

---

## **THIS CIRCULAR IS IMPORTANT AND REQUIRES IMMEDIATE ATTENTION**

---

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

**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)**

- (1) CONNECTED AND MAJOR TRANSACTION IN RELATION TO FORMATION OF JOINT VENTURE FOR REAL PROPERTY PROJECTS IN THE AMERICAS;**  
**(2) CONNECTED AND DISCLOSEABLE TRANSACTION INVOLVING FORMATION OF JOINT VENTURE FOR THE CHICAGO PROJECT;**  
**(3) MAJOR TRANSACTION AS REGARDS THE GRANT OF PUT OPTION CONCERNING THE CHICAGO PROJECT;**  
**AND**  
**(4) NOTICE OF SGM**

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



---

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 20 of this Circular. A letter of advice containing the recommendation from the Independent Board Committee to the Independent Shareholders is set out on pages 21 to 22 of this Circular. A letter of advice from Gram Capital, the Independent Financial Adviser, to the Independent Board Committee and the Independent Shareholders is set out on pages 23 to 38 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 15 August 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong 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.

31 July 2014

---

## CONTENTS

---

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	5
<b>Letter from the Independent Board Committee</b> .....	21
<b>Letter from Gram Capital</b> .....	23
<b>Appendix I — Financial information of the Group</b> .....	I-1
<b>Appendix II — Property valuation report</b> .....	II-1
<b>Appendix III — General information</b> .....	III-1
<b>Notice of SGM</b> .....	SGM-1

---

## DEFINITIONS

---

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

“Americas”	the continents of North America and South America
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Chicago JV Agreement”	the agreement dated 8 July 2014 entered into between the Company and Wanda HK in relation to the joint venture in respect of Wanda Chicago’s interest in the Chicago Project Co
“Chicago Project Co”	Parcel C LLC, a Delaware limited liability company directly owned as to 90% by Wanda Chicago and 10% by Magellan for holding and development of the Chicago Property
“Chicago Property”	the property known as Sites C and D in Lakeshore East Subdivision in Chicago, Illinois, US
“Circular”	this circular issued by the Company dated 31 July 2014
“Closing”	the closing of the transactions contemplated under the Formation and Contribution Agreement, details of which are set out in the sub-section headed “Formation and Contribution Agreement and Operating Agreement in relation to the Holding and Development of the Chicago Property — Principal terms of the Formation and Contribution Agreement” in Letter from the Board
“Company”	Wanda Commercial Properties (Group) Co., Limited (萬達商業地產(集團)有限公司), a company incorporated in Bermuda with limited liability, and the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“controlling Shareholder”	has the meaning ascribed thereto in the Listing Rules
“Cushman & Wakefield”	Cushman & Wakefield Valuation Advisory Services (HK) Limited, the independent valuer
“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

---

## DEFINITIONS

---

“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
“Development and Management Agreement”	the development and management agreement dated 8 July 2014 entered into between the Chicago Project Co and Magellan Project Services for the development of the Chicago Property
“Directors”	the directors of the Company
“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
“Formation and Contribution Agreement”	the formation and contribution agreement dated 8 July 2014 entered into amongst Wanda Chicago, Magellan and Lakeshore
“Gram Capital” or “Independent Financial Adviser”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Master Americas JV Agreement and the Chicago JV Agreement
“Group”	the Company and its subsidiaries
“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 and Mr. Xue Yunkui, established to advise the Independent Shareholders in respect of the Chicago JV Agreement and the Master Americas JV Agreement
“Independent Shareholders”	all Shareholders other than Wanda Overseas and its associates
“Lakeshore”	Lakeshore East LLC, an Illinois limited liability company, an affiliate of Magellan
“Latest Practicable Date”	29 July 2014, being the latest practicable date prior to the printing of this Circular for ascertaining certain information contained therein

---

## DEFINITIONS

---

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Magellan”	Magellan Parcel C/D LLC
“Magellan Group”	Magellan Development Group, LLC
“Magellan Project Services”	Magellan Project Services LLC, an Illinois limited liability company
“Master Americas JV Agreement”	the agreement dated 8 July 2014 entered into between the Company and Wanda HK in relation to the joint venture through Wanda Americas
“Operating Agreement”	the operating agreement of the Chicago Project Co dated 8 July 2014 entered into between Wanda Chicago and Magellan
“PRC”	the People’s Republic of China which, for the purpose of this Circular, excludes Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC
“Project Level JV Agreement”	the joint venture agreement to be entered into between the Company and Wanda HK when a new SP Entity is established on terms similar to the Chicago JV Agreement
“Put Option”	the right of Magellan to sell to Wanda Chicago its interests in the Chicago Project Co subject to the terms set out in the Operating Agreement
“Real Property Projects”	the acquisition and development of real properties
“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 on Friday, 15 August 2014 for the purpose of approving the Chicago JV Agreement and the Master Americas JV Agreement
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holders of the Shares
“SP Entity”	any special purpose entity which is formed by Wanda Americas for the purpose of holding, acquiring and developing the Real Property Projects

---

## DEFINITIONS

---

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed thereto in the Listing Rules
“US”	the United States of America
“Wanda Americas”	Wanda Americas Real Estate Investment Co., Ltd. (萬達美洲地產投資有限公司) a company with limited liability established under the laws of Hong Kong, in which the Company and Wanda HK respectively hold 60% and 40% interest
“Wanda Chicago”	Wanda Chicago Real Estate LLC, an indirect wholly owned subsidiary of Wanda Americas established in the State of Delaware of the US
“Wanda HK”	Wanda Commercial Properties (Hong Kong) Co. Limited, a company incorporated in Hong Kong with limited liability, a controlling Shareholder of the Company
“Wanda Overseas”	Wanda Commercial Properties Overseas Limited, a company incorporated in the British Virgin Islands with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong from time to time
“US\$”	US dollars, the lawful currency of the US from time to time
“%”	per cent.

*For the purpose of this Circular and for illustrative purpose only, the exchange rate between US\$ and HK\$ is 1:7.8.*

*\* English translation is provided for identification purposes only*

---

LETTER FROM THE BOARD

---



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

*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

31 July 2014

*To the Shareholders*

Dear Sir or Madam,

- (1) CONNECTED AND MAJOR TRANSACTION IN RELATION TO FORMATION OF  
JOINT VENTURE FOR REAL PROPERTY PROJECTS IN THE AMERICAS;  
(2) CONNECTED AND DISCLOSEABLE TRANSACTION INVOLVING FORMATION OF  
JOINT VENTURE FOR THE CHICAGO PROJECT;  
(3) MAJOR TRANSACTION AS REGARDS THE GRANT OF PUT OPTION  
CONCERNING THE CHICAGO PROJECT;  
AND  
(4) NOTICE OF SGM

**A. INTRODUCTION**

Reference is made to the announcement issued by the Company on 8 July 2014 in relation to (1) the connected and major transaction in relation to the formation of joint venture for Real Property Projects in the Americas and (2) the connected and discloseable transaction involving the formation of joint venture for the Chicago project and (3) major transaction as regards the grant of put option concerning the Chicago project.

---

## LETTER FROM THE BOARD

---

### **B. FORMATION OF A JOINT VENTURE FOR REAL PROPERTY PROJECTS IN THE AMERICAS**

In order to facilitate possible future cooperation between the Company and Wanda HK in acquisitions and development of Real Property Projects in the Americas, the Company and Wanda HK on 8 July 2014 entered into the Master Americas JV Agreement pursuant to which the Company and Wanda HK will use Wanda Americas as the holding vehicle for such purpose and, through the SP Entities, which are subsidiaries of Wanda Americas, jointly undertake acquisition and development of Real Property Projects in the Americas. Wanda Americas is and will remain owned as to 60% by the Company and 40% by Wanda HK (excluding the interest held through the Company).

Further details of the Master Americas JV Agreement are set out below.

#### **1. Scope of business**

Wanda Americas will be the holding company of all the joint ventures between the Company and Wanda HK for all Real Property Projects in the Americas. Accordingly, the Company's and Wanda HK's interest in each individual Real Property Project will be pro rata to their shareholdings in Wanda Americas.

No change of the aforesaid business scope will be allowed except with the unanimous consent of both the Company and Wanda HK.

#### **2. Acquisition and development of Real Property Projects**

The Company and Wanda HK shall consult in good faith in identifying potential Real Property Projects for acquisition and development and on the terms of the relevant acquisition and development plan.

Wanda Americas will set up a new SP Entity to undertake the acquisition and development of each Real Property Project. When a new SP Entity is established, the Company and Wanda HK shall enter into further Project Level JV Agreement with respect to such SP Entity and the relevant Real Property Project on terms similar to the Chicago JV Agreement. In particular, the Project Level JV Agreement will set out the capital commitment of the Company and Wanda HK for the relevant Real Property Project and the type of intended development.

The Company will comply with the relevant requirements under the Listing Rules in respect of all acquisitions by the SP Entities as and when required.

#### **3. Funding**

It is provided under the Master Americas JV Agreement that the aggregate of all acquisition costs and development costs of the Real Property Projects undertaken by all SP Entities and funded by the Company and Wanda HK shall not exceed HK\$10,000 million and will be contributed by the Company and Wanda HK pro rata to their shareholdings in Wanda Americas.



---

## LETTER FROM THE BOARD

---

Accordingly, the maximum amount of the capital commitment of the Company under the Master Americas JV Agreement will be HK\$6,000 million and the remaining HK\$4,000 million will be provided by Wanda HK.

The capital commitment of parties to the Master Americas JV Agreement may be in the form of equity, loan or otherwise and any guarantee or indemnity. As at the Latest Practicable Date, the Company expects to finance its capital commitment under the Master Americas JV Agreement by (i) the Company's internal resources in the amount of approximately HK\$400 million; (ii) debt financing; and/or (iii) equity financing. As at the Latest Practicable Date, the Company has no plan to conduct any equity financing. As stated in the Company's announcement issued on 23 July 2014, the Company as borrower and a bank entered into a 5-year term loan facility agreement of up to an aggregate amount of US\$160 million and such facility will be utilized to finance the acquisition of property projects and the general working capital requirement of the Group.

The aggregate capital commitment of HK\$10,000 million is determined with reference to, among other things, the current real property market in the Americas and the expected acquisition and development costs for suitable Real Property Projects. The real property market in the Americas, in particular large cities, is attractive to investment capital due to record low interest rates, solid economic growth, stable regulatory policies and upside to current valuation. In the event both the Master Americas JV Agreement and the Chicago JV Agreement are approved by the Independent Shareholders, the remaining capital commitment of both the Company and Wanda HK to be contributed under the Master Americas JV Agreement, after taking into account the capital commitment as provided under the Chicago JV Agreement, will be HK\$8,250 million.

The Company and Wanda HK have not set a fixed timetable for the contribution of the HK\$10,000 million under the Master Americas JV Agreement. The Company shall discuss the timing of the HK\$10,000 million funding contribution with Wanda HK once they identify additional Real Property Projects in the Americas and/or enter into formal agreements in respect of such additional Real Property Projects.

#### **4. Board composition**

The Company is entitled to appoint all directors to the board of Wanda Americas and relevant SP Entities. Subject to the Master Americas JV Agreement and the Project Level JV Agreement with respect to each individual SP Entity, the board of directors of Wanda Americas and each SP Entity shall have the power and authority to decide on matters relating to their affairs and business.

#### **5. Conditions precedent**

The Master Americas JV Agreement shall be conditional upon the Company having obtained the Independent Shareholders' approval of the Master Americas JV Agreement on or before 30 September, 2014.

#### **6. 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 Wanda Americas;

---

## LETTER FROM THE BOARD

---

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

### **7. Disposal of shares**

Neither shareholder of Wanda Americas may dispose of its interest in Wanda Americas without the consent of the other.

### **8. Events of default**

If an event of default (for example, any disposal of any interest of Wanda Americas in breach of the Master Americas JV Agreement, any material or persistent breach of the provisions of the Master Americas JV Agreement or any change of control or insolvency of the Company or Wanda HK, breach of or failure to perform the obligations under the Project Level JV Agreement by the Company or Wanda HK) occurs, the innocent joint venture partner of Wanda Americas will have the right to buy out the interest of the defaulting joint venture partner in Wanda Americas at a price equal to the fair value of such interest.

The Company will comply with the relevant requirements under the Listing Rules if any asset acquisition by Wanda Americas and the provision of shareholders' loan constitute notifiable and/or connected transactions for the Company.

