Limited) (2327.HK) | 26 November 2013 | Property development and property sales |
| China Sandi Holdings Limited (910.HK) | 7 August 2013 | Land bidding and property development |

We noted from the Comparables that the principal terms of the Relevant Transactions include (i) entitlement to appoint director(s); (ii) profit sharing; and (iii) capital commitment. We further noted from the Relevant Transactions that (i) the major shareholder(s) would have the rights to appoint the sole director/ majority number of the board members of the joint ventures; (ii) the profit sharing of the joint ventures were all in proportion to the shareholding of the shareholders in the joint ventures; and (iii) the capital commitment in the joint ventures were all in proportion to the shareholding of the shareholders in the joint ventures, all of which are in line with the terms of the JV Agreement. Taking into account the above and based on our review of the JV Agreement, we are of the view that the terms of the JV Agreement are consistent with the terms of the Relevant Transactions and are on normal commercial terms.

Having considered the terms of the JV Agreement, the relevant terms of the Relevant Transactions and the views of the Directors as disclosed in the Board Letter, in particular:

- (i) the respective contributions of the Company and Wanda HK (i.e. US\$91,800,000 and US\$88,200,000, respectively) reflect their respective equity interests in the JV Company;
- (ii) the Company and Wanda HK will be entitled to the profit of the JV Company in proportion to their shareholdings in the JV Company;
- (iii) the liability of the Company, as a shareholder of the JV Company (being a limited liability company), will be limited to the amount paid by the Company on its shares in the JV Company in the event of the winding-up of the JV Company;

LETTER FROM FORTUNE FINANCIAL CAPITAL

- (iv) the Company's entitlement to appoint the sole director of the JV Company which will allow the Company has control over the decision making of the JV Company;
- (v) the Company's interest in the JV Company can be further protected by the Reserved Matters Requirements; and
- (vi) the restriction on disposal of shares of the JV Company would protect the Company's interest in the JV Company from unexpected introduction of new investor(s) to the JV Company and secure the commitment of Wanda HK in the JV Company,

we are of the view that the terms of the JV Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

Reasons and benefits for entering into the JV Agreement

The Company is an investment holding company whose subsidiaries are principally engaged in property development and property management. As stated in the composite offer and response document issued jointly by Wanda Overseas and the Company on 2 July 2013, Wanda Overseas might consider diversifying the business of the Group with an objective to broaden the Group's income sources should suitable investment or business opportunities arise.

As stated in the Company's voluntary announcement dated 10 January 2014, it had received from Wanda HK a letter indicating support of the Company's business development, pursuant to which Wanda HK would grant to the Company a right of first refusal to consider whether to participate the property development projects with Wanda HK by way of formation of joint ventures, in particular for projects located in the Southern China region, namely, Guangdong Province, Guangxi Zhuang Autonomous Region and Hainan Province. DWCP (the holding company of Wanda HK) has major developments in approximately 75 major cities in the PRC including 113 Wanda Plazas and 85 of them are already in operation. It is anticipated that, subject to further discussion between the Company and Wanda HK, such right of first refusal may be extended to other regions of the PRC. The Group may then capture the opportunities of further business development in the PRC.

To assess the prospect of the Guilin Land, we have conducted a research on Guilin through the web sites of the People's Government of Guilin (桂林市人民政府) and the Statistics Bureau of Guilin (桂林市統計局). Based solely on the information from the aforesaid web sites, Guilin is situated in the north-east of Guangxi Zhuang Autonomous Region, the south of Xiang-Gui Corridor and adjacent to Hunan province. With an area of approximately 27,800 square kilometer and a total population of approximately 5,000,000, is well known for its scenery and has been one of the most important tourism cities in the PRC. It has the first group of national high-tech industrial development zone, which is the industrial base for high-tech development in Guangxi Zhuang Autonomous Region. According to the preliminary audit of the Statistics Bureau of Guilin (桂林市統計局), the gross domestic product of Guilin was approximately

LETTER FROM FORTUNE FINANCIAL CAPITAL

RMB165.8 billion in 2013, representing a year-on-year increase of approximately 11.0%; aggregate number of domestic and foreign tourists led approximately 35.84 million, representing a year-on-year growth of approximately 8.9%; total revenue from tourism was approximately RMB34.8 billion, representing a year-on-year growth of approximately 25.9%; per capita disposable income of urban households was RMB24,552, representing a year-on-year increase of approximately 10.1%. As the People's Government of Guilin (桂林市人民政府) is keen to the urbanisation and further enhance Guilin's development in the tourism sector which were stated in the 12th Five-Year Plan for Guilin, it is reasonable to expect that, upon implementation of 12th Five-Year Plan for Guilin, such policies may stimulate the economy of Guilin and the demand for commercial and residential properties in Guilin which, taking as a whole, is expected to be beneficial to the development of the Guilin Land.