---

## LETTER FROM THE BOARD

---

### C. FORMATION AND CONTRIBUTION AGREEMENT AND OPERATING AGREEMENT IN RELATION TO THE HOLDING AND DEVELOPMENT OF THE CHICAGO PROPERTY

The Board is pleased to announce that on 8 July 2014, Wanda Chicago, an indirect wholly owned subsidiary of Wanda Americas, entered into (i) the Formation and Contribution Agreement with Magellan and Lakeshore and (ii) the Operating Agreement with Magellan pursuant to which Magellan and Wanda Chicago have agreed to form the Chicago Project Co to own and develop the Chicago Property. Pursuant to the Formation and Contribution Agreement, Magellan has conditionally agreed to cause Lakeshore to contribute and transfer, and Lakeshore has agreed to contribute and transfer, all of its right, title and interest in the Chicago Property to the Chicago Project Co. Pursuant to the Operating Agreement, Magellan and Wanda Chicago have each conditionally agreed to provide capital contribution subject to the terms and conditions of the Formation and Contribution Agreement and the Operating Agreement. The Chicago Project Co will, on its formation as a joint venture, be owned by Wanda Chicago and Magellan as to 90% and 10% respectively. It is intended that the Chicago Project Co will develop the Chicago Property into a mixed-use development consisting of residential units, commercial space, hotel units and parking spaces. The residential units will be developed for sale whereas the hotel and commercial space will be developed for investment purposes.

Based on the information available to the Directors, both Magellan and Lakeshore are Illinois limited liability companies and controlled by the ultimate beneficial owners of Magellan Group which is a real estate developer based in Chicago. The principal business activities of Magellan consist of real estate development, management and investment in Chicago, whereas Lakeshore is principally engaged in property investment holding activities in the Lakeshore East District of Chicago. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Magellan, Magellan Group, Lakeshore and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

#### Principal terms of the Operating Agreement

Date of the Operating Agreement	:	8 July 2014
Parties to the Operating Agreement	:	(i) Wanda Chicago (ii) Magellan
Shareholdings of the parties	:	(i) Wanda Chicago — 90% (ii) Magellan — 10%

Pursuant to the parties' commercial negotiation, Magellan is granted the right to increase its equity interests in the Chicago Project Co to up to 20% within 18 months after the date of the Formation and Contribution Agreement if Magellan is not in default under the said agreement and Magellan and Wanda Chicago having received, a notice of qualification to be eligible for at least US\$100 million (equivalent to approximately HK\$780 million) under the

---

## LETTER FROM THE BOARD

---

Immigrant Investor Program (also known as “EB-5”) in the US. The Immigrant Investor Program was authorised under relevant law in the US. It is an employment-creation visa program which aims at stimulating economic activities and creating jobs for workers in the US, while affording eligible foreign investors the opportunity to become lawful permanent residents of the US. The parties believe that qualification under the Immigrant Investor Program may facilitate the ability of the Chicago Project Co to obtain financing on favorable terms. The parties are unable to predict the length of time it may take to obtain a determination of eligibility though they anticipate it will be six months or more.

If Magellan decides to exercise the right to increase its interests in the Chicago Project Co, the maximum additional capital contribution would be US\$20 million. If Magellan wishes to exercise such right, it will make the necessary corresponding capital contribution to accomplish such increase in the Chicago Project Co and the Chicago Project Co shall return or distribute such capital contribution to Wanda Chicago so the capital contribution made by each of Magellan and Wanda Chicago correspond to their revised and adjusted shareholding in the Chicago Project Co. Magellan’s right to increase its interests in the Chicago Project Co is subject to the above conditions precedent and Magellan may or may not choose to exercise such right. The granting of Magellan’s right to increase its interests in the Chicago Project Co does not constitute a notifiable transaction of the Company. In the event that Magellan opts to exercise the right to increase its interests in the Chicago Project Co in the future, the Company will make appropriate disclosure in compliance with the requirement of the Listing Rules.

Magellan has a Put Option which is described below.

- Board representation : In accordance with the terms of the Operating Agreement, Magellan is entitled to appoint one director to the board of the Chicago Project Co whereas Wanda Chicago is entitled to appoint two directors to the board of the Chicago Project Co.
- Capital commitment : Pursuant to the terms of the Operating Agreement, respective capital commitment of the parties are as follows:
- Wanda Chicago — US\$180 million (equivalent to approximately HK\$1,404 million) in the forms of cash and loan

---

## LETTER FROM THE BOARD

---

Magellan — US\$20 million (approximately HK\$156 million) in the forms of cash, loan and contribution in kind (being Magellan's 10% interest in the Chicago Property)

Wanda Chicago and Magellan will respectively contribute approximately (i) US\$12 million (equivalent to approximately HK\$93.6 million) and US\$580,000 (equivalent to approximately HK\$4.524 million) within 7 calendar days from receipt of confirmation that the State of Illinois has issued a certificate of authorization to transact business in Illinois for the Chicago Project Co, (ii) US\$64.8 million (equivalent to approximately HK\$505.44 million) and US\$8 million (equivalent to approximately HK\$62.4 million, which Magellan will contribute through contributing its interests in the Chicago Property) at Closing, and (iii) US\$18 million (equivalent to approximately HK\$140.4 million) and US\$2 million (equivalent to approximately HK\$15.6 million) within 5 business days after Closing. It is currently expected that the rest of the capital commitment shall be contributed by Wanda Chicago and Magellan according to the construction progress of the Chicago Property. The above capital commitment is made according to the respective interest of Wanda Chicago and Magellan.

The above was agreed between the parties after arm's length negotiations and on normal commercial terms. The Directors confirmed that the capital commitment was determined with reference to, amongst other things, (i) the advantageous location of the site in the City of Chicago, featuring dramatic lake and river views; (ii) the distinct lack of new supply of high end luxury hotels and residential condominiums over the past six years; (iii) the ability to develop an iconic tower on the historic Chicago skyline that will become a showpiece property for the Group around the world; and (iv) the valuation of the Chicago Property, which is set out in Appendix II to this Circular.

- Guarantee : Each of Wanda Chicago and Magellan will procure its respective affiliates to provide guarantees in proportion to their shareholding in the Chicago Project Co.
- Earnest money : Within 7 calendar days from receipt of confirmation that the State of Illinois has issued a certificate of authorization to transact business in Illinois for the Chicago Project Co, Wanda Chicago shall deposit with the escrow agent, US\$7.2 million (equivalent to approximately HK\$56.16 million) as earnest money (the "**Earnest Money**") which shall be applied to pay up Wanda Chicago's capital contribution at Closing.

---

## LETTER FROM THE BOARD

---

### Principal terms of the Formation and Contribution Agreement

- Date of the Formation and Contribution Agreement : 8 July 2014
- Parties to the Formation and Contribution Agreement : (i) Wanda Chicago  
(ii) Magellan  
(iii) Lakeshore
- Summary : The Formation and Contribution Agreement provides that Lakeshore will transfer the land to Chicago Project Co pursuant to customary transfer documentation. The Chicago Property is valued by the parties at US\$80 million (equivalent to approximately HK\$624 million) and Magellan will receive credit for a capital contribution of US\$8 million (equivalent to approximately HK\$62.4 million) for its interest in the Chicago Property. Of the remaining US\$72 million (equivalent to approximately HK\$561.6 million), Magellan may elect to have a portion of these funds retained in the Chicago Project Co to satisfy Magellan's obligations to make additional capital contributions with the remaining amounts paid to Lakeshore.
- Conditions precedent to Closing : In accordance with the terms of the Formation and Contribution Agreement, Closing is conditional upon among other things, the obtaining of zoning approvals within 18 months from the date of the execution of the Formation and Contribution Agreement, including but not limited to increased height and massing and other relevant regulatory approvals, to ensure the Chicago Property is zoned to allow for its intended development. If Magellan is unable to obtain the zoning approvals during the aforesaid period, Wanda Chicago shall have the right to either (i) terminate the Formation and Contribution Agreement and receive a refund of the Earnest Money and other payments made by Wanda Chicago, or (ii) to waive the right to receive the zoning approvals and proceed to negotiate in good faith the terms of a new purchase and sale agreement with Magellan pursuant to which Wanda Chicago has the right to increase its equity interests in the Chicago Project Co to up to 100%, and the transaction will be adjusted whereby the consideration for the Chicago Property to be acquired by Wanda Chicago shall be fixed at US\$105 million (equivalent to approximately HK\$819 million). In the event that the parties enter into a new purchase and sale agreement in the future, the Company will make appropriate disclosure in compliance with the Listing Rules.

---

## LETTER FROM THE BOARD

---

Development and Management Agreement and other project agreements : The Chicago Project Co has also entered into a Development and Management Agreement with Magellan Project Services, an affiliate of the Magellan Group on 8 July 2014 for development of the Chicago Property. Pursuant to the terms of the Development and Management Agreement, Magellan Project Services as the development manager is responsible for performing certain services to oversee the development and construction of the Chicago Property.

In addition, it is contemplated that the Chicago Project Co will enter into other agreements with Magellan Group and affiliates of Wanda Chicago prior to Closing, for, among other things, property management and sales and marketing, in connection with the development of the Chicago Property. Magellan will become a substantial shareholder of the Chicago Project Co after the Chicago JV Agreement is approved by the Independent Shareholders at the SGM. Thereafter Magellan Group and Magellan Project Services will become connected persons of the Company. As such, these agreements between Magellan Group and the affiliates of Wanda Chicago and the Development and Management Agreement between the Chicago Project Co and Magellan Project Services entered into prior to Closing will become continuing connected transactions of the Company under the Listing Rules. Pursuant to Rule 14A.60 of the Listing Rules, the Company is required to comply with the applicable reporting and disclosure requirements under Chapter 14A of the Listing Rules regarding such continuing connected transactions as and when applicable. The Company will comply with all applicable reporting, disclosure and, if applicable, independent shareholders' approval requirements under Chapter 14A of the Listing Rules upon any variation or renewal of such agreements.

### **Further details about the Chicago Property**

The Chicago Property of a total site area of approximately 52,076 square feet is located in the vibrant and affluent Lakeshore East development in downtown Chicago, where the overall master plan has won numerous internationally acclaimed design awards. This is one of the last remaining sites within the Lakeshore East area. It is surrounded by Lake Michigan, the Chicago River, Millennium Park, and the Park at Lakeshore East. Furthermore, many of Chicago's well known leisure and entertainment destinations are within walking distance from the site, places such as the Theatre District, Museum Campus, Michigan Ave. "Magnificent Mile" and State Street shopping, and numerous lake and river front attractions.

The Board believes that given the unique location of the Chicago Property and its unobstructed waterfront views, there is great potential to develop the site into a true landmark of Chicago. Furthermore, the lack of new supply of luxury condo products in downtown Chicago in recent years will enhance the prospects for the project. The Company is confident that it can maximize the development value of the Chicago Property and generate attractive returns on this investment. It is

---

## LETTER FROM THE BOARD

---

estimated that the relevant zoning approvals will be obtained by January 2016 and pre-sale shall commence thereafter. Assuming that all the planning approval and permits are obtained by March 2016, it is further estimated that construction work for the Chicago Property will commence in around October 2016 and complete around September 2018.

The Directors consider that the terms of the Formation and Contribution Agreement and the Operating Agreement, including the amount of capital contribution, are fair and reasonable and in the interests of the Shareholders as a whole.

The Company and Wanda HK will undertake the development of the Chicago Property by way of a joint venture pursuant to the Chicago JV Agreement. The capital contribution to be provided by Wanda Chicago under the Formation and Contribution Agreement and the Operating Agreement will be funded out of the capital to be contributed by the Company and Wanda HK under the Chicago JV Agreement.

### **D. GRANT OF PUT OPTION**

Pursuant to the parties' commercial negotiation, under the Operating Agreement, Magellan shall have the right, at any time after the later of (i) five years from the date of the Operating Agreement or (ii) final completion (as specifically defined in the Operating Agreement) of the development of the Chicago Property, to require Wanda Chicago to purchase its interests in the Chicago Project Co at the then fair market value to be determined by independent experts. The Directors consider the terms of the Put Option are customary commercial terms granted to Magellan as a minority shareholder of the Chicago Project Co.

### **E. FORMATION OF A JOINT VENTURE IN RELATION TO WANDA CHICAGO'S INTEREST IN THE CHICAGO PROJECT CO**

The Company and Wanda HK have on 8 July 2014 entered into the Chicago JV Agreement in relation to Wanda Chicago's interest in the Chicago Project Co, pursuant to which such interest will be indirectly held through Wanda Americas, further details of which are set out below.

#### **1. Parties to the joint venture**

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

#### **2. Principal terms of the Chicago JV Agreement**

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

##### *(a) Objective*

The Company and Wanda HK agree to enter into the Chicago JV Agreement to regulate their relationship with each other, and in respect of the affairs and their dealings with the Chicago Project Co, and to participate in the development of the Chicago Project in the form of a joint venture in accordance with the terms of the Chicago JV Agreement.



---

## LETTER FROM THE BOARD

---

(b) *Board composition*

The Company is entitled to appoint all the directors of the Chicago Project Co that Wanda Chicago is entitled to appoint subject to the terms of the Operating Agreement.

(c) *Capital commitment*

The total capital commitments (whether equity, loan or otherwise and any guarantee or indemnity) to be provided by the Company and Wanda HK under the Chicago JV Agreement shall not exceed HK\$1,750 million, of which HK\$1,050 million will be provided by the Company and HK\$700 million will be provided by Wanda HK. The total capital commitment was determined after arm's length negotiations between the Company and Wanda HK, with reference to Wanda Chicago's capital commitment to the Chicago Project Co.

The respective capital commitment of the Company and Wanda HK under the Chicago JV Agreement is proportional to their respective interest in Wanda Chicago. The Company and Wanda HK shall contribute in proportion to their shareholding in Wanda Americas, (i) US\$12 million (equivalent to approximately HK\$93.6 million) payable by Wanda Chicago within 7 calendar days from receipt of confirmation that the State of Illinois has issued a certificate of authorization to transact business in Illinois for the Chicago Project Co, (ii) US\$64.8 million (equivalent to approximately HK\$505.44 million) payable by Wanda Chicago at Closing, as well as (iii) US\$18 million (equivalent to approximately HK\$140.4 million) payable by Wanda Chicago within 5 business days after Closing. The rest of the capital commitment to be contributed by Wanda Chicago shall be subject to the actual construction progress of the Chicago Property. As such, the Company and Wanda HK will further discuss on the timing of the capital contribution upon Closing.

The capital commitment of the Company in relation to the formation of the joint venture under the Chicago JV Agreement is expected to be funded by (i) the Company's internal resources; (ii) debt financing; and/or (iii) equity financing.

(d) *Conditions precedent*

The Chicago JV Agreement shall be conditional upon the Company having obtained the Independent Shareholders' approval of the Chicago JV Agreement on or before 30 September 2014.

The Company and Wanda HK have agreed that in the event that the Chicago JV Agreement is not approved by the Independent Shareholders at the SGM, the Company shall be entitled to sell, in which case Wanda HK shall be obliged to purchase, the Company's interest in the Chicago Property, either by procuring Wanda Americas to transfer to Wanda HK its entire equity interest in the Chicago Project Co or, at the election of the Company, by transferring the Company's direct 60% shareholdings in Wanda Americas, in both cases at the nominal consideration of HK\$1.00, with all the associated costs, expenses and tax payable to be solely borne by Wanda HK.

---

## LETTER FROM THE BOARD

---

### F. REASONS FOR AND BENEFITS OF THE JOINT VENTURES

The Company is an investment holding company whose subsidiaries are principally engaged in property development, property leasing, property management and investment holding activities. 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 as suitable investment or business opportunities arise.

The Board is of the view that DWCP, the controller of Wanda HK, is a prominent property developer and has a proven track record of property development. By partnering with Wanda HK, the Company can leverage on the expertise and business networks of Wanda HK and its controlling shareholder. The Board also believes that the reputation and scale of DWCP will place the Group in a favourable position in negotiating with third parties on acquisitions and cooperations.

The Board is of the view that as the economy of the US property market is steadily recovering, it presents attractive long-term investment opportunities in the property sector for investors and developers with strong financial resources and development experience. In particular, the Chicago market has experienced a lack of new supply over the past six years owing to the economic downturn. Accordingly, there is significant pent-up demand for downtown high-rise luxury condominiums, as the majority of recent developments have all provided residences for lease, rather than for sale. Similarly in the hotel market, the high-end luxury sector has not witnessed any new developments in five years, providing an opportunity for the Group to fill a market void. Such opportunities are in line with the Group's strategy of seeking to diversify its sources of income.

Therefore, by establishing a joint venture platform through Wanda Americas, the Board believes that it will provide a more responsive structure for the Group to capture such windows of opportunities as they arise in the Americas. Wanda Americas will also enable the Group to better co-ordinate its resources and with its joint venture partner, Wanda HK, in capitalizing on such suitable opportunities, against the backdrop of an accumulated HK\$10,000 million limit in total acquisition and development costs.

If both the Chicago JV Agreement and the Master Americas JV Agreement are approved by the Independent Shareholders, the remaining capital commitment of both the Company and Wanda HK to be contributed under the Master Americas JV Agreement for acquisition and development of Real Property Projects in the Americas will be HK\$8,250 million.

With respect to the Chicago Property and the joint venture for its development under the Chicago JV Agreement, given that there has been a lack of new residential development in the surrounding area of the Chicago Property to satisfy the strong demand of the recovering Chicago market, the Board believes that the Chicago Property joint venture provides an excellent investment opportunity. The iconic design proposed for this new development will set a new standard for style and functionality in the market, and is projected to receive high profile both locally in Chicago, and more broadly across the entire luxury hotel market. The Directors are also of the view that the formation of the Chicago Property joint venture will offer an opportunity for the Group to broaden its income sources by expanding into the Americas market. 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 Chicago Property.

---

## LETTER FROM THE BOARD

---

The Board (other than (a) Mr. Ding Benxi, Mr. Qi Jie, Mr. Qu Dejun and Mr. Liu Chaohui, who are materially interested in the joint venture under the Chicago JV Agreement and the Master Americas JV Agreement and have abstained from voting at the board meeting held to consider the transactions, and (b) the independent non-executive Directors) considers the Chicago JV Agreement and the Master Americas JV Agreement to be on normal commercial terms and is of the view that its terms are fair and reasonable and that the Company's entry into the Chicago JV Agreement and the Master Americas JV Agreement is in the interest of the Company and the Shareholders as a whole.

The independent non-executive Directors will express their view on whether the formation of the joint venture under the Chicago JV Agreement and the Master Americas JV Agreement is on normal commercial terms and in the ordinary and usual course of business of the Group, whether the terms of the Chicago JV Agreement and the Master Americas JV Agreement are fair and reasonable and whether the Company's entry into the Chicago JV Agreement and the Master Americas JV Agreement is in the interest of the Company and its Shareholders as a whole after their consideration of the advice of Gram Capital.

### **G. POSSIBLE FINANCIAL EFFECTS OF THE FORMATION OF WANDA AMERICAS**

As the Company holds 60% of the issued share capital of Wanda Americas, and by virtue of the terms of the Master Americas JV Agreement and the Chicago JV Agreement, Wanda Americas and its subsidiaries will become subsidiaries of the Company and their financial results will be consolidated into the results of the Group.

#### **Effects on net asset value and earnings**

As extracted from the audited financial statements of the Group for the year ended 31 December 2013, the consolidated net asset value of the Group was approximately HK\$1,346.3 million as at 31 December 2013. The formation of the joint ventures pursuant to the Master Americas JV Agreement or the Chicago 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.

#### **Effects on gearing**

According to the audited financial statements of the Group for the year ended 31 December 2013, the gearing ratio, which is the quotient arrived at by dividing net debts by the aggregate of net debts and total equity, was 54.90% as at 31 December 2013. Should any amount of the capital commitment of the Company under the Master Americas JV Agreement and/or Chicago JV Agreement be financed by debt financing, the gearing ratio may increase.

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 the joint ventures pursuant to the Master Americas JV Agreement and/or the Chicago JV Agreement.

---

## LETTER FROM THE BOARD

---

### H. LISTING RULES IMPLICATIONS

Since Wanda HK is a controlling shareholder of the Company, it is therefore a connected person of the Company. The formation of joint ventures pursuant to the Master Americas JV Agreement and the Chicago JV Agreement would therefore constitute connected transactions of the Company under the Listing Rules. Since the applicable percentage ratios as defined in Rule 14A.06 of the Listing Rules in respect of the joint ventures under the Master Americas JV Agreement (taking into account the funding requirements of the parties under the Master Americas JV Agreement) exceed 25% and the capital commitment of the Company exceeds HK\$10,000,000, and the applicable percentage ratios as defined in Rule 14A.06 of the Listing Rules in respect of the the joint venture under the Chicago JV Agreement (taking into account the funding requirements of the parties under the Chicago JV Agreement) exceed 5% but less than 25%, they both are subject to reporting and announcement requirements and the approval of Independent Shareholders under Chapter 14A of the Listing Rules. The formation of joint ventures under the Master Americas JV Agreement will constitute major transactions of the Company under Chapter 14 of the Listing Rules whereas the formation of the joint venture under the Chicago JV Agreement will constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

As to the joint venture with Magellan under the Formation and Contribution Agreement and the Operating Agreement, since the applicable percentage ratios as defined in Rule 14.07 of the Listing Rules exceed 5% but less than 25%, it is a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.76(1) of the Listing Rules, the grant of the Put Option constitutes a possible major transaction of the Company subject to notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules, as the discretion to exercise such option belongs to Magellan.

Under Rule 14.44 of the Listing Rules, Shareholders' approval for grant of the Put Option may be obtained by way of written Shareholders' approval in lieu of holding a general meeting if (a) no Shareholder is required to abstain from voting if the Company were to convene a general meeting to obtain such Shareholders' approval; and (b) written Shareholder's approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% in nominal value of the issued share capital of the Company having the right to attend and vote at that general meeting to approve such transactions.

The Directors confirm that, to the best of their knowledge, information and belief after having made all reasonable enquiries, Magellan is an independent third party and not connected with any Directors, chief executive or substantial shareholders of the Group or any of their respective associates and therefore no Shareholder would be required to abstain from voting on the resolution approving the grant of the Put Option were the Company to convene a general meeting for that. Therefore, the Company has obtained and made use of a written Shareholders' approval in respect of the grant of the Put Option in accordance with Rule 14.44 of the Listing Rules.

As at the date of this Circular, Wanda Overseas, the controlling shareholder of the Company holds 3,055,043,100 Shares, representing approximately 65.04% of the issued share capital of the Company. Wanda Overseas has already issued a written certificate to the Company to approve the grant of the Put Option.

---

## LETTER FROM THE BOARD

---

### I. 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, property leasing, property management and investment holding activities.

### J. 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 51.07% by Dalian Wanda, as to approximately 11.59% by Mr. Wang and his spouse, as to approximately 8.66% by the management of DWCP and as to approximately 28.69% 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.

As at the Latest Practicable Date, Wanda Overseas, an indirect wholly-owned subsidiary of Wanda HK, held approximately 65.04% of the issued Share capital of the Company.

### K. GENERAL

#### 1. The SGM

The SGM will be held for the purpose of considering and, if thought fit, approving (i) the Master Americas JV Agreement and (ii) the Chicago JV Agreement. Wanda Overseas and any other Shareholders with a material interest in (i) the Master Americas JV Agreement and (ii) the Chicago JV Agreement and their respective associates are required to abstain from voting on the relevant resolution or (as the case may be) the resolutions. Apart from Wanda Overseas, the Company is not aware of any other shareholders who have a material interest in (i) the Master Americas JV Agreement or (ii) the Chicago 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the 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 and Mr. Xue Yunkui, has been established to advise the Independent Shareholders as to whether the terms of the Master Americas JV Agreement and the Chicago JV Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole

---

## LETTER FROM THE BOARD

---

and to advise the Independent Shareholders on how to vote, taking into account the recommendations of Gram Capital, the Independent Financial Adviser. None of the members of the Independent Board Committee has a material interest in the transactions contemplated under the Master Americas JV Agreement and the Chicago JV Agreement.

Your attention is drawn to the letter from the Independent Board Committee, which are set out on pages 21 to 22 of this Circular, containing its opinions as to whether the terms of the Master Americas JV Agreement and the Chicago 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 Gram Capital as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Master Americas JV Agreement and the Chicago JV Agreement.

Your attention is drawn to the letter from Gram Capital, which are set out on pages 23 to 38 of this Circular, containing its opinions as to whether the terms of the Master Americas JV Agreement and the Chicago 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.