We noted that DTZ Debenham Tie Leung Limited (the “**Valuer**”) has been appointed to conduct the valuation on the Guilin Land as at 28 February 2014, details of which are set out in the section headed “Property Valuation Report” in Appendix I to the Circular (the “Valuation Report”). According to the Valuation Report, we noted that the Valuer is of the opinion that assuming the transferable land use rights of the property for their respective terms at nominal annual land use fees have been granted and that any premium payable has already been fully paid, the market value of the Land as at 28 February 2014 would be RMB340 million (please refer to the Valuation Report for further details). The valuation of the Guilin Land is approximate to the amount under the Auction Confirmation, i.e. RMB337.5 million. We have reviewed the Valuation Report and discussed with the Valuer on the methodology adopted by the Valuer. We understand that direct comparison approach (market approach) has been adopted in their valuation and such approach is commonly used for determining the market value of PRC properties.

As confirmed by the Directors, the Company will use its internal resources to fund the JV Company up to its establishment. As advised by the Directors, it is expected that the WFOE will finance the development costs of the Guilin Land by (i) its internal resources and (ii) loans from the financial institutions. As at the Latest Practicable Date, no negotiation is being conducted nor there has been any loan document signed with respect to the said loans to be raised by the WFOE from financial institutions.

Given the development prospect of the Guilin Land, the Directors believe that the Joint Venture provides an excellent investment opportunity. The Directors are also of the view that the formation of the Joint Venture will offer an opportunity for the Group to broaden its income sources by expanding into the Guangxi markets. The principal activities of DWCP (the holding company of Wanda HK) are property development, property letting and property management. The development of the Guilin Land through Joint Venture would be more effective as the Joint Venture could leverage the expertise and financial resources of both the Company and Wanda HK in developing the Guilin Land. Having considered the expertises of DWCP and the Company, the risk of the Company on developing the Guilin Land can therefore be diversified as compared to developing the Guilin Land alone. The Directors consider that the cooperation with Wanda HK is beneficial to the Company and the Shareholders as a whole.

LETTER FROM FORTUNE FINANCIAL CAPITAL

The Company, being a listed company, has access to international capital markets and this is critical in the business of property development which generally requires substantial capital input. Meanwhile, the holding company of Wanda HK is one of the leading property developers in the PRC and thus Wanda HK can provide the JV Company with the necessary local experience as well as business relationships or networks in the PRC.

Taking into account that (i) the purpose of entering into the JV Agreement is to acquire, own and develop a piece of land which is the ordinary business of the Group; (ii) the principal activities of DWCP (the holding company of Wanda HK) are property development, property letting and property management; (iii) the entering into the JV Agreement may allow the Group to capture the opportunities of further business development in the PRC; (iv) the findings as contained in the Valuation Report; and (v) the views of Directors as stated in the Board Letter, we are of the view that the cooperation with Wanda HK is beneficial to the Company and the Shareholders as a whole.

Possible financial effects of entering into the JV Agreement

As the Company holds 51% of the issued share capital of the JV Company and by virtue of the terms of the JV Agreement, the JV Company will be accounted for as a subsidiary of the Company and its financial results will be consolidated into the results of the Group.

Effect on gearing

According to the 2013 Interim Report, the gearing ratio, which is the quotient arrived at by dividing net debts by the aggregate of net debts and total equity, was 30.5% as at 30 June 2013. The total assets of the Group were approximately RMB3,508.2 million as at 30 June 2013. As advised by the Directors, there is no debt financing plan for the JV Company upon the formation of the Joint Venture, therefore the formation of the Joint Venture under the JV Agreement will have no immediate material impact on the gearing ratio of the Company.

Effects on net asset value and earnings

As extracted from the 2013 Interim Report, the consolidated net asset value of the Group was approximately HK\$1,226.0 million as at 30 June 2013. The formation of the Joint Venture under the JV Agreement will have no immediate material impact on the consolidated earnings of the Group as well as the net asset value attributable to equity shareholders of the Company.

It should be noted that the aforementioned analyses are for illustrative purpose only and does not purport to represent how the financial position of the Group will be upon the formation of the Joint Venture under the JV Agreement.

LETTER FROM FORTUNE FINANCIAL CAPITAL

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the JV Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the formation of the Joint Venture is in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the SGM to approve the JV Agreement and the transactions contemplated thereunder and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,
For and on behalf of

FORTUNE FINANCIAL CAPITAL LIMITED

Eric Koo
Managing Director

Stanley Chung
Director

The following is the text of a letter, the valuation certificate prepared for the purpose of incorporation in this Circular received from DTZ Debenham Tie Leung Limited, an independent property valuer, in connection with its opinion of value of the Guilin Land as at 28 February 2014.



16th Floor
Jardine House
1 Connaught Place
Central
Hong Kong

17 March 2014

The Directors
Wanda Commercial Properties (Group) Co., Limited
Unit 3007, 30th Floor
Two Exchange Square
8 Connaught Place
Central
Hong Kong

Dear Sirs,

INSTRUCTIONS, PURPOSE AND DATE OF VALUATION

In accordance with your instructions for us to value certain property in which Wanda Commercial Properties (Group) Co., Limited (referred to as the “Company”) and its subsidiaries (together referred to as the “Group”) has recently succeeded in the bid of the land use rights of a land offered for sale by the government in the People’s Republic of China (the “PRC”) (as more particularly described in the attached valuation certificate), we confirm that we have inspected the property, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the value of such property as at 28 February 2014.