### L. 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 ventures under the Master Americas JV Agreement and the Chicago 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 21 to 22 of this Circular) considers the Master Americas JV Agreement and the Chicago JV Agreement to be on normal commercial terms and in the ordinary and usual course of business of the Group, is of the view that their terms are fair and reasonable and that the Company's entry into the Master Americas JV Agreement and the Chicago JV Agreement are in the interest of the Company and the Shareholders as a whole, and accordingly recommends the Independent Shareholders to vote in favour of the resolutions to be proposed at the SGM to approve the Master Americas JV Agreement and the Chicago JV Agreement and the respective transactions contemplated thereunder.

### M. 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 Master Americas JV Agreement and the Chicago 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)**

31 July 2014

*To the Independent Shareholders*

Dear Sir or Madam,

**CONNECTED AND MAJOR TRANSACTION IN RELATION TO  
FORMATION OF JOINT VENTURE FOR REAL PROPERTY PROJECTS IN  
THE AMERICAS  
AND  
CONNECTED AND DISCLOSEABLE TRANSACTION INVOLVING  
FORMATION OF JOINT VENTURE FOR THE CHICAGO PROJECT**

We refer to the circular of the Company to the Shareholders dated 31 July 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 Master Americas JV Agreement and the Chicago 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 Gram Capital, being the Independent Financial Adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Master Americas JV Agreement and the Chicago JV Agreement, which contains, among other things, Gram Capital’s advice, opinions and recommendations regarding the terms of the Master Americas JV Agreement and the Chicago JV Agreement, as set out on pages 23 to 38 of the Circular, and the Letter from the Board as set out on pages 5 to 20 of the Circular.

---

## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

---

Having given due consideration to the reasons relating to the Master Americas JV Agreement and the Chicago JV Agreement and their terms and to the advice and recommendations of Gram Capital stated in its letter of advice dated 31 July 2014:

- (i) we consider (i) the terms of the Master Americas JV Agreement to be on normal commercial terms and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group; (ii) the terms of the Master Americas JV Agreement to be fair and reasonable so far as the Independent Shareholders are concerned; and (iii) the formation of the joint ventures contemplated under the Master Americas JV Agreement 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 Master Americas JV Agreement and the transactions contemplated thereunder; and
  
- (ii) we consider (i) the terms of the Chicago JV Agreement to be on normal commercial terms and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group; (ii) the terms of the Chicago JV Agreement to be fair and reasonable so far as the Independent Shareholders are concerned; and (iii) the formation of the joint venture contemplated under the Chicago JV Agreement 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 Chicago JV Agreement and the respective transactions contemplated thereunder.

Yours faithfully,

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



---

## LETTER FROM GRAM CAPITAL

---

*Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Master Americas JV Agreement and the Chicago JV Agreement for the purpose of inclusion in this circular.*



Room 1209, 12/F.  
Nan Fung Tower  
173 Des Voeux Road Central  
Hong Kong

31 July 2014

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

Dear Sirs,

### **CONNECTED AND MAJOR TRANSACTION IN RELATION TO FORMATION OF JOINT VENTURE FOR REAL PROPERTY PROJECTS IN THE AMERICAS**

**AND**

### **CONNECTED AND DISCLOSEABLE TRANSACTION INVOLVING FORMATION OF JOINT VENTURE FOR THE CHICAGO PROJECT**

#### **INTRODUCTION**

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Master Americas JV Agreement and the Chicago JV Agreement, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 31 July 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 8 July 2014, the Company and Wanda HK entered into the Master Americas JV Agreement pursuant to which the Company and Wanda HK will form a joint venture by using Wanda Americas as the holding vehicle, and through the SP Entities, to undertake acquisition and development of Real Property Projects in the Americas. The total capital commitment to be made by the Company and Wanda HK under the Master Americas JV Agreement represent their pro rata equity interest of 60% and 40% respectively in Wanda Americas.

On 8 July 2014, the Company and Wanda HK entered into the Chicago JV Agreement in relation to Wanda Chicago’s interest in the Chicago Project Co, pursuant to which such interest will be indirectly held through Wanda Americas. The total capital commitment to be made by the Company and Wanda HK under the Chicago JV Agreement represent their pro rata indirect equity interest of 60% and 40% respectively in Wanda Chicago.

---

## LETTER FROM GRAM CAPITAL

---

Wanda HK is a controlling Shareholder and therefore a connected person of the Company. The formation of the joint ventures pursuant to the Master Americas JV Agreement and the Chicago JV Agreement would therefore constitute connected transactions 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 under the Master Americas JV Agreement (taking into account the funding requirements of the parties under the Master Americas JV Agreement) exceed 25% and the capital commitment of the Company exceeds HK\$10,000,000, and the applicable percentage ratios as defined in Rule 14A.10 of the Listing Rules in respect of the joint venture under the Chicago JV Agreement (taking into account the funding requirements of the parties under the Chicago JV Agreement) exceed 5% but less than 25%, they both are subject to reporting and announcement requirements and the approval of Independent Shareholders under Chapter 14A of the Listing Rules. The formation of the joint ventures under the Master Americas JV Agreement will constitute major transactions of the Company under Chapter 14 of the Listing Rules whereas the formation of the joint venture under the Chicago JV Agreement will constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

The SGM will be held for the purpose of considering and, if thought fit, approving the Master Americas JV Agreement and the Chicago JV Agreement and the transactions contemplated thereunder. Wanda Overseas and its associates are required to abstain from voting on the resolutions at the SGM.

The Independent Board Committee comprising Mr. Liu Jipeng and Mr. Xue Yunkui (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Master Americas JV Agreement and the Chicago JV Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the transactions contemplated under the Master Americas JV Agreement and the Chicago JV Agreement are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution(s) to approve the Master Americas JV Agreement and the Chicago JV Agreement and the transactions contemplated thereunder at the SGM. We, Gram 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 opinion 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. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. 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 enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is

---

## LETTER FROM GRAM CAPITAL

---

based on the Directors' representation and confirmation that there are no undisclosed private agreements/arrangements or implied understanding with anyone concerning the Master Americas JV Agreement and the Chicago JV Agreement. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

We have not made any independent evaluation or appraisal of the assets and liabilities of the Group, Wanda Americas, Wanda Chicago, or its subsidiary, and we have not been furnished with any such evaluation or appraisal, save as and except for the valuation report of Chicago Property (the "**Valuation Report**") as set out in Appendix II to the Circular. The Valuation Report was prepared by Cushman & Wakefield Valuation Advisory Services (HK) Limited in collaboration with Cushman & Wakefield of Illinois, Inc. (the "**Valuers**"). Since we are not experts in the valuation of land, properties and/or business, we have relied solely upon the Valuation Report for the market value of Chicago Property as at 1 May 2014 (the "**Valuation**").

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that 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 in the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, DWCP, Wanda HK, Wanda Overseas, Wanda Americas, Wanda Chicago, Magellan Group, Magellan, Lakeshore, the Chicago Project Co or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the entering into of the Master Americas JV Agreement and the Chicago JV Agreement. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, the sole responsibility of Gram Capital is to ensure that such information has been correctly extracted from the relevant sources.

### **PRINCIPAL FACTORS AND REASONS CONSIDERED**

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

---

## LETTER FROM GRAM CAPITAL

---

### Business overview of the Group

With reference to the Board Letter, 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, property leasing, property management and investment holding activities.

Set out below are the audited financial information of the Group for the two financial years ended 31 December 2013 as extracted from the Company's annual report for the financial year ended 31 December 2013 (the "2013 Annual Report"):

	For the year ended 31 December 2013	For the year ended 31 December 2012	% change from 2012 to 2013
	<i>HK\$'000</i>	<i>HK\$'000</i>	
Turnover	1,347,995	2,773,419	(51.40)
- Sales of properties	1,231,746	2,728,045	(54.85)
- Rental income	94,423	43,124	118.96
- Property management income	21,826	2,250	870.04
Profit attributable to equity Shareholders for the year	190,879	232,335	(17.84)

We noted from the above table that while the Group's turnover substantially decreased by approximately 51.40% from approximately HK\$2,773 million in 2012 to approximately HK\$1,348 million in 2013, of which sales of properties decreased by approximately 54.85% from 2012 to 2013. The Group recorded profit attributable to equity Shareholders for the year ended 31 December 2013 of approximately HK\$190.88 million, representing a decrease of approximately 17.84% as compared to 2012. With reference to the 2013 Annual Report, the decrease in turnover was mainly due to that Hengli City was completed in 2012 and a significant part of the pre-sales of the project since 2009 were recognized in 2012. The decrease in profit attributable to equity Shareholders was mainly due to (i) decrease in valuation gain on investment properties; (ii) net loss on disposal of subsidiaries incurred during the year; (iii) impairment loss on goodwill, which was partly set off by: (a) increase in gross profit since properties with higher profit margin contributed to more sales in the year; (b) increase in gain on redemption of convertible bonds in the year and net gain on revaluation and cancellation of redemption right attached to the convertible bonds; and (c) decrease in finance cost.

According to the 2013 Annual Report, with the support of DWCP, the Company jointly acquired a property at 1 Nine Elms Lane, London SW8 5NQ, the United Kingdom with Wanda HK in form of a joint venture in 2013. The Company completed the demolition and relocation planning of the existing property in February 2014 as planned and commenced demolition and relocation work. The Company will proceed with the development of the project.

On 27 February 2014, the Company announced its joint acquisition with Wanda HK of a piece of state-owned land in Guilin, Guangxi Zhuang Autonomous region, the PRC. The land will be

---

## LETTER FROM GRAM CAPITAL

---

developed into a “Wanda Plaza”, which comprises commercial and residential properties. With reference to the 2013 Annual Report, the Company will commence construction as soon as possible and it is expected that the development of this project will be completed in the third quarter of 2015.

Furthermore, on 4 June 2014, the Company and Wanda HK entered into a master JV agreement, pursuant to which the Company and Wanda HK will form a joint venture by using Wanda Europe Real Estate Investment Co., Ltd. as the holding vehicle, and through the their subsidiary, to undertake acquisition and development of real properties in the continent of Europe, excluding the United Kingdom.

According to the 2013 Annual Report, the Group believes that as the global economy continues to recover, there will be attractive investment and development opportunities in the commercial real estate sector in certain countries and regions. The Group, positioned as an investment and financing platform for the controlling shareholder, DWCP, will focus on developing overseas financing channels, actively seeking outstanding and profitable development opportunities that are in line with the Group’s development strategy, steadily developing commercial properties together with DWCP, and thereby further expand the Group’s sources of revenue, enhance the Group’s profitability, and seek to maximize the interests of the Shareholders.

### **Information on Wanda HK**

With reference to the Board Letter, 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.

### **Reasons for and possible benefits of the joint ventures**

With reference to the Board Letter, 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 as suitable investment or business opportunities arise.

With reference to Appendix I to the Circular, in considering investment opportunities in the commercial property sector, the Group will take into account various factors including, among others, site location, market prospects, governmental restrictions and profit potentials. The Directors believe that the formation of the joint ventures pursuant to the Master Americas JV Agreement and Chicago JV Agreement will offer an opportunity for the Group to broaden its income sources.

The Board is of the view that DWCP, the controlling shareholder of Wanda HK, is a prominent property developer and has a proven track record of property development. By partnering with Wanda HK, the Company can leverage on the expertise and business networks of Wanda HK and its

---

## LETTER FROM GRAM CAPITAL

---

controlling shareholder. The Board also believes that the reputation and scale of DWCP will place the Group in a favourable position in negotiating with third parties on acquisitions and cooperations. According to the official website of DWCP, DWCP and its subsidiaries had opened 85 Wanda Plazas across the PRC and operates 54 five-star or super-five-star hotels.

The Board is of the view that as the economy of the US property market is steadily recovering, it presents attractive long-term investment opportunities in the property sector for investors and developers with strong financial resources and development experience. In particular, the Chicago market has experienced a lack of new supply over the past six years owing to the economic downturn (according to the statistics of Appraisal Research Counselors (official website: [www.appraisalresearch.com](http://www.appraisalresearch.com)), a Chicago based real estate appraisal and consulting firm). Accordingly, there is significantly pent-up demand for downtown high-rise luxury condominiums, as the majority of recent developments have all provided residences for lease, rather than for sale. Similarly in the hotel market, the high-end luxury sector has not witnessed any new developments in five years, providing an opportunity for the Group to fill a market void. Such opportunities are in line with the Group's strategy of seeking to diversify its sources of income.

Therefore, by establishing a joint venture platform through Wanda Americas, the Board believes that it will provide a more responsive structure for the Group to capture such windows of opportunities as they arise in the Americas. Wanda Americas will also enable the Group to better co-ordinate its resources and with its joint venture partner, Wanda HK, in capitalizing on such suitable opportunities, against the backdrop of an accumulated HK\$10,000 million limit in total acquisition and development costs.