DEFINITION OF MARKET VALUE

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

VALUATION BASIS AND ASSUMPTION

In valuing the property, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities published by The Stock Exchange of the Hong Kong Limited and The HKIS Valuation Standards (2012 Edition) published by the Hong Kong Institute of Surveyors.

Our valuation exclude any estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

The Group has recently succeeded in the bid of the land use rights of the property offered for sale by 桂林市國家高新區國土資源局 (Guilin Gaoxin District Land Bureau) and is planning to establish a joint venture to develop the property. To facilitate the above, we are specifically instructed to carry out the valuation on the assumption that the relevant title certificates had been obtained and all land premium and related fees for the grant of the title certificates had been fully settled.

In the course of our valuation of the property in the PRC, we have assumed that, unless otherwise stated, the transferable land use rights of the property for their respective terms at nominal annual land use fees have been granted and that any premium payable has already been fully paid. We have relied on the information and advice given by the regarding the title to the property and the interests of the Group in the property. In valuing the property, we have assumed that the Group has an enforceable title to the property and has free and uninterrupted rights to use, occupy or assign the property for the whole of the respective unexpired land use term as granted.

In respect of the property situated in the PRC, the status of titles and grant of major certificates approvals and licenses, in accordance with the information provided by the Group are set out in the notes of the respective valuation certificate.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property nor for any expenses 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.

METHOD OF VALUATION

In valuing the property, we have used Direct Comparison Approach by making reference to comparable sales evidence as available in the relevant market.

SOURCE OF INFORMATION

We have been provided by the Group with extracts of documents in relation to the titles to the property. However, we have not inspected the original documents to ascertain any amendments which may not appear on the copies handed to us.

In the course of our valuation, we have relied to a considerable extent on the information given by the Group. We have been provided by the Group with extracts of documents in relation to the titles to the property. In the course of our valuation, we have relied to a very considerable extent on the information given to us by the Group and its legal adviser, 北京市道和律師事務所 (Beijing Canway Law Firm), regarding the title to the property and the interests of the Group in the property. We have also accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, identification of land and buildings, particulars of occupancy, site and floor areas, interests attributable to the Group and all other relevant matters.

Dimensions, measurements and areas included in the valuation certificates are based on the information provided to us and are therefore only approximations. We have had no reason to doubt the truth and accuracy of the information provided to us by the Group which is material to the valuation. We were also advised by the Group that no material facts have been omitted from the information provided.

TITLE INVESTIGATION

We have been provided with extracts of documents relating to the titles of the property in the PRC, but no searches have been made in respect of the property. We have not searched the original documents to verify ownership or to ascertain any amendment which may not appear on the copies handed to us. We are also unable to ascertain the title of the property in the PRC and we have therefore relied on the advice given by the Group and its legal adviser regarding the Group's interests in the PRC property.

SITE INSPECTION

Our valuer, Danica Luo, Bachelor of Engineering Management, inspected the property on 12 February 2014. However, we have not carried out any soil investigations to determine the suitability of the soil conditions and the services etc. for any future development. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the construction period.

Unless otherwise stated, we have not been able to carry out detailed on-site measurements to verify the site and floor areas of the property and we have assumed that the areas shown on the documents handed to us are correct.

CURRENCY

Unless otherwise stated, all sums stated in our valuation are in Renminbi, the official currency of the PRC.

We enclose here our valuation certificate.

Yours faithfully,
for and on behalf of
DTZ Debenham Tie Leung Limited

Andrew K.F. Chan

Registered Professional Surveyor (General Practice)

Registered China Real Estate Appraiser

MSc, MHKIS, MRICS

Senior Director, Valuation & Advisory Services

Note: Mr. Andrew K.F. Chan is a Registered Professional Surveyor who has over 26 years of experience in the valuation of properties in the PRC.

VALUATION CERTIFICATE

Property interest contracted to be acquired by the Group and held for future development in the PRC

| Property | Description and tenure | Particulars of occupancy | Market value assuming full good title as at 28 February 2014 |
|---|--|--|--|
| Site P05, north to Huan Cheng Nan Road No. 1, Guilin, Guangxi Zhuang Autonomous Region, the PRC | The property comprises a piece of land with a total site area of approximately 73,041.1 sq m. | The property is currently a vacant land pending development. | RMB340,000,000 (see <i>Note (1)</i>) |
| | <p>The property is situated at Guilin Gaoxin District which is being transformed from a traditional industrial area to a new commercial and high technology district. It is planned to accommodate more population of higher income and thus supply and demand are anticipated to be oriented towards higher end residential and commercial properties, thus potentially to compete with the traditional commercial hubs.</p> <p>The property abuts Canluan Road to the east, Huan Cheng Nan Road No. 1 to the south, Guilin Jiqi pharmaceutical factory to the north, and Chuanshan East Road to the west.</p> <p>Developments in the vicinity mainly comprise residential and commercial buildings, such as Shengjing Center, Changsheng Times Square, Zhang Tai lanqiao Santa Fe Community and Donghui International Community.</p> <p>The property abuts Chuanshan East Road to the west and is served by public bus routes.</p> <p>According to the listing announcement of the transfer of state-owned land use rights, the plot ratio of the site is 3.4, with a developable plot ratio gross floor area of approximately 248,340 sq m. The land use type is mainly wholesale and retail (of which 40% for residential use).</p> <p>The land use rights of the property have been granted for terms of 40 years for commercial use and 70 years for residential use, commencing on the date of Grant Contract of Land Use Rights.</p> | | |

Notes:

- (1) The site has not been issued with any Grant Contracts of Land Use Rights or State-owned Land Use Rights Certificates and the land premium is yet payable. However, on the assumption that all valid title certificates been issued to the property, all land premium and related fees for the grant of the title certificates been fully settled, the market value of the property in existing state as at 28 February 2014 would be RMB340,000,000.
- (2) The details of the listing announcement of the transfer of state-owned land use rights No. (2014)3 from 桂林國家高新區國土資源局 (Guilin National Hi-tech District Land Resources Bureau) are summarized as follows:
- | | | | |
|--------|----------------------|---|---|
| (i) | Plot No. | : | P05 |
| (ii) | Location | : | Site P05, north to Huan Cheng Nan Road No. 1, Guilin, Guangxi Zhuang Autonomous Region, the PRC |
| (iii) | Site area | : | 73,041.1 sq m |
| (iv) | Plot ratio | : | ≤3.4 |
| (v) | Building density | : | ≤65% |
| (vi) | Greenery ratio | : | ≥7% |
| (vii) | Height limit | : | ≤50 m |
| (viii) | Land use type | : | Wholesale and retail (of which 40% for residential use) |
| (ix) | Land use term | : | 40 years for commercial use; 70 years for residential use commencing from the date of Grant Contract of Land Use Rights |
| (x) | Other key conditions | : | The grantee should hold and operate on its own the commercial and self-supporting facilities of no less than 140,000 sq m for a minimum of 20 years, during such period the property should not be partitioned and transferred. |
- (3) According to the Notification of Confirmation of Successful Bid dated 27 February 2014, 萬達商業地產投資有限公司 (Wanda Commercial Properties Investment Limited) has succeeded in the bid of the land use rights of the property at a consideration of RMB337,500,000.
- (4) According to the copy of Business Licence No. 450300400100116 1-1 dated 7 March 2014, 桂林高新萬達廣場有限公司 (Guilin High-Tech Zone Wanda Plaza Co., Ltd.) was established as a limited company with a registered capital of USD180,000,000 for a valid operation period from 7 March 2014 to 7 March 2015.
- (5) We have been provided with and relied on a legal opinion on the property prepared by the Group's PRC legal adviser, which contains, inter alia, the following information:
- (i) 萬達商業地產投資有限公司 (Wanda Commercial Properties Investment Limited) has legally obtained the Notification of Confirmation of Successful Bid of the property.
- (ii) 萬達商業地產投資有限公司 (Wanda Commercial Properties Investment Limited) has set up a project company known as 桂林高新萬達廣場有限公司 (Guilin High-Tech Zone Wanda Plaza Co., Ltd.).
- (iii) The project company should proceed to sign the Grant Contract of Land Use Rights and settle the consideration and all land grant fees. Upon obtaining the State-owned Land Use Rights Certificate, the project company shall be in possession of the respective proper legal land use rights of the property.
- (iv) Pursuant to a letter entered into between 桂林國家高新區國土資源局 (Guilin National Hi-tech District Land Resources Bureau) and 萬達商業地產投資有限公司 (Wanda Commercial Properties Investment Limited) on 12 March 2014, the planned date of signing the Grant Contract of Land Use Rights is extended until 25 March 2014.
- (v) On the basis that the project company will lawfully undergo the process of applying for State-owned Land Use Rights Certificates and Building Ownership Certificate, there will be no legal impediment in obtaining the ownership of the property.
- (vi) On the basis that the project company will settle the consideration and all land grant fees of the property, proceed with the land registration and obtain the State-owned Land Use Rights Certificates, there will be no legal impediment in obtaining the planning approvals and permits.

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

| | |
|--|-----|
| Notification of Confirmation of Successful Bid | Yes |
| State-owned Land Use Rights Certificate | No |
| Grant Contract of Land Use Rights | No |
| Business Licence | Yes |

- (7) As advised by the Company, 萬達商業地產投資有限公司 (Wanda Commercial Properties Investment Limited) has obtained the Notification of Confirmation of Successful Bid and set up the project company 桂林高新萬達廣場有限公司 (Guilin High-Tech Zone Wanda Plaza Co., Ltd.). In order to obtain the relevant State-owned Land Use Rights Certificates, 桂林高新萬達廣場有限公司 (Guilin High-Tech Zone Wanda Plaza Co., Ltd.) will have to comply with the following outstanding procedures, namely settle the contracted consideration and land grant fees, which pursuant to the Notification of Confirmation of Successful Bid should be completed by August 2014, sign the Grant Contract of Land Use Rights, which the Company expects to do so on or before 25 March 2014, pay deed tax, obtain proof of deed tax payments and apply for State-owned Land Use Rights Certificates, which the Company expects to do so in the 2nd quarter of 2014.