With respect to the Chicago Property and the joint venture for its development under the Chicago JV Agreement, given that there has been a lack of new residential development in the surrounding area of the Chicago Property to satisfy the strong demand of the recovering Chicago market (according to the statistics of Appraisal Research Counselors (official website: [www.appraisalresearch.com](http://www.appraisalresearch.com)), a Chicago based real estate appraisal and consulting firm), the Board believes that the Chicago Property joint venture provides an excellent investment opportunity. The iconic design proposed for this new development will set a new standard for style and functionality in the market, and is projected to receive high profile both locally in Chicago, and more broadly across the entire luxury hotel market. The Directors are also of the view that the formation of the Chicago Property joint venture will offer an opportunity for the Group to broaden its income sources by expanding into the Americas market. 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 Chicago Property.

According to our independent research over the internet, we noted (i) from the website of World Data Bank that (a) GDP of the US increased approximately 3.4% from 2012 to 2013 and reached approximately US\$16.80 trillion in 2013; (b) GDP per capita of the US increased by approximately 2.7% from 2012 to 2013; and (c) household final consumption expenditure increased by approximately 4.1% from 2011 to 2012; and (ii) from the Human Development Report 2013 which was published by

---

## LETTER FROM GRAM CAPITAL

---

the United Nations Development Programme, the US is regarded as the world's 3rd most developed country and is listed among the countries of very high human development (ranked with reference to human development index, being a composite statistic of life expectancy, education, and income indices used to rank countries into four tiers of human development).

According to our independent research over the internet, we noted from the website of The Economist that house price index of Chicago is in an increasing trend since first quarter of 2012. According to The City of Chicago's Official Site, Chicago is the third largest city in the US with a population of nearly three million residents. The city of Chicago covers an area of 60,000 hectares and sits 176 meters (578 feet) above sea level on the southwestern shore of Lake Michigan. At 190 km wide and 495 km long, Lake Michigan is the fifth largest body of fresh water in the world. The city is traversed by the Chicago and Calumet rivers. Chicago's extensive parklands, including 3,000 hectares of city parks attract an estimated 86 million visitors annually. In addition, (i) the merger of the Chicago Mercantile Exchange and the Chicago Board of Trade in 2007 gives Chicago the status as the world capital of futures trading and a substantial economic boost; and (ii) the share of households with an income of US\$100,000 or greater is notably higher than the nation as a whole.

Having taken into account (i) the principal business, future business plan and strategy of the Group; (ii) the potential future prospects of Wanda Americas and the Chicago Project Co; and (iii) the substantial experience of DWCP in developing and operating commercial property projects, we concur with the Directors that the entering into of the Master Americas JV Agreement and the Chicago JV Agreement is in the interests of the Company and the Shareholders as a whole.

### **(A) THE MASTER AMERICAS JV AGREEMENT**

#### **1. Principal terms of the Master Americas JV Agreement**

In order to facilitate possible future cooperation between the Company and Wanda HK in acquisitions and development of Real Property Projects in the Americas, the Company and Wanda HK on 8 July 2014 entered into the Master Americas JV Agreement pursuant to which the Company and Wanda HK will use Wanda Americas as the holding vehicle for such purpose and, through the SP Entities, which are subsidiaries of Wanda Americas, jointly undertake acquisition and development of Real Property Projects in the Americas. Wanda Americas is and will remain owned as to 60% by the Company and 40% by Wanda HK (excluding the interest held through the Company).

Summarized below are the major terms of the Master Americas JV Agreement:

#### *Parties*

The Company and Wanda HK

#### *Scope of business*

Wanda Americas will be the holding company of all the joint ventures between the Company and Wanda HK for all Real Property Projects in the Americas. Accordingly, the Company's and Wanda HK's interest in each individual Real Property Project will be pro rata to their shareholdings in Wanda Americas.

---

## LETTER FROM GRAM CAPITAL

---

No change of the aforesaid business scope will be allowed except with unanimous consent of both the Company and Wanda HK.

As advised by the Directors, the Company and Wanda HK, as shareholders of Wanda Americas, will participate in the profits of Wanda Americas and its subsidiaries (including the SP Entities) in proportion to their shareholdings in Wanda Americas. The liability of each shareholder of Wanda Americas, being a limited liability company, will be limited to the amount paid by each shareholder on their shares in Wanda Americas in the event of Wanda Americas' winding-up. This means that the shareholders of Wanda Americas would, in effect, bear the losses of Wanda Americas in proportion to their shareholdings in Wanda Americas subject to such limitation.

### *Acquisition and development of Real Property Projects*

The Company and Wanda HK shall consult in good faith in identifying potential Real Property Projects for acquisition and development and on the terms of the relevant acquisition and development plan.

Wanda Americas will set up a new SP Entity to undertake the acquisition and development of each Real Property Project. When a new SP Entity is established, the Company and Wanda HK shall enter into further Project Level JV Agreement with respect to such SP Entity and the relevant Real Property Project on terms similar to the Chicago JV Agreement. In particular, the Project Level JV Agreement will set out the capital commitment of the Company and Wanda HK for the relevant Real Property Project and the type of intended development.

The Company will comply with the relevant requirements under the Listing Rules in respect of all acquisitions by the SP Entities as and when required.

### *Funding*

It is provided under the Master Americas JV Agreement that the aggregate of all acquisition costs and development costs of the Real Property Projects undertaken by all SP Entities and funded by the Company and Wanda HK shall not exceed HK\$10,000 million and will be contributed by the Company and Wanda HK pro rata to their shareholdings in Wanda Americas.

Accordingly, the maximum amount of the capital commitment of the Company under the Master Americas JV Agreement will be HK\$6,000 million with the remaining HK\$4,000 million will be provided by Wanda HK. The respective capital commitment of the Company and Wanda HK reflect their respective equity interests in Wanda Americas.

The capital commitment of parties to the Master Americas JV Agreement may be in the form of equity, loan or otherwise and any guarantee or indemnity. As at the Latest Practicable Date, the Company expects to finance its capital commitment under the Master Americas JV Agreement by (i) the Company's internal resources in the amount of approximately HK\$400 million; (ii) debt financing; and/or (iii) equity financing. As at the Latest Practicable Date, the Company has no plan to conduct



---

## LETTER FROM GRAM CAPITAL

---

any equity financing. As stated in the Company's announcement issued on 23 July 2014, the Company as borrower and a bank entered into a 5-year term loan facility agreement of up to an aggregate amount of US\$160 million and such facility will be utilized to finance the acquisition of property projects and the general working capital requirement of the Group.

The aggregate capital commitment of HK\$10,000 million is determined with reference to, among other things, the current real property market in the Americas and the expected acquisition and development costs for suitable real property projects. The real property market in the Americas, in particular large cities, is attractive to investment capital due to record low interest rates, solid economic growth, stable regulatory policies and upside to current valuation. In the event both the Master Americas JV Agreement and the Chicago JV Agreement are approved by the Independent Shareholders, the remaining capital commitment of both the Company and Wanda HK to be contributed under the Master Americas JV Agreement, after taking into account the capital commitment as provided under the Chicago JV Agreement, will be HK\$8,250 million. Taken into the size of the investment in the Chicago Property, we are of the view that the capital commitment of HK\$10,000 million under the Master Americas JV Agreement to be justifiable.

With reference to Appendix I to the Circular, the Directors, after due and careful consideration, are of the opinion that, after taking into account the financial resources available to the Group, including its internally generated funds, the available credit loan facilities and the available shareholder's loans, the Group has sufficient working capital for its present requirements for at least twelve months from the date of the Circular in the absence of unforeseeable circumstances. We noted that the Company has complied with Rule 14.66(12) of the Listing Rules when making the above statement.

### *Board composition*

The Company is entitled to appoint all directors to the board of Wanda Americas and relevant SP Entities. Subject to the Master Americas JV Agreement and the Project Level JV Agreement with respect to each individual SP Entity, the board of directors of Wanda Americas and each SP Entity shall have the power and authority to decide on matters relating to their affairs and business.

The Company will control the board of directors of Wanda Americas and the SP Entities by reason of its majority shareholding in Wanda Americas and the provisions under the Master Americas JV Agreement and the Project Level JV Agreements. The SP Entities' boards of directors will be responsible for the overall and day-to-day management of the SP Entities, including but not limited to financing, human resources, planning and project development. It is expected that the SP Entities' boards of directors will be assisted by a general manager, who shall be nominated by SP Entities or Wanda HK, and professional and technical personnel of Wanda HK or its controlling shareholder to take care of operational matters and to execute or implement the decisions of the boards of the SP Entities.

### *Reserved matters*

Matters which shall require the consent of both the Company and Wanda HK were set out in the section headed "Formation of a joint venture for Real Property Projects in the Americas" in the Board Letter (the "**Reserved Matters Requirements**"). The Directors considered that the Company's interest Wanda Americas can be further protected by the Reserved Matters Requirements.

---

## LETTER FROM GRAM CAPITAL

---

### *Disposal of shares*

Neither shareholder of Wanda Americas may dispose of its interest in Wanda Americas without the consent of the other. The Directors considered that such restriction would protect the Company's interest in Wanda Americas from unexpected introduction of new investor(s) in Wanda Americas and secure the commitment of Wanda HK in Wanda Americas.

### *Events of default*

If an event of default (for example, any disposal of any interest of Wanda Americas in breach of the Master Americas JV Agreement, any material or persistent breach of the provisions of the Master Americas JV Agreement or any change of control or insolvency of the Company or Wanda HK, breach of or failure to perform the obligations under the Project Level JV Agreement by the Company or Wanda HK) occurs, the innocent joint venture partner of Wanda Americas will have the right to buy out the interest of the defaulting joint venture partner in Wanda Americas at a price equal to the fair value of such interest.

In order to assess the fairness and reasonableness of the terms of Master Americas JV Agreement are fair and reasonable, we have identified notifiable and/or connected transactions in relation to formation of joint ventures relating to property development entered into by companies listed on the Stock Exchange, from 1 January 2014 up to 8 July 2014, being the date of the Master Americas JV Agreement (the “**Comparable Transactions**”). To the best of our knowledge and as far as we are aware of, we found 5 exhaustive transactions which met the said criteria. Shareholders should note that the businesses, operations and prospects of the joint ventures to be established under the terms of Master Americas JV Agreement and the Chicago JV Agreement are not the same with those of the Comparable Transactions and the Comparable Transactions are used to provide a general reference for the common market practice in recent transactions in relation to formation of joint ventures relating to property development entered into by companies listed on the Stock Exchange. Summarised below is our relevant finding:

<b>Company name</b>	<b>Stock code</b>	<b>Principal business</b>	<b>Announcement date</b>	<b>Scope/objective of joint venture</b>	<b>Market capitalisation as at 8 July 2014 (HK\$ million)</b>
Huiyin Household Appliances (Holdings) Co., Ltd.	1280	Retail and bulk distribution sales of household appliances, franchise operations and provision of maintenance and installation services for household appliances in the PRC.	27 January 2014	To build a residential and commercial complex on a land in Yangzhou City, the PRC.	393
Kai Shi China Holdings Co. Ltd.	1281	Property development, sale of doors and windows and earthwork engineering business.	10 April 2014	To serve as the platform for construction and development of a construction project in Dalian, the PRC.	819

---

## LETTER FROM GRAM CAPITAL

---

Company name	Stock code	Principal business	Announcement date	Scope/objective of joint venture	Market capitalisation as at 8 July 2014 (HK\$ million)
Kaisa Group Holdings Ltd.	1638	Property development, property investment and property management, and hotel and catering operations.	10 April 2014	To hold and develop a land in Shenzhen, the PRC.	12,600
Peking University Resources (Holdings) Co. Ltd.	618	Distribution of information products; property development and property investment.	2 July 2014	To engage in property development, commercial leasing, commercial property retail and consultation and consultation service related.	1,679
Top Spring International Holdings Limited	3688	Development and operation of urban mixed-use communities and the development and sale of upscale residential properties.	2 July 2014	To carry out the trade and business of property developers (including the development of two sites in Manchester, England)	2,806

Principal terms of the Comparable Transactions include (i) entitlement to appoint director(s)/chairman (major shareholder(s) would have the rights to appoint the chairman/ majority number of the board members of the joint venture); (ii) profit sharing of the joint venture in proportion to the shareholding of the shareholders of the joint venture; and (iii) capital commitment in the joint venture in similar proportion to the shareholding of the shareholders of the joint venture (the “**Comparable Principal Terms**”). We noted that the principal terms of the Master Americas JV Agreement are in line with the Comparable Principal Terms.

Further details of the Master Americas JV Agreement are set out in the section headed “Formation of a joint venture for Real Property Projects in the Americas” in the Board Letter.

Having considered the terms of the Master Americas JV Agreement as discussed above, in particular:

- (i) the respective capital commitment of the Company and Wanda HK (i.e. HK\$6,000 million and HK\$4,000 million respectively) reflect their respective equity interests in Wanda Americas;
- (ii) the Company’s entitlement to appoint all directors of the board of Wanda Americas and each SP Entity which allows the Company to control the composition of the board of the Wanda Americas and each SP Entity;

---

## LETTER FROM GRAM CAPITAL

---

- (iii) the aggregate of the total capital commitment of the Company in Wanda Americas will be capped at HK\$6,000 million;
- (iv) the Company's interest in Wanda Americas can be further protected by the Reserved Matters Requirements;
- (v) the restriction on disposal of interests of Wanda Americas would protect the Company's interest in Wanda Americas from unexpected introduction of new investor(s) in Wanda Americas and secure the commitment of Wanda HK in Wanda Americas;
- (vi) the right to buy out the interest of the defaulting joint venture partner in Wanda Americas if an event of default occurs; and
- (vii) the principal terms of the Master Americas JV Agreement are in line with the Comparable Principal Terms,

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

### 2. Possible financial effects of the formation of Wanda Americas

As the Company will hold 60% of the issued share capital of Wanda Americas and by virtue of the terms of the Master Americas JV Agreement, Wanda Americas will become a subsidiary of the Company upon completion of the Master Americas JV Agreement and its financial results will be consolidated into the results of the Group.

#### *Effects on net asset value and earnings*

As extracted from the 2013 Annual Report, the consolidated net asset value of the Group was approximately HK\$1,346.3 million as at 31 December 2013. The formation of Wanda Americas pursuant to the Master Americas 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.

#### *Effects on gearing*

According to the 2013 Annual Report, the gearing ratio, which is the quotient arrived at by dividing net debts by the aggregate of net debts and total equity, was 54.90% as at 31 December 2013. Should any amount of the capital commitment of the Company under the Master Americas JV Agreement be financed by debt financing, the gearing ratio may increase.

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 formation of Wanda Americas.

---

## LETTER FROM GRAM CAPITAL

---

### RECOMMENDATION ON THE MASTER AMERICAS JV AGREEMENT

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Master Americas JV Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the transactions contemplated under the Master Americas JV Agreement are conducted in the ordinary and usual course of business of the Group and are 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 resolution(s) to be proposed at the SGM to approve the Master Americas JV Agreement and the transactions contemplated thereunder and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

### (B) THE CHICAGO JV AGREEMENT

#### 1. Principal terms of the Chicago JV Agreement

The Company and Wanda HK have on 8 July 2014 entered into the Chicago JV Agreement in relation to Wanda Chicago's interest in the Chicago Project Co, pursuant to which such interest will be indirectly held through Wanda Americas.

Summarized below are the major terms of the Chicago JV Agreement:

#### *Parties*

The Company and Wanda HK

#### *Objective*

The Company and Wanda HK agree to enter into the Chicago JV Agreement to regulate their relationship with each other, and in respect of the affairs and their dealings with the Chicago Project Co, and to participate in the development of the Chicago Project in the form of a joint venture in accordance with the terms of the Chicago JV Agreement. Further details of the development plan and timetable for the Chicago Project are set out under the section headed "Formation and Contribution Agreement and Operating Agreement in relation to the holding and development of the Chicago Property" of the Board Letter.

#### *Board composition*

The Company is entitled to appoint all the directors of the Chicago Project Co that Wanda Chicago is entitled to appoint subject to the terms of the Operating Agreement. The Directors considered that the Company can control the composition of the board of the Chicago Project Co. with such entitlement.

---

## LETTER FROM GRAM CAPITAL

---

### *Capital commitment*

The total capital commitment (whether equity, loan or otherwise and any guarantee or indemnity) to be provided by the Company and Wanda HK under the Chicago JV Agreement shall not exceed HK\$1,750 million, of which HK\$1,050 million will be provided by the Company and HK\$700 million will be provided by Wanda HK. The total capital commitment was determined after arm's length negotiations between the Company and Wanda HK, with reference to Wanda Chicago's capital commitment to the Chicago Project Co. With reference to the Board Letter, the capital commitment to the Chicago Project Co was determined with reference to, amongst other things, the Valuation. For our due diligence purpose, we have reviewed the Valuation Report and enquired into the Valuers on the methodologies adopted and the basis and assumptions adopted in arriving at the Valuation in order for us to understand the Valuation Report. Moreover, we have acknowledged the Valuers' qualifications, expertise and independence to the Company, Wanda HK, Wanda Americas, Wanda Chicago, Magellan, Lakeshore, and their respective connected persons.

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

The capital commitment of the Company in relation to the formation of the joint venture under the Chicago JV Agreement is expected to be funded by (i) the Company's internal resources; (ii) debt financing; and/or (iii) equity financing.

With reference to Appendix I to the Circular, the Directors, after due and careful consideration, are of the opinion that, after taking into account the financial resources available to the Group, including its internally generated funds, the available credit loan facilities and the available shareholder's loans, the Group has sufficient working capital for its present requirements for at least twelve months from the date of the Circular in the absence of unforeseeable circumstances. We noted that the Company has complied with Rule 14.66(12) of the Listing Rules when making the above statement.

In addition, we noted that the principal terms of the Chicago JV Agreement are in line with the Comparable Principal Terms.

Further details of the Chicago JV Agreement are set out in the section headed "Formation of a joint venture in relation to the Chicago project" in the Board Letter.

Having considered the terms of the Chicago JV Agreement as discussed above, in particular:

- (i) the respective capital commitment of the Company and Wanda HK (i.e. HK\$1,050 million and HK\$700 million respectively) reflect their respective equity interests in Chicago Project Co;
- (ii) the Company's entitlement to appoint the directors of the Chicago Project Co which allows the Company to control the composition of the board of the Chicago Project Co;

---

## LETTER FROM GRAM CAPITAL

---

- (iii) the aggregate of the total capital commitment of the Company in the Chicago Project Co will be capped at HK\$1,050 million;
- (iv) the Company's proportional interest in the Chicago Project Co will be held through Wanda Americas whereas the Company's proportional interest in Wanda Americas will be protected by the terms of the Master Americas JV Agreement as illustrated in the sectioned headed "Principal terms of the Master Americas JV Agreement" above; and
- (v) the principal terms of the Chicago JV Agreement are in line with the Comparable Principal Terms,

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

### **2. Possible financial effects of the formation of the Chicago Project Co**

As the Company will indirectly hold 60% of the issued share capital of Wanda Chicago through Wanda Americas and by virtue of the terms of the Chicago JV Agreement, Wanda Chicago will become a subsidiary of the Company upon completion of the Chicago JV Agreement and its financial results will be consolidated into the results of the Group.

#### *Effects on net asset value and earnings*

As extracted from the 2013 Annual Report, the consolidated net asset value of the Group was approximately HK\$1,346.3 million as at 31 December 2013. The formation of Wanda Chicago pursuant to the Chicago 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.

#### *Effects on gearing*

According to the 2013 Annual Report, the gearing ratio, which is the quotient arrived at by dividing net debts by the aggregate of net debts and total equity, was 54.90% as at 31 December 2013. Should any amount of the capital commitment of the Company in relation to the formation of the joint venture under the Chicago JV Agreement be financed by debt financing, the gearing ratio may increase.

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 Wanda Chicago.

---

## LETTER FROM GRAM CAPITAL

---

### RECOMMENDATION ON THE CHICAGO JV AGREEMENT

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Chicago JV Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the transactions contemplated under the Chicago JV Agreement are conducted in the ordinary and usual course of business of the Group and are 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 resolution(s) to be proposed at the SGM to approve the Chicago JV Agreement and the transactions contemplated thereunder and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,  
For and on behalf of  
**Gram Capital Limited**  
**David Kwan**  
*Associate Director*



**1. FINANCIAL INFORMATION OF THE GROUP**

Financial information of the Group for each of the three years ended 31 December 2011, 2012 and 2013 was disclosed in the annual reports of the Company for the years ended 31 December 2011 (pages 30 to 106), 2012 (pages 33 to 105) and 2013 (pages 43 to 127), respectively, all of which can be found on the websites of the Stock Exchange (<http://www.hkex.com.hk>) and the Company (<http://www.wanda-cp.com.hk>).

**2. INDEBTEDNESS STATEMENT****Borrowings**

At the close of business on 30 June 2014, being the latest practicable date for the purpose of this indebtedness statement prior to printing of this Circular, the Group had outstanding secured bank borrowings of approximately HK\$363.4 million.

As at 30 June 2014, the Group had outstanding borrowings from a company controlled by Mr. Chen of approximately RMB180.4 million. Such borrowings are unsecured and bear interest at a rate of 15% per annum.

As at 30 June 2014, the Group had outstanding borrowings from intermediate holding company of approximately HK\$1,925.6 million, of which HK\$1,241.9 million are interest-bearing at a rate of six month LIBOR plus 5% per annum, secured by the share charge over all the shares held by the Company in Wanda International Real Estate Investments Co., Limited. The remaining borrowings of HK\$683.7 million are unsecured and are interest free.

As at 30 June 2014, the Group had outstanding advances from related party and intermediate holding company of RMB56.5 million and HK\$154.1 million respectively. These amounts are unsecured and are interest free.

**Convertible bonds**

At the close of business on 30 June 2014, the Group had outstanding convertible bonds in the principal amount of HK\$321 million with carrying value of approximately HK\$244 million. The convertible bonds were issued on 21 January 2008 with the right to be converted into Shares from 21 January 2008 to 20 January 2018. The conversion price as at 30 June 2014 was HK\$0.326 per Share. The Company had on 9 July 2014 allotted and issued a total of 984,662,575 new Shares upon receiving notices for conversion from holders of convertible bonds.

As at the Latest Practicable Date, all the convertible bonds have been converted into Shares and thus the liabilities of the Company under the convertible bonds have been satisfied and discharged in full.

**Contingent liabilities**

As at 30 June 2014, the Group had provided guarantees of approximately RMB97.3 million to banks in favour of its customers in respect of mortgaged loans provided by the banks to these customers for their purchase of the Group's properties. Each of these guarantees will be released upon the bank's receipt of the real estate ownership certificate for the property as security for the loan.

Save as disclosed above and apart from intra-group liabilities, the Group did not have any outstanding mortgages, charges, debt securities, term loans and overdrafts, hire purchase commitments, liabilities under acceptances (other than normal trade bills) or acceptance credits, other borrowings or indebtedness in the nature of borrowings or any guarantees or other material contingent liabilities as at the close of business on 30 June 2014.

**3. WORKING CAPITAL**

As at 30 June 2014, the Group had cash and bank balance of approximately HK\$2,821 million. The undrawn facilities from bank and from intermediate holding company available to the Group as at 30 June 2014 were RMB700 million and US\$162 million respectively. As stated in the Company's announcement issued on 23 July 2014, the Company as borrower and a bank entered into a 5-year term loan facility agreement of up to an aggregate amount of US\$160 million and such facility will be utilized to finance the acquisition of property projects and the general working capital requirement of the Group.

The Directors, after due and careful consideration, are of the opinion that, after taking into account the financial resources available to the Group, including its internally generated funds, the available credit loan facilities and the available shareholder's loans, the Group has sufficient working capital for its present requirements for at least twelve months from the date of this Circular in the absence of unforeseeable circumstances.

**4. 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 2013, being the date to which the latest published audited consolidated financial statements of the Group were made up.

**5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

The Company is an investment holding company whose subsidiaries are principally engaged in property development, property leasing, property management and investment holding activities. The Group intends to create value by diversifying the business of the Group to countries and regions where the Group considers there to be suitable investment opportunities in the commercial property sector in line with the Group's development strategy. In considering investment opportunities in the commercial property sector, the Group will take into account various factors including, among others,

site location, market prospects, governmental restrictions and profit potentials. The Directors believe that the formation of the joint ventures pursuant to the Master Americas JV Agreement and Chicago JV Agreement will offer an opportunity for the Group to broaden its income sources. The Group will continue to seek investment opportunities, including doing so jointly with the controlling shareholder of the Company, DWCP, with a view to enhancing the Group's profit and maximizing the interest of the Shareholders. As at the Latest Practicable Date, save and except the Chicago Property, the joint venture for property development in London, Guilin and Madrid as previously announced respectively on 6 September 2013, 27 February 2014 and 4 June 2014, the Group has not identified any suitable investment opportunities.