Subject to completion of the above procedures, 桂林高新萬達廣場有限公司 (Guilin High-Tech Zone Wanda Plaza Co., Ltd.) will apply for planning approvals and permits for the development.

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 Group. 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. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV to the SFO) which have been 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 the Directors and chief executive of the Company were taken or deemed to have under such provisions of SFO); or have been entered in the register maintained by the Company pursuant to Section 352 of the SFO; or have been notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

Interests in the shares and underlying shares of the Company

| Name of Director | Long position/ short position | Capacity/ Nature of interest | Interest in shares and underlying shares of the Company | Approximate percentage of the issued share capital of the Company |
|--------------------|----------------------------------|--|---|---|
| Mr. Chen Chang Wei | Long | Beneficial owner and held by controlled corporation (Note 1) | 297,460,230 | 8.01% |
| | Long | Interest of spouse (Notes 1 and 2) | 12,346,000 | 0.33% |
| | Long | Beneficial owner (Note 3) | 294,478,527 | 7.93% |
| | Long | Interest of spouse (Notes 2 and 4) | 15,337,423 | 0.41% |

Interests in convertible bonds

| Name of Director | Long position/ short position | Capacity/ Nature of interest | Amount of Convertible Bonds (HK\$) |
|-------------------------|--|--|---|
| Mr. Chen Chang Wei | Long | Beneficial owner <i>(Note 3)</i> | 96,000,000 |
| | Long | Interest of spouse <i>(Notes 2 and 4)</i> | 5,000,000 |

Interests in shares of DWCP *(Note 5)*

| Name of Director | Long position/ short position | Capacity/ Nature of interest | Interest in Shares of DWCP | Approximate percentage of the issued share capital of DWCP |
|-------------------------|--|---|---|---|
| Mr. Ding Benxi | Long | Beneficial owner | 50,000,000 | 1.34% |
| Mr. Qi Jie | Long | Beneficial owner | 6,000,000 | 0.16% |
| Mr. Qu Dejun | Long | Beneficial owner | 6,000,000 | 0.16% |
| Mr. Liu Chaohui | Long | Beneficial owner | 1,600,000 | 0.04% |

Interest in shares of Amazing Wise Limited *(Note 6)*

| Name of Director | Long position/ short position | Capacity/Nature of interest | Interest in Shares of Amazing Wise Limited | Approximate percentage of the issued share capital of Amazing Wise Limited |
|-------------------------|--|--|---|---|
| Mr. Chen Chang Wei | Long | Held by controlled corporation <i>(Note 7)</i> | 47 | 47% |

Notes:

- (1) As at the Latest Practicable Date, Mr. Chen was deemed to have a long position of 309,806,230 Shares, of which (i) 19,362,200 Shares were beneficially and legally owned by him, (ii) 204,237,800 Shares were held on trust for him by Ever Good Luck Limited (“**Ever Good**”), (iii) 73,860,230 Shares were beneficially owned by Ever Good, and (iv) 12,346,000 Shares were held by his spouse, Ms. Chan Sheung Ni, as beneficial owner.
- (2) Ms. Chan Sheung Ni is the spouse of Mr. Chen.
- (3) This represents Mr. Chen’s interest in underlying shares of the Company by virtue of the convertible bonds held by him. As at the Latest Practicable Date, Mr. Chen held convertible bonds of an outstanding principal amount of HK\$96,000,000 which are convertible into Shares at the price of HK\$0.326 per Share.
- (4) This represents Mr. Chen’s deemed interest in underlying shares of the Company by virtue of the convertible bonds held by his spouse, Ms. Chan Sheung Ni. As at the Latest Practicable Date, Ms. Chan Sheung Ni held convertible bonds of an outstanding principal amount of HK\$5,000,000 which are convertible into Shares at the price of HK\$0.326 per Share.
- (5) DWCP, being an indirect holding company of the Company, is an associated company of the Company under Part XV of the SFO.
- (6) Amazing Wise Limited, being a subsidiary of the Company, is an associated company of the Company under Part XV of the SFO.
- (7) As at the Latest Practicable Date, the 47 shares in Amazing Wise Limited was held by Zhizun Holdings Limited, which was wholly owned by Mr. Chen.

Save as disclosed above, 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 any of its associated corporations (within the meaning of Part XV of the SFO) which have been 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 the Directors and chief executive of the Company were taken or deemed to have under such provisions of the SFO); or which have been entered in the register maintained by the Company pursuant to Section 352 of the SFO; or which have been notified to the Company and the Stock Exchange pursuant to the Model Code.

3. SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at the Latest Practicable Date, so far as was known to the Company, the following persons (other than the Directors and 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 were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group were as follows:

| Name | Long position/ short position | Capacity/ Nature of interest | Interest in shares and underlying shares of the Company | Approximate percentage of the issued share capital of the Company |
|--|--|--|--|--|
| Wanda Overseas | Long | Beneficial owner | 2,413,938,806 | 65.02% |
| | Long | Beneficial owner (Note 1) | 641,104,294 | 17.27% |
| Wanda Real Estate Investments Limited* (萬達地產投資 有限公司) | Long | Interest in controlled corporation (Note 2) | 2,413,938,806 | 65.02% |
| | Long | Interest in controlled corporation (Note 2) | 641,104,294 | 17.27% |
| Wanda HK | Long | Interest in controlled corporation (Note 3) | 2,413,938,806 | 65.02% |
| | Long | Interest in controlled corporation (Note 3) | 641,104,294 | 17.27% |

| Name | Long position/ short position | Capacity/ Nature of interest | Interest in shares and underlying shares of the Company | Approximate percentage of the issued share capital of the Company |
|------------------|----------------------------------|--|---|---|
| DWCP | Long | Interest in controlled corporation (Note 4) | 2,413,938,806 | 65.02% |
| | Long | Interest in controlled corporation (Note 4) | 641,104,294 | 17.27% |
| Dalian Wanda | Long | Interest in controlled corporation (Note 5) | 2,413,938,806 | 65.02% |
| | Long | Interest in controlled corporation (Note 5) | 641,104,294 | 17.27% |
| Dalian Hexing | Long | Interest in controlled corporation (Note 6) | 2,413,938,806 | 65.02% |
| | Long | Interest in controlled corporation (Note 6) | 641,104,294 | 17.27% |
| Mr. Wang Jianlin | Long | Interest in controlled corporation (Note 7) | 2,413,938,806 | 65.02% |
| | Long | Interest in controlled corporation (Note 7) | 641,104,294 | 17.27% |

| Name | Long position/ short position | Capacity/ Nature of interest | Interest in shares and underlying shares of the Company | Approximate percentage of the issued share capital of the Company |
|------------------------------------|----------------------------------|---------------------------------|---|---|
| Ms. Chan Sheung Ni | Long | Beneficial owner | 12,346,000 | 0.33% |
| | Long | Interest of spouse (Note 8) | 297,460,230 | 8.01% |
| | Long | Interest of spouse (Note 11) | 294,478,527 | 7.93% |
| | Long | Beneficial owner (Note 10) | 15,337,423 | 0.41% |
| Ever Good Luck Limited (Note 9) | Long | Beneficial owner | 73,860,230 | 1.99% |
| | Long | Trustee | 204,237,800 | 5.50% |

Notes:

- (1) This represents Wanda Overseas' interest in underlying shares of the Company by virtue of the convertible bonds held by Wanda Overseas. As at the Latest Practicable Date, Wanda Overseas held convertible bonds of an outstanding principal amount of HK\$209,000,000 which are convertible into Shares at the price of HK\$0.326 per Share.
- (2) Wanda Real Estate Investments Limited* (萬達地產投資有限公司) holds more than one-third of the issued shares of Wanda Overseas and is therefore deemed to have an interest in the shares and underlying shares of the Company in which Wanda Overseas is interested.
- (3) Wanda HK holds more than one-third of the issued shares of Wanda Real Estate Investments Limited* (萬達地產投資有限公司) and is therefore deemed to have an interest in the shares and underlying shares of the Company in which Wanda Real Estate Investments Limited* (萬達地產投資有限公司) is deemed to be interested.
- (4) DWCP holds more than one-third of the issued shares of Wanda HK and is therefore deemed to have an interest in the shares and underlying shares of the Company in which Wanda HK is deemed to be interested. Mr. Ding Benxi, being a non-executive Director and the chairman of the Board, is the chairman of DWCP. Mr. Qi Jie, being a non-executive Director, is a director and the President of DWCP. Mr. Qu Dejun, being a non-executive Director, is a director and a senior vice president of DWCP. Mr. Liu Jipeng, Mr. Xue Yunkui and Mr. Ba Shusong, each being an independent non-executive Director, are independent directors of DWCP.
- (5) Dalian Wanda holds more than one-third of the issued shares of DWCP and is therefore deemed to have an interest in the shares and underlying shares of the Company in which DWCP is deemed to be interested. Mr. Ding Benxi, being a non-executive Director, is an executive director and president of Dalian Wanda. Mr. Liu Chaohui, being an executive Director, is a senior assistant to president and a general manager of the investment management centre in Dalian Wanda.