The Group continues to operate its property "Hengli City" in Fuzhou, the PRC in accordance with its established business strategy and business practice. For the project in London, the Company expects to receive its planning approval in August this year while at the same time demolition work thereon is on-going as scheduled. For the project in Guilin, it is expected pre-sales will begin in end of July this year and completion of its development will be in the third quarter of 2015. For the project in Madrid, the Company expects that both construction work and pre-sale of properties will begin in January 2016 provided that the Company is able to obtain all requisite planning approvals by the end of 2015. Completion of the redevelopment of the project in Madrid is expected to be early 2020.

*The following is the text of a letter, summary of values and a valuation certificate, prepared for the purpose of incorporation in this Circular received from Cushman & Wakefield Valuation Advisory Services (HK) Limited, an independent valuer, in connection with its valuation as at 1 May 2014 of the Chicago Property.*

31 July 2014

**Cushman & Wakefield Valuation Advisory Services (HK) Limited**

9/F St George's Building  
2 Ice House Street, Central, Hong Kong  
Tel: (852) 2956 3888  
Fax:(852) 2956 2323

[www.cushmanwakefield.com](http://www.cushmanwakefield.com)



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

Dear Sirs,

**Preliminary**

In accordance with your instruction to value the property located at 400 East Waterside Drive, Chicago, Illinois 60601, United States (the "Property") to be acquired by Wanda Commercial Properties (Group) Co., Limited (the "Company") and its subsidiaries (hereinafter together referred to as the "Group"). We confirm that we have carried out physical inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property interests as of 1 May 2014 (the "Valuation Date").

**Basis of Valuation**

Our valuation of the property interests represents the "market value" which we would define as intended to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

The valuation has been prepared in accordance with the requirements set out in Chapter 5 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the International Valuation Standards (2013) published by the International Valuation Standards Council and effective from 1 January 2014. In addition, this appraisal report has been prepared in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP).

**Valuation Assumptions**

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

As the Property is held under a fee simple interest, we have assumed that the owner has free and uninterrupted rights to use the Property.

No allowance has been made in our report for any charges, mortgages or amounts owing on the property interests valued 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.

We have not carried out detailed site measurement to verify the correctness of the site area in respect of the Property but have assumed that the site area shown on the documents and/or official plans handed to us by Dalian Wanda Commercial Properties Co., Ltd. (“DWCP”) are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

**Site Inspection**

We have inspected the Property. We are unaware of any adverse ground conditions affecting the Property and have not had sight of a ground and soil survey. We have not carried out investigations on site to determine the suitability of the ground conditions and services etc. for any future development (if any). Our valuations are prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the construction period.

**Valuation Methodologies**

We have valued the property interests by the Direct Comparison Approach and have crosschecked the land value by the Residual Approach. We adopt Direct Comparison and Income Approaches to arrive at the prospective value upon completion and stabilization of the proposed development (hotel and residential condominium components).

Note to the Direct Comparison Approach to land value: The most widely used and market-oriented unit of comparison for properties with characteristics similar to those of the subject is price per square foot of maximum potential building area. All transactions used in this analysis are based on the most appropriate method used in the local market. It is important to note that one cannot properly employ a sales comparison approach to land value by using square foot of land as the unit value. This is because land values, particularly within CBD markets, are almost entirely driven by their highest and best use, and capacity to generate future earning potential. Without accounting for the varying floor-area-ratios that are permitted (or used) within this analysis, there would be no way to make any sort of meaningful comparison between these land transactions.

It is practically impossible to value most development properties on a straightforward comparison basis, due to their highly individual characteristics. We have therefore used the Residual Approach as a crosscheck of our concluded value via the Direct Comparison Approach. This approach assumes the Property's capital value equates to the end value of the Property once developed, less the costs of realization (which includes site assembly and purchase, demolition, build costs, professional fees, planning, finance and marketing costs and developer's profit).

To form an opinion of residual 'land value' we have had to make certain assumptions for the input variables. We consider these assumptions are appropriate and reasonable, but they cannot be guaranteed. You should therefore satisfy yourself that our assumptions are appropriate and consistent with your own knowledge of the actual costs and input variables. If there is any difference, you should inform us as the value reported is only valid within the context of the assumptions that we have adopted.

You should also be aware that the residual value is highly sensitive to even small movements in the input variables. Accordingly, the result must be treated with caution, as a small correction to even a single input could have a disproportionately adverse effect on the outcome.

**Source of  
Information**

We have relied to a very considerable extent on the information given by DWCP and have accepted advice given to us on such matters as tenure, planning approvals, the proposed development scheme, estimated development costs, easements, particulars of occupancy, identification of the Property and all other relevant matters.

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

**Title Investigations** We have been, in some instances, provided by DWCP with extracts of the title documents including site boundaries relating to the property interests, and have made relevant enquiries. However, we have not searched the original documents to verify the existing title to the property interests and any material encumbrances that might be attached to the Property.

**Currency & Exchange Rate** Unless otherwise stated, all monetary sums stated in this report are in United States Dollars (“USD”). The exchange rate adopted in our valuations is approximately USD1 = HKD7.75 which was approximately the prevailing exchange rate as at the Valuation Date.

Our valuations are summarized below and the valuation certificates are attached.

Yours faithfully,  
for and on behalf of

**Cushman & Wakefield Valuation  
Advisory Services (HK) Limited**

**Cushman & Wakefield of Illinois, Inc.**

**Vincent K. C. Cheung**  
*RICS Registered Valuer*  
*Registered Professional Surveyor (GP)*  
*BSc(Hons) MBA MRICS MHKIS*  
*National Director and Head of Valuation &  
Advisory, Greater China*

**Bryan Younge, MAI, ASA**  
*Managing Director*

*Note: Mr. Bryan Younge has 16 years’ experience in real estate industry and assets valuations sector. His experience on valuations covers all property asset classes. Mr. Younge is a Member of the Appraisal Institute and American Society of Appraisers.*

*Mr. Vincent K. C. Cheung holds a Master of Business Administration and he is a Registered Professional Surveyor with 16 years’ experience in real estate industry and assets valuations sector. His experience on valuations covers Hong Kong, Macau, Taiwan, South Korea, Mainland China, Vietnam, Cambodia and other overseas countries. Mr. Cheung is a member of The Royal Institution of Chartered Surveyors and a member of the Hong Kong Institute of Surveyors. Mr. Cheung is one of the valuers on the “list of property valuers for undertaking valuation for incorporation or reference in listing particulars and circulars and valuations in connection with takeovers and mergers” as well as a Registered Business Valuer of the Hong Kong Business Valuation Forum.*

## SUMMARY OF VALUE

## PROPERTY INTERESTS TO BE ACQUIRED BY THE GROUP FOR FUTURE DEVELOPMENT IN US

<b>Property</b>	<b>Market Value in existing state as at 1 May 2014 <i>USD</i></b>	<b>Interest to be attributable to the Group post- acquisition</b>	<b>Market Value in existing state as at 1 May 2014 to be attributable to the Group post- acquisition <i>USD</i></b>
400 East Waterside Drive, Chicago, Illinois, 60601 USA	105,000,000	90%	94,500,000
<b>Total:</b>	<b><u>105,000,000</u></b>		<b><u>94,500,000</u></b>



## VALUATION CERTIFICATE

## PROPERTY INTERESTS TO BE ACQUIRED BY THE GROUP FOR FUTURE DEVELOPMENT IN US

400 EAST WATERSIDE DRIVE, CHICAGO, ILLINOIS, 60601 USA

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 1 May 2014 USD
Proposed Wanda Chicago Hotel and Condominiums, 400 East Waterside Drive, Chicago, Illinois, 60601 USA	<p>The Property comprises a parcel of irregularly-shaped land with a total site area of approximately 52,076 square feet, which is currently a vacant land site. The proposed development consists of an 89-story high-rise mixed use project containing a 250-room luxury hotel and 359 luxury condominium units. Additionally it will feature all basic services and amenities for a property of this type including meeting space, retail space, multiple food and beverage outlets, separate hotel and residential public areas, penthouse and rooftop spaces, a full-service spa, business center, high-speed internet, vending and ice machines (many of which will be enjoyed by both the hotel guests and the condominium residents).</p> <p>The Gross Building Area of the Property is estimated to be approximately 1,635,788 square feet.</p> <p>The Property is held under a fee simple interest.</p> <p>A fee simple interest refers to an estate under which the owner is entitled to unrestricted powers to dispose of the property, and which can be left by will or inherited.</p>	The Property is vacant land.	<p>105,000,000 <i>(One Hundred and Five Million)</i></p> <p>90% interest to be attributable to the Group post-acquisition:</p> <p>94,500,000 <i>Ninety Four Million and Five Hundred Thousand</i></p>

*Notes:*

1. The valuation of the Property was prepared by Vincent K. C. Cheung in collaboration with Mr. Bryan Younge.
2. The Property was inspected by Mr. Bryan Younge, MAI, ASA on 1 May 2014.
3. The registered owner of the Property is GEMCHI, LLC. It should be noted that the entitlements to the site are controlled by Residential-Business Planned Development #70 ("PD-70"). Lakeshore East is technically SubArea E within PD-70, and its master plan along with the development plans for the individual building sites, is more clearly delineated in the Lakeshore East Master Plan & Design Guidelines, which are included by reference in PD-70. The comprehensive master plan affords the Declarant (Lakeshore East LLC — a Magellan-related entity) the ultimate flexibility and in essence a pre-approval. As long as the proposed buildings are more or less in line with the master plan maximum building volumes, and adhere to broad use parameters and a basic material palette requirement, the developer can proceed straight to a building permit, with only the formality of the Lakefront Protection Ordinance approval. Thus the typical process

involving public hearings, Plan Commission and City Council approval is avoided. Pursuant to the Formation and Contribution Agreement entered into by Wanda Chicago Real Estate LLC, Lakeshore East LLC and Magellan Parcel C/D LLC, at Closing, title to the Property will be conveyed to Parcel C LLC by a warranty deed. There is no material legal impediment for Parcel C LLC to obtain the title of the Property. The Closing is contingent on, among others, the obtaining of certain zoning approvals which is expected to take 18 months from the execution date of the Formation and Contribution Agreement. Closing will occur through a title insurance company or escrow company in which Lakeshore East LLC will deliver the deed and Parcel C LLC will deliver its funds. The deed is recorded by the title agent or title company in the Cook County public records.

4. Hotel, residential, office, retail and parking are all permitted uses for this particular site under the Property’s PD. There is no Floor Area Ratio limitation, so long as the overall density maximum for Lakeshore East is not surpassed. Lakeshore East has approximately 4,000,000 occupied square feet of density left. PD-70 has further maximums with respect to individual uses (though density may be transferred between uses), but these maximums are so far above the actual existing and future development plans they will not come into play. As an example, if Lakeshore East builds out its maximum density (including this Building C/D, all the existing buildings and all the planned buildings), it would be short of the maximum by nearly 1,000 hotel rooms or nearly 500 dwelling units or nearly 500,000 square feet of office space. In summary, the site can be considered nearly fully entitled, but for amendments to the height and traffic pattern.

(Floor Area Ratio is defined as the ratio of a building’s total floor area to the size of the piece of land upon which it is built.)

5. The general description and market information of the Property is summarized as below:

Location	: The subject site is located along the south sides of Upper Wacker Drive and Lower Wacker Drive. The site, which is currently vacant, is vaulted such that the proposed improvements will enjoy access from both roadways (at grade and sub-grade). The site is part of the high-end Lakeshore East neighborhood, which occupies a tract of land bordered by Lake Shore Drive to the east, Wacker Drive and the Chicago River to the north, Columbus Avenue to the west and Randolph Street to the south. The neighborhood is also within walking distance to the Magnificent Mile retail corridor, the Navy Pier and the Theater District.
Transportation	: Downtown Chicago benefits by being the center of the metropolitan area’s transportation network. A total of five interstate highways lead directly to downtown Chicago, as do eight suburban railroad commuter lines, plus numerous public routes and six transit authority train lines. It is a major hub for the City, County, State and Federal governments.  Access to Chicago Transit Authority train lines is available virtually at the Property’s location and the CTA bus service can be accessed near the Property.
Nature of Surrounding Area	: The Property is strategically located in the Lakeshore East neighborhood, which is just southeast of the southernmost point of the Magnificent Mile district of the Chicago downtown market. The Property is also within walking distance of the Theater District and State Street Retail District. The Property’s immediate local area is composed of a wide variety of uses including hotels, high-rise multifamily buildings with ground-level retail establishments, parking garages and mixed-use buildings.
Market Yield in the Vicinity	: HOTEL: About 4.25 percent to 6.0 percent CONDOMINIUM: Not applicable

- Market Rental in the Vicinity : HOTEL: About \$350 to \$375 (average, daily room rate)  
CONDOMINIUM: Not applicable
- Market Price in the Vicinity : HOTEL: About \$600,000 to \$875,000 per room (average)  
CONDOMINIUM: About \$1.2 million to \$1.8 million per unit (gross sellout value); or about \$850 to \$1,300 per square foot (condo sale price)

6. As per information provided by DWCP, the proposed development scheme of the Property is listed below:-

The condominium component of the proposed mixed-use development will consist of 359 units and 374 parking garage spaces. The anticipated completion date is 1 March 2018. The subject’s proposed unit mix is presented below:

<b>Residential Unit</b>	<b>Total Units</b>	<b>Total Unit Size</b> <i>(sq ft)</i>	<b>Average Unit Size</b> <i>(sq ft)</i>
Tier 1 Floors 2 - 10	36	58,832	1,634
Tier 3 Floors 24 - 36	160	181,736	1,136
Tier 4 Floors 37 - 45	72	187,743	2,608
Luxury Units	72	207,768	2,886
Uber Luxury Units Floors 70 - 88	19	104,399	5,495
<b>Total</b>	<b>359</b>	<b>740,478</b>	<b>2,063</b>

The hotel component, which will commonly be known as Wanda Chicago Hotel and Condominiums, will be an 89-story, 250-room, luxury lodging facility with high-end condominiums which will be completed in early 2018. Tiers 1, 3, and 4 will be considered standard luxury finishes and will consist of 268 units. The mid- to upper-floors will contain 72 high-end luxury finishes, and Floors 70 through 88 will contain 19 full floor “uber luxury” units, according to discussions with the developer contacts. The hotel component of the project will occupy approximately 270,000 square feet of the structure. The hotel public areas will be primarily located on Floors 2 through 11, with the guest units located on Floors 14 through 23 (subject to change). The features of the Property will cater to high-end, international-class travelers with finishes and amenities that are superior to all of the existing lodging properties in the Chicago market.

The Gross Building Area of the Property is estimated to be approximately 1,635,788 square feet.

- 7. The hypothetical market value of the Property assuming completion of the proposed development (condominium and hotel) as of 1 May 2014 is USD662,000,000.
- 8. Cushman & Wakefield of Illinois, Inc. has provided a draft valuation of the Property to Dalian Wanda Commercial Properties Co., Ltd for their acquisition due diligence purposes as at 1 May 2014. The draft valuation has been further reviewed and reported as the final report, which is disclosed in the Circular.

## 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 ("Mr. Chen")	Long	Beneficial owner and held by controlled corporation (Note 1)	297,460,230	6.33%
	Long	Interest of spouse (Notes 1 and 2)	27,683,423	0.59%

**Interests in shares of DWCP (Note 3)**

<b>Name of Director</b>	<b>Long position/ short position</b>	<b>Capacity/Nature of interest</b>	<b>Interest in Shares of DWCP</b>	<b>Approximate percentage of the issued share capital of DWCP</b>
Mr. Ding Benxi	Long	Beneficial owner	50,000,000	1.29%
Mr. Qi Jie	Long	Beneficial owner	10,000,000	0.26%
Mr. Qu Dejun	Long	Beneficial owner	6,000,000	0.15%
Mr. Liu Chaohui	Long	Beneficial owner	6,000,000	0.15%

**Interest in shares of Amazing Wise Limited (Note 4)**

<b>Name of Director</b>	<b>Long position/ short position</b>	<b>Capacity/Nature of interest</b>	<b>Interest in Shares of Amazing Wise Limited</b>	<b>Approximate percentage of the issued share capital of Amazing Wise Limited</b>
Mr. Chen Chang Wei	Long	Held by controlled corporation (Note 5)	47	47%

*Notes:*

- (1) As at the Latest Practicable Date, Mr. Chen was deemed to have a long position of 325,143,653 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) 27,683,423 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) DWCP, being an indirect holding company of the Company, is an associated company of the Company under Part XV of the SFO.
- (4) Amazing Wise Limited, being a subsidiary of the Company, is an associated company of the Company under Part XV of the SFO.

- (5) 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	3,055,043,100	65.04%
Wanda Real Estate Investments Limited* (萬達地產投資有限 公司)	Long	Interest in controlled corporation (Note 1)	3,055,043,100	65.04%
Wanda HK	Long	Interest in controlled corporation (Note 2)	3,055,043,100	65.04%
DWCP	Long	Interest in controlled corporation (Note 3)	3,055,043,100	65.04%
Dalian Wanda	Long	Interest in controlled corporation (Note 4)	3,055,043,100	65.04%
Dalian Hexing	Long	Interest in controlled corporation (Note 5)	3,055,043,100	65.04%

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
Mr. Wang Jianlin	Long	Interest in controlled corporation (Note 6)	3,055,043,100	65.04%
Ms. Chan Sheung Ni	Long	Beneficial owner	27,683,423	0.59%
	Long	Interest of spouse (Note 7)	297,460,230	6.33%
Ever Good Luck Limited (Note 8)	Long	Beneficial owner	73,860,230	1.57%
	Long	Trustee	204,237,800	4.35%

## Notes:

- (1) 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.
- (2) 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.
- (3) 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 Chaohui, being an executive Director, is a secretary of the board of directors and the general manager of offshore property centre of DWCP. Mr. Liu Jipeng and Mr. Xue Yunkui, each being an independent non-executive Director, are independent directors of DWCP.
- (4) 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 and the chairman of the Board, is an executive director and the president of Dalian Wanda.
- (5) 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.
- (6) 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.



- (7) 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.
- (8) 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 III.

\* *For identification purposes only.*

#### 4. DIRECTORS’ INTERESTS IN ASSETS

As at the Latest Practicable Date, none of the Directors, directly or indirectly, had any interest in any assets which had since 31 December 2013 (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 RMB180.4 million. Such borrowings are secured 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. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business of the Group, were entered into by members of the Group within the two years immediately preceding the date of this Circular and up to the Latest Practicable Date and are or may be material:

- (a) 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.

- (b) On 20 March 2013, the Company entered into a shareholders' agreement in relation to Amazing Wise (the "**Amazing Wise Shareholders' Agreement**") with Zhizun, Mr. Chen and Amazing Wise. The principal terms of the Amazing Wise Shareholders' Agreement were set out in the circular issued by the Company on 24 May 2013. The Amazing Wise Shareholders' Agreement took effect upon completion of the Disposal Agreement.
- (c) On 6 September 2013, the Company and Wanda HK entered into a shareholders' agreement (the "**London Project Shareholders' Agreement**"), pursuant to which the Company and Wanda HK agreed to establish a joint venture (the "**London JV Co**") for the purposes of acquiring and owning a property in London, the United Kingdom and re-developing it into a hotel, residential, office and retail complex and operating such complex. The principal terms of the London Project Shareholders' Agreement were set out in the circular issued by the Company on 30 September 2013.
- (d) On 6 September 2013, the Company and Wanda HK entered into a loan agreement (the "**London Project Loan Agreement**") for a £60,000,000 loan facility and US\$20,000,000 loan facility to be provided by Wanda HK to the Company, which are to be secured by a share charge over all the shares held by the Company in the London JV Co. The principal terms of the London Project Loan Agreement were set out in the circular issued by the Company on 30 September 2013.
- (e) On 13 December 2013, the Company, CITIC Securities Corporate Finance (HK) Limited, BOCI Asia Limited and China Merchants Securities (HK) Co., Limited entered into an underwriting agreement (the "**Underwriting Agreement**") in respect of a rights issue. The principal terms of the Underwriting Agreement were set out in the announcement issued by the Company on 13 December 2013.
- (f) On 27 February 2014, the Company, Wanda HK and Wanda Properties Investment Limited (owned as to 51% by the Company and 49% by Wanda HK) entered into a joint venture agreement (the "**Guilin Land JV Agreement**") in relation to the development of a piece of land in Guilin, the PRC, into a "Wanda Plaza", which comprises commercial and residential properties. The principal terms of the Guilin Land JV Agreement were set out in the circular issued by the Company on 17 March 2014.
- (g) On 4 June 2014, the Company and Wanda HK entered into a joint venture agreement in relation to the formation of joint venture for real property projects in continental Europe (the "**Master Europe JV Agreement**") and a joint venture agreement in relation to the redevelopment of a property in Madrid (the "**Spain JV Agreement**"). The principal terms of the Master Europe JV Agreement and the Spain JV Agreement were set out in the circular issued by the Company on 25 June 2014.

**7. LITIGATION**

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

**8. EXPERTS AND CONSENT**

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

<b>Name</b>	<b>Qualification</b>
Cushman & Wakefield	Independent property valuer
Gram Capital Limited	A licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the SFO.

Each of Cushman & Wakefield and Gram 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 Cushman & Wakefield and Gram 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, neither Cushman & Wakefield nor Gram Capital had any interest, direct or indirect, in any assets which have been, since 31 December 2013 (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.

**9. 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).

## 10. 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 if the relevant Director were a controlling shareholder of the Company were as follows:

<b>Name of Director/ associate</b>	<b>Name of company</b>	<b>Nature of interest in the company</b>	<b>Business of the company</b>
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
Mr. Chen Chang Wei	Fujian Hengli Bona Plaza Development Co., Ltd.	Ultimate beneficial owner with 100% 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 1.29% interest	Engaging in property development, property lease, property management and investment holding
Mr. Qi Jie	DWCP	Being a director and shareholder with 0.26% interest	Engaging in property development, property lease, property management and investment holding
Mr. Qu Dejun	DWCP	Being a director and shareholder with 0.15% interest	Engaging in property development, property lease, property management and investment holding

<b>Name of Director/ associate</b>	<b>Name of company</b>	<b>Nature of interest in the company</b>	<b>Business of the company</b>
Mr. Liu Chaohui	DWCP	Being a shareholder with 0.15% interest	Engaging in property development, property lease, property management and investment holding
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

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.

## 11. 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 The Belvedere Building, 69 Pitts Bay Road, Pembroke HM08, Bermuda.
- (c) The Hong Kong branch share registrar and transfer office of the Company is Tricor Standard Limited located at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) The English text of this Circular prevails over the Chinese text.

**12. 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 memorandum of association and bye-laws of the Company;
- (b) the annual reports of the Company for each of the two financial years ended 31 December 2012 and 2013;
- (c) the letter from the Board, the text of which is set out on pages 5 to 20 of this Circular;
- (d) the letter from the Independent Board Committee, the text of which is set out on pages 21 to 22 of this Circular;
- (e) the letter of advice from Gram Capital, the text of which is set out on pages 23 to 38 of this Circular;
- (f) the property valuation report prepared by Cushman & Wakefield, the text of which is set out in Appendix II to this Circular;
- (g) the contracts referred to in the paragraph headed “Material contracts” in this Appendix III;
- (h) the Master Americas JV Agreement;
- (i) the Chicago JV Agreement;
- (j) the written consents referred to in the paragraph headed “Experts and consent” in this Appendix III;
- (k) the circular issued by the Company on 17 March 2014 in relation to, among other things, acquisition of land use rights in Guilin, Guangxi Zhuang Autonomous Region in the PRC and the formation of a joint venture in relation to the development of the Guilin Land constituting a connected and major transaction;
- (l) the circular issued by the Company on 26 June 2014 in relation to, among other things, the formation of joint venture for real property projects in continental Europe constituting a connected and major transaction and the acquisition of real property in Spain and the formation of joint venture constituting a connected and major transaction; and
- (m) this Circular.

---

## NOTICE OF SGM

---



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 Friday, 15 August 2014 at 4:00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions (with or without amendments) as ordinary resolutions of the Company:

### ORDINARY RESOLUTIONS

1. “**THAT** the entry into by the Company of the Master Americas JV Agreement dated 8 July 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 31 July 2014 having the same meanings when used in this resolution).”
2. “**THAT** the entry into by the Company of the Chicago JV Agreement dated 8 July 2014 (a copy of which have 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 31 July 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, 31 July 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).

---

## NOTICE OF SGM

---

- (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.
- (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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, 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 14 August 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on 14 August 2014.