- (6) Dalian Hexing holds more than one-third of the issued shares of Dalian Wanda and is therefore deemed to have an interest in the shares and underlying shares of the Company in which Dalian Wanda is deemed to be interested.
- (7) Mr. Wang Jianlin holds more than one-third of the issued shares of Dalian Hexing and is therefore deemed to have an interest in the shares and underlying shares of the Company in which Dalian Hexing is deemed to be interested.
- (8) Ms. Chan Sheung Ni is the spouse of Mr. Chen. Ms. Chan Sheung Ni is therefore deemed to have an interest in the shares of the Company in which Mr. Chen is interested.
- (9) The entire issued share capital of Ever Good Luck Limited is ultimately owned by Mr. Chen and Mr. Chen is the sole director of Ever Good Luck Limited. See note (1) in the section headed “Directors’ and Chief Executive’s Interests and Short Positions in Shares, Underlying Shares and Debentures” in this Appendix II.
- (10) This represents Ms. Chan Sheung Ni’s interest in underlying shares of the Company by virtue of the convertible bonds held by her. As at the Latest Practicable Date, Ms. Chan Sheung Ni held convertible bonds of an outstanding principal amount of HK\$5,000,000 which are convertible into Shares at the price of HK\$0.326 per Share.
- (11) This represents Ms. Chan Sheung Ni’s interest in underlying shares of the Company by virtue of the convertible bonds held by her spouse, Mr. Chen. As at the Latest Practicable Date, Mr. Chen held convertible bonds of an outstanding principal amount of HK\$96,000,000 which are convertible into Shares at the price of HK\$0.326 per Share.

* *For identification purposes only.*

4. DIRECTORS’ INTERESTS IN ASSETS

On 20 March 2013, the Company entered into a sale and purchase agreement (the “**Disposal Agreement**”) with Mr. Chen and two companies wholly owned by him, being Zhizun Holdings Limited (“**Zhizun**”) and Onu Holdings Limited (“**Onu**”), for (1) the Company’s sale to Zhizun of 47% of the issued share capital of Amazing Wise Limited (“**Amazing Wise**”) at HK\$587,811,263.59; (2) the Company’s sale to Onu of the entire issued share capital of each of Flying Hope Investments Limited, Brilliant Hope Investments Limited, Sparkling Hope Investments Limited and Hengli Capital Management Limited at HK\$324,567,124.04; and (3) the Company’s sale to Onu of the loans in the aggregate principal amount of HK\$399,163,591.79 owed by Flying Hope Investments Limited, Brilliant Hope Investments Limited, Sparkling Hope Investments Limited and Hengli Capital Management Limited and their respective subsidiaries to the Company at HK\$399,163,591.79. The principal terms of the Disposal Agreement were disclosed in the circular issued by the Company on 24 May 2013. Completion of the Disposal Agreement took place on 25 June 2013.

Save as disclosed in this Circular, as at the Latest Practicable Date, none of the Directors, directly or indirectly, had any interest in any assets which had since 31 December 2012 (being the date to which the latest published audited financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

5. DIRECTORS' INTERESTS IN CONTRACTS

The Company and a company controlled by Mr. Chen have entered into loan agreements in 2011 and 2012 pursuant to which the company controlled by Mr. Chen has provided loan facilities to the Group. As at the Latest Practicable Date, the Group had outstanding borrowings from the company controlled by Mr. Chen of approximately RMB200.4 million. Such borrowings are unsecured and bear interest at the rate of 15% per annum.

Saved as disclosed in this Circular, as at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested, directly or indirectly, and which was significant in relation to the business of the Group.

6. NO MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2012, being the date to which the latest published audited consolidated finance statements of the Group were made up.

7. EXPERTS AND CONSENT

The following are the qualifications of the experts who have given opinion or advice contained in this Circular:

| Name | Qualification |
|---------------------------|--|
| Beijing Canway Law Firm | PRC legal adviser |
| DTZ Debenham Tie Leung | Independent property valuer |
| Fortune Financial Capital | A licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the SFO. |

Each of Beijing Canway Law Firm, DTZ Debenham Tie Leung and Fortune Financial Capital has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its report or letter (as the case may be) and references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, each of Beijing Canway Law Firm, DTZ Debenham Tie Leung and Fortune Financial Capital was not interested in any shares in the Company or any member of the Group, nor did it have any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any shares in the Company or any member of the Group.

As at the Last Practicable Date, none of Beijing Canway Law Firm, DTZ Debenham Tie Leung and Fortune Financial Capital had any interest, direct or indirect, in any assets which have been, since 31 December 2012 (being the date to which the latest published audited accounts of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

8. SERVICE CONTRACTS

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

9. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, the interests of Directors and their respective associates in businesses which compete or are likely to compete, either directly or indirectly, with business of the Group which interests would be required to be disclosed under Rule 8.10 of the Listing Rules as if the relevant Director were a controlling shareholder of the Company were as follows:

| Name of Director/ associate | Name of company | Nature of interest in the company | Business of the company |
|--|--|--|---|
| Mr. Chen Chang Wei | Fujian Hengli Real Estate Development Co., Ltd. | Ultimate beneficial owner with 100% interest | Holding company of Fujian Hengli Commercial Properties Development Co. Ltd. |
| Mr. Chen Chang Wei | Fujian Hengli Commercial Properties Development Co. Ltd. | Ultimate beneficial owner with 100% interest | To develop, own and manage Hengli Prosperity Center, a composite commercial development in Fuzhou |

| Name of Director/ associate | Name of company | Nature of interest in the company | Business of the company |
|--|---|--|--|
| Mr. Chen Chang Wei | Fujian Hengli Bona Plaza Development Co., Ltd. | Ultimate beneficial owner with 70% interest | To develop, own and manage Hengli Bona Plaza, a commercial and residential property to be developed in Fuzhou |
| Mr. Ding Benxi | DWCP | Being a director and shareholder with 1.34% interest | Engaging in property development, property lease, property management and investment holding |
| Mr. Qi Jie | DWCP | Being a director and shareholder with 0.16% interest | Engaging in property development, property lease, property management and investment holding |
| Mr. Qu Dejun | DWCP | Being a director and shareholder with 0.16% interest | Engaging in property development, property lease, property management and investment holding |
| Mr. Liu Chaohui | DWCP | Being a shareholder with 0.04% interest | Engaging in property development, property lease, property management and investment holding |

| Name of Director/ associate | Name of company | Nature of interest in the company | Business of the company |
|--------------------------------|--------------------|--------------------------------------|--|
| Mr. Liu Jipeng | DWCP | Being an independent director | Engaging in property development, property lease, property management and investment holding |
| Mr. Xue Yunkui | DWCP | Being an independent director | Engaging in property development, property lease, property management and investment holding |
| Mr. Ba Shusong | DWCP | Being an independent director | Engaging in property development, property lease, property management and investment holding |

As at the Latest Practicable Date, save as disclosed above, none of the Directors or their respective associates was interested in any business which competes or is likely to compete, either directly or indirectly, with business of the Group which interest would be required to be disclosed under Rule 8.10 of the Listing Rules as if the relevant Director were a Controlling Shareholder of the Company.

10. MISCELLANEOUS

- (a) The company secretary of the Company is Ms. Hui Wai Man, Shirley. She is a fellow member of The Association of Chartered Certified Accountants, Hong Kong Institute of Certified Public Accountants, The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries. She is also a member of Hong Kong Securities Institute and the Society of Chinese Accountants & Auditors.
- (b) The principal share registrar and transfer office of the Company is MUFG Fund Services (Bermuda) Limited located at 26 Burnaby Street, Hamilton, HM 11 Bermuda.

- (c) The Hong Kong branch share registrar and transfer office of the Company is Tricor Standard Limited located at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong (New Address: Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 31 March 2014).
- (d) The English text of this Circular prevails over the Chinese text.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours from 9:30 a.m. to 5:30 p.m. (except Saturdays, Sundays and gazetted public holidays in Hong Kong), at Unit 3007, 30/F, Two Exchange Square, 8 Connaught Place, Central, Hong Kong from the date of this Circular up to and including the date of the SGM:

- (a) the letter of advice from Fortune Financial Capital, the text of which is set out on pages 17 to 27 of this Circular;
- (b) the property valuation report prepared by DTZ Debenham Tie Leung, the text of which is set out in Appendix I to this Circular;
- (c) the JV Agreement; and
- (d) the written consents referred to in the paragraph headed "Experts and consent" in this Appendix II.



萬達商業地產(集團)有限公司
WANDA COMMERCIAL PROPERTIES (GROUP) CO., LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 169)

NOTICE IS HEREBY GIVEN that a special general meeting of Wanda Commercial Properties (Group) Co., Limited (the “**Company**”) will be held at Unit 3007, 30/F., Two Exchange Square, 8 Connaught Place, Central, Hong Kong on 3 April 2014 at 4:00 p.m. for the purpose of considering and, if thought fit, passing the following resolution (with or without amendments) as ordinary resolutions of the Company:

ORDINARY RESOLUTION

1. “**THAT** the entry into by the Company of the JV Agreement dated 27 February 2014 (a copy of which has been produced to the meeting and initialled by the chairman of the meeting for the purposes of identification) and the transactions contemplated thereunder be and are hereby approved (terms defined in the circular of the Company dated 17 March 2014 having the same meanings when used in this resolution).”

By order of the Board
Wanda Commercial Properties (Group) Co., Limited
Ding Benxi
Chairman

Hong Kong, 17 March 2014

Notes:

- (1) A shareholder entitled to attend and vote at the meeting convened by the above notice (or at any adjournment thereof) is entitled to appoint a proxy to attend and, on a poll, vote instead of him. A shareholder holding two or more shares is entitled to appoint more than one proxy. A proxy need not be a shareholder of the Company but must be present in person to represent the shareholder. Completion and return of an instrument appointing a proxy will not preclude a shareholder from attending and voting in person at the meeting (or any adjournment thereof).
- (2) Where there are joint registered holders of any shares, any one of such persons may vote at the meeting (or at any adjournment thereof), either personally or by proxy, in respect of such shares as if he were solely entitled thereto; but if more than one of such joint holders are present at the meeting (or at any adjournment thereof) personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.

NOTICE OF SGM

- (3) In order to be valid, the proxy form, and any power of attorney (if any) or other authority (if any) under which it is signed (or a copy of such power or authority certified notarially), must be delivered to the Company's Hong Kong branch share registrar, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong (New Address: Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 31 March 2014), not less than 48 hours before the time fixed for holding the meeting (or any adjournment thereof).
- (4) The shareholders whose names appear on the register of members of the Company on 2 April 2014 are entitled to attend the meeting. In order to qualify for attending the meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong (New Address: Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 31 March 2014), no later than 4:30 p.m. on 2 April 2014.